



TRANSFORMING *the* PROFESSION

Annual Report 2012



MALAYSIAN INSTITUTE OF ACCOUNTANTS

Chartered Accountants Malaysia and MIA

The Chartered Accountant Malaysia or “C.A.(M)” is a designation conferred by the Malaysian Institute of Accountants (“MIA”) to a professional in accountancy, business and finance with a recognised accountancy qualification and relevant work experience. C.A.(M) are the industry captain, corporate leaders and decision makers that play a significant part in nation building.

MIA was established under the Accountants Act 1967 as the statutory accountancy body that regulates, develops, supports and enhances the integrity and status of the profession while upholding the public interest.

Working closely alongside strategic business partners and stakeholders, MIA connects its members to a wide range of continuous professional development programme, updates and networking opportunities. Presently, there are close to 29,000 members making their strides across all industries in Malaysia and around the world.

MIA’s Vision

To be a globally recognised and renowned institute of accountants committed to nation building.

MIA’s Mission

To develop, support and monitor quality and expertise consistent with global best practices of the accountancy profession in the interest of stakeholders.

Our Management Core Values

Integrity | **M**utual Trust and Respect | **P**rofessionalism | **A**ccountability | **C**ommitment | **T**eamwork

MIA’s Function

Section 6 of the Accountants Act 1967 (the Act) stated that the functions of the Institute shall be:

- To determine the qualifications of persons for admission as members;
- To provide for the training and education; by the Institute or any other body, of persons practising or intending to practice the profession of accountancy;
- To approve the MIA Qualifying Examination(QE) and to regulate and supervise the conduct of that Examination;
- To regulate the practice of the profession of accountancy in Malaysia;
- To promote, in any manner it thinks fit, the interest of the profession of accountancy in Malaysia;
- To render pecuniary or other assistance to members or their dependents as it thinks fit with a view to protecting or promoting the welfare of members; and
- Generally to do such acts as it thinks fit for the purpose of achieving any of the aforesaid objects.

Cover Rationale:

The exotic origami adorning the cover of the MIA Annual Report 2012 is not just pretty, but offers key parallels with the broader Malaysian economy and the Malaysian accounting profession. The goal of the origami artform is to transform a flat sheet of paper into a finished sculpture through intricate folding and sculpting techniques. In line with holistic national aspirations for economic and social transformation, MIA plans and executes strategies to transform the Malaysian accountancy profession into a leading and developed sector that is renowned for its competencies, integrity and best practices. Through our continuing initiatives for transformation and improvement, MIA is striving to ensure that the Malaysian accountancy profession too will become globally and regionally synonymous with quality, innovation and the fine art of adding value to business.

**This annual report is available on the web at www.mia.org.my/ar2012*

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Notice of the 26th Annual General Meeting

Notice is hereby given that in accordance with Rule 10 of the Malaysian Institute of Accountants (Membership and Council) Rules 2001, the **Twenty Sixth Annual General Meeting** of the Malaysian Institute of Accountants will be held on **Saturday, 29 September 2012 at 12.00 noon** at Mahkota Ballroom II, Hotel Istana Kuala Lumpur, 73 Jalan Raja Chulan, 50200 Kuala Lumpur.

AGENDA

1. To elect **three (3)** members of the Council for the ensuing year pursuant to the provisions of paragraph (g) of subsection (1) of section 8 of the Accountants Act, 1967.

The following members of Council have retired pursuant to sub-paragraph (1)(b) of paragraph 2B of the Second Schedule to the Accountants Act, 1967 and are not offering themselves for re-election at the forthcoming annual general meeting:

- Abraham Verghese
- Lim Thiam Kee, Peter
- Heng Ji Keng

Nominations have been received for the following members for election to the Council:

- Dealanathan Joseph Lourdes
- Kang Wei Geih, Billy
- Leong Kah Mun
- Mohd Noor bin Abu Bakar
- Soo Hoo Khoon Yean

2. President's address.
3. To consider and accept the minutes of the Twenty Fifth Annual General Meeting held on 24 September 2011 and the minutes of the Adjourned Twenty Fifth Annual General Meeting held on 15 October 2011.
4. To receive the annual report of the Council.
5. To receive the financial statements of the Institute for the year ended 30 June 2012 and the report of the auditors thereon.
6. To approve the following Resolutions proposed by the Council:

Resolution 1:

IT IS HEREBY RESOLVED THAT pursuant to Section 7 of the Accountants Act, 1967 and subject to the approval of the Minister of Finance, the annual membership subscription for chartered accountants for the time being in force be increased from RM250 to RM350 and that the Schedule to the Institute's (Membership and Council) Rules, 2001 be amended accordingly, and shall come into effect on 1 July 2013.

Resolution 2:

BE IT RESOLVED THAT pursuant to Section 7 of the Accountants Act, 1967 and subject to the approval of the Minister of Finance, the annual membership subscription for licensed accountants for the time being in force be increased from RM250 to RM350 and that the Schedule to the Institute's (Membership and Council) Rules, 2001 be amended accordingly, and shall come into effect on 1 July 2013.

Resolution 3:

BE IT RESOLVED THAT pursuant to Section 7 of the Accountants Act, 1967 and subject to the approval of the Minister of Finance, the annual membership subscription for associate members for the time being in force be increased from RM150 to RM200 and that the Schedule to the Institute's (Membership and Council) Rules, 2001 be amended accordingly, and shall come into effect on 1 July 2013.

Resolution 4:

BE IT RESOLVED THAT pursuant to Section 7 of the Accountants Act, 1967 and subject to the approval of the Minister of Finance, the annual practising certificate fee for the time being in force be increased from RM250 to RM500 and that the Schedule to the Institute's (Membership and Council) Rules, 2001 be amended accordingly, and shall come into effect on 1 July 2013.

7. Any other business.

By Order of the Council



ROSLI BIN ABDULLAH

Registrar

6 September 2012

Message from the MIA President and the Acting Chief Executive Officer



TRANSFORMING *the* PROFESSION



MALAYSIAN INSTITUTE
OF ACCOUNTANTS
ACCOUNTANTS: MANAGERS OF VALUE

PROUD HOST



President's Message

As the statutory body of the accountancy profession in Malaysia, the Malaysian Institute of Accountants is fully invested in on-going initiatives to enhance the levels of competency, transparency, governance and accountability in the accountancy profession.

As the leading provider in the governance and financial reporting chain, the accounting profession clearly has an important role to play in assisting the nation's efforts to build credible, reputable and internationally competitive capital markets. The accounting profession wields considerable influence in the capital markets through their many roles – whether as accountants, auditors, advisors, consultants or as members of the corporate sector. MIA's efforts to regulate and develop the accountancy profession are thus vital in order to inspire confidence among stakeholders.

It, therefore, gives me great pleasure to be able to share with you the Institute's recent initiatives in building a robust, ethical and forward-looking profession while striving to provide value-added services to all members.

PROPOSED LEGISLATIVE REFORMS

In line with a changing and more complex business and regulatory landscape, the Institute has proposed to make several legislative reforms that will enable the profession to function more efficiently and discharge its duties more effectively.

PROPOSED AMENDMENTS TO THE ACCOUNTANTS ACT 1967

One of the key initiatives undertaken by the Institute is to draft a set of proposed amendments to the Accountants Act 1967, which were submitted to the government in early February 2012. Since the country is being helmed by a reform-minded leadership bent on achieving the goals of the Economic Transformation Programme (ETP), we must seize this window of opportunity to lobby for reforms in the accounting legislative framework.

Some of the proposed amendments include streamlining of the Institute's regulatory processes and mechanisms, raising the quality of Malaysian accounting professionals and empowering the Council to make and execute decisions.

In streamlining the Institute's regulatory processes and mechanisms to heighten transparency, accountability and independence, the Institute has frequently debated whether investigative, disciplinary and enforcement processes should be separate from and independent of the Institute's functions proper. Following the MIA Council's discussion, it was decided that the best solution would be to retain these functions within MIA, but to remove and/or reduce direct Council members' involvement.

Currently, the Act states that only MIA Council members are to be involved in the Investigation, Disciplinary and Disciplinary Appeal Board. We have proposed to amend this requirement for the purposes of improving transparency and independence. This means that the composition of these committees will change, and subsequently Council involvement in these committees will be minimal and perhaps limited to minority representation.

This also means that other members will have to step up to take on the roles in these committees vacated by Council members. Furthermore, we proposed that enforcement and disciplinary committees be composed of diverse members – perhaps even non-accountants and laymen – in order to augment independence. Ideally, multiple committees should be set up to deal with the backlog of cases and to expedite the investigative and disciplinary process.

Raising the quality of Malaysian accounting professionals is imperative to ensure our global competitiveness in line with International Federation of Accountants (IFAC) guidelines and to meet public expectations. As known to all of us, IFAC has obligated its member bodies to assess the professional capability and competency of persons before admitting them as members. As the accountancy profession in this country is also statute-regulated, the current law requires persons who wish to become accountants to have a three-year relevant working experience. As such, MIA has embarked on a program called, Chartered Accountants' Relevant Experience (CARE), which is a structured scheme to monitor the prospective members' three-year relevant experience. In view of the IFAC requirement aforesaid, MIA will incorporate the assessment of the persons' competency in the CARE program.

Post-implementation, there may be concerns of duplicity for persons who wish to become MIA members by virtue of their memberships with the recognised accounting bodies. In view of this, MIA will be liaising with the recognised accounting bodies to seek satisfactory clarification as to their compliance with the competency assessment requirement of IFAC and the programs which they conduct in support thereof. In such cases, if the competency assessments of these accounting bodies are recognised by the Institute, their members who wish to become members of the Institute may be exempted from the competency assessment requirement.

Finally, the Institute proposed to improve its rule making process such that the Council act in the best interest of the profession. Modernising the law governing accountants in alignment with current economic and global requirements will enable the Institute to move more swiftly and improve operational efficiency.

PROFESSIONAL REFORMS

The Institute is also committed to innovating and delivering professional reforms that facilitate business for our members. Public practice issues were among the top priorities for the Institute during the period under review. Reforming the process to become the approved company auditor and the practice review framework for auditors were among the key topics of discussion.

With the advocacy of the Institute, we are pleased to announce some positive developments in the eligibility criteria for the application of the approved company auditor. Incoming auditors who were previously working in the industry and commerce or working in the auditing field in foreign jurisdictions will benefit from a shorter timeframe to become approved company auditors, which will address the acute shortage of auditors in Malaysia and infuse valuable experience and knowledge into the Malaysian auditing profession. The new criteria will also ensure applicants have the requisite level of maturity and leadership skills prior to their applications.

As of today, the Accountant General (AG) had approved the proposed new eligibility criteria from MIA and a memorandum has been submitted by the AG to the Minister of Finance for final approval.

Meanwhile, the Council has approved a paper on the recommended action plans to resolve the approved company auditors interview issues proposed by the Public Practice Committee (PPC) with the aim of managing the application process for approved company auditors gradually, whilst ensuring high professional standards and regulatory confidence. The Institute has also pushed for improved protection for auditors in case of litigation. The minimum coverage for Professional Indemnity Insurance (PII) has been increased from RM100,000 to RM250,000 effective from 1st July 2012.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement with key influential stakeholders is a prime strategy for MIA in its efforts to develop the profession in alignment with the nation's progress and development. Our advocacy and thought leadership helps define the business environment in which our members operate, and enables them to advance their careers and build a respected circle of influence that encompasses business and regulatory leaders.

We continue to strengthen our ties with strategic stakeholders namely the Ministry of Finance (MOF), Ministry of Higher Education (MOHE), Ministry of Trade and Industry (MITI), Accountant General (AG), Bank Negara Malaysia (BNM), Securities Commission (SC), Bursa Malaysia (BM), Suruhanjaya Syarikat Malaysia (SSM), Malaysian Accounting Standards Board (MASB), Inland Revenue Board (IRB), Audit Oversight Board (AOB), Malaysian Investment Development Authority (MIDA), Performance Management & Delivery Unit (PEMANDU), Malaysian Department of Insolvency (MDI), Institute of Internal Auditors Malaysia (IIAM) and Association of Bankers Malaysia (ABM).

We have been working on various issues with all these relevant and strategic stakeholders, on capacity building initiatives to explore the possible ways of enhancing the quality of the profession. This is in the hope of beefing up the standing of the profession as a strategic partner to the government in its commitment towards nation building.

Notwithstanding the increased engagement efforts with external stakeholders, the Institute has also heightened members' engagement efforts to enable better understanding of the needs of members as important stakeholders; and for members to appreciate the efforts of the Institute.

PROMOTING EXCELLENCE IN DIVERSITY

While public practice issues are frequently in the limelight, the Institute is also focusing attention on Professional Accountants in Business (PAIBs) as well as accountants in the public sector and academia.

The Institute is committed to promoting the interests of all accountants, and PAIBs are an important component of membership, comprising the majority. Likewise, accountants in academia are key elements in educating and mentoring the future generations of accountants who will be joining the talent pool, and accountants in the public sector are central to the success of Malaysia's government and economic transformation as the nation strives to join the ranks of high-income developed nations.

During the period under review, the Institute worked to increase awareness of current developments among PAIBs through professional programmes such as the organising of the first Accountants in Business Symposium (AIBS), Strategic Engagement Session with PAIB members, and the CFO Symposium among others.

We hope to organise other initiatives catering to PAIBs, and accountants in academic and the public sector in future to ensure that the needs of these members are addressed and to encourage their greater involvement in the profession and the Institute. Such initiatives are a platform for the delivery of relevant skills, knowledge and experience that will enhance our professionalism and emphasise the internalisation of ethics and integrity.

WORLD BANK ROSC QUALITY ASSESSMENT

At the global level, the Institute continues to build global linkages and engages with influential global stakeholders to promote the Malaysian accountancy profession.

To assess the state of the Malaysian accountancy profession, the World Bank released a Report on the Observance of Standards and Codes (ROSC) on Accounting and Auditing, which highlighted quality issues in general among accountants in Malaysia. To address this, the Institute has proposed that recognised local accounting programmes be regularly reviewed to ensure their relevance, quality and the competency of graduates.

Subsequently, the Institute participated in an interview session conducted by World Bank under its Financial Sector Assessment Programme (Report on Observance of Standards and Codes – insolvency and Creditor/Debtor Regimes) on March 2012.

The ROSC's observations are directly linked to quality, which is an issue that we cannot afford to ignore. Even if there is only one blot in quality, it affects the public perception of the entire profession. At the end of the day, we should take the findings of such reports like ROSC in good faith as public perception affects the value attached to accounting services. If we want our value to go up, we must manage our public image positively.

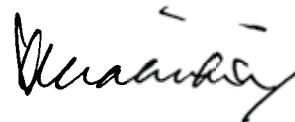
PROSPECTS

Moving forward, the Institute will continue to undertake and invest in initiatives that can improve our quality and performance, build our circle of influence and position the accountancy profession as a source of value for business and the economy.

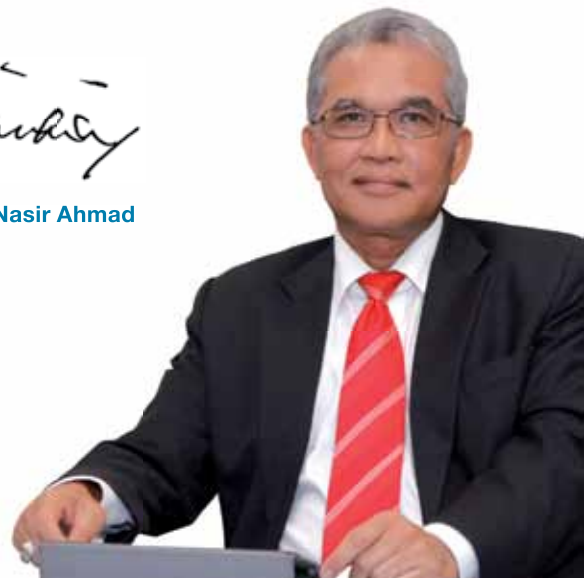
To achieve our vision of excellence, we must focus on building capacity, enhancing quality and upholding the integrity in order to inspire and retain stakeholder confidence. All of us must realise that the profession is under close scrutiny by the public and other stakeholders. We have to be mindful of the public interest and equip ourselves with the necessary skills, knowledge and integrity to meet the expectations of the public and other stakeholders and inspire their trust.

Towards this end, we trust that all of our stakeholders will be able to contribute and support MIA in our quest to further enhance the accountancy profession in the country in line with stakeholders' expectations. On behalf of MIA, I thank all our stakeholders – namely the government and its relevant agencies; regulatory and developmental bodies; professional accounting bodies; Institutions of Higher Learning and Universities; and not forgetting the individual members of the Institute – for your enduring support. We look forward to establishing greater rapport and collaboration with you in the future as we strive to achieve greater heights for the accountancy profession.

Thank you.



Datuk Mohd Nasir Ahmad
President



Acting Chief Executive Officer's Message

Dear Valued Members,

As the acting CEO of the Malaysian Institute of Accountants (MIA), it gives me great pleasure to present key highlights of the financials and operations of the Malaysian Institute of Accountants (MIA) for the period under review.

FINANCIAL REVIEW

For the financial period under review, the Institute's performance was sustainable, albeit markedly affected by the absence of major global conferences such as the World Congress of Accountants (WCOA) 2010 project.

During the financial year, the Institute recorded a profit before taxation of RM0.46 million as compared to the previous financial year's profit of RM10.18 million, of which RM9.51 million was generated from the WCOA 2010 project.

For the year under review, the Institute recorded a total revenue of RM22.84 million, which was a decrease by RM27.28 million or 54% compared to the previous financial year's total revenue of RM50.12 million. The previous year's total revenue included the revenue of RM29.48 million from the WCOA 2010 project.

Membership income increased by RM0.35 million or 4% from RM8.63 million in the previous financial year to RM8.98 million in the current financial year.

Meanwhile, revenue from seminars and conferences posted a strong growth of 15%, increasing by RM1.53 million from RM10.01 million to RM11.54 million in the current financial year. This is mainly due to revenue derived from the registration fees and sponsorship income from the MIA-AFA Conference 2011 held from 2-3 November 2011.

Revenue from tuition classes conducted to prepare students for the MIA Qualifying Examination (QE) and other education programmes contributed a revenue of RM0.98 million for the year under review as compared to the last financial year's revenue of RM1.06 million; representing a decrease of 7%.

In addition to focusing on revenue generation activities, the Institute continued to carry out stringent cost control measures throughout the financial year under review. This resulted in savings from cost of membership services and international activities of about RM0.38 million and RM0.1 million respectively. However, employees' benefits have increased slightly by 5% compared to the previous year due to annual increments designed to reward performance and promote loyalty.

MEMBERSHIP

One of the Institute's key objectives is to increase the number of competent and professional chartered accountants to meet business and market needs.

Currently, MIA has registered over 28,500 members, of whom about 66% are accountants in commerce and industry, 25% are accountants in public practice, 7% in the public sector and 2% in academia.

The Institute has achieved an average growth of 3.5% in membership over the past three years, but we firmly believe that there is ample room for improvement to register more members in order to satisfy growing business demand for competent and qualified accountants.

Recruitment drives with firms is a key strategy to increase membership. Based on our research among selected audit firms, we found that only about 18% out of the total number of staff performing accounting-related work are registered as MIA members. To remedy this, we have initiated Recruitment Drive activities amongst member firms since 2010 whereby MIA officers visit the firms' premises to assist eligible staff to register as members. MIA hopes to conduct such recruitment drives on an annual basis with the firms' staff who are still not registered.

To further boost the number of accountants in Malaysia, the Institute actively undertakes several membership drive initiatives, which create awareness of the benefits of membership to our stakeholders particularly among employers, university students and graduates and members of the general public.

In particular, we visit companies and other corporate organisations to create awareness and to encourage employers to register their qualified employees as members of MIA. Directly, this means that employers will provide the requisite support to their employees to pursue a professional qualification in accounting, and help MIA achieve its goal of producing larger numbers of qualified professional accountants.

The Institute conducts the MIA Qualifying Examination (QE) as an alternative pathway for accounting, business and finance graduates who do not possess the qualifications as required under the Accountants Act, 1967 to qualify as chartered accountants. To date, more than 180 successful candidates have been registered as MIA members and chartered accountants under the programme.

The Chartered Accountants Relevant Experience Programme or CARE is also aimed at raising quality and increasing the numbers of professional accountants. The CARE programme sets out a range of competencies that need to be obtained by candidates before they can qualify as a chartered accountant. CARE is a systematic assessment programme which monitors the working experience of fresh accounting graduates for three years beginning the day they register as CARE participants. Since the CARE programme is based on a mentor – mentee concept, members are strongly encouraged to participate in this programme which can broaden and deepen talent pool and assuage the perennial demand for accounting talent.

To date, the CARE programme, which was introduced in 2009, has successfully enrolled more than 2500 participants. Likewise, there are more than 230 mentors participating in the CARE programme and we are actively encouraging more members to sign up.

RAISING QUALITY, BUILDING CAPACITY

MIA is committed to raising the quality and instilling integrity and ethical practices among our members. Best practices will

help raise the standard of corporate governance in Malaysia, mitigate investing and business risks, and make accountants more relevant to the global business and investing community.

To sustain professional development and growth, a key MIA strategy is to deliver lifelong education and training via conferences, seminars and workshops, all of which are held on a regular basis.

MIA will organise its flagship event, the MIA International Accountants Conference 2012 from 27 - 28 November in Kuala Lumpur Convention. More than 2,000 delegates, including international participation are expected to participate in this mega event which is specially designed for accountants and business leaders. Themed "Innovative Society: Sustaining Business Success", the Conference will showcase top notch speakers and industry captains sharing their thoughts and insights on the latest developments on accounting and business.

As we progress, MIA aims to create and deliver innovative 'blue ocean' strategies that are not available elsewhere in order to mould top-notch global accounting professionals. Apart from emphasising strong technical and management skills, MIA CPE components focus intensively on the development of ethical leadership to create financial professionals with integrity. For the year under review, MIA CPE planned and delivered a cumulative 194,000 hours of training compared to 218,000 hours in 2011.

FOCUS ON SMES AND SMPS

To further build capacity and enhance quality, the Institute works closely with selected stakeholders on key initiatives that can develop and progress all quarters of the business community, particularly the small and medium enterprises (SMEs) which comprise about 400,000 companies. We recognise that SMEs are a key engine of the economy and we are actively engaging with the SME community to help them raise their accounting and financial reporting standards in line with global benchmarks.

Notably, the Institute has received a government grant to provide training on the new Malaysian Financial Reporting Standards (MFRS) for preparers of financial reports and auditors of SMEs. With the advent of IFRS for SMEs and the adoption of IFRS/MFRS among listed companies and public interest enterprises, the financial reporting environment has changed tremendously and accountants of SMEs familiar with Private Entity Reporting Standards (PERS) will require intensive training in order to be updated with IFRS standards.

In addition, MIA works very closely with SME Corp to provide financial assistance for SMPs and SMEs to lessen the cost of training investment for their talent.

The Institute has also received a special grant from the government to encourage and promote mergers and affiliations among small and medium-size practitioners. M&As are highly encouraged for smaller firms to build capacity and enhance productivity as they strive to perform in a very competitive environment with scarce resources and a dynamic regulatory landscape.

MOVING FORWARD

The ongoing Economic Transformation Programme (ETP) has identified accounting and financial services as a major thrust of the economy as Malaysia seeks to transform into a developed high-income nation. As the regulator of the accountancy profession and the nation's professional membership body for accountants, the Institute plays a key role in shaping the profession to become a high-quality sector whose members and services are highly sought-after and valued within the nation and across borders. In order to achieve this, we will continue to emphasise on membership development and lifelong education to meet the desired quality and standards.

In terms of operations and revenue generation, the Institute will continue to emphasise on membership services and recruitment in order to sustain our revenues while building up robust numbers of qualified accountants to meet anticipated demand. Programmes such as CARE will be further developed and enhanced to ensure quality and competency in the new generation of accountants. We will also focus on the provision of specialised training and development programmes that can strengthen and diversify our revenues while fulfilling our objective to enhance the quality and skills of our members.

In conclusion, on behalf of the management, I wish to thank the Council, our members and other stakeholders for their support and encouragement as we strive to achieve the Institute's vision and objectives.

Thank you.



Ho Foong Moi
Acting Chief Executive Officer



Report of the Council for 2012



TRANSFORMING *the* PROFESSION



MALAYSIAN INSTITUTE
OF ACCOUNTANTS
ACCOUNTANTS: MANAGERS OF VALUE

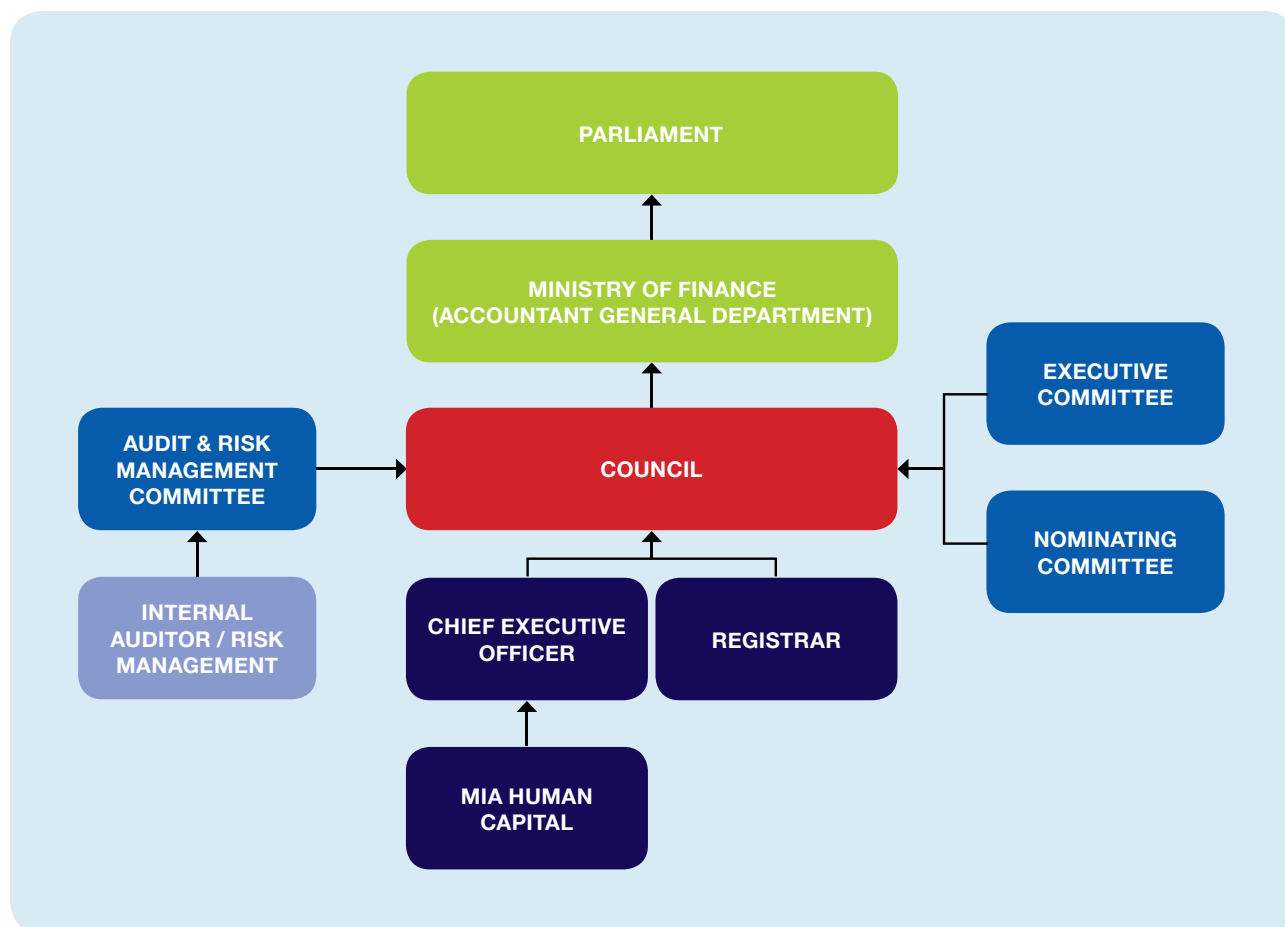
PROUD HOST



MIA INTERNATIONAL ACCOUNTANTS CONFERENCE
27 & 28 NOVEMBER 2012, KUALA LUMPUR CONVENTION CENTRE

Statement on Governance

GOVERNANCE FRAMEWORK



MIA FUNCTIONS:

Section 6 of the Accountants Act 1967 (the Act) states that the functions of the Institute shall be:

- To determine the qualifications of persons for admission as members;
- To provide for the training and education; by the Institute or any other body, of persons practising or intending to practise the profession of accountancy;
- To approve the MIA Qualifying Examination (QE) and to regulate and supervise the conduct of that Examination;
- To regulate the practice of the profession of accountancy in Malaysia;
- To promote, in any manner it thinks fit, the interests of the profession of accountancy in Malaysia;
- To render pecuniary or other assistance to members or their dependents as it thinks fit with a view to protecting or promoting the welfare of members; and
- Generally to do such acts as it thinks fit for the purpose of achieving any of the aforesaid objects.

MIA GOVERNANCE STATEMENT

The following Governance report outlines how the Institute has applied the main principles and best practices as set out in the relevant codes of corporate governance in order to discharge its duties and optimise assurance, independence and oversight. This statement also explains how management, controls and risk management practices are structured in order to minimise risks and optimise performance.

COUNCIL

Pursuant to Section 9 of the Act, the general power of the Council is to manage the Institute and its fund. Specifically, as per Section 10 of the Act, the Council shall have power to make bylaws, to appoint staffs, to take cognisance of anything affecting the Institute or professional conduct of its members, to communicate with other similar bodies and with members of the profession in other places, to establish branches and delegates in its absolute discretion any of its power, privileges and discretions, to appoint Committees of the Institute, to exercise all such powers, privileges and discretions which are not required to be exercised by members in the general meeting and to use the official seal of the Institute.

The President of the Institute shall be the Chairman of the Council. The appointment and composition of the Council members are in accordance to Section 8(1) of the Act.

During the financial year, the Council conducted ten (10) meetings (see page 12) and the agenda of its meetings included:

1. Issuance of Audit & Assurance Standards and Revised ByLaw
2. Review of Statutory Committees and Other Committees Progress and Activities
3. Appointment of Boards/Committees/Working Group/ Task Force members as recommended by Nominating Committee
4. Approval of the Institute's Year End Financial Statement and Review of Monthly Financial Statement
5. Review of MIA's proposed amendments to the Act
6. Approval of the Institute's membership application
7. Approval of Employees' remuneration
8. Approval of the Institute's yearly budget and any expenses based on the Institute's Limit of Authority (LOA).
9. Review of MIA's Vision, Objectives and Values.

EXECUTIVE COMMITTEE (EXCO)

The EXCO was established by the Council as an operating Committee which functions as a medium between Council and management to ensure that business strategies, daily operations and any operational issues are carried out effectively and efficiently and that good corporate governance practices are observed.

The Terms of Reference of EXCO was approved by the Council. The Chairman of EXCO is the President of MIA and it comprises six (6) Council members. During the financial year, the EXCO conducted twelve (12) meetings and the agenda of its meeting included:

1. Review of the Institute's Monthly / Yearly Budget
2. Approval of the Institute's revised organisation structure and operation manuals
3. Review of Regional Offices' Activities
4. Review of proposed employee remuneration
5. Approval of any expenses based on the Institute's Limit of Authority (LOA).

AUDIT & RISK MANAGEMENT COMMITTEE (ARMC)

The ARMC was established by the Council and the primary objective of ARMC is to assist the Council in fulfilling its oversight responsibilities for the system of internal control, financial reporting, risk management process and governance of the Institute.

The Terms of Reference (TOR) of the ARMC was approved by the Council on 26 July 2007 which was subsequently revised on 23 January 2009. The ARMC comprises five (5) Council members who are not members of the EXCO.

During the financial year, the Committee conducted five (5) meetings and amongst its activities were reviews of the Institute's Year-Ended Financial Statements / Monthly Management Accounts, Internal Audit Reports, MIA Key Risks Profile and the Interim & Final Audit process (by an external auditor appointed by the Auditor General) for MIA's Financial Statement. For the year-end Financial Statement, an external auditor appointed by the Auditor General was invited to the ARMC meeting to highlight any issues to the Committee.

NOMINATING COMMITTEE (NC)

The NC was established by the Council and its primary objective is to establish a mechanism for the formal assessment of each candidate before he/she is recommended to the Council for appointment to the Committees of the Institute. The Committee ensures that appointed members bring characteristics which satisfy the required mix of responsibilities, skills and experience.

NC which consists of the President, Vice President, two (2) Council members and a representative of the Accountant General's department and the Committee shall meet as and when the Committee deems necessary.

During the financial year, the Committee conducted five (5) meetings to nominate various committee members to the Council for approval.

INSTITUTE'S CONTROL ENVIRONMENT AND STRUCTURE

A. MIA COMMITTEES

The Council is supported by a number of established Committees in the execution of its responsibilities. Each Committee has clearly defined terms of reference and is divided into certain types of Committees as follow:

1. Governance Committees
2. Statutory Committees
3. Surveillance Committees
4. Technical Committees
5. Representative of Membership

For type 1, the details are stated from pages 12 to 13 and for other types of committees, the details are stated in the section entitled Committees (pages 37-44).

B. INSTITUTE'S MANAGEMENT

Responsibility for implementing the Institute's strategies and daily operations are delegated to the Institute's Management. Clear lines of authority, responsibility and accountability have been established to enable Institute's objectives to be achieved. The divisional structure enhances the ability of each division to focus on their assigned core of support functions within Institute. The Institute is headed by the CEO.

C. INTERNAL AUDIT FUNCTION

The internal audit function of the Institute is carried out by the Internal Audit Department (IAD) that reports directly to the ARMC and administratively to the CEO. The Internal Audit Charter was approved by the Council on 26 July 2007 to govern the authority of the IA in performing its responsibility. IA supports the oversight role of the ARMC by undertaking independent, regular and systematic review of the systems of internal control so as to provide reasonable assurance on the adequacy, integrity and that such systems continue to operate satisfactorily and effectively. The IAD also provides objective assurance and consulting activity by evaluating and improving the effectiveness of the risk management, control and governance process of the Institute.

It is the responsibility of the IAD to provide the ARMC with independent and objective reports on the state of internal control of the various units within the Institute and the extent of compliance of these units to the Institute's established policies and procedures as well as relevant statutory requirements.

The internal audit function adopts a risk-based audit approach and performs its review based on a two-year IA plan approved by ARMC. The IA practices an adaptive audit planning approach which provides the flexibility needed to respond to the emerging risks as well as potential future risks in carrying out its activities. The flexibility to align its resources and skills with the Institute's strategic plan and goals further enhances its role to maintain relevance and continuous improvements within the Institute. The IA continuously evaluates and develops quality improvement programmes in conformance with the IIA's International Professional Practice Framework.

The following is a summary of the IAD activities for the financial year under review:

- i. Regular review on business processes - risk-based auditing was performed on the key risk areas/Institute activities approved by ARMC. Four (4) internal audit reports which contain the principal risks of audited areas and significant issues noted as well as the responses from the audited units were issued and deliberated in ARMC meetings. The areas for improvement were recommended and agreed upon by management. Where necessary, ARMC also made recommendations to further improve the internal control, risk management and financial reporting process.
- ii. Institute's Key Risks Profile – The IAD facilitated and advised the Institute in its Enterprise Risk Management activities. Five Key risks were identified and necessary controls were put in place or are in the process of implementation to ensure the objectives of the Institute are achieved.
- iii. Reviewed revised operation manuals issued by units within the Institute for continuous improvement to the Institute's Governance Framework and recommended the process of interim audit and the final audit of MIA's financial statements. IA has also conducted the Institute's Governance review and occupational, safety and health audit in the financial year.

The internal audit reports arising from these assignments were issued to the Management for their response and corrective actions. The Management is responsible for ensuring that corrective actions on reported weaknesses are taken within the required timeframe.

D. RISK MANAGEMENT (RM)

The Institute regards risk management as an integral part of the Institute's control environment. The Institute's risk management policy and process was established under the Enterprise Risk Management manual which was approved by the Council. The Chief Operating Officer (COO) is the Risk Officer of the Institute and IA facilitates risk management activities and processes.

E. FINANCIAL STATEMENT AUDIT

Pursuant to the Act, the MIA is established as a statutory body under the Ministry of Finance and is audited by the Auditor General in accordance with the Audit Act 1957 via its appointed external auditor. The external auditor performed an interim and final audit of the Institute's financial statements and was invited to highlight any issues in two ARMC meetings. The Certificate of the Financial Statements of MIA was issued by the Auditor General.

F. THE INSTITUTE'S KEY PROCESSES, POLICIES AND PROCEDURES

In the financial year, the following key processes, policies and practices were in place as part of our system of internal control:

- MIA has a Limit of Authority (LOA) set out defining authorisation limits for various levels ranging from staff to Council levels. The latest review on the LOA was carried out during the financial year and the revised LOA was subsequently approved by the Council on 9 February 2012.
- The Institute's Operation Manuals have been developed and implemented, and will be reviewed as and when deemed necessary.
- A detailed budgeting and reporting process has been established. Comprehensive budgets are prepared by the operating units and presented to the EXCO and Council for review and approval respectively. The financial results are monitored and reported to the ARMC, EXCO and Council in every meeting.
- A standard employees' performance appraisal system has been implemented, which allows for the assessment of individual employees' performance against his/her Key Performance Index (KPIs).
- For MIA employees, the Code for Business Ethics and Conflict of Interest was established and published in the Employee Handbook.
- As an IFAC member body, MIA reported its compliance with the Statement of Membership Obligations as required under the IFAC Member Body Compliance Programme.

COMPOSITION OF THE COUNCIL AND GOVERNANCE COMMITTEES

The composition of the Council and Governance Committees and the attendance of its members at meetings are listed as follows:

COUNCIL:**No. of Meetings: 10**

No.	Name	Designation	Status	Attendance
1	Datuk Mohd Nasir Ahmad	Chairman/ President	Appointed 16 July 2011	10/10
2	Abdul Rahim Abdul Hamid	Vice President	Re-Appointed 16 July 2011	6/10
3	Datuk Wan Selamah Wan Sulaiman (Nominee: Dato' Rosini Abd Samad)	Accountant General	-	5/10
4	Prof. Datin Dr. Hasnah Haji Haron	Member	-	5/10
5	Prof. Dr. Ku Nor Izah Ku Ismail	Member	Re-Appointed 16 July 2011	8/10
6	Assoc. Prof. Dr. Kalsom Salleh	Member	Re-Appointed 16 July 2011	9/10
7	Assoc. Prof. Dr. Mohamat Sabri Hassan	Member	Appointed 16 July 2011	7/10
8	Assoc. Prof. Dr. Zulkarnain Muhamad Sori	Member	Retired 31 July 2012	6/7
9	Dato' Seri Ahmad Johan Mohammad Raslan	Member	Retired 23 June 2012	5/10
10	Chan Feoi Chun, Francis	Member	-	8/10
11	Devanesan Evanson	Member	Appointed 16 July 2011	6/10
12	Phan Su Han, Josephine	Member	Appointed 16 July 2011	9/10
13	Ng Kim Tuck	Member	-	7/10
14	Mohammad Faiz Mohammad Azmi	Member	Retired 31 July 2012	7/10
15	Mohd Noh Jidin	Member	-	9/10
16	Baharuddin Ahmad	Member	Appointed 16 July 2011	5/10
17	Johan Idris	Member	Appointed 16 July 2011	7/10
18	Donald Joshua Jaganathan	Member	Appointed 16 July 2011	7/10
19	Wong Weng Soon, Eugene	Member	Appointed 16 July 2011	7/10
20	Zahrah Abd Wahab Fenner	Member	Appointed 16 July 2011	7/10
21	Abraham Verghese	Member	-	9/10
22	Ahmad Zahirudin Abdul Rahim	Member	Elected 24 September 2011	5/7
23	Chan Wan Siew, Paul	Member	Elected 24 September 2011	5/7
24	Kua Choo Kai, Simon	Member	Elected 24 September 2011	7/7
25	Heng Ji Keng	Member	-	10/10
26	Dato' Liew Lee Leong, Raymond	Member	-	8/10
27	Lim Thiam Kee, Peter	Member	-	10/10
28	Dato' Narendra Kumar Jasani	Member	-	7/10
29	Soh Siong Hoon, Sam	Member	-	10/10
30	Subramaniam AV Sankar	Member	-	9/10
31	Kang Wei Geih, Billy	Member	Retired 24 September 2011	3/3
32	Ooi Thiam Poh, Alex	Member	Retired 15 October 2011	2/3
33	Oong Kee Leong, Stephen	Member	Retired 15 October 2011	1/3

AUDIT & RISK MANAGEMENT COMMITTEE**No. of Meetings: 5**

No.	Name	Designation	Status	Attendance
1	Heng Ji Keng	Chairman	Appointed 17 October 2011	5/5
2	Dato' Narendra Kumar Jasani	Member	-	5/5
3	Ng Kim Tuck	Member	Appointed 24 November 2011	2/2
4	Devanesan Evanson	Member	Appointed 24 November 2011	2/2
5	Donald Joshua Jaganathan	Member	Appointed 24 November 2011	2/2

Audit & Risk Management Committee (continued)

No.	Name	Designation	Status	Attendance
6	Subramaniam AV Sankar	Member	Retired 2 November 2011	3/3
7	Ooi Thiam Poh, Alex	Member	Retired 24 September 2011	2/2
8	Dr. Norman Mohd Saleh	Member	Retired 15 July 2011	1/1

EXECUTIVE COMMITTEE**No. of Meetings: 12**

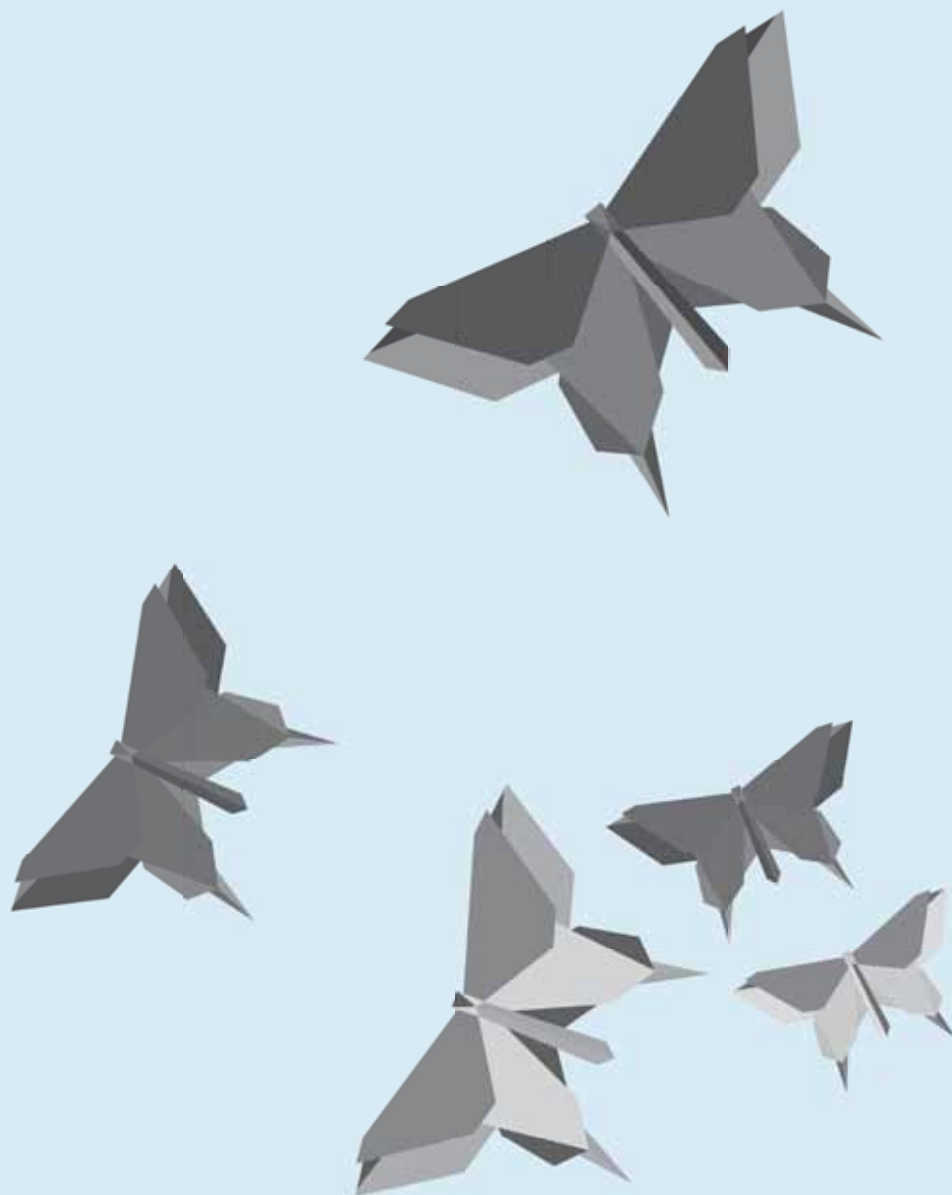
No.	Name	Designation	Status	Attendance
1	Datuk Mohd Nasir Ahmad	Chairman	Appointed 8 August 2011	11/11
2	Abraham Verghese	Member	Appointed 24 November 2011	8/8
3	Dato' Rosini Abd Samad	Member	-	7/12
4	Abdul Rahim Abdul Hamid	Member	-	6/12
5	Dato' Seri Ahmad Johan Mohammad Raslan	Member	Retired 23 June 2012	5/11
6	Soh Siong Hoon, Sam	Member	-	10/11
7	Christina Constance Foo	Member	Retired 15 July 2011	1/1

NOMINATION COMMITTEE**No. of Meetings: 5**

No.	Name	Designation	Status	Attendance
1	Datuk Mohd Nasir Ahmad	Chairman	Appointed 8 August 2011	5/5
2	Dato' Rosini Abd Samad	Member	-	3/5
3	Abdul Rahim Abdul Hamid	Member	Appointed 8 August 2011	2/5
4	Dato' Seri Ahmad Johan Mohammad Raslan	Member	Retired 23 June 2012	4/5
5	Soh Siong Hoon, Sam	Member	Appointed 17 October 2011	3/3



Globally Competent, Locally Knowledgeable



TRANSFORMING *the* PROFESSION



MALAYSIAN INSTITUTE
OF ACCOUNTANTS
ACCOUNTANTS: MANAGERS OF VALUE

PROUD HOST



Growing the Malaysian Accounting Talent Pool

Driving membership to ensure that the nation has enough accounting talent to support economic development and transformation activities is a key objective behind the establishment and existence of the Malaysian Institute of Accountants (MIA). Providing high-quality and relevant membership services to attract, satisfy and retain members is thus one of the core functions for the Institute.

MEMBERSHIP DEVELOPMENT

In the financial year 2011/2012 (FY11/12), 1,804 qualified individuals were admitted as MIA members, comprising 1,760 Chartered Accountants and 44 Associate Members. The number of members admitted increased by 16.5% compared to the previous year.

As at 30 June 2012, membership totalled 28,489, comprising 28,292 Chartered Accountants, seven (7) Licensed Accountants and 190 Associate Members. More academicians have joined MIA this financial year as either Associate members or Chartered Accountants, and this ongoing professionalisation of academia bodes well for the future development of the accountancy education sector as well as our talent development initiatives.

Of the 1,760 Chartered Accountant members, 1,726 members qualified under the Part I and Part II of the First Schedule of the Accountants Act, 1967 and 34 were MIA Qualifying Examination graduates. Overall in the Financial Year 11/12, 38% of the members were admitted via the professional membership route, 58% are local graduates and 4% possess other qualifications. Over the past 12 months, 157 applicants were reinstated as members.

ADMISSION OF MEMBERS VIA PART I OF THE FIRST SCHEDULE OF THE ACCOUNTANTS ACT, 1967

UNIVERSITY	ADMITTED
Bachelor of Accounting, University of Malaya	89
Bachelor of Accounting (Honours), Universiti Kebangsaan Malaysia	97
Bachelor of Accounting, Universiti Teknologi MARA	308
Bachelor of Accounting (Honours), Universiti Utara Malaysia	233
Bachelor of Accounting (Honours), Universiti Putra Malaysia	107
Bachelor of Accounting (Honours), Universiti Islam Antarabangsa Malaysia	40
Bachelor of Accounting (Honours), Universiti Sains Malaysia	25
Bachelor of Accounting (Honours), (Information System), Universiti Utara Malaysia	27
Bachelor of Accounting (Honours), Universiti Tenaga Nasional (the academic programme for which first commenced from the academic year 2002/2003 onwards)	16
Bachelor of Accounting (Honours), Universiti Multimedia (the academic programme for which first commenced from the academic year 2002/2003 onwards)	57
Bachelor of Accounting (Honours), Universiti Malaysia Terengganu	18
Bachelor of Accounting (Honours), Universiti Malaysia Sabah	19
Bachelor of Accounting (Honours), Universiti Industri Selangor	8

ADMISSION OF MEMBERS VIA PART II OF THE FIRST SCHEDULE OF THE ACCOUNTANTS ACT, 1967

PROFESSIONAL BODY	ADMITTED
Malaysian Institute of Certified Public Accountants	15
Institute of Chartered Accountants of Scotland	1
Institute of Chartered Accountants In England & Wales	12
Institute of Chartered Accountants in Ireland	1
Association of Chartered Certified Accountants (United Kingdom)	406
Institute of Chartered Accountants in Australia	22
CPA Australia	179
New Zealand Institute of Chartered Accountants	4
Canadian Institute of Chartered Accountants	-
Institute of Chartered Accountants of India	3
Chartered Institute of Management Accountants (United Kingdom)	39

Pursuant to Rule 7(1) of MIA's (Membership Council) Rules 2001, a total of 442 members were removed from the Register of Members for failing to settle their annual subscription within the stipulated time frame. Two (2) members were removed due to disciplinary actions. 156 members resigned while 28 members passed away during the FY. Overall, the membership growth for the financial year was 5%.

Although the number of members has grown steadily over the past few years, MIA continues to undertake a number of recruitment strategies to ensure numbers continue to grow in order to facilitate the growing demand for accountants. This includes holding corporate visits/awareness programmes at firms, organisations and institutions of higher learning (33 events), holding pre-admission talks and registration days (16 events) and participation in seminars/exhibitions/career fairs (12 events).

MEMBERSHIP STATISTICS

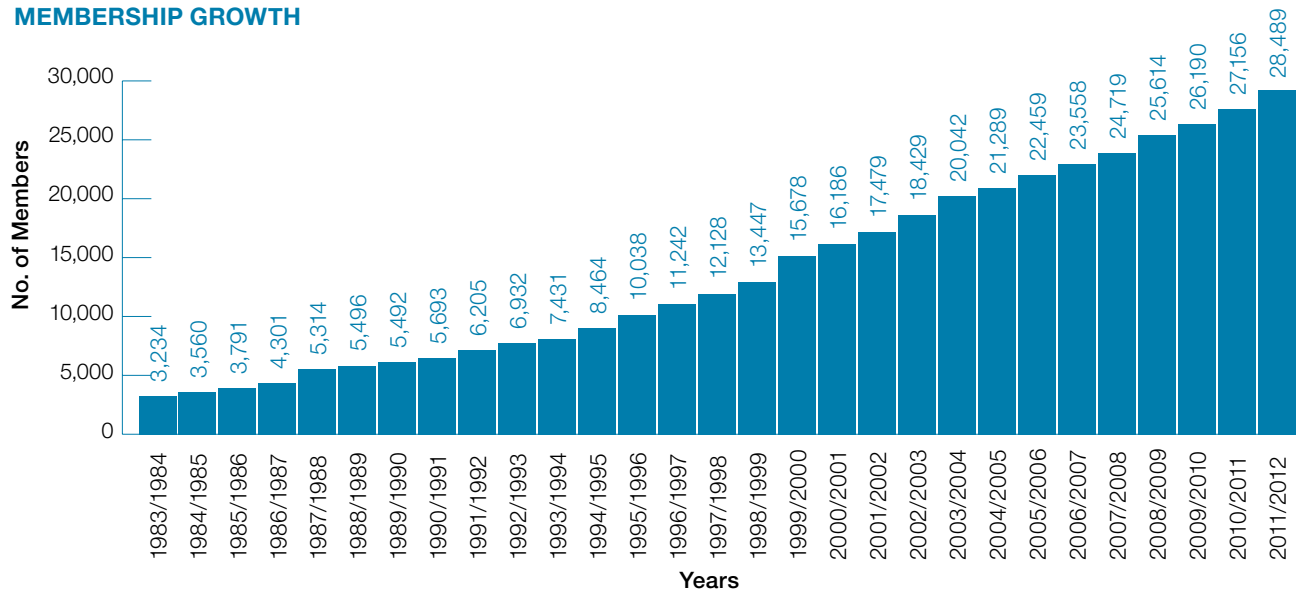
GEOGRAPHIC DISTRIBUTION

TABLE 1: MEMBERSHIP BY GEOGRAPHIC DISTRIBUTION (AS OF 30 JUNE 2012)

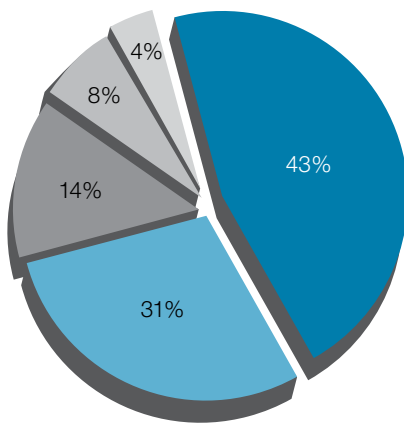
**Including F.T. Labuan*

STATE	CA	LA	AM	TOTAL
Perlis	51		20	71
Kedah	506		14	520
Penang	1,837	1	4	1,842
Perak	889	3	20	912
Selangor	11,446	1	40	11,487
Federal Territory*	6,693	1	17	6,711
Negeri Sembilan	520		3	523
Malacca	531		5	536
Johor	1,662	1	7	1,670
Pahang	334		18	352
Terengganu	228		13	241
Kelantan	180		12	192
Sarawak	1,540		7	1,547
Sabah	908		4	912
Overseas	967		6	973
GRAND TOTAL	28,292	7	190	28,489

MEMBERSHIP GROWTH

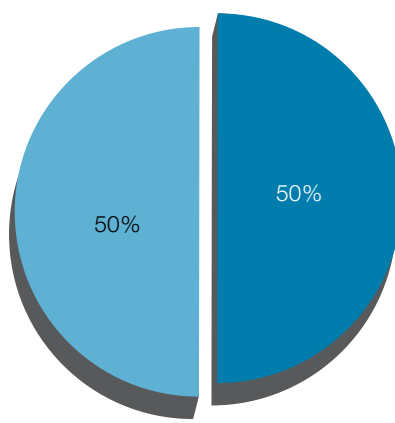


MEMBERSHIP BY AGE GROUP



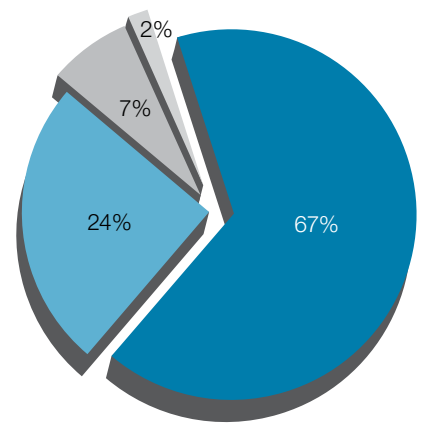
- Below 30 = 2,207 members
- 31-40 = 12,401 members
- 41-50 = 8,804 members
- 51-60 = 3,877 members
- Above 60 = 1,200 members

MEMBERSHIP BY GENDER



- Male
- Female

MEMBERSHIP BY EMPLOYMENT



- Professional Accountants in Business
- Public Practice
- Public Sector
- Academia

During the FY, a total of 150 practising certificates were issued. There were also a total of 26 reapplications for the practising certificates. A total of 119 practising certificates were cancelled, due to non-payment of practising certificate fees (6), non-commencement of public practice within 6 months from date of issuance of the certificate (23), cessation of practice (79), resignation from MIA membership (3) and the passing away of certificate holders (8).

STATUS OF PRACTISING CERTIFICATES ISSUED

Members Category	Total as of 30/06/2011	New Applications	Re-applications	*Cancellation	Total as of 30/06/2012
Chartered Accountants	2,518	150	26	-118	2,576
Licensed Accountants	5	-	-	-1	4
TOTAL	2,523	150	26	-119	2,580

In this FY, 92 firms were registered with the Institute consisting of 30 audit and 62 non-audit firms. MIA deregistered 20 audit and 43 non-audit firms which had ceased operations. Seven (7) audit firms were suspended due to inactive firm status and pending documentation from the Companies Commission of Malaysia (CCM) for deregistration. Two non-audit firms converted their firms to audit firms.

The following table shows the distribution of member firms (audit and non-audit firms) registered within the Institute.

MEMBER FIRMS BY STATE (AS OF 30 JUNE 2011 AND 30 JUNE 2012)

**Including F.T. Labuan*

STATES	AS OF 30 JUNE 2011			AS OF 30 JUNE 2012		
	Audit Firms	Non-Audit Firms	Total	Audit Firms	Non-Audit Firms	Total
Perlis	1	1	2	1	1	2
Kedah	28	19	47	28	15	43
Penang	106	43	149	107	44	151
Perak	53	51	104	52	54	106
Selangor	286	183	469	302	178	480
Federal Territory*	493	206	699	485	220	705
Negeri Sembilan	20	14	34	20	14	34
Malacca	30	15	45	31	15	46
Johor	127	80	207	126	78	204
Pahang	24	6	30	24	9	33
Terengganu	10	3	13	9	4	13
Kelantan	11	5	16	11	7	18
Sarawak	80	32	112	79	35	114
Sabah	84	32	116	83	33	116
GRAND TOTAL	1,353	690	2,043	1,358	707	2,065

Section 510 of the Institute's By-Laws (on Professional Ethics, Conduct and Practice) stipulates that every member in public practice is required to ensure that his or her firm carries and maintains a policy of professional indemnity insurance (PII). PII was first made mandatory for all members in public practice on 1 October 1998 where the minimum mandatory limit of indemnity was set at RM100,000 per partner per firm. The limit of indemnity has remained constant since its inception. After 14 years of implementation and conducting a review, the Council approved a revision in the minimum coverage of PII to RM250,000 per partner per firm with effect from 1 July 2012. Among the reasons for the increase was that the current PII mandatory limits are considered the lowest among peer group jurisdictions and compared to other professions in Malaysia. The increase also takes into consideration the need to have higher insured policy limits to cater for the higher costs of civil liabilities, mainly due to an increasingly litigious society.

As a proactive initiative, the Membership Services Department informs audit licence holders of their licence expiry date and reminds them of their obligations, in particular their compliance with specific rules and bylaws of the Institute. This compliance is important as the Institute will only support the renewal of audit licences of members who have met their obligations. During the previous FY, a total of 180 out of 672 (27%) complied with all their obligations when the Institute's support was requested. This FY, there was a marked improvement whereby a total of 472 out of 804 (59%) complied with all their obligations at the first instance. The Institute eventually supports all audit licence renewals when all obligations have been met.

RESOURCE CENTRE

Attesting to the quality of its materials, the Resource Centre (RC) has recorded a higher number of users, both members and non-members. To improve the breadth and depth of references, the RC has added the CCH Intelliconnect (Legal, Accounting, Tax, HR and Company Law) and Lexis Malaysia (Collection of legal cases) to its resources and allows members to access the material online for ease of use.

The Resource Centre has also registered a higher number of audit licence applicants who use its services to prepare for their audit licence interviews. The Resource Centre carries book titles and other reading material which will assist the interviewee in preparing for the interviews.

The Resource has also expanded its number of publications for sale. The RC sources for titles which would be of interest to our members and these are sold to members at preferential rates.

HELPDESK

MIA's Helpdesk continues to provide assistance to members and the public who seek information from the Institute. The Helpdesk monitors queries received through the MIA e-feedback form in the Institute's website to ensure timeliness in response.

REGIONAL OFFICES

The four regional offices (Johor, Northern, Sabah and Sarawak) of the Institute continue to serve members in their respective regions with the support of the Regional Committees. The main regional activities are conducting MPDC events, providing clarification to members on their obligations and other assistance, building and maintaining rapport with local stakeholders, and organising activities for members in the regions such as annual dinners and social events.

MIA MEMBERS PERSONAL ACCIDENT (PA) INSURANCE

The Institute launched the MIA PA Insurance Scheme in May 2012 for members and their families. The scheme is a partnership with Marsh Insurance Brokers (Malaysia) Sdn Bhd and is underwritten by ACE Jerneh Insurance Berhad (ACE Jerneh).

The plan provides cover for sum insured of up to RM1 million for members. Besides the Accidental Death & Permanent Disablement cover, this policy provides Additional Benefits such as Accidental Medical Reimbursement, Accidental Hospitalisation Income, Funeral Expenses, Repatriation Expenses, Dengue Recuperation, Snatch Theft/Robbery compensation and more.

NURTURING WORLD CLASS ACCOUNTANTS

The quality of education is a key concern for the Malaysian Institute of Accountants (MIA), since it is entrusted with enhancing the profession's competence through education and on-going training and development. Going forward, MIA's role in supporting and promoting the development of accounting education in the country has become more challenging as it is also responsible for ensuring both existing and future professional accountants are able to face global challenges while remaining relevant to the needs of society.

MIA acts as the catalyst in managing and delivering on stakeholders' expectations and as a channel and platform for stakeholders and members to stay updated on developments in accounting education.

To ensure that Malaysian accounting education standards comply with global standards, MIA actively assists and participates in activities carried out by the International Accounting Education Standards Board (IAESB) Committees of the International Federation of Accountants (IFAC).

MIA QUALIFYING EXAMINATION (MIA QE)

The 17th and 18th sittings of the MIA QE were successfully conducted on 28-29 September 2011 and 21-22 March 2012 respectively at five examination centres, namely Universiti Teknologi MARA in Shah Alam and the MIA Regional Offices in Johor Bahru, Penang, Kota Kinabalu and Kuching. A total of 269 and 224 candidates registered to sit for the respective examinations.

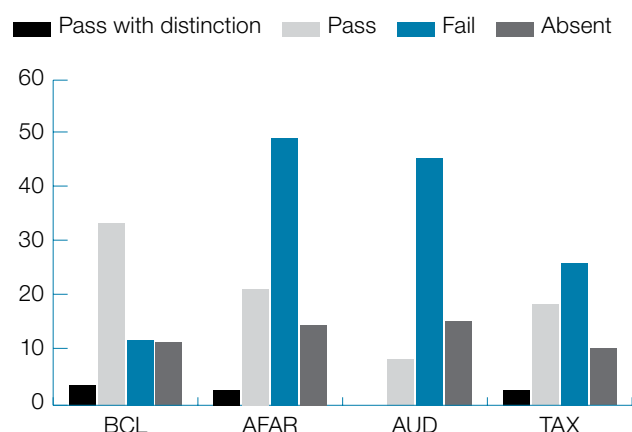
Results of the September 2011 and March 2012 examinations were announced on 24 November 2011 and 18 May 2012 respectively. The results for the September 2011 sitting were satisfying particularly for the Business & Company Law paper which recorded a vast improvement in its pass rate at 75% compared to 47% in March 2011 sitting. As for Taxation, the passing rate decreased to 43% from 52% in March 2011 sitting. The passing rate for Advanced Financial Accounting & Reporting was at 32% compared to 19% in March 2011 sitting. Seven (7) candidates scored passes with distinction in various papers.

For the March 2012 examination, the result for the Auditing and Assurance Services paper improved to 30% as compared to 15% in the previous sitting. However, the performance for the other three papers deteriorated particularly in Business and Company Law which fell sharply to 43%. Four (4) candidates scored distinction in various papers.

A total of 31 candidates successfully completed the examination and this has increased the number of graduates to 183 overall. Details of the September 2011 and March 2012 examination results are as follow:

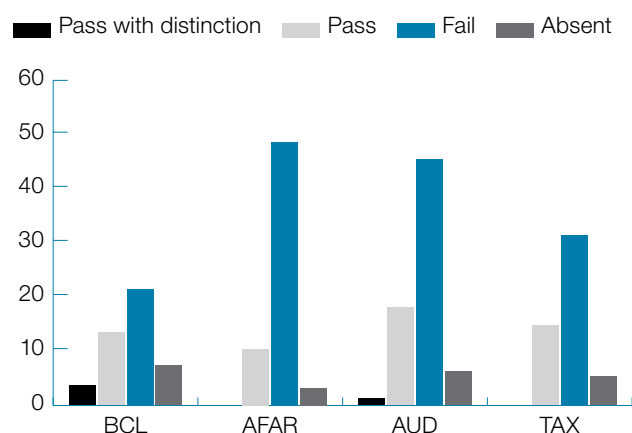
SEPTEMBER 2011 QE RESULTS

GRADE	BCL	AFAR	AUD	TAX
Pass with Distinction	3	2	0	2
Pass	33	21	8	18
Fail	12	49	45	26
Absent	11	14	15	10
TOTAL	59	86	68	56



MAC 2012 QE RESULTS

GRADE	BCL	AFAR	AUD	TAX
Pass with Distinction	3	0	1	0
Pass	13	10	18	14
Fail	21	47	45	31
Absent	7	3	6	5
TOTAL	44	60	70	50



LEGEND	
BCL	Business and Company Law
AFAR	Advanced Financial Accounting and Reporting
AUD	Auditing and Assurance Services
TAX	Taxation

MIA QE TUITION PROGRAMME

For the fifth time, MIA implemented the MIA QE Tuition Programme from May 2011 till September 2011 for candidates taking the September 2011 examination. A total of 137 candidates participated in the Tuition Programme which was held at MIA's Resource Centre in Kuala Lumpur, with facilitators from academia as well as professional accountants in business assisting the candidates. The objective of the MIA QE Tuition Programme is to guide candidates to have a better understanding of the QE subjects and examination techniques through a systematic and thorough approach.

Based on the analysis of results of candidates who attended the fifth QE Tuition Programme, many of the candidates performed very well in the September 2011 examination, particularly for the Business and Company Law and Advanced Financial Accounting papers. Seven candidates scored distinction in various papers.

Meanwhile, the sixth QE Tuition Programme was conducted from November 2011 until March 2012 for candidates who registered for the March 2012 examination. A total of 112 candidates enrolled for the programme. Analysis also shows that many of the candidates who attended the classes performed well in the examination with three candidates scoring distinction in Business and Company Law

MIA QE ASSESSMENT

The MIA Council has approved the recommendation made by the Examination Committee in March 2011 to implement the MIA QE Assessment. Under the new assessment, the candidates are required to undertake workshop evaluations which carry 40% marks before they can sit for the final examination. For the workshop evaluations, the candidates are required to attend a series of workshops for each registered paper. The candidates are required to attain at least 30% out of 60% marks in the final examination. The Committee has almost completed projects under the development phase and the new assessment will take effect from the March 2013 sitting.

MIA QE GRADUATION CEREMONY

MIA hosted a graduation ceremony in honour of 32 candidates who successfully passed the MIA Qualifying Examination (MIA QE) in the March and September 2011 sittings respectively. 17 candidates were also awarded Certificates of Achievement for having passed various papers of the QE with distinction. Held on 21 December 2011 at the SSM Auditorium, the QE graduation ceremony was the third organised by MIA.

ACCREDITATION

MIA is empowered under the Accountants Act, 1967 to determine the qualifications of persons for admission as members of MIA. This function is necessary to ensure that qualifications recognised under the Act meet the requisite standards and quality desired by MIA. It is via this function that MIA admits qualified, competent and professional accountants as members who are then able to effectively meet the needs of the public.

During the year under review, some of major activities undertaken include:

1. At the 25th Annual General Meeting on 24 September 2011, the following qualification was tabled and approved by the members of MIA as a recognised qualification to be included in Part I of the First Schedule of the Accountants Act, 1967:
 - The final examination of Universiti Sultan Zainal Abidin for the Degree of Bachelor of Accountancy (Honours).
2. After careful consideration and deliberation, the Council in its meeting held on 12 September 2011, had decided to defer granting the recognition of Bachelor of Accounting (Honours) degree programme conferred by Universiti Sains Islam Malaysia (USIM). A maximum grace period of one year was given to USIM to incorporate and implement the recommendations made by the Taskforce.
3. MIA is in the process of accrediting the application for recognition of the Bachelor of Accounting (Honours) degree programme conferred by Universiti Tunku Abdul

Rahman (UTAR). A Taskforce has been formed to undertake the accreditation exercise in order to ensure the programme offered meet and comply with the required quality standards set by MIA.

4. Arising from some key developments, namely the proposed amendments to the Accountants Act 1967, the Economic Transformation Programme Report under the National Key Economic Areas (NKEA) which is driven by the Performance Management & Delivery Unit (PEMANDU) and the Report on the Observance of Standards and Codes (ROSC) issued by World Bank, the Council in its meeting held on 25 April 2012 had approved the framework to review the recognised accounting degree programmes listed under Part I of the First Schedule of the Accountants Act, 1967. The objective of the review is to certify that the accredited accounting degree programmes meet and comply with the required quality standards set by MIA. At the same time, it will improve the industry perception of qualifications from local universities through various initiatives. The review will be conducted every five (5) years.

CHARTERED ACCOUNTANT'S RELEVANT EXPERIENCE (CARE) PROGRAMME

The CARE is a systematic assessment programme which monitors the working experience of its participants for three (3) years beginning the day they register as CARE participants. Introduced on 1 November 2009, it sets out a range of competencies that needs to be obtained before qualifying as a chartered accountant. As at 30 June 2012, there are 2,510 registered CARE participants for the programme, 885 of them have become MIA members.

During the year under review, MIA has initiated several programmes to increase the awareness of CARE among accounting students in local universities. Funded by the government under the NKEA, MIA has conducted 12 sessions with the universities to date.





COMPETENCY ASSESSMENT

To ensure prospective accountants are appropriately and professionally competent, the Council in its meeting dated 24 April 2012 approved the embedding of a competency assessment within the CARE Programme which will be conducted in the last six (6) months of CARE by employers at the workplace. This is in line with the requirement of International Education Standard (IES 6) of IFAC.

INTEGRATED CASE STUDY (ICS) DEVELOPMENT

Funded by the Ministry of Higher Education (MOHE), the development of integrated case studies is ongoing in collaboration with academicians and practitioners. The main objective is to develop cases that may be used by universities as part of teaching tools in the ICS course.

The second volume of the ICS book which contains 11 cases was published in March 2012. MIA has started its third round of ICS development and currently is in the second phase of reviewing the case contents. 22 academicians and 8 practitioners have committed to write cases, out of whom 18 are new case writers.

Two workshops were carried out with the case writers to develop the new cases. MIA targets to print the third volume of the ICS book by December 2012.

KEY STAKEHOLDERS' LINKAGES

MIA continues to communicate with our relevant stakeholders through various means to ensure that the credibility of accountants is maintained while at the same time generating more interest in the profession. At the same time, MIA acts as a platform that enables the profession to communicate with its key stakeholders and articulate issues that can be crucial to the development of the profession.

GLOBAL RELEVANCE THROUGH STAKEHOLDER ENGAGEMENT

Stakeholder engagement is vital for the Malaysian Institute of Accountants in building linkages that enable it to position the Malaysian accountancy profession as a significant player in the local, regional and global landscape. Indeed, MIA continuously promotes the interests of the profession in Malaysia by actively engaging in dialogues and enhancing co-operation and collaboration with various stakeholders at both national and international levels.

In particular, MIA's corporate and international affairs function is instrumental in managing stakeholder relationships with regional agencies, government agencies, global and regional accountancy bodies. MIA works to ensure that members remain relevant and indispensable even as the profession faces complex global challenges such as liberalisation of trade in services, and daunting regulatory and ethical issues among others. MIA also fosters dialogues and communication with both local and foreign stakeholders to share knowledge in the interests of enhancing quality and keeping MIA and its members globally relevant.

Significantly, MIA was closely involved during the year under review with the Securities Commission and the World Bank to facilitate the production of the Report on Observance of Codes and Standards on Accounting and Auditing (ROSC AA). The ROSC AA report, which was finalised in February 2012, is available for viewing at the World Bank website and outlines areas where the government and stakeholders could implement actions to further strengthen the accountancy profession and increase compliance with international standards. MIA has since been working to strengthen these weaknesses guided by the recommendations made in the ROSC AA Report.

During the year in review, MIA was also in close communication with the Performance and Delivery Unit (PEMANDU) of the Prime Minister's Department. Among the initiatives we conducted were the Malaysian Financial Reporting Standards (MFRS) training, roadshows to promote the mergers and affiliation (M&As) of firms as well as several Education-related initiatives.

MIA also closely monitors the global trends and developments affecting the local accountancy profession as well as the process of globalisation and liberalisation of trade in services at the multilateral, regional and bilateral levels, in order to assess their impact on our members. MIA, the Ministry of International Trade and Industry (MITI) and the Ministry of Finance (MOF) continue to cooperate closely on matters related to multilateral trade negotiations on trade in services for the Accounting, Auditing and Bookkeeping Services (CPC 862) sector under the:

- ASEAN Framework Agreement on Services (AFAS) sectors, and
- other Free Trade Agreements (FTAs) Malaysia is currently negotiating either individually or as part of ASEAN.

MIA will continue to monitor the developments of all these negotiations to ensure that the position and interests of the accountancy profession are not compromised.

Meanwhile, MIA continues to play an active and leading role in the ASEAN Federation of Accountants (AFA) and retained the Presidency until December 2011. During the review period, four AFA Council meetings were held with MIA hosting one of these meetings in November 2011. MIA also hosted the MIA – AFA Conference from 2 – 3 November 2011 which was attended by both local and international participants.



MIA continues to play an active and leading role in the ASEAN Federation of Accountants (AFA)

Enriching Knowledge and Ensuring Accountability



TRANSFORMING *the* PROFESSION



MALAYSIAN INSTITUTE
OF ACCOUNTANTS
ACCOUNTANTS: MANAGERS OF VALUE

PROUD HOST



MIA INTERNATIONAL ACCOUNTANTS CONFERENCE
27 & 28 NOVEMBER 2012, KUALA LUMPUR CONVENTION CENTRE

Enhancing Knowledge and Professional Accountability

MIA continues to embed quality and integrity among our members through continuing professional development and education and members' service initiatives that aim to enhance Members' Knowledge & elevate their Professional Accountability. The end-result will be to build the reputation of the professional accountancy profession as one synonymous with quality and integrity.

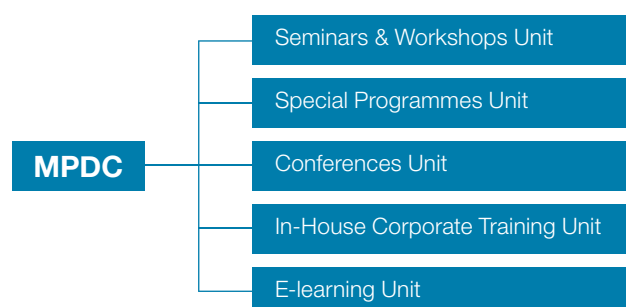
ACCELERATING KNOWLEDGE AND COMPETENCY DEVELOPMENT

The MIA Professional Development Centre (MPDC) complements MIA's aim of maintaining the credibility of the accountancy profession in upholding public interest by providing a platform for continuous education for stakeholders of the accounting profession.

The ultimate goal is to ensure that a sufficient pool of competent and skilled accounting and finance professionals are created to maintain the integrity of the financial reporting chain, which will in turn deliver high-quality financial information to stakeholders and build market confidence. MPDC programmes are open to both professional accountants and non-members who support the profession.

As a strategic business arm of MIA, the specific functions of MPDC are to offer continuing professional education (CPE) training programmes, seminars, courses, forums and conferences to its members and other as well as to generate income for MIA to provide funding for its other core support functions, namely the professional standard & practices and surveillance & enforcement which are carried out to protect public interest.

MIA, via MPDC, currently offers a broad range of CPE programmes throughout the country. MPDC's customer base consists of approximately 65% MIA members and 35% non-members, who are serviced by five strategic business units within MPDC:



MPDC PERFORMANCE

MPDC's core operation is to carry out research work on training needs and topics for the accountancy profession, formulate CPE programmes, source facilitators/speakers or subject matter experts or secure partners, handle marketing and promotions, and present CPE programmes in various locations within the country.

In addition to regular training programmes and seminars, MPDC also organises flagship events for the Institute such as the annual MIA International Accountants Conference (MIA Conference), formerly known as the National Accountants Conference (NAC) and industry-focused educational and market intelligence events that are relevant to the accountancy profession. MIA has also expanded its CPE role by offering customised in-house training programmes to corporate organisations, with emphasis on Malaysian Financial Reporting Standards (MFRS) topics. E-learning has kicked off about 2 years ago with the MIA Induction Course offered for the benefit of newly-admitted members. Currently, MIA also offers selected CPE programmes under the e-learning platform.

For the financial year ended 30 June 2012, MIA successfully produced and delivered 644 educational programmes, which included 84 new titles. During the year, 167 industry specialists served as facilitators and speakers for MIA's programmes, including 82 new speakers, attesting to MIA's growing reputation as a leading provider of accountancy and professional continuing education. During the financial year under review, MIA delivered CPE programmes in these categories:

Categories	No. of Events	%
FRS & Financial Accounting	152	23.6%
Audit & Assurance	51	7.9%
Taxation	92	14.3%
Management Accounting	109	16.9%
Legal & Corporate Governance	23	3.6%
Banking & Finance	21	3.3%
Public Practice & Consultancy	17	2.6%
IT Application	154	23.9%
Soft Skills	24	3.7%
Others	1	0.2%
TOTAL	644	100%

In terms of CPE training hours, MIA recorded about 194,000 hours in total of which 60% (117,000 hours) benefited MIA members directly, thus serving their CPE needs. The remaining 40% (77,000 hours) was achieved as result of participation from non-members within the accounting fraternity.

Professional development activities housed under MPDC generated revenue and contribution of RM11,547,636 and RM4,743,220 respectively for the financial year.

Enriching Knowledge and Ensuring Accountability

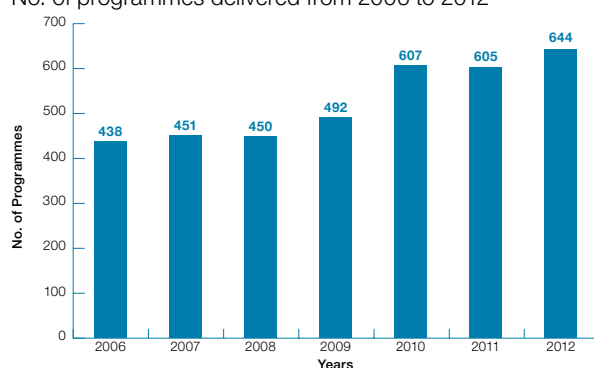
To meet the CPE needs of MIA members based in various parts of the country, CPE programmes are organised both in the Klang Valley and other states. Programmes organised in the various states during the financial year are as follow:

Location	No. of Programmes	%
Klang Valley	475	74%
Penang	37	6%
Johor	57	9%
Sarawak	38	6%

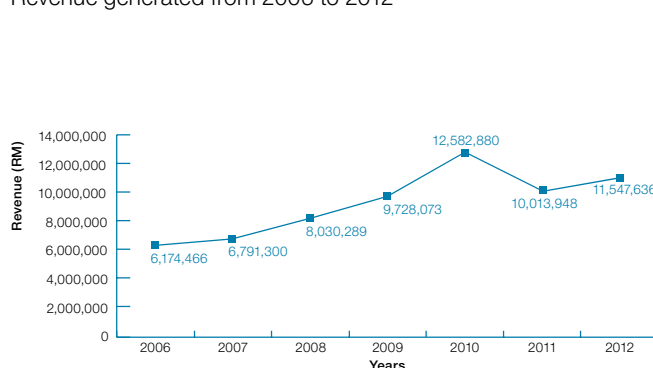
Location	No. of Programmes	%
Sabah	28	4%
Others	9	1%
TOTAL	644	100%

MIA has achieved continuous growth in terms of the number of CPE programmes delivered and income generated. The growth statistics for the last seven (7) years are as follow:

No. of programmes delivered from 2006 to 2012



Revenue generated from 2006 to 2012



The revenue from World Congress of Accountants in 2010 was excluded in the above graph as it was managed as a separate project for the financial year ended 30 June 2011.

Collaborations with external organisations are a key factor in the growing success of MIA's professional development services. MIA has established excellent working relationships with leading accounting firms, professional bodies and regulatory bodies. During the year under review, MIA jointly organised special CPE programmes with the following partners:

No.	Collaborating Organisation
1.	Ernst & Young Malaysia
2.	The Pakistan High Commission in Malaysia
3.	Trade Development Authority of Pakistan (TDAP)
4.	Napolean Hill
5.	Skali
6.	Microsoft Malaysia
7.	CIMA
8.	Persatuan Akauntan Percukaian Malaysia (MATA)
9.	Suruhanjaya Syarikat Malaysia (SSM)
10.	ACCA
11.	CPA Australia
12.	MATRADE
13.	SMECorp
14.	Leadership Resources
15.	MIDF
16.	MASB
17.	The Malaysia SME Paper
18.	ICAEW

No.	Collaborating Organisation
19.	Shook Lin & Bok
20.	Malaysian Press Institute
21.	Muamalah Financial Consulting Sdn Bhd
22.	KPMG
23.	PricewaterhouseCoopers Advisory S/B
24.	Bank Negara
25.	Securities Commission Malaysia
26.	Deloitte KassimChan
27.	Royal Malaysian Customs
28.	Ministry of Finance
29.	K. Pintar Sdn Bhd
30.	Institute of Business Analytics
31.	Lee Hishammuddin Allen & Gledhill
32.	Folks DFK & Co
33.	Friendbond Group of Companies
34.	Ferrier Hodgson MH Sdn Bhd
35.	Grand Thornton Malaysia
36.	IFAC

Collaborating Organisation (*continued*)

No.	Collaborating Organisation
37.	ICLIF
38.	IBM Software Group
39.	Vistra Singapore
40.	Institute of Enterprise Risk Professionals (IERP)
41.	Ram Holdings Berhad
42.	University Tunku Abdul Rahman
43.	ECS Solution Sdn Bhd
44.	Tenaga Nasional Berhad
45.	Transparency International Malaysia

No.	Collaborating Organisation
46.	CSR Asia (Malaysia)
47.	Tabung Haji Plantations Berhad
48.	Celcom Axiata Berhad
49.	Minconsult Sdn Bhd
50.	MSWG
51.	Delteq (M) Sdn Bhd
52.	Fiducia LLP Singapore
53.	Mazars Tax Services Sdn Bhd
54.	BDO

FINANCIAL GRANTS SECURED FOR MIA CPE PROGRAMMES

In the early part of 2012, MIA has further strengthened its working relationship with SMECorp Malaysia. MIA achieved 100% audit compliance by SMECorp Malaysia for 2 consecutive years managing the training grants allocated for SMEs and SMPs. As a result of this accomplishment, SMECorp Malaysia upgraded MIA from category B to category A and increased the training grant allocation to RM500,000. With the increased grant, MIA was able to provide wider financial support for SMEs participants as well as Small Medium Practitioners (SMPs) and their staff attending MIA training programmes. The grant enabled the provision of 50% and 70% subsidy on training fees payable by SMEs and SMPs and was utilised to train more than 800 participants.

In addition to the SMECorp training grant, MIA has also secured another training grant from the Government in order to provide financial support to SMEs and SMPs who participate in the Malaysian Financial Reporting Standards (MFRSs) training programmes. This facility was put in place to further enhance the competencies of accountants on MFRSs in order to support the adoption of IFRS in Malaysia effective 1st January 2012.

PROFESSIONAL STANDARDS AND PRACTICES (PSP)

The PSP Department of MIA promotes adherence to professional standards and practices to ensure the conduct of its members maintain and strengthen public confidence and trust. It has four (4) technical functions as follows:

- Accounting and Financial Reporting Standards Implementation Committee (FRSIC)
- Auditing and Assurance
- Ethics, Regulatory and Governance
- Taxation

In support of its technical functions, the PSP Department has carried out the following activities in the financial year under review:

ACCOUNTING AND FRSIC

1. Conducted a one-day seminar on the overview of financial reporting under the accrual basis of accounting on 8 July 2011 at the Accountant General's office in its effort to create awareness amongst its officers on the implementation of accrual accounting for public sector financial reporting.
2. Embarked upon technical research initiatives for FRSIC Issue No. 30 entailing clarification on accounting for Dividend Equalisation for unit trust funds following which FRSIC Consensus 16 "Distribution Equalisation in Unit Trust Funds" has been issued as a best practice implementation guide on 8 August 2011.
3. Initiated and embarked on technical research initiatives for FRSIC Issue No. 29 which entailed clarification on

accounting recognition for the shortfall between the cost of constructing affordable housing and the economic benefits expected from the development of affordable housing on an involuntary basis and voluntary basis. FRSIC Consensus 17 "Development of Affordable Housing" has been issued as a best practice implementation guide on 24 November 2011 following the initiative.

4. Reviewed and provided comments to the Malaysian Accounting Standards Board (MASB) on whether the revised exposure draft on "Revenue from Contracts with Customers" provides sufficient clarity to address the issues concerning the real estate industry in Malaysia in response to exposure draft issued by the International Accounting Standards Board. Comments were submitted to MASB on 10 February 2012.
5. Provided input to Government Accounting Standard Advisory Committee (GASAC), the public sector accounting standard-setting committee, by reviewing and providing comments on exposure drafts issued by the committee as follows:
 - MPSAS 1 "Presentation of Financial Statements"
 - MPSAS 2 "Cash Flow Statements"
 - MPSAS 3 "Accounting Policies, Changes in Accounting Estimates and Errors"
 - MPSAS 9 "Revenue from Exchange Transactions"
 - MPSAS 17 "Property, Plant and Equipment"

AUDITING AND ASSURANCE

1. Contributed directly to the international development of quality control, auditing, review, other assurance and related services standards with the aim of providing constructive feedback to the International Auditing and

Assurance Standards Board (IAASB). During the financial year, comments have been submitted in response to the following IAASB technical pronouncements:

- Exposure Draft International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. Comments submitted to IAASB on 13 September 2011.
 - Consultation Paper on Enhancing the Value of Auditor Reporting: Exploring Options for Change. Comments submitted to IAASB on 13 September 2011.
2. Approved the following IAASB pronouncements and issued to members for guidance and compliance:
 - Adoption of the amended Preface to the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements.
 - Adoption of ISAE 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus.
 - Adoption of International Standard on Related Services (ISRS) 4410 (Revised), Compilation Engagements.
 - Publication of International Auditing Practice Note (IAPN) 1000, Special Considerations in Auditing Financial Instruments.
 - Withdrawal of International Auditing Practice Statement (IAPS) 1000, 1004, 1006, 1010, 1012 and 1013.
 3. Issued two Recommended Practice Guides (RPGs) for members' guidance and compliance:
 - Revised RPG 8, Illustrative Letter of Engagement – Statutory Audit for Single Entity and Group.
 - RPG 10, Guidance on the Role of Reporting Accountant in a Due Diligence Working Group.
 4. Conducted a Technical Group (TG) discussion for practitioners on 15 July 2011 relating to implementation issues of clarified International Standards on Auditing (ISA) 240, The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements.
 5. Participated in a session titled "The Impact of IFRS Convergence on Auditors" in "Audit Quality: Thinking Ahead of the Game" forum on 6 October 2011 at the Securities Commission (SC).
 6. Participated in various roundtable forums relevant to the auditing fraternity:
 - "Enhancing the Value of Auditor Reporting: Exploring Options for Change" on 29 July 2011 at the Securities Commission to enhance the value and relevance of auditor reporting. The forum discussed the value and relevance of auditor reporting from the perspective of the preparers of financial statements.
 - "Industry Consultation on the Role of Accounting Profession in the Development of the Malaysian Capital Market" on 20 June 2012 at the SC. The roundtable discussed issues on the role of accountants in capital formation, as gatekeepers of financial information and in restructuring of companies.
 - "ASEAN Audit Regulators Roundtable on Group Audits" on 14 May 2012 hosted by the Audit Oversight Board (AOB) at the SC to identify possible solutions relating to ISA 600, Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors).
 7. Engaged relevant stakeholders on issues involving the auditing profession to advocate best audit practices and address the expectation and needs of stakeholders.

- Participated in a forum entitled "MIA - Association of Banks Malaysia (ABM) Forum Discussion on Bank Confirmation Request" on 14 November 2011. The forum involved 26 representatives from 23 banks in Malaysia.
- Ongoing discussions with Securities Commission Malaysia, Bank Negara Malaysia and Ministry of Housing and Local Government relating to legislations and regulations affecting auditor reporting.

ETHICS, REGULATORY AND GOVERNANCE

1. Reviewed the Corporate Governance Blueprint and identified areas which are pertinent to accountancy profession in support of a robust corporate governance framework in Malaysia. Comments were submitted to Securities Commission on 15 September 2011.
2. Reviewed the Consultative Document of the new Companies Bill relating to "Certain Provisions under the Capital Maintenance Rules and Share Capital", solicited by Companies Commission of Malaysia (SSM). A comment letter was submitted to SSM on 12 October 2011. Also, participated in discussion with SSM in the formulation of this Document on 10 November 2011.
3. Reviewed the Discussion Paper titled "Towards Integrated Reporting, Communicating Value in the 21st Century" issued by the International Integrated Reporting Committee (IIRC) in support of the global initiative on Integrated Reporting. A comment letter was submitted to IIRC on 14 December 2011.
4. Reviewed the following Exposure Drafts and Consultative Documents issued by the International Ethics Standards Board for Accountants (IESBA):
 - Exposure Draft entitled "Proposed Changes to the Code of Ethics for Professional Accountants Addressing a Breach of a Requirement of the Code". Comments were submitted to IESBA on 18 January 2012;
 - Exposure Draft entitled "Proposed Changes to the Code of Ethics for Professional Accountants Addressing Conflict of Interest". Comments were submitted to IESBA on 30 March 2012; and
 - Exposure Draft entitled "Proposed Changes to the Definition of Engagement Team". Comments were submitted to IESBA on 9 April 2012.
5. Actively participated in Corporate Practice Consultative Forum organised by SSM on issues relating to the extant Companies Act 1965, the impending issuance of the new Companies Bill and the Limited Liability Partnership Act. SSM had taken cognizance of MIA proposals for their merits on corporate governance framework in Malaysia.
6. Participated in holding a session titled "Corporate Governance: the Pillar of Business Sustainability" at the Corporate Governance Week 2011 on 29 November 2011 in collaboration with Bursa Malaysia and Securities Commission with the purpose of fostering a platform for the industry to share and discuss on issues and challenges of sound corporate governance practices. The session held featured renowned speakers, namely Datuk Mohd Nasir Ahmad, Mr Devanesan Evanson, Professor Madya Dr Zulkarnain Bin Mohamad Sori and Mr Ng Boon Beng.
7. Held a session titled "Role of Audit Committee in Assuring Audit Quality" at the Half Day Governance Programme series for directors of listed issuers on 22 May 2012 in

support of Bursa Malaysia's efforts to enhance directors' awareness of current trends, developments and issues relating to corporate governance practices. Such session featured distinguished speakers, namely Encik Abdul Rahim Abdul Hamid, Tan Sri Datuk Dr Abdul Samad Haji Alias, Mr Eugene Wong Weng Soon and Mr Ong Ching Chuan. The participants were privy to a lively session with speakers sharing their respective views and challenges on the subject matter from the perspectives of a regulator, auditor and director.

8. Actively participated in the formulation of the Extensible Business Reporting Language (XBRL) project in Malaysia by providing comments on documents and discussing key concerns with regulators.
9. Formed a Committee to study and contribute constructively to both the impending and finalized SSM projects, including the Limited Liability Partnership Act, XBRL, new Companies Bill, interest scheme and others in support of the imminent change brought about by SSM on the landscape of companies in Malaysia. The members of the Committee comprise of senior practitioners and professional accountants in business.

TAXATION

1. Submitted twelve Discussion Papers (DP) on tax implications related to the implementation of FRS to Ministry of Finance (MOF) and Inland Revenue Board (IRB) through Joint Tax Working Group. Following the submission, seven dialogue sessions were held with MOF, IRB and Malaysian Accounting Standards Board (MASB). Another four DPs are pending finalization.
2. Proposed a model to replace the licensing framework for tax agents in Malaysia by submitting a memorandum on the proposed framework for the licensing and regulation of tax agents to MOF and IRB on 18 January 2012.
3. Engaged with SSM on tax treatment for Limited Liability Partnerships (LLP) in Malaysia. A memorandum on the proposed tax treatment of LLPs in Malaysia has been submitted to SSM on 13 September 2011. Further, a recommendation and clarification letter was jointly-submitted by MIA, MICPA and CTIM on 30 November 2011.
4. Submitted a memorandum on the review of the Malaysian Stamp Act 1949 to IRB on 17 February 2012 through Stamp Duty Task Force (SDTF) comprising MIA, MICPA and CTIM.
5. Provided insights to the Malaysian Industrial Development Authority (MIDA) on the 2013 Budget Proposals for the Services Sector which will be channeled to the Ministry of International Trade and Industry (MITI) for its further deliberation.

DEVELOPMENT INITIATIVES FOR PROFESSIONAL ACCOUNTANTS IN PUBLIC PRACTICE

Public Practice is an important segment of the accountancy profession which is instrumental in providing assurance and comfort to stakeholders, especially the public.

The Malaysian Institute of Accountants (MIA), through its Public Practice function strives to reach out to members within the segment, equipping them with the competencies necessary to create greater confidence in the quality of services offered.

Consistent with the previous strategic initiatives of the Public Practice Department, the activities for the year were focused in the following three areas:

(A) ENHANCING COMPETENCY & QUALITY

During the year, MIA organised several events to help members in public practice cope with the challenges specific to their business, including seminars on Audit Licence Interview, Implementing Audit Quality Control, Annual Members Engagement Session, Seminar on Audit on Micro-entities, Public Practice Seminar, MASB's Briefing, and an evening talk on Practice Continuation Agreement, etc.

Members Engagement Sessions (MES) 2011

To better address issues faced by members in Public Practice, the Institute organised a series of Members Engagement Session (MES) in six (6) locations nationwide in October 2011.

Exploring latest developments and pressing challenges in practice, the MES 2011 offered members the opportunities to gain the latest general and technical updates in the industry from MIA, besides bringing together professionals in the same industry segment who share the same daily challenges. The topics covered during the session included:

- Highlights of the Limited Liability Partnership (LLP) Bill 2011
- Updates on the regulatory changes affecting the profession, e.g. Companies Bill 2012 and eXtensible Business Reporting Language (XBRL)
- MIA's initiatives and opportunities for Mergers and Acquisitions
- International Financial Reporting Standards (IFRS) for SMEs
- Highlights of the IFAC initiatives on SMEs and SMPs that will benefit SMPs in Malaysia

The MES 2011 attracted participants as follows:

Date	Location	Number of participants
10 Oct 2011	Johor Bahru	57
13 Oct 2011	Kuala Lumpur	140
19 Oct 2011	Kuantan	22
24 Oct 2011	Penang	64
27 Oct 2011	Kota Kinabalu	56
28 Oct 2011	Kuching	58
TOTAL		397

Members communicated feedback that comprised their need for training courses at affordable costs, as well as concerns with the current licensing framework, the interview scope for audit / liquidator licence and the frequency of Accountants Today, etc. MIA duly noted this feedback and will take them into consideration and report developments at the next Members Engagement Session (MES).

Public Practice Seminar

To connect with members and raise latest issues in public practice, MIA organised the inaugural Public Practitioners Seminar 2012 – Facing the Changing Practice Landscape in March 2012. Public practitioners were exposed to the latest issues and invited to air their concerns at the Members' Engagement Forum which capped the event.

The one-day seminar focused on the challenges faced by small and medium practitioners in Malaysia and other ASEAN

regions, latest developments on tax-related issues, company law changes and their implications, insolvency and restructuring issues affecting public practice, issues on the relevance of the future of audit as envisaged by the European Commission and how it might affect Malaysia and new insights and knowledge on how practitioners can best enhance their practice management skills. The seminar attracted 60 participants.

MASB's Briefings

With the issuance of the Malaysian Financial Reporting Standards (MFRS) Framework in November 2011 for adoption on 1 January 2012, MASB standards applicable to Entities other than Private Entities are identical to International Financial Reporting Standards (IFRSs) in all respects other than the nomenclature. The briefing held in April this year entailed an overview of MFRS, a summary of issues of relevance to practitioners and MASB's plan for the next three years with regards to Private Entity Reporting Standards (PERS) and new Islamic Finance standards. This briefing attracted 60 participants.

In response to MASB's publication on 'Request for Views on Private Entities, the Way Forward' to seek views from interested parties about the future financial reporting framework for private entities in Malaysia, MIA has requested for a briefing by MASB on 28 June 2012 to enhance auditors' understanding on the various alternatives for financial reporting framework for private entities. The briefing covered the comparison of various alternatives, pros and cons of each alternative, business impacts and costs implications for auditors. Members of Public Practice Committee (PPC) and Audit Practice Sub-committee (APC) were invited to the briefing.

(B) PROMOTING GROWTH & MEETING NEW CHALLENGES

MIA continues to foster closer ties and maintain representation at meetings held by the International Federation of Accountants (IFAC)'s Small and Medium Practices (SMP) Committee, creating more opportunities for businesses and for our profession. A large delegation from Malaysia attended the IFAC SMP Forum held in Singapore on 19 March 2012. It is important for Malaysia that our members are well-represented and respected in the international professional community.

The Institute sees a fundamental need to facilitate greater consolidation within SMPs. In this respect, a series of Merger & Affiliation Seminars have been organised from May to July 2012 in seven locations free of charge to assist practitioners to capitalise on the opportunity for using M&As to help chart the firm's direction in this globalised and progressively liberalised world. As at 30 June 2012, 170 participants have attended the seminars in five locations.

The Institute is thankful to the Malaysian Government for the RM70,000 grant towards realising this initiative. As at 30 April 2012, 60 member firms have already got themselves affiliated with more to come.

(C) SHIFTING THE THOUGHT PARADIGM OF MEMBERS AND OTHER REGULATORS

MIA continues to strengthen ties with authorities such as the Audit Oversight Board (AOB), the Malaysia Department of Insolvency (MDI) and the Association of Banks in Malaysia (ABM).

The Institute attended several consultation sessions on the proposed Insolvency Bill at the MDI before the tabling of the Bill to Parliament. The Institute also participated in an interview session conducted by World Bank under its Financial Sector

Assessment Programme (Report on Observance of Standards and Codes – Insolvency and Creditor/Debtor Regimes) on 26 March 2012. Our advocacy and thought leadership helps define the business environment in which our members operate, and at the same time, allows them to advance their careers in a respected circle of influence that encompasses business and regulatory leaders.

MIA continues to engage with the Audit Oversight Board (AOB) on a timely basis over their inspection findings in year 2010 and 2011. Two dialogues with AOB have been conducted in October 2011 and in March 2012. In this respect, the Institute will engage with AOB on a continuous basis to keep the training content highly relevant to auditors of Public Interest Entities (PIEs).

MIA has also commenced formal dialogues with the Association of Banks in Malaysia (ABM) since November 2011 on issues pertaining to bank confirmation. A circular has been sent out on February 2012 pertaining to the agreed procedures to be followed by auditors when requesting confirmation from the banks on an entity being audited, effective from January 2012. MIA will be having on-going discussions with the ABM on how auditors and banks can have a better working relationship moving forward.

MIA has devoted significant time this year to professional reform. Reforming the audit licensing interview regime and practice review framework for auditors have been central topics of debate in finding a fair and equitable proposal to present to the relevant authorities.

The Public Practice Committee (PPC) has finalised a paper on recommended action plans to resolve the issues in the interview process for becoming the approved company auditors for Council's approval with the aim of managing the process for the application of the approved company auditors gradually, whilst ensuring high professional standards and the confidence of the Regulators.

With the advocacy of the Institute, there are some positive developments on the resolutions of various motions approved at MIA's 24th AGM in September 2010. With the introduction of New *Borang C* for the renewal of audit licences effective 1 April 2012, Form M1(A) has since been abolished. The PPC also has submitted the proposed revised Practice Review framework to MIA's Practice Review Committee for their consideration in July 2011.

The minimum coverage for Professional Indemnity Insurance (PII) will be increased from RM100,000 to RM 250,000 effective from July 2012, following a review for its relevancy after 14 years of implementation of mandatory PII.

The PII's minimum coverage has remained constant since its inception in 1998 and this can mostly be attributable to the claims history of the scheme. Upon recommendation by the Malaysia's Report on the Observance of Standards and Codes (ROSC) – Accounting and Auditing, this decision has been reviewed and findings show that there is a need to increase the mandatory limit as it was too low in Malaysia compared with other jurisdictions.

SPEARHEADING EXCELLENCE FOR PROFESSIONAL ACCOUNTANTS IN BUSINESS

Professional accountants in business (PAIBs) are an important segment of MIA's membership with a set of unique interests.

To address the diverse needs of our PAIB members comprising those in commerce and industry, academia, internal audit and the public sector, MIA continues to initiate and carry out key strategic projects to develop and support them. Through this function, MIA strives to provide a platform to facilitate awareness, education and debate on current developments and emerging issues that affect PAIBs and to promote global best practices for the enhancement of our PAIB members and the profession at large.

Ultimately through this platform, MIA hopes to provide thought leadership to stakeholders, and excellent services to members by maintaining and enhancing the reputation and status of the Institute and its members in strategic, leadership and technical areas. To support these objectives, MIA carried out the following activities during the period under review:

1. MIA published an article featuring perspectives from prominent PAIB members in commerce and industry, academia and public sector in the March/ April 2012 issue of Accountants Today with the aim of inspiring other members within the segment. Those featured included Tan Sri Datuk Dr. Abdul Samad Haji Alias, Chairman of Perbadanan Insurans Deposit Malaysia, Jason Crimson, Director of Asia Pacific Shared Services for Kimberly-Clark Regional Services (Malaysia), Johan Mahmood Merican, CEO of Talent Corporation Malaysia Berhad (TalentCorp), Dr. Nurmazilah Dato' Mahzan, Deputy Dean at the Faculty of Business and Accountancy at the University of Malaya, Tamil Selvan Durairaj, Executive Director of Century Software Holdings Berhad, Christina Constance Foo, Managing Director of Priority One Consultancy Services Sdn Bhd who were interviewed on their respective areas of expertise and shared their professional experience for the benefit of MIA members.
2. MIA organised the MIA Articles of Merit Award on PAIB 2011. Member development is a priority for MIA, and we actively solicit and recognise contributions from our members who are PAIBs to encourage them to develop their professional knowledge and skills and enhance their status and reputation. This award intends to provide a platform for engagement on issues and topics relevant to the profession and MIA hopes that it would spur the adoption and development of best practices in order to promote the recognition and value of PAIBs.
3. MIA organised the Accountants in Business Symposium (AIBS) in March 2012. This was a two-day programme which consisted of eleven sessions on a diverse range of topics, including the Eurozone Crisis, IFRS Convergence and Tax Implications, Islamic Fund Management, Corporate Governance, Sustainability, Integrated Reporting, Cloud Computing, the Effect of Natural Disasters on Businesses, Valuing the Human Dimension and Personal Grooming.

The symposium exposed participants to current global economic and credit issues and impacts, promoted a deeper understanding on the impact of IFRS convergence and highlighted the crucial role played by PAIBs in sustaining and promoting growth in their organisation, the nation, and the global economy.

4. To enhance the value and reputation of PAIBs, MIA formed consultative task forces to look into the following six relevant areas affecting PAIBs:
 - i. Roles, Domain, and Competences of PAIBs
 - ii. Governance and Ethics

- iii. Sustainability and Corporate Responsibility
- iv. Risk Management and Internal Control
- v. Financial and Performance Management
- vi. Business Reporting

The Task Forces will comment and give feedback on their respective areas when the need arises. This is also a channel for industry players to highlight relevant issues affecting the business community, and their impact on PAIBs.

5. MIA engages with many diverse and relevant stakeholders through various platforms to provide feedback, thought leadership and champion the interests of the accountancy profession. MIA recently participated in a Working Group to provide views on the 'Guidance for Directors of PLCs on Statement on Internal Control' and will issue draft recommendations to Bursa Malaysia. We hope our recommendations will be taken into account to produce a revised guidance that incorporates global best practices suitable in the Malaysian context and compares favourably with other jurisdictions.
6. MIA co-organised the National Award for Management Accounting (NAfMA) 2011 with the Chartered Institute of Management Accountants (CIMA) Malaysia Division to recognise and promote the use of best practices in management accounting towards world-class business performance amongst organisations in Malaysia as well as highlight the role of PAIBs in the performance of successful businesses. The awards were presented to the winners at a dinner ceremony in December 2011.

SUPPORTING THE GROWTH OF MALAYSIA'S ISLAMIC FINANCE INDUSTRY

1. In the areas of Islamic Finance (IF), MIA through various initiatives and collaborations aims to showcase Malaysia's expertise in IF and promote its accountants' marketability locally and internationally. It plans to develop the knowledge base on application of IFRS on Islamic Finance as well as to encourage research on this area through collaborations and sharing of findings with stakeholders. Specifically, MIA engaged with Bank Negara Malaysia to provide input from the industry's perspective on the "Shariah Audit Framework for Islamic Financial Institutions (IFIs)". Our views and feedback were shared with BNM through several discussions held throughout 2011. It is envisaged that a more practical and useful guidance will be issued which will enhance the efficiency of the Islamic Finance market.
2. MIA is collaborating with INCEIF (The Global University of Islamic Finance) to conduct a gap analysis on the Bachelor of Accounting Programmes of local universities accredited by MIA to recommend relevant Islamic Finance (IF) modules that could be incorporated into the current syllabus. In addition, MIA would identify suitable courses that could be offered for the benefit of members.

This initiative is aimed to enhance the value of future and existing accountants by embedding relevant knowledge into their education system and continuous professional development. This will provide a ready supply of IF-competent accountants to support the development of this rapidly growing economy and promote Malaysian accountants' marketability internationally.

Upholding the Public Interest



TRANSFORMING *the* PROFESSION



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Upholding Public Trust and Maintaining Confidence

As a regulator and professional membership body for the Malaysian accountancy profession, the Institute is charged with oversight and governance of its members and their conduct in order to inspire public trust and comfort. To achieve this, the Institute regularly carries out surveillance, review and assurance exercises to ensure that members are adhering to our professional regulations and ethical codes of conduct to uphold the public interest.

CONTINUING PROFESSIONAL EDUCATION (CPE) AUDIT

A professional accountant is required to participate in CPE learning activities that are relevant to his current and future work and professional responsibilities to maintain professional competence and to ensure the exercise of due care at all times. The Malaysian Institute of Accountants through its CPE function continues to ensure that members adhere to basic tenets of ethical and professional conduct.

During the period under review, the summary of CPE Audit activities carried out is as follows:

MIA proposed that the CPE Audit be conducted on all active members (approximately 27,000 members as at 2011). The first batch of 6900 members comprising Practising Certificate Holders and Non-Practising Certificate Holders were notified that they were to be audited in May 2011. However, the deadline for CPE credit hours' submission was extended from 31 December 2011 to 30 April 2012 to accord additional time for members to update their CPE record.

As at 30 April 2012, a total of 617 non-practitioners and 835 practitioners had submitted the CPE online declaration. A total of 14% non-practitioners complied with the CPE requirements for Audit Period 2009/2011, with a shortfall of 50% members and 2% exempted members. Practitioners have registered marked improvement for CPE Audit Period 2011, with a compliance rate of 20% members, a shortfall of 13% members and 1% exempted members.



PRACTICE REVIEW

MIA carries out the practice review of audit firms engaged in public practice in Malaysia to ensure that all members in public practice maintain, observe and apply applicable professional standards. Primarily, the practice review of audit firms is to determine compliance, promote quality assurance and to help members in public practice improve and raise their professional standards. Engagement file reviews are carried out on audit firms which have been selected for review based on a random basis. This selection method is based on the principle that a firm has a fair chance of being selected for review as any other firm and therefore eliminates any alleged bias in the firm selection process.

However, there are critics who hold that the random method of selection is unfair. As such, MIA has revised the practice review framework. Under the revised initiative, the current random basis of selection of firms will be replaced by a risk-based approach to the selection of firms. This will take into account the risk profile of audit firms.

As at 30 June 2012, 707 notifications of first reviews, and 62 notifications of follow-up reviews were issued to selected audit firms. The cumulative number of firms reviewed as at 30 June 2012 reached 583.

As at 30 June 2012, MIA performed first time reviews on 583 audit firms or 43% of the 1358 audit firms registered with MIA.

Of the 583 firms reviewed, 459 final (signed) reports have been approved by the practice review committee and released to the firms. The balance of 124 firms is still in progress.

The results of the 459 reports cumulatively showed that approximately 8.4% are rated Type 1 (satisfactory), 47.3% are rated Type 2 (assurance of compliance to be provided) while 44.3% are rated Type 3 (follow-up review).

In addition, the first-time firms which are rated Type 3 will be subjected to certain remedial measures which include the drawing up of an action plan by the firm to overcome the weakness and its submission to MIA. Practitioners of Type 3 firms are required to attend compulsory remedial courses conducted by the MPDC department of MIA before the commencement of the follow-up review (2nd review).

Improvements shown in the follow-up review in overcoming the weakness of the firm will be reflected by improved ratings.

Continued failure in adhering to compliance with professional standards in performance of engagements and lack of improvement in overcoming weaknesses highlighted in the first review however will lead to disciplinary action.

FINANCIAL STATEMENTS REVIEW

The Malaysian Institute of Accountants' Financial Statements Review (FSR) function serves to ensure that the quality of financial information presented within financial reporting meets with required standards.

Under this function, MIA monitors compliance with statutory and other requirements, approved accounting standards and approved auditing standards in Malaysia in relation to financial reporting, and shares financial reporting best practices based on common findings identified during the review process with members of MIA.

The review under this function is carried out by MIA's Financial Statements Review Committee (FSRC) which monitors the quality of financial statements through the review process and the cases which are referred to it by other regulators.

MIA also monitors the media as part of a proactive surveillance approach on possible accounting irregularities and reporting deficiencies in public-listed companies and public-interest entities and will take action, where necessary, should a member be found to have breached any By-laws in the preparation of their financial statements.

In supporting MIA to regulate accountancy practices in Malaysia and to strengthen the credibility of the accountancy profession, the MIA via its Financial Statements Review carried out the following activities during the period under review:

1. To monitor compliance with statutory and other requirements, approved accounting standards and approved auditing standards in Malaysia in relation to financial reporting, the FSRC reviewed financial statements of listed companies selected on a random basis and cases of public interest (inclusive of those referred by other regulators). During the financial year ended 30 June 2012, FSRC reviewed eight (8) new financial statements of listed companies.

In summary, the reviews conducted are as follows:

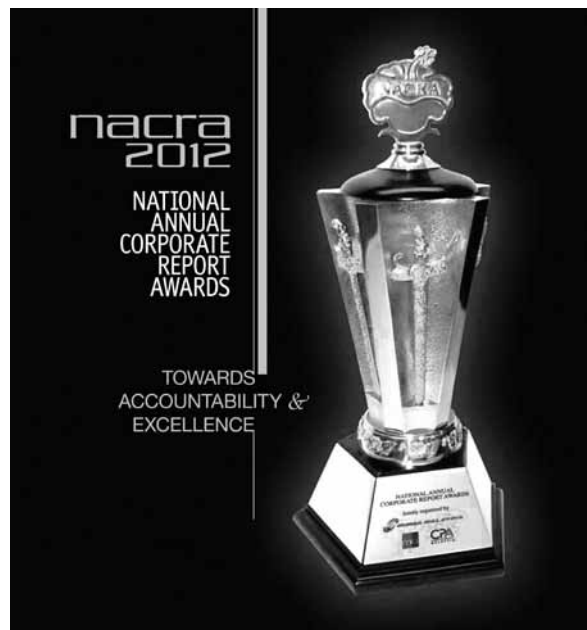
	Random selection	Public interest	Total
Cases b/f from the previous financial year	6	1	7
Cases initiated/referred to FSRC	8	-	8
Cases closed during the financial year	(8)	(1)	(9)
Cases c/f to the next financial year	6	-	6

During the year of review, the FSRC has categorised two (2) cases as Category 2 of the penalty tariff, whereby a warning letter was issued to the preparer for a substantial number of non-compliances with the requirements of Financial Reporting Standards. Two (2) cases have been categorised as Category 3, whereby the matter was referred to the Investigation Committee of MIA for appropriate action.

2. MIA actively keeps track of cases of public interest reported in media on financial reporting and ensures prompt action is taken to address the issue. During the financial year, media reports or referrals that prompted further analysis by MIA were as follow:

	Total
Cases b/f from the previous financial year	-
Cases initiated	5
Cases closed during the financial year	(2)
Cases in progress as at end of financial year	3

3. To promote higher standards of financial reporting in Malaysia, MIA jointly organised the National Annual Corporate Reporting Awards (NACRA) with Bursa Malaysia and the Malaysian Institute of Certified Public Accountants (MICPA). NACRA is aimed at promoting greater and more effective communication of financial and business information through the publication of timely, informative, factual and reader-friendly annual reports.
4. MIA disseminated information on good financial reporting based on common findings from reviews conducted by the FSRC from July 2010 to June 2011. Various common financial reporting issues have been compiled and shared through an article in the May/June 2012 issue of Accountants Today titled "Upholding Financial Reporting Quality". The publication can also be downloaded from the Institute's website at www.mia.org.my under the *Surveillance and Enforcement/Financial Statements Review/Reference Materials* link.



INVESTIGATION

The Investigation Committee (the IC) is a statutory committee established under s.19(a) of the Accountants Act 1967 to consider and investigate complaints against members of MIA and to refer them to the Disciplinary Committee (the DC), where appropriate.

During the financial year, 96 new cases were lodged with the Registrar on various forms of alleged misconduct. The Registrar had rejected and closed 1 case and 2 cases were withdrawn by the Membership department.

A total of 9 investigative meetings of the IC had been held throughout the period, resulting from which 18 cases were dismissed and 21 complaints were decided to be referred to the DC. Of the number of complaints decided to be referred, 20 complaints were actually submitted to the DC upon IC's full reports and 1 is pending submission of IC report to DC.

Statistics of Investigation from 1 July 2011 to 30 June 2012

New cases received during the period	Cases rejected by Registrar during the period	Cases Dismissed by Committee during the period	Cases Decided to be Referred (pending submission of Report to Disciplinary Committee)	Cases Referred (Report Submitted to Disciplinary Committee)
96	3	18	1	20

The cases above are in respect of various types of alleged misconducts as narrated below:

Types of misconduct	New cases received during the period	Cases rejected by Registrar during the period	Cases Dismissed by Committee during the period	Cases Decided to be Referred (pending submission of Report to Disciplinary Committee)	Cases Referred (Report Submitted to Disciplinary Committee)
Accounting & auditing failures	20	1	6	-	1
Breach of Companies Act provisions on auditors	-	-	-	-	-
Liquidators' failures	2	-	2	-	-
Company secretary's failures	7	-	7	-	-
Breach of other provisions of Companies Act	-	-	-	-	-
Discourteous acts	2	-	-	-	-
Other misconducts	65	2	3	1	20
Total	96	3	18	1	20

The IC wishes and continues to expedite the investigation of cases as best possible, despite the composition of the committee being limited by law to a single panel of 5 members but against the yearly increase in the number of cases lodged.

DISCIPLINARY ACTION

The Disciplinary Committee (DC) is empowered under the Act to consider all cases referred by the Investigation Committee and those coming directly to it under Rule 18(2) of the MIA (Disciplinary) Rules, 2002. The DC shall, where it thinks fit, exercise disciplinary powers conferred upon it by the Disciplinary Rules.

Cases before the Disciplinary Committee from 1 July 2011 to 30 June 2012

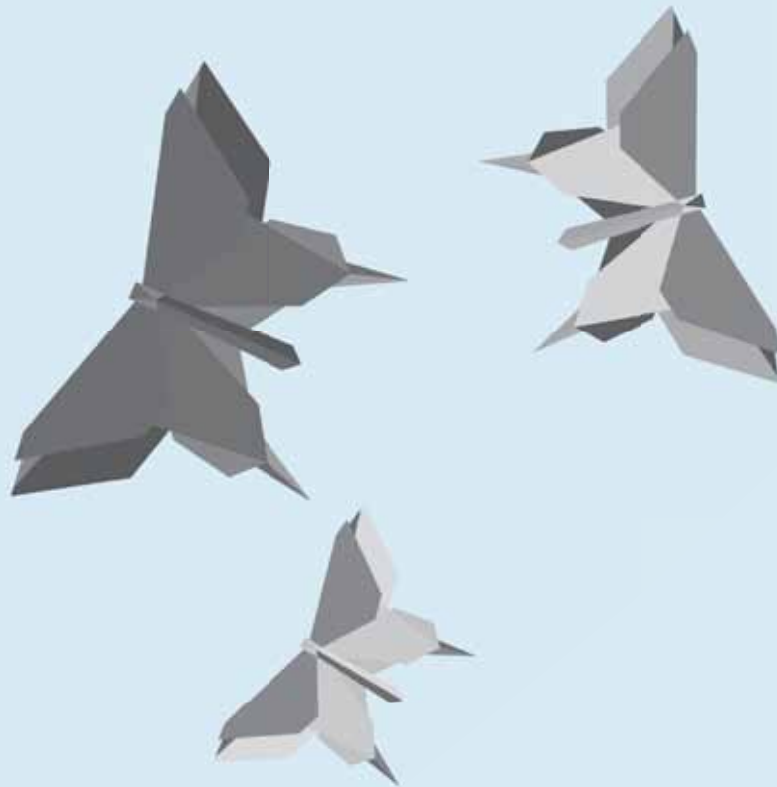
No. of Cases	No. of Cases Resulting in Punishment	No. of Cases Dismissed by the Disciplinary Committee	No. of Cases Withdrawn by the Investigation Committee at Hearing stage	Hearing Done, Pending Decision coming into effect	Pending Cases	Complainant		Cases involving :	
						Individual / Others	Regulators	Auditors	• Directors • Liquidators • Others
21	9	1	Nil	2	12	20	1	7	14

DISCIPLINARY APPEALS

Any member aggrieved by the decision of the Disciplinary Committee may, within a specified period, appeal to the Disciplinary Appeal Board (DAB). The DAB is empowered under the Act to consider appeals by members, and may confirm, reverse or vary the decisions of the Disciplinary Committee. The DAB received four (4) appeals. One (1) case had been decided and the other three (3) cases will be duly considered.

Committees

Statutory and Other Committees



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Statutory

Membership & Attendance from 1 July 2011 to 30 June 2012

INVESTIGATION COMMITTEE (IC) **

No. of Meetings: 9

No.	Name	Designation	Status	Attendance
1	Ng Kim Tuck	Chairman	Appointed 17 October 2011	9/9
2	Prof. Dr. Ku Nor Izah Ku Ismail	Member	Re-appointed 17 October 2011	7/9
3	Abraham Verghese	Member	Re-Appointed 17 October 2011	7/9
4	Lim Thiam Kee, Peter	Member	Appointed 17 October 2011	5/9
5	Soh Siong Hoon, Sam	Member	Appointed 17 October 2011	7/9

DISCIPLINARY COMMITTEE (DC) **

No. of Meetings: 11

No.	Name	Designation	Status	Attendance
1	Mohamed Raslan Abdul Rahman	Chairman	Retired 15 July 2011	2/2
2	Chan Feoi Chun, Francis	Member	Retired 24 September 2011	2/2
3	Abdul Rahim Abdul Hamid	Chairman	Appointed 17 October 2011	8/9
4	Dato' Liew Lee Leong, Raymond	Member	Re-appointed 17 October 2011	6/11
5	Assoc. Prof. Dr. Kalsom Salleh	Member	Re-appointed 17 October 2011	9/11
6	Kua Choo Kai, Simon	Member	Appointed 17 October 2011	8/9
7	Chan Wan Siew, Paul	Member	Appointed 17 October 2011	6/9

DISCIPLINARY APPEAL BOARD (DAB) **

No. of Meetings: 5

No.	Name	Designation	Status	Attendance
1	Chan Feoi Chun, Francis	Chairman	Appointed 17 October 2011	3/5
2	Baharuddin Ahmad	Member	Appointed 17 October 2011	3/5
3	Phan Su Han, Josephine	Member	Appointed 17 October 2011	4/5
4	Heng Ji Keng	Member	Re-appointed 15 October 2011	3/5
5	Mohd Noh Jidin	Member	Re-appointed 15 October 2011	5/5

Note **: any member of these committees shall recuse or abstain from deliberation of matter in which they are or may be in conflict of interest

EXAMINATION COMMITTEE (EC)

No. of Meetings: 5

No.	Name	Designation	Status	Attendance
1	Dato' Seri Ahmad Johan Mohammad Raslan	Chairman	Retired 23 June 2012	5/5
2	Prof. Dr. Ibrahim Kamal Abdul Rahman	Member	Retired 31 December 2011	2/3
3	Foo Yoke Pin	Member	-	1/5
4	Assoc. Prof. Noorbijan Abu Bakar	Member	-	5/5
5	Prof. Datin Dr. Hasnah Haji Haron	Member	-	3/5
6	Assoc. Prof. Dr. Zulkarnain Muhamad Sori	Member	Retired 18 March 2012	0/3
7	Assoc. Prof. Dr. Nor Aziah Abu Kasim	Member	-	2/5
8	Dato' Rosini Abd Samad (Rep: Rosenida Abd Rahman)	Member	-	3/5
9	Zuraini Abidin	Member	-	2/5
10	Prof. Dr. Rozainun Haji Abdul Aziz	Member	Appointment 29 March 2012	1/2

Technical

Membership & Attendance from 1 July 2011 to 30 June 2012

AUDITING AND ASSURANCE STANDARDS BOARD (AASB)

No. of Meetings: 4

No.	Name	Designation	Status	Attendance
1	Tan Bun Poo, Robert	Chairman	-	4/4
2	Ahmad Shahrul Mohamed	Member	-	2/4
3	Cheong Thoong Farn	Member	Appointed 24 November 2011	2/3
4	Hooi Kok Mun	Member	Retired 26 June 2012	3/4
5	Phan Su Han, Josephine	Member	-	2/4
6	Lee Tuck Heng	Member	-	3/4
7	Lock Peng Kuan	Member	-	3/4
8	Mohamed Raslan Abdul Rahman	Member	-	2/4
9	Norazman Hashim	Member	-	3/4
10	Prof. Takiah Mohd Iskandar	Member	Retired 26 June 2012	1/4
11	Quay Chew Soon	Member	Retired 26 June 2012	2/4
12	Sukanta Kumar Dutt	Member	-	3/4
13	Tang Seng Choon	Member	-	4/4
14	Thong Foo Vung	Member	Retired 26 June 2012	4/4
15	Walter Sandosam	Member	Retired 26 June 2012	4/4
16	Ch'ng Boon Huat	Observer	-	2/4
17	Hajah Zainun Taib	Observer	-	1/2
18	Lai Kor Foong	Observer	-	2/4
19	Lim Fen Nee	Observer	-	3/4
20	Ong Swee Leng	Observer	-	1/2
21	Yap Lai Kuen	Observer	-	3/4

ETHICS STANDARDS BOARD (ESB)

No. of Meetings: 2

No.	Name	Designation	Status	Attendance
1	Zahrah Abd Wahab Fenner	Chairperson	Appointed 17 October 2011	1/2
2	Christina Constance Foo	Chairperson	Retired 15 July 2011	0/2
3	Dr. A. Bakar Sarpon	Member	Appointed 9 Jun 2010	1/2
4	Wong Weng Soon, Eugene	Member	Appointed 24 November 2011	2/2
5	Chan Feoi Chun, Francis	Member	Appointed 24 November 2011	0/2
6	Prof. Datin Dr. Hasnah Haji Nordin	Member	Retired October 2011	0/2
7	Ravindran Navaratnam	Member	Appointed 9 June 2009	2/2
8	Rita Benoy Bushon	Member	Appointed 9 June 2009	1/2
9	Dr. Sharifah Khadijah Syed Agil	Member	Appointed 9 June 2009	1/2
10	Tan Soo Yan	Member	Appointed 9 June 2009	2/2
11	Hajah Zainun Taib	Observer	-	0/2
12	Selvarany Rasiah	Observer	-	0/2
13	Leong Wai Leng	Observer	-	1/2

FINANCIAL REPORTING STANDARDS AND IMPLEMENTATION COMMITTEE (FRSIC)**No. of Meetings: 1**

No.	Name	Designation	Status	Attendance
1	Abdul Rahim Abdul Hamid	Chairperson	-	1/1
2	Oong Kee Leong, Stephen	Member	-	1/1
3	Mohamed Raslan Abdul Rahman	Member	-	1/1
4	Ooi Thiam Poh, Alex	Member	-	1/1
5	Ng Mi Li	Member	Resigned 30 September 2011	0/1
6	Thong Foo Vung	Member	-	1/1
7	Ng Kean Kok	Member	-	1/1
8	Ng Kim Tuck	Member	-	1/1
9	Dato' Narendra Kumar Jasani	Member	-	0/1
10	Siew Kar Wai	Member	Appointed 24 November 2011	0/1
11	Ahmad Zahirudin Abdul Rahim	Member	Appointed 24 November 2011	0/1
12	Cheah Pooi Lin, Esther	Member	Appointed 8 February 2012	0/1
13	Toh Ying Ying	Member	-	1/1
14	Wong Kay Yong	Member	-	1/1
15	Mohammad Faiz Mohammad Azmi	Member	-	1/1
16	Liew Kim Yuen	Observer	-	1/1
17	Saidatul Ishan Abdul Rahman	Observer	-	0/1

TAXATION COMMITTEE (TC)**No. of Meetings: 4**

No.	Name	Designation	Status	Attendance
1	Beh Tok Koay	Chairman	Appointed 17 October 2011	4/4
2	Lim Thiam Kee, Peter	Member	Appointed 24 November 2011	4/4
3	Soh Siong Hoon, Sam	Member	Appointed 24 November 2011	1/4
4	Datin Tam Poh Lin, Pauline	Member	Appointed 20 January 2012	3/4
5	Po Yih Ming, Frances	Member	Appointed 20 January 2012	4/4
6	Mohd Noor Abu Bakar	Member	Appointed 20 January 2012	2/4
7	Ng Kim Lian	Member	Appointed 20 January 2012	1/4
8	Assoc. Prof. Dr. Choong Kwai Fatt	Member	Appointed 20 January 2012	0/4
9	Woon Yoke Lee	Member	Appointed 20 January 2012	3/4
10	Chan Kee Hoong	Member	Appointed 20 January 2012	3/4
11	Dato' Liew Lee Leong, Raymond	Member	Appointed 24 November 2011	2/2
12	Subramaniam AV Sankar	Member	Appointed 24 November 2011	2/2
13	Yeo Eng Ping	Member	Appointed 20 January 2012	1/1
14	Lim Tiong Beng, Kenneth	Member	Retired 24 November 2011	0/2

EDUCATION COMMITTEE (EC)**No. of Meetings: 5**

No.	Name	Designation	Status	Attendance
1	Prof. Datin Dr. Hasnah Haji Haron	Chairman	Appointed 17 October 2011	5/5
2	Abraham Verghese	Member	Appointed 24 November 2011	2/5
3	Baharuddin Ahmad	Member	Appointed 24 November 2011	0/5
4	Assoc. Prof. Dr. Kalsom Salleh	Member	Appointed 24 November 2011	3/5
5	Phan Su Han, Josephine	Member	Appointed 24 November 2011	4/5
6	Prof. Dr. Ku Nor Izah Ku Ismail	Member	Appointed 24 November 2011	3/5
7	Mohammad Faiz Mohammad Azmi	Member	Appointed 24 November 2011	4/5
8	Dato' Rosini Abd Samad (Rep: Pn Rosenida Abd Rahman)	Member	Appointed 24 November 2011	1/5
9	Assoc. Prof. Dr. Mohamat Sabri Hassan	Member	Appointed 24 November 2011	3/5
10	Kua Choo Kai, Simon	Member	Appointed 24 November 2011	4/5
11	Assoc. Prof. Dr. Zulkarnain Muhamad Sori	Member	Retired 18 March 2012	0/2

ISLAMIC FINANCE COMMITTEE (IFC)**No. of Meetings: 2**

No.	Name	Designation	Status	Attendance
1	Abdul Rahim Abdul Hamid	Chairman	Appointed 9 December 2011	1/2
2	Wong Weng Soon, Eugene	Member	Appointed 24 November 2011	1/2
3	Mohammad Faiz Mohammad Azmi	Member	Appointed 9 December 2011	1/2
4	Mohamed Raslan Abdul Rahman	Member	Appointed 9 December 2011	1/2
5	Badlisyah Abdul Ghani	Member	Appointed 9 December 2011	2/2
6	Daud Vicary Abdullah	Member	Appointed 9 December 2011	1/2
7	Rafe Haneef	Member	Appointed 9 December 2011	0/2
8	YM Raja Teh Maimunah Raja Abdul Aziz	Member	Appointed 9 December 2011	1/2
9	Nik Mohd Hasyudeen Yusoff	Member	Appointed 9 December 2011	2/2
10	Norfadelizan Abdul Rahman	Member	Appointed 9 December 2011	1/2
11	Zainal Izlan Zainal Abidin	Member	Appointed 9 December 2011	1/2

SURUHANJAYA SYARIKAT MALAYSIA COMMITTEE (SSMC)**No. of Meetings: 1**

No.	Name	Designation	Status	Attendance
1	Datuk Mohd Nasir Ahmad	Chairman	Appointed 29 March 2012	1/1
2	N. Chanthiran Nagappan	Member	Appointed 29 March 2012	1/1
3	Heng Ji Keng	Member	Appointed 29 March 2012	1/1
4	Lee Hin Kan	Member	Appointed 29 March 2012	1/1
5	Dato' Narendra Kumar Jasani	Member	Appointed 29 March 2012	0/1
6	Ng Kean Kok	Member	Appointed 29 March 2012	1/1
7	Ong Ching Chuan	Member	Appointed 29 March 2012	1/1
8	Soh Siong Hoon, Sam	Member	Appointed 29 March 2012	1/1
9	Oong Kee Leong, Stephen	Member	Appointed 29 March 2012	0/1
10	Subramaniam AV Sankar	Member	Appointed 29 March 2012	1/1
11	Thong Foo Vung	Member	Appointed 29 March 2012	1/1

Surveillance

Membership & Attendance from 1 July 2011 to 30 June 2012

FINANCIAL STATEMENTS REVIEW COMMITTEE (FSRC)

No. of Meetings: 7

No.	Name	Designation	Status	Attendance
1	Oong Kee Leong, Stephen	Chairman	Retired 19 September 2011 Re-appointed 17 October 2011	6/7
2	Lam Kee Soon	Deputy Chairman	-	5/7
3	Ahmad Zahirudin Abdul Rahim	Member	Appointed 24 November 2011	4/5
4	Assoc. Prof. Dr. Mohamat Sabri Hassan	Member	Appointed 24 November 2011	3/5
5	Cheong Thoong Farn	Member	-	7/7
6	Asna Atqa Abdullah	Member	-	1/7
7	Khairudin Ibrahim	Member	-	5/7
8	Chen Voon Hann	Member	-	5/7
9	Ow Peng Li	Member	-	6/7
10	Cheong Chye Hin, Raymond	Member	-	3/7
11	Siew Kar Wai	Member	-	5/7
12	Sung Foong Fui, Sharon	Member	-	5/7
13	Soon Teck Thong	Member	-	4/7
14	Khoo Siong Kee, Stephen	Member	-	3/7
15	Wong Kay Yong	Member	-	5/7
16	Tang Seng Choon	Member	-	7/7
17	Chan Kuan Chee, James	Member	Appointed 20 January 2012	3/3
18	Mohd Noh Jidin	Member	Retired 7 December 2011	0/2
19	Assoc. Prof. Dr. Zulkarnain Muhamad Sori	Member	Retired 7 December 2011	0/2
20	Tan Poh Ling	Member	Resigned 5 December 2011	0/2

PRACTICE REVIEW COMMITTEE (PRC)

No. of Meetings: 2

No.	Name	Designation	Status	Attendance
1	Johan Idris	Chairman	Appointed 17 October 2011	2/2
2	Ooi Chee Kun	Member	-	2/2
3	Devanesan Evanson	Member	Appointed 17 October 2011	1/2
4	Ahmad Zahirudin Abdul Rahim	Member	Appointed 17 October 2011	1/2
5	Siew Kah Toong, David	Member	-	1/2
6	Ooi Lip Aun, Eric	Member	-	0/2
7	Subramaniam AV Sankar	Member	Appointed 17 October 2011	2/2
8	Ho Kok Wai, Peter	Member	Resigned 8 March 2012	0/2

Representative of Membership

Membership & Attendance from 1 July 2011 to 30 June 2012

PUBLIC PRACTICE COMMITTEE (PPC)

No. of Meetings: 4

No.	Name	Designation	Status	Attendance
1	Dato' Narendra Kumar Jasani	Chairman	Appointed 17 October 2011	4/4
2	Abraham Verghese	Member	Appointed 24 November 2011 Retired 29 May 2012	1/3
3	Heng Ji Keng	Member	Appointed 24 November 2011	4/4
4	Johan Idris	Member	Appointed 24 November 2011	1/4
5	Phan Su Han, Josephine	Member	Appointed 24 November 2011	2/4
6	Mohammad Faiz Mohammad Azmi	Member	Appointed 24 November 2011	2/4
7	Lim Thiam Kee, Peter	Member	Appointed 24 November 2011	3/4
8	Dato' Liew Lee Leong, Raymond	Member	Appointed 24 November 2011	3/4
9	Soh Siong Hoon, Sam	Member	Appointed 24 November 2011	4/4
10	Simon Khor	Member	Appointed 24 November 2011 Retired 24 February 2012	2/2
11	Subramaniam AV Sankar	Member	Appointed 24 November 2011	4/4
12	Zahrah Abd Wahab Fenner	Member	Appointed 24 November 2011	1/4

AUDIT PRACTICE SUB COMMITTEE (APC)

No. of Meetings: 2

No.	Name	Designation	Status	Attendance
1	Dato' Liew Lee Leong, Raymond	Chairman	Appointed 6 December 2011	2/2
2	Abraham Verghese	Member	Appointed 20 January 2012 Retired 29 May 2012	0/2
3	Kang Wei Geih, Billy	Member	Appointed 20 January 2012	1/2
4	Chan Su Lynn, Adeline	Member	Appointed 20 January 2012	1/2
5	Chan Ying Wah, Alex	Member	Appointed 20 January 2012	1/2
6	Chin Chee Kong	Member	Appointed 20 January 2012	1/2
7	Wong Chen Feng, Dennis	Member	Appointed 20 January 2012	2/2
8	Desmond Tan	Member	Appointed 20 January 2012	1/2
9	Huang Shze Jiun	Member	Appointed 20 January 2012	2/2
10	Sia Sze Wan, Jason	Member	Appointed 20 January 2012	1/2
11	Johan Idris	Member	Appointed 20 January 2012	0/2
12	Phan Su Han, Josephine	Member	Appointed 20 January 2012	0/2
13	Lock Peng Kuan	Member	Appointed 20 January 2012	1/2
14	Mohammad Faiz Mohammad Azmi	Member	Appointed 20 January 2012	1/2
15	Mohd Noor Abu Bakar	Member	Appointed 20 January 2012	2/2
16	Ooi Chee Kun	Member	Appointed 20 January 2012	0/2
17	Rejeesh Balasubramaniam	Member	Appointed 20 January 2012	2/2
18	Robert @ Robert Seenivasan	Member	Appointed 20 January 2012	1/2
19	Soh Siong Hoon, Sam	Member	Appointed 20 January 2012	2/2
20	Tan Cheng Hooi, Michael	Member	Appointed 20 January 2012	2/2
21	Tan Poh Ling	Member	Appointed 20 January 2012	2/2
22	Wong Lai Ching	Member	Appointed 20 January 2012	1/2
23	Zahrah Abd Wahab Fenner	Member	Appointed 20 January 2012	1/2

INSOLVENCY PRACTICE SUB COMMITTEE (IPC)**No. of Meetings: 2**

No.	Name	Designation	Status	Attendance
1	Subramaniam AV Sankar	Chairman	Appointed 6 December 2011	2/2
2	Lim Swee Geok, Amy	Member	Appointed 20 January 2012	2/2
3	Andrew Heng	Member	Appointed 20 January 2012	1/2
4	Foo Lai-Don, Geoffrey	Member	Appointed 20 January 2012	2/2
5	Kumar Kanagasingam	Member	Appointed 20 January 2012	2/2
6	Lim San Peen	Member	Appointed 20 January 2012	2/2
7	Lim Tian Huat	Member	Appointed 20 January 2012	2/2
8	Mak Kum Choon	Member	Appointed 20 January 2012	2/2
9	Mea Fatt Leong	Member	Appointed 20 January 2012	1/2
10	Mok Chew Yin	Member	Appointed 20 January 2012	1/2
11	Datuk Ng Seing Liong	Member	Appointed 20 January 2012	2/2
12	Ong Hock An	Member	Appointed 20 January 2012	2/2
13	Lim Thiam Kee, Peter	Member	Appointed 20 January 2012	2/2
14	Dato' Liew Lee Leong, Raymond	Member	Appointed 20 January 2012	1/2
15	Duar Tuan Kiat, Stephen	Member	Appointed 20 January 2012	2/2
16	Wong Chee Lin	Member	Appointed 20 January 2012	2/2
17	Teo Chun, Gabriel	Member	Appointed 20 January 2012	0/2

TAX PRACTICE SUB COMMITTEE (TPC)**No. of Meetings: 1**

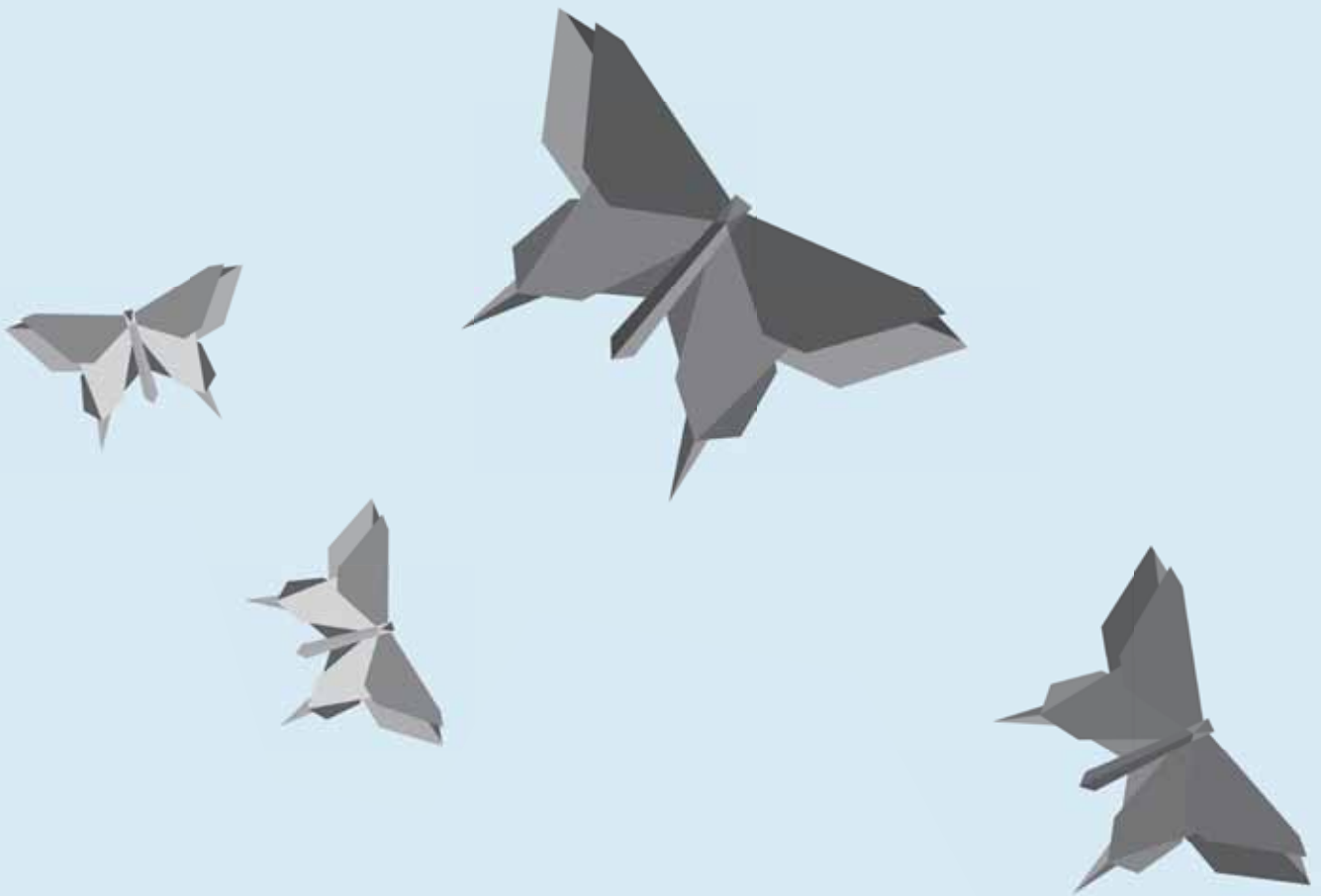
No.	Name	Designation	Status	Attendance
1	Lim Thiam Kee, Peter	Chairman	Appointed 6 December 2011	1/1
2	Ananthan Chelliah a/l Chelliah	Member	Appointed 20 January 2012	1/1
3	Beh Tok Koay	Member	Appointed 20 January 2012	1/1
4	Lai Shin Fah, David	Member	Appointed 20 January 2012	1/1
5	Po Yih Ming, Frances	Member	Appointed 20 January 2012	1/1
6	Goh Kean Hoe	Member	Appointed 20 January 2012	0/1
7	Gwendolyn Lau	Member	Appointed 20 January 2012	1/1
8	Jason Boey	Member	Appointed 20 January 2012	1/1
9	Ong Chow Pheng	Member	Appointed 20 January 2012	1/1
10	Phoon Sow Cheng	Member	Appointed 20 January 2012	1/1
11	Tan Hock Kim	Member	Appointed 20 January 2012	0/1
12	Wong Yok Chin	Member	Appointed 20 January 2012	1/1

PROFESSIONAL ACCOUNTANTS IN BUSINESS COMMITTEE (PAIBC)**No. of Meetings: 5**

No.	Name	Designation	Status	Attendance
1	Datuk Mohd Nasir Ahmad	Chairman	Appointed 24 November 2011	5/5
2	Assoc. Prof. Dr. A. Thillaisundaram	Member	Appointed 1 February 2011	3/5
3	Ahmad Fuaad Mohd Kenali	Member	Resigned 04 April 2012	0/3
4	Prof. Dr. Ibrahim Kamal Abd Rahman	Member	Appointed 1 April 2011	3/5
5	Chan Feoi Chun, Francis	Member	Appointed 1 July 2011	2/4
6	Assoc. Prof. Dr. Kalsom Salleh	Member	Appointed 24 November 2011	2/5
7	Lee Hin Kan	Member	Appointed 1 February 2011	5/5
8	Mazhairul Jamaludin	Member	Appointed 1 April 2011	2/5
9	Assoc. Prof. Dr. Mohamat Sabri Hassan	Member	Appointed 24 November 2011	1/3
10	Dato' Mohd Nizam Zainordin	Member	Appointed 1 June 2011	0/5
11	Dr. Muslim Har Sani Mohamad	Member	Appointed 1 February 2011	1/5
12	Mustapa Kamal Mohd Razali	Member	Appointed 1 February 2011	3/5
13	N. Chanthiran Nagappan	Member	Appointed 1 February 2011	3/5
14	Dr. Ng Boon Beng	Member	Appointed 1 April 2011	3/5
15	Chan Wan Siew, Paul	Member	Appointed 24 November 2011	1/3
16	Saat Esa	Member	Appointed 1 February 2011	0/5
17	Zahrah Abd Wahab Fenner	Member	Appointed 24 November 2011	2/3

Financial Statements

For the Year Ended 30 June 2012



TRANSFORMING *the* PROFESSION



MALAYSIAN INSTITUTE
OF ACCOUNTANTS
ACCOUNTANTS: MANAGERS OF VALUE

PROUD HOST



Certificate of the Auditor General on the Financial Statements



CERTIFICATE OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE MALAYSIAN INSTITUTE OF ACCOUNTANTS FOR THE YEAR ENDED 30 JUNE 2012

The financial statements of Malaysian Institute Of Accountants for the year ended 30 June 2012 have been audited by my representative. These financial statements are the responsibility of the management. My responsibility is to express an opinion on these financial statements based on the audit.

The audit has been carried out in accordance with the Audit Act 1957 and in conformity with approved standards on auditing. Those standards require an audit be planned and performed to obtain reasonable assurance that the financial statements are free of material misstatement or omission. The audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessment of the accounting principles used, significant estimates made by the management as well as evaluating the overall presentation of the financial statements. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the financial statements give a true and fair view of the financial position of the Malaysian Institute Of Accountants as at 30 June 2012 and of the results of its operations and its cash flows for the year ended in accordance with the approved accounting standards.


(ONG SWEE LENG)
for AUDITOR GENERAL
MALAYSIA

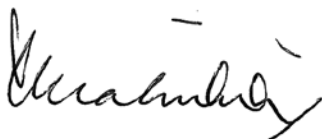


PUTRAJAYA
15 AUGUST 2012

**MALAYSIAN INSTITUTE OF ACCOUNTANTS
STATEMENT BY THE COUNCIL**

We, Datuk Mohd Nasir Ahmad and Abdul Rahim Abdul Hamid, being the President and Vice President, respectively, of the MALAYSIAN INSTITUTE OF ACCOUNTANTS, do hereby state that, in the opinion of the Council, the accompanying financial statements in Malaysia together with the notes attached thereto, are properly drawn up in accordance with Financial Reporting Standards so as to give a true and fair view of the financial position of the Institute as at 30 June 2012 and of its results and cash flows for the year then ended.

Signed on behalf of the Council in accordance with a resolution by the Council



**DATUK MOHD NASIR AHMAD
PRESIDENT**



**ABDUL RAHIM ABDUL HAMID
VICE PRESIDENT**

Dated : 1 August 2012
Kuala Lumpur

**DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL
MANAGEMENT OF THE INSTITUTE**

I, CHUA SUAT KHIM, being the officer primarily responsible for the financial management of the MALAYSIAN INSTITUTE OF ACCOUNTANTS, do solemnly and sincerely declare that the accompanying financial statements together with the notes attached thereto, are to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
CHUA SUAT KHIM at Kuala Lumpur in Wilayah
Persekutuan on 1 August 2012



CHUA SUAT KHIM

Before me,



No.136-1C, 1st Floor
Jln Tun Sambanthan
Brickfields, 50470 Kuala Lumpur

Statement of Financial Position

as at 30 June 2012

	Note	2012 RM	2011 RM
Non-current Assets			
Property, plant and equipment	4	3,347,866	3,282,666
Intangible asset	5	113,737	39,670
Investment	6	7,458	7,458
		3,469,061	3,329,794
Current assets			
Inventories	7	31,740	69,688
Receivables, deposits and prepayments	8	1,766,767	2,024,593
Subscriptions in arrears	9	-	-
Institutional trust account	10	6,243,792	6,022,671
Fixed deposits with licensed financial institutions	11	14,170,753	12,548,123
Cash and bank balances	12	4,216,230	6,675,411
		26,429,282	27,340,486
TOTAL ASSETS		29,898,343	30,670,280
Current liabilities			
Subscription in advance		2,599,300	2,422,200
Sundry payables and accruals	13	4,612,096	6,326,893
Deferred income	14	762,062	600,213
Deferred income - Government grants	15	1,019,233	718,692
Provision for taxation		11,968	174,561
		9,004,659	10,242,559
Non-current liabilities			
Deferred tax liabilities	16	130,085	49,468
TOTAL LIABILITIES		9,134,744	10,292,027
TOTAL NET ASSETS		20,763,599	20,378,253
ACCUMULATED FUND		20,763,599	20,378,253

The accompanying notes form an integral part of these financial statements

Statement of Comprehensive Income

for the Financial Year Ended 30 June 2012

	Note	2012 RM	2011 RM
Membership income	17	8,980,000	8,629,450
Income from events and conferences	18	11,547,636	10,013,948
Income from other activities	19	1,469,625	1,608,164
Income from World Congress of Accountants ("WCOA 2010")	20	-	29,478,645
Other income	21	845,818	398,682
TOTAL INCOME		22,843,079	50,128,889
Operating Expenses			
Depreciation of property, plant and equipment	4	414,756	365,461
Amortisation of intangible asset	5	58,090	39,663
Expenses for events and conferences	18	8,155,166	6,109,002
Expenses for other activities	19	2,339,570	1,971,540
Expenses for World Congress of Accountants ("WCOA 2010")	20	-	19,972,535
Allowances and write-offs	22	278,699	264,326
Employees' benefits	23	7,516,243	7,172,130
International relations	24	392,124	501,120
Membership services	25	1,247,623	1,636,312
Other expenses	26	1,974,845	1,916,322
		22,377,116	39,948,411
Surplus before tax		465,963	10,180,478
Income tax expense	27	(80,617)	(516,631)
Surplus for the financial year, representing total comprehensive income for the financial year		385,346	9,663,847

The accompanying notes form an integral part of these financial statements

Statement of Changes in Accumulated Fund

for the Financial Year Ended 30 June 2012

	RM
Balance as at 1 July 2010	10,714,406
Total comprehensive income for the financial year	9,663,847
Balance as at 30 June 2011	<hr/> 20,378,253
Total comprehensive income for the financial year	385,346
Balance as at 30 June 2012	<hr/> <u>20,763,599</u>

The accompanying notes form an integral part of these financial statements

Statement of Cash Flows

for the Financial Year Ended 30 June 2012

	Note	2012 RM	2011 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Receipts from members and non-members		30,244,527	31,373,642
Payment for expenditures		(31,043,422)	(31,383,352)
Receipts for WCOA 2010		-	17,640,542
Payments for WCOA 2010		-	(14,724,625)
Cash (used in) /generated from operations		(798,895)	2,906,207
Government grant received		935,200	400,000
Rental income		31,200	28,100
Management fee		5,500	5,500
Tax paid		(162,593)	(332,771)
Net Operating Cash Flow		10,412	3,007,036
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible asset (Note A)		(722,346)	(288,728)
Earnest money for purchase of new office suite	8	(480,000)	-
Dividend received from institutional trust account		256,760	307,084
Interest received from fixed deposits		319,744	237,165
Net Investing Cash Flow		(625,842)	255,521
(DECREASED)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR			
		(615,430)	3,262,557
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR			
		25,246,205	21,983,648
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR			
		24,630,775	25,246,205
ANALYSIS OF CASH AND CASH EQUIVALENTS:-			
Cash in hand		4,314	6,281
Bank balances		4,211,916	6,669,130
Fixed deposits with licensed financial institutions		14,170,753	12,548,123
Institutional trust account		6,243,792	6,022,671
		24,630,775	25,246,205

Statement of Cash Flows for the Financial Year Ended 30 June 2012 (*continued*)

	Note	2012 RM	2011 RM
Note A: Purchase of property, plant and equipment and intangible asset			
Purchase of property, plant and equipment during the financial year	4	584,757	213,205
Purchase of intangible asset during the financial year	5	132,157	-
Add : Unpaid purchase as at previous financial year		5,432	80,955
		<u>722,346</u>	<u>294,160</u>
Less : Unpaid purchase as at financial year end		-	(5,432)
Per statement of cash flows		<u>722,346</u>	<u>288,728</u>

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

30 June 2012

1. PRINCIPAL OBJECTIVES/ACTIVITIES

The Institute is established under the Accountants Act, 1967 and domiciled in Malaysia. The principal objectives/activities of the Institute under the Act are:

- to determine the qualifications of persons for admission as members;
- to provide for the training and education by the Institute or any other body, of persons practicing or intending to practice the profession of accountancy;
- to approve the Malaysian Institute of Accountants Qualifying Examination and to regulate and supervise the conduct of that Examination;
- to regulate the practice of the profession of accountancy in Malaysia;
- to promote, in any manner it thinks fit, the interests of the profession of accountancy in Malaysia;
- to render pecuniary or other assistance to members or their dependents as it thinks fit with a view to protecting or promoting the welfare of members; and
- generally to do such acts as it thinks fit for the purpose of achieving any of the aforesaid objectives.

There have been no significant changes in the nature of the principal objectives/activities of the Institute during the financial year.

The registered address of the Institute is at Dewan Akauntan, No. 2, Jalan Tun Sambanthan 3, Brickfields, 50470 Kuala Lumpur.

2. DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the Council in accordance with a resolution of the Council on 1 August 2012.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

The financial statements of the Institute have been prepared in accordance with Financial Reporting Standards ("FRSs") in Malaysia. At the beginning of the current financial year, the Institute adopted new and revised FRSs which are mandatory for the financial periods beginning on or after 1 January 2011 as described fully in Note 3.2.

The financial statements of the Institute have been prepared under the historical cost convention, unless otherwise stated in the individual policy statements set out below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest ringgit, except when otherwise indicated.

3.2 NEW AND REVISED FRSs, AMENDMENTS TO FRSs AND THE ISSUES COMMITTEE ("IC") INTERPRETATIONS

The accounting policies adopted by the Institute are consistent with those applied in the previous financial year other than the adoption of the following new and revised FRSs, IC Interpretations and amendments to FRSs that are relevant to the Institute's operations and effective from the beginning of the current financial year.

Description		Effective for financial period beginning on or after
IC Interpretation 4	Determining Whether an Arrangement contains a Lease	1 January 2011
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1	Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 7	Improvements to FRSs (2010)	1 January 2011
Amendments to FRS 101	Improvements to FRSs (2010)	1 January 2011
Amendments to FRS 132	Improvements to FRSs (2010)	1 January 2011
Amendments to FRS 139	Improvements to FRSs (2010)	1 January 2011

The adoption of the new and revised FRSs and IC Interpretations and amendments to FRSs do not have any significant effect on the results and financial position of the Institute nor any significant changes in the presentation and disclosure of amounts in the financial statements.

3.3 NEW AND REVISED STANDARDS, AMENDMENTS TO STANDARDS AND THE ISSUES COMMITTEE ("IC") INTERPRETATIONS THAT ARE ISSUED BUT NOT YET EFFECTIVE

In the next financial year, the Institute will be adopting the new IFRS-complaint framework, Malaysian Financial Reporting Standards ("MFRS"). In adopting the new framework, the Institute will be applying MFRS 1 "First-time adopting of MFRS".

The Institute will apply the new standards, amendments to standards and interpretations in the following period:

Description		Effective for financial period beginning on or after
MFRS 9	Financial Instruments	1 January 2015
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
Amendments to MFRS 7	Disclosures- Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014

The Institute will adopt the above MFRSs, and amendments to MFRSs, when they become effective and they are expected not to have any significant impact on the financial statements of the Institute upon their initial application.

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Income Recognition

- (i) Membership subscription is payable annually at the beginning of the financial year. Only subscription which is attributable to the current financial year is recognised as income. Subscription relating to periods beyond the current financial year is recognised as subscription in advance in deferred income under current liabilities in the statement of financial position.
- (ii) Membership admission is recognised upon approval by Council. Membership subscription and admission fees for applicants approved after the end of the financial year but received during the financial year are taken up as deferred income under current liabilities in the statement of financial position.
- (iii) Income from seminars and conferences is recognised in the period the services are provided. Advanced payments received from seminars and conferences are recognised as deferred income under current liabilities in the statement of financial position.
- (iv) Income from sale of technical materials/publications is recognised when physical control of the goods passes to the purchasers.
- (v) Income from advertisements placed in the Institute's journal is recognised over the advertisement period. Income received for such advertisements that take place before the said period is taken up as deferred income. Sponsorship income is deferred until the activities are rolled out.
- (vi) Processing fee on registration as a candidate for the Qualifying Examination is recognised upon receipt but the candidacy fee is only recognised upon approval by the Examination Committee. Examination fees are recognised twice every calendar year when the examination is held. Tuition fees are recognised over the tuition term.
- (vii) Practice review income is recognised upon completion of practice review exercise.
- (viii) Dividend income is recognised when the right to receive payment is established.

- (ix) Interest income is recognised based on an effective yield basis.

- (x) Rental income is recognised on an accrual basis.

b) Impairment of non-financial assets

The Institute assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Institute makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates

used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

c) Impairment of financial assets

The Institute assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Institute considers factors such as the significant financial difficulties of the debtor and default or significant delay in payments. Certain categories of financial assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Institute's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivables becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on their assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

d) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Property, plant and equipment are written down to their recoverable amounts. Cost includes expenditure that is directly attributable to the acquisition of the items.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Institute and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

Freehold land is not depreciated as it has an infinite life. Freehold and leasehold buildings are amortised at the rate of 2% per annum. Depreciation of other plant and equipment is computed on a straight-line basis over its estimated useful life as follows:

Office equipment	10%
Furniture and fittings	10%
Computer equipment	33⅓%
Renovation	10%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the profit or loss.

e) Intangible Asset - Computer Software

The costs of computer software licences acquired are capitalised as an intangible asset. Costs include their purchase prices and any directly attributable costs of preparing the assets for their intended use. These costs are amortised on the straight line basis over the period the assets are expected to generate economic benefits.

f) Subscriptions in Arrears

Subscriptions in arrears for six (6) months and above due from members who were removed from the Register of Members and where, in the opinion of the Council, these debts are no longer recoverable are written off to the profit or loss. An impairment of receivables is carried out based on a review of all subscription in arrears at the reporting date. Subsequent recovery is taken up on a cash basis. Members who have ongoing investigation and disciplinary proceedings instituted against them and whose subscriptions are in arrears for more than six (6) months will not be removed from the Register of Members.

g) Inventories

Publications, souvenirs and merchandise items are stated at the lower of cost and net realisable value. Cost is determined on first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

h) Income Tax

Income tax on profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised as income or expense and included in the statement of comprehensive income for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

Deferred tax assets and liabilities are offset, if legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

i) Government Grants

Government grants are recognised initially at their fair values in the statement of financial position as deferred income where there is reasonable assurance that the grants will be received and all conditions attached will be complied.

Grants related to property, plant and equipment are set up as deferred income and recognised as income on a systematic basis over the estimated lives of the assets. Grants that compensate the Institute for expenses incurred are recognised as income over the periods to match the cost that the grant is intended to compensate. These are shown as a net effect in the profit or loss.

j) Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Institute. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulated compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contributions Plans

The Institute makes contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss in the period in which the related service is performed. Once the contributions have been paid, the Institute has no further payment obligations.

k) Foreign Currency Transactions and Balances

Transactions in foreign currencies are translated into Ringgit Malaysia, which is also the Institute functional currency at the exchange rates prevailing at the transaction dates or, where settlement has not yet taken place at the end of the financial year, at the approximate exchange rates prevailing at that date. All exchange gains and losses are taken up in the profit or loss.

l) Financial Assets

The Institute recognises all financial assets in its statement of financial position when, and only when, the Institute becomes a party to the contractual provisions of the instruments.

(i) Classification and measurement

Financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are classified into financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets, depending on the nature and purpose of the financial assets and are determined at the time of initial recognition.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in earlier category.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Institute's right to receive payment is established.

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

(ii) Derecognition of financial assets

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial assets expired or it transfers the financial asset without retaining control or substantially all the risks and rewards of ownership of the financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(iii) Regular way purchase or sale of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Institute commits to purchase or sell the asset.

m) Financial Liabilities

The Institute recognises all financial liabilities in its statement of financial position when, and only when, the Institute becomes a party to the contractual provisions of the instruments.

(i) Classification and measurement

Financial liabilities are initially measured at fair value plus, in the case of other financial liabilities, directly attributable transaction costs.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities at amortised cost.

The Institute did not have any financial liabilities at fair value through profit or loss during the financial year ended 30 June 2012. The financial liabilities of the Institute are classified as other financial liabilities.

Other financial liabilities

All financial liabilities, other than those categorised as fair value through profit or loss, are subsequently measured at amortised cost using the effective interest method. Other financial liabilities of the Institute include subscription in advance and payables.

A gain or loss on other financial liabilities is recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(ii) Derecognition of a financial liability

A financial liability is derecognised when, and only when, the obligation specified in the contract is extinguished. When an existing financial liability is exchanged with the same lender on substantially different terms or the terms of an existing liability are substantially modified, they are accounted for as an extinguishment of the original financial liability and a new financial liability is recognised. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

n) Provisions

Provisions are recognised when the Institute has a present legal and constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the amount of a provision due to passage of time is recognised as finance cost.

o) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, bank balances, deposits with licensed financial institutions and highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The statement of cash flows is prepared using the direct method.

3.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

There were no significant judgements made in applying the accounting policies of the Institute which may have significant effects on the amounts recognised in the financial statements.

Management makes key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The following represents a summary of the key sources of estimation uncertainty:

i) Useful lives of property, plant and equipment and intangible assets

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The Council estimates that the useful lives of the property, plant and equipment to be within 3 years to 50 years. The carrying amount of the Institute's property, plant and equipment as at 30 June 2012 was RM3,347,866 (2011: RM3,282,666). Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the property, plant and equipment. Therefore, the future depreciation charge could be revised.

ii) Impairment of receivables

The Institute makes an allowance for impairment losses based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. In assessing the extent of irrecoverable debts, the Council has given due consideration to all pertinent information relating to the ability of the debtors to settle debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables. The carrying amounts of the receivables and the cumulative allowance for impairment losses are disclosed in Note 8.

iii) Income taxes and deferred tax

An estimation is required to determine the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Institute recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions, where applicable, in the periods in which such determination is made.

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While the Institute's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in profit and loss in the period in which actual realisation and settlement occurs.

4 PROPERTY, PLANT AND EQUIPMENT

As at the end of the financial year, the Institute has yet to receive the strata title for a leasehold shop lot in Sabah acquired in financial year ended 30 June 2000 with a net book value of RM294,361 (2011: RM302,261).

Included in property, plant and equipment are fully depreciated assets which are still in use, with costs totalling RM2,224,874 (2011: RM1,482,330).

Included in the depreciation charge for the previous year was depreciation of World Congress of Accountants ("WCOA 2010") project amounting to RM14,053.

	Freehold Land RM	Buildings RM	Computer Equipment RM	Renovation RM	Furniture & Fittings RM	Office Equipment RM	Total RM
COST							
At 1 July 2011	580,160	2,426,239	1,678,040	1,340,418	541,296	819,605	7,385,758
Additions	-	-	519,162	-	8,803	56,792	584,757
Write-offs	-	-	(91,546)	(82,845)	(41,455)	(61,563)	(277,409)
At 30 June 2012	580,160	2,426,239	2,105,656	1,257,573	508,644	814,834	7,693,106

ACCUMULATED DEPRECIATION

At 1 July 2011	-	886,357	1,492,674	878,146	346,583	499,332	4,103,092
Charge for the year	-	48,645	195,758	84,308	29,068	56,977	414,756
Write-offs	-	-	(91,520)	(28,679)	(15,524)	(36,885)	(172,608)
At 30 June 2012	-	935,002	1,596,912	933,775	360,127	519,424	4,345,240

NET BOOK VALUE AT 30 JUNE 2012	580,160	1,491,237	508,744	323,798	148,517	295,410	3,347,866
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COST

At 1 July 2010	580,160	2,426,239	1,699,665	1,322,348	520,478	823,777	7,372,667
Additions	-	-	147,564	18,070	28,593	18,978	213,205
Write-offs	-	-	(169,189)	-	(7,775)	(23,150)	(200,114)
At 30 June 2011	580,160	2,426,239	1,678,040	1,340,418	541,296	819,605	7,385,758

ACCUMULATED DEPRECIATION

At 1 July 2010	-	837,713	1,469,005	788,207	323,620	454,924	3,873,469
Charge for the year	-	48,644	146,611	89,939	30,027	64,293	379,514
Write-offs	-	-	(122,942)	-	(7,064)	(19,885)	(149,891)
At 30 June 2011	-	886,357	1,492,674	878,146	346,583	499,332	4,103,092

NET BOOK VALUE AT 30 JUNE 2011	580,160	1,539,882	185,366	462,272	194,713	320,273	3,282,666
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5. INTANGIBLE ASSET

	2012 RM	2011 RM
Computer software		
Cost		
At beginning of financial year	119,000	119,000
Addition during the financial year	132,157	-
At end of financial year	251,157	119,000
Accumulated amortisation		
At beginning of financial year	79,330	39,667
Amortisation for the financial year	58,090	39,663
At end of financial year	137,420	79,330
Net carrying amount at end of financial year	113,737	39,670

The computer software represents the costs of software acquired. The costs of software acquired, including all directly attributable costs of preparing the assets for their intended use, are amortised on the straight line basis over the estimated useful life of 3 years.

6. INVESTMENT

	2012 RM	2011 RM
At cost:-		
Investment	7,458	7,458

The Institute has acquired 9.09% share in the issued and paid-up share capital of Ultimate Professional Centre (Sarawak) Sdn Bhd ("UPC") in the financial year ended 30 June 1996.

7. INVENTORIES

	2012 RM	2011 RM
At cost:-		
Publications, souvenirs and merchandise items	31,740	69,688

8. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2012 RM	2011 RM
Amount due from seminars and conferences participants	391,074	684,720
Sundry receivables	306,772	673,316
	697,846	1,358,036
Less : Allowance for impairment losses	(29,544)	(31,054)
	668,302	1,326,982
Prepayments	537,631	647,527
Sundry deposits	560,834	50,084
	1,098,465	697,611
	1,766,767	2,024,593

The credit period granted to receivables ranges from 30 days to 60 days (2010: 30 days to 60 days).

The movement of allowance for impairment losses during the financial year is as follows:

	2012 RM	2011 RM
Balance at 1 July	31,054	55,529
Impairment losses recognised during the year	20,460	11,120
Reversal impairment losses	(18,770)	(35,595)
Written off	(3,200)	-
Balance at 30 June	29,544	31,054

The ageing analysis of receivables is as follows:

Neither past due nor impaired	339,470	481,395
1 to 30 days past due not impaired	132,204	279,031
31 to 60 days past due not impaired	20,249	294,789
61 to 90 days past due not impaired	69,901	66,329
More than 90 days past due but not impaired	106,478	205,438
	668,302	1,326,982
Impaired	29,544	31,054
	697,846	1,358,036

Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Institute. None of the Institute's receivables that are neither past due nor impaired have been renegotiated during the financial year. The Institute does not hold any collateral over these balances.

Receivables that are past due but not impaired

Receivables that are past due but not impaired relate to debtors with slower repayment pattern. Based on past experience, the Council of the Institute is confident to collect the debts and is of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

None of the Institute's receivables that are neither past due nor impaired have been renegotiated during the financial year. The Institute does not hold any collateral over these balances.

8. RECEIVABLES, DEPOSITS AND PREPAYMENTS *(continued)***Receivables that are impaired**

Receivables that are impaired at the reporting date are as follows:

	2012 RM	2011 RM
Receivables - nominal amounts	29,544	31,054
Less : Allowance for impairment losses	(29,544)	(31,054)
	<u>-</u>	<u>-</u>

These receivables have been individually determined to be impaired as the Council has, based on its assessment at the reporting date, estimated these receivables to be irrecoverable.

Included in the sundry deposits is a deposit paid as earnest money towards the purchase of an office suite amounting to RM480,000.

9. SUBSCRIPTIONS IN ARREARS

In accordance with the (Membership and Council) Rules 2001, Part II, para 7(1), the Council may require the Registrar to remove from the register the name of any member who is in arrears for 6 months or more in the payment of any fees. Members who have ongoing investigation and disciplinary proceedings instituted against them and who are in arrears of more than six (6) months will not be removed from the Register of Members. An estimate is made for doubtful debts based on a review of all subscriptions in arrears at the reporting date.

	2012 RM	2011 RM
Subscriptions in arrears	5,750	7,750
Less : Allowance for impairment losses	(5,750)	(7,750)
	<u>-</u>	<u>-</u>

10. INSTITUTIONAL TRUST ACCOUNT

The Institute had placed funds in an Institutional Trust Account maintained with Amanah Raya Berhad, a public limited liability company domiciled in Malaysia. The gross dividend rate receivable by the Institute is 4.25% per annum (2011: 4.25% per annum).

11. FIXED DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The effective interest rates receivable for the fixed deposits placed with licensed financial institutions range from 2.75% to 3.68% (2011: 2.25% to 3.10%) per annum. The tenures of the fixed deposits range from 3 days to 1 year (2011: 30 days to 1 year).

12. CASH AND BANK BALANCES

The currency exposure profile of cash and bank balances is as follows:-

	2012 RM	2011 RM
Ringgit Malaysia	4,216,230	5,243,999
United States Dollar	-	1,431,412
	<u>4,216,230</u>	<u>6,675,411</u>

13. SUNDRY PAYABLES AND ACCRUALS

	2012 RM	2011 RM
Sundry payables	862,985	514,380
Accruals - Seminars and conferences expenses	569,405	737,345
Accruals - Employee benefits	2,343,272	1,892,434
Accruals - Others	836,434	846,247
WCOA 2010's accruals	-	2,336,487
	<u>4,612,096</u>	<u>6,326,893</u>

The credit periods granted by sundry payables to the Institute ranges from 14 days to 60 days (2011: 14 days to 60 days).

14. DEFERRED INCOME

	2012 RM	2011 RM
Membership admission pending Council's approval	292,232	285,133
Practising certificate holders pending Council's approval	9,000	7,500
Deferred Income - Existing Members	15,950	29,350
Deferred Income - Seminars and Conferences	425,645	266,309
Deferred Income - Others	19,235	11,921
	<u>762,062</u>	<u>600,213</u>

15. DEFERRED INCOME – GOVERNMENT GRANTS

	WCOA 2010 RM	FRSIC RM	ICS RM	SSCDF RM	CAPACITY BUILDING RM	Total RM
2012						
Grants received	-	2,000,000	125,000	565,400	635,200	3,325,600
Income derived from placement of grant	-	-	-	-	-	-
Deferred income released	-	(1,928,695)	(83,820)	(143,781)	(150,071)	(2,306,367)
	<u>-</u>	<u>71,305</u>	<u>41,180</u>	<u>421,619</u>	<u>485,129</u>	<u>1,019,233</u>
2011						
Grants received	10,000,000	1,700,000	125,000	565,400	-	12,390,400
Income derived from placement of grant	1,615,831	-	-	-	-	1,615,831
Deferred income released	(11,615,831)	(1,551,454)	(88,956)	(31,298)	-	(13,287,539)
	<u>-</u>	<u>148,546</u>	<u>36,044</u>	<u>534,102</u>	<u>-</u>	<u>718,692</u>

15. DEFERRED INCOME – GOVERNMENT GRANTS (*continued*)

(a) WCOA 2010

The deferred income from grant received, placement of grant, delegates fees, sponsorship and exhibition income and golf tournament have been recognised as income upon completion of the WCOA 2010 in November 2010.

(b) FRSIC

The Institute was offered a grant from the Capital Market Development Fund (“CMDF”) during the financial year ended 30 June 2008. This grant is for the establishment and operation of a dedicated secretariat to manage the implementation of Financial Reporting Standards Implementation Committee (“FRSIC”). It is payable yearly over a period of 5 years from 1 October 2007 to 30 September 2012 totalling RM2,000,000. RM 300,000 was received during the financial year (2011 : RM400,000).

Detailed below is the movement of FRSIC account during the financial year:

	2012 RM	2011 RM
(i) Grant received		
At beginning of financial year	1,700,000	1,300,000
Grant received during the financial year	300,000	400,000
At end of financial year	<u>2,000,000</u>	<u>1,700,000</u>
(ii) Deferred income released to compensate the related expenditure incurred		
At beginning of financial year	1,551,454	1,104,602
Advisory	-	12,000
Administration	-	725
Meeting	603	746
Salaries	376,638	433,381
	<u>377,241</u>	<u>446,852</u>
At end of financial year	<u>1,928,695</u>	<u>1,551,454</u>

(c) ICS

This represents grant from the Ministry of Higher Education Malaysia of RM125,000 for the Institute to develop integrated cases to be used by universities under newly introduced course, namely Integrated Case Study (“ICS”).

Detailed below is the movement of ICS account during the financial year:

	2012 RM	2011 RM
(i) Grant received		
At beginning of financial year	125,000	125,000
Grant received during the financial year	-	-
At end of financial year	<u>125,000</u>	<u>125,000</u>
(ii) Deferred income released to compensate the related expenditure incurred		
At beginning of financial year	88,956	15,902
Meeting and workshop	4,000	71,523
Travelling	402	1,531
Printing of ICS Books	8,359	-
Honorarium	6,000	-
Reimbursement from UPM	(23,897)	-
	<u>(5,136)</u>	<u>73,054</u>
At end of financial year	<u>83,820</u>	<u>88,956</u>

15. DEFERRED INCOME – GOVERNMENT GRANTS (continued)

(d) SSCDF

RM1.1308 million was approved under the Malaysian Industrial Development Authority ("MIDA") Service Sector Capacity Development Fund ("SSCDF") with RM630,800 for Upgrading and Modernisation Programme and RM500,000 for Training/ Outreach Programme. 50% of the grant amounting to RM 565,400 was received by the Institute during the previous financial year and the balance will be claimable upon completion.

MIDA has granted approval for the extension of timeline to 31 December 2012 for the completion of all the programmes.

During the financial year, there is a purchase of new server of RM200,000 for the purpose of upgrading and modernisation which is financed by government grant. The government grant is recognised as income over the useful life of the server by way of reduced depreciation charged.

Detailed below is the movement of SSCDF account during the financial year:

	← 2012 →		← 2011 →	
	Upgrading & Modernisation - development RM	Training / Outreach RM	Upgrading & Modernisation RM	Training / Outreach RM
At beginning of financial year	315,400	250,000	315,400	250,000
Grant received during the financial year	-	-	-	-
At end of financial year	<u>315,400</u>	<u>250,000</u>	<u>315,400</u>	<u>250,000</u>
(ii) Deferred income released to compensate the related expenditure incurred				
At beginning of financial year	31,298	-	30,767	-
Meeting and workshop	-	-	531	-
Facilitator training expenses	-	66,537	-	-
Travelling	57	-	-	-
Honorarium	7,000	-	-	-
Amortisation of deferred income for server cost (Note 21)	38,889	-	-	-
At end of financial year	<u>77,244</u>	<u>66,537</u>	<u>31,298</u>	<u>-</u>

(e) CAPACITY BUILDING

Approval for government assistance for Capacity Building was obtained on 12 April 2012 to carry out the following programmes:

(i) Grant received

	2012						
	Merger & Affiliation	CARE Awareness	CARE System	CARE Mentoring	Non-Actg Student Course	Review of Accreditation	Total
	RM	RM	RM	RM	RM	RM	RM
At beginning of financial year	-	-	-	-	-	-	-
Grant received during the financial year	70,000	79,000	150,000	157,900	58,300	120,000	635,200
At end of financial year	70,000	79,000	150,000	157,900	58,300	120,000	635,200

(ii) Deferred income released to compensate the related expenditure incurred

At beginning of financial year	-	-	-	-	-	-	-
Merger & Affiliation expenses	33,780	-	-	-	-	-	33,780
CARE Awareness expenses	-	86,841	-	-	-	-	86,841
CARE Mentoring expenses	-	-	-	29,450	-	-	29,450
At end of financial year	33,780	86,841	-	29,450	-	-	150,071

16. DEFERRED TAXATION

	2012 RM	2011 RM
Deferred tax liabilities	(130,085)	(49,468)
	<u>(130,085)</u>	<u>(49,468)</u>

	2012 RM	2011 RM
At beginning of financial year	(49,468)	107,163
Charged / (Credited) to Statement of Comprehensive Income		
- property, plant and equipment	(80,617)	(35,260)
- provisions	-	(70,524)
- tax losses	-	(50,847)
	(80,617)	(156,631)
At end of financial year	<u>(130,085)</u>	<u>(49,468)</u>

At end of financial year

Deferred tax liabilities - property, plant and equipment	<u>(130,085)</u>	<u>(49,468)</u>
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Unrecognised deferred tax assets

Deferred tax assets have not been recognised for the following amounts at the reporting date as there is lack of a practicable basis for determining the probability of future realisability of the potential tax benefits generated from the particular business source:

	2012 RM	2011 RM
Deferred tax assets have not been recognised in respect of the following items:		
Deductible temporary differences	346,223	380,742
Unabsorbed capital allowance	711,489	346,573
Unutilised tax losses	1,896,903	195,564
	<u>2,954,615</u>	<u>922,879</u>
Potential deferred tax assets not recognised at 24%	<u>709,108</u>	<u>221,491</u>

17. MEMBERSHIP INCOME

	2012 RM	2011 RM
Members' annual subscription fees	7,339,000	7,088,100
Members' admission fees	979,500	883,350
Practising certificate fees	661,500	658,000
	<u>8,980,000</u>	<u>8,629,450</u>

18. INCOME AND EXPENSES FROM/(FOR) EVENTS AND CONFERENCES

	2012 RM	2011 RM
Income	11,547,636	10,013,948
Employees' benefits (Note 23)	(1,350,750)	(975,287)
Direct expenses	(6,804,416)	(5,133,715)
	(8,155,166)	(6,109,002)
	<u>3,392,470</u>	<u>3,904,946</u>

Included in direct expenses are as follows:

	2012 RM	2011 RM
Hotel expenses	2,915,248	2,158,831
Speaker fees	1,769,799	1,862,026
Members induction expenses	<u>95,094</u>	<u>82,404</u>

19. INCOME AND EXPENSES FROM/(FOR) OTHER ACTIVITIES

	2012			2011		
	Income	Employees' Benefits	Direct Expenses	Income	Employees' Benefits	Direct Expenses
	RM	RM	RM	RM	RM	RM
Education	984,360	(603,100)	(300,687)	1,059,891	(511,597)	(273,457)
Branch's activities	170,400	-	(158,113)	86,700	-	(91,506)
Practice review	199,512	(1,149,407)	(34,037)	367,639	(974,411)	(35,282)
Other membership income/(deficit)	41,120	-	(34,114)	16,940	-	(28,343)
	1,395,392	(1,752,507)	(526,951)	1,531,170	(1,486,008)	(428,588)
Joint activities with other professional bodies:						
Budget commentary	41,924	-	(54,599)	61,193	-	(54,676)
NACRA	32,309	-	(1,379)	15,801	-	(833)
NAFMA	-	-	(4,134)	-	-	(1,435)
	74,233	-	(60,112)	76,994	-	(56,944)
Total	1,469,625	(1,752,507)	(587,063)	1,608,164	(1,486,008)	(485,532)
		Note 23			Note 23	
Included in direct expenses are as follows:						
		2012	2011			
		RM	RM			
Database rental/E-mail broadcast expenses		1,500	-			
Qualifying Examination expenses		130,912	109,974			
Tuition expenses		85,059	86,806			

20. WORLD CONGRESS OF ACCOUNTANTS (WCOA 2010) ACCOUNT

The Institute hosted the 18th World Congress of Accountants which were held in Kuala Lumpur, Malaysia from 8 to 11 November 2010.

RM10 million was awarded by the Ministry of Finance ("MoF") during the financial year ended 30 June 2007 for the WCOA 2010 project.

A bank account was opened in the name of "Kongres Akauntan Sedunia 2010" which was administered by a Special Committee comprising representatives from the MoF and Accountant General Department. A report on the expenses is submitted to them on a quarterly basis.

Upon completion of the WCOA 2010 project in the previous financial year, all balances were consolidated with the Institute's account.

The WCOA 2010 account is represented by the following:

	2011	
	RM	RM
Government Grants (Note 15)		10,000,000
Income derived from placement of grant: (Note 15)		
Dividend from Institutional trust account	1,325,853	
Fixed deposit interest	276,966	
Interest income from current account	13,012	1,615,831
Income derived from WCOA 2010:		
Delegates fees	14,027,562	
Income from sponsorship	2,984,420	
Income from exhibition	778,432	
Income from golf tournament	72,400	17,862,814
Total Income from WCOA 2010		29,478,645
Less: Expenditure of WCOA 2010		
Administration	(2,571,202)	
Acceptance fee	(57,024)	
Auditors' remuneration	(24,650)	
Bank charges	(19,223)	
Commission on exhibition	(61,439)	
Commission on sponsorship	(83,750)	
Commission for IFAC	(1,402,756)	
Depreciation	(36,053)	
Employee's benefits	(2,147,939)	
Exhibition expenses	(543,120)	
Mailing/Distribution	(365,287)	
Manpower resources	(132,978)	
Meeting	(222,161)	
Marketing and promotion	(2,145,416)	
Professional Congress Organiser fee	(1,800,000)	
Risk Management	(114,031)	
Service tax	(91,981)	
Social programme	(2,595,657)	
Speaker costs	(535,145)	
Transportation	(225,610)	
Venue rental	(4,797,113)	(19,972,535)
Surplus from WCOA 2010 account		9,506,110

The dividend and interest rates and tenure of placement for the funds placed in an Institutional Trust Account and fixed deposits are disclosed in Notes 10 and 11.

21. OTHER INCOME

	2012 RM	2011 RM
Amortisation of deferred income-Government grant - Note 15 (d)	38,889	-
Dividend from institutional trust accounts	276,778	255,425
Hibah income on current account	32,242	30,239
Interest on fixed deposit	350,087	56,050
Management fee	6,000	6,000
Insurance claim	85,158	-
Miscellaneous income	25,464	19,768
Rental income	31,200	31,200
	<u>845,818</u>	<u>398,682</u>

22. ALLOWANCES AND WRITE-OFFS

	2012 RM	2011 RM
Allowance of impairment of receivables	20,460	11,120
Reversal of impairment of receivables	(18,770)	(35,595)
Property, plant and equipment written off	104,801	50,223
Assets expensed off	2,134	3,611
Slow moving and obsolete inventories written off	24,774	-
Subscription in arrears written off	145,300	234,967
	<u>278,699</u>	<u>264,326</u>

23. EMPLOYEES' BENEFITS

	2012 RM	2011 RM
Salaries, overtime and bonus	8,508,705	7,526,285
Contributions to EPF	1,369,435	1,254,208
Other staff benefits	322,352	389,981
Social security contribution	68,432	68,776
Staff training	214,313	217,551
Staff welfare	136,263	176,624
	<u>10,619,500</u>	<u>9,633,425</u>
Less: Employee benefits charged to Events and conferences (Note 18)	(1,350,750)	(975,287)
Employee benefits charged to other activities (Note 19)	(1,752,507)	(1,486,008)
	<u>7,516,243</u>	<u>7,172,130</u>

24. INTERNATIONAL RELATIONS

	2012 RM	2011 RM
Subscription to international accountancy bodies	246,103	297,810
Meetings of council, technical and advisory committees of international accountancy bodies	146,021	203,310
	<u>392,124</u>	<u>501,120</u>

25. MEMBERSHIP SERVICES

	2012 RM	2011 RM
Annual general meeting	185,277	131,679
Council, committee and other meetings	144,617	138,266
Gazette	22,600	20,620
Institute's journal - Accountants Today	712,692	1,216,049
Library	73,760	49,781
Membership recruitment drive	331	379
Technical, printed materials and postage	108,346	79,538
	<u>1,247,623</u>	<u>1,636,312</u>

26. OTHER EXPENSES

	2012 RM	2011 RM
Advertisement - staff recruitment	47,617	16,333
Auditors' remuneration	14,174	13,400
Bank charges and commissions	152,889	128,565
Establishment expenses	510,054	485,175
General expenses	66,978	93,179
Gifts, momentos and tokens	3,690	10,613
Honorarium to registrar	60,000	60,000
Insurance	48,367	72,559
Legal fees (net of over accrual of RM184,500 in prior years)	(32,492)	18,720
Office rental	423,650	376,460
Professional fees	40,200	7,625
Promotional expenses	62,013	87,218
Repair and maintenance	123,971	140,730
Travelling and accommodation	92,676	65,696
Utilities	361,058	340,049
	<u>1,974,845</u>	<u>1,916,322</u>

27. INCOME TAX EXPENSE

	2012 RM	2011 RM
Income tax		
- current year	-	360,000
- prior year	-	-
	<u>-</u>	<u>360,000</u>
Deferred tax (Note 16)	80,617	156,631
	<u>80,617</u>	<u>516,631</u>

For tax purposes, the Institute is treated as a "Trade Association" under section 53(3) of the Income Tax Act 1967 under which its income is taxed at scale rates.

INCOME TAX EXPENSE *(continued)*

A reconciliation of income tax expense applicable to surplus before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Institute is as follows:

	2012 RM	2011 RM
Surplus before tax	465,963	10,180,478
Taxation at applicable statutory tax rate of 24% (2011: 24%)	111,831	2,443,315
Tax effects of:		
- expenses not deductible for tax purposes	79,182	56,769
- unabsorbed capital allowances for the current year disregarded under Addendum to Public Ruling No. 6/2005	60,861	32,114
- current year losses disregarded under Addendum to Public Ruling No. 6/2005	-	35,948
- underprovision of deferred tax liability in prior year	28,107	-
- deferred tax assets not recognised	487,617	221,491
- income not subject to tax	(686,981)	(2,281,466)
- change in tax rate	-	8,460
	80,617	516,631

28. RELATED PARTY DISCLOSURES

The transactions carried out with related parties during the financial year were as follows:-

(a) Fees paid by Council members

	2012 RM	2011 RM
Members' annual fees	7,550	6,000
Practising certificate fees	3,500	4,250
	11,050	10,250

(b) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institute either directly or indirectly. The key management personnel of the Institute are the Chief Executive Officer, Executive Director and Chief Operating Officer and their remunerations for the financial year are as follows:

	2012 RM	2011 RM
Salaries and bonus	507,713	774,413
Contribution to EPF	99,208	105,032
Social security contribution	620	620
	607,541	880,065

The year-end outstanding balance of RM74,596 (2011: RM135,211) in relation to compensation payable to key management personnel is included in payables and accruals.

29. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

(a) Categories of Financial Instruments

The following are details of the financial assets and financial liabilities of the Institute analysed by categories:

	2012 RM	2011 RM
Financial assets		
Loans and receivables:		
- Receivables and deposits	1,229,136	1,377,066
- Fixed deposit with licensed financial institutions	14,170,753	12,548,123
- Institutional trust account	6,243,792	6,022,671
- Cash and bank balances	4,216,230	6,675,411
	<u>25,859,911</u>	<u>26,623,271</u>
Available-for-sale financial asset:		
- Investment	<u>7,458</u>	<u>7,458</u>
Financial liabilities		
Financial liabilities measured at amortised costs:		
- Payables	862,985	514,380
- Accruals	<u>3,749,111</u>	<u>5,812,513</u>
	<u>4,612,096</u>	<u>6,326,893</u>

(b) Financial Risk Management Objectives and Policies

The Institute's financial risk management objectives are to ensure that the Institute creates value and maximises returns to the Institute and its members at large. The Institute's financial risk management policies seek to ensure that adequate financial and non-financial resources are available for the smooth implementation of its operations. The Institute has been financing its operations from internally generated funds and, therefore, is not exposed to interest rate risk arising from bank borrowings. The Institute does not invest in quoted shares and is, therefore, not exposed to market risk arising from the risk of the financial instruments fluctuating due to changes in market prices.

i) Credit Risk

Receivables and transactions with banking institutions may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are licensed financial institutions and organizations. It is the policy of the Institute to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Institute is exposed to minimal credit risk. The Institute has also exercised strict control in removing members in arrears of more than 6 months as provided under the Malaysian Institute of Accountants (Membership and Council) Rules 2001.

Other than as mentioned, the Institute has no significant concentration of credit risk. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the financial position.

ii) Liquidity Risk

Liquidity or funding risk is the risk of the inability to meet commitments associated with financial instruments

The Institute practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient levels of cash or cash equivalents to meets its requirements of working capital.

Maturity Analysis

The maturity profile of the Institute's financial liabilities as at the end of the reporting period based on undiscounted contractual payments are as follows:

	Less than 1 year 2012 RM
Sundry payables	862,985
Accruals - Seminars and conferences expenses	569,405
Accruals - Employees benefit	2,343,272
Accruals - Others	<u>836,434</u>
	<u>4,612,096</u>

FINANCIAL INSTRUMENTS (continued)**iii) Interest Rate Risk**

The Institute is also exposed to interest rate in respect of its fixed deposits with licensed financial Institutions.

The Institute ensures that it places fixed deposits at competitive rates under the most favourable terms and conditions.

The Institute is also exposed to interest rate risk in respect of its fixed deposits with a licensed bank. As this fixed deposit is subject to fixed rate and not accounted for at fair value through profit or loss, a change in the market interest rates would not affect the financial result for the year and the fund of the Institute.

(c) Fair value

The carrying amount of the financial assets and financial liabilities of the Institute at the end of the financial year approximated their fair values due to the relatively short term nature of these financial instruments.

30. CAPITAL MANAGEMENT

The objectives of the Institute in managing capital are:

- to safeguard the Institute's function, which is to regulate and develop the accountancy profession in Malaysia in line with its statutory obligations under the Accountants Act, 1967;
- to develop and enhance competency through continuous education and training to meet the challenges of the global economy; and
- to provide capital for the purpose of strengthening the Institute's operational efficiency.

The Institute regularly reviews and manages its capital to ensure adequacy for both operational and capital needs. All surpluses are transferred to the accumulated fund for future operational needs.

For the purpose of capital disclosure, the Council regards the accumulated fund as capital of the Institute.

31. COMMITMENTS

	2012 RM	2011 RM
(a) Capital commitments		
PPE		
Approved but not contracted for	22,244,800	-

This relates to approval to purchase a new office suite at Bangsar South. During the financial year, an earnest deposit of RM480,000 is paid and is included in sundry deposit as shown in Note 8 of the financial statements.

(b) Project Professional fees commitment

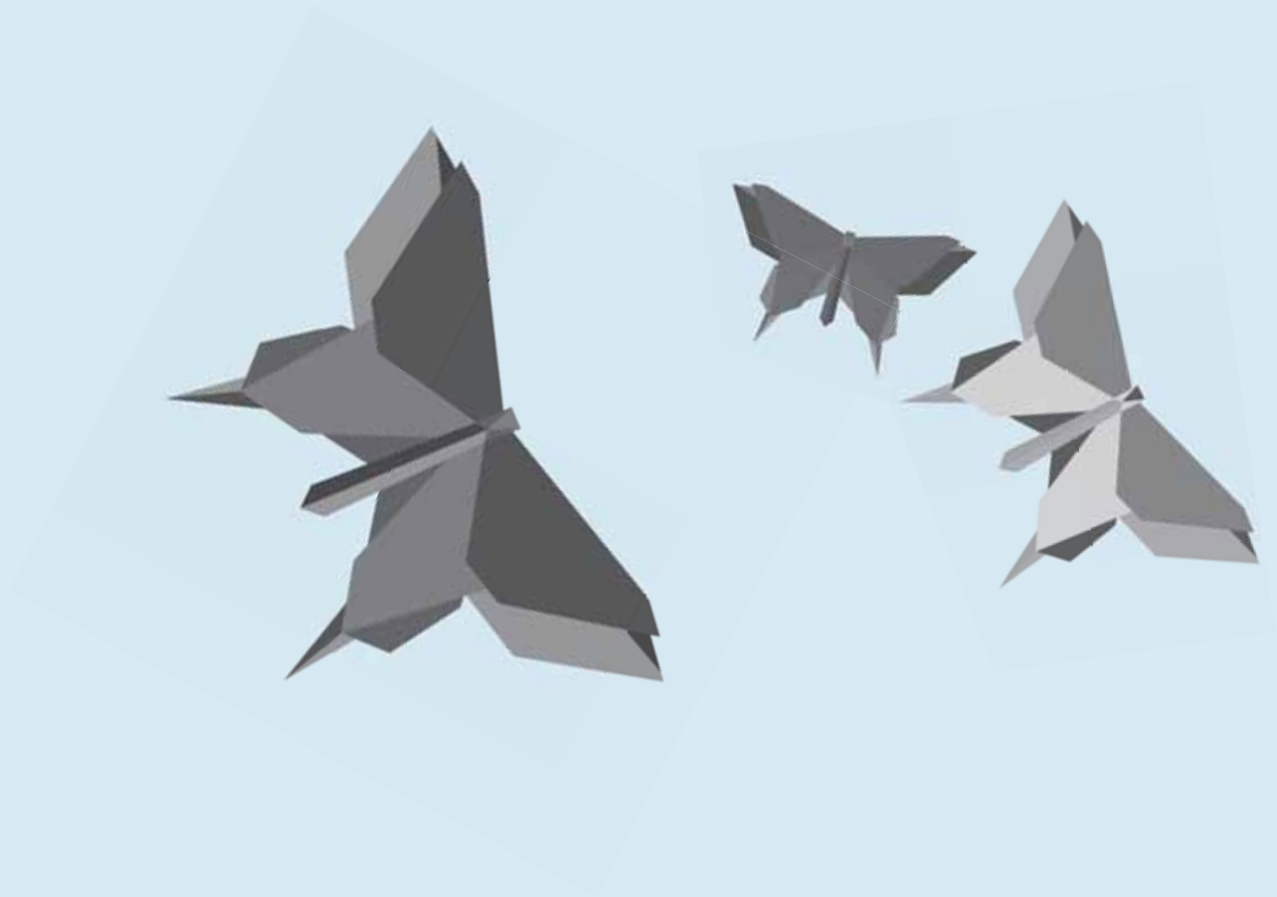
The Institute is committed to pay Project Professional fees of RM230,000 to carry out the Organization Restructuring, Rewards Review and Design of the Institute. This exercise has commenced in June 2012 and expected to complete by end of November 2012. The first 15% was paid during the financial year and this was included in the professional fees in Note 26 of the financial statements.

32. COMPARATIVES

Certain comparative figures have been amended or reclassified to conform with current year's presentation.

	As previously stated RM	Reclassification RM	As restated RM
Statement Of Comprehensive Income			
Membership Income	-	8,629,450	8,629,450
Members' annual subscription fees	7,088,100	(7,088,100)	-
Members' admission fees	883,350	(883,350)	-
Practising certificate fees	658,000	(658,000)	-
Others Activities			
Income	11,622,112	(11,622,112)	-
Employees' benefits	(2,461,295)	2,461,295	-
Direct expenses	(5,619,247)	5,619,247	-
Net Income from other activities	<u>3,541,570</u>	<u>(3,541,570)</u>	<u>-</u>
Surplus from World Congress of Accountants ("WCOA 2010")	9,506,110	(9,506,110)	-
Income from Events and conferences	-	10,013,948	10,013,948
Income from Others activities	-	1,608,164	1,608,164
Income from World Congress of Accountants ("WCOA 2010")	-	29,478,645	29,478,645
Expenses for events and conferences	-	(6,109,002)	(6,109,002)
Expenses for others activities	-	(1,971,540)	(1,971,540)
Expenses for World Congress of Accountants ("WCOA 2010")	-	(19,972,535)	(19,972,535)

Significant Event Highlights



TRANSFORMING *the* PROFESSION



MALAYSIAN INSTITUTE
OF ACCOUNTANTS
ACCOUNTANTS: MANAGERS OF VALUE

PROUD HOST



Awards and Recognition

Backed by teamwork and a culture of excellence, MIA has successfully achieved external recognition from our stakeholders in the key areas of human resources and business development.

HUMAN RESOURCES MINISTER AWARD FOR EXCEPTIONAL HUMAN RESOURCE DEVELOPMENT



On 12 September 2011, MIA won the Human Resources Minister Award under the Training Providers category for its exceptional contribution and role in the human resources development sector of Malaysia, continuing to build on its tradition of excellence in talent enrichment. In 2010, MIA received the Certificate of Appreciation in the same category.

The Human Resources Minister Awards were awarded by Pembangunan Sumber Manusia Bhd (PSMB) to training providers who had played significant roles in the country's human resources development.

As a leading provider of continuing professional education and training programmes, MIA will continue to equip accounting and finance professionals with well-researched and innovative knowledge and skills programmes that target strategic, tactical as well operational excellence.

MIA President Datuk Mohd Nasir Ahmad said: "Continuous professional resource development through the latest innovations and training programmes relevant to their scope of service and beyond is the added value offered by the Institute's training arm. This form of "enrichment" firms up the level of professionalism among our members and hence is a form of sustainable practice that creates public confidence and trust."

BEST MICE AWARD – 21 DECEMBER 2011



On 21 December 2011, MIA won the Best Meeting, Incentives, Conventions and Exhibitions (MICE) Award Category at the Malaysian Tourism Award 2010/ 2011 for the World Congress of Accountants event which was co-organised by the Malaysian Institute of Accountants (MIA) in November 2010 with IFAC. Under this award category, recognition is given to MICE organisers which contributed significantly to Malaysia's share of the lucrative MICE market.

The 18th WCOA was hosted by MIA from 8-11 November 2010 at the Kuala Lumpur Convention Centre. Themed 'Accountants: Sustaining Value Creation' the event comprised 159 members and associates from 124 countries and jurisdictions, representing more than 2.5 million accountants employed in public practice, education, government service, industry, and commerce. Malaysia made history that year as the first ASEAN country to host the WCOA and attracted over 6,047 participants to the event.

In the wake of WCOA, MIA continued to shine in the MICE arena during the period under review. As a prolific professional development and training provider, MIA organised the inaugural MIA International Accountants Conference (MIA Conference) and the 17th AFA Conference (together with the ASEAN Federation of Accountants), from 2-3 November at the Kuala Lumpur Convention Centre.

Strategic Engagements

Robust stakeholder engagement is vital in order to enlist the support and collaboration of government, regulators, industry, academia and our members, among others, to develop and shape a mature, effective and relevant profession. During the year under review, MIA organised a series of key events to engage strategically with our stakeholders, strengthen our relationships and create awareness of and solutions to the current and future concerns and issues affecting the accountancy profession.



Courtesy Visit to the Executive Director of Jabatan Akauntan Negara, Negeri Johor (MIA Johor Bahru Region)
6 July 2011



MIA Strengthen Ties with Securities Commission
8 December 2011



Members Engagement Session with Public Practitioners (Nationwide)
10 – 28 October 2011



MIA Sabah Annual Dinner 2011
10 December 2011

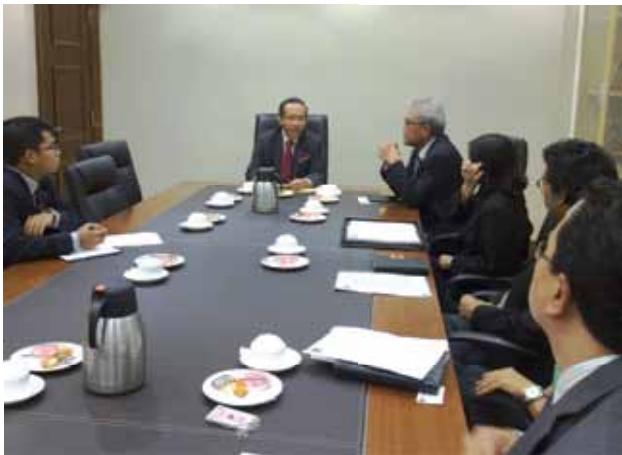
Significant Event Highlights



MIA Holds Luncheon with Strategic Stakeholders
15 February 2012



Meeting with the Minister of Higher Education Malaysia
28 March 2012



Courtesy visit to the Secretary General of the Ministry of Higher Education Malaysia
6 March 2012



Courtesy Visit to Companies Commission of Malaysia (SSM) CEO
9 April 2012



MIA at the 107th ASEAN Federation of Accountants (AFA) Council Meeting in Phnom Penh, Cambodia
17 March 2012



MIA and UNIRAZAK Join Forces to offer MIA Members Access to Post- Graduate Studies
24 April 2012



Appointment of Binary University College as Tuition Providers for MIA QE
26 April 2012



Courtesy Visit to the CEO of the Inland Revenue Board (IRB) of Malaysia
8 June 2012



MIA Pays Courtesy Visit to Institute of Internal Auditors (IIA) Malaysia
15 May 2012



Get Together with Key Partners from Accounting Firms
14 June 2012



Members Engagement Session with Professional Accountants in Business (PAIB)
22 May 2012



Sharing of Experience on IFRS Implementation in Malaysia with Nigerian Regulatory Officials
27 June 2012

Enhancing Competency and Maintaining Integrity

MIA organised key events aimed at communicating, enhancing and promoting MIA's brand values. These events are also targeted at inculcating a culture of competency and integrity among members in order to uplift the standards of the Malaysian accountancy profession in line with global best practices. MIA conducted the following significant professional developments programmes and activities to enhance the competencies and lifelong learning of MIA members over the period under review:



Implementing Audit Quality Control

**8-9, 10-11 & 23-24 August 2011
28-29 September 2011 / 6-7 December 2011
9-10 April 2012**



Seminar on Competition Act 2010

**22 August 2011
Partner : Shook Lin & Bok**



Closed Dialogue Between Internal Revenue Board (MIA Johor Bahru Region)

**17 August 2011
Partner : Malaysian Tax Association &
Chartered Tax Institute of Malaysia**



A Changing Group Structure Going Forward - Identifying, Capturing and Disclosing New Entities under IFRS 10, 11 and 12

**8 September 2011
Partner : Ernst & Young Malaysia**



Cloud Computing - Adapting to the Changing Needs of Business and Disclosing New Entities under IFRS 10, 11 and 12

13 September 2011

Partner : Microsoft Malaysia/ SKALI



Audit Quality: Thinking Ahead of the Game

6 October 2011

Partner : Audit Oversight Board (AOB) & Association of Chartered Certified Accountants (ACCA)



Accrual-Based IPSAS: The New Public Sector Accounting Standard

14 September 2011

Partner : Akademi Audit Negara



Public Practice Programme

27-28 September 2011 / 29-30 November 2011

19-20 December 2011 / 26-27 March 2012

3-4 April 2012 / 5-6 June 2012



Seminar on Audit Licence Interview

14 September 2011



Budget 2012 Proposals & Recent Developments (Nationwide)

13-25 October 2011

Partner : Malaysian Tax Association

Significant Event Highlights



Building Confidence in Capital Market

20 October 2011

Partner : Securities Commission Malaysia



Government Financial Assistance: Enabling Business Expansion and Growth

13 & 16 December 2011

Partner : MIDF/MATRADE/SMECORP/
Malaysia SME



The 17th MIA – AFA Conference 2011

2 & 3 November 2011

Partner : ASEAN Federation of Accountants



CATCH ME IF YOU CAN! Why Traditional Internal Control and Auditing Procedures Fail to Identify Fraud?

20-21 February 2012



Managing the Transition to Accrual Accounting - An Auditor's Perspective

4 November 2011



Pakistan – Malaysia Business and Investment Forum

28 February 2012

Partner : The Pakistan High Commission in Malaysia



**Public Practitioners Seminar 2012
- Facing the Changing Practice Landscape**
7 March 2012
Partner : CPA Australia, ACCA and ICAEW



Briefing by MASB on MFRSs to Practicing Members
5 April 2012
Partner : Malaysian Accounting Standards Board (MASB)



Accountants in Business Symposium (AIBS) 2012
21-22 March 2012
Partner : CIMA Malaysian Division, CPA Australia, ACCA and ICAEW



Mergers & Affiliation Seminars (Nationwide)
21 May 2012



A Global Perspective of IFRS and salient issues in MFRS
28 March 2012
Supported by : International Federation of Accountants (IFAC)



CFO Symposium 2012 - Aiming New Heights in Turbulent Times
20 June 2012
Partner : Association of Development Finance Institutions of Malaysia, Institute of Enterprise Risk Professionals and Institute of Bankers Malaysia

Corporate Social Responsibility Activities

MIA stays true to its objective to be a strategic business partner committed to nation building. As a testimony to MIA's commitment in this endeavour, MIA together with other stakeholders initiated major activities that advocate excellence in business reporting and practices.

CORPORATE SOCIAL RESPONSIBILITY IN BUSINESS



At the opening ceremony of the 17th MIA – AFA Conference key delegates were presented with a potted plant each as a symbolic gesture of a universal shared commitment to reduce the carbon footprint.



NACRA 2011 – Championing Excellent Corporate Reporting

15 November 2011

Venue : Sime Darby Convention Centre, Kuala Lumpur
Partner : Bursa Malaysia Berhad and The Malaysian
Institute of Certified Public Accountants (MICPA)



NAfMA Awards 2011: Promoting Excellent Management Accounting Practices

6 December 2011

Venue : One World Hotel, Petaling Jaya
Partner : Chartered Institute of Management
Accountants (CIMA) Malaysia Division

Corporate Social Responsibility to the Community

MIA reaches out in innovative ways to expose younger Generation Y and Generation Z students to accountancy as a career. These initiatives are part-and-parcel of the DNA of our corporate social responsibility (CSR), which is to enhance the overall quality, education and talent available in the accountancy profession in Malaysia.

TAPPING YOUNG TALENT



Accounting Students Conference (ASC)

In line with our commitment to the development and advancement of the accountancy profession, MIA initiated the Accounting Students Conference (ASC) which is held biannually. The first three incarnations of the Conference had the universities bidding to host the ASC. With effect from February 2011, ASC will be organised annually and it will be made compulsory for all universities under Part I of the First Schedule of the Accountants Act 1967 to host ASC on a rotation basis, with support from MIA. Multimedia University was the first host under the rotation basis and the ASC was successfully organised from 3 to 4 December 2011 at Pullman Putrajaya Lakeside Hotel.

The objective of the ASC is to expose students to the accountancy profession and equip them with the knowledge of the requirements for a professional accountancy career. This conference is also aimed to inculcate a lifelong learning culture in students from a young age and to instil confidence in students by involving them in a major professional conference even before they embark on their careers.

In conjunction with ASC 2011, MIA honoured 12 accounting students from universities under Part I of the First Schedule of the Accountants Act 1967 for outstanding achievements in accounting studies. The awards were presented by MIA Vice President Abdul Rahim Abdul Hamid, who also officiated ASC 2011.



MIA – MRSM Accountancy: Education & Career Seminar (AECS) Road Shows

To educate secondary school students and accounting teachers about MIA and the accountancy profession, MIA and the Secondary Education Division of MARA – MARA Junior Science Colleges (MRSM) organised the AECS Road Shows from March to April 2012. The Road Shows reached about 2,000 Form 4 and Form 5 students from 5 different zones - south, east zone 1, east zone 2, north zone 1 and north zone 2. Five MRSMs were selected as the host at each zone. AECS was held at the following dates and venues:

Date	Venue
5 March 2012	MRSM Pengkalan Chepa, Kelantan
6 March 2012	MRSM Kuantan, Pahang
24 March 2012	MRSM Merbok, Kedah
26 March 2012	MRSM Taiping, Perak
24 April 2012	MRSM Alor Gajah, Melaka

Six universities and five accountancy bodies under the First Schedule of the Act participated as sponsors and exhibitors for AECS.

Part I

- Universiti Malaya
- Universiti Kebangsaan Malaysia
- Universiti Sains Malaysia
- Universiti Utara Malaysia
- Universiti Teknologi MARA
- Multimedia University

Part II

- ACCA
- CIMA
- CPA Australia
- ICAEW
- MICPA

Significant Event Highlights

AECS uses a quirky and different approach to promote accountancy education and the profession to Generation Y students. Students were exposed to games such as Bidder & Broker (RM1.50!, RM1.50!) and The Apprentice, which promoted business and entrepreneurship. The Bidder & Broker game nurtures students' interest in Math and Finance, while challenging their ability to focus and think on their feet in order to seize opportunities during critical situations. Students learnt to prepare a simple business plan in The Apprentice. Apart from the games and activities, MIA featured a series of talks on Careers in Accountancy, MIA & the Accountancy Profession.

Overall, the AECS successfully introduced MARA students to the dynamic potential of accountancy careers.



Career and Awareness Talks

To develop young talent and promote the profession to all levels, MIA conducted career and awareness talks at Institutions of Higher Learning (IHLs) and schools, highlighting the potential of the profession and encouraging students to consider accountancy as a future career option. Sessions also focused on the route to become qualified accountants and the importance of registering as an MIA member. To maximise the impact of these sessions, MIA members were invited to deliver talks to students in order to provide inspirational role models and to share their knowledge and experience in the accountancy profession.

CAREER AND AWARENESS TALKS (JULY 2011 – JUNE 2012)

CATEGORY	SESSION
Secondary schools	1
Institutions of Higher Learning (Public)	18
Institutions of Higher Learning (Private)	15
TOTAL	34

Going forward, MIA will continue to identify innovative means to create awareness and interest in accountancy careers among students as part of our CSR, which ties in with our holistic vision to build capacity and competency in the accounting profession.



MIA Qualifying Examinations 2011 Graduation Ceremony

The Malaysian Institute of Accountants (MIA) honoured 32 candidates who have successfully passed the MIA Qualifying Examination (QE) for this year's March and September sitting on 21 December 2011. 17 candidates of this year's batch were also awarded Certificates of Achievement for having passed various papers of the QE with distinction. A total of 171 candidates sat for the exams in 2011. This year marks the 3rd QE graduation ceremony organised by MIA. The first, which was held in December 2009, saw 17 candidates successfully passing the MIA QE in the September 2009 sitting. Nine candidates were awarded Certificates of Achievement for passing various papers with distinction that year.



MIA Sarawak Career Talk & Membership Recruitment Drive 5 August 2011 Venue : Curtin University, Miri, Sarawak



MIA Penang Career & Postgraduate Expo 2011 12 & 13 November 2011 Venue : Penang International Sports Arena (PISA)



MIA Johor Career Talk UTM 2011

4 October 2011

Venue : UTM, Johor Bahru

CHAMPIONING SUSTAINABLE PRACTICES AND ENCOURAGING EXCELLENT SERVICES

As a key stakeholder in the accountancy profession, MIA is committed to championing corporate social responsibility (CSR) initiatives that improve economic, social and environmental welfare. During the year under review, MIA contributed to several projects that achieved our CSR objectives in the areas of minimising our carbon footprint; promoting social welfare; and facilitating best practices in business reporting and capital market transparency.



Minimising our Carbon Footprint

2 July 2011

Venue : Sungai Haji Dorani,
Kuala Bernam Forest Reserve, Selangor

In line with MIA's commitment to sustainable environmental practices, the Institute with support from the Forest Research Institute of Malaysia (FRIM) visited the coastal area of Kuala Selangor to plant a batch of several hundred mangrove plants. The objective of this exercise is MIA's commitment in reducing the carbon foot print trail and sustaining the ecosystem.



Aiding Senior Citizens

20 August 2011

Venue : Kompleks Penyayang Bakti,
Bandar Sri Damansara

The MIA Sports & Recreation Committee (SRC) made an inaugural visit to the old folks' establishment at Kompleks Penyayang Bakti in order to provide succour and aid to our senior citizens in their golden years in recognition of their earlier contributions to society.

Apart from collecting donations, MIA personnel generously shared their time and resources to organise activities such as poco-poco and a mini-concert to cheer up the home's members.



Donations to Needy Students

9 January 2012

Venue : Sekolah Rendah Kebangsaan Serendah,
Hulu Selangor, Selangor

As part of its corporate social responsibility initiatives, the MIA SRC organised a donation drive to collect and hand over 72 goodie bags containing stationery and school apparel to disadvantaged and needy students from Hulu Selangor's hardcore poor.

Media & Publicity

Effective media relations and engagements are essential to communicate MIA's public brand and its vision to champion the Malaysian accountancy profession as a key facilitator and partner for business and the nation. Throughout the year under review, MIA communicated its stance on key issues such as IFRS and accounting standards, audit quality and oversight, talent enrichment and development of employment prospects, regulatory and legal reform, good corporate governance through enhancing Board audit committees and external audit, and inculcating integrity and ethics among accountants, to name a few priorities on MIA's agenda. Our views were featured in leading broadcast and print Medias such as **NTV7**, **Malaysian Reserve**, **News Straits Times** and **The Star**. MIA President Datuk Mohd Nasir Ahmad was also sought-after for interviews by industry publications such as **Malaysia's Top 10** and the **Malaysian Business** whereby he used these opportunities to explain MIA's stance on key issues and its vision for a sustainable, mature and relevant profession.



- (1)
9 May 2012
Source:
News Strait Times Special Supplement Undergraduate Focus on Business, Accounting & Finance
- (2)
5 June 2012
Source:
The Star & Malaysian Reserve
- (3)
24 May 2012
Source:
NTV7's Morning Breakfast Show: Mind Your Money with Chermaine Poo
- (4)
14 January 2012
Source:
The Star Metro
- (5)
September 2011
Source:
Accountancy Asia Magazine