

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that in accordance with Rule 10 of the Malaysian Institute of Accountants (Membership and Council) Rules 2001, the **Twenty Second Annual General Meeting** of the Malaysian Institute of Accountants will be held on **Saturday, 20 September 2008 at 2.00 p.m.** at Berjaya Times Square Hotel & Convention Centre, No.1, Jalan Imbi, 55100 Kuala Lumpur.

AGENDA

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

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

Peter Lim Thiam Kee
Paul Chan Wan Siew
Dato' Raymond Liew Lee Leong

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

Abd Razak Bin Hj Nazahdin
Abraham Verghese
Heng Ji Keng
Mohd Afrizan Bin Husain
Alex Ooi Thiam Poh
Stephen Oong Kee Leong

2. President's address.
3. To consider and accept the minutes of the Twenty First Annual General Meeting held on 29 September 2007 (*the AGM minutes can be downloaded from the Institute's website at www.mia.org.my*).
4. To receive the annual report of the Council.
5. To receive the financial statements of the Institute for the year ended 30 June 2008 and the report of the auditors thereon.
6. To approve the following Resolutions proposed by the Council:

Resolution 1:

IT IS HEREBY RESOLVED THAT pursuant to Section 7 of the Accountants Act, 1967 and subject to the approval of the Minister of Finance, the amendments to the Malaysian Institute of Accountants (Membership and Council) Rules 2001 as set out in Appendix 1 herein be adopted in toto and shall come into force on such date as the Minister shall appoint.

Resolution 2:

IT IS HEREBY RESOLVED THAT pursuant to Section 7 of the Accountants Act, 1967 and subject to the approval of the Minister of Finance, the amendments to the Malaysian Institute of Accountants (Disciplinary) Rules 2002 as set out in Appendix 2 herein be adopted in toto and shall come into force on such date as the Minister shall appoint.

7. Any other business.

By Order of the Council



ROSLI BIN ABDULLAH
Registrar

27 August 2008

THE COUNCIL 2007/2008

THE COUNCIL 2007/2008

		Attendance
President	NIK MOHD HASYUDEEN BIN YUSOFF	10
Vice-President	DATUK ABDUL SAMAD BIN HAJI ALIAS, DR	9
Section 8(1)(a)	DATO' MOHD SALLEH MAHMUD	
	HAJI SAHAR OTHMAN	7
Section 8(1)(b)	ASSOCIATE PROFESSOR DR SUSELA DEVI SELVARAJ	7
	DATO' PROF DR DAING MOHD NASIR BIN DAING IBRAHIM	4
	PROFESOR MADYA DR NORMAN BIN MOHD SALLEH	5
	PROFESOR MADYA DR HJ SHAHUL HAMEED BIN MOHAMED IBRAHIM	5
	PROFESSOR DR IBRAHIM KAMAL BIN ABDUL RAHMAN	5
Section 8(1)(c)	DATO' NORDIN BAHARUDDIN	8
Section 8(1)(d)	CHRISTINA CONSTANCE FOO	8
	MOHAMMAD FAIZ MOHD AZMI	6
	MICHAEL EOW KWAN HOONG	6
Section 8(1)(e)	DATO' AHMAD JOHAN BIN MOHAMMAD RASLAN	3 (w.e.f 16 September 2007)
Section 8(1)(f)	BEH TOK KOAY	8
	Y C LEE	5
	LIEW KIM YUEN	6
	MOHAMED RASLAN BIN ABDUL RAHMAN	6
	DATUK NUR JAZLAN BIN TAN SRI MOHAMED	3
	UTHAYA KUMAR A/L K VIVEKANANDA	3
	SEOW YOO LIN	6
Section 8(1)(g)	PETER LIM THIAM KEE	9
	SAM SOH SIONG HOON	10
	PAUL CHAN WAN SIEW	8
	CHEN VOON HANN	10
	YEO TEK LING	9
	DATO' RAYMOND LIEW LEE LEONG	9
	DR THILLAISUNDARAM A/L ARUMUGAM	7

	LAM KEE SOON	6
	ABD HALIM BIN HUSIN	8
	BILLY KANG WEI GEIH	6 (w.e.f 29 September 2007)
Registrar	HAJI ROSLI BIN ABDULLAH	
Executive Director	HO FOONG MOI	
Auditor	Auditor-General Malaysia	
Registered Office and Address	Dewan Akauntan No 2 Jalan Tun Sambanthan 3 Brickfields 50470 Kuala Lumpur	
No. of Council Meetings: 10		



Dato' Mohd Salleh Mahmud
Accountant General



Nik Mohd Hasyudeen Yusoff
President



Datuk Abdul Samad Haji Alias (Dr)
Vice President



Haji Sahar Othman
Deputy Accountant General, Corporate



Prof. Dato' Dr Daing Mohd Nasir Daing Ibrahim



Prof Dr Ibrahim Kamal Abdul Rahman



Assoc Prof. Dr Norman Mohd Saleh



Assoc Prof Dr Shahul Hameed Mohamed Ibrahim



Assoc. Prof. Dr Susela Devi Selvaraj



Mohammad Faiz Mohammad Azmi



Dato' Nordin Baharuiddin



Christina Constance Foo



YC Lee



Liew Kim Yuen



Mohamed Raslan Abdul Rahman



Datuk Nur Jazlan Mohamed



Seow Yoo Lin



Uthaya Kumar A/L Vivekananda



Abd Halim Husin



Chan Wan Siew, Paul



Chen Voon Hann



Kang Wei Geih, Billy



Lam Kee Soon



Lim Thiam Kee, Peter



Dato' Liew Lee Leong, Raymond



Beh Tok Koay



Soh Siong Hoon, Sam



Dr Thillaisundaram Arumugam



Yeo Tek Ling



Michael Eow



Haji Rosli bin Abdullah Registrar

The picture of Dato' Ahmad Johan bin Mohammad Raslan is not available.

PRESIDENT'S STATEMENT

PRESIDENT'S STATEMENT



NIK MOHD HASYUDEEN YUSOFF
PRESIDENT OF THE MALAYSIAN INSTITUTE OF ACCOUNTANTS (MIA)

This Annual Report highlights the Malaysian Institute of Accountants' (MIA's) achievements in the last financial year. Despite it being a challenging period for MIA which operates in an increasingly dynamic environment, all of MIA's activities were guided by its vision of becoming a globally recognised and respected business partner committed to nation building.

In Malaysia, our members come from various segments including the Government, commerce and industry, public practice and academia. They serve various industries including the capital market and the small and medium enterprises which contribute to a large portion of the nation's economy. They are also involved in public administration as well as shaping the minds of our younger generation. Essentially, accountants play an integral role in helping fuel the nation's growth.

The involvement of accountants within the financial reporting supply chain is certainly extensive. Recent developments within the Malaysian corporate sector with regards to lapses in corporate governance and the credibility of financial reporting are cause for concern for MIA as well.

Also pertinent is the evolution of the role of the accountant. No longer 'bean-counters' restricted towards only serving the finance function, they are increasingly becoming decision-makers and strategic leaders. This calls for strong fundamentals – high levels of competency and skills as well as the ability to adhere to a strict professional code of conduct in order to maintain public confidence.

Therefore, in managing the expectations of the profession's various stakeholders and responding to the various market catalysts, now more than ever there is a need for accountants to be relevant, dynamic, and ethical in the way that they perform their work.

Recognising its role in protecting public interest and maintaining the credibility of the profession, MIA works towards regulating the profession through its three-pronged strategy which are education and development, promoting professional standards and values as well as

discharging its responsibility of surveillance and enforcement. These are seen as areas that are crucial in spearheading the way forward for the profession.

Taking the profession to the next level with proposed Amendments to Accountants Act 1967

One of the most significant and holistic initiatives undertaken by MIA to set the pace for the profession to move forward and adapt to the challenges such as globalisation, increasing liberalisation of trade in services and the need to protect public interest is the submission of a proposal on the Amendments to the Accountants Act 1967. Following the positive responses received via the issuance of a Consultative Document seeking feedback on the proposed amendments, the MIA's Task Force on the Amendments to the Accountants Act 1967, finalised the proposed amendments and submitted the proposal to the Accountant General on 16 June 2008.

One of the key highlights of this proposal is the strengthening of the enforcement function of the Institute. Included in the proposal is the establishment of an Accountancy Disciplinary Board, the boosting of the investigative powers of the Institute, and the introduction of lay participation on the Disciplinary Committee and the Disciplinary Appeal Board.

In further driving capacity building for members of the profession, a competency assessment for admittance into the Institute is also proposed. Presently, apart from recognising qualifications stipulated under the Act for purposes of admission as members, the Act does not undertake any form of assessment on the professional capabilities and competence of members of the Institute. In order for the accountancy profession to remain competitive, admission standards for professional accountants must be introduced in line with international practices.

In dealing with the shortage of accounting talent in the country, the amendments also focus on suggestions to allow temporary registration of foreign accountants to practise in the country on a temporary and case-to-case basis. Additionally, the proposal also highlights the need for members to be given more choices including the option of having limited liability companies.

Being inclusive

MIA also recognises the need to partner with its stakeholder organisations in order to ensure that its approach towards regulating the profession remains dynamic and relevant. We are actively involved in dialogues with the Securities Commission, Bank Negara, Companies Commission of Malaysia (SSM) and other regulators in areas that are crucial. In February this year, MIA signed a Memorandum of Understanding with SSM to uphold public interest and foster a climate of good corporate governance by enabling accountants greater access to relevant education and development initiatives.

MIA also understands the need to collaborate with professional accounting bodies especially in opening up opportunities for members to explore. One such initiative is the signing of the mutual recognition agreement (MRA) with CPA Australia mid last year. We had also collaborated with Association of Chartered and Certified Accountants to launch a publication titled 'Easy Guide to Setting Up Accountancy Practices in ASEAN Countries'.

Enhancing the competitiveness of members

Apart from that we have also struck up working relationship with agencies such as the Small and Medium Industries Development Corporation (SMIDEC) and the National Productivity Council (NPC) among others to spur competitiveness among accountants.

In May 2008, MIA signed a MoU with SMIDEC to enable members to have access to a training subsidy by the latter to assist members in the development of human capital.

Contributing to good governance for stronger capital market

As accountants our role in upholding the integrity of the Malaysian market is paramount. As we diligently apply our professional values to the work that we do, MIA has also been contributing to the well-being of the Malaysian capital market through its Financial Reporting Standards Implementation Committee (FRSIC), which has continued to encourage better FRS compliance in Malaysia.

FRSIC has received a total number of 14 issues during the period under review. Eight issues were accepted for FRSIC consideration, of which 3 projects have been issued consensus within the FY 2008 and 1 project has been issued a consensus in July 2008. Four issues were rejected for further deliberation by FRSIC, while two were discontinued.

Placing Malaysia in the global limelight

MIA continued to contribute in its capacity as the voice of the Malaysian accountancy profession to global and regional accountancy bodies. As a member body of IFAC, MIA has participated in various committees within the organisation and currently MIA is represented in the Small and Medium Practices and Developing Nations Committees.

In terms of regional involvement, MIA is involved with two Committees and Task Forces in CAPA, namely the Strategic Committee and the Governance Review as well as the Temporary Task Force for CAPA Environmental Accounting and CSR Project; a project which deals with climate change issues and how to manage the greenhouse gases.

The contributions of MIA in developing the accountancy profession in the ASEAN region was recognised when I was elected as the Vice President of the Asean Federation of Accountants (AFA) at the 92nd AFA Council Meeting on 9 December 2007. It was felt that MIA possessed the right calibre to lead AFA to greater heights as this appointment departs from the usual rotation based selection.

This is certainly a good way to realise MIA's role as a partner in nation-building and we look forward to putting Malaysia on the global accountancy map especially with the 18th World Congress of Accountants (WCOA) slated to take place in 2010.

People are Key

Apart from having in place a good regulatory framework, MIA's effectiveness also depends upon its leadership and management. It is people who make the strong foundation for all that we intend to achieve.

We have continued to seek the best professionals to serve on MIA's Council, committees and management and it is my hope to be able to engage more people of such calibre as we push the notch one level higher to meet with the demands of the future.

Acknowledgements

It is most pleasing to note that the accounting fraternity, standard setters, regulators and various stakeholders continue to collectively contribute towards the development of the accountancy profession in Malaysia. This must continue to ensure that upcoming challenges can be dealt with. If this is done successfully I am certain that the credibility of the profession will always remain intact and public interest will thus be protected.

On behalf of the Council, I wish to thank our stakeholders whose support and cooperation extended to us have assisted the Institute tremendously in advancing the profession. I would also like to thank the Accountant-General, YBhg Dato' Mohamad Salleh Mahmud for his invaluable support in bringing the Institute and the profession to greater heights.

Finally, I would like to extend my heartfelt thanks to my fellow Council Members who have demonstrated their fullest commitment to the betterment of the Institute and the profession. Their leadership and the dedication of the Registrar, Tuan Haji Rosli Abdullah, the Executive Director, Ms Ho Foong Moi, as well as employees the Institute's Management Centre have been absolutely crucial in the various successes achieved thus far.

Thank you.

EXECUTIVE DIRECTOR'S STATEMENT



HO FOONG MOI

The past year has been another very challenging one for the Institute as the accountancy profession again came under great scrutiny arising from some corporate scandals involving accounting irregularities. The Institute had to take steps and measures to address the concerns of regulators and the negative perception by the public at large of the profession.

The vision of the Institute is to become a globally recognized and respected business partner committed to nation building. To achieve this vision, the credibility of the profession must be maintained and enhanced for the Institute to be recognized and respected. As such, the role of the Institute as a regulator of the profession takes on added significance.

Restructuring of the Management Centre

During the year under review, the Management Centre continued to develop and evolve in its role to be dynamic and proactive to achieve the Institute's objectives and high levels of efficiency in the Institute's operations.

To meet the increasing challenges facing the profession and the Institute, a three pronged strategy was developed towards the end of the year 2007 resulting in the restructuring of the Management Centre into the following Divisions:-

- Education & Development
- Professional Standards & Practices
- Surveillance & Enforcement

The above Divisions are supported by the Support Services Division.

The Education & Development Division focuses on areas in the education, training and building capacities of members. The objective is to enhance the knowledge, skills and competencies of members as well as inculcate high ethical values to meet public expectations.

The focus of the Professional Standard & Practices Division is to promote adherence to professional standards and practices which are benchmarked against international standards.

In this respect, the Financial Reporting Standards Implementation Committee (FRSIC) which was launched last year has made good progress and has issued a number of FRSIC consensus to guide members in the implementation of Financial Reporting Standards in Malaysia. This Division also looks into all matters concerning auditing and ethical standards as well as regulatory guidelines and taxation.

Many steps and measures have been taken to enhance the capacity and effectiveness of the Surveillance & Enforcement Division. Where in the past, the staff were involved in other portfolios in the Institute, they now focus solely on surveillance and enforcement work and related areas. This Division encompasses the Practice Review Department, the Financial Statements Review Department and the Enforcement Department which carries out the investigation and disciplinary proceedings of the Institute.

To address the negative perception of the regulators and the public in regard to high profile cases involving accounting irregularities, the Institute has introduced a surveillance process to monitor such cases which are highlighted in the media from time to time. In addition, the Enforcement Department has been directed by the Council to “fast track” proceedings in respect of capital market cases referred by the regulators. In this respect, the Institute has been working closely with the regulators and we would like to acknowledge their assistance and support. The Management Centre would also like to acknowledge the time and efforts put in by the Investigation Committee of the Institute to complete the investigation of a number of cases during the year under review.

The Support Services Division is constantly looking at ways to improve services to members of the Institute. During the year, weekly updates were introduced, which are sent to members via e-mail. The monthly E-News has also been enhanced and improved. The Institute has also embarked on a major redevelopment of the Institute’s website to make it more dynamic and to better serve the needs of the members.

Our People Strategy

The employees of the Institute are its key assets and our strategy is to recruit and to retain the best people possible. To achieve this objective, the Institute has appointed a human resources consultant on a short term basis to assist the Human Resources Department (HRD) to develop and implement an effective strategy for this purpose. Key performance indicators (KPIs) were introduced last year to evaluate the performance of employees. This year, the HRD and the consultant have further improved the performance management system.

The Institute also managed to fill certain key positions especially for the Professional Standards & Practices and Surveillance & Enforcement Divisions which required people with specialized skills and knowledge. We expect that with their contributions and input, the Institute will be better equipped to meet the challenges ahead.

World Congress of Accountants 2010

The World Congress of Accountants (WCOA) 2010 is the most major project which the Institute has undertaken to date since its establishment. This project is a national project which will have an impact not only on the Institute and the Malaysian accountancy profession but the nation as a whole. Recognising this fact, a dedicated team of people has been appointed to manage this project. Preparations are underway and the pace is expected to quicken in 2009.

Acknowledgements

The Institute has had another busy year filled with activities and events. Operationally, we had to take a number of steps and measures as mentioned above to address challenges and meet the expectations of the various stakeholders. The streamlining of internal processes and controls are ongoing and we will continue to work hard to improve upon the Institute's delivery system in all aspects.

On behalf of the Management Centre, I would like to put on record our appreciation to the Council of the Institute for their continuing support and guidance, and their trust in us. I would also like to thank the members, our other stakeholders and all my colleagues in the Management Centre who have extended their commitment and support in contributing to the successes of the Institute during the year.

COUNCIL REPORT

EDUCATION AND DEVELOPMENT

A. EDUCATION

a) Accreditation

MIA's accreditation function serves to evaluate and accredit accounting qualifications for purpose of admission as members. This to ensure that the quality of accounting qualifications are in line with international standards. For the year under review, some major activities undertaken include:

- **Reviewing the application for accreditation from Universiti Industri Selangor (UNISEL) in respect of their Bachelor of Accountancy (Hons.) programme.**

A Task Force will be formed to undertake the accreditation exercise in order to ensure the programme meets MIA's requirements for the purpose to be listed under Part I of the First Schedule to the Accountants Act 1967.

- **Fostering closer relationships with stakeholders**

Two meetings were held on 20 November 2007 and 7 April 2008 respectively between the Institute and the Malaysian Qualifications Agency (MQA) to discuss the establishment of the Joint Technical Committee (JTC) for accreditation. The formation of the MQA was the result of the merger of the National Accreditation Board (LAN) and the Higher Education Ministry's Quality Assurance Division.

Under the new MQA Act 2007 which was passed by Parliament in July 2007, any application for accreditation of professional programmes and professional qualifications have to go through the JTC. In response to this, a JTC consisting of MIA's Accreditation Committee members, representatives from MQA and representatives from Public Services Department (JPA) will be established.

b) Education

The Education function of MIA serves to bring further development to the profession by working closely with the Ministry of Higher Education (MOHE), the Malaysian Qualifications Agency (MQA), the institutions of higher learning, and other accounting professional bodies in enhancing and disseminating any development in accountancy education and the profession in Malaysia. Some of the projects undertaken under this function during the year under review includes:

- **Competency Assessment**

MIA is developing its Competency Assessment Model which will set the standards for the admission of members into the profession.

Presently, MIA has identified external consultants who will work with us in developing a comprehensive and effective Competency Assessment Model (CAM). MIA is now in the process of reviewing the proposals submitted by the consultants.

- **Engaging the Academia – Roundtable discussion on “Accounting Education: Strengthening the Way Forward”**

As part of a strategy to strengthen relationships with key stakeholders, MIA organised a Roundtable Discussion on 2 April 2008 with Malaysian universities. Attended by 36 participants from selected public and private universities and also members of MIA Education Committee, this discussion was hosted by the MIA President. The objective of the discussion was to provide the latest development on current issues pertaining to accounting education and determine how MIA is able to work together with stakeholders in academia to strengthen the profession in Malaysia.

- **Career Talks**

In promoting the accountancy profession at all levels, MIA held career and educational talks at public and private institutions of higher learning and schools. The sessions focused on educating and creating interest amongst students at institutions of higher learning as well as secondary school students to consider accountancy as their career in the future. The students were exposed to the routes to become qualified accountants and the importance of becoming a member.

NO OF CAREER TALKS (JULY 2007 – JUNE 2008)

Category	Session
Secondary Schools	3
Public Institutions of Higher Learning	11
Private Institutions of Higher Learning	6
Institutions of Higher Learning (Asean)	1
TOTAL	21

c) **Qualifying Examination**

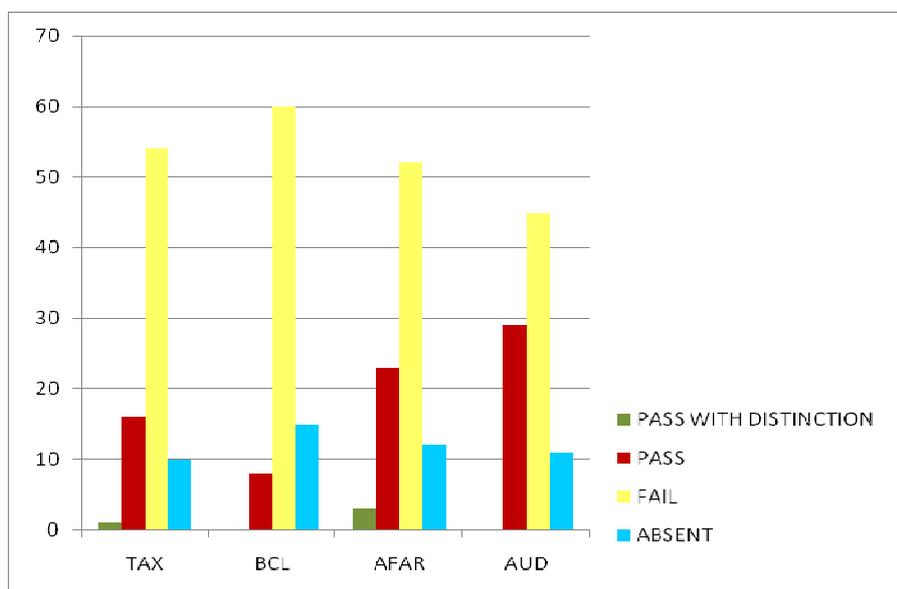
The ninth and tenth sittings of the MIA Qualifying Examination were successfully conducted on 19-20 September 2007 and 18-19 March 2008 respectively at five centres, namely, UiTM Shah Alam and MIA’s Branch Offices in Penang, Kuching, Kota Kinabalu and Johor Bahru. A total of 235 and 171 candidates sat for the examinations in September 2007 and March 2008, respectively.

The results for the September 2007 sitting were satisfactory with higher passing rates and 4 candidates obtaining distinctions for the Taxation and Advanced Financial Accounting and Reporting respectively. However, the results for the March 2008 were not satisfactory as

compared to the previous sitting, with lower passing rates and only 2 candidates obtaining distinction. There are 29 candidates who have successfully completed the examination recently and this has increased the number of graduates to 78 overall.

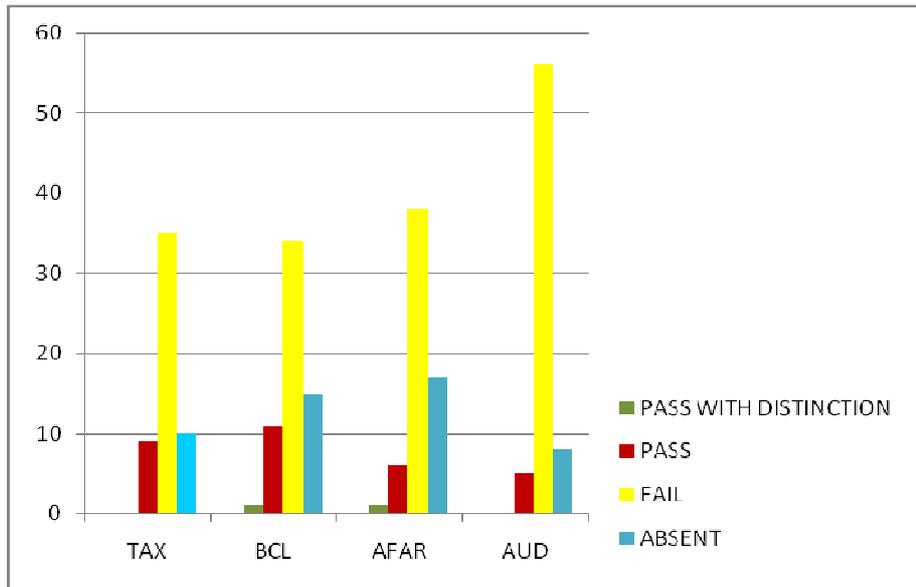
SEPTEMBER 2007 MIA QUALIFYING EXAMINATION RESULTS

	TAX	BCL	AFAR	AUD
PASS WITH DISTINCTION	1	0	3	0
PASS	16	8	23	29
FAIL	54	60	52	45
ABSENT	10	15	12	11
TOTAL	81	83	90	85



MARCH 2008 MIA QUALIFYING EXAMINATION RESULTS

	TAX	BCL	AFAR	AUD
PASS WITH DISTINCTION	0	1	1	0
PASS	9	11	6	5
FAIL	35	34	38	56
ABSENT	10	15	17	8
TOTAL	54	61	62	69



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

Research Study on MIA QE

MIA is embarking on a research on the performance in its Qualifying Examination (QE). The findings of this research would enable us to evaluate and further improve the MIA QE for the benefit of its members specifically and the profession generally.

In this regard, a team of researchers from Universiti Putra Malaysia have been appointed to conduct the research with the following objectives:

- a) to analyse the performance of candidates in the MIA QE;
- b) to identify the factors that may have contributed to the poor performance of the candidates;
- c) to make suggestions and recommendations for the improvement of the performance of the candidates; and
- d) to make suggestions regarding the MIA QE structure, format etc as necessary.

The research is expected to be completed in October 2008.

B. CONTINUING PROFESSIONAL EDUCATION

The Continuing Professional Education (CPE) Department is entrusted with the responsibility of maintaining the professional competencies of MIA's members in terms of knowledge and skills as well as developing the non-members who work and support within the accountancy profession. The strategic functions of the CPE Department are in line with MIA's overall strategic aim of maintaining the credibility of the accountancy profession to uphold public interest as well as to serve and protect effectively the interest of the stakeholders of the Institute.

The day to day functions of CPE Department include carrying out research work, formulating CPE programmes, sourcing facilitators, marketing, and delivering the programmes. CPE Department's main offerings are training workshops and seminars in the areas of technical, IT applications, and soft skills. These offerings are categorised into operational, tactical and strategic levels and specifically catered for the Institute's members and non-members of the accountancy profession. The Institute members enjoy preferential fees. Apart from training workshops and seminars, the CPE Department also organises conferences and special events that are relevant to the accountancy profession. Some of the achievements of the CPE Department during the financial year include:

- Training and seminar programmes

The achievement of 450 training and seminar programmes. These programmes covered various topics in the area of Financial Reporting Standards, Financial accounting, Management accounting, Taxation, Auditing, Corporate governance, Working capital management, Corporate finance and banking, Corporate law, Risk management, Strategic planning, Performance management, Information technology software applications, Leadership, Communication skills and many more.

- National Accountants Conference (NAC) 2007

NAC was held on 12-13 November at the KLCC Convention Centre, Kuala Lumpur. Themed "Towards Excellence Achieving World Class", this premier event for accountants and corporate leaders attracted a record-breaking 2,021 participants.

- Regional Conference 2007 in Johor Bahru

Themed "Southern Malaysia: Driving Regional Economic Growth" on 10-11 September at the Persada Johor International Convention Centre, Johor Bahru. The event was attended by some 250 professionals.

- Supporting capacity-building for the profession

In efforts to support and develop the accountancy workforce serving the SMEs, MIA has applied and become a SMIDEC endorsed training provider during the year. Participants from SMEs who attend approved training programmes offered by the CPE Department are given training subsidy of 80%, hence they pay only 20% of the training fees. **Employees of practising firms which fall under the SME category are entitled to this subsidy.**

C. INTERNATIONAL AFFAIRS

MIA continuously promoted the interests of the profession in Malaysia by actively engaging in dialogues and enhancing co-operation and collaboration with various accounting bodies at international and regional levels.

Through its Globalisation and Liberalisation Committee and International Affairs and Special Projects Department, the Institute also closely monitored the global trends and developments affecting the local accountancy profession as well as the process of globalisation and liberalisation of trade in services at the multilateral, regional and bilateral levels.

The following are updates of the Institute's participation in the international arena during the year under review:

- **Globalisation and Liberalisation**

- **World Trade Organisation (WTO)**

In this matter, close cooperation prevailed between MIA and MITI with regard to negotiations in multilateral trade negotiations on trade in services under the General Agreement in Trade in Services (GATS) under the Accounting, Auditing and Bookkeeping Services (CPC 862) sectors.

MIA will continue to monitor the developments of the GATS negotiations to ensure that the position and interests of members and member firms are not compromised in the face of the external pressures arising from the liberalisation of trade in services.

- **ASEAN Framework Agreement on Services (AFAS)**

MIA continued to be involved in the negotiations under the AFAS, which were conducted at the ASEAN Coordinating Committee on Services (CCS) meetings. Altogether, there were three CCS meetings during the review period.

During the review period, the finalised schedules of commitments of the 5th Package of Commitments under AFAS were signed by the ASEAN Economic Ministers (AEM) in October 2007. The Mutual Recognition Arrangement Framework for Accountancy Services was also finalised during this time and expected to be signed by the Ministers by August 2008.

- **Free Trade Agreements**

During the year, MIA was also involved in articulating our position and engaging in the negotiation process for the following bilateral trade agreements:

- Malaysia – US FTA (MUSFTA)
- Malaysia – Australia FTA
- Malaysia – New Zealand FTA

Pakistan and Malaysia entered into a free trade agreement under the Malaysia – Pakistan Closer Economic Partnership Agreement (MPCEPA), which came into action from 1 January 2008.

The MUSFTA continued to be a primary concern during the year under review. The Institute continues to be actively involved in getting the profession's views across and worked closely with the government to come up with a national position on this FTA.

In addition, Malaysia is also negotiating a Comprehensive Economic Cooperation Agreement (CECA) with India.

- **Regional Organisations**

- ASEAN Federation of Accountants (AFA)

MIA continued to play an active role in the AFA Council. Four AFA Council meetings were held during the review period.

During the 92nd AFA Council Meeting in Jakarta, Indonesia, MIA President, Nik Mohd Hasyudeen Yusoff, was elected as Vice-President of AFA.

Subsequently at the 94th AFA Council Meeting, the AFA Council had appointed MIA as the Project Coordinator for the projects identified in the 2008-2011 AFA Strategic and Operational Plans.

MIA also took the lead role in completing the survey on the "Identification on the Needs and Expectations of the AFA Member Bodies" and the report had been circulated to all AFA member bodies.

- Confederation of Asian and Pacific Accountants (CAPA)

MIA is an active member of CAPA, a regional body which has a membership of 31 national accountancy organizations in 21 countries. The primary objective of CAPA is to provide leadership in the development, enhancement and coordination of the accountancy profession in the Asia-Pacific region.

At the CAPA Annual General Meeting in Osaka, Japan, MIA was also appointed as a board member of CAPA.

MIA is currently involved with two Committees and Task Forces in CAPA, namely the Strategic Committee and the Governance Review as well as the Temporary Task Force for CAPA Environmental Accounting and CSR Project; a project which deals with climate change issues and how to manage the greenhouse gases. These issues which have become a top agenda in many mature economies have likewise become important issues among many CAPA member bodies.

- **Focus Group on Export of Services**

The Focus Group was established in 2005 with the intention to encourage export awareness among member firms and to assist export-focused member firms in attaining their goals in this area.

The membership of the Focus Group had increased from the 26 firms in 2006/2007 to 31 by the end of the year under review.

Among the activities held during the review period:-

- **Courtesy Visit to MATRADE and SMIDEC**

On 6 July 2007, MIA successfully organised a courtesy visit to MATRADE and SMIDEC at their new office at Menara MATRADE, Jalan Duta. The objective of the courtesy visit was to familiarise the member firms with all the facilities that are available for them there. There were also briefings held by MATRADE and SMIDEC regarding the export of services and branding.

The briefings were aimed at giving MIA members and member firms in-depth knowledge of how MATRADE and SMIDEC assist the professional services providers to develop and promote their export markets. The various grants and incentives available were also detailed in the briefings.

- **Malaysia – Indonesia Joint Practitioners Forum**

On 14 August 2007, MIA collaborated with the Indonesian Institute of Accountants in organising the 2nd Joint Practitioners Forum for both Malaysian accountancy practitioners and our Indonesian counterparts at the Corus Hotel in Kuala Lumpur.

The forum, which was themed “Maximising Opportunities through Regional Cooperation”, featured established speakers who spoke on various topics relevant to the current accountancy scene. The event was attended by 47 practitioners from both bodies.

- **Malaysian Services Exhibition 2008, Sharjah**

From 13-15 January 2008, MIA participated in the first Malaysian Services Exhibition (MSE), which was successfully held at the Expo Centre Sharjah, United Arab Emirates and was organised by the Malaysia External Trade Development Corporation (MATRADE). This was a new initiative by MATRADE to promote the Malaysian services sector, which has been identified as the third engine of growth under the 3rd Industrial Master Plan (IMP3) with a view to branding Malaysian services overseas.

The objectives of the MSE 2008 are to promote services from Malaysia to West Asia and surrounding regions (North Africa, Indian Sub-continent and CIS countries), gain and further enhance the visibility of Malaysia services capabilities and expertise, brand Malaysia services by showcasing Malaysian companies' achievements in the international arena, and provide an avenue for Malaysian services providers to network and forge strategic alliances with their potential clients or partners overseas.

A total of 165 companies including associations showcased their services at the exhibition. Three accounting related firms also participated in the exhibition. The three day event attracted 3,656 trade and general visitors.

- Professional Services Development Corporation (PSDC)

MIA presented a proposal for the formation of the PSDC Consultative Panel for Business Support Services Cluster. The proposal includes, among other things, PSDC's support for the professionals in Malaysia based on their specific interest group and that membership should also include non-regulated services as more new services are created as the services sector grows further.

- **Bilateral Relations**

The year under review had been a fruitful one for MIA in terms of developing relationships with some of our foreign counterparts.

Throughout the year under review, MIA hosted delegations from a number of foreign accountancy associations; such as, the Association of Government Accountants of the Philippines – EV Chapter and the Philippine Institute of Certified Public Accountants (PICPA), who desired a discussion/lecture session on the overview of the accountancy profession in Malaysia as well as the roles and functions of the Institute.

The Institute of Cost and Works Accountants of India (ICWAI), the National Accountants Certificate Centre (NACC) of Ministry of Finance of the People's Republic of China and the Economy Finance Training and Research Institute (EFITRI) of Vietnam also visited MIA between the months of November and December.

In February 2008, MIA organised a visit to meet with officials from the Institute of Certified Public Accountants of Singapore (ICPAS) and the Accounting and Corporate Regulatory Authority (ACRA) to get a better understanding of the quality review process there and to identify areas that the Institutes could learn and share with one another.

Currently, the Institute is in the midst of exploring other avenues which could contribute to the Institute's aim of assisting member firms which have a mind to export their services abroad. One of the Institute's latest efforts has been to make contact with the Chinese Institute of Certified Public Accountants (CICPA) in Beijing and plans are currently underway to arrange a meeting with CICPA to explore future collaborations between both institutes.

D. MEMBERS' DEVELOPMENT

1. PUBLIC PRACTICE

The Public Practice Department was restructured in November 2007 to better focus on the area of professional development for members in public practice. Many of the Department's activities revolved around the organisation of seminars and briefings which we believe will generate the necessary awareness among members in public practice.

The 3 main events for the year includes :-

- Private Entity Reporting Standards (PERS) seminars organised together with the Standards Department and the MASB.

The objective of these seminars was to create awareness of members, in practice or otherwise, on the impact of the PERS and the impending introduction of the IFRS for SME Standards. The seminar together with the Field Test Kit session aimed to capture the concerns of members. With the practising landscape in Malaysia consisting of more than 90% of firms in the SMP category, this topic was seen to be relevant especially for those with clients from the SME sector.

It was organised over 5 locations to ensure ample coverage is being given to the topic and 384 members attended both the seminar and the forum on the field test kit sessions. MIA was informed at the SMP Committee meeting of IFAC that among member bodies in the Committee participating in the field test kit, Malaysia recorded the second highest number of respondents, second only after the United Kingdom.

Also through our seminar, MASB manage to collate some of the pointers that they have eventually channeled to IASB.

- Practitioners' seminars

Two significant practitioners' seminars was organised during the year. The Practitioners' Updates in September 2007 and the SMP Forum in June 2008 were well received with the participation of over 500 practitioners, collectively. The forum and update sessions were meant to provide a platform to share the latest findings and experience of MIA when dealing with practitioners and also to provide a channel for practising members to voice their concerns about the latest developments within the profession.

From the Q & A sessions that were conducted, members displayed increasing maturity in accepting that regulation be it in the form of practice review or CPE compliance is essential for the profession in moving forward. Members are also aware that MIA is serious on the issue of credibility. The high awareness levels on the ISQC 1 was also duly

noted as there were many inquiries dealing with its implementation. More importantly, it will no longer be business as usual come July 2008 as far as practice review is concerned.

- Mergers and Acquisitions Briefing

A briefing of mergers and acquisition was held in Park Royal, Kuala Lumpur in October 2007 following an earlier focus group discussion chaired by the MIA President En. Nik Mohd Hasyudeen Yusoff. It attracted about 140 members who came to listen to 10 firms showcasing their intention vis-a-vis the topic of M & As. We believe this event has managed to highlight the areas that should be observed during such negotiations and the documentation needs of such initiatives at the various stage of the courtship. It also put on record the difficult path undertaken by an innovative SMP in the area of M & A.

- Submission to Ministry of Finance on relevant issues
 - MIA has a made submission to the MOF on the issue of tax agent licensing requirements.
 - MIA has also submitted a proposed code of ethics on a joint basis with MIT and MICPA in April 2008 which puts forward more current thoughts on the matter.

Signing of Memorandum of Understanding with the National Productivity Corporation (NPC) to finalise the benchmarking project of firms

A significant breakthrough was also achieve when we manage to finalise bench marking project in early April 2008 after a very long 24 months session. The initial report was tabled at the SMP Forum in June 2008 with a further in-depth discussion slated for August 2008. For the record, an MOU was signed in September 2007 with NPC to formalise the occasion.

During the year, the Department also organised a courtesy visit to the SIDC. The Executive Director Ms. Ho Foong Moi was part of the delegation to meet the CEO of SIDC.

The Department was also involved in the compilation of the self assessment questionnaires - one by the UITM and the other by the Institute's Practice Review Department. A final version of the questionnaire is expected to go live in July 2008 - as directed by the Council.

There was also a MOU signing session with SMIDEC that was initiated by the Department, the ultimate beneficiary being the Institute's CPE Department. That MOU, signed in April 2008, will allow the Institute to claim grants from SMIDEC to subsidise the CPE programme for our members in public practice.

Professional Accountants in Business

- National Award for Management Accounting (NAfMA)

The Institute in collaboration with The Chartered Institute of Management Accountants (CIMA), Malaysia Division successfully organised NAfMA in 2007 for the fifth consecutive year. NAfMA's main aims are to recognise and promote the use of best practices in management accounting towards world-class business performance amongst organisations in Malaysia. It is also to promote and highlight the role of professional accountants in business in the performance of successful businesses.

There were 10 finalists, with 7 recipients of the award in different categories. The NAfMA 2007 presentation dinner was held on 13 December 2007 and was officiated by YB Dato' Shahrir Abdul Samad, Chairman of the Public Accounts Committee.

YB Dato' Shahrir also launched the case studies of the winning companies for 2005 and 2006. The 2005 case studies comprised of Nestle Bhd and Ipoh Specialist Hospital while for 2006 the companies are PHN Industry Sdn Bhd and Pharmaniaga Bhd. The case studies highlight the achievements of the award winners and is a means of sharing of knowledge and best practices in management accounting.

During the year, great effort was put into promoting NAfMA locally and internationally. Workshops were held in Kuala Lumpur, Selangor, Negeri Sembilan, Penang and Johor Bahru to brief potential participants on the assessment process and criteria for NAfMA 2008. Corporate visits were also carried out to promote participation in NAfMA 2008.

- IFAC' Professional Accountants in Business (PAIB) Committee

The Institute supported the IFAC PAIB Committee in the global development and exchange of knowledge and best practices for professional accountants in business.

The Institute attended one meeting of the IFAC PAIB Committee in 3 October 2007 and was involved in the following IFAC PAIB projects:

- the promotion of local management accounting articles internationally through the IFAC Articles of Merit competition. One of the articles submitted by the Institute titled 'Environmental Management Accounting: Towards a Sustainable Future' was selected as one of the top 10 articles for inclusion in the 2007 publication.
- The Institute distributed copies of the information paper titled "Business Planning Guide: Practical Application for SMEs" to the local institutions of higher learning, CAPA and AFA members bodies. This publication is a collaboration between the Institute and the IFAC PAIB Committee. This publication is a practical business planning guide and a very useful tool for management, principally but not exclusively, operating in the small and medium-sized enterprise (SME) area of the

market. The topic was selected in recognition of the role and importance of SMEs in the development of the economy.

- The Institute commented on the Exposure Draft to IFAC's International Management Accounting Statements and International Good Practice Guidance. The Institute was of the view that the Preface is a significant effort by IFAC in promoting consistency and good practice in decision making across the global community in professional accountants in businesses. This is also in line with IFAC's strategic objective in developing high quality international standards and guidance which will enhance the level of competency of professional accountants in business.
- International Professional Practice Framework (IPPF) issued by the Institute of Internal Auditors (IIA)

The Institute has adopted the International Professional Practice Framework (IPPF) as additional guidance to members in the internal audit profession. The IPPF would supersede the existing internal auditing guidelines. A link will be created in MIA's website for easy access to members who are free to refer to the guidelines in the course of discharging their duties in an efficient and trustworthy manner.

The IPPF's structures and associated processes are designed to ensure that the authoritative guidance is current, relevant and internationally consistent. It consist 5 elements including the Code of Ethics, International Standards, Position Papers Practice Advisories and Practice Guides.

The professional practice of internal auditing is governed through a system of self-regulation based on widely accepted standards, ethical principles and other guidance indicative of best practices. The Institute believes that internal auditing best addresses management's strategic objectives when internal audits are performed by competent professionals in accordance with professional standards and rules of conduct requiring independence, due professional care, and effective quality assurance mechanisms. When audits are conducted in accordance with the Standards, Audit Committees and Boards gain additional assurance that the organization's internal controls are adequate to protect the public trust in the financial reporting system.

As part of the move to strengthen our capital market through good governance, the Bursa Malaysia has also supported the IPPF in its recent amendments to the listing requirements issued on 28 January 2008.

- SME Survey

A research project to study the *Current Usage Patterns of Business and Professional Services among Small and Medium Enterprises (SMEs) in the Manufacturing and Distributive Trade Sectors* is currently being conducted. This research project is a collaboration between the Institute and University of Malaya and is funded by the Malaysian Accountancy Research and Education Foundation (MAREF).

The purpose of this study is to understand the business support services that assist SMEs in building competitive advantages. The study also aims to identify the type of services that SMEs obtain from external accountants and their level of satisfaction from these services.

The survey questionnaires have been distributed to the SMEs and the final report on the findings is expected to be issued in August 2008.

PROFESSIONAL STANDARDS & PRACTICE

A. Accounting and Auditing Committee (AAC)

During the period under review, the following activities were carried out:-

- Field Testing of International Accounting Standards Board (IASB)'s draft IFRS for SMEs was carried out.
- A series of 5 half-day forums/ seminars were jointly organised by the Institute and the Malaysian Accounting Standards Board (MASB) in August 2007 whereby the participants were briefed on the draft IFRS for SMEs and how they can participate in the field testing.
- The Committee responded to the International Accounting Standards Board (IASB) issued exposure draft International Financial Reporting Standard for Small and Medium-sized Entities (draft IFRS for SMEs) by participating in the Field Test Kit issued by the IASB. The Field Testing was issued by IASB to gather the feedback from the preparers on the exposure draft.
- MIA has received 27 submissions from the SMEs financial statements preparers, and the documents have been submitted to the IASB.

B. Financial Reporting Standards Implementation Committee (FRSIC)

During the period under review, MIA's FRSIC received a total number of 14 issues during FY 2008 from 1 July 2007 to 30 June 2008 (FY 2008) as follows:

- a) **8 issues** were accepted for FRSIC consideration, of which 3 projects has been issued consensus in FY 2008 and 1 project has been issued a consensus in July 2008.
- b) **4 issues** were rejected for further deliberation by FRSIC.
- c) **2 issues** were discontinued

FRSIC also carried out the following activities:

- **Dialogue with Institute of Surveyors Malaysia**

FRSIC had initiated a dialogue with representatives from the Institute of Surveyors Malaysia (ISM) on 10 April 2008.

The dialogue was mooted subsequent to receiving positive feedback from some professional valuers who participated in the working group of a FRSIC project. FRSIC considers it needful to build a platform for continuous communication between the accountancy professionals and the valuers' profession. In particular, where fair value is getting more prominent in the accounting arena, higher reliance and involvement of valuers' profession would be expected to determine the fair value for accounting measurement and disclosure purpose.

This dialogue forms a good starting point for both professionals as a platform for communication with the main objective of closing the expectation gaps required of both professions. Both parties had unanimously agreed that a Joint Technical Committee (JTC) would be set up to look into the consistency and compliance of standards governing both professions.

- **Talk on Employee Share Options Scheme (ESOS)**

FRSIC had organised a talk on Employee Share Options Scheme (ESOS) on 16 April 2008. The talk was complimentary to individuals who had participated as members of FRSIC Working Group in the past. The speaker, Mr. Hugh J Osburn, is a highly qualified and experienced expert in valuation. He is a fellow of the Chartered Institute of Management Accountants, UK and an Associate of the Institute of Investment Management & Research, UK. He is an accredited senior appraiser and also a member of the American Society of Appraisers. He was the Vice President of the International Financial Appraisal division within an international valuation consultancy.

Mr. Osburn shared his profound experience about practical ways to use meaningful input in ESOS valuation. The 2 hours session covered pertinent areas on variables used in ESOS valuation such as expected volatility of share price, number of employees, resignation of employees prior to options vesting, forfeiture of options, market-based conditions, non-market-based performance conditions and so on.

Practical examples were used to demonstrate the effect of using different variables and scenarios. The talk ended with a questions and answers session.

The main objective of the talk is to share current issues and development regarding ESOS with particular focus on valuation techniques and accounting treatment.

There was a full turnout by invitees, and the participants expressed their gratitude and satisfaction that FRSIC had organized such an informative talk.

C. Taxation

Some of the activities carried out by MIA under the taxation committee include:

- **Dialogues with the Relevant Authorities**

The Institute submitted a number of memorandums or submissions on tax matters to the relevant authorities, including the 2008 Post-Budget Technical Memorandum, comments/proposals on the improvement of current Customs procedures and system, 2009 Joint Budget Memorandum, Memorandum on Operational, etc. Following the submission of the memorandums, the Institute held dialogues with the relevant authorities, such as Ministry of Finance (MOF), the Inland Revenue Board (IRB) and the Royal Malaysian Customs (RMC).

During the period under review, the Institute had dialogues with the Revenue Management Department and Technical Department of the IRB to seek further clarification on the latest legislation/ guidelines issued and also to resolve the practical problems encountered by the members of the Institute. The Institute also expressed its views and proposals on various issues in promoting the interests of the accountancy profession in Malaysia. Among the issues raised during the Operations Dialogue on 25 February 2008 were the deadline for submission of income tax returns for companies with March and December year-ends, transitional provisions for dividend payment under the single tier system, tax credit set-off, implementation of e-filing, waiver of penalty under Section 107C(11) of the Income Tax Act, 1967, etc. In addition, the Institute also had a few meetings with the Revenue Management Department of the IRB to resolve practical issues/problems related to the submission of income tax returns for years of assessment 2007 and 2008.

Post budget issues such as reduction of company income tax rate, single tier system, exemption from submitting the estimated tax payable for new small and medium enterprises, tax relief on deposits in the Skim Simpanan Pendidikan Nasional (SSPN) account, incentive for enhancing security control of goods, gifts of new personal computers and broadband subscription fee from employers to employees, payment of stamp duty using private valuation, exemption of stamp duty on purchase of residential property and other technical issues such as permitted expenses of Investment Holding company, tax treatment of unabsorbed losses and capital allowances were among the matters raised during the Technical Dialogue with the IRB on 14 December 2007. Besides, the Institute also participated in the meetings with the MOF and the IRB to resolve tax issues arising from application of Financial Reporting Standards (FRS) and to streamline the tax treatment for employees' benefits-in-kind, allowances and perquisites.

MIA raised issues and submitted proposals for the improvement of Customs procedures and system to the Tax Review Panel as well as during the Customs-Private Sector Consultative Panel Meeting 2/2007 held on 12 December 2007. Among the issues raised were refunds of duty/tax paid, time frame taken for the refund of drawback, intra-group service tax exemption, Customs guidelines, Customs rulings, Customs Appeal Tribunal, disbursements/out of pocket expenses, refund of bad debts, time frame for approval of sales tax exemption, improvement of Customs website, etc. In addition, the Institute also raised its issues and proposals arising from the implementation of the Customs Duties Order 2007 and ASEAN Harmonised Tariff Nomenclature (AHTN) 2007 to the Royal Malaysian Customs.

MIA also jointly prepared and submitted a Budget Memorandum to the Ministry of Finance on 8 April 2008 together with the Malaysian Institute of Certified Public Accountants (MICPA) in

conjunction with the 2009 National Budget. The Budget Memorandum contained a number of recommendations for the improvement of the taxation system and for fairer tax processes to be put in place. The Institute is pleased to confirm some of the recommendations submitted by the Institute in its Budget Memorandum for 2008 were either partly or fully accepted by the Ministry of Finance. These include the Institute's recommendations in respect of the introduction of single tier corporate tax system and deduction for gifts of new personal computers to employees.

- **2008 Budget Commentary and Tax Information**

In collaboration with the MICPA, MIT and the major accounting firms, the Institute published the 2008 Budget Commentary and Tax Information booklet for the benefit of members and the general public. The booklet contains relevant tax information with the latest amendments to the relevant legislation as proposed in the 2008 Budget as well as updates and other tax related information.

- **Budget Hotline**

To assist members as well as the public, the Institute jointly with the MIT organized a Budget Hotline which was handled by a panel of tax consultants drawn from major accounting firms. The Hotline provided a convenient channel for members and the public to seek advice on the implication of the proposed changes to the income tax law after the 2008 National Budget was announced.

D. Anti-Money Laundering Working Group

In August 2007, the Institute had attended a briefing by the Bank Negara Malaysia on the results of the 1st phase of Self Assessment Questionnaire ("SAQ") distributed amongst selected respondent members of the Institute and other professions in May 2007.

The SAQ is a means of practising members' complying with the requirement of independent audit function under S.19(2)(c) of the Anti Money Laundering and Terrorism Financing Act 2001 ("the Act").

From the SAQ, which consisted of 28 questions posed to assess the compliance with the Act and Guidelines issued pursuant to the Act, it was concluded that –

- 8 respondents (3 of whom were members of the Institute) had obtained a score of 70% and above (for answering affirmatively to 20 questions and above);
- 21 respondents (1 of whom was a member of the Institute) had obtained a score of between 50% and 69% (for answering affirmatively to between 14 and 19 questions);
- the balance of 33 respondents (1 of whom was a member of the Institute) had obtained a score of between 4% and 49% (for answering affirmatively to between 1 and 13 questions);

- there was a need to strengthen the respondents' internal policies and procedures, and training on anti money laundering and terrorism financing among members of their staff ; and
- the respondents' reliance on guidance and updates issued by their professional bodies (eg. the Institute) was considered as an effort to comply with the regulatory requirements.

In April 2008, the Institute was also approached by Bank Negara to collaborate in organizing workshops and seminars to further create awareness among our members in the area of the Anti-Money Laundering Act and its requirements.

E. Ethics

The purpose of the Ethics function of MIA is to formulate By-Laws (On Professional Ethics, Conduct and Practice) (Institute's By-Laws) and to ensure that these By-Laws are aligned to relevant and significant local and international developments. The main activity carried out under this function is as follows:

- **The Issuance of Exposure Draft on additional proposals to the Auditors' Independence By-Law**

In July 2007, the International Ethics Standards Board for Accountants (IESBA) had on 15 July 2007 issued an Exposure Draft with additional proposals on auditors' independence which covered provision of internal audit services to an audit client, independence implication related to relative size of fees received from one assurance clients and contingent fees for services provided to assurance clients.

Due to the implications of the proposals, the Institute through the Ethics Committee solicited comments and feedback from members, regulators and other stakeholders.

The Ethics Committee deliberated on the comments received from these interested parties and formulated a response to IFAC.

Throughout the review period, the MIA's By-Laws were closely monitored to ensure that it meets the standards and obligations expected of the Institute's members and the profession as a whole. Minor revisions were made to the provisions in MIA's By-Laws where necessary.

F. Insolvency Practice Working Group

In August 2007, the Corporate Law Reform Committee (CLRC) issued Consultative Document No. 10 – *“Reviewing the Corporate Insolvency Regime - The Proposal For A Corporate Rehabilitation Framework, Reviewing The Company Receivership Process, and Company Charges And Registration Process - Improvements To The Present Registration System”*.

The Working Group met in September and October 2007 to discuss the appropriate comments to be submitted to the CLRC. On 11 October 2007, the Working Group (which is jointly formed with the Insolvency Practice Committee of MICPA) submitted its views and comments to the CLRC.

SURVEILLANCE & ENFORCEMENT

A. SURVEILLANCE

a. Practice Review

The Practice Review program was formulated with three key objectives in mind. It is meant to ensure that all members in public practice maintain, observe and apply the relevant professional standards, so as to assure that those members in public practice, their firms and their employees are competent, ethical, and exercise due professional care in their professional work; assist members in public practice to improve their professional standards where necessary and identify areas where members in public practice may require assistance in maintaining and observing professional standards

- **Notifications**

During the year under review, 96 notifications of review were issued to audit firms. The cumulative number of audit firms which have been issued notifications of selection for review thus increased to 363 in 2008 (267 in 2007).

- **Reviews**

As at 30 June 2008, the department has completed the review of 309 (209 in 2007) audit firms while the other 54 firms, being the balance, were in progress.

The department has referred 2 cases to the Investigation Committee for breaches of the By-Law on Practice Review during the year under review.

b. CPE Audit

Continuing Professional Education is an important process which any professional must undergo to maintain his relevance and gain more knowledge. Although members have over the years been making conscious efforts to pursue continuous education, MIA has developed a mechanism to assist members to monitor their compliance.

Members are able to update courses they have attended (other than MIA organised programmes) through the Institute's website. In the case of MIA courses, they are automatically updated. In this way, members are able to track their learning and development hours on their own. Since 2005, when this service was available, an increasing number of members have used this service.

MIA continues to conduct the annual CPE audit. For the audit cycle 2005 – 2007, a total of 5,000 members were audited, which comprise about 24% of the membership. At the end of the financial year, 56.38 have complied with the CPE requirements, 14% failed to provide adequate evidence to support their compliance or had insufficient number of credit hours required. During the audit period, 0.3% members resigned or were removed, whereas 12.56% who received the audit notification failed to return their forms. The Council granted exemptions to

0.36% of the audited members due to health reasons. 16.4% will be referred to the Investigation Committee for failure to respond to the Institute request to submit reports.

c. Financial Statements Review

Review exercises were undertaken by the Institute for the purpose of determining compliance with statutory requirements, approved accounting and auditing standards, and generally accepted accounting and auditing principles and practices. The review covered public listed companies, non-listed companies and government-linked corporations. The Institute also looks into matters referred to it by the regulators and may review the financial statements where there are public interest issues.

Review findings were communicated to the member responsible for the preparation of the financial statements and the member who is reporting on the financial statements, as well as the board of the directors of the relevant companies.

During the year under review, 24 financial statements were randomly selected and reviewed and 3 financial statements were reviewed based on referral from other regulatory bodies. A total of 16 cases have been referred to the Investigation Committee.

B. ENFORCEMENT

During the year under review, the legal and enforcement department focused on several different areas:

- **Clearing backlog of cases**

In clearing the backlog of referred cases from the regulators at the Investigation Committee stage. This was done to effectively and efficiently regulate the accountancy profession in Malaysia. To date, the Investigation Committee has completed investigations into ten (10) out of twenty nine (29) cases that have been referred by the regulators. These cases carry a high element of public interest and as such were heard in priority to the other cases. The investigation into the other cases referred by the regulators is at various stages of investigation.

- **Amendments to the Accountants Act 1967**

In order to create a dynamic and responsive framework for the accountancy profession in Malaysia, a comprehensive proposal for amendments to the Accountants Act had been tabled to and approved by Council in May 2008. The proposal contains among others, provisions that will enhance and strengthen the enforcement mechanism in meeting stakeholders' expectations and provides for the future direction of the profession.

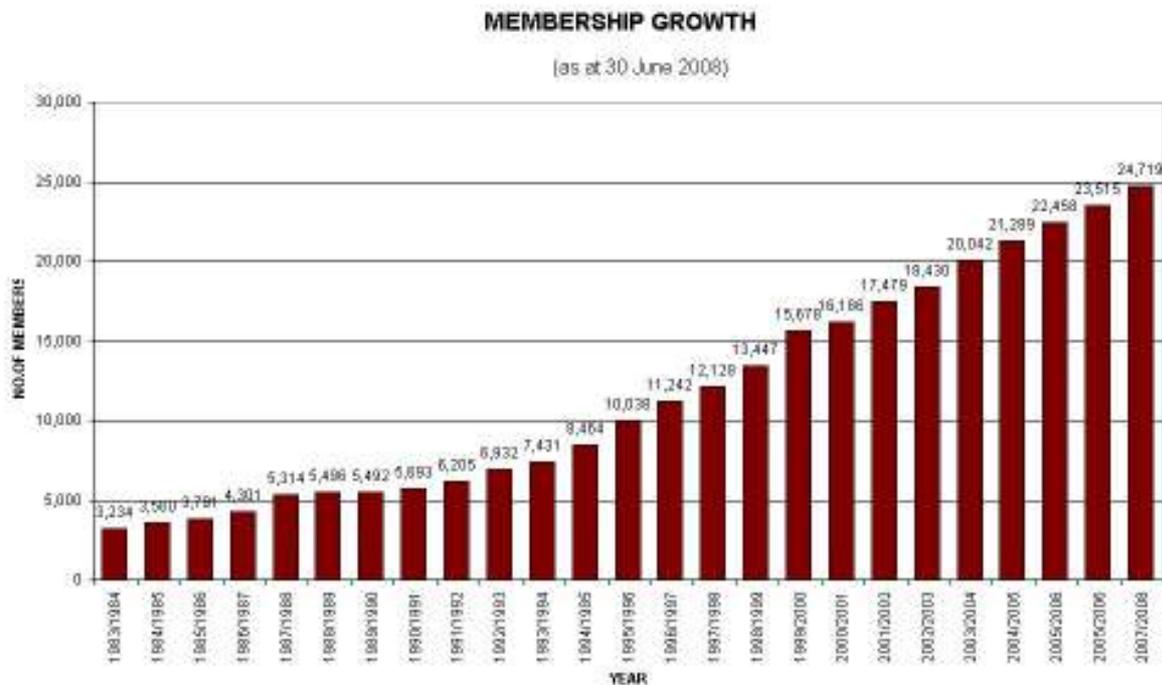
4. SUPPORT SERVICES

A. Membership

In the year under review, the Council had admitted 1,449 qualified persons into the three membership categories, namely 1,475 Chartered Accountants, three Licensed Accountants and 23 Associate members. The Council had also reinstated the membership of 166 applicants during the same year.

Pursuant to Rule 7(1) of the Institute's (Membership and Council) Rules 2001, the Registrar, as authorized by the Council removed 345 members from the Register of Members for failing to settle their annual subscriptions within the stipulated time frame. A total of 132 members had applied to resign during the year and their applications were approved. The common reasons for resigning were due to employment overseas, migration, retirement and leaving the profession. The Council noted with regret the demise of 17 members. As at 30 June 2008, the total membership stood at 24,719. Within the membership, 65% are professional accountants in industry and business, 27% in public practice and the balance 7% in the public sector and other sectors.

“Membership Growth”
As at 30 June 2008



GEOGRAPHIC DISTRIBUTION OF MEMBERS
(as at 30 June 2008)

STATE	CA	LA	AM	TOTAL
JOHORE	1,396	6	6	1,408

KEDAH	403	2	11	416
KELANTAN	140	-	1	141
LABUAN	55	-	-	55
MALACCA	379	2	1	382
NEGERI SEMBILAN	409	2	-	411
PAHANG	259	1	7	267
PERAK	777	3	2	782
PERLIS	39	-	3	42
PENANG	1,616	8	3	1,627
PUTRAJAYA	117	-	-	117
SABAH	767	-	2	769
SARAWAK	1,271	-	5	1,276
SELANGOR	9,697	13	25	9,735
TERENGGANU	176	-	-	176
FEDERAL TERRITORY	6,118	10	17	6,145
OVERSEAS	967	1	2	970
TOTAL	24,586	48	85	24,719

Sections 22 and 23 of the Accountants Act, 1967 provides that unless a person is registered as a member of the Institute, he would not be entitled to use the term “accountant” or similar designations. In an effort to educate the public and employers, the Institute actively monitors advertisements placed in the local newspapers for positions such as an Accountant, Finance Manager, Financial Controller and other similar positions. The Institute communicates with the advertisers to create awareness amongst the employers as well as to educate them on the need to recruit only MIA members for these positions as provided in the said Act.

Rule 9 of the Institute’s (Membership and Council) Rules 2001 requires members who are partners or sole-proprietors of member firms and who are directors/shareholders of tax companies registered with the Companies Commission of Malaysia to hold practising certificates. As at 30 June 2008, 2,436 members are practising certificate holders.

Within the financial year, a total 113 members were issued with practising certificates, of which 17 were reapplications. The Institute cancelled 78 practising certificates whereby 13 certificates were cancelled due to non-payment of practising certificate fee and 3 were cancelled due to non commencement of public practice within 6 months from the date of issuance of the practising certificate as required by the Institute’s Rules. In addition, 55 practising certificate holders applied to cancel their practising certificates as they could not commence practice within 6 months from the date of issuance or they ceased to practice. 7 practising certificates were automatically cancelled as the holders had passed away.

It is a requirement under the Institute’s By-laws for all members in public practice to maintain a policy of professional indemnity insurance (PII) with a minimum coverage of RM100,000 immediately upon commencement of public practice. The Institute has been actively monitoring this compliance and at the close of the financial year, 96 % of members in public practice had purchased PII. Practitioners who failed to comply may be referred to the Investigation Committee for non compliance of the by-law.

In this fiscal year, 39 audit firms applied to be registered with the Institute whereby 34 were audit firms and 5 were non-audit firms which converted their status to audit firms. A total of 63 audit firms were taken off the register of member firms as they had ceased operations. The Institute had also registered 47 non-audit firms and removed 55 non-audit firms (50 firms ceased operations, while 5 firms were converted to audit firms) from the register.

For the year ending 30 June 2008, there were 1348 audit firms and 650 non-audit firms registered with the Institute, compared with 1372 audit firms and 658 non-audit firms in the preceding year. The following table shows the distribution of member firms (audit and non-audit firms) registered with the Institute.

NO. OF MEMBER FIRMS BY STATE
(as at 30 June 2007 and 30 June 2008)

STATE	AS AT 30 JUNE 2007			AS AT 30 JUNE 2008		
	AUDIT FIRMS	NON - AUDIT FIRMS	TOTAL	AUDIT FIRMS	NON - AUDIT FIRMS	TOTAL
FEDERAL TERRITORY*	541	192	733	514	188	702
JOHOR	123	80	203	124	79	203
KEDAH	25	15	40	26	16	42
KELANTAN	12	6	18	11	4	15
MELAKA	30	17	47	30	15	45
NEGERI SEMBILAN	20	16	36	19	16	35
PAHANG	23	5	28	23	7	30
PENANG	106	36	142	107	37	144
PERAK	53	49	102	52	48	100
PERLIS	1	1	2	1	1	2
SABAH	82	29	111	84	30	114
SARAWAK	81	26	107	81	25	106
SELANGOR	264	183	447	265	181	446
TERENGGANU	11	3	14	11	3	14
TOTAL	1372	658	2030	1348	650	1998

**Including F.T. Labuan*

All firms registered with the Institute are required to submit an annual return to the Institute. Out of 2036 annual returns sent to the firms for 2008, 98% have returned the forms. Currently, the Institute is working on a mechanism to allow firms to update their annual returns on-line and it is expected to be ready for the year 2009. This would speed up the process for firms to update their annual returns and at the same time is aligned to the Institute's commitment to a greener environment by using less paper.

From 1 January 2008 and 1 March 2008, the Institute no longer sends circulars in hardcopy format to members and member firms respectively. This is part of an ongoing effort of the Institute to be more socially conscious of the environment. Circulars and updates are sent to members via the Institute's E-news which appears on the Wednesday which falls in the middle of every month. Urgent information will however be sent out on other Wednesdays of the month as MIA Updates. Circulars are also updated on the Institute's website whereby members may make reference at any time. We have received positive feedback on this mode of communication as the information is being disseminated at a speed much higher than through the conventional mode.

B. Administration

Throughout the financial year, the Management Centre continued to spearhead the execution of various initiatives towards fulfilling the Institute's strategic objectives.

With the aim to move MIA to a higher platform, a three (3) years' Operational Plan was initiated and implemented on 01 July 2008. In line with this initiative, the Management Centre and its employees will be strictly measured on their performance and contributions towards achieving the Institute's strategic objectives set out for the next three (3) years.

The Management Centre has realigned its organisation structure of the Institute by mainly focusing on three (3) key areas which are the Education & Development, Professional Standards & Practices and Surveillance & Enforcement. In line with this initiative, the roles of the Council, Committees and Management Centre staff are now clearly defined.

As part of the Management Centre continuous efforts in providing excellent services to members and to effectively carry out the regulatory functions of the Institute, certain key positions were filled during the year under review in particular, the Technical and Surveillance Divisions. This was in line with the Institute's aspirations to strengthen the quality of its technical and operational teams to support its members and perform its regulatory functions effectively. As a service provider to its members, the Institute recognizes that investment and retention of quality personnel is crucial to the success of the organization.

C. Marketing & Promotion

For MIA to develop, support and monitor quality and expertise consistent with global best practice in the accountancy profession for the interest of stakeholders as set out in its mission, additional sources of income and a steady increase in membership over the long term are required. A number of development and promotional activities were undertaken by the Institute through its Marketing and Promotions Department, Public Relations Department, Membership Department and Education Department.

With regard to activities to increase membership, the Institute was actively involved and participated in the following activities:

- 7 July 2007 - ACCA Careers 2007, Crowne Plaza Mutiara Kuala Lumpur

- 17 & 18 July 2007 – National Tax Conference 2007, Kuala Lumpur Convention Centre
- 23 & 24 July 2007 – UKM Accountancy Week 2007
- 17 & 19 August 2007 – My Career & Education Fair 2007 (MyCef 2007)
- 3 & 4 September 2007 – MICPA-BURSA Business Forum, Shangri-La Kuala Lumpur
- 4 October 2007 – Taylor’s Business School – Accounting Day
- 22 & 23 November 2007 – Pameran Pendidikan Anjuran Pusat Sumber Bank Kerjasama Rakyat (M) Berhad
- 12 & 13 Jan 2008 – STAR Education Fair 2008, Kuala Lumpur Convention Centre
- 17 Jan 2008 – Monash University Accounting Day
- 21 & 22 Jan 2008 – IIUM, BACC Career Day 2008
- 30 Jan 2008 – Certificate Giving Ceremony, Faculty of Accountancy, UiTM
- 5 March 2008 – UNITEN Financial Reporting Symposium 2008
- 29 March 2008 – Inter-Varsity Accounting Quiz (IVAQ) 2008
- 7 April 2008 – Majlis Penerangan Pengiktirafan Ahli MIA, Angkatan Koperasi Kebangsaan Malaysia Berhad (ANGKASA)
- 22 April 2008 – UNITEN Professional Membership Drive 2008
- 23 May 2008 – Group Presentation at Sime Darby Berhad
- 28 June 2008 – ACCA Careers 2008, Crowne Plaza Mutiara Kuala Lumpur
- Advertiser – UM Accounting Journal

In promoting the MIA membership, a more effective delivery of promotions through an efficient branch machinery is targeted in the coming year. While most of the membership drive activities have been undertaken from the Institute’s office in Kuala Lumpur, some of the functions will be enhanced through the contributions of branch offices outside the Klang Valley.

Other promotional activities were undertaken in the year under review by the Institute. The Institute actively worked with strategic partners to offer a wider range of benefits for its members.

D. Governance and Enterprise Risk Management

In March 2008, MIA developed its Governance Framework which contains four (4) key elements:

- Standard Of Behaviour
- Organisational Structures and Processes
- Control Environment
- External Reporting

The development of the framework was guided by IFAC Guidelines namely Governance in the Public Sector: A Governing Body Perspective. In line with the requirement of MIA Governance Framework, the Code of Conducts for Council Members has been proposed for adoption.

The Council approved MIA Enterprise Risk Management (ERM) manual in December 2007. The manual contains the framework and processes to implement it. The framework is being implemented to ensure that all key risks are identified, assessed, managed, monitored and communicated systematically to MIA. ERM oversight structure includes Council, Executive Committee (EXCO) and Audit Committee of Council (ACC). The MIA Key Risk Profiles and Key Risk Register were presented to Council in May 2008.

The Council, in its effort to promote and ensure better governance within MIA, has established ACC and Internal Audit Department (IAD). The Internal Audit Department (IAD) has been actively playing its roles in the proposing and ensuring the implementation of the above frameworks. The Internal Audit Manual was approved by Council in September 2007 for IAD adoption.

Based on the Annual Audit Plan approved by ACC, the department has completed 6 audit assignments and 1 special review in the financial year. In January 2008, the department did an assessment to assess MIA's compliance to the Accountability Index issued by Auditor General Department.

5. FINANCE

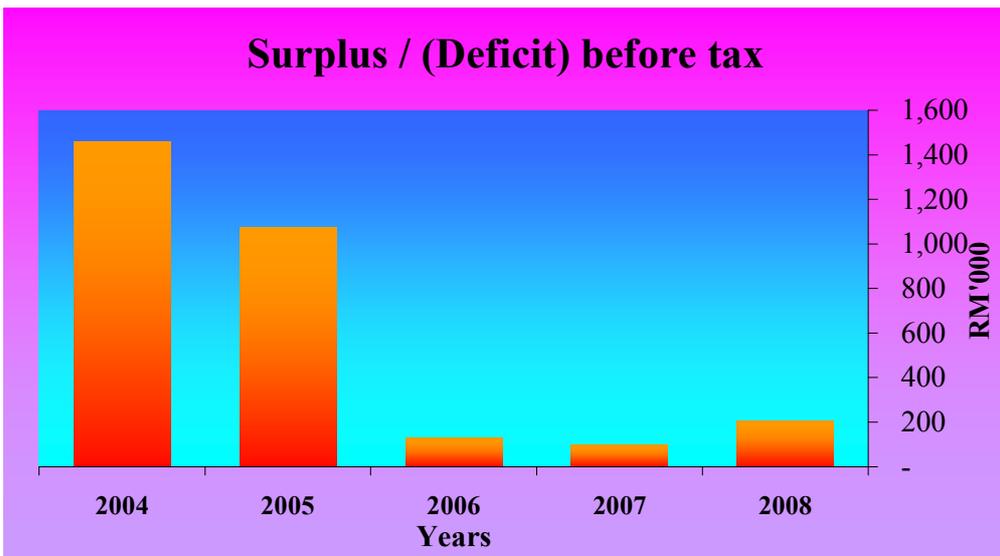
The Institute recorded a higher surplus before taxation of RM206,250 for financial year ended 30 June 2008 as compared to last financial year of RM99,802. This improvement was mainly attributable to the higher gross income from membership and Continuing Professional Education (CPE).

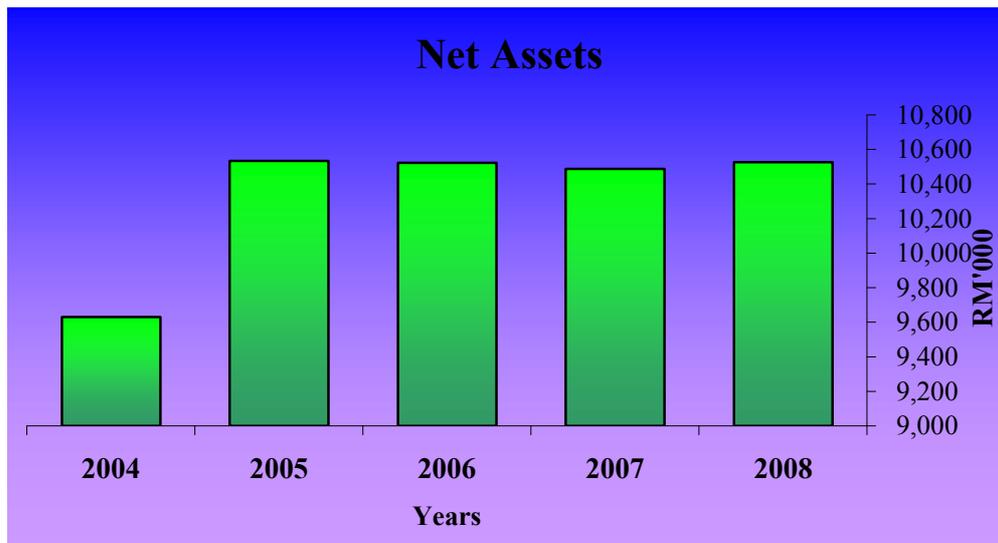
Membership has increased by 1,161 representing an increase of 5% from 23,558 members to 24,719 members this financial year thus increasing the admission and subscription fees received from new members. CPE net income of RM2.66 Million has increased by 36% as compared to last financial year of RM1.96 Million. The higher profit margin was due to the stringent cost control on direct cost.

The increased in CPE income has assist in supporting the other regulatory roles and functions of MIA in meeting its objectives.

RECORDS OF LAST 5 YEARS FINANCIAL SUMMARY

	2008 RM	2007 RM	2006 RM	2005 RM	2004 RM
Membership income	7,794,200	7,351,450	7,125,750	6,831,000	6,536,350
Surplus / (Deficit) before tax	206,250	99,802	131,255	1,076,368	1,461,927
Net Assets	10,527,204	10,487,305	10,523,871	10,534,659	9,631,092





BRANCHES

Penang Branch

During the period under review, the MIA Penang Branch actively reached out to members through the following activities:-

- **Accountancy Fair for students**

The Accountancy Fair was held on 6 September 2007 at the Universiti Sains Malaysia's Dewan Tuanku Syed Putra. Its objective was to educate members of the public on the role of accountants as well as creating sufficient interest in the profession to ensure its growth is sustained. The media coverage comprising a series of newsworthy articles would have contributed to the credibility of the Institute and the profession.

More than 2,000 people comprising students, school counselors, teachers from 42 schools on the island, undergraduates and parents thronged the Fair which was officiated by Deputy Information Minister, YB Dato' Seri Chia Kwang Chye.

- **Business Conference 2007 attracts C-Level participants**

On 29 November 2007, the Penang Branch organised the Business Conference 2007 at Traders Hotel in Penang. Themed '*Driving Innovation*' the event acted as a springboard from which the growth of the nation can be further strengthened and accelerated. The event raised the profile of the Institute and accountants as respected business partners and by extension would contribute towards enhancing credibility.

The event managed to attract 230 participants comprising CEOs, CFOs, directors, managers and accountants. Penang Chief Minister YAB Tan Sri Dr Koh Tsu Koon delivered a keynote address at the event.

- **Official Opening of Penang Branch new office**

On 29 April 2008, the Penang Branch held the opening of its new office at Menara Great Eastern. Besides profiling the Institute, this event also served as a platform to strengthen the relationship with members and other stakeholders. This interaction with its many stakeholders would facilitate the Institute to carry out its functions in a more holistic manner and augers well towards achieving credibility.

Penang Governor TYT Tun Dato' Seri Utama (Dr) Haji Abdul Rahman Abdul Abbas officially opened the new office. Penang Deputy Chief Minister 1, Tuan Mohammad Fairus Khairuddin delivered a speech at the event.

Some 140 guests comprising members, corporate leaders, representatives from local government authorities, professional bodies, chambers of commerce, banks, private and public institutions of higher learning and media were present.

In conjunction with the opening, the MIA Penang Branch also organised a series of seminars for members of the public on financial management and personal development.

Johor Branch

Among some of the major activities conducted by the MIA Johor Branch during the period under review are as follows:

- **Luncheon with SSM to strengthen ties**

On 31 July 2007, the MIA Johor Branch Committee organised a luncheon with the Companies Commission of Malaysia (CCM) Johor Bahru officials. Present at the lunch was the State Director, En Rosli Hj Ahmad and two of his staff, En. Mohd Hamdan Mohd Jaafar, Head of the Enforcement Section and En. Azrin Mohd Ripin, Head of the Operation Section.

- **The successful Regional Conference 2007**

From 10-11 September 2007, MIA organised the Regional Conference (RC) 2007 at the Persada International Convention Centre in Johor Bahru. The conference was themed "Southern Malaysia : Driving Regional Economic Growth". It attracted about 300 accountants and business leaders from the southern region of Malaysia.

- **Workshop on PERS and FRS to update members on latest developments**

On the 15 April 2008, Workshop on Differences Between PERS and FRS. This workshop focused on the key area of the differences between PERS and FRSs as it now stands and also on the conceptual framework that is driving the formulation of the new FRSs. Associate Professor Dr

Susela Devi Selvaraj from the Faculty of Business and Accountancy, University of Malaya facilitate the workshop. Each workshop was attended by 40 participants.

Sabah Branch

MIA Sabah Branch continued to reach out to members in the state through many activities. Some of the major activities conducted during the period under review include:-

- **CPE seminars on Tax for Sabah Members**

CPE Seminars on Tax Planning For SME's and Taxation for Investment Holding Companies Incorporating Budget 2006 & 2007 Changes were held at three different locations i.e Kota Kinabalu on 8 August 2007, Sandakan on 9 August 2007 and Tawau on 11 August 2007. The seminars managed to attract a total of 222 participants in all three locations.

- **Branch Annual Dinner 2007**

Themed 'Value Creation: 40 Excellent Years', the dinner was held on 3 November 2007 at Shangri-La's Tanjung Aru Resort in Kota Kinabalu.

- **Sabah Branch spreads festive cheer**

The Branch committee and management visited the Don Bosco Children Home on 28 Jan 2008 in Bundu Tuhan, Ranau and donated RM4,000.00 to the home.

- **Branch Initiated Career Talks**

A career talk was held at the Sabah State Library on 23 August 2007 while a career talk was held at Universiti Teknologi Mara (UiTM) on 20 February 2008.

Sarawak Branch

The MIA Sarawak Branch actively organised events during the period under review to reach out to the members as well as other stakeholders in the state.

Among some of the activities conducted include:-

- **Branch Dinner and President's Dialogue**

The dialogue was held in Kuching on 10 November 2007 for the President to engage with members in the state. Apart from that it was also meant to serve as a platform to update members on the developments within the profession.

Following the dialogue on the same day, the Sarawak Branch Annual Dinner was also held. More than 500 guests attended the event.

- **Engaging with stakeholders**

Among some of the stakeholders that the Sarawak Branch met up with during the period under review include SSM and the Royal Malaysian Customs Department. The focus of these activities were to establish closer working ties and create increased awareness about the role of MIA.

- **Spurring interest in the profession**

The Sarawak Branch continued to organise a series of career talks and events to create more interest in accountancy. Some of the schools that benefitted from the career talks include SMK Shung Hwa, Miri, UiTM Kota Samarahan, SMK Kuching High and SMK Green Road.

Accountancy Career Forums were also held in areas like Miri, Bintulu and Petra Jaya to further reach out to promote the accountancy profession to school counselors.

WCOA 2010

During the period under review, MIA, through the WCOA 2010 Steering Committee has undertaken a significant number of global strategic marketing and promotional initiatives involving International and Regional Professional Bodies, Government Ministries, Corporate firms to reach out to extensive network of 2.5 million accountants worldwide employed in public practice, commerce and industry, government and academe to build awareness and interest in the Congress.

With a strong 75 per cent focus on Europe and Asia, WCOA 2010 hopes to attract a greater number of delegates from the emerging economies of China and India.

As part of these initiatives, the WCOA 2010 Organising Committee has embarked on a number of endeavours. These include:

- **WCOA 2010 Promotional and Awareness Campaign**

WCOA 2010 promotion debut took place in Osaka, Japan. It was then promoted to two major gatherings which MIA participated in in Jakarta, Indonesia and Sharjah, United Arab Emirates.

The Institute has also requested the support of IFAC member bodies to provide a hyperlink between WCOA 2010's website www.wcoa2010kualalumpur.com and IFAC member bodies' websites; a minimum of two advertisements on WCOA 2010 in their printed/on line publications, journals or other communication materials as well as a minimum of three rounds of electronic or print broadcasts (consecutively in 2009 and 2010) to their individual members via their membership list. This would ensure constant awareness on WCOA 2010. A meeting was also held with MATRADE on June 25, 2008 to explore promoting WCOA 2010 through MIA's participations in trade missions, specialised marketing missions, trade fairs and promotion booths. The possibility of getting MATRADE's endorsement for the WCOA 2010 exhibition was also explored.

To assist promotion, fact sheets and marketing packs on WCOA 2010 were also prepared. These marketing communication tools are distributed at targeted promotional and marketing activities.

- **Registering the WCOA 2010 Brand Identity**

Efforts are underway to file for trademark registration of the WCOA 2010 in the United Kingdom, United States, Australia and Malaysia. This is to protect the intellectual property of the WCOA 2010. The project is currently in progress in the above mentioned jurisdictions and is due to be completed by next year.

- **Brand Identity Manual**

The WCOA 2010 Brand Identity Manual which is already being implemented provides proper guideline on the usage of the WCOA 2010 logo. It will provide pointers towards ensuring consistency in disseminating the WCOA Brand Identity in all WCOA's promotional and marketing campaigns. The guidelines are distributed by IFAC and MIA, as joint organisers and brand custodians of the congress, to all parties responsible in communicating the event.

- **Technical Programme**

WCOA 2010 Organising Committee conducted the first brainstorming session on 25 June 2008 to develop a comprehensive WCOA's Technical programme. The session included technical representatives from MIA's scheduled bodies, which included representatives from ACCA, CIMA, CPA Australia, ICAEW and MICPA. The session also involved academics from local public universities.

- **WCOA 2010 Blueprint**

The WCOA 2010 Blueprint is being prepared. The comprehensive document will act as the master plan for the project. It will cover every aspect of the conference, outline comprehensive and well detailed strategies in areas like marketing, sponsorship, promotional, manpower and logistics.

FINANCIAL STATEMENTS

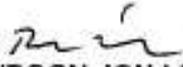


**CERTIFICATE OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF THE
MALAYSIAN INSTITUTE OF ACCOUNTANTS
FOR THE YEAR ENDED 30 JUNE 2008**

The financial statements of the Malaysian Institute of Accountants for the year ended 30 June 2008 have been audited by my representative. These financial statements are the responsibility of the management. My responsibility is to audit and to express an opinion on these financial statements.

2. The audit has been carried out in accordance with the Audit Act 1957 and in conformity with approved Auditing Standards. These standards require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used as well as evaluating the overall financial statements presentation.

3. In my opinion, the financial statements give a true and fair view of the financial position of the Malaysian Institute of Accountants as at 30 June 2008 and of the results of its operations and its cash flows for the year then ended based on approved accounting standards.


(BOON JON LIN)
for AUDITOR GENERAL OF
MALAYSIA

PUTRAJAYA
15 AUGUST 2008



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

We, NIK MOHD HASYUDEEN BIN YUSOFF and DATUK DR. ABDUL SAMAD BIN HAJI ALIAS, being the President and Vice President, respectively, of the MALAYSIAN INSTITUTE OF ACCOUNTANTS, do hereby state that, in the opinion of the Council, the financial statements set out on pages 2 to 27 and the notes to the financial statements are properly drawn up so as to give a true and fair view of the financial position of the MALAYSIAN INSTITUTE OF ACCOUNTANTS as at 30 June 2008 and of its results and cash flows for the year then ended

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



NIK MOHD HASYUDEEN BIN YUSOFF
PRESIDENT

Dated : 31 July 2008
Kuala Lumpur



DATUK DR. ABDUL SAMAD BIN HAJI ALIAS
VICE PRESIDENT

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

I, ROSLI BIN ABDULLAH, the Officer primarily responsible for the financial management of the MALAYSIAN INSTITUTE OF ACCOUNTANTS, do solemnly and sincerely declare that the accompanying financial statements set out on pages 2 to 27 are, to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed ROSLI BIN ABDULLAH at
Kuala Lumpur
on 31 July 2008



ROSLI BIN ABDULLAH



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

MALAYSIAN INSTITUTE OF ACCOUNTANTS
(Established under the Accountants Act, 1967)

BALANCE SHEET AS AT 30 JUNE 2008

	Note	2008 RM	2007 RM
NON CURRENT ASSETS			
Property, plant and equipment	5	3,914,972	3,719,145
Investments	6	7,458	7,458
		3,922,430	3,726,603
CURRENT ASSETS			
Inventories	7	319,502	183,474
Sundry receivables, deposits and prepayments	8	1,105,386	1,285,862
Subscriptions in arrears	9	-	-
Institutional trust account	10	5,939,337	5,658,704
Tax recoverable		57,679	-
Fixed deposits with licensed financial institutions	11	2,683,820	3,427,356
Cash and bank balances		1,279,120	570,145
World Congress of Accountants ("WCOA 2010") Account	12	9,602,401	10,039,653
Advance for WCOA 2010		176,323	278,090
		21,163,568	21,443,284
TOTAL ASSETS		25,085,998	25,169,887
CURRENT LIABILITIES			
Subscriptions in advance		1,937,850	2,162,850
Sundry payables and accruals	13	2,426,214	1,712,599
Deferred income	14	450,118	607,029
Tax payable		-	60,351
		4,814,182	4,542,829
NON CURRENT LIABILITIES			
Deferred Income - Government grants	15	9,602,401	10,039,653
Deferred taxation	16	142,211	100,100
TOTAL LIABILITIES		14,558,794	14,682,582
NET ASSETS		10,527,204	10,487,305
ACCUMULATED FUND			
<i>Institute's Operations</i>			
Balance as at 1 July		10,487,305	10,523,870
Net surplus/ (deficit) for the financial year		39,899	(36,565)
Balance as at 30 June		10,527,204	10,487,305

The accompanying notes form an integral part of these financial statements

MALAYSIAN INSTITUTE OF ACCOUNTANTS
(Established under the Accountants Act, 1967)

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 RM	2007 RM
Membership Income			
Members' annual subscriptions		6,370,600	5,964,950
Members' admission fees		804,850	765,750
Practicing certificate fees		<u>618,750</u>	<u>620,750</u>
		7,794,200	7,351,450
Income from other activities	17	10,454,473	8,600,386
Other income	18	<u>514,108</u>	<u>563,973</u>
		18,762,781	16,515,809
Depreciation of property, plant and equipment	5	(497,880)	(459,292)
Expenses for other activities	17	(8,484,446)	(7,411,729)
Allowances and write-offs	19	(87,774)	(143,103)
Employees' benefits	20	(4,842,868)	(4,053,434)
International relations	21	(595,514)	(663,946)
Membership services	22	(1,838,938)	(1,962,110)
Other expenses	23	<u>(2,209,111)</u>	<u>(1,722,393)</u>
		<u>(18,556,531)</u>	<u>(16,416,007)</u>
Surplus before taxation		206,250	99,802
Tax expense	24	(166,351)	(136,367)
Net surplus/ (deficit) for the financial year		<u><u>39,899</u></u>	<u><u>(36,565)</u></u>

The accompanying notes form an integral part of these financial statements

MALAYSIAN INSTITUTE OF ACCOUNTANTS
(Established under the Accountants Act, 1967)

**STATEMENT OF CHANGES IN ACCUMULATED FUND
AS AT 30 JUNE 2008**

	2008	2007
	RM	RM
ACCUMULATED FUND		
<i>Institute's Operations</i>		
Accumulated fund as at 1 July	10,487,305	10,523,870
Net surplus/ (deficit) for the financial year	39,899	(36,565)
Accumulated fund as at 30 June	<u>10,527,204</u>	<u>10,487,305</u>

The accompanying notes form an integral part of these financial statements

MALAYSIAN INSTITUTE OF ACCOUNTANTS
(Established under the Accountants Act, 1967)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from members and non-members	20,438,072	13,574,776
Payment for expenditure	(20,173,604)	(13,684,584)
Cash generated from operations	264,468	(109,808)
Rental income	25,200	40,800
Management fee	9,000	5,500
Tax paid	(242,270)	(102,820)
Net Operating Cash Flow	56,398	(166,328)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Note A)	(706,154)	(441,930)
Interest received from fixed deposits	106,138	135,007
Dividend from institutional trust accounts	289,690	272,084
Government grant received (Note 15)	500,000	-
Net Investing Cash Flow	189,674	(34,839)
CASH FLOWS FROM FINANCING ACTIVITIES		
	-	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	246,072	(201,167)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	9,656,205	9,857,372
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	9,902,277	9,656,205
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash in hand	8,046	3,874
Bank balances	1,271,074	566,271
Fixed deposits with licensed financial institutions	2,683,820	3,427,356
Institutional trust account	5,939,337	5,658,704
	<u>9,902,277</u>	<u>9,656,205</u>

The accompanying notes form an integral part of these financial statements.

MALAYSIAN INSTITUTE OF ACCOUNTANTS
(Established under the Accountants Act, 1967)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	RM	RM
Note A: Purchase of property, plant and equipment		
Purchases during the financial year	715,807	392,645
Add: Unpaid purchases as at previous financial year	9,055	58,340
	<hr/>	<hr/>
	724,862	450,985
Less: Unpaid purchases as at financial year end	(18,708)	(9,055)
	<hr/>	<hr/>
Per cash flow statement	<u>706,154</u>	<u>441,930</u>

The accompanying notes form an integral part of these financial statements.

MALAYSIAN INSTITUTE OF ACCOUNTANTS
(Established under the Accountants Act, 1967)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. PRINCIPAL OBJECTIVES / ACTIVITIES

The Institute is established under the Accountants Act, 1967. The principal objectives/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 practicing or intending to practice 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.

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

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

2. DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the Council in accordance with a resolution of the Council on 31 July 2008.

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Management Objectives and Policies

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

(a) Credit Risk

Credit risk, or the risk of counterparties defaulting, is controlled by the ongoing monitoring procedures. The Institute has also exercised strict control in removing members in arrears of more than 6 months as provided under the Malaysian Institute of Accountants (Membership and Council) Rules 2001.

(b) Liquidity Risk

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Financial Risk Management Objectives and Policies (Continued)

(c) Fair Values

The carrying amounts of cash and cash equivalents, subscription in arrears, sundry receivables and sundry payables approximate their fair values due to the relatively short term nature of these financial instruments.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of Preparation

The financial statements of the Institute are prepared under the historical cost convention, unless otherwise stated in the individual policy statements set out below, and comply with the approved accounting standards for entities other than private entities issued by Malaysian Accounting Standards Board (“MASB”). The preparation of financial statements requires the Council to make certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and reported amounts of income and expenses during the reported financial year. It also requires Council to exercise their judgements in the process of applying the accounting policies. Although these estimates and judgements are based on the Council best knowledge of current events and actions, actual results may differ.

The financial statements are presented in Ringgit Malaysia (“RM”) except when otherwise indicated.

4.2 Effects Arising from Adoption of New and Revised FRSs

The new and revised Financial Reporting Standards (“FRS”s) and the Issues Committee Interpretations (“IC Int”) issued by the MASB adopted by the Institute which are mandatory since the beginning of the financial year are as follows:-

FRS 107	:	Cash Flow Statements	
FRS 111	:	Construction Contracts	
FRS 112	:	Income Taxes	
FRS 117	:	Leases	
FRS 118	:	Revenue	
FRS 120	:	Accounting for Government Grants and Disclosure of Government Assistance	
FRS 124	:	Related Party Disclosures	
FRS 126	:	Accounting and Reporting by Retirement Benefit Plans	
FRS 129	:	Financial Reporting in Hyperinflationary Economies	
FRS 134	:	Interim Financial Reporting	
FRS 137	:	Provisions, Contingent Liabilities and Contingent Assets	
FRS 6	:	Exploration for and Evaluation of Mineral Resources	
Amendment to FRS 119 ₂₀₀₄	:	Employees Benefits – Actuarial Gains & Losses, Group Plans and Disclosures	
Amendment to FRS 121	:	The Effects of Changes in Foreign Exchange Rate – Net Investment in a Foreign Operation	
IC Int 1	:	Changes in Existing Decommissioning, Restoration and Similar Liabilities	
IC Int 2	:	Members’ Share in Co-operative Entities and Similar Instruments	
IC Int 5	:	Right to Interests arising from Decommissioning, Restoration and Rehabilitation Funds	Environmental
IC Int 6	:	Liabilities arising from Participating in a Specific Market- Waste Electrical and Electronic Equipment	

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Effects Arising from Adoption of New and Revised FRSs (Continued)

- IC Int 7 : Applying the Restatement Approach under FRS 129²⁰⁰⁴ Financial Reporting in Hyperinflationary Economies
IC Int 8 : Scope of FRS 2

The adoption of new and revised FRSs and IC Int does not have significant impact on the Institute.

4.3 Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, FRS 139: Financial Instruments: Recognition and Measurement was issued but have yet to come into effect during the current financial year and as such have not been applied by the Institute. The adoption of this FRS in future periods will have no material impact on the financial statements of the Institute.

4.4 Summary of Significant Accounting Policies

(a) Income Recognition

- (i) Membership subscription is payable annually at the beginning of the financial year. Only subscription which is attributable to the current financial year is recognised as income. Subscription relating to periods beyond the current financial year is recognised as Subscription in advance. Subscription is payable in full irrespective of the date of resignation of members during the financial year.
- (ii) Membership admission is recognised upon approval by Council of the respective applications. Membership subscription and admission fees for applicants approved after the end of the financial year but received during the financial year are taken up as Deferred Income.
- (iii) Income from Continuing Professional Education and Members Induction courses is recognised on confirmation of a participant's registration. Income received for such activities that take place after the financial year is taken up as Deferred Income.
- (iv) Income from sale of Technical materials/publications is recognised upon delivery of goods.
- (v) Income from advertisements placed in the Institute's journal is recognised upon confirmation of advertisement. Income received for such advertisements that take place after the financial year is taken up as deferred income.
- (vi) Income from registration of candidates eligible to sit for the Malaysian Institute of Accountants Qualifying Examination, included under Surplus from Education activities, is recognised upon approval of application.
- (vii) Practice review income is recognised when a billing is raised to a member firm upon completion of practice review.
- (viii) Dividend income is recognised when the right to receive payment is established.
- (ix) Interest income is recognised on an accrual basis.
- (x) Rental income is recognised on an accrual basis.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Summary of Significant Accounting Policies (Continued)

(b) Impairment of Assets

The carrying values of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU is allocated to reduce the carrying amount of the assets in the unit or group of units on a pro-rate basis.

An impairment loss is recognised in income statements in the period in which it arises.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the assets in prior years. A reversal of impairment loss for an asset is recognised in income statement.

(c) Property, Plant and Equipment and Depreciation

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

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

Freehold land is not depreciated as it has an infinite life. Freehold and leasehold buildings are amortised at the rate of 2% per annum. Depreciation of other property, plant and equipment is provided on a straight-line basis calculated to write off the cost of each asset to its residual value over its estimated useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The annual rates used are as follows:

Office equipment	10%
Furniture and fittings	10%
Computer equipment	33 ⅓%
Renovation	10%

Freehold land has an unlimited useful life and therefore is not depreciated.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Summary of Significant Accounting Policies (Continued)

(c) Property, Plant and Equipment and Depreciation (Continued)

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates.

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

(d) Subscriptions in Arrears

Subscription in arrears of six (6) months and above due from members who were removed from the Register of Members and where, in the opinion of the Council, these debts are no longer recoverable are written off to the income statement. An estimate is made for doubtful debts based on a review of all subscription in arrears at the balance sheet date. Subsequent recovery is taken up on a cash basis. Members who have ongoing investigation and disciplinary proceedings instituted against them and who are in arrears of more than six (6) months will not be removed from the Register of Members.

(e) Investments

Investments are stated at cost less impairment losses.

(f) Inventories

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

(g) Income Taxes

Income tax on income statement for the year comprises current and deferred tax. Current tax expense is the expected amount of income tax payable in respect of the taxable profit for the year and is measured using the tax rates which have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or expense and included in the income statements 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.

(h) Government Grants

Government grants are recognised initially at their fair values in the balance sheet as deferred income where there is reasonable assurance that the grants will be received and all attaching conditions will be complied.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Summary of Significant Accounting Policies (Continued)

(h) Government Grants (Continued)

Grants that compensate the Institute for expenses incurred are recognised as income over the periods necessary to match the grant on a systematic basis to the cost that it is intended to compensate.

(i) Employees' Benefits

Short Term Benefits

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

Defined Contribution Plans

The Institute makes contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred. Once the contributions have been paid, the Institute has no further payment obligations.

The Institute provides a Retirement Benefits Scheme for confirmed employee computed based on basic salary at 16% less the Institute's statutory contribution to the EPF. When an employee attains five (5) years of continuous service, this amount is then remitted monthly to the employee's EPF account. An employee whose service is terminated before the completion of five (5) continuous years of service will not be entitled to this benefit. The contribution charged to the annual income statement relates to the contribution due to the eligible employees for the year.

(j) Provisions for Liabilities

Provisions are recognised when the Institute has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax that reflects, where appropriate, the risk specific to the liability.

(k) Foreign Currency Transactions and Balances

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

(l) Financial Instruments

Financial instruments are recognised in the balance sheet when the institution has become a party to the contractual provisions of the instruments. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Summary of Significant Accounting Policies (Continued)

(l) Financial Instruments (Continued)

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial statement classified as liabilities are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly to equity. Financial instruments are offset when the Company has a legally enforceable right to set off the recognised amounts and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(m) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(n) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(o) Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statements represent short-term, highly liquid investments that are readily convertible to cash with an insignificant risk of changes in value less short term borrowings repayable on demand.

For the purpose of the cash flow statements, cash and cash equivalents include cash and bank balances and fixed deposits. The Institute has adopted the direct method of cash flow statement presentation.

(p) Deferred Income

Contributions received in advance are credited to the deferred income account. The amount in this account is recognised as income when it fall due.

4.5 Significant Accounting Estimates and Judgements

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as stated below:-

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The management estimates that the useful lives of the property, plant and equipment to be 3 to 10 years. The carrying amounts of the Institute's property, plant and equipment as at 30 June 2008 were RM3,914,972 (2007: RM3,719,145). 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.5 Significant Accounting Estimates and Judgements (Continued)

(a) Key sources of estimation uncertainty (Continued)

(ii) Impairment loss on property, plant and equipment

The Institute carried out the impairment test based on a variety of estimation including the value-in-use of the CGU to which the property, plant and equipment are allocated. Estimating the value-in-use required the Institute to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of property, plant and equipment of the Institute as at 30 June 2008 was RM3,914,972. (2007: RM3,719,145).

(iii) Recoverability of receivables

The Institute makes allowances for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Council specifically analysed historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

(b) Critical judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Institute's accounting policies that have significant effect on the amounts recognised in the financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land RM	Building RM	Computer Equipment RM	Renovation RM	Furniture & Fittings RM	Office Equipment RM	Total RM
30 June 2008							
Cost							
At 1 July 2007	580,160	2,426,239	1,379,246	1,149,193	384,822	654,021	6,573,681
Additions	-	-	318,754	170,215	77,729	149,207	715,905
Disposals	-	-	(88,947)	(34,220)	(11,235)	(86,228)	(220,630)
At 30 June 2008	580,160	2,426,239	1,609,053	1,285,188	451,316	717,000	7,068,956
Accumulated Depreciation							
At 1 July 2007	-	691,780	1,063,302	485,219	250,102	364,133	2,854,536
Charge for the year	-	48,645	243,673	117,645	28,871	59,046	497,880
Disposals	-	-	(87,662)	(26,584)	(8,480)	(75,706)	(198,432)
At 30 June 2008	-	740,425	1,219,313	576,280	270,493	347,473	3,153,984
Net Carrying Value	580,160	1,685,814	389,740	708,908	180,823	369,527	3,914,972
30 June 2007							
Cost							
At 1 July 2006	580,160	2,426,239	1,114,513	1,169,248	362,841	674,796	6,327,797
Additions	-	-	314,560	4,857	32,456	40,772	392,645
Disposals	-	-	(49,827)	(24,912)	(10,475)	(61,547)	(146,761)
At 30 June 2007	580,160	2,426,239	1,379,246	1,149,193	384,822	654,021	6,573,681
Accumulated Depreciation							
At 1 July 2006	-	643,135	903,050	390,676	232,227	352,542	2,521,630
Charge for the year	-	48,645	208,264	116,503	27,258	58,622	459,292
Disposals	-	-	(48,012)	(21,960)	(9,383)	(47,031)	(126,386)
At 30 June 2007	-	691,780	1,063,302	485,219	250,102	364,133	2,854,536
Net Carrying Value	580,160	1,734,459	315,944	663,974	134,720	289,888	3,719,145

5. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at the end of the financial year, the Institute has yet to receive the strata title to the leasehold building in Sabah acquired in the financial year ended 30 June 2000.

Included in property, plant and equipment are fully depreciated assets which are still in use, with costs totaling RM1,140,039. (2007: RM1,017,239).

6. INVESTMENTS

	2008	2007
	RM	RM
At cost:-		
Unquoted shares	3,000	3,000
Add: Advances	4,458	4,458
	<u>7,458</u>	<u>7,458</u>

The Institute has acquired 9.09% share in the issued and paid-up share capital of Ultimate Professional Centre (Sarawak) Sdn Bhd in the financial year ended 30 June 1996. The advance by the Institute is unsecured, interest-free and with no fixed term of repayment.

7. INVENTORIES

	2008	2007
	RM	RM
At cost:-		
Publications, souvenirs and merchandise items	<u>319,502</u>	<u>183,474</u>

8. SUNDRY RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2008	2007
	RM	RM
Amount due from CPE participants	85,015	28,820
Sundry receivables	<u>319,119</u>	<u>718,276</u>
	404,134	747,096
Less: Allowance for doubtful debts	<u>(42,067)</u>	<u>(77,988)</u>
	362,067	669,108
Prepayments	<u>719,251</u>	<u>451,537</u>
Sundry deposits	<u>24,068</u>	<u>165,217</u>
	743,319	616,754
	<u>1,105,386</u>	<u>1,285,862</u>

The credit period granted to sundry receivables and other receivables ranges from 30 days to 60 days (2007: 30 days to 60 days).

9. SUBSCRIPTIONS IN ARREARS

	2008	2007
	RM	RM
Subscription in arrears	6,750	28,870
Less: Allowance for doubtful subscription in arrears	(6,750)	(28,870)
	<u>-</u>	<u>-</u>

The credit period granted to members for subscription receivable is 60 days (2007: 60 days).

10. INSTITUTIONAL TRUST ACCOUNT

The Institute had placed funds in an Institutional Trust Account maintained with Amanah Raya Berhad, a public limited liability company and domiciled in Malaysia. The gross dividend rate receivable by the Institute is 5% per annum (2007: 5% per annum) and the maturity of the placement is 1 year.

11. FIXED DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The effective interest rate receivable for the fixed deposits placed with licensed financial institutions are between 3.10% to 3.70% (2007: 2.70% to 4.00%) per annum. The maturity of the fixed deposits is between 30 days to 1 year (2007: 30 days to 1 year).

12. WORLD CONGRESS OF ACCOUNTANTS 2010 (“WCOA 2010”) ACCOUNT

In the previous financial year, the Institute received a government grant of RM10 million for the WCOA 2010 project under certain terms and conditions.

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

Below are the Balance Sheet, Income Statement and Cash Flow Statement relating to the WCOA 2010 account:

WCOA 2010	2008	2007
Balance Sheet As At 30 June 2008	RM	RM
Current Assets		
Sundry receivables	1,596	2,811
Institutional trust account	8,913,156	8,536,096
Fixed deposits with licensed financial institutions	775,071	1,250,000
Bank balance	93,668	253,521
	<u>9,783,491</u>	<u>10,042,428</u>
Current Liabilities		
Accruals	4,767	1,775
Amount owing to MIA	176,323	1,000
	<u>181,090</u>	<u>2,775</u>
Net Current Assets	<u>9,602,401</u>	<u>10,039,653</u>
Accumulated Fund		
Balance as at 1 July	10,039,653	-
Net (deficit)/ surplus for the financial year	(437,252)	10,039,653
Balance as at 30 June	<u>9,602,401</u>	<u>10,039,653</u>

12. WORLD CONGRESS OF ACCOUNTANTS 2010 (“WCOA 2010”) ACCOUNT (“Continued”)

WCOA 2010

Income Statement For The Year Ended 30 June 2008

	2008	2007
	RM	RM
Income		
Dividend from institutional trust accounts	435,391	36,096
Fixed deposit interest	32,629	2,811
Grants received	-	10,000,000
Interest income from current account	4,949	2,549
	<u>472,969</u>	<u>10,041,456</u>
Less: Expenditure		
Administration	(457,573)	-
Acceptance fee	(55,553)	-
Auditors' remunerations	(4,500)	(1,500)
Bank charges	(83)	-
Bidding document	(14,679)	-
Mailing/ Distribution	(140)	-
Meetings	(157,519)	-
Miscellaneous expenses	(8,501)	(303)
Other promotion	(101,849)	-
Print/ Promotion	(31,594)	-
Service tax	(2,778)	-
Site inspection	(33,639)	-
Sponsorship	(41,813)	-
	<u>(910,221)</u>	<u>(1,803)</u>
(Deficit)/ Surplus before taxation	<u><u>(437,252)</u></u>	<u><u>10,039,653</u></u>

12. WORLD CONGRESS OF ACCOUNTANTS 2010 (“WCOA 2010”) ACCOUNT (“Continued”)

WCOA 2010

Cash Flow Statement For The Year Ended 30 June 2008

	2008 RM	2007 RM
Cash Flows From Operating Activities		
Cash Receipts		
Grants	-	10,000,000
Cash received from Malaysian Institute of Accountants	-	1,000
	<u>-</u>	<u>10,001,000</u>
Cash Payment		
Operating expenses	(729,096)	(28)
Net Operating Cash Flow	<u>(729,096)</u>	<u>10,000,972</u>
Cash Flows From Investing Activities		
Dividend from institutional trust accounts	435,391	36,096
Interest received from current account	4,949	2,549
Interest received from fixed deposits	31,034	-
Net Investing Cash Flow	471,374	38,645
Cash Flows From Financing Activities		
	-	-
Net change in cash and cash equivalents	<u>(257,722)</u>	<u>10,039,617</u>
Cash and cash equivalents at beginning of the financial year	10,039,617	-
Cash and cash equivalents at end of the financial year	<u><u>9,781,895</u></u>	<u><u>10,039,617</u></u>
Analysis of cash and cash equivalents:		
Bank balances	93,668	253,521
Fixed deposits with licensed financial institutions	775,071	1,250,000
Institutional trust account	8,913,156	8,536,096
	<u><u>9,781,895</u></u>	<u><u>10,039,617</u></u>

13. SUNDRY PAYABLES AND ACCRUALS

	2008	2007
	RM	RM
Amount owing to sundry payables	916,421	873,964
Accruals	1,509,793	838,635
	<u>2,426,214</u>	<u>1,712,599</u>

The credit periods granted by sundry payables to the Institute ranges from 14 days to 60 days (2007: 14 days to 60 days).

14. DEFERRED INCOME

	2008	2007
	RM	RM
Membership admission pending Council's approval	198,650	224,200
Practicing certificate holders pending Council's approval	5,000	5,500
Membership readmission pending Council's approval	12,050	11,250
Deferred Income - Conferences	90,580	236,000
Deferred Income - Others	143,838	130,079
	<u>450,118</u>	<u>607,029</u>

15. DEFERRED INCOME-GOVERNMENT GRANTS

	2008	2007
	RM	RM
WCOA 2010 (Note 12)	9,602,401	10,039,653
Financial Reporting Standards Implementation Committee ("FRSIC")	-	-
	<u>9,602,401</u>	<u>10,039,653</u>

FRSIC

During the year, the Institute was offered a grant of RM2,000,000 from the Capital Market Development Fund ("CMDP") for the establishment and operation of a dedicated secretariat to manage the implementation of Financial Reporting Standards Implementation Committee (FRSIC). The grant is payable in 5 stages yearly for period covering 1st Oct 2007 to 30th September 2012. RM 500,000 was received during the financial year.

Below are the Balance Sheet, Income Statement and Cash Flow Statement relating to the FRSIC:

FRSIC

Balance Sheet As At 30 June 2008

	2008 RM
Current Asset	
Bank balance	<u>-</u>
Accumulated Fund	
Balance as at 1 July	-
Net surplus for the financial year	-
Balance as at 30 June	<u>-</u>

FRSIC

Income Statement For The Year Ended 30 June 2008

	2008 RM
Income	
Grants received	500,000
Less: Expenditure	
Meeting	(48)
Periodicals	(1,275)
Salaries	(497,495)
Travelling	(1,182)
	<u>(500,000)</u>
Surplus before taxation	<u>-</u>

15. DEFERRED INCOME-GOVERNMENT GRANTS (“Continued”)

FRSIC

Cash Flow Statement For The Year Ended 30 June 2008

	2008
	RM
Cash Flows From Operating Activities	
Cash Receipts	
Grants	500,000
Cash received from Malaysian Institute of Accountants	-
	<u>500,000</u>
Cash Payment	
Operating expenses	(500,000)
Net Operating Cash Flow	-
Cash Flows From Investing Activities	-
Cash Flows From Financing Activities	-
Net change in cash and cash equivalents	-
Cash and cash equivalents at beginning of the financial year	-
Cash and cash equivalents at end of the financial year	<u><u>-</u></u>
Analysis of cash and cash equivalents:	
Bank balances	<u><u>-</u></u>

16. DEFERRED TAXATION

	2008	2007
	RM	RM
Balance As At 1 July	100,100	45,000
Charged to income statement (Note 24)		
Property, plant and equipment	42,111	55,100
Balance As At 30 June	<u><u>142,211</u></u>	<u><u>100,100</u></u>
Deferred tax liabilities		
Property, plant and equipment	<u><u>142,111</u></u>	<u><u>100,100</u></u>

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

	← 2008 →				← 2007 →			
	Income RM	Expenses * RM	Salaries, Overtime And Bonus RM	RM	Income RM	Expenses * RM	Salaries, Overtime And Bonus RM	RM
Continuing professional education	8,030,289	(4,645,458)	(720,022)	2,664,809	6,791,300	(4,106,689)	(724,179)	1,960,432
Development and promotion	1,121,541	(515,043)	(360,497)	246,001	1,030,164	(541,077)	(339,473)	149,614
Education	184,540	(81,256)	(279,096)	(175,812)	233,820	(268,372)	(385,483)	(420,035)
Branch annual dinner	147,730	(160,663)	-	(12,933)	110,250	(130,409)	-	(20,159)
Practice review	264,202	(39,012)	(917,108)	(691,918)	291,444	(34,617)	(748,041)	(491,214)
Accountancy fair 2007	39,000	(39,251)		(251)	-	-	-	-
Regional conference 2007 - Johor	181,076	(173,722)		7,354	-	-	-	-
- Penang	140,200	(75,933)		64,267	-	-	-	-
40th Anniversary gala dinner	241,460	(353,061)		(111,601)	-	-	-	-
Other membership income / (deficit)	1,213	(5,891)		(4,678)	1,779	(7,272)	-	(5,493)
	<u>10,351,251</u>	<u>(6,089,290)</u>	<u>(2,276,723)</u>	<u>1,985,238</u>	<u>8,458,757</u>	<u>(5,088,436)</u>	<u>(2,197,176)</u>	<u>1,173,145</u>
Joint activities with other bodies:								
Budget commentary	103,222	(89,398)	-	13,824	141,629	(99,293)	-	42,336
NACRA expenses	-	(10,153)	-	(10,153)	-	(1,421)	-	(1,421)
NAFMA expenses	-	(18,822)	-	(18,822)	-	(25,403)	-	(25,403)
BIAPA expenses	-	(60)	-	(60)	-	-	-	-
	<u>103,222</u>	<u>(118,433)</u>	<u>-</u>	<u>(15,211)</u>	<u>141,629</u>	<u>(126,117)</u>	<u>-</u>	<u>15,512</u>
Total	<u><u>10,454,473</u></u>	<u><u>(6,207,723)</u></u>	<u><u>(2,276,723)</u></u>	<u><u>1,970,027</u></u>	<u><u>8,600,386</u></u>	<u><u>(5,214,553)</u></u>	<u><u>(2,197,176)</u></u>	<u><u>1,188,657</u></u>
			Note 20				Note 20	

* The above expenses relate to direct expenses excluding Other Expenses (Note 23).

18. OTHER INCOME

	2008	2007
	RM	RM
Dividend from institutional trust accounts	289,690	304,004
Interest on current account (Hibah income)	15,296	84,137
Interest on fixed deposit	147,342	111,571
Management fee	9,000	6,000
Miscellaneous income	19,179	9,661
Rental income	33,600	48,600
	<u>514,107</u>	<u>563,973</u>

19. ALLOWANCES AND WRITE-OFFS

	2008	2007
	RM	RM
(Recovery)/Allowance for doubtful debts	(31,302)	47,040
Assets written and expensed off	38,546	47,363
Subscription in arrear written off	80,530	48,700
	<u>87,774</u>	<u>143,103</u>

20. EMPLOYEES' BENEFITS

As at 30 June 2008, the Institute has a staff force of 130 (2007: 112). The remuneration of the staff fell into the following bands:

	2008	2007
	RM	RM
Contributions to EPF	1,001,196	776,284
Gratuity	2,500	-
Other staff benefits	133,344	93,450
Salaries, overtime and bonus	5,699,025	5,134,433
Social security contribution	55,914	48,441
Staff training	202,754	150,417
Staff Welfare	24,858	47,585
	<u>7,119,591</u>	<u>6,250,610</u>
Less: Other activities- staff costs * (Note 17)	(2,276,723)	(2,197,176)
	<u>4,842,868</u>	<u>4,053,434</u>

* Breakdown of salaries, overtime and bonus:

CPE department	720,022	724,179
Development and promotion department	360,497	339,473
Education department	279,096	385,483
Practice review department	917,108	748,041
	<u>2,276,723</u>	<u>2,197,176</u>
Other departments	4,842,868	4,053,434
	<u>7,119,591</u>	<u>6,250,610</u>

21. INTERNATIONAL RELATIONS

	2008	2007
	RM	RM
Joint practitioners forum	1,816	-
Subscription to international accountancy bodies	168,626	166,549
Meetings of Council, technical and advisory committees of international accountancy bodies	425,072	497,397
	<u>595,514</u>	<u>663,946</u>

22. MEMBERSHIP SERVICES

	2008	2007
	RM	RM
Annual general meeting	121,680	157,908
Council, committee and other meetings	209,253	185,495
Gazette	18,596	15,116
Institute's journal - Accountants Today	1,301,647	1,292,025
Library	86,050	86,167
Technical, printed materials and postage	101,712	225,399
	<u>1,838,938</u>	<u>1,962,110</u>

23. OTHER EXPENSES

	2008	2007
	RM	RM
Advertisement - staff recruitment	198,579	105,039
Auditors' remuneration	12,100	11,200
Bank charges and commissions	115,340	113,261
Branch administrative expenses	58,650	56,725
Donation and contribution	4,092	13,364
Establishment expenses	467,896	409,776
General expenses	22,536	11,052
Gifts, mementoes and tokens	7,829	4,569
Honorarium to registrar	50,000	60,000
Insurance	109,452	119,562
Office rental	253,636	216,769
Professional fees	232,021	51,850
Promotional expenses	154,389	67,003
Public relations expenses	23,175	939
Repair and maintenance	130,504	104,725
Subscription to other professional bodies	1,015	2,450
Travelling and accommodation	62,178	95,222
Utilities	305,719	278,887
	<u>2,209,111</u>	<u>1,722,393</u>

24. TAX EXPENSE

	2008	2007
	RM	RM
Income tax		
- current year	120,000	126,530
- prior year	<u>4,240</u>	<u>(45,263)</u>
	<u>124,240</u>	<u>81,267</u>
Deferred tax (Note 16)	<u>42,111</u>	<u>55,100</u>
	<u>166,351</u>	<u>136,367</u>

The income tax expense is calculated at Malaysian statutory rate of 26% (2007:27%) of the estimated assessable profit for the fiscal period. The statutory tax rate will be reduced to 25% from the current period's rate of 26% for the year of assessment 2009.

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:

	2008	2007
	RM	RM
Surplus before taxation	<u>206,250</u>	<u>99,802</u>
Tax at the applicable statutory income tax rate of 26% (2007:27%)	53,625	27,945
Tax effects arising from		
- non-deductible expenses	134,606	201,872
- non-taxable income	(20,432)	(33,187)
- changes in tax rate	(5,688)	(15,000)
- Under/ (Over) provision in prior years	<u>4,240</u>	<u>(45,263)</u>
Tax expense	<u>166,351</u>	<u>136,367</u>

COMMITTEES

1. INVESTIGATION COMMITTEE

The Investigation Committee is a statutory Committee established under the Accountants Act 1967 to consider and investigate formal complaints against members of the Institute and cases of unprofessional conduct which are brought to the knowledge of the Investigation Committee and to refer any matter to the Disciplinary Committee, where appropriate, upon investigations.

Chairperson : Peter Lim Thiam Kee

Members : Associate Professor Dr Thillaisundaram Arumugam
Associate Professor Dr Haji Shahul Hameed Bin Mohamed Ibrahim
Chen Voon Hann
Uthaya Kumar K Vivekananda

No. of Meetings : 14

2. DISCIPLINARY COMMITTEE

The disciplinary committee considers all cases referred by the Investigation Committee and those coming directly to the Disciplinary Committee and to exercise any disciplinary powers conferred upon it by the Rules of the Institute as it thinks fit.

Chairperson: Beh Tok Koay

Members: Michael Eow Kwan Hoong
Associate Professor Dr Susela Devi Selvaraj
Dato' Raymond Liew Lee Leong
Mohamed Raslan Bin Abdul Rahman

No. of Meetings: 5

3. DISCIPLINARY APPEAL BOARD

The primary function of the Disciplinary Appeal Board (DAB) is to consider appeals made by any member aggrieved by the decision of the Disciplinary Committee and to confirm, reverse or vary the decision of the Disciplinary Committee. There were no appeals to the DAB during the period under review.

Chairperson: Dato' Prof Dr Daing Mohd Nasir bin Daing Ibrahim

Members: Datuk Nur Jazlan bin Tan Sri Mohamed
Christina Constance Foo

Sam Soh Siong Hoon
Yeo Tek Ling

No of Meetings: No appeal lodged during period under review

4. EXAMINATION COMMITTEE

The Examination Committee (EC) determines the eligibility of MIA Qualifying Examination (QE) application and supervises the conduct of the MIA QE for MIA. The EC is also reviewing from time to time the examination syllabus to ensure that it remains relevant and in meeting the challenges and demands of the changing legislation and approved accounting and auditing standards so that students will be able to meet the current and future market expectations.

Chairperson: Associate Professor Dr Thillaisundaram Arumugam

Members: Associate Professor Dr Shahul Hameed Mohamed Ibrahim
Associate Professor Noorbijan Abu Bakar
Dato' Ahmad Johan Mohammad Raslan
Foo Yoke Pin
Haji Sahar Othman (represented by Er Beng Kiong)
Michael Eow Kwan Hoong
Mohd Ali Jabar (represented by Mohd Khairul Nizam
Jamalus)
Professor Dr Ibrahim Kamal Abdul Rahman

No of Meetings: 8

5. EDUCATION COMMITTEE

The Education Committee works its closely with the Ministry of Higher Education (MOHE), the Malaysian Qualifications Agency (MQA), the institutions of higher learning, and other accounting professional bodies in enhancing and disseminating any development in accountancy education and the profession in Malaysia.

It is involved in reviewing the curriculum and syllabuses of professional bodies and universities under the First Schedule of the Accountants Act 1967 in line with the International Education Standards (IES) issued by the International Federation of Accountants (IFAC), make recommendations to the MIA Council on the same and ensure compliance with the IFAC Statement of Membership Obligations 2 (SMO 2). At the same time, the committee contributes input to the IFAC International Accounting Education Standards Board and other relevant Committees within MIA and/or any other professional bodies with regard to issues on globalisation and liberalisation of accountancy services and education standards.

Chairperson: Associate Professor Dr Susela Devi Selvaraj

Members: Associate Professor Dr Norman Mohd Saleh
Associate Professor Dr Shahul Hameed Mohamed Ibrahim
Haji Sahar Othman (represented by Er Beng Kiong)
Liew Kim Yuen
Mohamed Raslan Abdul Rahman
Nik Mohd Hasyudeen Yusoff
Professor Dr Ibrahim Kamal Abdul Rahman
Professor Dr Takiah Mohd Iskandar

No of Meetings: 1

6. ACCREDITATION COMMITTEE

The Accreditation Committee (ACRD)'s regulatory function is to evaluate and accredit accounting qualifications for purpose of admission as members of the Institute. This is to ensure that the quality of accounting qualifications to be comparable with the standards of accounting programme at the international level.

The guidelines as outlined in the Hala Tuju Report issued by the Ministry of Higher Education (MOHE) and International Education Standards (IES) issued by the International Federation of Accountants (IFAC) are used by the ACRD during the Institute's accreditation review. The ACRD is also working together with the Malaysian Qualification Agency (MQA) on policy and matters pertaining to the accreditation of accounting education.

Chairperson: Professor Dato' Dr Daing Mohd Nasir Daing Ibrahim

Members: Associate Professor Dr Norman Mohd Saleh
Professor Dr Ibrahim Kamal Abdul Rahman
Seow Yoo Lin

No of Meetings: 1

7. MIA ADMINISTRATION

7.1 EXECUTIVE COMMITTEE

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

Chairperson: Nik Mohd Hasyudeen Yusoff

Members:

Datuk Abdul Samad Haji Alias (appointed 16 July 2007)
Dato' Ahmad Johan bin Mohammad Raslan
(*appointed 7 December 2007*)
Tuan Hj Sahar Othman (*represented by Mr. Er Beng Kiong*)
Michael Eow Kwan Hoong (*retired 7 December 2007*)
Paul Chan Wan Siew
Christina Constance Foo (*appointed 7 December 2007*)
Sam Soh Siong Hoon (*appointed 7 December 2007*)

Haji Rosli Abdullah (appointed 1 December 2007)
Mohammad bin Abdullah (retired 30 November 2007)

No. of Meetings: 12

7.2 AUDIT COMMITTEE OF COUNCIL

The primary objectives of the Audit Committee are to assist the Council in fulfilling the following oversight functions of MIA's activities and cover the following areas :-

- establishing an environment in which controls can operate effectively;
- reviewing the maintenance of an effective accounting system and controls therein and thus obtaining prior warning of systems weaknesses;
- reviewing the Institute's accounting policies and reporting requirements;
- discussing the intended scope of the internal and external auditor;
- reviewing the findings of the internal and external auditor;
- reviewing the quarterly and year end financial statements prior to submission to the Council; and
- reviewing the key risk profiles, the mitigation plan and controls in place to manage these significant risks, and the overall effectiveness of the risk management process.

Chairperson: Dato' Nordin Baharuddin

Members: YC Lee
Abdul Halim Husin
Associate Professor Dr Norman Saleh
Uthaya Kumar K Vivekananda

No of Meetings: 5

7.3 PUBLIC RELATIONS COMMITTEE

The Public Relations Committee is responsible for the delivery of the Institute's communications strategy and public access strategy. Its main priorities are to plan and implement clear and mature public relations programmes for the purpose of developing and implementing a stronger brand identity for the Institute; to publicise the role of the Institute internally and externally; to establish a stronger and more effective media management and liaison function, thus ensuring regular contact with the media; to undertake internal and external research to monitor the effectiveness of communications activities; and to be responsible for the production of corporate and institutional publications including Accountants Today.

Chairperson: Datuk Nur Jazlan Tan Sri Mohamed
Members: Dato' Raymond Liew Lee Leong
Christina Constance Foo
Paul Chan Wai Siew
Yeo Tek Ling
Adelena Lestari Chong
Alexandra Thien

No. of Meetings: 2

8. MEMBERSHIP

8.1 MEMBERSHIP AFFAIRS COMMITTEE

The Membership Affairs Committee has a delegated duty to ensure that only qualified applicants who meet the requirements as set out in the Accountants Act, 1967 are recommended for membership. The Committee considers and recommends to Council applications for reclassification, readmission of members and removal from membership of any member who has failed to pay the annual subscription within the stipulate time. The Committee also reviews and recommends to the Council applications for practicing certificates for members intending to practice. To ensure that members continuously maintain a high standard of competency in the profession, the Committee implements a system of mandatory CPE through effective monitoring of members' compliance.

Chairperson: Lam Kee Soon
Members: Christina Constance Foo
Professor Dr Ibrahim Kamal Abdul Rahman
Haji Sahar Othman (represented by: Er Beng Kiong)
Mohammad Abdullah (Registrar)

Note: The committee was dissolved on 28 November 2007

8.2 CONTINUING PROFESSIONAL EDUCATION

The Continuing Professional Education (CPE) Committee serves as an advisory group to the management team of the CPE Department in the areas concerning learning and development courses for members of MIA. In promoting life-long learning and skill training programs this Committee looks at the various ways in which these learning and development programmes can be implemented.

Additionally, the CPE committee also liaises with the institutes of higher learning, the relevant government agencies, commercial associations & organisations and professional bodies on relevant learning and development matters as well as accreditates learning and development courses as requested by members on courses conducted by third parties in accordance with the Institute's established guidelines.

The CPE committee also reviews and proposes revisions to guidelines for learning & development and guidelines for accreditation of courses conducted by third parties.

Chairperson: Sam Soh Siong Hoon

Members: Abd Halim Bin Husin
Paul Chan Wan Siew
Yeo Tek Ling
Abdul Rahim Abdul Hamid (appointed w.e.f. December 2007)
Professor Dr Ibrahim Kamal (appointed w.e.f January 2008)
Liew Kim Yuen (appointed w.e.f. January 2008)
Associate Professor Dr Susela Devi Selvaraj (retired w.e.f December 2007)

No. of Meetings: 8

9. TECHNICAL

9.1 ACCOUNTING AND AUDITING COMMITTEE

The Accounting and Auditing Committee (AAC) is involved in issues which relate to accounting and auditing practice. Since beginning 2007, the AAC and The Malaysian Institute of Certified Public Accountants (MICPA)'s Accounting and Auditing Technical Committee (AATC) have decided to combine resources in looking into these areas.

The Joint MIA AAC and MICPA AATC are responsible in considering new and revised auditing standards for adoption and also in reviewing exposure drafts and other relevant consultative documents issued by the Regulators and Standard Setters. It also

considers issues not covered by accounting and auditing standards for members either by providing practice guides or referring the matter to MIA's Financial Reporting Standards Implementation Committee (FRSIC).

	MIA Representatives	MICPA Representatives
Chairperson:	Mohammad Faiz Mohd Azmi	Sukanta Dutt
Members:	Associate Professor Dr Shahul Hameed Mohamed Ibrahim Peter Lim Thiam Kee Annie Look Kam Kiew Associate Professor Dr Azham Md. Ali Desmond Tan Geoffrey Wong Joon Hian Loo Kent Choong Ng Meng Kwai Ng Mi Li Associate Professor Hajah Noraini Mohd Nasir Ong Liang Beng Sathiea Seelan Manickam Stephen Oong Kee Leong Steven Lim Hoo Teck	Datuk Dr Abdul Samad Haji Alias Ahmad Mustapha Ghazali Loh Lay Choon Venkatramanan Viswanathan Dato' Yeo How Chia Kum Cheng Stephen Khoo Lee Hin Kan Ooi Chee Kun YM Raja Azmi Raja Nazuddin Associate Professor Dr Susela Devi Selvaraj Robert Tan David Siew Kah Toong Ng Kim Tuck

No of Meetings: 3

9.2 ANTI MONEY LAUNDERING WORKING GROUP

The Anti-Money Laundering Working Group was formed by the Council pursuant to the enactment of the Anti-Money Laundering Act 2001. The Working Group liaises with Bank Negara on the issue of anti-money laundering and its implications on the accountancy profession, and on how the relevant anti-money laundering legislative provisions can best be implemented. The Working Group is tasked to identify and determine the short and medium-term strategies for the implementation of the relevant anti-money laundering legislative provisions in respect of the accountancy profession in Malaysia. The Working Group also identifies the measures that need to be undertaken by the Institute to assist members in complying with the relevant anti-money laundering legislative provisions.

Chairperson: Gloria Goh Ewe Gim

Members: Nik Mohd Hasyudeen Yusoff

Mohd Faiz Azmi
Lam Kee Soon
Annie Look Kam Kiew
Mak Kum Choon
Siew Chin Kiang

No of Meetings: No meeting was convened.

9.3 COMPANY LAW PRACTICE WORKING GROUP

The working group supports the development of company secretarial practices in Malaysia. The working group provides a forum to discuss issues faced by practitioners in respect of the law and its development relating to companies. It also formulates representations and recommendations to the relevant authorities and disseminates the information to members on legislative and other developments which affect the companies and company secretarial practices.

Chairperson: Abdul Halim Husin

Members: Adelena Lestari Chong Ai Lin
Cheah Foo Seong
Eddy Chong Kwong Chin
Quek Jin Fong
Yeoh Chong Keat
Zahrah Abd Wahab Fenner

No of Meetings: 2

9.4 INSOLVENCY PRACTICE WORKING GROUP

The Insolvency Practice Working Group is established to provide a forum for the exchange of ideas and discussion of practitioners' issues in relation to the law and practice of insolvency and corporate restructuring, dealings with authorities such as the Department of Insolvency, Malaysia and Companies Commission of Malaysia, and making the necessary representations and/or recommendations to such authorities. The Insolvency Practice Working Group is also tasked with the preparing of Guidance Notes on insolvency and corporate restructuring practice as and when required, creating awareness among members of the highest degree of integrity, objectivity and competency in insolvency and corporate restructuring practice, and consistently evaluating the current framework of such practice. The Insolvency Practice Working Group plays the role of encouraging and facilitating greater co-operation and communication amongst insolvency and corporate restructuring practitioners in Malaysia.

Chairperson: Dato' Gan Ah Tee

Members: Assoc. Prof. Dr Aiman Nariman Mohd Sulaiman
Aslam Zainuddin
Vincent Chew Chong Eu
Gopal Sundaram
Dato' Raymond Liew Lee Leong
Lim San Peen
Lim Tian Huat
Mak Kum Choon
Ng Chin Kaye
Nor Azimah Abdul Aziz
Ong Hock An
Wong Chee Lin

No of Meetings: 4

9.5 INTERNAL AUDIT WORKING GROUP

The Internal Audit Working Group's main function is to support the development of best practices of internal audit in Malaysia through the promotion of internal audit standards and guidelines. To achieve its objectives, the working group works together with other stakeholders in promoting corporate governance, risk management and control. It also formulates projects that are aimed to create awareness on the importance of an internal audit function in an organisation.

Chairperson: Wee Hock Kee

Members: Devanesan Evanson
Edward Chien Chow Liang
Professor Dr Juhari Samidi
Lim Huck Hai
Nurhayati Baharuddin
Ong Liang Beng
Philip Satish Rao
Quek Jin Fong

No. of meetings: 3

9.6 PROFESSIONAL ACCOUNTANTS IN BUSINESS COMMITTEE

The Professional Accountants in Business Committee serves professional accountants who work in commerce, industry, the public sector, education and the not-for-profit sector. It aims to assist members in enhancing their professional skills and knowledge by providing a channel for exchange of information on important issues that shape the profession. The Committee also strives to facilitate the adoption and development of best practices with the purpose of promoting the value of professional accountants in business.

Chairperson: Yeo Tek Ling

Members: Associate Professor Dr A. Thillaisundaram
Billy Kang Wei Geih
Professor Dr Ibrahim Kamal Abd Rahman
Ahmad Fuaad Mohd Kenali
Alexandra Thien
Gazali Jaafar
Lee Hin Kan
Leong Kai Keong
Professor Dr Maliah Sulaiman
Mustapa Kamal Mohd Razali
N. Chanthiran Nagappan
Say Sok Kwan
Dr Steven Liew Woon Choy
Tan Seow Heng
Wan Selamah Wan Sulaiman

No. of meetings: 3

9.7 PUBLIC PRACTICE COMMITTEE

The Public Practice Committee serves MIA members in respect of practice issues/management including the interpretation of certain provisions as contained in the Institute's By-Laws (On Professional Conduct and Ethics). Its aim is to identify and enhance the professional development needs of practices and to promote the overall professional standing of members in public practice. The Committee also liaises with relevant authorities and professional bodies in respect of issues affecting members in practice.

Chairperson: Peter Lim Thiam Kee

Members: Abd Halim Husin
Billy Kang Wei Geih
Chen Voon Hann
Lam Kee Soon

Dato' Raymond Liew Lee Leong
Sam Soh Siong Hoon
Adelena Lestari Chong
Alexandra Thien
Su Lim
David Tan Lye Chong
Heng Ji Keng
Mohd Afrizan Husain
Mohd Noh Jidin
Ooi Chee Kun
Ng Kim Tuck

Number of meetings: 6

9.7.1. SMALL AND MEDIUM PRACTICES TASK FORCE

This task force is responsible to review and comment on any proposed legislative and regulatory provisions affecting small and medium practices and make necessary representation or recommendations to relevant authorities. The task force also identifies other issues relevant to those providing accounting and assurance services to SMEs and develop guidance on these issues.

Chairperson: Mohd Noh Jidin

Members: Chen Voon Hann
Andrew Lim Seng Kiat
Chan Boon Jiunn
Janise Lee Guat Hoe
Mohd Noor Abu Bakar
Ng Chee Hoong
Dr Paul Cheng
Soo Yuit Weng
Steven Lim Hoo Teck
Yeoh Chin Han

Number of meetings: 2

9.7.2 FINANCIAL PLANNING TASK FORCE

This task force provides guidance to members in the pursuit of financial planning service as an extension of their core professional services. The task force also organises regular forums for members to interact with other professional bodies, regulatory authorities and related agencies in the area of financial planning.

Chairperson: Dato' Raymond Liew Lee Leong

Members: Chong Chee Fire
Chua Tia Guan
Goh Kean Hoe
Lim Kien Chai
Lim Yuen Seong
Michelle Lee Ling Ling
Roy Soon Chen Loy
Samuel Lai Chung En
Steve Teoh
Wong Loke Lim
Yap Ming Hui

Number of meetings: 6

9.7.3 TASK FORCE ON MERGERS AND AFFILIATIONS

This task force provides framework for member firms in practice to understand the many new compliance requirements pertaining to the undertaking of mergers and affiliations within the country. The task force also provides a platform for opportunities for practice consolidation, expansion and/ or succession planning.

Chairperson: Dato' Raymond Liew Lee Leong

Members: Beh Tok Koay
Peter Lim Thiam Kee
Dato' Gan Ah Tee
Heng Ji Keng
Lim Kien Chai
Dato' N K Jasani
Ooi Chee Kun
Siew Chin Kiang

Number of meetings: 1

10. TAXATION COMMITTEE

Taxation Committee (TC) promotes the interests of members by formulating and recommending to the Government comprehensive and constructive proposals for fiscal changes consistent with the interest of the nation and profession. It also acts as a conduit to allow our members to channel their views and maintain dialogues with the relevant authorities. TC monitors official statements on tax matters and issues comments thereon where appropriate. It updates members with the latest tax

information. TC co-ordinates reviews of the technical aspects of the legislation or draft legislation, as and when appropriate.

Chairperson: Beh Tok Koay

Members: Peter Lim Thiam Kee
Sam Soh Siong Hoon
Dato' Raymond Liew Lee Leong
Alexandra Thien
Joseph Foo Tui Lee
Pauline Tam Poh Lin
Kenneth Lim Tiong Beng
Frances Po Yih Ming
Ng Kim Lian
Woon Yoke Lee
Mohd Noor Abu Bakar
Loo Thin Tuck
Associate Professor Dr Choong Kwai Fatt

No. of Meetings: 3

11. ETHICS COMMITTEE

The Ethics Committee is a committee of Council that has been tasked to formulate MIA's By-Laws (On Professional Ethics, Conduct and Practice) (Institute's By-Laws) and to ensure that the Institute's By-Laws are aligned to relevant and significant local and international developments.

In respect of international developments, the Ethics Committee reviews the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants to assess the extent of compliance by the Institute and determine if revisions to the Institute's By-Laws are required, since due compliance with the IFAC Code of Ethics (to the extent not inconsistent with national laws and regulations) is part of the Institute's obligations as a member body of IFAC.

The Ethics Committee also supports the efforts of the Institute in promoting awareness and understanding of the Institute's By-Laws by members, relevant educational institutions, regulators and other stakeholders.

Co- Chairpersons: Beh Tok Koay (retired as at November 2007)
Dato' Nordin Baharuddin (appointed as at November 2007)

Dato' Dr Nik Ramlah Mahmod

Members: Nik Mohd Hasyudeen Yusoff (retired as at November 2007)
En Sahar bin Othman (represented by: Er Beng Kiong)
Haji Rosli Abdullah (retired as at November 2007)
Terence Lee (retired as at 29 September 2007)
Uthaya Kumar a/l K Vivekananda (appointed as at November 2007)
Lam Kee Soon (appointed as at November 2007)
Billy Kang Wei Geih (appointed as at November 2007)
Gloria Goh Ewe Gim
Dato' Azizah Bte Haji Arshad (represented by: Puan Saadatul Nafisah)
Selvarany Rasiah
Toh Kay Hong
Sukanta Dutt
David Lim
Sharifah Khadijah Bte Syed Agil

No of meetings: No meeting convened.

12. GLOBALISATION AND LIBERALISATION COMMITTEE

The role of this committee is to study the impact of progressive liberalisation in the development of competitive service sectors; viz. under the General Agreement of Trade in Services (GATS) and Asean Framework Agreement on Services (AFAS). It also examines the opportunities and challenges faced by accountants in enhancing exports of services and formulates strategies to increase their participation in world trade in services as well as assist the Government in its negotiations on the liberalisation of trade in services as regards to the accountancy profession.

Chairperson: Nik Mohd Hasyudeen Yusoff

Members: Chen Voon Hann
Billy Kang
Gloria Goh Ewe Gim
Dato' Raymond Liew Lee Leong

No. of meetings: 1

13. FINANCIAL STATEMENTS REVIEW COMMITTEE

The Financial Statements Review Committee (FSRC) monitors the quality of financial statements prepared by, or of the responsibility of MIA members, for the purpose of determining compliance with statutory and other requirements, approved accounting standards and approved auditing standards; and, generally accepted accounting and auditing standards and practices. It works closely with the regulators and other regulatory bodies with aims to promote higher standards in financial reporting. FSRC also provides guidance to members on good financial reporting.

Chairperson: Mohammad Faiz Mohd Azmi

Vice Chairperson: Lam Kee Soon

Members: Asna Atqa Binti Abdullah
Cheong Thoong Farn
Khairudin Bin Ibrahim
Lee Teck Leong
Ng Mi Li
Ow Peng Li
Raymond Cheong Chye Hin
Sathiea Seelan Manickam
Soon Teck Thong
Stephen Khoo Siong Kee
Steven Lim Hoo Teck
Wong Kay Yong
Tan Poh Ling

Number of Meetings : 7

14. TASK FORCE ON AMENDMENTS TO THE ACCOUNTANTS ACT

The Task Force on Amendments to the Accountants Act 1967 is established to identify national and international developments affecting the accountancy profession which require amendments to the Act, and to review and identify provisions within the Act which require such amendments. The Task Force works to make the necessary proposals of amendments to the Act.

Chairperson : Datuk Dr Abdul Samad Haji Alias

Members : Dato' Mohd Salleh Mahmud (Accountant General)
Abdul Rahim Abdul Hamid
Nik Mohd Hasyudeen Yusoff
Datuk Siti Maslamah Osman
Professor Dr Takiah Mohd Iskandar

No. of Meetings : 5

15. FINANCIAL REPORTING STANDARDS IMPLEMENTATION COMMITTEE

The Financial Reporting Standards Implementation Committee (FRSIC) main function is to provide assistance to MIA members, both preparers and auditors, on matters of common interest relating to accounting standards by way of providing implementation guidance.

Chairperson: Nik Mohd Hasyudeen Yusoff

Members: Mohammad Faiz Mohd Azmi
Dato' Nordin Baharuddin
Jennifer Lopez (ACCA)
Alex Ooi (CPA Australia)
Ng Kim Tuck (MICPA)

Observers: Koh Kong Yong (BNM)
Wong Kay Yong (Bursa Malaysia)
Dr Nordin Mohd Zain (MASB)
Liew Kim Yuen (SC)
Saidatul Ishan Abdul Rahman (SSM)

No of Meetings: Committee –6, Project Working Group – 14

16. WORLD CONGRESS OF ACCOUNTANTS (WCOA) 2010 STEERING COMMITTEE

The Steering Committee is a working committee set up by the Institute to provide guidance and advice to the Management team regarding the progress and direction of the WCOA 2010 and exerting proactive influence on policy processes.

Chairperson: YC Lee

Members: Nik Mohd Hasyudeen Yusoff
Datuk Abdul Samad Hj. Alias
Haji Sahar Othman (representing the Accountant General)
Prof. Dato' Dr Daing Mohd Nasir Daing Ibrahim
Ho Foong Moi
SK Yap

IFAC Representatives: Dr Ian Ball
Stephen Walker
James M. Sylph

No of Meetings:15

17. BRANCHES

BRANCH

Committee Members

Chairperson:
Alexandra Thien

Members:
Haji Rizal Othman
Lim Yan Kee @ Viviana
Yeap Ai Ling
Desmond Chu
Goh Chee San
Khoo Hooi Suan
Peggy Lee Pui Kee
Alex Chan Chau Yau
Mary Angela Sipaun
Baharuddin Ahmad
Chin Chee Kee
Tan Huang Dak
Ho Yun Kong

SABAH

Chairperson:
Yeo Ah Tee (Deceased)
Chin Chee Kong (w.e.f. 1 February 2008)

Members:
David Tiang Kung Seng
Haji Wan Idris bin Wan Ibrahim
Teo Kin Mia
Jumastapha Lamat
Affendi Sapiie
Dayang Rostlylawati bte Awang Ehsan
Susana Narawi
Chong Thian Poh
Lau Hin Siang
YB Andy Chia Chu Fatt
Loh Wei Boon

SARAWAK

PAHANG

Chairperson:
Joseph Foo Tui Lee

TERENGGANU

Members:

Hari Ramulu a/l Munusamy

Yau Hun Ling

Koo Peng Hon

Chairperson:

Haji Mohd Ali Abbas

Members:

Su Lim

Yeo Chin Meng

How Wong Yuh

Chong Seok Tian

Fatimah Shahman

Mohd Ali Jaafar Mohamad

Tan Soon Tong

Chairperson:

Billy Kang Wei Gah

Leong Cheok Hoo (w.e.f. 20 November 2007)

KELANTAN

Members:

Ramli bin Mohamed

Chu Eng Chiau

Foo Sek Ken

Zulkepli Mohamed

Zuhair Bakri bin Abu Bakar

Kwek Siew Leng

Maheran bt. Zakaria

Chairperson:

Chan Boon Jiunn

KEDAH & PERLIS

Members:

Mohd Sahil bin Haji Zabidi

Lim Han Ho

Por Lee Tee

Dato' Lim Teong Kiat

Chang Kong Foo

Rozaini bin Muhamed

Bhupinderjeet Singh a/l Kabal Singh

Tan Joo Kheng

Ahmad Razi bin Mohd Noor

Dr Zakaria bin Abas
Yong See Sing

Chairperson:
Adelena Lestari Chong

Members:
Prof Dr Hasnah Haji Haron
Goh Su Yin
Kevin Khoo Aik Kooi
Khor Boon Hong
Lee Then Thoong
Ooi Kok Seng
Ooi Phaik Swee
Tan Boon Wooi, Danny
Tan Tcheow Woei
Teoh Wuey Sze
Thum Sook Fun, Amanda

PENANG

Chairperson:
Mr Soo Yuit Weng

Members:
Lam Weng Keat
Datuk Chew Wai Khoon
Chak Kong Keong
Leong Keng Yuen
Chew Pete Cheung
Chew Lai Lieng
Tan Seow Heng
Looi Eng Meng
May Ang Chan Moy
Abdul Aziz bin Subali

PERAK

Chairperson:
Tan Teng Chai

Members:
Huzaini bte Hussin
Chong Foo Sin
Ismail bin Set
Tee Kam Mee
Chan Wei Choong
Ananthan Chelliah a/l Chelliah

NEGERI SEMBILAN

N Lalitha a/p Nalliah
Ahmad Adzli bin Abdul Aziz
Patricia Tan Pow Cho
Koh Kea Yam
Yeoh Chin Han

MELAKA

Chairperson:
Mohd Hisham bin Tambi Ahmad (w.e.f. 20
November 2007)

Chairperson:
Roland Choong Shin Cheong

JOHOR

Members:
Kumarasamy s/o Nadarajah
Aziyah Abdul Aziz
Theresa Ngu Mee Hung
Chua Kon Sing
Tan Huai Leong
Steven Choong Shiau Yoon
Chong Chai Pin
Ganesh Kumar a/l Kumarasamy
Wang Ing Ming
Tuan Mastura bt Tuan Mat