



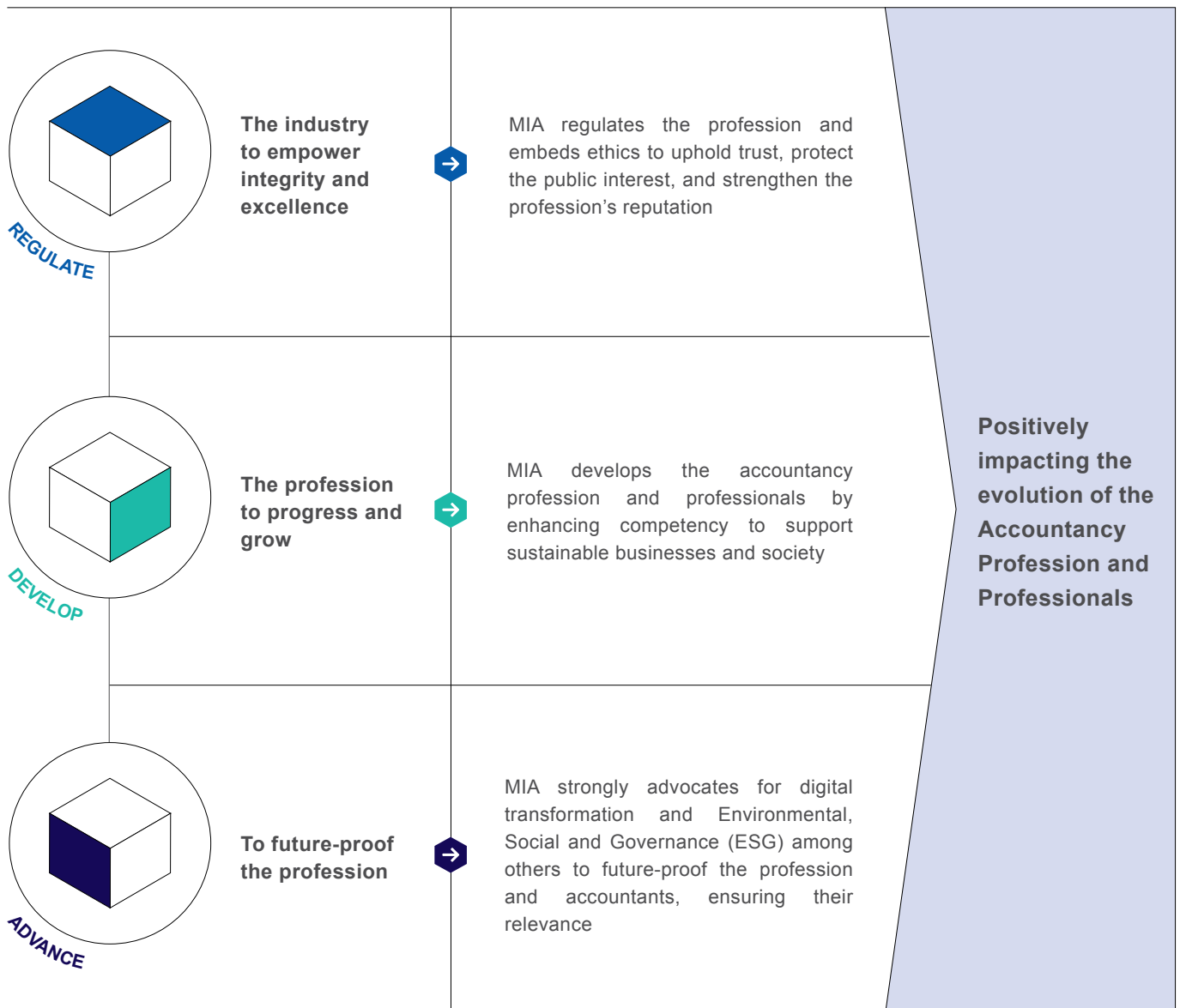
MALAYSIAN INSTITUTE
OF ACCOUNTANTS

INTEGRATED ANNUAL REPORT

2022



The Malaysian Institute of Accountants (MIA) is a statutory body entrusted to regulate and develop the accountancy profession towards nation building.



WHAT'S INSIDE THIS REPORT



For more information about the MIA, please scan this QR Code to access our website.

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This report provides a concise evaluation of our value creation activities across the short, medium and long term for the 2021/2022 financial year, prepared in accordance with the Integrated Reporting Framework of the IFRS Foundation.

SCOPE AND BOUNDARY OF REPORTING

This report intends to serve the information needs of our stakeholders by covering the Institute's primary functions of regulation and development of the accountancy profession in Malaysia, towards nation building. Throughout this report, we will demonstrate our integrated thinking and value creation process that is mapped to our sustainability impacts.

We produce and publish our Integrated Annual Report annually in both print and virtual formats to provide material information that explains our:

- Purpose, vision and values
- Value creation model
- Six capitals
- Operating environment and market outlook for the Institute and the accountancy profession
- Material matters and key risks
- Stakeholder engagement and interests
- Performance as measured against our four strategic objectives, and
- Governance processes and oversight according to the Accountants Act 1967.

We have included significant events after 30 June 2022 and up to the Council's approval date of 30 August 2022. We continuously review our strategic and operational plans and guidance in response to the top risks to the Institute and profession. We have also endeavoured to address the feedback raised by the Value Reporting Foundation (that has been consolidated into the IFRS Foundation) in their gap analysis review of MIA's fifth Integrated Annual Report in order to enhance disclosures.

Through this Integrated Annual Report, readers will understand MIA's purpose, strategy, operational targets and expected value creation outcomes for the short, medium and long-term which are primarily non-financial in nature, given MIA's status as the statutory body of the Malaysian accountancy profession under the Accountants Act 1967.

The MIA Internal Audit Department has checked this report for accuracy. In addition, the Council has exercised its collective oversight over the report preparation and presentation processes. It is the Council's opinion that this report is presented in accordance with the IFRS Foundation's Integrated Reporting Framework.

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MIA AT A GLANCE

MIA is a statutory body established under the Accountants Act 1967, with a mandate to regulate and develop the accountancy profession in Malaysia.

PURPOSE

To regulate and develop the accountancy profession to support economic growth and nation building.

VISION

To be a globally recognised Professional Accountancy Organisation (PAO) in regulating and developing the profession for nation building.

VALUES



Integrity



Mutual Trust
and Respect



Professionalism



Accountability



Commitment



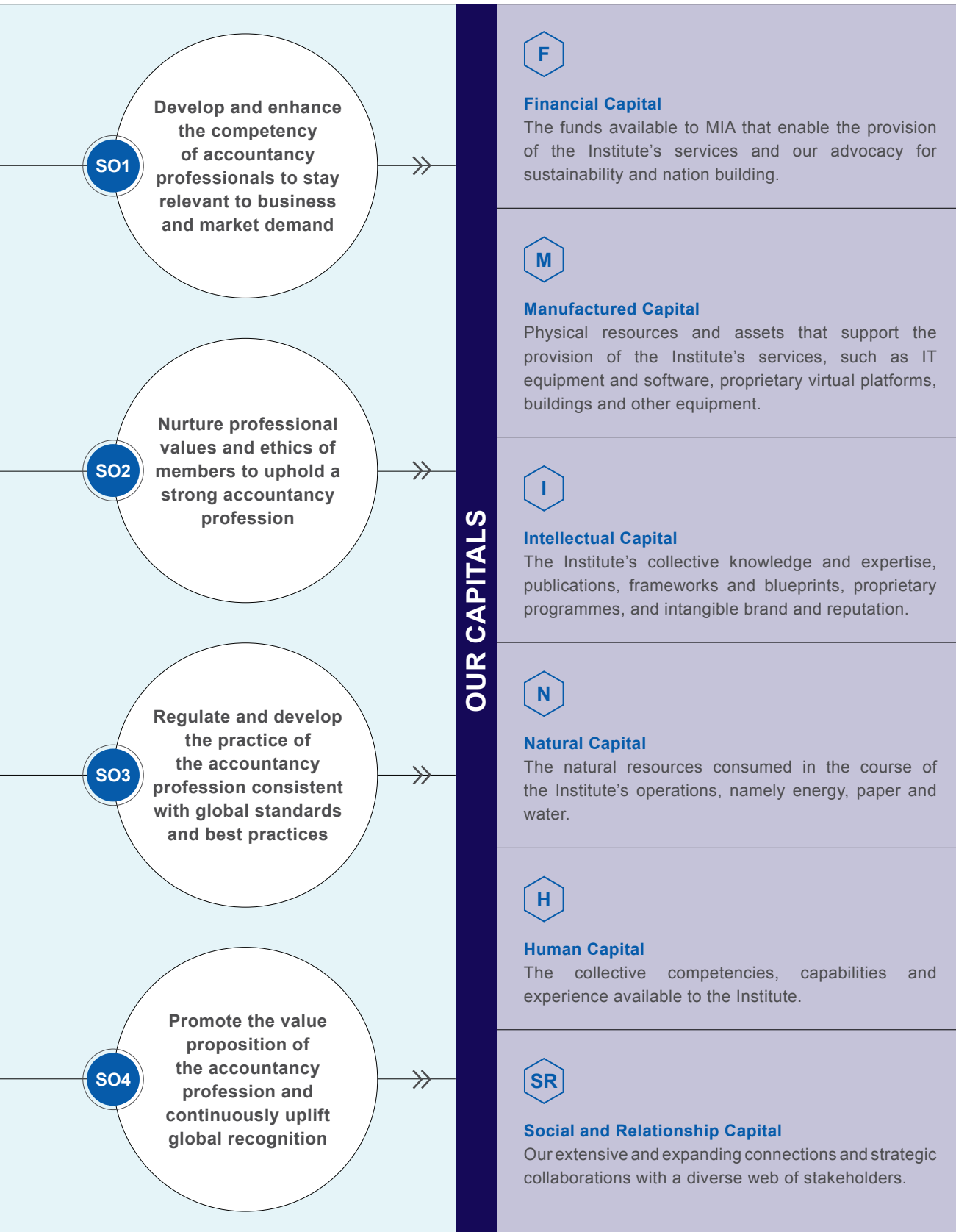
Teamwork



Sustainability

Our regulatory and development activities are ingrained with our values, guided by our four Strategic Objectives and fuelled by our six capitals

Our ultimate goal is to achieve the future relevance of the profession to protect the public interest and support sustainable nation building.



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MESSAGE FROM
THE PRESIDENTEMBRACING NEW
OPPORTUNITIES

On behalf of the Council, I am delighted to share insights into MIA's efforts to strengthen the future relevance of the accountancy profession in support of sustainable nation building, for the financial year under review and for the years to come.



Datuk Bazlan Osman
President

KEY HIGHLIGHTS

While Malaysia has made the transition to the endemic phase of COVID-19, the economy remains vulnerable to diverse risks ranging from geopolitical, talent, labour and health challenges to supply chain disruptions and accelerating inflation. Within this volatile and uncertain environment, the Institute diligently supported members and stakeholders in enhancing good governance, business continuity and overall well-being.

Of paramount importance was the Institute's continuing and intensive efforts to strengthen regulation. MIA heightened our engagements with the Ministry of Finance (MOF) on the reform of the Accountants Act and its operationalisation to further empower the Institute as the regulator and developer of the accountancy profession. MIA also emphasised proactive enforcement and regulation of the provision of accountancy services in collaboration with our co-regulators such as the Securities Commission (SC), Suruhanjaya Syarikat Malaysia (SSM) and Bursa Malaysia to enhance good governance and protect public interest.

The well-being of members is also a primary concern as the past two years of pandemic constraints affected business performance and continuity as well as financial, emotional and psychological health. In addition to providing a comprehensive range of support services and resources, MIA prioritised efforts to enhance the holistic well-being of our members, through initiatives such as the MIA Member Assistance Programme (MMAP) which includes the MIA Careline.

As pressure mounted for Governments and businesses to integrate Environmental, Social and Governance (ESG) matters into administration and governance, MIA embarked vigorously on ESG advocacy. Backed by the profession's expertise in measurement and disclosure, MIA is advocating for business to adopt accounting, financial, and reporting approaches designed to support the transition to a more sustainable future. MIA hence focused on upskilling accountants on the complex financial and non-financial reporting frameworks that are being harmonised globally, to ensure members' future relevance in an environment that is increasingly ESG oriented.



Upskilling accountants as sustainability leaders and expert advisors

in ESG strategy and implementation, emphasising on climate change and sustainability reporting and disclosure to improve organisational decision-making and outcomes.

To support sustainable national development, MIA also advocated for stronger tax governance as a key component of the 'G' in ESG. In a salient example of the Institute's strategic collaboration approach, MIA and the Malaysian Institute of Certified Public Accountants (MICPA) worked together to publish the new Tax Governance Guide to advocate for tax transparency and good reporting practices amongst listed issuers.

OUTLOOK

What can be expected from MIA for 2023 and in the longer term?

MIA will keep striving to achieve our targets sustainably by leveraging on our strategic collaborations, proactive engagement, and robust relationships with our diverse stakeholders.

To elevate the value of the profession and build recognition, MIA will continue to collaborate with global bodies and align our initiatives with the overall global agenda of the accountancy profession as espoused by the International Federation of Accountants (IFAC), the ASEAN Federation of Accountants (AFA), the International Accounting Standards Board (IASB), the new International Sustainability Standards Board (ISSB), the International Auditing and Assurance Standards Board (IAASB), the International Accounting Education Standards Board (IAESB) and the International Ethics Standards Board for Accountants (IESBA). This will enable the Malaysian profession and MIA members to keep abreast of global developments and best practices, and comply with international standards to meet market expectations. In addition, MIA will carry on supporting professional bodies in their advocacy and work while minimising duplications for increased efficiency and effective deployment of our resources.

Among our top priorities going forward are to sustain robust collaboration with our stakeholders across the public and private sectors. This will enable MIA to strengthen regulation and development of the profession and be future relevant to support business continuity and sustainability.

To enhance regulation, MIA will escalate our engagements with the Ministry of Finance on the proposed new Accountants Act and its operationalisation. MIA will also continue to collaborate with our co-regulators on proactive enforcement for good governance and the public interest.

As sustainability risks are projected to persist as a top business risk, MIA will elevate its ESG advocacy to help drive business continuity and sustainability.

The World Economic Forum's latest Global Risk Report 2022 cautioned that climate inaction, extreme weather and biodiversity loss pose the top three global risks over the next ten years. The authoritative Intergovernmental Panel on Climate Change (IPCC) has also warned that it's 'now or never' to limit global warming to 1.5 degrees Celsius or risk the world becoming uninhabitable. Malaysia too is in the midst of implementing its carbon emissions commitments to achieve targeted greenhouse gases (GHG) emissions reductions and reach net zero by 2050. In response, MIA will focus on upskilling accountants as sustainability leaders and expert advisors in ESG strategy and implementation, emphasising on climate change and sustainability reporting and disclosure to improve organisational decision-making and outcomes.

The Institute will also ramp up tax governance advocacy. MIA plans to work together with Bursa Malaysia to educate and provide guidance to directors of listed issuers in reporting the management of tax matters affecting corporations in their annual reports, in line with international developments. Such improvements in tax transparency will promote trust and credibility in the tax practices of listed issuers and enable investors and stakeholders to make informed decisions.

Although the worst of the COVID-19 crisis appears to be over, MIA will prudently carry on advocating for members to strengthen business continuity and safeguard their social and mental well-being. This will entail focusing on CPE to upskill members for the endemic COVID-19 phase and prepare the profession to navigate the emerging climate, geopolitical and inflationary risks and the supply chain disruptions that threaten the fragile health of the global economy.

ACKNOWLEDGEMENTS

MIA's efforts to future proof the accountancy profession depend tremendously on the collaboration and contributions of our diverse stakeholders.

On behalf of the Council, I would like to thank the Ministry of Finance and the offices of the Accountant General and the Auditor General for their support in enabling MIA to deliver on its mandate of regulating and developing the profession. MIA would also like to thank all the Ministries, public sector agencies and private sector organisations that have supported our initiatives.

Next, I would like to thank my fellow Council members for their insights and oversight of the Institute. The Council would like to express its gratitude to our Immediate Past President Dr. Veerinderjeet Singh, who had completed his term on 28 May 2022. Dr. Veerinderjeet leaves a tremendous legacy of capable leadership, invaluable ideas, strategic expertise and fostering of initiatives and collaborations that have set a robust foundation for MIA to prosper.

The MIA Boards/Committees play a large role in building the capacity and competency of the Institute and profession. As such, I wish to thank the MIA Boards/Committees for their contributions in overseeing, guiding, and driving the Institute's initiatives. I am also delighted to welcome new chairpersons to the Institute's various Boards/Committees who will infuse new ideas and energetic leadership.

The Council would also like to thank the management and staff of MIA for their professionalism and dedication in implementing the Institute's strategy and operational plans for future proofing the profession. On that note, I wish to welcome MIA's new Chief Executive Office (CEO) Dr. Wan Ahmad Rudirman Wan Razak who joined the Institute on 28 March 2022 and to thank the former CEO Dr. Nurmazilah Dato' Mahzan and acting CEO Dato' Muhammad Redzuan Abdullah for their services to the Institute.

Finally, I would like to take this opportunity to thank all our members for your continuing support and commitment to MIA and the profession. As we move ahead, MIA shall continuously engage with its members to better appreciate the issues and challenges, thus providing the requisite support and services. Members are reminded to staunchly uphold professionalism and the code of ethics that discern the profession as the gatekeeper of public interest.

By leveraging on our strategic collaboration with our stakeholders, the Institute is confident that the profession and MIA members will be able to become more agile, resilient and relevant in a complex and volatile landscape that is orientating towards sustainability.



*See page 22 for
a comprehensive
discussion on
Stakeholder
Engagement*

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MESSAGE FROM
THE CEOFUTURE-PROOFING
THE PROFESSION

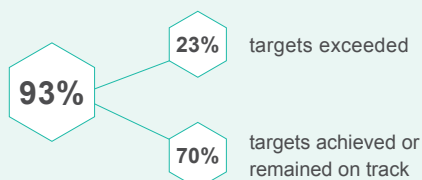
**Dr. Wan Ahmad Rudirman
Wan Razak**
Chief Executive Officer

On behalf of the management, I am pleased to share the key highlights of the Institute's operational performance for the period from July 2021 to June 2022 and the projected outlook from July 2022 onwards.

Overall, the Institute's performance for the financial year under review was satisfactory, although we were subject to certain restrictions due to the country's prudent stance on managing the COVID-19 crisis. These restrictions imposed key challenges especially in the areas of talent and Continuing Professional Education (CPE), which MIA successfully managed by implementing various action plans in navigating the new normal, such as switching to online CPE.

Through agile management, the Institute was able to fulfil its four strategic objectives of competency development, enhancing ethics, strengthening regulation, and enhancing the value proposition of the profession for future relevance of accountants. In summary, MIA achieved its strategic and operational targets for the year by 93%, whereby 23% exceeded their targets while 70% achieved their targets or remained on track.

**MIA achieved
its strategic
and operational
targets for the
year**



KEY HIGHLIGHTS

The following are some key highlights of the year under review.

To strengthen regulation for good governance, the Institute stressed heavily on proactive enforcement and competency development. Strong emphasis was placed on elevating the quality of audit and financing reporting for the public interest through several initiatives, including the publication and dissemination of the Practice Review (PR) Annual Report 2021 and the Financial Statements Review (FSR) Annual Report 2021.

The Institute vigorously focused on elevating professional and competency development amidst the challenges and constraints of the COVID-19 crisis, delivering 895 MIA CPE programmes geared towards achieving the future relevance of the accountancy profession. Aligned with the Institute's growing ESG advocacy, the flagship MIA International Accountants Conference 2022 themed '*Leading ESG, Charting Sustainability*' was held virtually for the second year and successfully secured 2,630 delegates, 73 speakers and 30 sponsors. To further embed the sustainability mindset, the Institute curated new professional development programmes that integrated the ESG agenda, such as the series of seven ESG-focussed courses held jointly with The Business Council for Sustainable Development (BCSD) Malaysia geared to accountants and finance professionals.

We also diligently worked to enhance member services and the value proposition of the profession to boost the talent pipeline and support the nation's requirements for professional financial and business talent. Acknowledging the mental and psychological toll of the COVID-19 crisis, the Institute rolled out the MMAP to all members, with the aim of safeguarding member well-being by making available resources, tools, and access to professional assistance, if needed.

The Institute deems it equally critical to enhance members' professionalism and inculcate ethical behaviour to better protect the public interest. As such, the Institute placed unprecedented emphasis on educating members and inculcating ethics through various activities such as ethics webinars, ethics quizzes and a video on ethical code and culture.

Digital transformation remained a key priority for future relevance of accountants. To further drive digital technology adoption by the accountancy profession, the Institute created a Digital Economy page on the MIA website, launched the inaugural MIA Digital Month, carried out its third technology adoption survey and issued the Report on a Study of Emerging Technology Adoption within the Accounting Programmes by the Higher Learning Institutions in Malaysia.

Upgrading our communications platforms to elevate engagement and education was also a top priority. The Institute is creating a sleek new corporate website to deliver a more satisfying user experience and strengthen brand visibility and global recognition. We are also refreshing and enhancing the e-Accountants Today (e-AT) digital magazine to better align it with our purpose of Future Relevance. Both are expected to be launched in August 2022.

Finally, as a self-sustaining organisation, the Institute is pleased to report that it remains financially sustainable and able to fund its planned regulatory and development activities going forward.

OUTLOOK

For the upcoming financial year from July 2022 to June 2023, the Institute is cautiously optimistic about the prospects as global growth could be downgraded by climate risks, health concerns, inflation risks and supply chain disruptions arising from geopolitical challenges and uncertainties.

Nevertheless, the nation's transition to the endemic phase of COVID-19 is projected to support the country's economic recovery in the next 12 months.

Against this backdrop, MIA will continue to prioritise building the capacity and competency of the Institute in order to effectively discharge our mandate of regulation and development as empowered under the Accountants Act 1967.

Our immediate priorities are to strengthen regulatory powers, nurture talent capacity and competencies, and advocate for the profession's ESG leadership to further benefit more than 37,500 MIA members.

To strengthen regulation, MIA will continue to engage with the Ministry of Finance on the repeal of the Accountants Act and the operationalisation of the proposed new Act to enhance MIA's powers as the regulator of the profession. Also under consideration are the review of the Practice Review process and rules to improve compliance and the quality of audit. MIA will also continue to clamp down on members linked with bogus accountants to eradicate unauthorised public practice services in the market, for good governance and the public interest.

Equally essential is to enhance the Institute's internal talent retention and competency building to effectively regulate and develop the profession. As MIA serves as the reference point for the accountancy sector, the Institute must be a centre of excellence and expertise on all matters related to the regulation and development of the profession.

MIA will also prioritise ESG advocacy that is specifically geared to the profession's skills and expertise, in response to mounting stakeholder pressure for business to integrate sustainability matters into their strategy and operations.

1



MIA is **advocating for accountants to lead the ESG agenda** in their organisations for business sustainability.

2



MIA is **spearheading the adoption of sustainability reporting and climate change disclosure** for improved decision-making and business outcomes that support the United Nations Sustainable Development Goals (UNSDGs).

ACKNOWLEDGEMENTS

This is a truly exciting time to be part of MIA as the profession enjoys tremendous prospects for advancement. It is an honour to have the privilege of leading the Institute on the next phase of its journey, as it navigates a high-potential yet complex and volatile landscape.

On that note, I would like to thank my predecessor Dr. Nurmazilah Dato' Mahzan who was instrumental in catalysing the ongoing transformation of the Institute and the profession. I would also like to thank MIA Executive Director, Surveillance and Enforcement, Dato' Muhammad Redzuan Abdullah for his services as acting CEO from early February to end March in 2022.

On behalf of the management, I would like to extend my deepest appreciation to the immediate past President Dr. Veerinderjeet Singh, serving President Datuk Bazlan Osman, and the Council for their guidance and oversight.

MIA and the management team would also like to convey our appreciation to all members, Boards/Committees members, stakeholders, partners, collaborators and staff for their contributions and ongoing support.

As we forge ahead, MIA is committed to building on its strong foundations to prioritise and strengthen values-based regulatory, enforcement and development activities, in order to future-proof the profession, protect the public interest, and support sustainable nation building.



Scan for the
Report on
a Study of
Emerging
Technology
Adoption within
the Accounting
Programmes
by the Higher
Learning
Institutions in
Malaysia.



See Case
Study on
Clamping Down
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MEET THE TEAM

MIA's management team is committed to leading a high performance and collaborative culture that will spearhead the optimal regulation, development and advancement of the Institute and the profession.



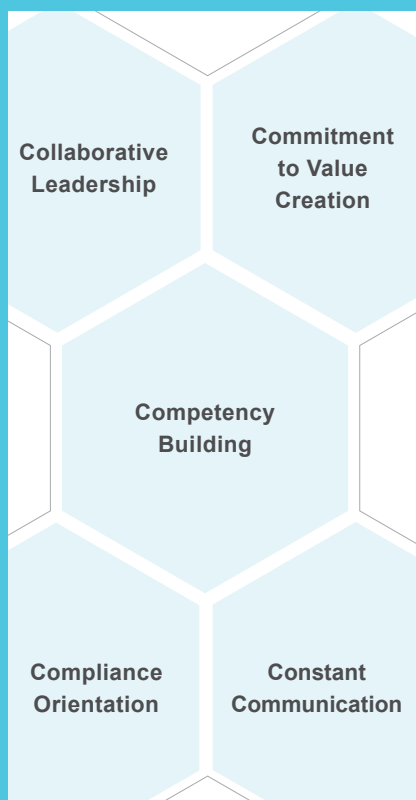
**Dr. Wan Ahmad Rudirman
Wan Razak**
Chief Executive Officer



**Dato' Muhammad Redzuan
Abdullah**
Executive Director
Surveillance & Enforcement



G. Shanmugam
Executive Director
Strategy & Development

HALLMARKS OF MIA'S
MANAGEMENT CULTURE

DIVERSITY OF EXPERIENCE

Name/Sector	Audit and Public Practice	Legal, Judiciary & Regulatory
Dr. Wan Ahmad Rudirman Wan Razak		
Dato' Muhammad Redzuan Abdullah		✓
G. Shanmugam		
Simon Tay Pit Eu	✓	
Siti Rohana Haji Mohamed Amin		
Rasmimi Ramli	✓	

Collectively, the management team works together to drive the implementation of MIA's strategic objectives to support the future relevance of the accountancy profession and enable sustainable nation building.

In the following pages, the MIA management team shares insights into the Institute's key achievements and the prospects for the year to come.



Simon Tay Pit Eu

Executive Director
Professional Practices &
Technical



**Siti Rohana Haji
Mohamed Amin**

Executive Director
Membership, Technology & Operations



Rasmimi Ramli

Executive Director
Digital Economy, Reporting & Risk

Standards and Compliance	Technology	Government	Accounting and Finance	GLC/MNC	Education and Training
		✓		✓	
✓		✓			
			✓	✓	✓
✓			✓		✓
	✓	✓		✓	✓
✓		✓			

Message from
the PresidentMessage from
the CEOManagement
InsightsMANAGEMENT
INSIGHTS**Dato' Muhammad
Redzuan Abdullah***Executive Director
Surveillance & Enforcement*

As the regulator of the accountancy profession as mandated under the Accountants Act 1967, the Institute is committed to strengthening regulation and enforcement to protect the public interest. For FY2021/2022, the Institute placed great emphasis on eradicating the activities of bogus accountants around the Klang Valley particularly within the limitations of the law, and through special collaboration with our co-regulators. At the same time, we put a high priority on completing the processes of the high-profile cases at the Disciplinary Committee and the Disciplinary Appeal Board and the cases at the Civil Courts to provide comfort to the public and demonstrate the integrity of the Institute's enforcement mechanism.

For FY2022/2023, the Institute foresees that the passing of the new Accountants Act will continue to be delayed due to political uncertainty and other factors. Therefore, to uphold strong regulation and governance, the Institute will continue to focus on completing the balance of the public interest cases and collaborate with co-regulators on proactive enforcement against bogus accountants. On other matters, the Institute will continue to support Bank Negara Malaysia (BNM) as the financial regulator in driving compliance on anti-money laundering. As MIA is still considered a self-regulated organisation, we will continue to provide educational and awareness programmes to all members, particularly to those members who are required to be accountable for the requirements under the anti-money laundering and counter-terrorism financing regime.

**G. Shanmugam***Executive Director
Strategy & Development*

Amidst the ongoing challenges of the COVID-19 pandemic during FY2021/2022, the Institute was able to sustain and grow our CPE programmes to upskill and develop accountancy professionals, delivering 895 programmes which benefited 31,007 participants and contributed to the generation of a net financial surplus for the Institute. We were also able to manage the pandemic challenges to communicate effectively with members and stakeholders through the Institute's various channels of engagement, including the e-AT digital magazine and the integrated annual report.

To support strategy implementation and enterprise change management, the Institute successfully completed operations manuals that will enable internal compliance in line with the best practices of ISO 9001:2015 Quality Management Systems for enhanced efficiency and productivity. It is foreseen that implementation of the manuals will optimise work culture and take the Institute's operations to a higher level.

For the upcoming financial year, the Institute intends to address competency gaps within the accountancy profession by

incorporating emerging skills and focusing on soft skills to heighten CPE offerings. As automation in the profession accelerates, machines will handle repetitive work while accountancy professionals will need to make the paradigm shift to higher value-added roles and analytical skills. In addition to focusing on analytical skills for accountants, our CPE will focus on inculcating leadership skills, people skills, relationship skills, communication skills, creativity and business acumen to prepare accountancy professionals holistically for management, advisory and board roles that demand significant stakeholder engagement. We also foresee tremendous opportunities to package tech courses together with business acumen upskilling in customised training programmes for accountancy professionals and public and private sector organisations.

Further, the Institute expects to elevate competency development and stakeholder engagement through our new corporate website and enhanced e-AT digital magazine which is scheduled to go live in August 2022. Of course, the integrated annual report will continue to be a primary tool for transparent and accessible stakeholder communications.



Simon Tay Pit Eu
Executive Director
Professional Practices & Technical

For the year under review, the Institute achieved significant firsts in competency development for the future relevance of the profession. Ethics was a top priority and the Institute escalated member engagement and education on the ethics code, organising interactive quizzes for the first time along with 2 webinars and an ethics video. In addition to encouraging members to review and embed the profession's ethical code, the Institute conveyed the ethical implications of the pandemic from the regulatory and accounting perspective. Other priority areas were to build awareness through engagement sessions and articles on the Less Complex Entities (LCE) Standard, uphold Quality Management Standards (QMS) through the creation of a dedicated webpage and a complimentary webinar, and respond to diverse stakeholders through the submission of numerous comment letters. Notably, the Institute submitted 7 comment letters to Bursa Malaysia, including one

on the Proposed Corporate Governance Guide (4th edition) and others relating to sustainability practices and reporting.

Going forward, in addition to continued engagements with firms on the imminent Quality Management Standards, the Institute will prioritise competency development of professional accountants both in business and the public practice particularly in relation to the new standards emerging from the ISSB and address issues linked to their implementation and enhancing the quality of corporate reporting. Meanwhile, the completion of the Shariah Audit White Paper, built upon the shariah roundtables organised by the Institute, will be pivotal in the development of initiatives to boost competencies and quality of shariah audit to reinforce public trust. This further entrenches Malaysia's leadership in Islamic finance for sustainable nation building.



**Siti Rohana Haji
Mohamed Amin**
Executive Director
Membership, Technology & Operations

The Institute's ongoing digital transformation has enabled innovation and the achievement of significant milestones amidst the pandemic challenges. Virtual connectivity and collaboration advanced the Institute's stakeholder engagement efforts, including the organisation of the Institute's first virtual Annual General Meeting (AGM) which facilitated greater member participation by 71% compared to physical AGMs. Another first was the launch of the MIA Member Assistance Programme (MMAP) which provides support for members' general well-being, putting the welfare of members as part of the Institute's focal interest. 49 engagement sessions were held nationwide with 3 MIA Town Hall Sessions held for the benefit of the members. In support of nation building agenda, the Institute surpassed its target achieving 4.34% growth in new membership admission as well as 98.38% of membership retention.

In the education landscape, MIA leveraged on technology to develop the first ever self-review framework that could be carried out remotely with minimal physical interaction to support recognised universities under Part 1 of the First Schedule to the Accountants Act 1967. Internally, the Institute continued to implement its IT transformation plan to optimise costs and efficiencies on virtual work and engagements and looked into strengthening the Institute's IT security infrastructure to enhance cybersecurity and data privacy.

The Institute will focus on the development of the new Relevant Practical Experience (RPE) based on the latest IFAC International Education Standards to nurture market ready talent in the next financial year. The other main initiatives will be advancing our IT transformation plan by embracing data analytics and progressing towards becoming a data driven organisation, as well as establishing a secondary data center.



Rasmimi Ramli
Executive Director
Digital Economy, Reporting & Risk

The Institute recorded significant milestones in advancing the digital economy during the year under review. A key achievement for our digital advocacy was the issuance of the Report on a Study of Emerging Technology Adoption within the Accounting Programmes by the Higher Learning Institutions in Malaysia which will help elevate the relevance and readiness of accountancy talent for Industrial Revolution 4.0 (IR4.0). The Institute also issued the Technology Adoption by the Accountancy Profession in Malaysia Survey 2022 to assess the state of digital adoption among members, and organised the inaugural MIA Digital Month to spur the profession's digital aspirations.

Tremendous emphasis was placed as well on advocacy for tax governance, public sector financial management and priority accountancy research. For FY2021/2022, the Institute provided numerous inputs

and comments to the tax authorities and the International Public Sector Accounting Standards Board (IPSASB), and published a joint Tax Governance Guide with MICPA to advocate for tax transparency. The Institute also advanced accountancy research through our collaboration on priority research with Malaysian Accountancy Research and Education Foundation (MAREF), which culminated in the issuance of four MIA-MAREF short research reports.

In the next financial year, the Institute will focus on its next digital economy operational plan which includes digital transformation for small and medium practitioners programme, digital technology adoption award, ethical guidelines on the use of technology and advocacy on equipping talent for IR4.0. The Institute will also continue its advocacy on taxation and reporting.

**Special
Focus: Future
Relevance of
the Profession**Case Study:
Clamping
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Appendix

SPECIAL FOCUS : FUTURE RELEVANCE OF THE PROFESSION

The accountancy profession today faces various sources of disruption to life and work. Indeed, technological shifts, increasing automation and digitisation of jobs and roles, health and well-being concerns, climate change and extreme weather phenomena, remote and hybrid work arrangements, and dynamic regulations are among the material factors that have had and will continue to have a tremendous impact on accountants.

Therefore, accountants and the profession are advised to build up their agility, adaptability and resilience to future proof themselves and their organisations in this complex, volatile and uncertain new landscape.

To support accountants through these shifts and counter fears of job obsolescence arising from technology disruption, the Institute created and continues to implement its strategy for the future relevance of the profession. This multi-faceted strategy seeks to nurture the capabilities and competencies of accountants while monitoring the horizon for emerging risks and adapting the future relevance of the profession strategy to mitigate these risks.

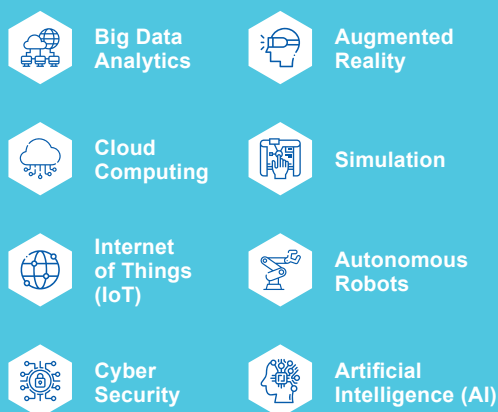
The basis of this strategy is to prepare accountants for jobs and roles in the IR4.0 which has been identified as a major driver of change for the profession. Indeed, workforce transformations are no longer an aspect of the distant future and are set to continue in the near term.

Perhaps the biggest transformation for accountants is the ongoing integration of human-machine work dynamics with accountants playing more critical and value-added roles such as reasoning and decision-making, consulting and developing, advising and managing, communicating and administering while machines take over the more routine aspects of accounting and finance work.

To ride on this transformation wave, the Institute strongly advocates that accountants throughout the business and talent ecosystem acquire the right tools and skillset to do things differently and to do different things. The Institute has thus woven Digital Acumen, Business Acumen, Behavioral Competence, Communications, Data Interrogation, Synthesis and Analysis competencies into our CPE and professional development modules to future-proof the profession and accountants, ensuring relevance, resilience and fulfilling expectations in the digital economy. This is aligned with the findings of the World Economic Forum (WEF) 2020 Future of Jobs Report, where employers reported critical thinking, analysis and problem solving as the top skills and skill groups rising in prominence in the lead up to 2025.

DRIVERS OF IR4.0 RELATED TO THE ACCOUNTANCY PROFESSION

Technology Drivers for IR4.0



SKILLSETS REQUIRED BY ACCOUNTANTS TO EMBRACE TECHNOLOGY

Technological skillsets
& abilities to handle
digital tools

Communication,
English language
proficiency & ability to
articulate ideas

Critical thinking,
creativity, strategic &
analytical skill sets, &
an outcome-oriented
mindset

The ability to embrace
change & able to read
trends



SPECIAL FOCUS : FUTURE RELEVANCE OF THE PROFESSION

13

**MALAYSIAN
INSTITUTE OF
ACCOUNTANTS**

*Integrated
Annual Report
2022*

ACCOUNTANTS IN THE PAST, PRESENT AND FUTURE

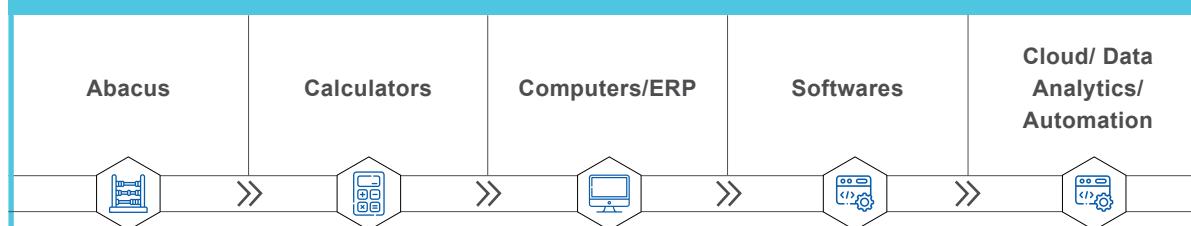
The profession has evolved irrevocably since time immemorial. Accountants began their journey as bookkeepers before evolving into business advisors and hybrid data analysts, strategic business leaders and value creators in the era of IR4.0. To manage technology as the biggest disruptor to the profession, accountants must become digitally adept and versatile, gaining competencies in different technologies such as automation and artificial intelligence (AI), blockchain, cloud computing and storage, data analytics and robotics process automation (RPA). In addition, accountants across the four categories of MIA membership, namely public practitioners, professional accountants in business, public sector finance professionals and academicians must acquire additional specific skills to execute their roles effectively.

To measure technology adoption across the profession, MIA has conducted three surveys in total. The latest Technology Adoption by the Accountancy Profession Survey 2022 revealed that the profession is progressing well with technology adoption, where 97% of respondents indicated that they are at various stages of adoption with 72% of respondents having the status of adoption of 30% or more. The survey also shed light on the impact of the pandemic on digital adoption of the accounting profession and will help MIA in identifying further initiatives to move the profession forward.

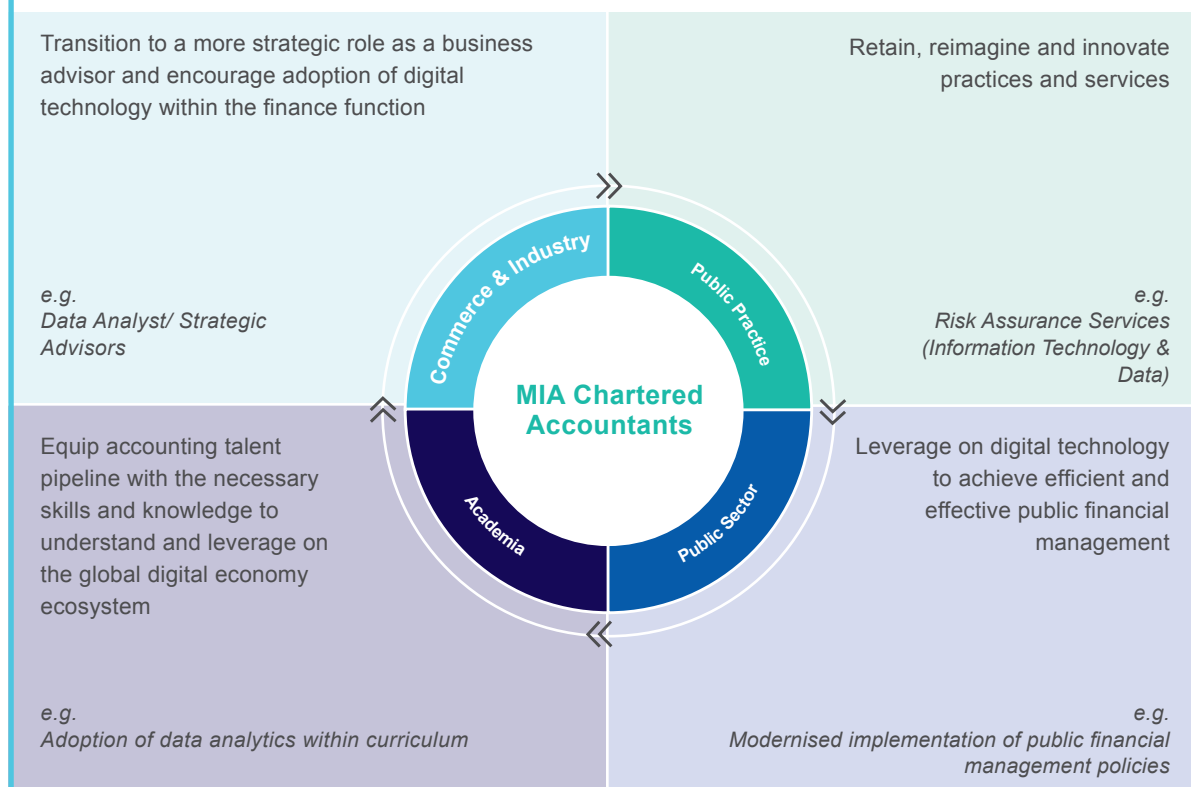


*Scan for the
Technology
Adoption by the
Accountancy
Profession
Survey 2022*

EVOLUTION OF THE ACCOUNTANCY PROFESSION



REVOLUTION OF THE PROFESSION



*Scan to
read article
on Leading
the Digital
Transformation
of the
Accountancy
Profession in
Malaysia*

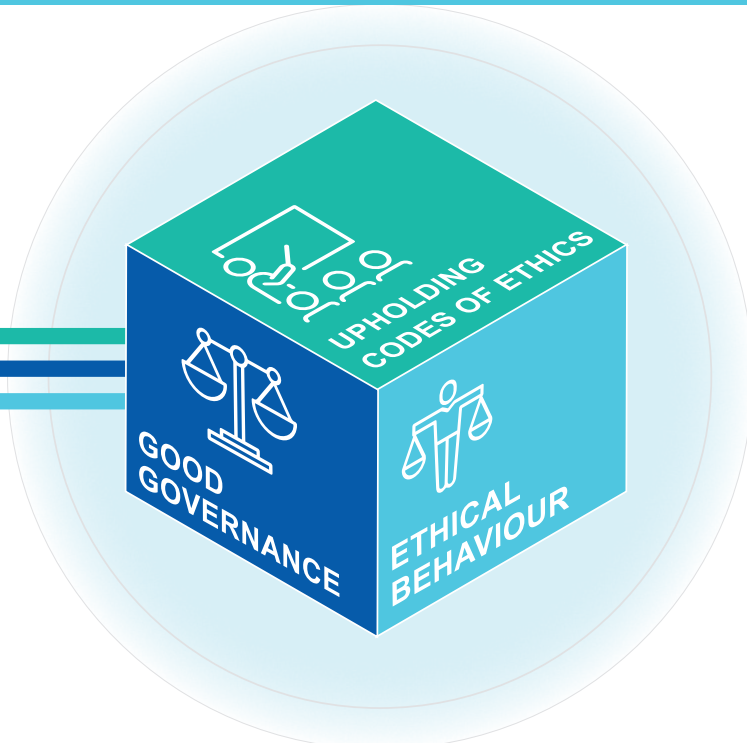


*Scan for the
MIA Digital
Technology
Blueprint*

Special
Focus: Future
Relevance of
the ProfessionCase Study:
Clamping
Down on Bogus
AccountantsSPECIAL FOCUS :
FUTURE RELEVANCE OF THE PROFESSION

UPHOLDING THE PROFESSION'S CODE OF ETHICS

INTEGRITY, ACCOUNTABILITY & TRUST



Even as the business environment evolves, accountants shall uphold the core values of integrity, accountability and trust which distinguish this profession from others and support its relevance as guardians of the public interest. The profession's ethical code is central to its purpose of protecting the public interest and ensuring sustainable and equitable nation building.

Trust in the Institute is a key enabler in entrenching the relevance and authority of the profession. The MIA Trust and Brand Survey conducted in 2021 found that MIA scored an average of 70 in the factor of 100 with respondents having a great deal of trust towards the organisation. The population in the region of High Trust dwarfed the population in the region of Low Trust with a balanced population taking a neutral position. Going forward, MIA is committed to leveraging on these results to further enhance trust among our stakeholders and spur our advocacy for future relevance of the profession.

To foster trust, the Institute deems it is necessary to inculcate and strengthen the profession's ethical foundation. The Institute spearheaded by the MIA Ethics Standard Board has facilitated members' appreciation of appropriate ethical conduct through interactive webinars and videos. This also includes promoting videos produced by the IESBA. In addition, the organisation of the 2 ethics quizzes in December 2021 and May 2022 was another platform to assess the members' understanding of the concepts and application of ethical principles in various situations.

SPECIAL FOCUS : FUTURE RELEVANCE OF THE PROFESSION

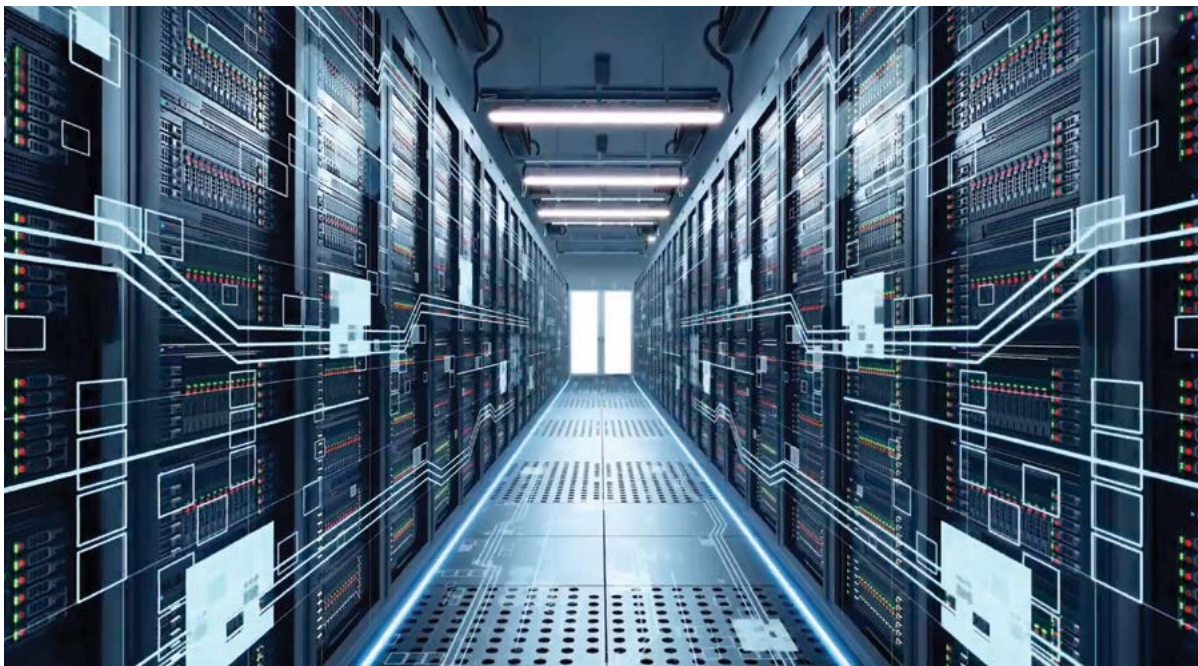
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MALAYSIAN
INSTITUTE OF
ACCOUNTANTS

ENGAGING STAKEHOLDERS ON FUTURE RELEVANCE OF THE PROFESSION

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Articulating the value proposition of the profession and creating awareness of accountants' contributions to economy and society are central to achieving future relevance of the profession. The Institute engages actively with its stakeholders in the public and private sector to communicate the indispensable role of accountants in driving and advising business and governance.



Scan to access
our Future
Relevance
video

Highlights of our activism in this space are the Institute's engagement with Talent Corporation on the Critical Occupational List (COL) on an annual basis, engagement with the Minister of Human Resources on future relevance of the profession in 2019, engagement with Ministry of Higher Education (MOHE) on an annual basis, and continuous engagements with media, PR practitioners and key stakeholders to advocate for future relevance of the profession in the IR4.0 economy. A key milestone achieved was the inclusion of accountants on the list of professions critical to nation building and the profession was also listed in the top 20 most sought after occupations in Malaysia.



CASE STUDY : CLAMPING DOWN ON BOGUS ACCOUNTANTS

To strengthen regulation and enforce good governance in the public interest, the Institute is clamping down on bogus accountants i.e. fraudsters who are not licensed to practise accounting but offer bogus accountancy services in the marketplace.

Under Malaysian law, only Chartered Accountants or Licensed Accountants are allowed to practise accountancy.

According to Section 2 of the Accountants Act 1967 (the Act) and Rule 2 of the Malaysian Institute of Accountants (Membership and Council) Rules 2001 (the Membership Rules) which is to be read together with Rule 9(1) of the Membership Rules, a Chartered Accountant or Licensed Accountant is defined as follows:

- qualified as prescribed in the Act;
- must be registered as a member of the Institute;
- practices as a sole proprietor or in a partnership;
- provides or is engaged in public practice services in return for a fee or reward for such services; and
- holds a valid practicing certificate issued by the Institute.

Anyone who does not possess and fulfil all the above criteria, and yet carries on as an accountant is termed as a Bogus Accountant, because he/she does not possess the legal prerequisites to practise as an accountant but is also professing to the public that he/she is qualified to carry on this regulated profession. These bogus accountants basically provide public practice services illegitimately and present a threat to the profession, businesses and public at large.

In many cases, the Institute has ascertained that these illicit activities are facilitated through the collusion of MIA members with bogus accountants. This usually entails the bogus accountant setting up a company or business with non-qualified persons and non-members carrying out the accounting and/or audit work, but the accounts will be signed by a qualified auditor and submitted to SSM under their firm. This means that members are signing off on unchecked, falsified, fraudulent accounts, to the detriment of their professional practice. The Institute has in the past hauled up these errant members to the Disciplinary Committee for disciplinary action.

A THREAT TO THE PUBLIC INTEREST, THE PROFESSION AND BUSINESS



Why are the activities of these bogus accountants and errant members who are their collaborators so damaging?

- Bogus accountants make unlawful profits which are not accounted for and compromised, and hence deprive the nation of its rightful taxes.
- Bogus accountants who do not possess the required qualifications falsify accounts and provide fake information to the clients who have hired them. Due to this practice, accounting/audit standards are compromised and the public at large and stakeholders are the most affected. This practice can also damage the public perception of the profession and the clients who were deceived.
- They undercut fees at the expense of qualified members of the profession, affecting the sustainability and business continuity of legitimate service providers and damaging the perception of accountants and the profession as trusted, ethical and upholding integrity.
- The Act allows qualified members to operate unlimited firms/branches to render their professional services. If members collude with bogus accountants to operate these firms/branches, this enables bogus accountants to penetrate into the profession unlawfully and even by deceit, and their actions are not easily detected.

EMPOWERING REGULATION AGAINST BOGUS ACCOUNTANTS

To eradicate these unlawful practices, the Institute has proposed in its amendments to the new Accountants Act for greater overarching regulatory powers that include jurisdiction to regulate and punish defaulting non-members.

As the national accountancy body that regulates, develops, supports, and enhances the integrity of the accountancy profession in Malaysia, the Institute will continue to uphold the laws that regulate its members. We are committed to ensuring that members uphold professionalism, integrity and trust to secure the credibility and reputation of the accountancy profession in the public interest.

Although these bogus accountants practices were rampant in the earlier years, proactive enforcement by the Institute's Surveillance and Enforcement (S&E) team has curbed these practices effectively.

CASE STUDY : CLAMPING DOWN ON BOGUS ACCOUNTANTS

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**MALAYSIAN
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HOW MIA TAKES ACTION



If there are codified laws regulating accountants, how are these bogus accountants able to operate?

A key shortcoming of the Accountants Act 1967 is that the Institute does not have jurisdiction over these fraudsters who are not MIA members. The bogus accountants are well aware of this and therefore emboldened to continue their illicit practices.

Within the scope of the Act, the Institute has taken serious and relevant actions to notify the authorities and the public at large of these individuals. Although these practices were rampant in the earlier years, proactive enforcement by the Institute's Surveillance and Enforcement team has curbed these practices effectively.

When the Institute is made aware of these individuals, the information pertaining to these individuals is advertised in the newspapers to ensure the public is well informed and protected against these bogus accountants. The public is advised to inform the Institute if they are made aware of information on any bogus accountants.

Issuing show cause letters to owners of these suspected illicit practices and when deemed necessary, issuing media releases to warn the public of the danger of appointing these bogus accountants.

Through the Institute's strategic collaboration with co-regulators, these practices are also brought to the attention of relevant authorities including Royal Malaysian Police (RMP), SSM, Inland Revenue Board of Malaysia (IRBM) and Malaysian Communications and Multimedia Commission (MCMC) for their respective action under their jurisdiction.

BOGUS ACCOUNTANT ALERT

The public is cautioned to be wary of bogus accountants and to inform the Institute of suspected bogus accountants. The following red flags are characteristic of a bogus accountant's modus operandi:

- They operate as a normal company/business registered with SSM, registering their nature of business as being administrative but providing public practice services.
- They employ unqualified and/or under qualified staff to carry on these services.
- They may carry out unchecked advertising to create the perception of a legitimate service. Frequently, they may mention that their company/business assists in providing services apart from the regulated public practice services.
- They may offer inexpensive accountancy services at a one-stop service centre that will appeal to clients seeking low-cost options to fulfil their statutory obligations. Most accounting clients, especially Micro, Small and Medium Enterprises (MSMEs) and family-run businesses lack the resources or knowledge to conduct due diligence on the qualifications of their appointed service providers.

STATISTICS

Notices to show cause issued to companies/businesses

31

Public Announcements

2 in **4** newspapers involving

13 entities

Referrals to Co-Regulators

19

7 IRB

10 SSM

2 MCMC

Media Statements Issued

0

Complaints against members to Registrar by S&E

59

Notices to show cause issued to companies/businesses

16

involving 11 entities

3 members

13 non-members

Public Announcements

2 in **3** newspapers involving

11 entities

Letter of reprimand issued

1

Referrals to Co-Regulators

7

2 IRB

3 SSM

1 MCMC

1 MAICSA

Media Statements Issued

0

Complaints against members to Registrar by S&E

19

Notices to show cause issued to companies/businesses

13

Letter of reprimand issued

1

Cases NFA (no further action)

3

Public Announcements

2 in **2** newspapers involving

11 entities

Publication on Website (new process starting Q3)

1 on **3** entities

Referrals to Co-Regulators / Associations

18

6 IRB

8 SSM

1 MCMC

1 MACC

1 Malaysian Association of Accounting Administrators

1 Kuala Lumpur & Selangor Indian Chamber of Commerce & Industry

e-AT article (Public Caution: Bogus Accountants)

1

Complaints against members to Registrar by S&E

20



(FY)
Financial Year

2019 - 2020

2020 - 2021

2021 - 2022

OUR PEOPLE

Talent diversity and a collaborative culture are the hallmarks of MIA's work culture. MIA depends on a small but high calibre workforce with a headcount of 155, comprising professionals with legal, audit, accounting and judicial qualifications and experience complemented by talent in other strategic and supporting roles.

The Institute prioritises internal talent retention and competency building to effectively regulate and develop the profession. As MIA is the reference point for the accountancy sector, the Institute must be a centre of excellence and expertise on all matters related to the regulation and development of the profession.

The year under review has been challenging for the Institute's workforce as MIA adopted a hybrid working model and maintained a combination of remote and physical work arrangements to keep employees safe in the endemic COVID-19 economy. MIA also implemented digitised work processes and systems to enable operational continuity and support productivity.

MIA has identified competency gap as one of the top risks to the Institute's business continuity, where there is a shortfall between staff's existing skills, knowledge and/or experience compared to job expectations.

To enhance staff competency and elevate staff satisfaction and retention, MIA implements the following strategies. We have invested in internal and external training, whereby employees attended various programmes ranging from workshops to seminars and conferences, adapting to the new norms of online learning and development. Training was provided in various areas including Technical, Soft skills, Digital Technology, and Integrated Reporting amongst others. MIA intends to increase staff training from the average of 2.5 training days to equip talent with the required competencies as identified by the Institute.

MIA also enables job rotation for on-the-job learning, although there was a limited job rotation take-up rate of 3.2%. Going forward, MIA hopes to increase job rotation opportunities to enhance learning, broaden work experience and inculcate knowledge sharing among our talent. Staff are also encouraged to pursue professional pathways and further qualifications and certifications to strengthen competency and expertise.

Staff performance is assessed against KPIs and performance reviews, with constructive and systematic feedback for future development and improvement. Performance rewards are made available to incentivise excellence and motivation.

To strengthen our collaborative culture, MIA makes sure to hold virtual staff meetings and organise staff engagement activities to bring staff together regularly. Due to our collective efforts to support staff development and satisfaction while embedding a healthy work culture, staff retention is steady at 83.2%.

Recruitment is critical for MIA to ensure continuity of people resources and enhance professional and cognitive diversity to support stronger regulation and development activities. MIA relies on a variety of tools to facilitate the hiring and onboarding processes, including virtual and web-based assessments.

MIA has also prioritised succession planning to ensure continuity of leadership and operational management towards meeting our performance goals. Going forward, MIA is looking to formalise the succession planning programme, implement a mentoring programme to develop successors and ensure that comprehensive internal and external training programmes are provided for candidates.

As we forge ahead, MIA is committed to improving our people management strategies and collaborative culture in order to elevate our performance and the well-being of our people for a better tomorrow.

Our People

Our Value
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and Key Trends

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155

Total number
of staff as of
30 June 2022

77.5%

overall employee
satisfaction rate based on
Staff Satisfaction Survey vs
KPI of 75%



0 – 10 Years 11 – 20 Years 21 – 30 Years

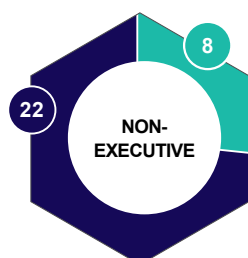
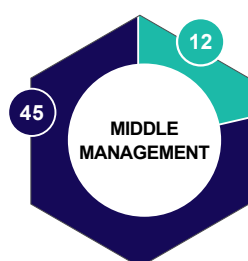
36 Male 119 Female



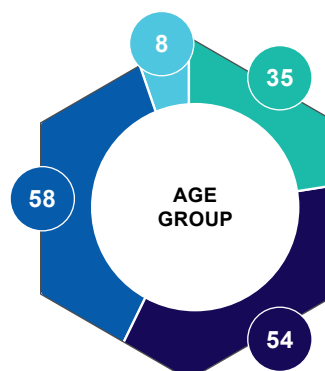
Accountants
Lawyers
Others

EMPLOYEE CATEGORY

Male Female



EMPLOYEE AGE GROUP



Below 30 30 - 39
40 - 55 Above 55

MANPOWER STATISTICS AS AT 30 JUNE 2022

NO	CEO/ EXECUTIVE DIRECTOR	DEPUTY EXECUTIVE DIRECTOR/ SENIOR MANAGER	MANAGER/ ASSISTANT MANAGER	SENIOR EXECUTIVE/ EXECUTIVE/ JUNIOR EXECUTIVE	GENERAL STAFF	TOTAL
1. Top Management	6	0	0	0	0	6
2. Membership and *CFD	0	1	5	24	0	30
3. Professional Development	0	2	8	26	0	36
4. Surveillance	0	2	5	3	0	10
5. Enforcement	0	1	7	2	0	10
6. Technical	0	3	6	7	0	16
7. **Support Services	0	7	7	31	2	47
Grand Total	6	16	38	93	2	155

* Competency Framework & Development

** Corporate and International Affairs; Corporate Office and Service Operations; Finance; Information Technology; Internal Audit; Strategic and Development Operations; Strategic Communication and Branding; Strategy, Systems and Methods; Professional Practices and Technical Operations; Talent and Procurement; Regional Offices

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OUR VALUE CREATION MODEL

Depicts how MIA deploys its capitals as steered by its Strategic Objectives to achieve the future relevance of the accountancy profession, protect the public interest and enable sustainable nation building.

STRATEGIC OBJECTIVES

SO1

Develop and enhance the competency of accountancy professionals to stay relevant to business and market demand

SO2

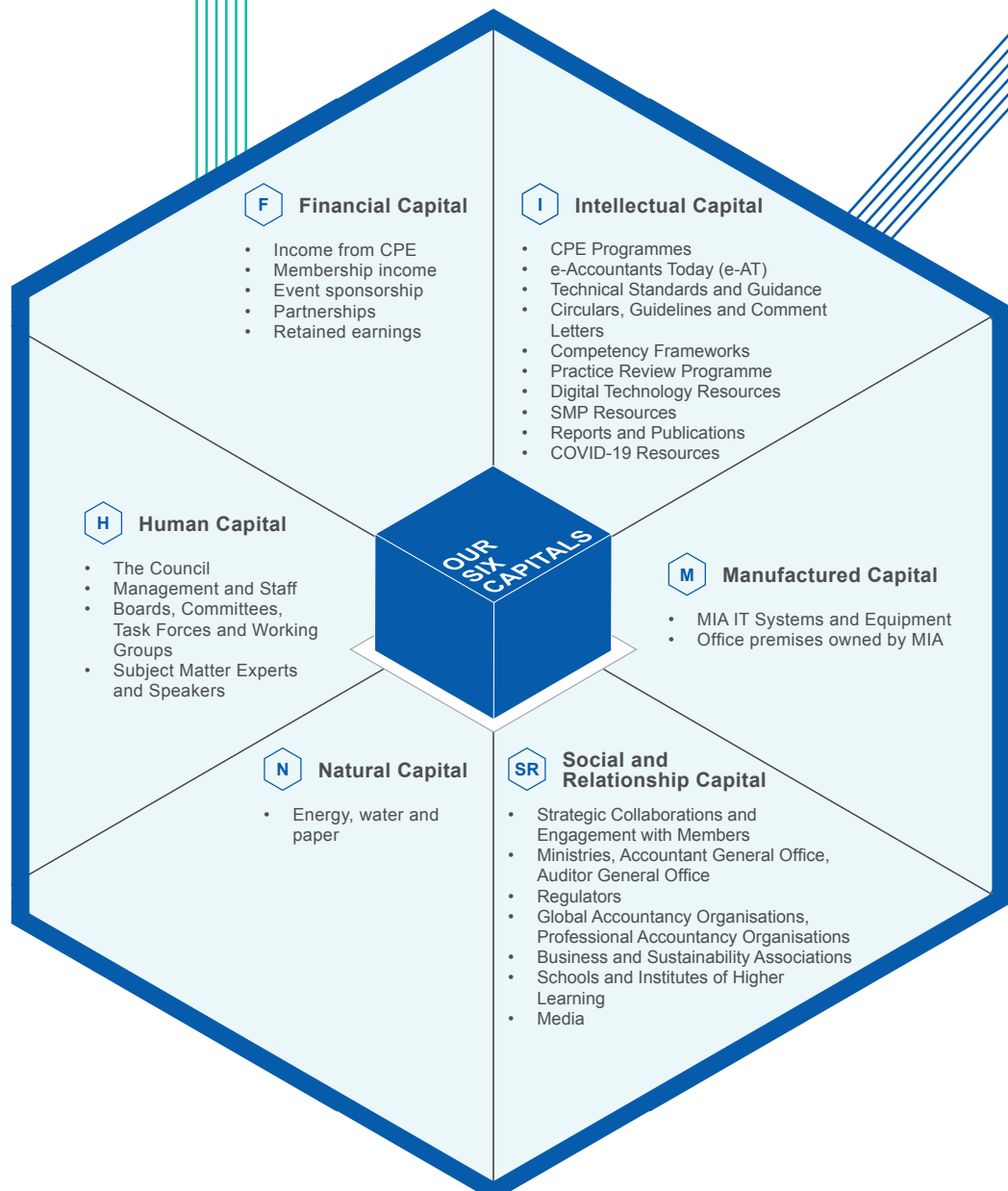
Nurture professional values and ethics of members to uphold a strong accountancy profession

SO3

Regulate and develop the practice of the accountancy profession consistent with global standards and best practices

SO4

Promote the value proposition of the accountancy profession and continuously uplift global recognition



OUR VALUE CREATION MODEL

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CORE ACTIVITIES



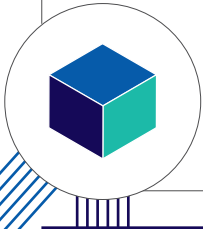
REGULATION

- Membership Registration and Licensing
- Surveillance, Proactive Enforcement, Investigative and Disciplinary Processes



DEVELOPMENT

- Competency Development and Capacity Building
- CPE
- Research and Thought Leadership
- Knowledge Sharing
- Advocacy
- Guidance and Implementation of Standards and Professional Practices
- Issuance and Embedding of Ethical Codes
- Enhancing the Value Proposition of Membership and the Accountancy Profession
- Strategic Engagement and Collaborations
- Communications and Brand Building
- Funding for Long-Term Sustainability



KEY OUTPUTS

OUTPUTS	YEAR 2022	YEAR 2021	VALUE CREATED	LINK TO
Members	37,503	37,444	• Builds capacity of accountancy profession	
PC Holders	4,420	4,193	• Strengthens regulation in the public interest	
Cases on proactive enforcement against members	20	19	• Strong enforcement deters misconduct and protects the public interest	
Actions against bogus accountants	13	16		
Cases resolved	75	82		
CPE events	895	823	• Builds capacity and competency of accountancy profession	
People trained	31,007	32,744	• Nurtures competent and market ready talent	
Outreach programmes	26	46		
MIA Competency Framework	Phase 2 completed	Phase 1 completed		
Students reached	7,389	6,891		
ASEAN CPAs	1,550	1,307		
Technical and thought leadership publications/articles/videos	44	40	• Develops competency	
Comment Letters	35	41	• Enhances MIA's recognition as voice of the profession	
Circulars	104	182	• Supports regulatory compliance	
Ethics Advocacy	2 Ethics webinars 2 Ethics quizzes 1 Ethics video 3 Ethics updates	1 Ethics webinar 6 Ethics updates	• Inculcates professionalism and ethical conduct	
Tax Advocacy	139 tax events	139 tax events	• Supports Malaysia's fiscal health and national development goals	
ESG Advocacy	20 ESG programmes	4 climate change programmes	• Supports Malaysia's net zero emissions and sustainability targets	
Digital Transformation Advocacy	Created Digital Economy page on MIA website	Issuance of digital self-assessment tools, guidance and database	• Drives profession's digital adoption targets • Supports Malaysia's digital economy goals	
Collaborative partners on Professional Development	21	14	• Enabling shared goals of good governance and sustainable development	
Social media followers	78,641	70,699	• Strengthens visibility and recognition of MIA as voice of the profession	
Media mentions	143	156		
e-AT page views	193,516	189,085		
Proprietary Surveys	5	7		
MIA Member Assistance Programme and Careline	New Initiative	-	• Supports member well-being	
MIA Digital Membership Privilege Card downloads	24,292	22,662	• Enhances profession's value proposition	
Lifestyle Benefits	86	94	• Attracts talent	
Income	RM36.43 million	RM34.96 million	• Sustains MIA's regulation and development activities	

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STAKEHOLDER ENGAGEMENT

Stakeholders are the people that matter most to MIA. Through our extensive stakeholder engagement efforts, MIA is able to derive actionable insights for value creation.



GOVERNMENT

THEIR INTERESTS

- Strong Regulation
- Robust Accountancy Profession

HOW WE ENGAGE

- Work closely with MOF, the Offices of the Accountant General and Auditor General, other key Ministries and Government agencies
- Advocate with MOF for new Accountants Act
- Engaged with Jabatan Kemajuan Islam Malaysia (JAKIM) on the amendment to the Muslim Lawyers Enactment on auditors
- Revisited audit licence application criteria (effective 1 January 2023)
- MIA Statutory Committees to discharge their functions and inform Government of disciplinary outcomes
- Advocate for public sector financial management reforms, ESG and tax governance
- Participate in Government working group panels, Ministerial meetings and roundtables
- Make submissions to authorities

IMPLICATIONS

- Government supports new Accountants Act towards future relevance of the accountancy profession
- Malaysia embraces public sector financial management transformation for improved governance
- Accountancy prioritised as essential services sector, critical occupation, and key regional export service
- The profession's viewpoints are integrated into national development plans

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:



THEIR INTERESTS

- Business Continuity

HOW WE ENGAGE

- Communicate Government's COVID-19 assistance schemes to members and businesses
- Support Government's tax, digital economy and sustainability goals

IMPLICATIONS

- Supports business continuity and economic resilience

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:



The following section evaluates MIA's diverse stakeholder relationships and their current and potential impact on MIA's ability to drive the future relevance of the accountancy profession and support our nation building purpose.



REGULATORS

THEIR INTERESTS

- Strong market regulation
- Feedback on standards and regulations

HOW WE ENGAGE

- MIA Membership registration and licensing
- Eradicate unauthorised public practice services
- Collaborate on proactive enforcement, including referral of cases on MIA members
- Updates on MIA's disciplinary outcomes
- Consultative engagements
- Submissions to regulators and standard-setters
- Participate in working groups and committees organised by regulators and standard-setters

IMPLICATIONS

- Enhances investor confidence, public trust and global reputation
- The profession's viewpoints are reflected in regulations and standards

IMPACTS

Capitals:

Strategic Objectives:

UNSDG:

THEIR INTERESTS

- Improved compliance and audit quality

HOW WE ENGAGE

- Joint programmes and outreach events
- Publish articles related to regulation and enforcement
- Elevated emphasis on embedding ethics in MIA members
- Practice Review
- Publication of Practice Review (PR) and Financial Statements Review (FSR) annual reports

IMPLICATIONS

- Improves quality of audit and accounting services
- Upholds ethical conduct of members for the public interest

IMPACTS

Capitals:

Strategic Objectives:

UNSDG:

THEIR INTERESTS

- Excellence in financial and corporate reporting

HOW WE ENGAGE

- Collaborate on NACRA awards (with Bursa Malaysia)
- Advocacy for Integrated Reporting, ESG and sustainability reporting

IMPLICATIONS

- Strengthens quality of disclosure in line with global standards and frameworks

IMPACTS

Capitals:

Strategic Objectives:

UNSDG:

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STAKEHOLDER
ENGAGEMENT

MEMBERS

THEIR INTERESTS

- Ease of statutory approvals
- Strict enforcement of the Accountants Act 1967
- Update on disciplinary decision

HOW WE ENGAGE

- Membership registration, support and licensing services
- Proactive enforcement
- Advocacy for new Accountants Act
- Provide avenue for complaints on non-compliance of members with relevant Act and MIA By-Laws (On Professional Ethics, Conduct and Practice) (MIA By-Laws)
- Disciplinary decisions published in the e-AT and local newspapers
- Appeals on the extension of time for filing of income tax return forms

IMPLICATIONS

- Facilitates membership processes
- Strengthens investigation and disciplinary processes
- Improves member and public perception of accountancy profession

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:



THEIR INTERESTS

- Business continuity and well-being support

HOW WE ENGAGE

- Launch of MMAP
- Ethics webinars, quizzes, updates, articles and videos
- CPE integrating ESG and digital adoption for future relevance
- COVID-19 related advocacy, resources and assistance
- MIA digital technology resources, including new Digital Economy page on website and Technology Adoption by the Accountancy Profession in Malaysia Survey 2022
- Extension of time for payment of fees until May 2022

IMPLICATIONS

- Supports members' continuing professional development, strong ethical conduct, business continuity as well as mental and psychological well-being
- Provides concessions and access to aid for members affected by the COVID-19 crisis

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:



THEIR INTERESTS

- Enhanced membership services and privileges

HOW WE ENGAGE

- MIA Membership Information System
- MIA Digital Membership Privilege Card and Lifestyle Benefits
- Work on new corporate website and enhanced e-AT digital magazine

IMPLICATIONS

- Strengthens value proposition of the accountancy profession
- Attracts and retains accountancy talent

IMPACTS

Capitals:



Strategic Objectives:





MEMBERS

THEIR INTERESTS

- Future Relevance of the Accountancy Profession

HOW WE ENGAGE

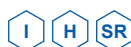
- MIA Competency Framework Implementation Plans
- Engagement activities and townhall sessions
- CPE
- Technical support and technical updates
- Developed and run Member Onboarding Sessions
- Rolled out the MMAP

IMPLICATIONS

- Address members' fears of obsolescence
- Upskill members

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:



COMPANIES

THEIR INTERESTS

- Professional development
- Business continuity support

HOW WE ENGAGE

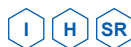
- Customised in-house learning programmes for companies
- Published 2 guides to understanding annual reports and auditing and assurance of Malaysian listed companies
- CFO Circle events
- MIA Competency Frameworks for CFOs and Finance Functions
- Education, networking and knowledge sharing sessions
- Advocacy for ESG, tax governance, climate change disclosure, board diversity and inclusivity
- Agensi Kaunseling dan Pengurusan Kredit (AKPK) and Credit Guarantee Corporation (CGC) webinars to enhance financial literacy of SMEs

IMPLICATIONS

- Improves corporate access to customised training
- Transform Chief Financial Officers (CFOs) and finance functions
- Companies integrate sustainability agenda into strategy and operations
- Strengthens business performance for economic resilience

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:



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STAKEHOLDER
ENGAGEMENT

PROFESSIONAL ACCOUNTANCY ORGANISATIONS (PAOs)

THEIR INTERESTS

- Capacity and competency building
- Strong and well-regulated local accountancy services market

HOW WE ENGAGE

- Collaboration on professional development activities, MoUs, joint capacity building programmes, special pathways
- Joint memoranda on proposals to authorities
- Published The State of <IR> in Malaysia (2021): An analysis of the constituents of the FTSE Bursa Malaysia KLCI Index (with AICPA & CIMA)
- Published Tax Governance Guide (with MICPA)
- NACRA (with MICPA)
- Support PAO events, including participation as expert speakers
- Complimentary capacity building initiatives for academicians
- Feedback on PAO consultation papers
- Mutually beneficial strategic partnerships
- Publication of DC decisions affecting PAO members

IMPLICATIONS

- Develops the Malaysian accountancy profession and accountancy services market
- Malaysia's perspectives incorporated into consultation documents

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:



PROFESSIONAL SERVICES FIRMS

THEIR INTERESTS

- Support for registration and licensing processes
- Guidance and support for practice management

HOW WE ENGAGE

- Facilitate application, licensing and renewal processes for audit licences and practising certificates
- Channel necessary information to MOF
- Provide support and address queries
- Public Practice Programme
- Practice Review
- Act as intermediary between firms, Government, regulators, financial institutions and other relevant parties
- Facilitate the establishment, practice management and continuing operations of professional services firms
- Dedicated web resources for ISQM compliance

IMPLICATIONS

- Supports regulatory compliance and good governance
- Improves quality of public practice services in the public interest

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:



THEIR INTERESTS

- Business continuity support

HOW WE ENGAGE

- Various COVID-19 resources
- Advocacy and resources for ESG implementation and digital adoption
- Intermediation with financial institutions on financial aid, including the PLC Professional Liquidity Scheme for MIA PC Holders
- Survey on financial needs of member firms
- Moratorium on fees for Practice Review
- Engaged with Ministry of International Trade & Industry (MITI) and relevant state authorities to allow firms to continue operating during Movement Control Orders

IMPLICATIONS

- Supports business continuity and future-proofing of member firms
- Provides leeway for firms to revive operations in the endemic phase of COVID-19

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:





ACADEMICIANS

THEIR INTERESTS

- Competency Development

HOW WE ENGAGE

- Development of new Relevant Practical Experience (RPE) Requirements based on latest IFAC International Education Standards
- Complimentary capacity building programmes with other PAOs
- Complimentary workshops
- Updates on latest developments related to the profession
- Develop video recordings for Train the Trainer sessions for online viewing
- Published an article on capacity building initiatives in e-AT

IMPLICATIONS

- Future-proof academicians
- Academicians update students on the profession's developments

IMPACTS

Capitals:



UNSDG:



THEIR INTERESTS

- Represent their interests

HOW WE ENGAGE

- Engage Government on matters relating to accountancy education via representation in core committees in MOHE
- Regular engagement with Council of Deans and Universities
- Facilitate MoUs between MICPA and local universities to embed local professional qualifications within accountancy education curriculum

IMPLICATIONS

- Support transformation of accountancy education ecosystem
- Encourage take-up of professional qualifications to improve quality of the accountancy profession

IMPACTS

Capitals:



UNSDG:



THEIR INTERESTS

- Improve accountancy education

HOW WE ENGAGE

- Issuance of 'Report on a Study of Emerging Technology Adoption within the Accounting Programmes by the Higher Learning Institutions in Malaysia'
- Developed new self-review framework for recognised universities under Part I of the First Schedule to the Accountants Act 1967

IMPLICATIONS

- Accountancy education future-proofed in line with latest developments

IMPACTS

Capitals:



UNSDG:



THEIR INTERESTS

- Research support

HOW WE ENGAGE

- Collaborate with MAREF on accountancy research and grants scheme
- Issued MIA-MAREF short research reports

IMPLICATIONS

- Facilitates applied research and linkages between academia and industry
- Strengthens localised accountancy knowledge base

IMPACTS

Capitals:



UNSDG:



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ENGAGEMENT

PUBLIC

THEIR INTERESTS

- Protection of the public interest

HOW WE ENGAGE

- Strengthen regulation and enforcement
- Uphold ethical conduct
- Educate public on scope and roles of accountants
- Warn public against unauthorised accountancy services providers
- Inform public that grievances can be lodged with Registrar's Office
- Decisions on cases are gazetted and published
- Decisions on investigations communicated to complainants
- CPE open to non-members
- Information available on website, e-AT and through media reports

IMPLICATIONS

- More information on profession available in public sphere
- Public steers clear of unauthorised public practise services providers
- Public better understands role of profession
- Profession is trusted and relevant

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:



GLOBAL ASSOCIATIONS AND STANDARD-SETTERS (IFAC, IASB, ISSB, IAASB, IPSASB, IAESB, IESBA AND AFA)

THEIR INTERESTS

- Collaboration on the global profession's development agenda

HOW WE ENGAGE

- Member of IFAC and AFA Committees
- Contribute expert viewpoints and articles to IFAC Knowledge Gateway and AFA Connect
- Reciprocal publishing of IFAC content on e-AT
- Submissions of comments to global standard-setters
- Support global advocacy initiatives
- Global accountancy leaders speak at MIA conferences and events

IMPLICATIONS

- MIA recognised as the voice of the profession
- Supports the future relevance of the accountancy profession

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:



THEIR INTERESTS

- Support continuing improvement and implementation of international frameworks and standards

HOW WE ENGAGE

- National Integrated Reporting advocate and IIRC certified trainer
- Comment letters and feedback

IMPLICATIONS

- Supports the profession's agenda
- MIA viewpoints considered in relation to international frameworks and standards

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:





EMPLOYEES (MIA'S INTERNAL TALENT)

THEIR INTERESTS

- Career and competency development opportunities

HOW WE ENGAGE

- Collaborative work culture
- Management coaching, mentoring and feedback
- Professional development pathways
- Training and continuing professional education
- Performance reviews
- Performance appraisals
- Secondment opportunities
- Employee Satisfaction Survey
- Two-way feedback loop, with employees encouraged to write in to CEO
- Benchmarking of remuneration and benefits to the market

IMPLICATIONS

- Addresses talent competency risk
- Enhances MIA's internal talent retention and competency building
- Supports MIA's aspiration to be a centre of excellence and expertise for the profession

IMPACTS

Capitals:  

UNSDG: 

THEIR INTERESTS

- Employee well-being

HOW WE ENGAGE

- Healthy and safe workplace compliant with COVID-19 safeguards
- Flexi work-from-home on rotational basis
- Numerous employee benefits and privileges

IMPLICATIONS

- Enables MIA's business continuity
- Supports better work-life balance

IMPACTS

Capitals:  

UNSDG: 

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STAKEHOLDER
ENGAGEMENT

ACCOUNTANCY TALENT (STUDENTS AT SECONDARY AND TERTIARY LEVEL, CARE COORDINATORS)

THEIR INTERESTS

- High-skilled high value jobs
- Future-proof careers pathways

HOW WE ENGAGE

- Collaborate with schools and universities to engage students
- Annual Accounting Students Conference
- Annual Best Accounting Student Awards
- MIA Open Day
- Career Fairs, Career Talks and Accounting Quizzes
- CARE Awareness Programme

IMPLICATIONS

- Brand accountancy as career of choice
- Address worries of accountancy job obsolescence
- Attract future talents to accountancy profession

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:



MEDIA (TRADITIONAL AND ONLINE)

THEIR INTERESTS

- Newsworthy content

HOW WE ENGAGE

- Traditional and online media channels
- e-AT digital magazine
- Media partnerships
- Media training on roles and relevance of the profession
- Media engagements, invitations and interview opportunities
- MIA corporate and strategic communications e.g. press releases and speeches

IMPLICATIONS

- Increased visibility and branding for MIA and the profession
- Increased social media presence and followers
- MIA recognised as accountancy regulator and voice of the profession
- Communicates MIA's advocacy and nation building purpose

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:



THEIR INTERESTS

- Information and updates on high-profile cases

HOW WE ENGAGE

- MIA unable to divulge confidential information on cases

IMPLICATIONS

- (-) Possible negative reporting on MIA and public interest cases

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:





SUBJECT MATTER EXPERTS (PARTNERS AND SPEAKERS)

THEIR INTERESTS

- Opportunities to share expertise
- Win-win partnerships

HOW WE ENGAGE

- Valued Partnerships
- Identify and invite experts to contribute as speakers and panellists
- Create more opportunities for knowledge sharing
- Invite more top-tier global experts to share on virtual platforms
- Invitations to participate in MIA roundtable discussions, Boards, Committees and Task Forces

IMPLICATIONS

- Elevates quality of MIA CPE and events
- Virtual programmes enable MIA to reach out to a larger, diversified and global talent pool more economically
- Subject matter experts able to reach a larger audience, including regional members, through MIA's virtual programmes

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:



BOARDS, COMMITTEES AND TASK FORCES (MIA'S EXTERNAL TALENT)

THEIR INTERESTS

- Advocating for the profession's interests
- Networking and Corporate Social Responsibility (CSR) opportunities

HOW WE ENGAGE

- Devise and drive opportunities for collaboration
- Nominate market leaders and subject matter experts for Boards, Committees and Task Forces
- Engage with Boards, Committees and Task Forces on consultation papers, proposals and MIA's strategic and operational plans
- Organise webinars and outreach programmes and issue articles, videos and publications related to their subject matter expertise
- Investigation and disciplinary committees uphold enforcement and regulation

IMPLICATIONS

- MIA can tap into diverse viewpoints to enrich intellectual capital
- Leveraging on external talent helps to bridge the competency gap which is a top risk for MIA

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:



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MARKET OUTLOOK AND KEY TRENDS

These are the external developments and key trends, both positive and negative, that are projected to affect our operations and strategic value creation activities in the short, medium and long term.



ECONOMY

- (-) Tremendous economic volatility and uncertainty due to geopolitical concerns, inflationary risks, supply chain disruptions, health concerns including COVID-19, climate and extreme weather risks as well as ambiguity on Government direction and policies
- (+) Amidst these headwinds, BNM forecasts GDP growth of 5.3% to 6.3% for 2022 for the Malaysian economy
- (-) Risk of job obsolescence

HOW WE RESPOND

- Regularly revisit and revise the Institute's scenario plans and risk controls to support business continuity
- Focus on enterprise risk management, competency development, and change management to improve the Institute's performance
- Strengthen Future Relevance of the Profession (see page 12 for Special Focus on Future Relevance of the Profession)

IMPACTS

Capitals:



UNSDG:



REGULATIONS AND STANDARDS

- (-) Delay in the repeal of the Accountants Act 1967
- (+) Local legislation that impacts the accountancy profession: AMLA, Section 17A MACC, Code of Corporate Governance by SC, COVID-19 Act, Emergency Ordinances, economic stimulus packages, MPSAS, FTSE4Good Bursa Malaysia Index
- (+) Global standards and developments that impact the accountancy profession: Establishment of International Sustainability Standards Board, Implementation of Quality Management Standards, Implementation of ISA 315 Identifying and Assessing the Risks of Material Misstatement

HOW WE RESPOND

- Continue to engage with the MOF to expedite the repeal of the Accountants Act 1967 to enhance MIA's regulatory and development powers
- Consult and collaborate with Government, regulators, standard-setters and international bodies to articulate the profession's perspectives and interests
- Design and deliver CPE and outreach programmes to update and upskill accountancy professionals on global and local standards, regulations and developments.

IMPACTS

Capitals:



Strategic Objectives:



UNSDG:



This information is derived from our market monitoring, extensive research and engagements with our diverse stakeholders. MIA responds within the context of our strategic objectives to drive the future relevance of the accountancy profession and support sustainable nation building.



SOCIAL

- (-) Economic and social pressures affect mental and psychological well-being of members

HOW WE RESPOND

- Rolled out MMAP (including the MIA Careline)

IMPACTS

Capitals:

Strategic Objectives:

UNSDG:



TECHNOLOGY

- (+) Malaysia's transition to digital economy guided by MyDigital and the Malaysia Digital Economy Blueprint

HOW WE RESPOND

- Lead agency for four initiatives under MyDigital
- Monitor technologies and developments that impact the profession, including artificial intelligence, big data analytics, blockchain, cloud, cybersecurity, data protection, robotic process automation as well as digital ethics.
- Integrate digital competency requirements and upskilling into CPE and learning events
- Create and disseminate extensive digital resources and implement the MIA Digital Technology Blueprint initiatives
- Implement the MIA IT Strategy Plan

IMPACTS

Capitals:

Strategic Objectives:

UNSDG:



ESG AND SUSTAINABILITY

- (-) The UN Global Risk Report 2022 maintains climate change, extreme weather and biodiversity loss as top risks to people, planet and profit
- (+) Malaysia has committed to achieving net zero emissions by 2050
- (+) Businesses face mounting pressure to implement ESG and sustainability

HOW WE RESPOND

- Align the Institute with IFAC's stance on positioning the global profession as a leader for ESG and sustainability
- Support Government and co-regulators through advocacy for sustainability reporting
- Design and deliver CPE that:
 - Reframes ESG as strategic risk and opportunity for businesses
 - Upskills accountants on ESG, measurement, disclosure and assurance
- Conduct virtual programmes and events

IMPACTS

Capitals:

Strategic Objectives:

UNSDG:

OUR MATERIAL ISSUES

Material matters substantively affect the Institute's ability to create value in the short, medium and long term and are specific to the accountancy profession in Malaysia and our role in nation building.

OUR MATERIALITY PROCESS

IDENTIFY

These relevant matters are **identified** from extensive stakeholder engagement across many channels and platforms (see page 22 on Stakeholder Engagement)

EVALUATE

We **evaluate** these relevant matters by mapping them to our Strategic Objectives, ensuring alignment with our short, medium and long term value creation goals (see page 41 on Our Performance by Strategic Objectives)

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ACCOUNTANTS ACT 1967

OUR STRATEGY

Continuing engagement with MOF for reform of the Accountants Act 1967

RISK OR OPPORTUNITY

- Strengthen MIA's regulatory and enforcement powers
- Affects MIA's regulatory plans

STRATEGIC OBJECTIVES/ CAPITALS



STAKEHOLDERS

All

PRIORITY (EXTREME/HIGH/MEDIUM/LOW)



Extreme



INSTITUTE'S BUSINESS CONTINUITY

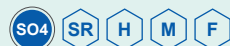
OUR STRATEGY

- Closely monitor market developments and outlook
- Regular reviews of enterprise risk management, operation plan and business model
- Develop Institute's capacity and competency
- Improve Institute's operations and processes
- Institute's ongoing digital transformation
- Institute adopts ESG agenda
- Strengthen financial sustainability

RISK OR OPPORTUNITY

- Jeopardises Institute's business continuity and provision of regulation and development services
- Supports Institute in discharging its statutory regulation and development activities
- Prospective performance gains

STRATEGIC OBJECTIVES/ CAPITALS



STAKEHOLDERS

All

PRIORITY (EXTREME/HIGH/MEDIUM/LOW)



Extreme

MIA determines these matters through an inclusive materiality process that is aligned with the Integrated Reporting Framework of the IFRS Foundation.

PRIORITISE

We **prioritise** these matters by mapping them to MIA's risk matrix (see page 38 on Risk Management)

VALIDATE

The integrity of our process and findings are deliberated and **validated** by the MIA Council at regular meetings



ROBUST INSTITUTIONAL GOVERNANCE

OUR STRATEGY

- Strengthen leadership among MIA's Council, supported by the Governance Council Charter
- Strengthen diversity and inclusivity in the composition and appointment of the Council Committees and senior management
- Systemised Enterprise Risk Management

RISK OR OPPORTUNITY

- Conflicts of interest in Council could deter profession's advancement
- Constraints of the Accountants Act 1967 hinder optimal diversity and inclusivity
- Greater diversity drives good governance in the public interest
- Identifies and addresses governance risks

STRATEGIC OBJECTIVES/ CAPITALS	STAKEHOLDERS	PRIORITY (EXTREME/HIGH/MEDIUM/LOW)
SO1 SO2 SO3 SO4 SR I	All	Extreme



GOVERNMENT AND REGULATORY SUPPORT

OUR STRATEGY

- Support MOF
- Strengthen collaboration with other Government Ministries, agencies and regulators
- Support the Government's Committee to Strengthen the Accountancy Profession (CSAP) implementation

RISK OR OPPORTUNITY

- Could affect progress of Accountants Act reform
- Excluded from Government discussions and policy-making
- Supports stronger regulation and development of the profession
- Enables MIA's proactive enforcement and advocacy
- Facilitates statutory approvals and MIA's registration and licensing processes

STRATEGIC OBJECTIVES/ CAPITALS	STAKEHOLDERS	PRIORITY (EXTREME/HIGH/MEDIUM/LOW)
SO4 SR	Government Regulators	High

Risk

Opportunity

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ISSUES

STRATEGIC COLLABORATION AND LEADERSHIP

OUR STRATEGY

- Engage and collaborate with MIA's diverse stakeholders (see page 22 on Stakeholder Engagement)

RISK OR OPPORTUNITY

- Misaligned with stakeholder expectations and international developments
- Achieve future relevance of the profession

STRATEGIC OBJECTIVES/ CAPITALS	STAKEHOLDERS	PRIORITY (EXTREME/HIGH/MEDIUM/LOW)
SO1 SO2 SO3 SO4 I H SR	All	High



INSTITUTIONAL TALENT

OUR STRATEGY

- Build up internal talent capacity and competency (see page 18 on Our People)
- Leverage on external talent who are part of MIA's Boards, Committees and Task Forces

RISK OR OPPORTUNITY

- Competency gap affects MIA plans and operations
- Prospective productivity and performance gains
- External talent helps to bridge the competency gap which is a top risk for MIA

STRATEGIC OBJECTIVES/ CAPITALS	STAKEHOLDERS	PRIORITY (EXTREME/HIGH/MEDIUM/LOW)
I H	Internal talent	High



INSTITUTIONAL TECHNOLOGICAL CAPACITY AND COMPETENCY

OUR STRATEGY

- Accelerate Institute's digital transformation through technology adoption, digitisation and automation and staff upskilling

RISK OR OPPORTUNITY

- MIA unable to optimise operations and services to members
- Enabler for Institute's regulatory and development activities

STRATEGIC OBJECTIVES/ CAPITALS	STAKEHOLDERS	PRIORITY (EXTREME/HIGH/MEDIUM/LOW)
	Internal talent	High



FUTURE RELEVANCE OF THE PROFESSION

OUR STRATEGY

- Upskilling and future-proofing of members through CPE and continuous professional development
- Strengthen members' capacity and competency
- Competency Framework Implementation Plans
- Support members' business continuity and future relevance
- Provide extensive COVID-19 support and guidance
- Advocacy for digital adoption of the profession, tax governance and ESG
- Provide extensive digital resources for members

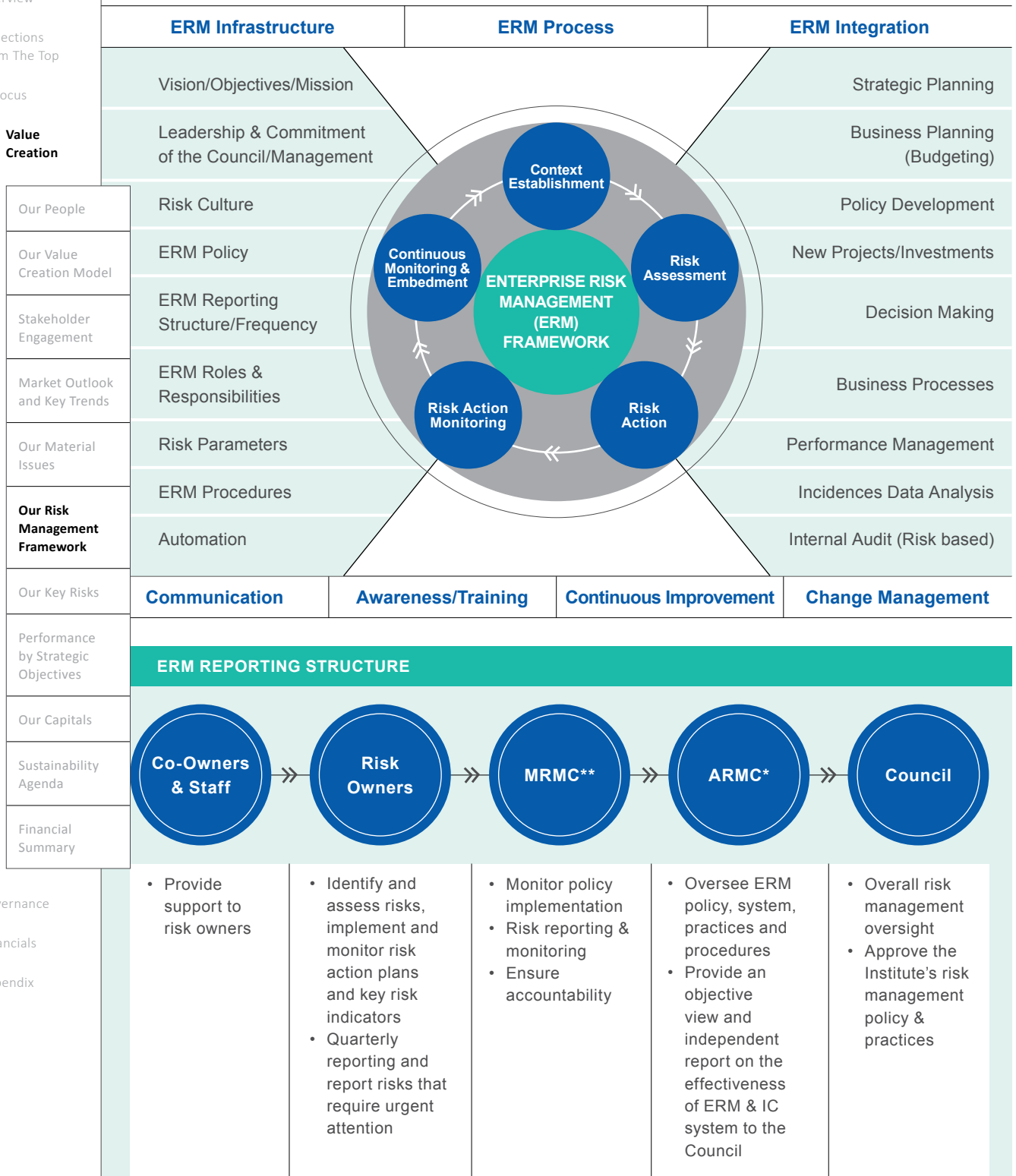
RISK OR OPPORTUNITY

- Risk of job obsolescence, competency gaps and irrelevance to employers and stakeholders
- Risk of business discontinuity due to COVID-19 impacts in the pre-endemic phase
- Upskilling accountants for higher value-added roles
- Accountants equipped to lead digital economy and sustainable development agenda
- Profession remains relevant to business and drives economic development

STRATEGIC OBJECTIVES/ CAPITALS	STAKEHOLDERS	PRIORITY (EXTREME/HIGH/MEDIUM/LOW)
	All	High

OUR RISK MANAGEMENT FRAMEWORK

MIA's Enterprise Risk Management (ERM) framework is compliant with ISO31000:2009 and provides adequate control environment through the implementation of appropriate systems and risk assessment processes.



* Internal Audit assists ARMC in reviewing the effectiveness of ERM and internal controls and provides an independent view on specific risks and control issues, the state of internal controls, trends and events

** Risk Management Unit supports MRMC in carrying out its roles and responsibilities

MIA continuously reviews the evolving risk landscape and identifies the key enterprise risks affecting the strategy and operations of the Institute. These key risks are evaluated against our strategic objectives and MIA adopts appropriate mitigation steps to manage the risks for the continuing relevance and sustainability of the Institute and the profession. The order in which these risks appear does not necessarily reflect the likelihood of their occurrence or the relative magnitude of their potential material adverse impact on the Institute.



IMPACT OF COVID-19 TO BUSINESS CONTINUITY

DESCRIPTION

- The COVID-19 movement control orders, SOPs and norms have affected MIA's core revenue stream of training and professional development events
- MIA must prioritise the health and safety of members, staff, management, Council and stakeholders to prevent disruption to operations

MITIGATION MEASURES

- MIA has switched to virtual events and training which entail lower costs and lower fees to members while maintaining financial sustainability
- Acceleration of the Institute's digital adoption, switch to virtual events, and deployment of remote operations and rotational work schedules enable MIA to continue our regulatory and development activities, while complying with COVID-19 norms and SOPs
- Close monitoring of actual performance against targets and budget whilst implementing cost cutting and cost rationalisation measure



GOVERNANCE

DESCRIPTION

- As a national accountancy body that regulates and develops the profession in Malaysia, any regulations by the Institute in relation to the profession must be in the nation's interest. Therefore, it is critical that good governance is practised within MIA and this comes from the tone at the top
- Limitations to MIA in fulfilling its role in monitoring the profession due to the outdated Accountants Act

MITIGATION MEASURES

- Governance enhancement programme
- Continue to engage with MOF to facilitate the enactment of the proposed new Accountants Act
- Strengthen regulatory and enforcement activities in the public interest

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KEY RISKS

RELEVANCE OF INSTITUTE AND THE PROFESSION

DESCRIPTION

- One of the main challenges faced by MIA is to remain relevant in developing and enhancing the competency of accountancy professionals in staying pertinent to business and market demands
- The knowledge, skills and values of accountants enable the members of the accountancy profession to be involved in most economic sectors

MITIGATION MEASURES

- Continue to advocate for competency development through implementation of various Competency Frameworks and extensive CPE, training and outreach programmes
- Drive digital adoption of the profession through the implementation of the MIA Digital Technology Blueprint
- Articulate the core competencies and value of accountants



COMPETENCY GAP

DESCRIPTION

- Competency gap refers to the differences between staff's existing skills, knowledge and/or experience compared to job expectations
- Staff may not be able to execute their tasks effectively due to various factors, impacting productivity and possibly deterring the Institute from meeting its strategic objectives

MITIGATION MEASURES

- Closely monitor developments impacting competency
- Internal and external trainings based on training needs identification and analysis
- KPIs and performance reviews
- Staff Satisfaction Survey
- Job rotation for learning purposes
- Performance rewards
- Disciplinary procedures in place for non-performers
- Scale Competency Dictionary identifies staff competency levels



SUCCESSION PLANNING

DESCRIPTION

- The succession planning process is crucial to ensure continuity of leadership and operational management in the event of sudden departure or prolonged leave of senior management members or key staff in critical positions
- Lack of succession planning could disrupt the organisation's activities and affect the strategic direction

MITIGATION MEASURES

- Formalisation of the succession planning process
- Mentoring programme to develop successors
- Internal and external training programmes are provided to successors

PERFORMANCE BY STRATEGIC OBJECTIVES

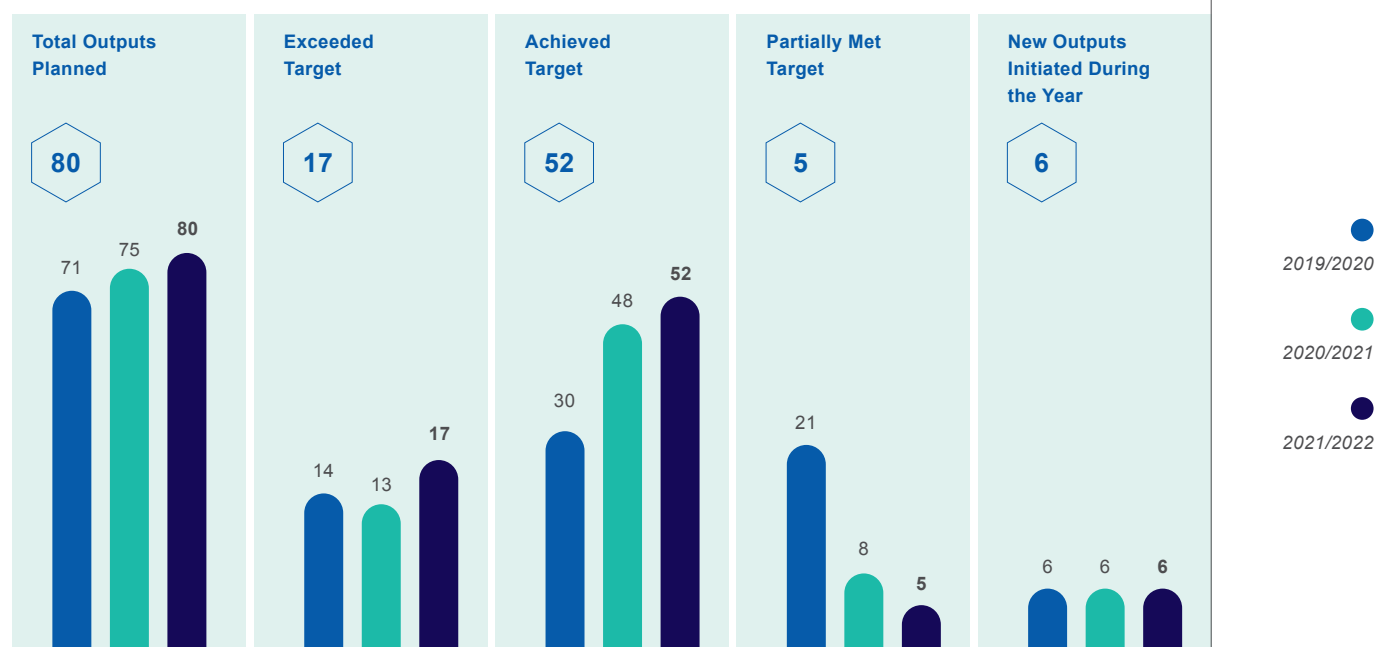
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MALAYSIAN
INSTITUTE OF
ACCOUNTANTS

Integrated
Annual Report
2022

MIA's value creation activities in the short, medium and long term are steered by our four strategic objectives. Key Performance Indicators (KPIs) and targets are then set to drive the outputs and intended outcomes of each strategic objective.

The following is a review of the Institute's performance highlights for the period July 2021 to June 2022. Collectively, all of the Institute's initiatives and activities were carried out as per the Institute's Operational Plan to regulate and develop the profession towards nation building. Notably, MIA's performance has improved in line with the social and economic recovery as Malaysia transitioned to the endemic COVID-19 phase. Only 5 out of 80 outputs partially met their targets due mainly to COVID-19 constraints.



SO1

STRATEGIC OBJECTIVE 1 - DEVELOP AND ENHANCE THE COMPETENCY OF ACCOUNTANCY PROFESSIONALS TO STAY RELEVANT TO BUSINESS AND MARKET DEMAND

Organised **895 CPE events**, including **79 special events** and **mini conferences (achieving 100.5% of the annual target)** benefiting **31,007 members and non-members (achieving 94% of the annual target)**

CPE focused on current and relevant topics on technical and non-technical, emerging skills and future relevance, and COVID-19 pandemic related matters

MIA Conference 2022 secured **2,630 delegates (achieving 91% of the target)**, **73 speakers** and **30 sponsors**

Produced **7 MIA proprietary CPE e-learning programmes**

VALUE CREATED

- Continuously upskill accountants in line with international standards and market trends
- Drive future relevance of accountancy profession
- Generate income for MIA's financial sustainability

IMPACTS

Capitals: I H SR F

UNSDG:



Target: ON TRACK / ACHIEVED

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PERFORMANCE BY STRATEGIC OBJECTIVES

Submitted **37 comment letters/proposals** to:

IFRS Foundation - **1** MOE - **1**
 SC - **1** AG (Jawatankuasa Pengawas) - **2**
 Bursa Malaysia - **7** IASB - **1**
 SSM - **2** IFAC (IAASB) - **1**
 Tax authorities - **14** IFAC (IESBA) - **1**
 MOHR - **1** IPSASB - **5**

VALUE CREATED

- MIA recognised as voice of accountancy profession
- MIA viewpoints considered in discussions, frameworks and policy making

IMPACTS

Capitals:



UNSDG:

Target: **ON TRACK / ACHIEVED**

Created a dedicated Quality Management Standards webpage

VALUE CREATED

- Improve quality of practice management

IMPACTS

Capitals:



UNSDG:

Target: **ON TRACK / ACHIEVED**

Organised **5** Introductory level,
4 Preparers level training and
2 customised learning sessions organised on Integrated
 Reporting and Latest Development on Corporate Reporting
 Created **3** videos featuring early adopters of Integrated Reporting

VALUE CREATED

- MIA sought after as regional and national Integrated Reporting advocate and certified Integrated Reporting trainer by the IFRS Foundation
- Drive advocacy and momentum of Integrated Reporting adoption
- Enhance quality of disclosure in line with global frameworks

IMPACTS

Capitals:



UNSDG:

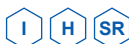
Target: **ON TRACK / ACHIEVED**Produced **3** Business Valuation videos

VALUE CREATED

- Promote best practices in business valuation in line with global standards

IMPACTS

Capitals:



UNSDG:

Target: **ON TRACK / ACHIEVED**Issued **10** publications, **18** articles and **9** videos on technical and practice related matters

VALUE CREATED

- Strengthen members' technical knowledge to enhance compliance and quality of services

IMPACTS

Capitals:



UNSDG:

Target: **ON TRACK / ACHIEVED**Organised **29** outreaches

VALUE CREATED

- Update members on latest developments and practices

IMPACTS

Capitals:



UNSDG:

Target: **ACHIEVED**Published **3** MIA Digital Economy and Reporting Insights quarterly bulletins

VALUE CREATED

- Quarterly updates to members on digital economy, financial reporting and tax

IMPACTS

Capitals:



UNSDG:

Target: **ACHIEVED**

PERFORMANCE BY STRATEGIC OBJECTIVES

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MALAYSIAN
INSTITUTE OF
ACCOUNTANTS

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Organised **4** CFO Circle events

VALUE CREATED

- Upskill professionals in commerce and industry for better business performance

IMPACTS

Capitals:



UNSDG:



Target: **ACHIEVED**

Published **3** templates for financial management in collaboration with AKPK

VALUE CREATED

- Promotes good financial management in Malaysia

IMPACTS

Capitals:



UNSDG:



Target: **ACHIEVED**

Organised **5** complimentary Train the Trainers sessions on technical topics that benefited **713 academicians** from public and private universities
(achieving 125% of the annual target)

Organised **82** outreach activities including career talks, CARE Awareness and events that benefited **7,389** students
(achieving 148% of the annual target)

Collaborated on **8** accounting education initiatives with the Ministry of Higher Education, Jabatan Pendidikan Politeknik dan Kolej Komuniti and Universities
(achieving 267% of the annual target)

Developed new Relevant Practical Experience (RPE) guidelines based on latest IFAC International Education Standard and endorsed by Education Board

Developed new self-review framework for recognised universities under Part 1 of First Schedule to the Accountants Act 1067

Published **1** Technical video based on Train the Trainers

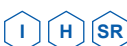
Published **1** article on capacity building initiatives in e-AT

VALUE CREATED

- Elevate quality of accountancy education
- Convey prospects of accountancy jobs and career pathways
- Attract talents to accountancy to meet nation's development needs
- Ensure quality of new members admitted into MIA

IMPACTS

Capitals:



UNSDG:



Target: **EXCEEDED**

Created new Digital Economy page on the MIA website

Launched Report on a Study of Emerging Technology Adoption within the Accounting Programmes by the Higher Learning Institutions in Malaysia

Launched Technology Adoption by the Accountancy Profession in Malaysia Survey 2022

Organised MIA Digital Month 2022

Conceptualised the Digital Technology Adoption Award Framework

3 videos on digital technology

VALUE CREATED

- Drive MIA's digital adoption goals for the profession in line with the MIA Digital Technology Blueprint
- Future proof members for the digital economy

IMPACTS

Capitals:



UNSDG:



Target: **ON TRACK / ACHIEVED**

PERFORMANCE BY
STRATEGIC OBJECTIVES

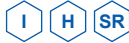
Shariah Audit White Paper third draft review
(85% completed)

VALUE CREATED

- Build competency in shariah audit to support Malaysia's leadership in global Islamic finance

IMPACTS

Capitals:



UNSDG:



Target: PARTIALLY MET



STRATEGIC OBJECTIVE 2 - NURTURE PROFESSIONAL VALUES AND ETHICS OF MEMBERS TO UPHOLD A STRONG ACCOUNTANCY PROFESSION

Created **2** ethics quizzes, **2** ethics webinar and **1** video on the importance of the profession's ethical code and culture

VALUE CREATED

- Educate members on ethics
- Inculcate ethical conduct for good governance

Conducted **3** ethics updates

IMPACTS

Capitals:



UNSDG:



Target: ON TRACK / ACHIEVED



STRATEGIC OBJECTIVE 3 - REGULATE AND DEVELOP THE PRACTICE OF THE ACCOUNTANCY PROFESSION CONSISTENT WITH GLOBAL STANDARDS AND BEST PRACTICES

75 cases were investigated and disposed by MIA's Investigation Committee

VALUE CREATED

- Speedy disposal of cases ensures justice is manifested

IMPACTS

Capitals:



UNSDG:



Target: ON TRACK / ACHIEVED

Published PR Annual Report 2021 and **1** article on PR Key Findings on Elements of ISQC 1 Monitoring

VALUE CREATED

- Strengthen audit quality and practice management quality

IMPACTS

Capitals:



UNSDG:



Target: ON TRACK / ACHIEVED

Engagement session with JAKIM on the amendment to the Muslim Lawyers Enactment on issue related to auditors

VALUE CREATED

- Strengthen and maintain MIA's status as the national accountancy regulator

IMPACTS

Capitals:



UNSDG:



Target: ON TRACK / ACHIEVED

Published FSR Annual Report 2021

VALUE CREATED

- Enhance quality of financial statements to support investor and market confidence

IMPACTS

Capitals:



UNSDG:



Target: ON TRACK / ACHIEVED

Published 1 article on Enforcement Initiatives

VALUE CREATED

- Educate members and enhance public trust in MIA's enforcement and regulatory mechanisms

IMPACTS

Capitals:



UNSDG:



Target: ON TRACK / ACHIEVED

PERFORMANCE BY STRATEGIC OBJECTIVES

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Proactive enforcement against **20** members and **13** non-members

VALUE CREATED

- Eradicate unauthorised accountancy services
- Protect the profession and the public interest

IMPACTS

Capitals: 

UNSDG: 

Target: **ON TRACK / ACHIEVED**



STRATEGIC OBJECTIVE 4 - PROMOTE THE VALUE PROPOSITION OF THE ACCOUNTANCY PROFESSION AND CONTINUOUSLY UPLIFT GLOBAL RECOGNITION

4.34% growth in new members' admission
(achieving **106%** of the annual target)

Recruited **1,541** new Chartered Accountants (CA)
(achieving **104%** of the annual target)

VALUE CREATED

- Boost accountancy talent pipeline to support economic development

IMPACTS

Capitals:  

UNSDG: 

Target: **EXCEEDED**

Conducted **49** engagement session activities
(achieving **306%** of the annual target)

Conducted **3** town hall sessions with members nationwide

VALUE CREATED

- Gather feedback on members' concerns
- Communicate MIA's activities, achievements and advocacy

IMPACTS

Capitals: 

UNSDG: 

Target: **EXCEEDED**

19% growth in members' benefits & privileges
(achieving **190%** of the annual target)

VALUE CREATED

- Strengthen value proposition of the accountancy profession

IMPACTS

Capitals: 

UNSDG: 

Target: **EXCEEDED**

Rolled out the MMAP

VALUE CREATED

- Provide for the general well-being of all members by making available resources, tools and access to professional assistance if needed

IMPACTS

Capitals: 

UNSDG: 

Target: **ON TRACK / ACHIEVED**

27 thought leadership and educational videos
143 media mentions
14 press releases/articles
78,641 social media followers
193,516 page views for e-TAT

Conducted a Brand & Trust Survey

VALUE CREATED

- Heighten MIA's visibility and brand recognition
- Create awareness and educate on MIA's activities and advocacy

IMPACTS

Capitals:  

UNSDG: 

Target: **ON TRACK / ACHIEVED**

Our People
Our Value Creation Model
Stakeholder Engagement
Market Outlook and Key Trends
Our Material Issues
Our Risk Management Framework
Our Key Risks
Performance by Strategic Objectives
Our Capitals
Sustainability Agenda
Financial Summary

OUR CAPITALS

MIA relies on six capitals that are specific and relevant to the Institute and the accountancy profession in the process of value creation. These capitals shall increase or decrease according to our operations and activities.

I INTELLECTUAL CAPITAL

This refers to the Institute's collective repositories of professional knowledge and technical expertise, such as CPE Programmes, e-AT digital magazine, Technical Standards and Guidance Circulars, Guidelines and Comment Letters, Competency Frameworks, Practice Review Programme, Reports and Publications and Digital Technology, ESG, SMP and COVID-19 resources.

In a virtuous cycle, the production of intellectual capital uses up human capital, social and relationship capital and financial capital to create additional stocks of intellectual capital and fortify

the Institute's brand as an authoritative reference centre for accountancy and business expertise.

For the year ahead, the Institute will focus on developing and strengthening our CPE offerings which will transition to a mix of hybrid, online and physical programmes and develop and disseminate customised e-learning, blended learning and additional ESG and digital technology resources. The Institute is also in the process of completing the new corporate website and the enhancement of the e-AT digital magazine to drive brand visibility, stakeholder connections and knowledge sharing.

MOVEMENTS IN CAPITAL

- The production of **I** depletes **F**, **H** and **SR**. The additional **I** then increases **H** and **SR**.
- With the exception of CPE as the Institute's key source of revenue, **I** decreases **F**.

SR SOCIAL AND RELATIONSHIP CAPITAL

This is enriched through the Institute's practices of strategic collaboration and leadership to advance our goals of regulating and developing the profession. Our continuing stakeholder collaboration efforts have created tremendous

stocks of social and relationship capital which are integral to our vision of future-proofing the accountancy profession and the nation (see page 22 for a comprehensive discussion on Stakeholders Engagement).

MOVEMENTS IN CAPITAL

- The production of **SR** depletes **F** and **H** while increasing **I**.
- Exceptions are our Valued Partnerships, Sponsorships and Membership which increase **F**.
- The contributions of our Boards, Committees and Task Forces increase **H** and **I** as well.

H HUMAN CAPITAL

This refers to MIA's internal talent pool of employees. The Institute will continue to improve and prioritise internal talent retention and competency building to effectively regulate and develop the profession. As MIA is the reference point for the accountancy sector, the Institute must

elevate its internal competency to deliver enhanced services and fulfil industry expectations on all matters related to the regulation and development of the profession (see page 18 for an overview of People and the Institute's human capital activities).

MOVEMENTS IN CAPITAL

- Improvements in **H** enhance **I** and **SR** but deplete **F**.

The following section depicts the key movements in our capitals and explains how we intend to grow these capital stocks or minimise their depletion in the future.

F FINANCIAL CAPITAL

This refers to the funds available that enable MIA to provide our statutory regulation and development activities while financing our advocacy for sustainability and nation building. Membership and Education income are major contributors to financial capital. Along with cost optimisation measures, MIA will continue to

focus on diversifying and sustaining income streams, enhance CPE and embark on customised e-learning to strengthen financial capital in future. The Institute is also prioritising the transformation of MIA's finance function for greater efficiency, which entails the development and implementation of a finance transformation plan.

MOVEMENTS IN CAPITAL

- The production and maintenance of **I**, **H**, **SR**, **M** and **N** deplete **F**.
- CPE development and delivery, customised e-learning programmes, sponsorship, membership and returns on MIA's investments increase **F**.

M MANUFACTURED CAPITAL

This refers to the physical resources and assets that support the provision of the Institute's services, such as IT systems and equipment, office premises, buildings and other office equipment. Looking ahead,

the Institute intends to invest further in a secondary data centre for data protection and digitisation of processes and functions to drive productivity improvements and performance.

MOVEMENTS IN CAPITAL

- Optimisation of **M** maintenance and costs increases **F**.
- Investment in IT assets and digitalisation increases **M**, **H** and **SR** but depletes **F**.

N NATURAL CAPITAL

This refers to the natural resources consumed and environmental impacts occurring in the course of the Institute's operations, namely energy, carbon emissions, single-use plastics, paper and water. Over the past two years of the pandemic economy, MIA pivoted to remote work arrangements to comply with COVID-19 protocols and organised webinars and virtual events to enable continuing CPE. The pivot to remote and webinars enabled tremendous savings in the consumption of paper, water, energy, disposable plastics and food waste incurred in maintaining in-person operations and organising physical events. However, as MIA transitions to hybrid

work and a mix of online and physical events in the endemic economy, consumption of natural resources is expected to increase. The shift to increased digitisation will enable improved staff productivity and enhance stakeholder communications and engagement, yet is projected to increase MIA's energy consumption and emissions footprint. As a sustainability-oriented organisation, MIA remains committed to managing our environmental footprint to support the country's vision of net zero emissions and sustainable development (see page 48 on Our Sustainability Agenda for the Institute's statistics on consumption of natural resources).

MOVEMENTS IN CAPITAL

- Commitment to greening supports **N**.
- **N** savings increase **F**.
- Shift to physical CPE depletes **N**.

Our People

Our Value
Creation ModelStakeholder
EngagementMarket Outlook
and Key TrendsOur Material
IssuesOur Risk
Management
Framework

Our Key Risks

Performance
by Strategic
Objectives

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SUSTAINABILITY AGENDA

The Institute's sustainability efforts are two pronged. One is to implement ESG matters into enterprise strategy and operations to support the nation's zero emissions and climate change action targets towards long term sustainability. Two is to reinforce the global profession's call for climate responsibility and leadership which in turn drives the relevance and future proofing of accountants worldwide.



GOAL 3 (GOOD HEALTH AND WELL-BEING)

The COVID-19 crisis has taken a heavy mental and psychological toll on everyone, including accountancy professionals. The Institute has rolled out the MMAP to all members, with the aim of safeguarding member well-being by

making available resources, tools and access to professional assistance, if needed. Members can access health and fitness benefits via the MIA Digital Membership Privilege Card.



GOAL 4 (QUALITY EDUCATION)

Achieving this goal directly impacts the Institute's mandate of developing the accountancy profession. To upskill our members and enhance their future relevance, MIA designed and delivered 895 CPE programmes in the year under review. The Institute has also created the Competency Framework that will build capabilities and competencies of members in line with baseline competencies defined by international standards, along with creating and disseminating various publications and resources to elevate accountants.

Our efforts are designed to fortify the entire accountancy talent ecosystem from end to end. The Institute collaborates strategically with stakeholders to uplift accountancy education and strengthen the accountancy talent pipeline to meet employer expectations and workforce demands. The Institute has also deemed digital transformation to be pivotal to accountancy education. We collaborated with industry stakeholders on the Report on a Study of Emerging Technology Adoption within the Accounting Programmes by the Higher Learning Institutions in Malaysia to guide the future direction of accountancy education.



GOAL 5 (GENDER EQUALITY)

The accountancy profession in Malaysia attracts many women who comprise 54% of MIA's membership.

MIA provides a facilitative work place for our talent that comprises 119 women out of our total workforce of 155.

Our Council consists of 30% women, in line with our advocacy for the 30% Club.



GOAL 8 (DECENT WORK AND ECONOMIC GROWTH)

MIA is committed to enhancing the value proposition of the accountancy profession. Key to this is mapping out the future roles of accountants and elevating the value add and perception of accounting jobs in the digital and sustainability oriented economy to address risks

of job obsolescence. The Institute has embarked on a comprehensive plan to drive the Future Relevance of the Accountancy Profession that is aligned with IFAC's stance and the Government's CSAP (see page 12 for Special Focus: Future Relevance of the Profession).

In the context of the Institute's value creation activities, Goal 3 (Good Health and Well-being), Goal 4 (Quality Education), Goal 5 (Gender Equality), Goal 8 (Decent Work and Economic Growth), Goal 13 (Climate Action), Goal 16 (Peace, Justice and Strong Institutions) and Goal 17 (Partnerships for the Goals) are the most relevant to our purpose as the regulator and developer of the accountancy profession.



GOAL 13 (CLIMATE ACTION)

MIA remains committed to managing our environmental footprint to support the country's vision of net zero emissions and sustainable development towards attaining UNSDG 13 Climate Action. Over the past two years of the pandemic economy, MIA's pivot to virtual CPE and events and remote work arrangements enabled tremendous savings in the consumption of paper, water, energy, disposable plastics and food waste.

At the same time, MIA has embarked on ESG advocacy, namely championing of sustainability measurement, disclosure and assurance to enhance sustainable business decision-making and outcomes.

GREEN SAVINGS	FY2021/2022	FY2020/2021
<p>Paper Savings</p>	4,742,298 sheets	4,575,360 sheets
<p>Energy Savings</p>	14%	13%
<p>Paper Towels</p>	48% reduction	39% reduction



GOAL 16 (PEACE, JUSTICE AND STRONG INSTITUTIONS)

The Institute has proposed a new Accountants' Act that will strengthen MIA's regulatory and development powers to better enforce a well-governed market for accountancy services and enhance protection of the public interest.

While awaiting the passing of the new Act, the Institute collaborates on proactive enforcement with its co-regulators to surveil, investigate and

discipline non-compliant actions and eradicate unauthorised services that threaten the public interest. The Institute's focus on strengthening ethics is also geared to achieving Goal 16, whereby MIA organised webinars and technical updates and produced ethics quizzes as well as a video to entrench the profession's code of ethics among members and uphold ethical conduct.



GOAL 17 (PARTNERSHIPS FOR THE GOALS)

Robust public and private sector partnerships are essential to achieving Goal 17. The Institute leverages on its strategic collaboration and leadership with its extensive stakeholder network to achieve mutual goals of good governance,

protection of the public interest, and sustainable development for nation building (see page 22 for a comprehensive discussion of Stakeholders Engagement).

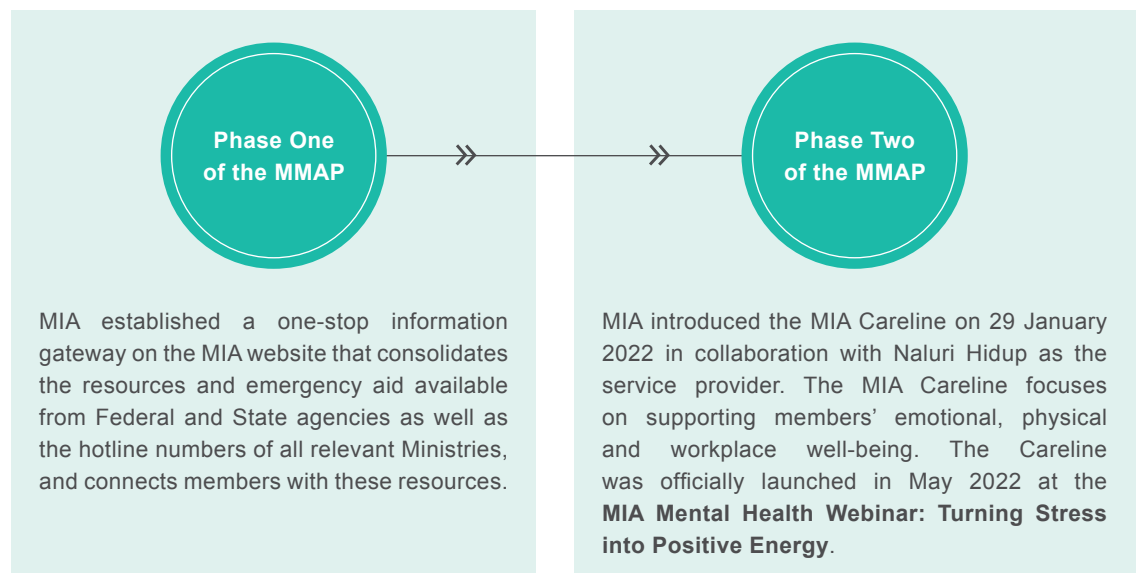
SUSTAINABILITY
AGENDA

SUPPORTING SDG3 GOOD HEALTH AND WELL-BEING THROUGH THE MIA MEMBER ASSISTANCE PROGRAMME

In the year under review, MIA as the accountancy regulator and developer embarked on prioritising mental health as part of the Institute and profession's sustainability journey. As the World Health Organization (WHO) has stated, "There can be no health or sustainable development without mental health".

Currently, there is still a systemic gap in integrating mental health into national and Government healthcare systems, resulting in a lack of access to diagnosis, treatment, and follow-up care for those who might be suffering from conditions such as depression and burn-out.

To bridge this gap for its members, MIA rolled out the MMAP in two phases to support and enhance employee and stakeholder well-being.



THE MIA CARELINE

Provides counselling on professional, personal, and psychological matters	Is a dedicated 24/7 line exclusively for members who require immediate support	Readily connects members to Naluri Clinical Psychologists and registered counsellors
Complements other structured tools made available by MIA and Naluri Hidup, such as the Digital Health App	Offers a dedicated website that provides MIA members with mental well-being support and resources to view, read and explore	Affirms that all calls to the Careline are strictly confidential and no discussions between the member and the professional counsellor will be revealed to MIA or any other parties

By providing this service, MIA hopes to help destigmatise the mental health crisis so that those afflicted can easily access the counselling, therapy, and coaching that they need to treat this condition and achieve their healthiest self.

SUMMARY

MIA recorded a surplus before taxation of RM2.37 million for the financial year ended 30 June 2022 as compared to RM2.85 million for the previous financial year, demonstrating its continued resilience notwithstanding the challenges of the COVID-19 pandemic. The Institute was able to continue engaging with its members and other stakeholders virtually by virtue of the operational transformation in navigating the new normal. During the financial year, the Institute recorded higher operating income from professional development, membership and education activities. However, there is an overall decrease in surplus before taxation as a result of the higher operating costs and the lower CMDF grant income.

ACCUMULATED FUND

As at 30 June 2022, MIA remained in a healthy financial position, with accumulated fund amounting to RM51.80 million, an increase of 4% as compared to the end of the previous financial year. This reflects positively on MIA's deployment of financial and other capitals in executing its operations towards financial sustainability for the achievement of its nation building purposes. MIA continues to enhance its agility and adaptability through the ongoing and future digital and operational transformation initiatives and various other plans aligned with its strategic objectives including the anticipated implementation of the new Accountants Act.



INCOME

RM36.43 million

2021: RM34.96 million

SURPLUS BEFORE TAXATION

RM2.37 million

2021: RM2.85 million

ACCUMULATED FUND

RM51.80 million

2021: RM49.59 million

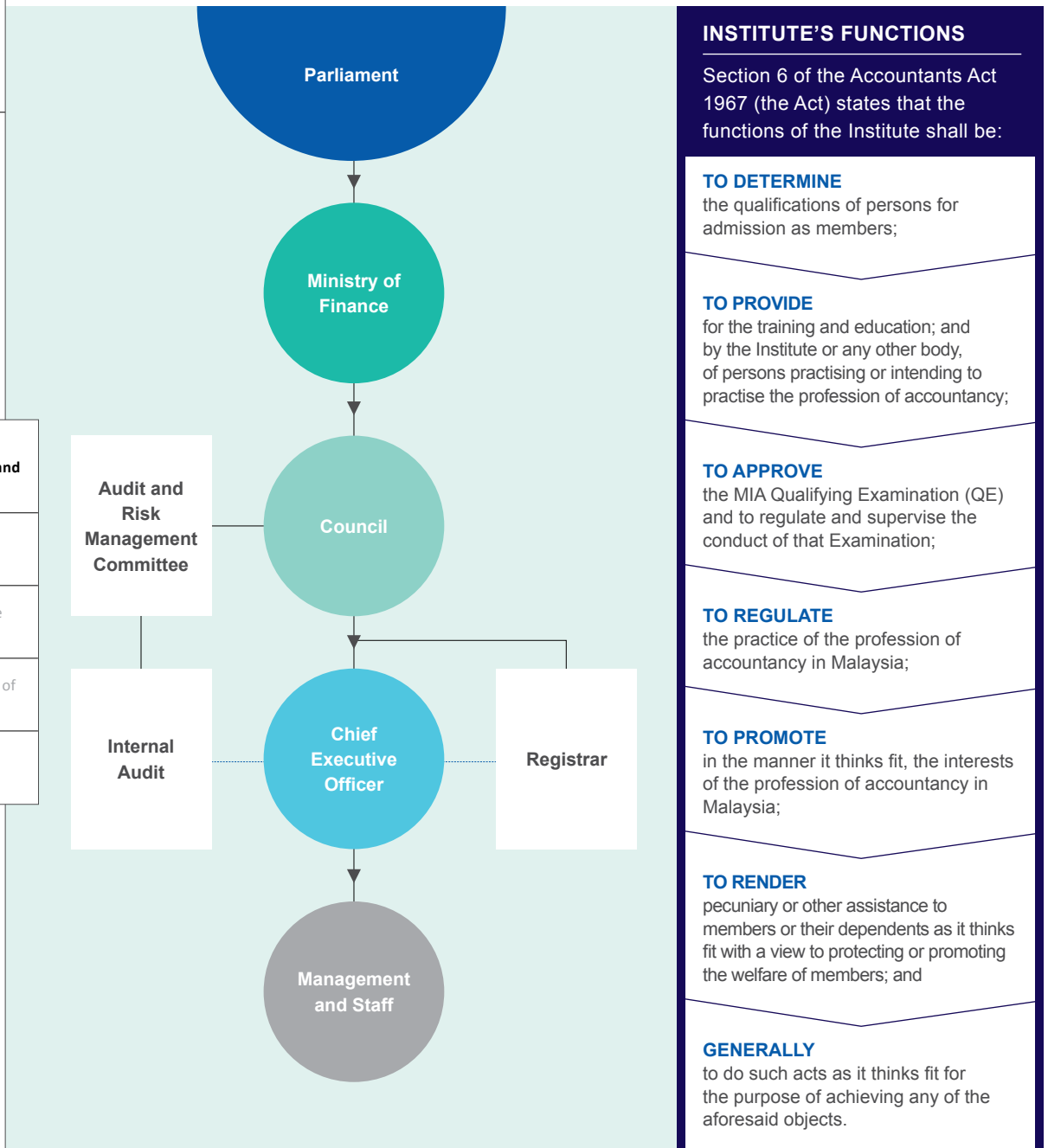
FIVE-YEAR SUMMARY OF FINANCIAL PERFORMANCE

(in RM Million)

	2022	2021	2020	2019	2018
Revenue from contracts with customers	35.04	32.93	39.80	43.56	44.10
Other income	1.39	2.03	1.39	1.65	9.56
Surplus before gain on disposal of land and building	2.37	2.85	2.01	0.37	1.31
Gain on disposal of land and building	-	-	-	-	7.48
Surplus before taxation	2.37	2.85	2.01	0.37	8.79
Taxation	(0.16)	-	(0.23)	0.04	(0.20)
Surplus after taxation	2.21	2.85	1.78	0.41	8.59
Accumulated fund	51.80	49.59	46.73	44.95	44.54
Property, plant and equipment	23.71	24.98	25.83	26.60	27.38
Intangible assets	1.57	1.78	1.02	1.16	0.49
Investment at amortised cost	6.50	2.00	-	-	-
Investment in unquoted shares	0.01	0.01	0.01	0.01	0.01
Deferred tax assets	-	-	-	0.23	0.19
Total non-current assets	31.79	28.77	26.86	28.00	28.07
Current assets	33.44	30.65	28.57	30.53	31.74
Current liabilities	13.39	9.70	8.48	13.46	15.27
Net current assets	20.05	20.95	20.09	17.07	16.47
Non-current liabilities	0.04	0.13	0.22	0.12	-
Net assets	51.80	49.59	46.73	44.95	44.54
Current ratio	2.50	3.16	3.37	2.27	2.08

Governance Framework and Functions
Council Members
Report of the Council
Composition of Council
Boards/ Committees

GOVERNANCE FRAMEWORK AND FUNCTIONS



MIA COUNCIL CHARTER

The objectives of this Council Charter are to ensure that all Council Members of the Institute are aware of their duties and responsibilities as Council Members and the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all their designs in respect, and on behalf of the Institute.

The Council Charter sets out the composition, roles and responsibilities, processes and meeting procedures of the Council as per the Accountants Act 1967. Whilst the Charter serves as a structured guide, it is not intended to be, nor should it be construed as exhaustive.

INSTITUTE'S GOVERNANCE AND INTERNAL CONTROL STATEMENT

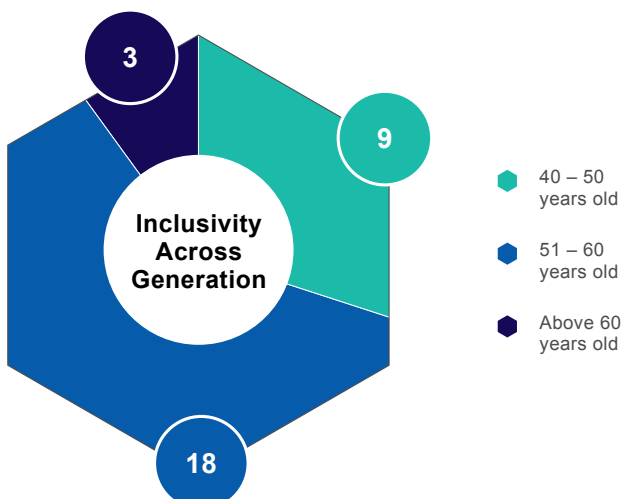
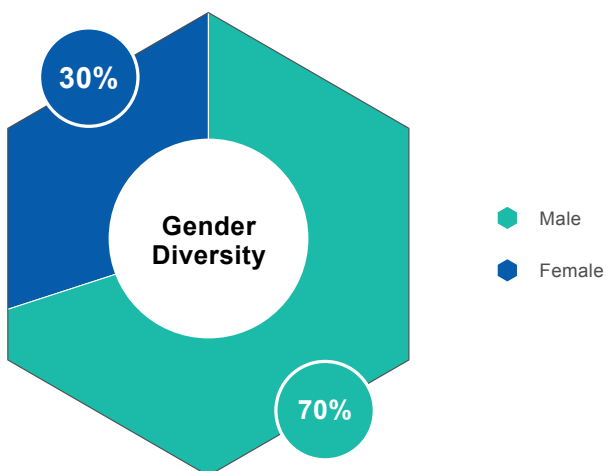
The following report outlines how the Institute has applied the main principles and best practices as set out in the relevant codes of corporate governance in order to discharge its duties and optimise assurance, independence and oversight. This statement also explains how management, controls and risk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

ENHANCING GOVERNANCE, EMBRACING ESG

The Institute is governed by a highly experienced and multistakeholder Council that represents the diverse interests of MIA's various stakeholders.

To enhance their governance of the Institute and enable MIA to develop and regulate the accountancy profession in the public interest, the Council provides oversight as per the Accountants Act 1967.

For the year under review, the Council embarked on implementing the ESG Agenda to support the business continuity, well-being and the future relevance of the profession.



DIVERSITY OF EXPERIENCE

Audit and Accounting

Assurance

Advisory

Academician

Corporate Finance

Corporate Advisory & Recovery

Governance

Information Technology

Leadership

Public Sector Accounting

Regulatory

Risk Management

Taxation

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COUNCIL MEMBERS

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COUNCIL MEMBERS

- 1 **Datuk Bazlan Osman**
President
8(1)(d)/Appointed
- 2 **Mohamad Faisal Abdul Malik**
Vice President
8(1)(g)/Elected
- 3 **Tuan Haji Rozaimi Idris**
Deputy Accountant General
(Corporate)
8(1)(a)/Appointed
- 4 **Ahmad Zahirudin Abdul Rahim**
Member
8(1)(f) /Appointed
- 5 **Assoc. Prof. Dr. Rosli Mohamad**
Member
8(1)(b) /Appointed
- 6 **Assoc. Prof. Dr. Mazlina Mustapha**
Member
8(1)(b) /Appointed
- 7 **Assoc. Prof. Dr. Zarina Zakaria**
Member
8(1)(b) /Appointed
- 8 **Chan Kuan Chee, James**
Member
8(1)(f) /Appointed
- 9 **Chong Dee Shiang, Teresa**
Member
8(1)(g) / Elected
- 10 **Dato' Gan Ah Tee**
Member
8(1)(c)/Appointed
- 11 **Dr. Zubir Azhar**
Member
8(1)(g) / Elected
- 12 **Foo Siak Chung, Kevin**
Member
8(1)(d) / Appointed
- 13 **Jeremy Nasrulhaq**
Member
8(1)(f) /Appointed
- 14 **Lim Chee Mei, Gladys**
Member
8(1)(d)/Appointed
- 15 **Lim Thiam Kee, Peter**
Member
8(1)(g) / Elected
- 16 **Norhafizah Md Shariff**
Member
8(1)(f) /Appointed

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COUNCIL MEMBERS

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Nurul A'in Abdul Latif
Member
8(1)(g) / Elected

18

Ong Chin Chuan
Member
8(1)(g) / Elected

19

Ooi Thiam Poh, Alex
Member
8(1)(f) / Appointed

20

**Prof. Datin Dr. Suzana
Sulaiman**
Member
8(1)(b) / Appointed

21

**Prof. Dato' Dr. Norman Mohd
Saleh**
Member
8(1)(b) / Appointed

22

Soo Hoo Khoon Yean
Member
8(1)(e) / Appointed

23

Tai Yoon Foo
Member
8(1)(g) / Elected

24

Tan Shium Jye, Terence
Member
8(1)(g) / Elected

25

Tang Seng Choon
Member
8(1)(g) / Elected

26

Tuan Haji Nasran Omar
Member
8(1)(f) / Appointed

27

**Wan Ahmad Ikram Wan
Ahmad Lotfi**
Member
8(1)(f) / Appointed

28

Wong Kay Yong
Member
8(1)(f) / Appointed

29

Yee Wing Peng
Member
8(1)(g) / Elected

30

Zarinah Othman
Member
8(1)(f) / Appointed

REGISTRAR

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Dato' Mohamad Azmi Ali

REPORT OF THE COUNCIL

COUNCIL

Pursuant to Section 9 of the Act, the general power of the Council is to manage the Institute and its funds. Specifically, as per Section 10 of the Act, the Council shall have the power to:

- Make By-Laws
- Appoint staff
- Take cognisance of anything affecting the Institute or professional conduct of its members
- Communicate with other similar bodies and with members of the profession in other places
- Establish branches
- Delegate in its absolute discretion any of its power, privileges and discretions
- Appoint Committees of the Institute
- Exercise all such powers, privileges and discretions which are not required to be exercised by members in the general meeting, and
- 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.

These are non-remunerated positions, and the Council members are serving purely in the public interest.

The Council is responsible for the oversight and governance of the Institute.

During the financial year, the Council conducted ten (10) meetings. During these meetings, amongst others, the Council deliberated on the following matters:

- Applications for Membership and Other Applications Related to Membership.
- Update on the Proposed New Accountants Act
- MIA Operational Plan & Budget – FY 2022/2023
- Approval of MIA Financial Statements for the Year Ended 30 June 2021
- Amortisation of Development Cost for MIA Competency Framework
- MIA's Response on AG's Proposal to Increase the Post-MIA Membership Duration to 3 Years for Audit Licence Application Purpose
- Mapping MIA's Roles on the Environmental, Social and Governance (ESG) Agenda
- Strengthening the Public Practice Sector and Small & Medium Practices.
- Approval of MIA Integrated Report 2021
- Recommendations from Boards/Committees
- Publication of the Decisions of the Disciplinary Committee and Disciplinary Appeal Board
- Publication of the Financial Statements Review & Practice Review Annual Reports 2020/2021
- Industry-Wide Electronic Bank Confirmation Platform
- Revision of Investment Policy Statement & Treasury Policy
- MIA Enterprise Risk Management
- Appointment of MIA Chief Executive Officer

OVERSIGHT COMMITTEE (OC)

The OC was established by the Council and is delegated by the Council to manage and deliberate on policies, business strategies and any major operational issues that need to be decided at the Council level.

The Terms of Reference of the OC were approved by the Council. The OC comprises of the Chairman who is the President, the Vice President, the Accountant General's nominee on the Council and another (3) Council members.

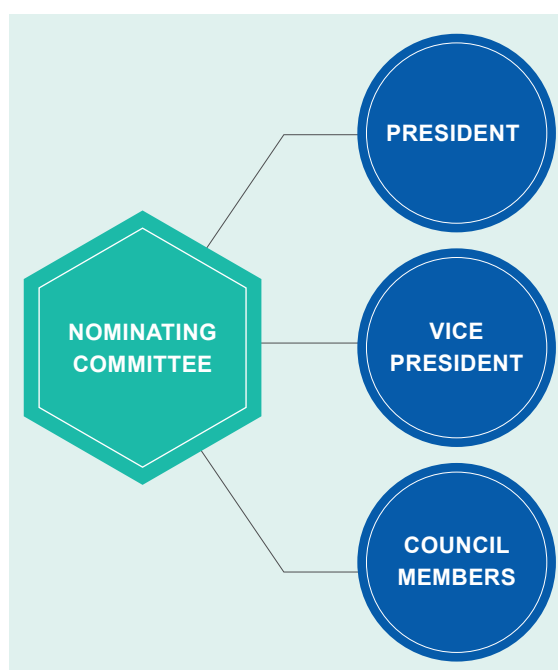
During the financial year the OC conducted nine (9) meetings and deliberated, amongst others the following matters:

Institute's Performance Review for FY2021/2022	Investments Other than Fixed Deposits
MIA's Operational Plan and Budget for 2021/2022	Update on Digital Economy Initiatives
Discussion on MIA's Investment Policy & Investments Other than Fixed Deposits	Amazon-Web Servers (AWS) Migration Approach
Operational Performance Report	Staff Matters
Continuing Professional Education (CPE) Activity Report and Plan	MIA Financial Statements for the Year Ended 30 June 2021
Presentation by Edelman on MIA Trust and Brand Survey Findings	Change of Cheque Signatories
Appointment of Vendors and Service Providers	Renewal of Johor Regional Office's Tenancy Agreement

REPORT OF THE NOMINATING COMMITTEE (NC)

The NC was set up by the Council primarily to establish a mechanism for the formal assessment of each candidate, before he/she is recommended to the Council for appointment to the Committees/Boards of the Institute or any other responsibility as directed by the Council. The Committee ensures that appointed members bring characteristics that satisfy the required mix of responsibilities, skills and experience.

The NC consists of the President, Vice President, four (4) Council members and a representative of the Accountant General's Department. The Committee shall meet as and when the Committee deems necessary. The Committee is chaired by a Council member from amongst the members of the Nominating Committee (with the exception of the President, Vice President and the representative from Accountant General's Department).



REPORT OF THE COUNCIL

During the financial year, the Committee conducted seven (7) meetings during which the Committee deliberated and made recommendations to the Council on matters including:

- Appointments and reappointment of Chairs & members to the Institute's Committees and Boards
- Appointment of MIA's Representatives in the Approved Company Auditors Interview Panel 2021/2022
- Revision of Board/Committee's Terms of Reference
- Appointment of Permanent Representative of MIA in the Accountant General's Jawatankuasa Pengawas Juruaudit dan Penyelesai Syarikat di bawah Akta Syarikat 2016
- Performance Evaluation of MIA Chief Executive Officer for FY2020/2021
- Approved Company Auditors Interview Panel: Policies and Processes on Nomination, Appointment & Reappointment
- Confirmation of Division Head's Performance Rating

AUDIT AND RISK MANAGEMENT COMMITTEE (ARMC)

The Council assumes the responsibility of maintaining a sound system of risk management and internal control to achieve its business objective and operational efficiency. The Council may delegate, but not abdicate, its responsibility to the ARMC.

AUTHORITY

The Terms of Reference of the ARMC can be viewed on the MIA website at www.mia.org.my.

KEY RESPONSIBILITIES

The ARMC reviews the financial statements and its reporting process, the system of internal controls, management of enterprise risks, the audit process, and the process of compliance with applicable laws and regulations.

MEETINGS

The quorum for a meeting of the ARMC shall be three (3) members.

The ARMC held four (4) meetings during the financial year, and members' attendances are disclosed above. The CEO and the Management Committee were invited to the ARMC meetings to provide explanations and insights to the ARMC on specific topics or issues arising from the relevant reports.

On 12 September 2022 the Committee members attended the exit conference meeting with Jabatan Audit Negara in relation to MIA Financial Statements for FY2021/2022.

SUMMARY OF ACTIVITIES

The activities of the ARMC during the Financial Year ended 30 June 2022 and up to the date of this Report comprised the following:

Financial Reporting

- Reviewed the half-yearly and annual financial statements of the Institute to ensure that the annual financial statements and disclosure requirements complied with the accounting standards, with special focus placed on the changes in accounting policies and significant and unusual events or transactions; and
- To safeguard the integrity of information, Mr Simon Tay Pit Eu (Executive Director, Professional Practices & Technical), who is the officer primarily responsible for the financial managements of the Institute, had given assurance to the ARMC that:
 - Appropriate accounting policies were adopted and applied consistently;
 - Prudent judgment and reasonable estimates were in accordance with the requirements set out in the MFRSs and IFRSs;
 - Adequate processes and controls were in place to enable effective and efficient financial reporting and disclosures under MFRSs and IFRSs; and
 - The Annual Financial Statements did not contain material misstatements but gave a true and fair view of the financial position of the Institute and the results of operations and cash flows of the Institute.

External Audit

- Reviewed the Audit Planning Memorandum, which focused on the scope of work for the year including new areas or new scope of audit emphases such as changes in laws and regulations, changes in systems, and audit timeline; and

- Reviewed the results of the audit, the relevant audit report, and the Management Letter, together with Management's responses and comments to the audit findings.
- Held a private discussion with Jabatan Audit Negara to exchange free and honest views and opinions without the presence of the Management.

Risks and Controls

The Council and Management are responsible for maintaining sound risk management and internal control systems that strengthen the Institute's control environment. During the financial year, the Committee carried out the following activities in overseeing the risks and controls of the Institute:

- Assessed the effectiveness of the Institute's policies and procedures regarding internal control systems by reviewing the work of the Internal Audit Department and external auditor (refer above) and regular reports from Management on risk management. The outcome of this assessment enabled the Council to determine if the Institute has adopted the necessary control mechanisms to monitor and comply with the Accountants Act 1967 and other regulatory requirements;
- The Institute's principal risks, risk profile, and remedial actions were reported to and deliberated by the ARMC on a half-yearly basis, a summary of which was reported to the Council for further comments or notation;
- Robust engagement with Management on the enterprise risk assessment process implemented, the risk profile as compiled, especially the top five (5) risks faced by the Institute;
- Relevant inputs and comments to ensure business risks were appropriately identified, evaluated in terms of risk rating and that pertinent remedial measures were deployed by Management to mitigate the risks to acceptable levels; and
- Internal control and risk-related matters which warranted the attention of the Council were recommended by the ARMC to the Council for its approval, whilst matters or decisions made within the ARMC's purview were escalated to the Council for its notation or actions, as the case may be.

Report of the ARMC

- Reviewed and approved the ARMC Report for incorporation in the Integrated Annual Report of the Institute for the financial year ended 30 June 2022.

MIA Enterprise Risk Management (ERM)

MIA ERM provides the necessary platform for the Management to evaluate the effects of current events, including those that trigger an event-driven re-assessment of business risk and the effectiveness of related controls. The Committee appraised the impact of changes in the control environment and ensured that material issues, if any, were escalated to the Council's attention.

Internal Audit Function

The mission of Internal Audit (IA) is to provide independent, objective assurance and consulting services designed to add value and improve the Institute's operations. IA helps MIA to accomplish its objectives by bringing in a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, controls, and governance processes.

The IA reports functionally to the ARMC and administratively to the CEO. To ensure that the responsibility of IA is fully discharged according to its Charter and the International Professional Practices Framework for Internal Audit, the ARMC reviewed the adequacy of the scope and resources of the IA function as well as the competency and experience of the internal auditors. The IA is not involved in the development or implementation of policy procedures or systems, while personnel in the IA department are independent of the activities they audit. The ARMC also approved the revised two (2) - year Internal Audit Plan (IAP) for FY2020/2021 and FY2021/2022, the work progress of which was reported by the IA to the ARMC for monitoring purpose.

Apart from conducting independent, regular, and systematic reviews of MIA's internal control system to ensure such a system continues to operate efficiently and effectively, the IA also follows up on Management's response to issues highlighted by the External Auditor in its Management Letter until closure. The IA function adopts a risk-based approach in scoping auditable areas in its annual internal audit plan for the Committee's approval before the commencement of internal audit work.

As part of a continuous assessment of the quality and conformance of the internal audit process by the IA Department against the International Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors Malaysia (IIA Malaysia), the Institute engaged an independent external team led by a Director who has successfully completed the IIA Inc. "Internal Assessor/Validator Accreditation Course" and the related examination necessary to achieve the Accreditation in Internal Quality Assessment/Validation, to evaluate and make the relevant recommendations for improvements in respect of the gaps noted in the internal audit and worked conducted. The IA Department has been taking actions to address the gaps and reporting the progress of actions to the ARMC quarterly.

The Committee deliberated on the IA reports and directed the Management to formulate and implement the necessary corrective actions to strengthen the risk management and internal control system, including the need to prevent recurrence of control lapses. Where deemed pertinent, the control deficiencies, including lapses and recommended action plans, were escalated to the Council for deliberation. The IA follows up on the issues reported to ensure agreed-upon actions are implemented by the Management.

COMPOSITION OF
THE COUNCIL

COMPOSITION OF COUNCIL

No. of Meetings: 10

NO.	COUNCIL MEMBERS	DESIGNATION	SECTION	STATUS	ATTENDANCE
1.	Datuk Bazlan Osman	President/ Chairman	8(1)(d)	Elected as President on 17 June 2022	8/10
2.	Mohamad Faisal Abdul Malik	Vice President	8(1)(g)	Elected as Vice President on 17 June 2022	10/10
3.	Ahmad Zahirudin Abdul Rahim	Member	8(1)(f)		10/10
4.	Andrew Heng	Member	8(1)(g)	Retired on 25 September 2021	3/3
5.	Assoc. Prof. Dr. Mazlina Mustapha	Member	8(1)(b)	Re-appointed on 1 August 2021	10/10
6.	Assoc. Prof. Dr. Rosli Mohamad	Member	8(1)(b)	Appointed on 1 December 2021	5/5
7.	Assoc. Prof. Dr. Zarina Zakaria	Member	8(1)(b)		7/10
8.	Assoc. Prof. Dr. Zuraeda Ibrahim	Past Vice President	8(1)(b)	Retired on 15 July 2021	0/0
9.	Chan Kuan Chee, James	Member	8(1)(f)	Re-appointed on 15 March 2022	10/10
10.	Chong Dee Shiang, Teresa	Member	8(1)(g)		9/10
11.	Dato' Gan Ah Tee	Member	8(1)(c)	Appointment changed from Section 8(1)(e) to 8(1)(c) on 28 May 2022	10/10
12.	Dr. Azrie Tamjis	Member	8(1)(f)	Retired on 14 January 2022	5/5
13.	Dr. Veerinderjeet Singh	Past President/ Chairman	8(1)(c)	Retired on 28 May 2022	9/9
14.	Dr. Zubir Azhar	Member	8(1)(g)		10/10
15.	Foo Siak Chung, Kevin	Member	8(1)(d)		9/10
16.	Jeremy Nasrulhaq	Member	8(1)(f)	Retired on 30 June 2022	7/10
17.	Leong Kah Mun	Member	8(1)(g)	Retired on 25 September 2021	2/3
18.	Lim Chee Mei, Gladys	Member	8(1)(d)	Re-appointed on 1 January 2022	10/10
19.	Lim Fen Nee	Member	8(1)(d)	Retired on 31 August 2021	2/2
20.	Lim Thiam Kee, Peter	Member	8(1)(g)		10/10
21.	Mohd Redzuan Hasan	Member	8(1)(a)	Retired on 10 April 2022	5/8
22.	Norhafizah Md Shariff	Member	8(1)(f)	Appointed on 15 March 2022	2/2
23.	Nurul A'in Abdul Latif	Member	8(1)(g)	Elected on 25 September 2021	5/7
24.	Ong Chee Wei	Member	8(1)(g)	Retired on 25 September 2021	3/3
25.	Ong Ching Chuan	Member	8(1)(g)		9/10
26.	Ooi Thiam Poh, Alex	Member	8(1)(f)	Re-appointed on 1 November 2021	10/10
27.	Prof. Datin Dr. Suzana Sulaiman	Member	8(1)(b)	Appointed on 1 August 2021	6/7
28.	Prof. Dato' Dr. Norman Mohd Saleh	Member	8(1)(b)	Re-appointed on 1 August 2021	10/10
29.	Prof. Dr. Nor Aziah Abd Manaf	Member	8(1)(b)	Retired on 30 November 2021	4/4
30.	Soo Hoo Khoon Yean	Member	8(1)(e)	Appointed on 15 June 2022	0/0
31.	Tai Yoon Foo	Member	8(1)(g)		8/10
32.	Tang Seng Choon	Member	8(1)(g)	Elected on 25 September 2021	7/7
33.	Tan Shium Jye, Terence	Member	8(1)(g)	Elected on 25 September 2021	7/7
34.	Tuan Haji Nasran Omar	Member	8(1)(f)	Re-appointed on 1 November 2021	10/10
35.	Tuan Haji Rozaimi Idris	Member	8(1)(a)	Appointed on 11 April 2022	1/2
36.	Wan Ahmad Ikram Wan Ahmad Lotfi	Member	8(1)(f)	Re-appointed on 1 November 2021	8/10
37.	Wong Kay Yong	Member	8(1)(f)	Appointed on 15 March 2022	1/2
38.	Yee Wing Peng	Member	8(1)(g)		8/10
39.	Zarinah Othman	Member	8(1)(f)		10/10

COMPOSITION OF THE COUNCIL

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NOMINATING COMMITTEE

No. of Meetings: **7**

NO.	COUNCIL MEMBERS	DESIGNATION	STATUS	ATTENDANCE
1.	Ahmad Zahirudin Abdul Rahim	Chairman		7/7
2.	Datuk Bazlan Osman	President	Elected as President on 17 June 2022. Previously served on Nominating Committee in capacity as Vice President (w.e.f 30 July 2021)	5/6
3.	Mohamad Faisal Abdul Malik	Vice President	Elected as Vice President on 17 June 2022	0/0
4.	Assoc. Prof. Dr. Zuraeda Ibrahim	Member	Retired on 15 July 2021	0/0
5.	Dr. Veerinderjeet Singh	Member	Retired on 28 May 2022	7/7
6.	Lim Thiam Kee, Peter	Member		7/7
7.	Mohd Redzuan Hasan	Member	Retired on 10 April 2022	5/6
8.	Ooi Thiam Poh, Alex	Member	Appointed on 28 October 2021	2/4
9.	Prof. Dato' Dr. Norman Mohd Saleh	Member		7/7
10.	Tuan Haji Rozaimi Idris	Member	Appointed on 27 May 2022	0/0

OVERSIGHT COMMITTEE

No. of Meetings: **9**

NO.	COUNCIL MEMBERS	DESIGNATION	STATUS	ATTENDANCE
1.	Datuk Bazlan Osman	President/ Chairman	Elected as President on 17 June 2022. Previously served on OC in capacity as Vice President (w.e.f 30 July 2021).	7/8
2.	Mohamad Faisal Abdul Malik	Vice President	Elected as Vice President on 17 June 2022	0/0
3.	Assoc. Prof. Dr. Zuraeda Ibrahim	Member	Retired on 15 July 2021	1/1
4.	Dato' Gan Ah Tee	Member	Re-appointed on 28 October 2021	9/9
5.	Dr. Veerinderjeet Singh	Member	Retired on 28 May 2022	8/9
6.	Jeremy Nasrulhaq	Member	Retired on 30 June 2022	9/9
7.	Lim Fen Nee	Member	Retired on 31 August 2021	3/3
8.	Mohd Redzuan Hasan	Member	Retired on 10 April 2022	7/8
9.	Tuan Haji Rozaimi Idris	Member	Appointed as OC member on 11 April 2022 by virtue of appointment as the Accountant General's nominee on the MIA Council	0/1

AUDIT AND RISK MANAGEMENT COMMITTEE

No. of Meetings: **4**

NO.	COUNCIL MEMBERS	DESIGNATION	STATUS	ATTENDANCE
1.	Chong Dee Shiang, Teresa	Chairperson	Re-appointed as Chairman on 1/12/2021	4/4
2.	Lee Min On	Member	Re-appointed as a member on 1/12/2021	4/4
3.	Dr. Zarina Zakaria	Member	Re-appointed as a member on 1/12/2021	1/4
4.	Ong Ching Chuan	Member	Appointed as a member on 1/12/2021	1/2
5.	Lim Chee Mei, Gladys	Member	Appointed as a member on 15/1/2022	2/2
6.	Ong Chee Wai	Member	Retired as a member on 26/9/2021	2/2
7.	Dr. Azrie Tamjis	Member	Retired as a member on 14/1/2022	2/2

Governance
Framework and
FunctionsCouncil
MembersReport of the
CouncilComposition of
Council**Boards/
Committees**

BOARDS/ COMMITTEES

STATUTORY

NO.	COMMITTEE	CHAIRMAN	NO OF MEMBERS (INCLUDING OBSERVERS)
1.	Disciplinary Appeal Board	Prof. Dato' Dr. Norman Mohd Saleh	3
2.	Disciplinary Committee	Chan Kuan Chee, James	4
3.	Examination Committee	Dr. Zubir Azhar	8
4.	Investigation Committee	Tang Seng Choon	4

NON-STATUTORY

NO.	COMMITTEE	CHAIRMAN	NO OF MEMBERS (INCLUDING OBSERVERS)
1.	ASEAN CPA Monitoring Committee	Datuk Bazlan Osman	4
2.	Audit & Risk Management Committee	Chong Dee Shiang, Teresa	4
3.	Auditing and Assurance Standards Board	Teoh Soo Hock	16
4.	Capital Market Advisory Committee	Teoh Soo Hock	18
5.	Digital Technology Implementation Committee	Lim Fen Nee	16
6.	Education Board	Tan Sri Abdul Samad Alias	15
7.	Ethics Standards Board	Dr. Mohd Nizam Mohd Ali	11
8.	Financial Statements Review Committee	Irvin Menezes	15
9.	Insolvency Practice Committee	Dato' Gan Ah Tee	13
10.	Integrated Reporting Steering Committee	Wan Ahmad Ikram Wan Ahmad Lotfi	17
11.	Islamic Finance Committee	Mohd Muazzam Mohamed	9
12.	MIA – MQA Joint Technical Committee	Jeremy Nasrulhaq	12
13.	Nominating Committee	Ahmad Zahirudin Abdul Rahim	6
14.	Oversight Committee	Datuk Bazlan Osman	4
15.	Practice Review Committee	Lim Thiam Kee, Peter	8
16.	Professional Accountants in Business Committee	Wan Ahmad Ikram Wan Ahmad Lotfi	20
17.	Public Practice Committee	Ong Ching Chuan	18
18.	Public Sector Accounting Committee	Datuk Dr. Yacob Mustafa	12
19.	Small and Medium Practice Committee	<i>None appointed</i>	11
20.	Taxation Practice Committee	Yee Wing Peng	14
21.	Valuation Committee	Dato' Wong Wing Seong	12
22.	Johor Regional Committee	Manohar Benjamin Johnson	8
23.	Northern Regional Committee	Kim Chin Kuang	8
24.	Sabah Regional Committee	Dionysia @ Audrey Aloysius Kibat	8
25.	Sarawak Regional Committee	Jackson Lim Zune Shing	8



FINANCIAL STATEMENTS

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CERTIFICATE OF THE AUDITOR GENERAL



CERTIFICATE OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF MALAYSIAN INSTITUTE OF ACCOUNTANTS FOR THE YEAR ENDED 30 JUNE 2022

Certificate on the Audit of the Financial Statements

Opinion

I have audited the Financial Statements of the Malaysian Institute of Accountants. The financial statements comprise the Statement of Financial Position as at 30 June 2022 of the Malaysian Institute of Accountants and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Accumulated Fund and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 72 to 106.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Malaysian Institute of Accountants as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the Accountants Act 1967 [Act 94] requirements.

Basis for Opinion

The audit was conducted in accordance with the Audit Act 1957 and the International Standards of Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my certificate. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Independence and Other Ethical Responsibilities

I am independent of the Malaysian Institute of Accountants and I have fulfilled my other ethical responsibilities in accordance with the International Standards of Supreme Audit Institutions.

CERTIFICATE OF THE AUDITOR GENERAL

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Key Audit Matter

Key Audit Matter is the matter that, in my professional judgement, was of most significance in the audit of the Financial Statements of the Malaysian Institute of Accountants for the current year. This matter was addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

KEY AUDIT MATTER	HOW THE MATTER IS ADDRESSED IN MY AUDIT
Accuracy of Income Recognition	
<p>Refer to Note 2.4(j)(i) and Note 15 to the Financial Statements of the Malaysian Institute of Accountants, the main sources of income for the Malaysian Institute of Accountants are membership subscription fees and income from events and conferences. These sources of income total RM30,098,193 for the financial year ended 30 June 2022 (2021: RM28,519,396).</p> <p>I focused on the accuracy of these incomes as they represent significant components of the Malaysian Institute of Accountants' revenue and involve large volumes of transactions.</p>	<p>Audit procedures include, among others:</p> <ul style="list-style-type: none"> a) obtained an understanding of the systems, processes and controls in place over the accuracy and timing of income recognised in the financial statements and performed testing over key controls; b) developed an expectation of the current year members' annual subscription fees by reconciling the number of members for the year multiplied with the annual subscription fee charged, and comparing the expectation against the actual members' annual subscription fees recognised for the current financial year; c) reviewed reconciliation of income amount for events and conferences between the accounting system and the MIA Membership Information System prepared by the management; d) checked to selected samples of invoices and agreed the number of participants and event fees charged against each attendance report of the particular events; e) performed income cut-off testing; and f) evaluated the appropriateness of the accounting policies for income recognition.

CERTIFICATE OF THE AUDITOR GENERAL

Information Other than the Financial Statements and Auditor's Certificate Thereon

The Council of the Malaysian Institute of Accountants is responsible for the other information in the Annual Report. My opinion on the Financial Statements of the Malaysian Institute of Accountants does not cover the other information than the financial statements and Auditor's Certificate thereon and I do not express any form of assurance conclusion thereon.

Responsibilities of the Council for the Financial Statements

The Council is responsible for the preparation of Financial Statements of the Malaysian Institute of Accountants that give a true and fair view in accordance with the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the Accountants Act 1967 [Act 94] requirements. The Council is also responsible for such internal control as the Council determines is necessary to enable the preparation of the Financial Statements of the Malaysian Institute of Accountants that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements of the Malaysian Institute of Accountants, the Council is responsible for assessing the Malaysian Institute of Accountants' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the Financial Statements of the Malaysian Institute of Accountants as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards of Supreme Audit Institutions will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards of Supreme Audit Institutions, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- a. identify and assess the risks of material misstatement of the Financial Statements of the Malaysian Institute of Accountants, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material

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misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- b. obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Malaysian Institute of Accountants' internal control;
- c. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council;
- d. conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Malaysian Institute of Accountants' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my Auditor's Certificate to the related disclosures in the Financial Statements of the Malaysian Institute of Accountants or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the Auditor's Certificate. However, future events or conditions may cause the Malaysian Institute of Accountants to cease to continue as a going concern; and
- e. evaluate the overall presentation, structure and content of the Financial Statements of the Malaysian Institute of Accountants, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The Council has been informed regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I have identified during the audit.

I have also disclosed to the Council that I have complied with the ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and if applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Council, I determine the matter that was of most significance in the audit of the Financial Statements of the Malaysian Institute of Accountants for the current year and is therefore the Key Audit Matter. I describe the matter in our Auditor's Certificate unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in our certificate because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CERTIFICATE OF THE AUDITOR GENERAL

Other Matters

This certificate is made solely to the Council of the Malaysian Institute of Accountants in accordance with the Accountants Act 1967 [Act 94] requirements, and for no other purpose. I do not assume responsibility to any other person for the content of this certificate.



(NOR AZIAN BINTI NORDIN)
ON BEHALF OF AUDITOR GENERAL

PUTRAJAYA
15 SEPTEMBER 2022



STATEMENT BY THE COUNCIL

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We, Datuk Bazlan bin Osman and Chong Dee Shiang, being the President and a Council member, respectively, of the MALAYSIAN INSTITUTE OF ACCOUNTANTS, do hereby state that, in the opinion of the Council, the accompanying financial statements are properly drawn up in accordance with the provisions of the Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Institute as at 30 June 2022 and of its results and cash flows for the financial year then ended.

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

DATUK BAZLAN BIN OSMAN
PRESIDENT

CHONG DEE SHIANG
COUNCIL MEMBER

29 July 2022
Kuala Lumpur

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

I, Tay Pit Eu, 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 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.

TAY PIT EU
C.A. (M) 14358

Subscribed and solemnly declared by the above named
Tay Pit Eu at Kuala Lumpur in Wilayah Persekutuan
on 29 July 2022

Before me,



No. 2-8, 2nd Floor Wisma Korwa
No 40 & 42, Jalan Tun Perak
(Lebuh Ampang)
50050 Kuala Lumpur

STATEMENT OF
FINANCIAL POSITION

as at 30 June 2022

	Note	2022 RM	2021 RM
Assets			
Non-current assets			
Property, plant and equipment	3	23,713,080	24,981,665
Intangible assets	4	1,567,670	1,775,905
Investments at amortised cost	5	6,500,000	2,000,000
Investment in unquoted shares	6	7,458	7,458
		31,788,208	28,765,028
Current assets			
Inventories	7	59,824	52,405
Receivables, deposits and prepayments	8	2,181,334	2,809,218
Subscription receivables	9	-	24,050
Current tax recoverable		-	120,000
Investment at amortised cost	5	5,000,000	5,000,000
Fixed deposits with licensed financial institutions	10	18,920,611	18,242,361
Cash and bank balances		7,280,051	4,399,969
		33,441,820	30,648,003
Total assets		65,230,028	59,413,031
Non-current liabilities			
Lease liabilities	11	39,527	125,473
Current liabilities			
Lease liabilities	11	85,975	159,814
Payables and accruals	12	9,049,777	7,263,481
Contract liabilities	13	3,831,872	2,013,156
Deferred income - government grants	14	265,269	265,269
Current tax payable		161,000	-
		13,393,893	9,701,720
Total liabilities		13,433,420	9,827,193
Total net assets		51,796,608	49,585,838
Accumulated fund		51,796,608	49,585,838

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 30 June 2022

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	Note	2022 RM	2021 RM
Revenue from contracts with customers	15	35,033,773	32,928,150
Other income	16	1,392,395	2,028,210
Total income		36,426,168	34,956,360
Less:			
Depreciation of property, plant and equipment	3	(1,651,476)	(1,613,290)
Amortisation of intangible assets	4	(390,237)	(239,977)
Expenses for events and conferences (excluding employee benefits)	17	(5,234,435)	(4,914,276)
Employee benefits	18	(20,923,188)	(19,094,007)
Membership services		(881,382)	(1,156,418)
Net loss on impairment of receivables		(223,336)	(319,295)
Interest on lease liabilities		(8,926)	(15,177)
Other operating expenses	19	(4,741,418)	(4,750,061)
Total expenses		(34,054,398)	(32,102,501)
Surplus before tax		2,371,770	2,853,859
Taxation	21	(161,000)	-
Surplus for the financial year, representing total comprehensive income for the financial year		2,210,770	2,853,859

STATEMENT OF CHANGES IN ACCUMULATED FUND

for the financial year ended 30 June 2022

	RM
At 1 July 2020	46,731,979
Surplus for the financial year, representing total comprehensive income for the financial year	2,853,859
At 30 June 2021/1 July 2021	49,585,838
Surplus for the financial year, representing total comprehensive income for the financial year	2,210,770
At 30 June 2022	51,796,608

STATEMENT OF
CASH FLOWS

for the financial year ended 30 June 2022

	Note	2022 RM	2021 RM
Cash flows from operating activities			
Receipts from members and non-members		38,018,557	34,553,088
Payments for expenditure		(31,197,216)	(30,259,665)
Cash generated from operations		6,821,341	4,293,423
Government grant received		1,140,750	-
Management fees received		28,000	18,000
Tax refunded		120,000	120,000
Net cash flow generated from operating activities		8,110,091	4,431,423
Cash flows from investing activities			
(Placements)/withdrawals of fixed deposits with licensed financial institutions maturing exceeding 3 months		(6,336,371)	6,165,881
Placements of investments at amortised cost		(4,500,000)	(7,000,000)
Purchase of property, plant and equipment and acquisition of intangible assets (Note A)		(555,139)	(1,603,363)
Interest received		672,091	653,227
Net cash flow used in investing activities		(10,719,419)	(1,784,255)
Cash flows from financing activities			
Interest on lease liabilities	11	(8,926)	(15,177)
Payments of lease liabilities	11	(159,785)	(190,167)
Net cash flow used in financing activities		(168,711)	(205,344)
Net (decrease)/increase in cash and cash equivalents		(2,778,039)	2,441,824
Cash and cash equivalents at beginning of financial year		10,058,090	7,616,266
Cash and cash equivalents at end of financial year		7,280,051	10,058,090
Analysis of cash and cash equivalents:			
Cash in hand		10,631	7,895
Bank balances		7,269,420	4,392,074
Fixed deposits with licensed financial institutions maturing not exceeding 3 months	10	-	5,658,121
		7,280,051	10,058,090
Note A: Purchase of property, plant and equipment and acquisition of intangible assets			
Purchase of property, plant and equipment during the financial year		382,976	625,704
Acquisition of intangible assets during the financial year		182,002	997,576
Add: Unpaid purchases as at previous financial year end		89,217	69,300
		654,195	1,692,580
Less: Unpaid purchases as at financial year end		(99,056)	(89,217)
		555,139	1,603,363

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2022

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1. GENERAL INFORMATION

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

- (a) to determine the qualifications of persons for admission as members;
- (b) 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;
- (c) to approve the Malaysian Institute of Accountants Qualifying Examination and to regulate and supervise the conduct of that Examination;
- (d) to regulate the practice of the profession of accountancy in Malaysia;
- (e) to promote, in any manner it thinks fit, the interests of the profession of accountancy in Malaysia;
- (f) 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
- (g) generally, to do such acts as it thinks fit for the purpose of achieving any of the aforesaid objectives.

There has been no significant change in the nature of these objectives and activities during the financial year.

The registered office of the Institute is located at Dewan Akauntan, Unit 33-01, Level 33, Tower A, The Vertical, Avenue 3, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The financial statements were authorised for issue by the Council in accordance with a resolution of the Council on 29 July 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Institute have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The financial statements of the Institute have been prepared under the historical cost basis, unless otherwise stated in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Institute's functional currency.

2.2 NEW AND REVISED PRONOUNCEMENTS ADOPTED

The Institute has applied the following new and amended standards and interpretations for the first time for its annual reporting period commencing 1 July 2021:

Effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, MFRS 139, MFRS 7 and MFRS 16 *Leases (Interest Rate Benchmark Reform Phase 2)*

Effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16 (Covid-19-Related Rent Concessions beyond 30 June 2021)

The initial application of amendments to MFRSs did not have any significant impact on the Institute's financial statements for the current and any prior period and the amendments are not likely to materially affect future periods.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 NEW AND REVISED PRONOUNCEMENTS YET IN EFFECT

The accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") which are expected to be applicable and have not been adopted by the Institute are as follows:

Effective for annual periods beginning on or after 1 January 2022

- MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards - Annual Improvements to MFRS Standards 2018–2020
- MFRS 9 - Annual Improvements to MFRS Standards 2018–2020
- Amendments to MFRS 116 Property, Plant and Equipment (Property, Plant and Equipment -Proceeds before Intended Use)
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts - Cost of Fulfilling a Contract)

Effective for annual periods beginning on or after 1 January 2023

- Amendments to MFRS 101 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 (Disclosure of Accounting Policies)
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)
- Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Institute does not anticipate that the application of the above new and revised pronouncements will have any material impact on the Institute's financial statements.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

(a) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that the future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which it is located. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

When significant parts of plant and equipment are required to be replaced at intervals, the Institute depreciates them separately based on their specific useful lives. The net carrying amount of the replaced part is derecognised when the replacement occurs. All other repairs and maintenance are recognised in profit or loss as incurred.

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for the financial year ended 30 June 2022

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment and depreciation (cont'd)

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Work-in-progress is not depreciated until the assets are ready for their intended use. Depreciation of other property, plant and equipment is provided for on the straight-line basis to write off the cost of each asset according to its estimated useful life as follows:

Office equipment	10 years
Furniture and fittings	10 years
Computer equipment	3 years
Renovation	10 years

A right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful lives of the right-of-use assets or the end of lease term for the current and comparative periods are as follows:

Leasehold properties	50 years
Rented properties	2 to 5 years
Office equipment	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. In addition, a right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

(b) Intangible assets

(i) Computer software

Computer software is measured initially at cost. Following initial acquisition, computer software is measured at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of computer software are assessed to be finite. Computer software are amortised over their estimated useful lives of 3 to 7 years and assessed for impairment whenever there is an indication that the computer software may be impaired. The amortisation period and the amortisation method are reviewed at each financial year end. The amortisation expense on computer software is recognised in profit or loss.

NOTES TO THE
FINANCIAL STATEMENTS

for the financial year ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(b) Intangible assets (cont'd)****(i) Computer software (cont'd)**

Gain or loss arising from derecognition of computer software is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss when the computer software is derecognised.

(ii) Development expenditure

Costs incurred on development are recognised as intangible assets when the following criteria are fulfilled:

- (i) It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (ii) management intends to complete the intangible asset and use or sell it;
- (iii) there is an ability to use or sell the intangible asset;
- (iv) it can be demonstrated that the intangible asset will generate probable future economic benefits;
- (v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- (vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditure that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

The development expenditure represents the Institute's development of the MIA Competency Framework and was capitalised based on performance milestones subject to the satisfaction of the Institute.

The development expenditure, which has definite useful life, is initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment loss, if any.

Capitalised development costs recognised as intangible assets will be amortised from the point at which the assets are ready for use on the straight-line basis over their useful lives. The development cost of the MIA Competency Framework is amortised over 10 years.

The amortisation period and amortisation method are reviewed at the end of each reporting period. The effects of any revision are recognised in profit or loss when changes arise. Where an indication of impairment exists, the carrying amount of the development expenditure is assessed and written down immediately to its recoverable amount.

(iii) Work-in-progress

Work-in-progress is not depreciated until the assets are ready for their intended use.

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for the financial year ended 30 June 2022

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Inventories

Inventories such as publications are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and the estimated costs necessary to make the sale.

(d) Receivables

Refer to Notes 2.4(f) on financial instruments and 2.4(g) on impairment of receivables.

(e) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash in hand, bank balances, deposits with licensed financial institutions with original maturities not exceeding 3 months and other short-term 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.

(f) Financial instruments

(i) Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Institute changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

- **Amortised cost**

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE
FINANCIAL STATEMENTS

for the financial year ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

• **Fair value through other comprehensive income**

This relates to an investment in equity that is not held for trading where the Institute irrevocably elects to measure at fair value and subsequent changes in the investment's fair value in other comprehensive income.

This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

Financial liabilities

The categories of financial liabilities are as follows :

• **Fair value through profit or loss**

The Institute does not hold any financial liabilities measured at fair value through profit or loss.

• **Amortised cost**

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gains or losses on derecognition are also recognised in profit or loss.

(iii) Derecognition

A financial asset is derecognised when the risks and rewards relating to the financial asset have expired or had been fully transferred or had been partially transferred with no control over the same. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received is recognised in profit or loss.

A financial liability is derecognised when the obligation specified in the contract expires or is either discharged or cancelled. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Institute currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(g) Impairment of receivables

Amount due from participants of events and conferences

The Institute applies the simplified approach to measure the lifetime expected credit losses on receivables using a provision matrix with reference to historical credit loss experience and adjust historical loss rates to reflect information about current conditions, and reasonable and supportable forecasts of future economic conditions.

An impairment loss in respect of receivables is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

Subscription receivables

Subscription receivables for 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 profit or loss. Subsequent recovery is taken up on a cash receipt basis.

Members who have ongoing investigation and disciplinary proceedings instituted against them and whose subscriptions are in arrears for more than 6 months will not be removed from the Register of Members. 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 receipt basis.

(h) Contract liabilities

A contract liability is stated at cost and represents the obligation to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customer.

(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 that compensate the Institute for expenses incurred are recognised as income over the periods to match the cost that the grants are intended to compensate.

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FINANCIAL STATEMENTS

for the financial year ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of their parties. The Institute recognises revenue when (or as) it transfers control over a good or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Institute transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- The customer simultaneously receives and consumes the benefits provided as the Institute performs;
- The Institute's performance creates or enhances an asset that the customer controls as the asset is created and enhanced; or
- The Institute's performance does not create an asset with an alternative use and the Institute has an enforceable right to payment for performance completed to date.

Membership subscription and practising certificate fees are receivable by the Institute annually at the beginning of the financial year. As member simultaneously receives and consumes the benefits of goods and services as provided over twelve months, such revenue is recognised over time. Subscriptions relating to periods beyond the current financial year is recognised as contract liabilities in the statement of financial position.

Membership admission is recognised upon approval by the Council. Membership subscription and admission fees received during the financial year but approved for admission beginning of next financial year at the reporting date are taken up as contract liabilities in the statement of financial position.

Income from events and conferences is recognised upon the delivery of the events and conferences. Advanced payments received from events and conferences are recognised as contract liabilities in the statement of financial position.

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 when the examination is held. Tuition fees are recognised over the tuition term.

Income from advertisements placed in the Institute's publications is recognised over the advertisement period. Sponsorship income is recognised based on the delivery timing of the performance obligations. Cash received for advertisements and sponsorships that takes place before the performance obligation and that is received in advance is taken up as contract liabilities.

NOTES TO THE FINANCIAL STATEMENTS

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Revenue and other income (cont'd)

(ii) Interest income

Interest income is recognised based on an effective yield basis.

(k) Taxation

(i) Current tax

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

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except for the deferred tax liability that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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, except for the deferred tax asset that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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 realised.

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 realised.

NOTES TO THE
FINANCIAL STATEMENTS

for the financial year ended 30 June 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(k) Taxation (cont'd)****(ii) Deferred tax**

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 profit or loss 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 a 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.

(l) Employee benefits**(i) Short-term employee benefits**

Wages, salaries, bonuses, social security contributions and other benefits 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 contribution plans

Defined contribution plans are post-employment benefit plans under which the Institute pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss in the period in which the related service is performed. As required by law in Malaysia, such contributions are made to the Employees Provident Fund ("EPF").

(m) Foreign currency transactions and balances

Transactions in foreign currencies are translated into Ringgit Malaysia, which is also the 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Leases

(i) Definition of a lease

At inception of a contract, the Institute assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Institute assesses whether:

- (a) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified;
- (b) the Institute has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- (c) the Institute has the right to direct the use of the asset. The Institute has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Institute has the right to direct the use of the asset if either:
 - the Institute has the right to operate the asset; or
 - the Institute has designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Institute allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

(ii) Recognition, initial measurement and subsequent measurement

As a lessee

The Institute recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are presented in property, plant and equipment in the statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Institute's incremental borrowing rate. Generally, the Institute uses its incremental borrowing rate as the discount rate.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Leases (cont'd)

(ii) Recognition, initial measurement and subsequent measurement (cont'd)

As a lessee (cont'd)

Lease payments included in the measurement of the lease liability comprise:

- (a) fixed payments, including in-substance fixed payments;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (c) amounts expected to be payable under a residual value guarantee; and
- (d) the exercise price under a purchase option that the Institute is reasonably certain to exercise, lease payments in an option renewal period of the Institute is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Institute is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Institute's estimate of the amount expected to be payable under a residual value guarantee or if the Institute changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Institute has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets below RM20,000. The Institute recognises the lease payments associated with these leases as an expense on the straight-line basis over the lease term.

(o) Borrowing costs

Borrowing costs consist of interest in respect of lease liabilities which is recognised in profit or loss in the period they are incurred.

(p) Operating segments

An operating segment is a component of the Institute that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Institute's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Institute, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Sources of estimation uncertainty

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 the 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. 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.

The carrying amounts of the Institute's property, plant and equipment at the reporting date are disclosed in Note 3.

For intangible assets, changes in the expected useful lives or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate and are treated as changes in accounting estimates. The carrying amounts of the intangible assets at the reporting date are disclosed in Note 4.

(ii) Income taxes and deferred tax

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.

While the Institute's estimates on the realisation and settlement of temporary differences and the realisation of unutilised tax losses 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 is recognised in profit or loss in the period in which actual realisation and settlement occurs.

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3. PROPERTY, PLANT AND EQUIPMENT

	Right- of-use asset RM	Computer equipment RM	Renovation RM	Furniture and fittings RM	Office equipment RM	Total RM
Cost						
At 1 July 2021	23,638,498	1,931,341	3,208,687	1,889,180	2,910,110	33,577,816
Additions	-	382,976	-	-	-	382,976
Write-offs	-	(927,495)	-	-	(300)	(927,795)
At 30 June 2022	23,638,498	1,386,822	3,208,687	1,889,180	2,909,810	33,032,997
Accumulated depreciation						
At 1 July 2021	3,424,757	1,318,000	1,539,537	898,947	1,414,910	8,596,151
Charge for the financial year	613,338	263,430	307,150	184,371	283,187	1,651,476
Write-offs	-	(927,411)	-	-	(299)	(927,710)
At 30 June 2022	4,038,095	654,019	1,846,687	1,083,318	1,697,798	9,319,917
Net carrying amount at 30 June 2022	19,600,403	732,803	1,362,000	805,862	1,212,012	23,713,080
Cost						
At 1 July 2020	23,544,324	1,528,629	3,173,687	1,886,350	2,888,303	33,021,293
Additions	94,174	551,067	35,000	2,830	36,807	719,878
Write-offs	-	(148,355)	-	-	(15,000)	(163,355)
At 30 June 2021	23,638,498	1,931,341	3,208,687	1,889,180	2,910,110	33,577,816
Accumulated depreciation						
At 1 July 2020	2,777,219	1,318,095	1,234,429	714,371	1,142,191	7,186,305
Adjustment	-	(45,342)	-	-	-	(45,342)
Charge for the financial year	647,538	193,551	305,108	184,576	282,517	1,613,290
Write-offs	-	(148,304)	-	-	(9,798)	(158,102)
At 30 June 2021	3,424,757	1,318,000	1,539,537	898,947	1,414,910	8,596,151
Net carrying amount at 30 June 2021	20,213,741	613,341	1,669,150	990,233	1,495,200	24,981,665

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3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Right-of-use assets

	Leasehold properties RM	Rented properties RM	Office equipment RM	Total RM
Cost				
At 1 July 2021 / 30 June 2022	22,797,454	625,949	215,095	23,638,498
Accumulated depreciation				
At 1 July 2021	2,860,033	386,082	178,642	3,424,757
Charge for the financial year	455,948	132,043	25,347	613,338
At 30 June 2022	3,315,981	518,125	203,989	4,038,095
Net carrying amount at 30 June 2022	19,481,473	107,824	11,106	19,600,403
Cost				
At 1 July 2020	22,797,454	531,775	215,095	23,544,324
Additions	-	94,174	-	94,174
At 30 June 2021	22,797,454	625,949	215,095	23,638,498
Accumulated depreciation				
At 1 July 2020	2,404,085	254,040	119,094	2,777,219
Charge for the financial year	455,948	132,042	59,548	647,538
At 30 June 2021	2,860,033	386,082	178,642	3,424,757
Net carrying amount at 30 June 2021	19,937,421	239,867	36,453	20,213,741

As at end of the financial year, the Institute has yet to receive the strata titles for the leasehold properties. The leasehold office suite in Kuala Lumpur is depreciated over 50 years based on the estimated economic useful life of the office although the lease term is 90 years at the vacant possession date.

Included in property, plant and equipment are fully depreciated assets which are still in use, with cost totalling RM612,897 (2021: RM1,300,031).

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4. INTANGIBLE ASSETS

	2022 RM	2021 RM
Computer software		
Cost		
At beginning of the financial year	2,358,848	1,361,272
Additions during the financial year	-	997,576
At end of the financial year	2,358,848	2,358,848
Accumulated amortisation		
At beginning of the financial year	979,351	783,419
Amortisation for the financial year	346,192	195,932
At end of the financial year	1,325,543	979,351
Net carrying amount at end of financial year	1,033,305	1,379,497
Development expenditure		
Cost		
At beginning/end of the financial year	440,453	440,453
Accumulated amortisation		
At beginning of the financial year	44,045	-
Amortisation for the financial year	44,045	44,045
At end of the financial year	88,090	44,045
Net carrying amount at end of financial year	352,363	396,408
Work-in-progress		
Cost		
At beginning of the financial year	-	-
Additions during the financial year	182,002	-
At end of the financial year	182,002	-
Net carrying amount at end of financial year	182,002	-
Total	1,567,670	1,775,905

The computer software represents the costs of software acquired, including all directly attributable costs of preparing the assets for their intended use. These costs are amortised on the straight-line basis over the estimated useful lives of 3 to 7 years.

The development expenditure represents the Institute's development of the MIA Competency Framework. The capitalised development cost is amortised on the straight-line basis over 10 years based on the estimated useful life of the asset. Amortisation commenced during the previous financial year upon the issuance of the MIA Competency Framework.

The work-in-progress is in respect of website development and data analytics projects.

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5. INVESTMENTS AT AMORTISED COST

	2022 RM	2021 RM
Placements of funds in institutional trust accounts		
Current	5,000,000	5,000,000
Non-current	6,500,000	2,000,000
	11,500,000	7,000,000

The Institute placed funds in institutional trust accounts maintained with a Malaysian trustee company wholly-owned by the Government of Malaysia. The trustee acts as a fiduciary agent on behalf of the Institute for the purpose of administration and management of assets specifically cash which will be invested for the benefit of trustor as established in the Trust Deed. The placements are capital guaranteed. Placements have been made for a duration between 12 and 36 months (2021: 12 and 36 months) and the net interest rate after management fee ranges from 2.60% to 2.75% (2021: 2.60% to 2.75%) per annum. A premature withdrawal fee on the principal amount will be applied if there is any premature withdrawal.

6. INVESTMENT IN UNQUOTED SHARES

	2022 RM	2021 RM
At fair value through other comprehensive income		
Investment, unquoted	7,458	7,458

The Institute acquired 9.09% of the ordinary equity interest in Ultimate Professional Centre (Sarawak) Sdn. Bhd. ("UPC") in the financial year ended 30 June 1996.

7. INVENTORIES

	2022 RM	2021 RM
At cost		
Publications	59,824	52,405

During the financial year, inventories recognised as an expense amounted to RM38,744 (2021: RM32,041).

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8. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2022 RM	2021 RM
Amounts due from participants of events and conferences	646,566	576,970
Other receivables	796,682	1,589,099
	1,443,248	2,166,069
Less: Allowance for expected credit losses	(113,603)	(133,522)
	1,329,645	2,032,547
Prepayments	725,004	649,699
Deposits	126,685	126,972
	851,689	776,671
	2,181,334	2,809,218

The credit period granted by the Institute is 30 days (2021: 30 days).

The movements of allowance for expected credit losses during the financial year are as follows:

	2022 RM	2021 RM
At beginning of financial year	133,522	145,627
Expected credit losses recognised during the financial year	51,151	25,420
Reversal of impairment losses	(51,065)	(37,525)
Write-offs	(20,005)	-
At end of financial year	113,603	133,522

9. SUBSCRIPTION RECEIVABLES

	2022 RM	2021 RM
Subscription receivables	2,100	25,450
Less: Allowance for impairment losses	(2,100)	(1,400)
	-	24,050

In accordance with Rules 2001 (Membership and Council), Part II, paragraph 7(1) of the Malaysian Institute of Accountants, 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 6 months will not be removed from the Register of Members. An estimate is made for allowance for impairment losses based on a review of all subscriptions in arrears at the reporting date.

These receivables have been individually determined to be impaired when the debt is past due and collection has not been successful.

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9. SUBSCRIPTION RECEIVABLES (CONT'D)

The movements of allowance for impairment losses during the financial year are as follows:

	2022 RM	2021 RM
At beginning of financial year	1,400	4,550
Impairment losses recognised during the financial year	224,650	332,450
Reversal of impairment losses	(1,400)	(1,050)
Write-offs	(222,550)	(334,550)
At end of financial year	2,100	1,400

10. FIXED DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The maturity profile of fixed deposits is presented as follows:

	2022 RM	2021 RM
Not exceeding 3 months	-	5,658,121
Exceeding 3 months	18,920,611	12,584,240
	18,920,611	18,242,361

The interest rates for the fixed deposits placed with licensed financial institutions range from 1.62% to 2.60% (2021: 1.62% to 2.20%) per annum.

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11. LEASE LIABILITIES

	2022 RM	2021 RM
Lease liabilities included in the statement of financial position		
At beginning of financial year	285,287	381,280
Additions during the financial year	-	94,174
	285,287	475,454
Less:		
Payment of lease liabilities	(159,785)	(190,167)
At end of the financial year	125,502	285,287
Current	85,975	159,814
Non-current	39,527	125,473
	125,502	285,287
Maturity analysis - contractual undiscounted cash flows		
Less than one year	88,985	168,702
Between one and five years	40,800	129,785
Total undiscounted lease liabilities at 30 June	129,785	298,487
Amount recognised in profit or loss		
Expenses relating to leases of low-value asset, excluding short-term leases of low-value assets	-	1,908
Amount disclosed in the statement of cash flows		
Interest on lease liabilities	8,926	15,177
Payment of lease liabilities	159,785	190,167

12. PAYABLES AND ACCRUALS

	2022 RM	2021 RM
Payables	2,390,491	1,848,793
Accruals - events and conferences expenses	627,826	986,513
Accruals - employee benefits costs	5,050,136	3,455,159
Accruals - education expenses	192,718	203,625
Accruals - others	700,306	671,091
Deposits	88,300	98,300
	9,049,777	7,263,481

The credit periods granted to the Institute for payables range from 14 to 30 days (2021: 14 to 30 days).

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13. CONTRACT LIABILITIES

	2022 RM	2021 RM
Subscriptions in advance	1,630,110	446,400
Membership application fees	691,650	690,450
Practising certificate application fees	57,600	50,400
Readmission application	130,300	20,100
Events and conferences	366,102	355,596
Qualifying examination (QE) and QE workshops	433,110	352,960
Accreditation activities	463,000	50,000
Others	60,000	47,250
	3,831,872	2,013,156

Contract liabilities primarily relate to the advance consideration received from members or customers for which revenue is recognised when the performance obligation has been satisfied.

With the exception of subscriptions in advance, all other contract liabilities at the beginning of the financial year amounting to RM1,566,756 (2021: RM841,143) were realised as revenue within the same financial year. The total amount of subscriptions in advance at the beginning of the financial year of RM446,400 (2021: RM601,270) that was recognised as revenue during the financial year ended 30 June 2022 amounted to RM411,700 (2021: RM552,700).

14. DEFERRED INCOME - GOVERNMENT GRANT

	2022 RM	2021 RM
At beginning of the financial year	265,269	458,464
Additions during the financial year	143,600	710,050
Deferred income realised to profit or loss (Note 16)	(143,600)	(903,245)
At end of the financial year	265,269	265,269

In the financial year ended 30 June 2015, the Capital Market Development Fund ("CMDf") approved a grant to the Institute for implementing and administering Financial Reporting Standards Implementation Committee ("FRSIC") and Capital Market Advisory Committee ("CMAC") projects. The grant was receivable annually over a period of 4 years from May 2015 to 31 December 2018 for a total sum of RM4.52 million, to be used for initiatives in capacity building of professional accountants through the provision of knowledge and skills upgrading courses and to achieve consistent application of the securities laws and rules of the stock exchange and accounting standards through the provision of guidance notes, clarification and consensuses. As the grant agreement expired in May 2019, a supplemental agreement was signed on 16 July 2019 with CMDf to further extend the term of the grant to 31 December 2020 with a revised total grant of RM3.95 million. A second supplemental agreement was signed on 24 November 2020 to extend the term of the grant to 30 June 2021 and third supplemental agreement was signed on 16 November 2021 to further extend the term of the grant to 31 December 2021. The total grant received as at 30 June 2022 amounted to RM3.87 million (2021: RM2.73 million). The Institute is in the process of applying for a new CMDf grant.

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15. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2022 RM	2021 RM
(i) Disaggregation of revenue from contracts with customers:		
Membership subscription fees	13,378,667	13,228,309
Membership admission fees	801,000	691,750
Practising certificate fees	2,718,000	2,625,600
Income from events and conferences (Note 17)	16,719,526	15,291,087
Education income	1,059,650	749,513
Income from joint activities with other professional bodies	99,808	71,456
Sale of technical materials/publications	63,706	55,027
Technical program fees	18,800	70,622
Miscellaneous income	174,616	144,786
	35,033,773	32,928,150
(ii) Timing of revenue recognition:		
- at a point in time	17,709,605	16,053,464
- over time	17,324,168	16,874,686
	35,033,773	32,928,150

16. OTHER INCOME

	2022 RM	2021 RM
Enforcement penalties	287,000	183,500
Reimbursement of enforcement costs	245,320	340,253
Government grant recognised (Note 14)	143,600	903,245
Interest on fixed deposits and current accounts	402,120	522,511
Interest from investments at amortised cost	305,526	66,542
Others	8,829	12,159
	1,392,395	2,028,210

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

	2022 RM	2021 RM
Income (Note 15)	16,719,526	15,291,087
Direct expenses (excluding employee benefits)	(5,234,435)	(4,914,276)
	11,485,091	10,376,811

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18. EMPLOYEE BENEFITS

	2022 RM	2021 RM
Salaries, overtime and bonus	17,184,416	15,765,376
Contributions to EPF	2,612,294	2,364,786
Social security contribution	104,087	116,440
Staff training	279,722	277,332
Staff welfare	115,755	75,094
Other staff benefits	626,914	494,979
	20,923,188	19,094,007

Included in employee benefits is the key management personnel compensation shown in Note 22(c).

19. OTHER OPERATING EXPENSES

	2022 RM	2021 RM
Assets written off	85	5,253
Auditors' remuneration	35,266	27,295
Bank charges	258,977	260,007
Education expenses	329,480	423,547
Enforcement expenses	569,081	499,182
Insurance expenses	89,730	36,219
IFAC and AFA subscriptions*	487,016	474,783
IT licensing expenses	117,654	153,034
IT subscriptions	436,610	402,208
IT support and maintenance expenses	626,265	578,522
Legal consultancy and litigation fees	212,377	381,320
Local travelling expenses	51,301	60,718
Other consultancy fees	201,422	156,912
Printing, postage and stationery costs	131,072	161,905
Promotion and advertising costs	209,271	271,757
Technical programme expenses	122,490	115,331
Upkeep of office expenses	442,966	423,327
Upkeep of office equipment expenses	29,476	31,249
Utilities costs	207,405	206,542
Other expenses	183,474	80,950
	4,741,418	4,750,061

* IFAC refers to the International Federation of Accountants and AFA refers to the ASEAN Federation of Accountants.

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20. INCOME AND EXPENSES BY OPERATING SEGMENT

2022	Membership & Education RM	Professional Development RM	Professional Practices & Technical RM	Surveillance & Enforcement RM	Total RM
Revenue	16,897,667	16,719,526	-	-	33,617,193
Other income	1,212,619	71,400	170,504	622,806	2,077,329
Total income	18,110,286	16,790,926	170,504	622,806	35,694,522
Less:					
Direct expenses	(329,480)	(5,234,435)	(122,490)	(569,081)	(6,255,486)
Employee benefits	(1,969,076)	(2,743,386)	(1,562,085)	(3,080,526)	(9,355,073)
Overheads	(1,326,347)	(1,067,090)	(298,747)	(91,123)	(2,783,307)
	(3,624,903)	(9,044,911)	(1,983,322)	(3,740,730)	(18,393,866)
Surplus/(deficit) before allocated expenses*	14,485,383	7,746,015	(1,812,818)	(3,117,924)	17,300,656
Less:					
Employee benefits - allocated	(3,467,930)	(4,474,941)	(1,611,220)	(2,014,024)	(11,568,115)
Overheads - allocated	(1,303,145)	(1,586,412)	(556,482)	(646,398)	(4,092,417)
	(4,771,075)	(6,061,353)	(2,167,682)	(2,660,422)	(15,660,532)
Surplus/(deficit) at segment level	9,714,308	1,684,662	(3,980,500)	(5,778,346)	1,640,124
Interest income					707,646
Management income					24,000
Surplus before tax at Institute level					2,371,770

* The allocation of employee benefits and overheads of regional offices is based on the proportion of time spent between membership and Professional Development activities whereas the allocation of other common expenses is based on headcount.

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20. INCOME AND EXPENSES BY OPERATING SEGMENT (CONT'D)

2021	Membership & Education RM	Professional Development RM	Professional Practices & Technical RM	Surveillance & Enforcement RM	Total RM
Revenue	16,545,659	15,291,087	-	-	31,836,746
Other income	897,809	692,650	344,203	571,899	2,506,561
Total income	17,443,468	15,983,737	344,203	571,899	34,343,307
Less:					
Direct expenses	(431,021)	(4,914,276)	(115,230)	(503,212)	(5,963,739)
Employee benefits	(1,961,876)	(2,554,672)	(1,560,369)	(3,173,774)	(9,250,691)
Overheads	(1,720,290)	(144,238)	(164,042)	(161,431)	(2,190,001)
	(4,113,187)	(7,613,186)	(1,839,641)	(3,838,417)	(17,404,431)
Surplus/(deficit) before allocated expenses*	13,330,281	8,370,551	(1,495,438)	(3,266,518)	16,938,876
Less:					
Employee benefits - allocated					
As previously stated	(2,841,369)	(3,450,234)	(1,623,640)	(1,928,073)	(9,843,316)
Reclassification	(244,056)	(620,486)	638,344	226,198	-
As restated	(3,085,425)	(4,070,720)	(985,296)	(1,701,875)	(9,843,316)
Overheads - allocated					
As previously stated	(1,401,373)	(1,701,667)	(800,784)	(950,930)	(4,854,754)
Reclassification	(80,969)	(287,768)	293,692	75,045	-
As restated	(1,482,342)	(1,989,435)	(507,092)	(875,885)	(4,854,754)
	(4,567,767)	(6,060,155)	(1,492,388)	(2,577,760)	(14,698,070)
Surplus/(deficit) at segment level	8,762,514	2,310,396	(2,987,826)	(5,844,278)	2,240,806
Interest income					589,053
Management income					24,000
Surplus before tax at Institute level					2,853,859

Notes:

- The activities of Membership & Education include providing support to the Education Board, Examination Committee, MIA-MQA Joint Technical Committee, ASEAN CPA Monitoring Committee and Young Professionals Working Group.
- The activities of Professional Practices & Technical include providing support to the Auditing and Assurance Standards Board, Ethics Standards Board, Capital Market Advisory Committee, Integrated Reporting Steering Committee, Islamic Finance Committee, Professional Accountants In Business Committee, Public Sector Accounting Committee, SMP Committee, Insolvency Practice Committee, Valuation Committee, Public Practice Committee, Taxation Practice Committee and Digital Technology Implementation Committee.
- The activities of Surveillance & Enforcement include providing support to the Financial Statements Review Committee, Practice Review Committee, Investigation Committee, Disciplinary Committee and Disciplinary Appeal Board.
- Regional office expenses, which were previously allocated to segments based on headcount, have been allocated based on the proportion of time spent between membership and Professional Development activities in the financial year ended 30 June 2022. Hence, the comparative figures of allocated employee benefits and allocated overheads have been reclassified to conform with the change in basis of allocation.

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FINANCIAL STATEMENTS

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20. INCOME AND EXPENSES BY OPERATING SEGMENT (CONT'D)

	2022 RM	2021 RM
Reconciliation of revenue and other income with Notes 15 and 16:		
Revenue of segments	33,617,193	31,836,746
Other income of segments	2,077,329	2,506,561
Interest income	707,646	589,053
Management income	24,000	24,000
Total income	36,426,168	34,956,360
Consists of:		
Revenue from contracts with customers (Note 15)	35,033,773	32,928,150
Other income (Note 16)	1,392,395	2,028,210
Total income	36,426,168	34,956,360

21. TAXATION

	2022 RM	2021 RM
Income tax:		
- current year	161,000	-
	161,000	-

The income tax expense for the current year arose in respect of interest income.

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

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:

	2022 RM	2021 RM
Surplus before tax	2,371,770	2,853,859
Taxation at the effective tax rate of 23% (2021: 24%)	545,507	684,926
Tax effects of:		
- expenses not deductible for tax purposes	186,177	235,740
- membership income not subject to tax	(775,424)	(1,396,671)
- other income not subject to tax	(33,028)	(216,779)
- unrecognised deferred tax assets	143,627	692,784
- others	94,141	-
	161,000	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2022

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21. TAXATION (CONT'D)

Unrecognised deferred tax assets

With effect from the year of assessment 2009, based on Addendum to Public Ruling No 6/2005 issued on 1 July 2009, capital allowances and losses from membership activities if unutilised, cannot be carried forward to a future year of assessment. As at the reporting date, the Institute has a balance of unabsorbed capital allowances and unutilised losses totalling RM542,137 (2021: RM542,137) from years of assessment before the addendum came into effect.

The deferred tax assets arising from unabsorbed capital allowances, unutilised tax losses and other temporary differences brought forward for membership activities before year of assessment 2009 and for non-membership activities and other temporary differences have not been recognised at the reporting date as the utilisation of the tax benefits is not probable in the foreseeable future:

	2022 RM	2021 RM
Unabsorbed capital allowances	2,504,647	2,015,773
Unutilised tax losses	6,743,865	6,743,865
Other temporary differences	1,199,399	654,501
	10,447,911	9,414,139
Potential deferred tax assets not recognised at 23% (2021: 24%)	2,403,020	2,259,393

The unutilised tax loss for each year of assessment will expire within 10 consecutive years in accordance with the amended Section 44(5F) of the Income Tax Act 1967 as follows:

	2022 RM	2021 RM
Year of assessment		
2028	1,898,588	1,898,588
2029	1,637,843	1,637,843
2030	1,682,599	1,682,599
2031	1,524,835	1,524,835
	6,743,865	6,743,865

22. RELATED PARTY TRANSACTIONS

The following are considered as the related parties to the Institute:

- (i) A person or close member of that person's family is related to the Institute if that person has control, joint control or has significant influence over the Institute or is a member of its key management personnel.
- (ii) An entity controlled or jointly controlled by a person identified in (i) or a person identified in (i) has significant influence over the entity or is a member of the key management personnel of the entity.

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22. RELATED PARTY TRANSACTIONS (CONT'D)

Transactions carried out with related parties during the financial year were as follows:

	2022 RM	2021 RM
(a) Fees and sponsorship income received from Council members and their related parties		
Members' annual subscription and practising certificate fees	199,600	199,300
Event and conference fees	54,680	78,103
Sponsorship and other income	171,484	177,468
(b) Fees paid to Council members and their related parties		
Speaker fees, QE examination and facilitator fees and contract Fees	242,486	39,488

These transactions are transacted in the normal course of business under normal commercial terms.

(c) Key management's remuneration

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 who received remuneration are the Chief Executive Officer and the Executive Directors of Membership, Technology & Operations, Professional Practices & Technical, Strategy & Development, Surveillance & Enforcement and Digital Economy, Reporting & Risk. The remunerations of the key management personnel for the financial year are as follows:

	2022 RM	2021 RM
Salaries, bonus and contract fees	2,762,394	2,509,969
Contribution to EPF	395,306	366,641
Others	5,083	5,210
	3,162,783	2,881,820

The total remuneration of key management personnel according to bands is as follows:

Range of total remuneration (RM)	2022 Number of persons	2021 Number of persons
600,001 to 800,000	1	1
400,001 to 600,000	4	4
200,001 to 400,000	1	1
100,001 to 200,000	1	-

The year-end outstanding balance of RM668,373 (2021: RM405,944) in relation to compensation payable to key management personnel is included in payables and accruals.

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23. FINANCIAL INSTRUMENTS

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

(a) Categories of financial instruments

	Financial assets at FV through OCI RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Carrying amount RM
As at 30 June 2022				
Financial assets:				
- Investment in unquoted shares	7,458	-	-	7,458
- Investments at amortised cost	-	11,500,000	-	11,500,000
- Receivables and deposits	-	1,456,330	-	1,456,330
- Fixed deposits with licensed financial institutions	-	18,920,611	-	18,920,611
- Cash and bank balances	-	7,280,051	-	7,280,051
Total financial assets	7,458	39,156,992	-	39,164,450
Financial liabilities:				
- Payables	-	-	2,478,791	2,478,791
- Accruals	-	-	6,570,986	6,570,986
Total financial liabilities	-	-	9,049,777	9,049,777
As at 30 June 2021				
Financial assets:				
- Investment in unquoted shares	7,458	-	-	7,458
- Investments at amortised cost	-	7,000,000	-	7,000,000
- Receivables and deposits	-	2,159,519	-	2,159,519
- Fixed deposits with licensed financial institutions	-	18,242,361	-	18,242,361
- Cash and bank balances	-	4,399,969	-	4,399,969
Total financial assets	7,458	31,801,849	-	31,809,307
Financial liabilities:				
- Payables	-	-	1,947,093	1,947,093
- Accruals	-	-	5,316,388	5,316,388
Total financial liabilities	-	-	7,263,481	7,263,481

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23. FINANCIAL INSTRUMENTS (CONT'D)

(b) Net gains arising from financial instruments

	2022 RM	2021 RM
Income on fixed deposits and current accounts	402,120	522,511
Income from investments at amortised cost	305,526	66,542
Subscription receivables impaired (net)	(223,250)	(331,400)
Receivables (impaired)/recovered (net)	(86)	12,105
	484,310	269,758

(c) 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. 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 exposure to credit risk, liquidity risk and interest rate risk. 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 financial and other 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 other organisations. It is the policy of the Institute to monitor the financial standing of these counter parties on an on-going basis to ensure that the Institute is exposed to minimal credit risk.

The Institute exercises strict control in removing members in arrears of more than 6 months as provided under Rules 2001 (Membership and Council) of the Malaysian Institute of Accountants. However, due to the COVID-19 situation which impacted members, during the financial year, the Institute exercised discretion to allow for more time to pay the outstanding fees.

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

(ii) Liquidity risk

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

The Institute practises prudent liquidity risk management to maintain sufficient levels of cash or cash equivalents to meet its requirements of working capital.

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23. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

Maturity analysis

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

	Carrying amount RM	Gross contractual cash flows RM	Not more than 1 year RM	1-5 years RM
2022				
Payables and accruals	9,049,777	9,049,777	9,049,777	-
Lease liabilities	125,502	129,785	88,985	40,800
2021				
Payables and accruals	7,263,481	7,263,481	7,263,481	-
Lease liabilities	285,287	298,487	168,702	129,785

(iii) Interest rate risk

The Institute is exposed to interest rate risk in respect of its fixed deposits with licensed financial institutions and banks and placement of funds in institutional trust accounts. The Institute places fixed deposits and placements at competitive rates under the most favourable terms and conditions. As these deposits and placements are subject to fixed rates and not accounted for at fair value through profit and loss, a change in the market interest rates would not affect the financial results for the financial year and the funds of the Institute.

(d) Fair value

The carrying amounts of the short-term 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.

The carrying amount of long-term investments at amortised cost approximated its fair value.

24. CAPITAL MANAGEMENT

The objectives of the Institute in managing capital are:

- (a) 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;
- (b) to develop and enhance the members' competency through continuous education and training to meet the challenges of the global economy; and

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24. CAPITAL MANAGEMENT (CONT'D)

The objectives of the Institute in managing capital are: (cont'd)

- (c) 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.

25. COMMITMENTS

	2022 RM	2021 RM
Authorised capital expenditure not provided for in the financial statements:		
(a) Website development	21,730	170,000
(b) Data analytics tools	108,438	-
(c) Computer equipment	33,496	47,760
	163,664	217,760
Including amount contracted but not provided for	163,664	47,760

26. IMPACT OF COVID-19 ON THE INSTITUTE

The Government announced the National Recovery Plan with 4 Phases in June 2021 and on 1 April 2022, the nation began transitioning into the endemic phase of COVID-19.

During the financial year ended 30 June 2022, given the resilience of the Institute resulting from the operational transformation in navigating the new normal, the Institute was able to continue engaging with its members and other stakeholders virtually. This includes having engagements on technical and professional practice matters with Boards/Committees and working groups as well as conducting outreaches and education-related activities. In relation to Continuing Professional Development (CPD), the Institute harnessed online platforms in carrying out the Professional Development activities in supporting members' CPD needs. This enabled the Institute to sustain income generation to support the Institute's various operations.

The Institute has performed assessments and carefully considered the impact of COVID-19 on the Institute's operations and financial position. For the financial year ending 30 June 2023, there is an expected gradual increase in revenue generated from physical training activities in combination with trainings and conferences done on online platforms while membership income is expected to grow marginally. The Institute will carry out cost rationalisation measures to optimise operational costs while ensuring strategic objectives are achieved.

At the point of reporting, the Institute has sufficient cash reserves to support the working capital needs and capital expenditure of the Institute for the financial year ending 30 June 2023 and in the near future. The Institute will continue to monitor the developments impacted by COVID-19 and respond accordingly.

AEC	ASEAN Economic Community
AFA	ASEAN Federation of Accountants
AKPK	Agensi Kaunseling & Pengurusan Kredit
AMLA	Anti-Money Laundering Act
AOB	Audit Oversight Board
ARMC	Audit Risk and Management Committee
ASEAN	Association of Southeast Asian Nations
BNM	Bank Negara Malaysia
CARE	Chartered Accountant's Relevant Experience
CEO	Chief Executive Officer
CFM	MIA Competency Framework
CFO	Chief Financial Officer
CFT	Counter Financing of Terrorism
CPE	Continuing Professional Education
CSAP	Committee to Strengthen the Accountancy Profession
CSR	Corporate Social Responsibility
DAB	Disciplinary Appeal Board
DC	Disciplinary Committee
DTIC	Digital Technology Implementation Committee
E-AT	Electronic Accountants Today
EBC	Electronic Bank Confirmation
ERM	Enterprise Risk Management
ESB	Ethics Standards Board
ESG	Environmental, Social and Governance
FSR	Financial Statements Review
FSRC	Financial Statements Review Committee
GDP	Gross Domestic Product
IA	Internal Audit
IAD	Internal Audit Department
IAASB	International Auditing and Assurance Standards Board
IC	Investigation Committee
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IPSASB	International Public Sector Accounting Standards Board
IR	Integrated Reporting
IAR	Integrated Annual Report
IASB	International Accounting Standards Board
IR4.0	Industrial Revolution 4.0
IRBM	Inland Revenue Board Malaysia
ISAS	International Standards on Auditing
ISSB	International Sustainability Standards Board

JAKIM	Jabatan Kemajuan Islam Malaysia
KPI	Key Performance Indicator
MACC	Malaysian Anti-Corruption Commission
MAREF	Malaysian Accountancy Research & Education Foundation
MATRADE	Malaysia External Trade Development Corporation
MCCG	Malaysia Code of Corporate Governance 2018
MDEC	Malaysia Digital Economy Corporation
MIA QE	MIA Qualifying Examination
MITI	Ministry of International Trade and Industry
MFRS	Malaysian Financial Reporting Standards
MICPA	Malaysian Institute of Certified Public Accountants
MMAAP	MIA Member Assistance Programme
MMIS	MIA Membership Information System
MOF	Ministry of Finance
MOSTI	Ministry of Science, Technology and Innovation
MOU	Memorandum of Understanding
MPERS	Malaysian Private Entities Reporting Standard
MPSAS	Malaysian Public Sector Accounting Standards
MQA	Malaysian Qualifications Agency
MRMC	Management Risk Management Committee
NACRA	National Annual Corporate Report Awards
NC	Nominating Committee
NOC	Notice of Complaint
OC	Oversight Committee
PAIB	Professional Accountants in Business
PAO	Professional Accountancy Organisation
PC	Practising Certificate
PIES	Public Interest Entities
PPP	Public Practice Programme
PR	Practice Review
QAP	Quality Assessment Programme
SC	Securities Commission
SMES	Small and Medium-sized Enterprises
SMPS	Small and Medium Practices
TCFD	Task Force on Climate-Related Financial Disclosures
TOR	Terms of Reference
UNSDGs	United Nations Sustainable Development Goals

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