



MALAYSIAN INSTITUTE
OF ACCOUNTANTS
ACCOUNTANTS: MANAGERS OF VALUE

PROUD HOST:



Sustaining the Momentum



MALAYSIAN
INSTITUTE OF
ACCOUNTANTS

ANNUAL
REPORT **2011**

Chartered Accountants Malaysia

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

MIA is established under the Accountants Act 1967 as the national accountancy body that regulates, develops, supports and enhances the integrity, status and interests of the profession.

Working closely alongside strategic business partners and stakeholders, MIA connects its members to a wide range of continuous professional development programme, updates and networking opportunities. Presently, there are more than 27,000 members making their strides across all industries in Malaysia and around the world.

MIA's Vision

To be globally recognised and respected business partner committed to nation-building.

MIA's Mission

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

MIA's Function

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

- a. To determine the qualifications of persons for admission as members;
- b. To provide for the training and education; and by the Institute or any other body, of persons practising or intending to practice the profession of accountancy;
- c. To approve the MIA Qualifying Examination (QE) 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 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 objects.

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Notice of the 25th 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 Fifth Annual General Meeting** of the Malaysian Institute of Accountants will be held on **Saturday, 24 September 2011 at 2.00 p.m.** at Mahkota Ballroom II, Hotel Istana, 73 Jalan Raja Chulan, 50200 Kuala Lumpur.

AGENDA

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

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

- Billy Kang Wei Geih
- Alex Ooi Thiam Poh
- Stephen Oong Kee Leong

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

- Dr Ahmad Faisal bin Zakaria
- Ahmad Zahirudin Abdul Rahim
- Chan Wan Siew, Paul
- Jayapalasingam Kandiah
- Kua Choo Kai, Simon
- Mohd Afrizan Husain
- Yacob bin Mustafa

2. President's address.
3. To consider and accept the minutes of the **Twenty Fourth Annual General Meeting held on 25 September 2010.**
4. To receive the annual report of the Council.
5. To receive the financial statements of the Institute for the year ended **30 June 2011** and the report of the auditors thereon.
6. To approve the following Resolutions proposed by the Council:

Resolution 1:

IT IS HEREBY RESOLVED THAT the final examination of Universiti Sultan Zainal Abidin for the Degree of Bachelor of Accountancy (Honours) be recognised by the Institute as equivalent to the examinations specified in Part I of the First Schedule of the Accountants Act, 1967 and that the Institute advises the Minister of Finance to amend the Part I of the First Schedule accordingly.

Resolution 2:

BE IT RESOLVED THAT the resolution that "Section 550 of Part B of Part II of the By Laws (On Professional Ethics, Conduct and Practice) dealing with Quality Assurance and Practice Review be revoked, and the Council formulates and proposes a fresh set of Rules on Peer Review applicable to those engaged in practice" which was passed at the 24th Annual General Meeting be hereby revoked and of no effect.

Resolution 3:

BE IT RESOLVED THAT Section 550 of Part B of Part II of the By Laws (On Professional Ethics, Conduct and Practice) dealing with Quality Assurance and Practice Review be reviewed, and the Council enhances the same so as to make it applicable to those engaged in practice.

Resolution 4:

BE IT RESOLVED THAT the resolution passed at the 24th Annual General Meeting to take steps to set up a separate Register in respect of members in practice so as to accord them with respective rights and obligations required to be in practice, be hereby revoked and of no effect.

7. Any other business.

By Order of the Council



ROSLI BIN ABDULLAH
Registrar

29 August 2011

Statements

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ACCOUNTANTS: MANAGERS OF VALUE

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2011



MIA INTERNATIONAL ACCOUNTANTS CONFERENCE AFA CONFERENCE

President's Statement

Dear Members,

As I begin my term as the President of the Malaysian Institute of Accountants (MIA), I have been reflecting on how much MIA and the accountancy profession has evolved since I became MIA member 26 years ago – and indeed, how much it continues to change.

The financial and sovereign debt crisis consumed much of our attention and energy over the past few years. And we saw how seemingly isolated incidents – within companies and within countries – can spread and intensify to affect larger populations. In this environment, the financial and business information that the accountancy profession provides has become much more important for sound decision making and risk management.

We saw at the 18th World Congress of Accountants (WCOA), which was held in Kuala Lumpur last year, how vibrant our profession is – how well represented, strong, thoughtful and smart. We also heard repeatedly that we must ask ourselves the tough questions about the profession's contribution to financial and non-financial reporting in a more sustainable world, as well as questions about the value of the audit. In order to move forward as a profession, I believe we need to do just that. We must demonstrate that we are part of a global solution that contributes to financial stability and economic growth.

We recognised it is vital that we meet the needs of fast-changing business. With the convergence of standards and practices, transformation is required to enhance value and sustain continuous improvement.

The theme of WCOA, 'Accountants: Sustaining Value Creation', proved to be more relevant than anyone had imagined in the heady days prior to the global economic crisis, when MIA and International Federation of Accountants (IFAC) first developed the Congress theme. WCOA was a venue in which we were able to demonstrate in how many ways accountants to bring value through their diverse roles, enhancing business.

We must remember that we must continue to work to improve perceptions of business in relation to the value accountants bring, taking fully into account the needs of business and the views of the users and beneficiaries of our services as the prime evidence and catalyst for innovation. In summary, we must bring public value to all our work and ensure that business and the wider public understand the value we bring.

REINVENTING VALUE THROUGH WCOA 2010

The WCOA 2010, has opened up vast opportunities for all of us. In this instance, it has increased MIA's international connections. Motivated by this development, we are committed to provide capacity building and professional development beyond the Malaysian shores.

As a result, with effect from 2011, the National Accountants Conference which is popularly known as NAC will be renamed

as the MIA International Accountants Conference (MIA Conference). The rebranding of NAC is a natural progression of our new standing in the international community. We are confident that through this re-branding effort, MIA Conference will be able to provide a unique development opportunity for accounting and financial leaders in this region.

For 2011, the MIA Conference will be organised in conjunction with the 17th edition of the ASEAN Federation of Accountants Conference which will be held from 2 - 3 November 2011 at the Kuala Lumpur Convention Centre.

With the theme, '**Converge, Transform, Sustain : Towards World Class Excellence**', The Conference is expected to bring more than 2,500 delegates comprising accountants, business leaders, other professionals, executives and academics in the ASEAN region to share best practices in finance, accounting and management and to gain fresh insights and cutting-edge information on global trends, issues and challenges affecting business and the environment in which we operate.

The investment that we make through this effort is for the development of the profession and the future of our region. Transcending from a national event to a regional event will further enhance Malaysia's position in advancing the profession in our region.

THE CHANGING LANDSCAPE OF THE ACCOUNTANCY PROFESSION IN MALAYSIA

As remarked by the Honourable Prime Minister in his keynote address at the 18th World Congress of Accountants last November, Malaysia is committed to achieve full convergence with the International Financial Reporting Standards (IFRS) by 1 January 2012.

Adoption of the new IFRS-compliant framework, by the publicly accountable entities in Malaysia from 2012 onwards shall simultaneously ensure full compliance of their general purpose financial statements with IFRS.

To date, the responses from the profession towards Exposure

Draft 75 on the new IFRS-compliant framework issued by the Malaysian Accounting Standards Board (MASB), have been encouraging and we are delighted to note that the convergence agenda is right on track.

Whilst we are pleased with this development, we do have some concerns over the preparedness of all affected constituents in this respect. The phased approach in IFRS convergence that was put in place since 2008 has, to a large extent, provided sufficient time for all affected constituents to prepare for changes, but we cannot out rightly rule that all issues affecting IFRS convergence have been addressed.

Potentially, some implementation issues might only surface upon the adoption of the new IFRS-compliant framework. Such matters are closely monitored by a multi-agency Convergence Task Force that was put in place since April 2010 (spearheaded by MASB of which MIA is a member), and this Task Force is not expected to be dissolved until all convergence-related issues have been satisfactorily resolved. The requirements of the Accountants Act, 1967 and the expectations from the members naturally position MIA in a pivotal role to ensure the realisation of various benefits to the nation and its economy through IFRS convergence.

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During the first wave in 2006 which harmonises our Financial Reporting Standards (FRS) with IFRS, MIA has constituted the Financial Reporting Standards Implementation Committee (FRSIC) with the support from the Capital Market Development Fund to address various issues affecting FRS implementation. To date, FRSIC has released implementation guidance on 16 topics, and a number of contentious issues in the FRSIC agenda are expected to be resolved soon. Some of these issues in the FRSIC agenda are expected to have an impact towards the successful implementation of the new IFRS-compliant framework and hence, timely resolution is crucial.

Potentially, the views and consensuses of FRSIC in response to the issues surrounding the implementation of the new IFRS-compliant framework may be used as a reference in other IFRS jurisdictions, therefore the conduct of FRSIC would have to be revised to cater for the growing expectations. In short, MIA would have to be more global in its thought process and conduct in dealing with matters regarding financial reporting, and to be more active in cross-border consultations. It is important that our technical views should be made known and be heard by the international community.

Simultaneously, the Government had recently announced its plan to adopt full accrual-based accounting in the financial reporting by the public sector by 1 January 2015, using bases of accounting that are largely aligned to the International Public Sector Accounting Standards (IPSAS).

Earlier this year, we have assisted in the development of the accrual accounting implementation roadmap for the Federal Government and MIA is expected to play a pivotal role in the form of continuous technical advisory services and education.

The target to migrate from the modified cash basis of accounting to accrual basis of accounting in less than four years is comparatively shorter as compared to the experience in other jurisdictions. Nevertheless, the plan to adopt full accrual-based accounting is a policy measure in the New Economic Model for Malaysia which forms the bedrock to the Economic Transformation Programme which, considering its potential impact to the economy and the national agenda, has to be prioritised. MIA's attentiveness on this matter has to be at the level similar to the efforts in support of IFRS convergence if not greater.

SUSTAINING AND PROGRESSING THE ACCOUNTANCY PROFESSION

Our financial reporting frameworks for the capital market, as well as the public sector, are set to be internationally recognised, but there are concerns that not all of our existing and future accountants are prepared to embrace the new changes with a globalised mindset.



President's Statement

IFRS convergence or the adoption of accrual accounting by the public sector is not just about knowing the requirements of the IFRS or IPSAS respectively, but the ability to exercise professional judgments based on mindset and knowledge that is closely aligned with those of other jurisdictions. In this respect, the mindset about “we are different” amongst some of our constituents is no longer relevant; we cannot afford to operate within our own silo.

In this regard, education is a key priority of MIA—not just for the existing accountants, but also the future accountants. MIA will continue to play an active role to help all members of the profession to learn, unlearn and relearn to a level that would enable all accountants to appreciate the application of globalised accounting standards, with a globalised mindset, in a globalised environment.

“

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As a matter of fact, Malaysian accountants have generally been held in high regard as far as their skill sets are concerned and are very much in demand internationally. Thus all efforts should be made to maintain and improve the high standing that we have been enjoying. In addition, our future accountants (i.e. the accounting undergraduates) would have to be trained to a level which would enable them to enter the profession seamlessly.

MIA will continue to provide the required support to the Ministry of Higher Education to ensure the undergraduates are developed at this direction—this is not limited to just syllabus revisions to incorporate the latest development in the standards, but also exposing the undergraduates to various pertinent international issues, besides regular reviews on the methods of delivery to make the undergraduates more analytical in their approach.

APPRECIATION

Overall efforts at MIA continue to be aligned to ideals that will ultimately result in the profession being able to contribute to sustainable value creation. I am deeply honored to have been given the responsibility of leading MIA towards greater heights. I wish to thank our stakeholders whose support and cooperation have assisted the Institute tremendously.

I would also like to thank Prime Minister and Minister of Finance, Malaysia, Dato' Sri Mohd Najib Tun Abdul Razak; Minister of Finance II, Dato' Seri Ahmad Husni Mohamad Hanadzlah, Accountant General, Datuk Wan Selamah Wan Sulaiman, and our former Accountant General, Dato' Mohd Salleh Mahmud for their invaluable guidance and support.

I am also grateful to MIA Past President, Abdul Rahim Abdul Hamid and Vice President Christina Constance Foo as well as other Council members who have retired during the year for all their contributions towards the profession and the Institute.

I would also like to thank my fellow Council Members, committee members as well as members of the Institute who have demonstrated the fullest commitment to the betterment of the Institute and the profession.

Finally, the leadership and the commitment of the Institute's management and staff have been absolutely crucial in the various successes achieved thus far.

Thank you.



Datuk Mohd Nasir Ahmad
President

Chief Executive Officer's Statement

Dear Members,

The Malaysian Institute of Accountants (MIA) continues with its mission to develop, support and monitor quality and expertise consistent with global best practice in the accountancy profession for its stakeholders.

In this respect, we have gained inroads on the global front with the successful hosting of the *18th World Congress of Accountants (WCOA) 2010* that has put Malaysia on the international accounting map. We are also enjoying regional leadership with our commitment to the ASEAN Federation of Accountants and will be hosting our comrades from the region in November this year.

On the home front, MIA continues to provide assistance and expertise to the Government in strengthening the management of public finances as a strategic reform initiative to revitalize the nation's economy and to be more responsive as well as accountable to the needs of private citizens and businesses.

One of the upcoming efforts to reenergize the Public Sector is the Government's switch from cash based accounting to accrual based accounting. In support of this development, MIA together with Jabatan Akauntan Negara Malaysia (JANM) and Persatuan Akauntan Sektor Awam Malaysia (PERASAMA) organised the first National Public Sector Accountants Conference (NAPSAC) in June 2011, focusing on the issues, concerns and challenges in making the transition to accrual accounting.

Secondly, MIA contributed to the Strategic Reform Initiative (SRI) lab on accrual accounting by participating in the preparation of the laboratory report. MIA is of the view that the rapid development of the private sector requires the support and facilitation of the public sector. Thus, flexible and relevant policy changes that are suited to change and rapid economic development are critical for private sector growth. This is where public sector accountants can play a significant role by contributing ideas and making sure that spending is carried out in a systematic, controlled manner while safeguarding the credibility of the government's delivery system.

At the same time, our daily business continues to function as we ensure that the strategy to develop the profession in Malaysia and maintain the credibility of the profession is implemented effectively and efficiently.

During the year, MIA strove to deliver much value to members and key stakeholders through our regulatory approaches comprising education and development, professional standard and practices research and development as well as surveillance and enforcement. (full report in Report of the Council).

FINANCIAL PERFORMANCE

During the financial year, the Institute recorded a surplus before tax of RM10.18 million as compared to surplus of RM1.17 million in the previous financial year. The high achievement is mainly contributed by the World Congress of Accountants WCOA 2010 results of RM9.51 million recorded during the financial year.

The Institute's recorded total revenue of RM29.76 million (including surplus from WCOA 2010) as compared to the

previous financial year of RM22.78 million, representing an increase of RM6.98 million or 31%.

Membership income for the year increased by RM0.47 million or 6% from RM8.16 million in the previous financial year to RM8.63 million in the current financial year.

The revenue from the CPE program has decreased by RM2.57 million or 20% from RM12.58 million to RM10.01 million in the current financial year. This is mainly due to the shifting of focus of the department into the WCOA 2010, which was successfully held in November 2010.

The tuition courses under Qualifying Examination program to assist the students to excel in the examination and other education program have contributed a revenue of RM1.06 million, compared to last financial year of RM0.85 million; representing an increase of 25%.

The Institute has also carried out stringent cost control measures throughout the financial year. There are savings from membership services and other administrative expenses of about RM0.18 million. In addition, the employees' benefit has also decreased slightly by RM0.12 million due to secondment of staff to WCOA 2010 project.

WHAT NEXT AFTER WCOA 2010?

What we need to do now is capitalize on the momentum by going forward. We must sustain the momentum. Organising another major international event is top on our professional development agenda! MIA in collaboration with the ASEAN Federation of Accountants (AFA) is organising the inaugural MIA International Accountants Conference and the 17th AFA Conference from 2-3 November 2011 at the Kuala Lumpur Convention Centre.

ENHANCING GLOBAL ALLIANCE

We must bear in mind that all our strategies and plans can only be achieved with competent human capital. Therefore, it is imperative that together we create and maintain a first-class education system for accountancy training in order to produce trained accountancy graduates who are on par with those from other leading countries. I am confident that our educationists are ever ready to institute reforms for the sake of our future generations. MIA pledges to cooperate with the institutions of higher education in the country as well as all other parties to ensure that accountants trained in Malaysia will possess competencies of global standards.

Chief Executive Officer's Statement

Looking forward, I am confident that Malaysia is capable of becoming a first-class regional hub for accountancy training if we all work together. MIA has been making more inroads on the regional front by being an active member of the ASEAN Federation of Accountants (AFA) and Confederation of Asian and Pacific Accountants (CAPA). However, we have reviewed the relevance and need to be in two regional organisations at the same time, and the decision taken was to cease our membership in CAPA as of March this year.

MIA continues playing an active role in its second year of holding the post of AFA President. We continue our effort in producing AFA publications such as the 2010 AFA Annual Report that chronicles the initiatives AFA undertook in accordance with its Strategic and Operational Plan throughout the year; as well as updating the AFA-ACCA 'Easy Guide to Setting Up Accountancy Practices in ASEAN Countries' and publishing the Guidelines for Application of AFA Associate Membership on the AFA website. Having published and updated MIA's own Action Plan, we are also actively involved in assisting fellow AFA member countries such as Brunei, Cambodia and Vietnam in formulating and editing their IFAC SMO Compliance Action Plan.

GREEN INITIATIVES

MIA is committed to a better environment and thus has been pro-active in supporting the stance. For example, among the new initiatives taken is the introduction of paperless submission of annual returns by member firms and the introduction of e-Vouchers.

While dissemination of information to members is vital, MIA is always seeking the best way to do so with less impact on environment. Hence, a major decision was made, that is to publish Accountants Today only once every two months as opposed to monthly previously.

MOVING FORWARD—PARTNERING THE GOVERNMENT IN NATION BUILDING AND UPHOLDING INTEGRITY AND ETHICS.

As an agency under the auspices of the Ministry of Finance, MIA is responsible for ensuring that the development of the accountancy profession is in harmony with the needs of national development and ensuring that the credibility of the national accountancy profession is in line with public interests. In developing the accountancy profession in Malaysia, MIA always ensures that all policies are crafted while taking public interests into account. At the same time, MIA makes every effort to ensure that members possess the requisite competencies and sound professional values, while helping them increase their knowledge and capabilities.

MIA continually formulates and adopts global standards and best practices while taking national requirements into account. We also produce guides to assist accountants in Malaysia with implementing these standards and best practices in the workplace. MIA carries out ongoing enforcement and monitoring of the quality of accounting services, especially those connected with the capital markets and public interests.

To ensure that MIA is able to carry out its national duty effectively and to ensure that the accountancy profession remain solid in partnering the government in Nation Building, we would like to call all our stakeholders to play a more significant role in promoting and developing the accountancy profession in Malaysia.

To all our partners and stakeholders, regardless of our professional

backgrounds, qualifications and accounting sectors which we are in, we must work together to promote and enhance the progress and development of the profession. We should put national interest and well being above everything else. For the greater and long-term good of the country, there is an urgent need for us to renew and redouble our efforts in nation building.

It is everyone's duty to make the accountancy profession strong, relevant, competitive and successful as we respond to obstacles and situations confronting us both locally and internationally.

It is of utmost importance that all parties from the Government, PAIB, Academia and Public Practice, set our priorities right and not lose our direction.

APPRECIATION

I would like to take this opportunity to express my gratitude to the Prime Minister of Malaysia, who is also Minister of Finance, Dato' Sri Mohd Najib Tun Abdul Razak, for his unwavering support to a progressive accountancy profession.

I would also like to thank our former Accountant General, Dato' Mohd Salleh Mahmud for all his contributions to the accountancy profession. At the same time, on behalf of MIA, I would like to welcome the new Accountant General, Dato' Wan Selamah Wan Sulaiman, whose contribution, I am sure, will take the profession to a greater height.

My appreciation also goes to MIA former President, Abdul Rahim Abdul Hamid and Vice President, Christina Constance Foo, plus all our council members who have retired during the year. Thank you for the leadership and guidance accorded to us in ensuring that MIA continues to act in the best interest of the nation. To our newly elected President, Datuk Mohd Nasir Ahmad and Vice President, Abdul Rahim Hamid, we wish you all the best in advancing the Institute to greater height.

I would also like to thank members of MIA as well as our other stakeholders including co-regulators, professional accounting bodies and institutions of higher learning for your continuous support and contributions in ensuring that the development of the accountancy profession, is in harmony with the national agenda and that the credibility of the national accountancy profession is in line with public interests. I would also like to thank the employees of the Institute who worked tirelessly to ensure a continued success for MIA.

Thank you.

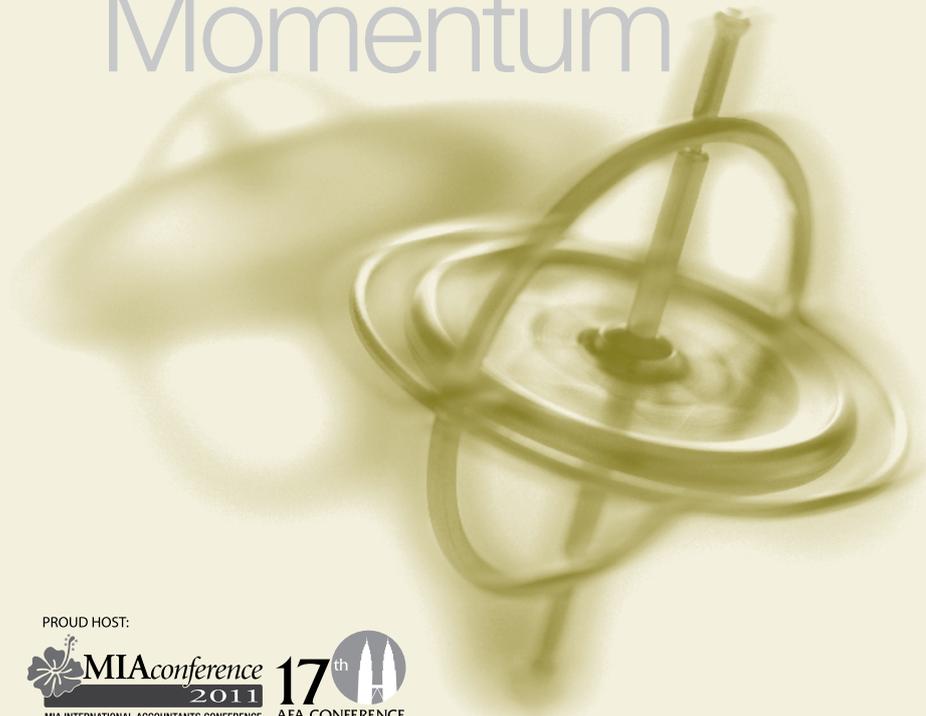


Rosli Abdullah
Chief Executive Officer



Report of the Council for 2011

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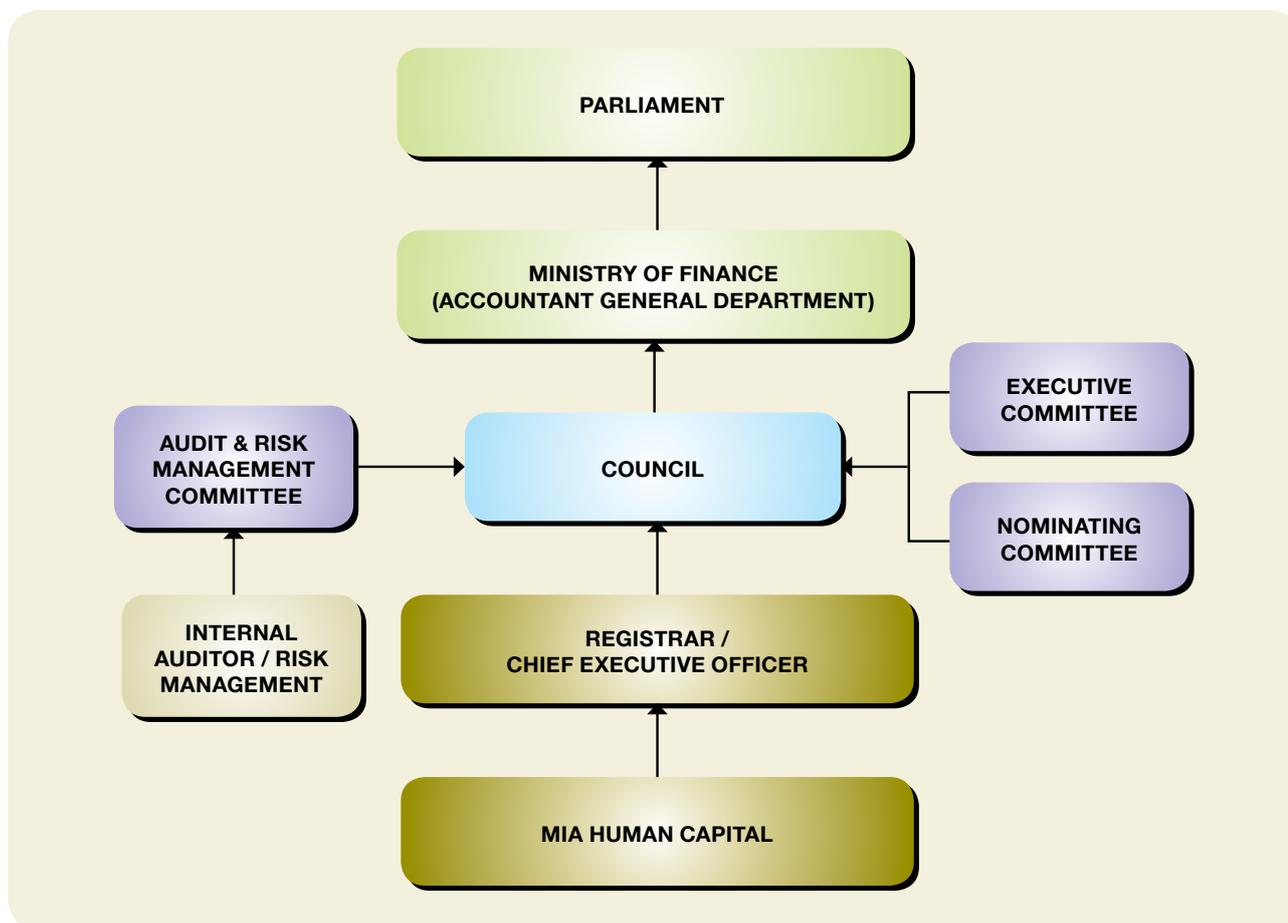
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Statement On Governance

GOVERNANCE FRAMEWORK



COUNCIL

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

In accordance to Section 8(1) of the Act, the Council comprising the following persons:

- (a) the Accountant General, Malaysia or his nominee;
- (b) **not more the five members appointed from the higher educational institutions specified in Part I of Third Schedule;
- (c) the President of the Malaysian Institute of Certified Public Accountants (MICPA);
- (d) **three members appointed from amongst the Presidents of the local branches of the recognized bodies specified in Part II of the First Schedule;

- (e) **one member appointed from amongst the members of the council of MICPA, other than, its President;
- (f) **not more than nine other members appointed from amongst suitably qualified persons; and
- (g) ten members elected by the annual general meeting of the Institute in accordance with the rules of the Institute.

*Note: ** Section 8(2) of the Act stated that the members in this subsection shall be appointed by the Minister on the advice of Accountant General.*

Paragraph 6 of the Second Schedule of the Act stated that no remuneration shall be paid to any Council member for holding office.

The President of the Institute shall be the Chairman of the Council. During the financial year, the Council has conducted 11 meetings and amongst the agenda of its meeting were:

1. Approval of MIA's Strategic Direction for 2011/2012 to 2013/2014
2. Approval of MIA's 2011/2012 Budget
3. Review of Statutory Committees and Other Committees Progress and Activities
4. Approval of departments' Operations Manual

5. Approval of guidance, response letter to IFAC, amendment of audit license criteria and recommendation to relevant authorities
6. Appointment of Boards and Committees members as recommended by Nominating Committee
7. Review of WCOA 2010 progress report
8. Review of Institute's programmes such as Qualifying Examination assessment and Continuous Professional Education audit
9. Approval of Institute's Year End Financial Statement and Review of Monthly Financial Statement
10. Review of MIA involvement in International Bodies / Committees
11. Approval of Institute's membership application
12. Approval of Employees remuneration
13. Approval of expenses based on Institute's Limit of Authority (LOA).

The attendances of the COUNCIL meetings were as follows:

No.	Name	Attendance
1	Datuk Wan Selamah Wan Sulaiman Nominee: Rosini Abd Samad	4/4
2	Dato' Mohd Salleh Mahmud Nominee: Datuk Wan Selamah Wan Sulaiman	7/7
3	Abdul Rahim Abdul Hamid	9/11
4	Christina Constance Foo	11/11
5	Prof. Datin Dr. Hasnah Hj Haron	7/11
6	Dr Kalsom Salleh	5/11
7	Assoc. Prof. Dr Ku Nor Izah Ku Ismail	5/11
8	Prof. Dr. Norman Mohd Saleh	5/11
9	Assoc Prof. Dr. Zulkarnain Muhamad Sori	7/11
10	Dato' Seri Ahmad Johan Mohammad Raslan	3/11
11	Francis Chan Feoi Chun	4/4
12	Ng Kim Tuck	3/4
13	Datuk Nur Jazlan Tan Sri Mohamed	1/11
14	Mohammad Faiz Mohammad Azmi	4/11
15	Mohamed Raslan Abdul Rahman	6/11
16	Seow Yoo Lin	8/11
17	Uthaya Kumar K. Vivekananda	0/11
18	Mohd Noh Jidin	4/4
19	Dato' Raymond Liew Lee Leong	9/11
20	Abraham Verghese	6/11
21	Alex Ooi Thiam Poh	10/11
22	Billy Kang Wei Geih	10/11
23	Heng Ji Keng	8/11
24	Stephen Oong Kee Leong	7/11
25	Peter Lim Thiam Kee	10/11
26	Dato' Narendra Kumar Jasani	5/6
27	Sam Soh Siong Hoon	5/6
28	Subramaniam A.V. Sankar	6/6
29	Dato' Gan Ah Tee	9/9
30	Dr. YC Lee	4/9
31	Datuk Mohd Nasir Ahmad	3/8
32	Liew Kim Yuen	2/7
33	Chen Voon Hann	4/5
34	Lam Kee Soon	2/5
35	Yeo Tek Ling	5/5

GOVERNANCE COMMITTEES REPORTING TO COUNCIL

EXECUTIVE COMMITTEE (EXCO)

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

The Terms of Reference (TOR) of EXCO was approved by the Council. Amongst the TOR of EXCO are:

1. To oversee the financial, operational and performance of the Institute;
2. To approve expenditure and other financial commitments as per LOA;
3. To oversee senior employee appointments and development as well as succession planning;

4. To initiate, recommend and carry out other matters/ functions in relation to the Institute delegated by the Council;
5. To oversee and review governance practices of the Institute.

The Chairman of EXCO is the President of MIA and comprises 6 Council Members and the Registrar.

During the financial year, the EXCO has conducted 13 meetings and amongst the agenda of its meeting were:

1. Review of MIA's Monthly / Year End Financial Statement
2. Review of WCOA 2010 progress report
3. Approval of revised Operations Manual
4. Review of regional offices activities
5. Review of MIA's Strategic Direction for 2011/2012 to 2013/2014
6. Review of MIA's 2011/2012 Budget
7. Review of proposed employee remuneration
8. Approval of any expenses based on Institute's Limit of Authority (LOA).

The attendances of the EXCO meetings were as follows:

No.	Name	Status		Attendance
1	Datuk Wan Selamah Wan Sulaiman Nominee: Rosini Abd Samad	Accountant General	Appointed as AG on 29 November 2010	7/8
2	Dato' Mohd Salleh Mahmud Nominee: Datuk Wan Selamah Wan Sulaiman	Accountant General	Retired as AG on 28 November 2010	5/5
3	Abdul Rahim Abdul Hamid	Chairman		10/13
4	Christina Constance Foo	Member		13/13
5	Dato' Seri Ahmad Johan Mohammad Raslan	Member		7/13
6	Sam Soh Siong Hoon	Member	Appointed on 25 November 2010	8/8
7	Dato' Gan Ah Tee	Member	Retired on 28 April 2011	10/10
8	Yeo Tek Ling	Member	Retired on 25 September 2010	3/3

NOMINATING COMMITTEE (NC)

The NC was established by the Council and the primary objective is to establish a mechanism for the formal assessment of each candidate before he/she is recommended to the Council for appointment to the Committees of the Institute.

Committee shall meet as and when the Committee deems necessary.

During the financial year, the Committee has conducted 6 meetings to nominate various committee members to the Council for approval.

NC consisted of President, Vice President, 2 Council members and representative of Accountant General Office and the

The attendances of the NC meetings were as follows:

No.	Name	Status		Attendance
1	Abdul Rahim Abdul Hamid	Chairman		4/6
2	Christina Constance Foo	Member		6/6
3	Datuk Wan Selamah Wan Sulaiman	Member		6/6
4	Dato' Seri Ahmad Johan Mohammad Raslan	Member		3/6
5	Dato' Gan Ah Tee	Member	Retired on 28 April 2011	4/5
6	Yong Teck Ling	Member	Retired on 25 September 2010	1/1

AUDIT & RISK MANAGEMENT COMMITTEE (ARMC)

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

ARMC comprises 5 Council members who are not members of the EXCO. The TOR of ARMC was approved by the Council. Amongst the TOR of ARMC are:

1. Approve the Internal Audit Charter which defines the responsibility and authority of the internal audit function;
2. Approve Internal Audit Plan;
3. Review findings of the Internal Auditor (IA), External Auditor and Auditor General Department;
4. Review the interim and annual financial statements of the

Institute as well as accounting policies and its reporting requirements;

5. Advice in development and implementation of enterprise risk management framework as well as review of key risk profiles of the Institute.

During the financial year, the Committee has conducted 3 meetings and amongst its activities were:

1. Review of Institute's Year End/Interim Financial Statements/ Monthly Management Accounts. For the interim and year end Financial Statement, an external auditor appointed by Auditor General was invited to the ARMC meeting to highlight any issues to the Committee;
2. Review of External Audit Report/Internal Audit Reports such as MIA Governance Review;
3. Review of Report on MIA's Key Risk Profiles;
4. Highlighted any relevant issues for Council consideration.

The attendances of the ARMC meetings were as follows:

No.	Name	Status	Attendance
1	Heng Ji Keng	Chairman	3/3
2	Lam Kee Soon	Chairman	Retired on 25 Sept 2010 1/1
3	Alex Ooi Thiam Poh	Member	1/3
4	Prof. Dr. Norman Mohd Saleh	Member	2/3
5	Dato' Narendra Kumar Jasani	Member	Appointed on 25 Nov 2010 2/2
6	Subramaniam A.V. Sankar	Member	Appointed on 25 Nov 2010 2/2
7	Dr. Kalsom Salleh	Member	Retired on 24 Nov 2010 1/1

Statement on Internal Control

INTRODUCTION

As a statutory body of Federal Government, there is no requirement for MIA to make a statement of internal control in our Annual Report. However, as good governance practices, this statement has been prepared, where applicable, based on guidance issued for public listed companies.

COUNCIL'S RESPONSIBILITIES

The Council acknowledges that a sound system of internal control addresses the need for effective and efficient operations, reliable financial reporting, strict compliance with applicable laws and regulations. However, the Council recognises that this system is designed to manage, rather than eliminate the risk of non achievement of the Institute's objectives. Therefore, the system provides reasonable, but not absolute, assurance against the occurrence of any material misstatement, loss and fraud.

RISK MANAGEMENT

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

During the financial year, as stated above, the key risk profile and registers were tabled to the ARMC and EXCO for its review.

INTERNAL CONTROL ENVIRONMENT

A. MIA COMMITTEES

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

1. Governance Committees
2. Statutory Committees
3. Surveillance Committees
4. Technical Committees
5. Representative of Membership
6. Operational/Administrative Committee

For committees under type 1, the details are stated in the Statement on Governance and for other types of committees, the details are stated under the section of Committees in MIA.

B. INSTITUTE'S MANAGEMENT

Responsibility for implementing the Institute strategies and daily operations are delegated to the Institute's Management. Clear lines of authority, responsibility and accountability have been established to enable Institute's objectives to be achieved. The divisional structure enhances the ability of each division to focus on their assigned core of support functions within Institute. The Institute is headed by the CEO who is also the Registrar. The appointment of Registrar was made in accordance to Section 12 of the Act.

C. INTERNAL AUDIT DEPARTMENT (IA)

IA reports directly to the ARMC and administratively to the CEO. The Internal Audit Charter was approved by Council to govern the authority of the IA in performing its responsibility. IA supports the oversight role of the ARMC, in that it provides an independent, objective assurance and consulting activity by evaluating and improving the effectiveness of risks management, control and governance process of the Institute.

The department undertook risk based approach in auditing and performed its review based on 2 years IA plan approved by ARMC. As risks are subjected to changes, IA is authorized by ARMC to response to the changes in carrying out its activities.

The activities to support the above function are:

- i. Institute's Key Risks Profile – facilitated and advised Institute in Institute's Enterprise Risk Management activities. MIA Key Risks Matrix and Key Risks Register were presented to EXCO and ARMC in July 2010 and March 2011 respectively. Five Key risks were identified and necessary controls were put in place or in the process of implementation to ensure the objective of the Institute is achieved.
- ii. Regular review on Institute activities – performed risk based auditing on the key risk areas/Institute activities approved by ARMC. Internal audit reports which contain principal risks of audited areas and significant issues noted as well as respond from the audited units were issued and deliberated in the ARMC meetings. The areas for improvement were recommended and agreed by

management. Where necessary, ARMC has also made recommendations to further improve the internal control, risk management and financial reporting process. IA was also appointed as Occupational Safety & Health (OSH) auditor and OSH audit was performed during the year.

- iii. Continuous improvement to Institute's Governance Framework – performed review of three department's revised operation manuals, advised on the preparation of MIA Committees Terms of Reference (TOR) and recommended the process of interim audit and final audit of MIA financial statement.

E. FINANCIAL STATEMENT AUDIT / MANAGEMENT AUDIT BY AUDITOR GENERAL DEPARTMENT (AGD)

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

AGD also has conducted their Management Audit to review Institute's financial management and compliance to the applicable law and rules. AGD has issued its audit report and MIA has given our reply on the report. The star rating called Accountability Index Rating will be given to the Institute once their finalized their audit report and rating process.

F. INSTITUTE'S KEY PROCESSES, POLICIES AND PROCEDURES

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

- MIA's Limit of Authority (LOA) set out the authorization limit for various levels from Council until staff level. The LOA will be reviewed as and when is necessary.
- Institute's Operations Manual have been developed and implemented and some are still being revised or developed.
- A detailed budgeting and reporting process has been established. Comprehensive budgets are prepared by the operating units and presented to the EXCO and Council for review and approval respectively. The financial results are monitored and reported to the ARMC, EXCO and Council in every of its meeting.
- A standard employees' performance appraisal system has been implemented, which allows for the assessment of individual employee's performance against his/her KPIs.
- The Code of Conducts was established for Council members in year 2008. For MIA employees, the Code for Business Ethics and Conflict of Interest was established in the Employee Handbook.
- As IFAC member body, MIA reported its compliance with the Statement of Membership Obligations as required by IFAC Member Body Compliance Programme.

Chapter 1:

Membership Development in MIA

As a member based organisation, the Malaysian Institute of Accountants (MIA) places membership services as priority in its daily affairs. Fulfilling members' high expectation is no easy task as the number increases annually.

OVERVIEW

As of 30 June 2011, the total membership stands at 27,156, comprising 27,000 Chartered Accountants, eight (8) Licensed Accountants and 148 Associate Members. In the financial year 2010/2011 (FY10/11), 1,548 qualified individuals were admitted comprising 1,531 Chartered Accountants and 17 Associate Members. The number of members admitted increased by 22.3% compared to the previous FY.

Of the 1,531 Chartered Accountant members, 1,496 members were qualified under the *Part I and **Part II of the First Schedule of the Accountants Act, 1967 and 35 were MIA Qualifying Examination graduates. 274 applicants were reinstated as members during the same FY.

*** Part I of the First Schedule of the Accountants Act, 1967**

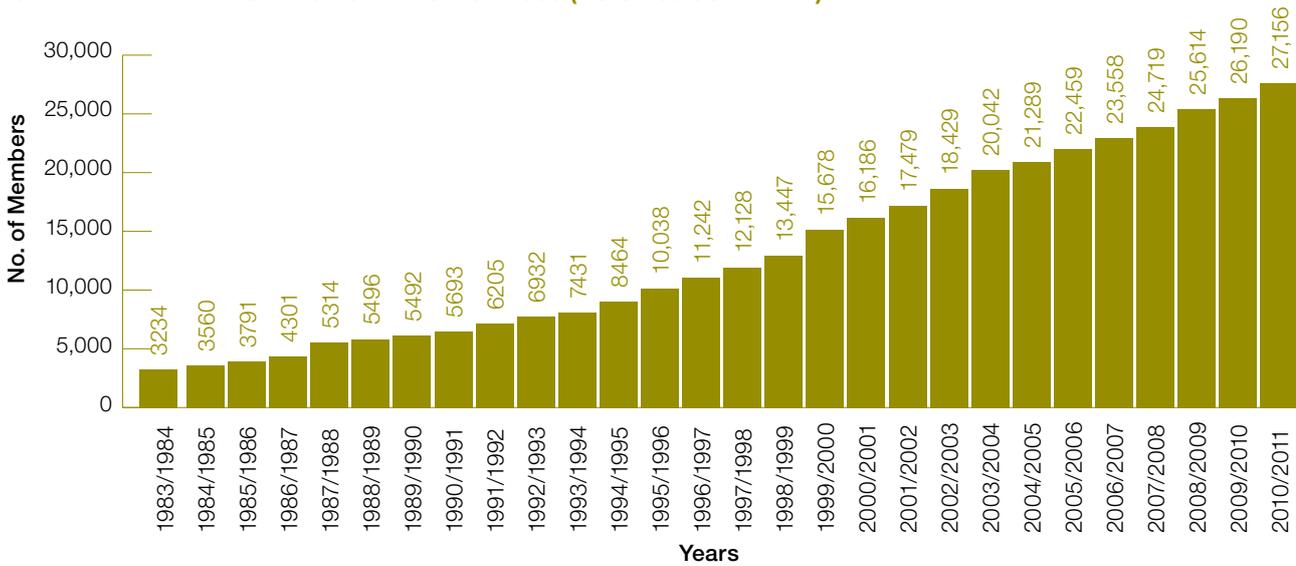
- Diploma in Accounting, University of Malaya (up to examination session 1981/82)
- Bachelor of Accounting, University of Malaya
- Bachelor of Accounting (Honours), Universiti Kebangsaan Malaysia
- Advanced Diploma in Accountancy, MARA Institute of Technology / Bachelor of Accounting, Universiti Teknologi MARA
- Bachelor of Accounting (Honours), Universiti Utara Malaysia
- Bachelor of Accounting (Honours), Universiti Putra Malaysia
- Bachelor of Accounting (Honours), Universiti Islam Antarabangsa Malaysia
- Bachelor of Accounting (Honours), Universiti Sains Malaysia
- Bachelor of Accounting (Honours), (Information System), Universiti Utara Malaysia
- Bachelor of Accounting (Honours), Universiti Tenaga Nasional (the academic programme for which first commenced from the academic year 2002/2003 onwards)
- Bachelor of Accounting (Honours), Universiti Multimedia (the academic programme for which first commenced from the academic year 2002/2003 onwards)
- Bachelor of Accounting (Honours), Universiti Malaysia Terengganu
- Bachelor of Accounting (Honours), Universiti Malaysia Sabah
- Bachelor of Accounting (Honours), Universiti Industri Selangor

**** Part II of the First Schedule of the Accountants Act, 1967**

- Malaysian Institute of Certified Public Accountants
- Institute of Chartered Accountants of Scotland
- Institute of Chartered Accountants In England & Wales
- Institute of Chartered Accountants in Ireland
- Association of Chartered Certified Accountants (United Kingdom)
- Institute of Chartered Accountants in Australia
- CPA Australia
- New Zealand Institute of Chartered Accountants
- Canadian Institute of Chartered Accountants
- Institute of Chartered Accountants of India
- Chartered Institute of Management Accountants (United Kingdom)

Pursuant to Rule 7(1) of MIA's (Membership Council) Rules 2001, the Registrar—as authorised by the Council, removed 798 members from the Register of Members for failing to settle their annual subscription within the stipulated time frame. Two (2) members were removed due to disciplinary actions. Forty-one members resigned while 19 members passed away during the FY.

GRAPH 1: MEMBERSHIP GROWTH SINCE 1983 (AS OF 30 JUNE 2011)



The demography of members is as follows:

TABLE 1: MEMBERSHIP BY GEOGRAPHIC DISTRIBUTION (AS OF 30 JUNE 2011)

**Including F.T. Labuan*

STATE	CA	LA	AM	TOTAL
Perlis	48		19	67
Kedah	480	1	14	495
Penang	1,740	1	3	1,744
Perak	854	3	3	860
Selangor	10,801	1	36	10,838
Federal Territory*	6,526	1	14	6,541
Negeri Sembilan	509		3	512
Malacca	488		6	494
Johor	1,569	1	6	1,576
Pahang	315		18	333
Terengganu	213		9	222
Kelantan	168		4	172
Sarawak	1,461		6	1,467
Sabah	869		2	871
Overseas	959		5	964
GRAND TOTAL	27,000	8	148	27,156

GRAPH 2: MEMBERSHIP BY AGE GROUP (AS OF 30 JUNE 2011)

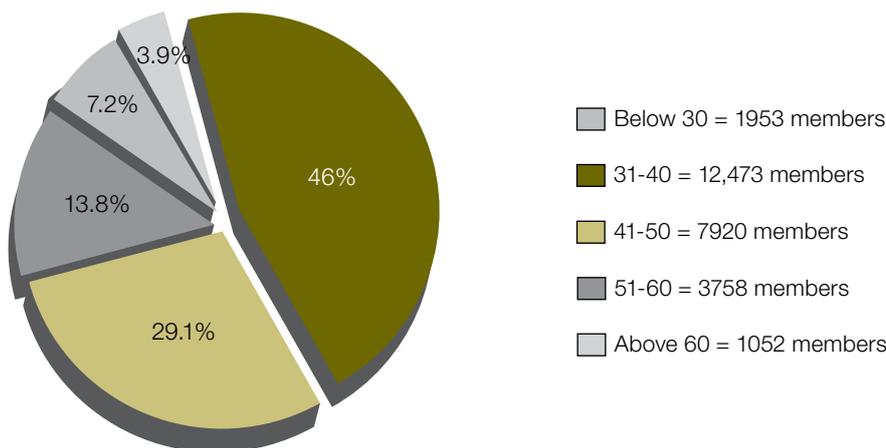


CHART 1: MEMBERSHIP BY GENDER (AS OF 30 JUNE 2011)

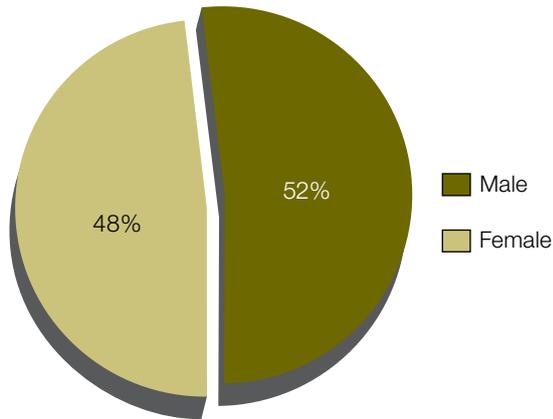
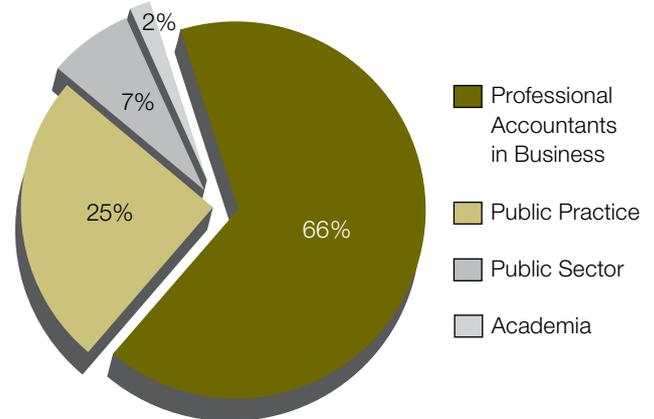


CHART 2: MEMBERSHIP BY EMPLOYMENT (AS OF 30 JUNE 2011)



PRACTISING CERTIFICATE ISSUANCE AND MEMBER FIRMS

TABLE 2: STATUS OF PRACTISING CERTIFICATES ISSUED

Members Category	Total as of 30/06/2010	New Applications	Re-applications	*Cancellation	Total as of 30/06/2011
Chartered Accountants	2490	109	14	-95	2518
Licensed Accountants	5	-	-	-	5
TOTAL	2495	109	14	-95	2523

*Cancellations were due to non-payment of practising certificate fees (10), non-commencement of public practice within 6 months from date of issuance of the certificate (42), ceased practising (35) and the holders have passed away (8).

In this FY, 82 firms were registered with the Institute consisting of 32 audit and 50 non-audit firms. The Institute has also deregistered 28 audit and 40 non-audit firms as they have ceased operations. Seven (7) audit firms are suspended due to inactive firm status and pending documentation from the Companies Commission of Malaysia (CCM) for deregistration.

TABLE 3: STATUS OF MEMBER FIRMS (AS OF 30 JUNE 2011)

Firm Category	Total as of 30/06/2010	New	Deregistered	Suspended	Total as of 30/06/2011
Audit	1356	32	-28	-7	1353
Non-Audit	680	50	-40	-0	690
TOTAL	2036	82	-68	-7	2043

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

TABLE 4: MEMBER FIRMS BY STATE (AS OF 30 JUNE 2010 AND 30 JUNE 2011)

**Including F.T. Labuan*

STATES	AS OF 30 JUNE 2010			AS OF 30 JUNE 2011		
	Audit Firms	Non-Audit Firms	Total	Audit Firms	Non-Audit Firms	Total
Perlis	1	1	2	1	1	2
Kedah	27	18	45	28	19	47
Penang	109	38	147	106	43	149
Perak	54	48	102	53	51	104
Selangor	278	189	467	286	183	469
Federal Territory*	504	201	705	493	206	699
Negeri Sembilan	19	15	34	20	14	34
Malacca	31	15	46	30	15	45
Johor	124	82	206	127	80	207
Pahang	24	8	32	24	6	30

Table 4: Member Firms by State (continued)

STATES	AS OF 30 JUNE 2010			AS OF 30 JUNE 2011		
	Audit Firms	Non-Audit Firms	Total	Audit Firms	Non-Audit Firms	Total
Terengganu	10	1	11	10	3	13
Kelantan	11	5	16	11	5	16
Sarawak	80	28	108	80	32	112
Sabah	84	31	115	84	32	116
GRAND TOTAL	1356	680	2036	1353	690	2043

All firms registered with the MIA are required to submit an annual return to the MIA via online. The paperless mechanism has improved the process for firms to update their annual return and at the same time is in line with the Institute's commitment to a greener environment by using less paper.

It is a requirement under Section 510 of the MIA'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 practice. We are glad to report that so far 98% of members in public practice have complied with the said by-law. Practitioners who failed to comply were referred to the Investigation Committee for non-compliance.

PRO-ACTIVE INITIATIVES

The Membership Services Department has been actively involved in promoting the membership of the Institute to qualified persons. The following activities have been designed to create awareness of the profession and facilitate a steady increase in membership over the long term.

- Corporate visits to firms and organisations;
- Deliver group presentations including career talks;
- Participate in seminars/forums/roadshows/workshops;
- Participate in exhibitions organised by associations/professional bodies via exhibition booths; and
- Holding pre-admission talks and registration days

TABLE 5:
EVENTS MIA PARTICIPATED IN OR HELD DURING FY.

Initiatives	Number of events
Corporate visits	13
Exhibition / Seminars	12
Career Talks	12
Pre-admission talks and Registration Days	11

The MIA also monitors advertisements placed in the local newspapers for 'accountant' and similar positions related to the profession. This effort is to create awareness among employers as well as to educate them on the need to recruit only MIA members for these positions as provided in the Accountants Act, 1967. Within the FY, more than 250 letters had been sent out to the advertisers.

VALUE-ADDED SERVICES

HELPPDESK

The MIA e-feedback form in the Institute's website that was developed in May 2009 has attracted members and non-members to post their enquiries. Within the FY, 863 enquiries were posted via the e-feedback form, whereby 186 were on technical enquiries, whilst 677 were non-technical in nature. Members using this channel to submit their enquiries will be responded by the respective department within the stipulated time. The Helpdesk unit will continuously seeks improvement in services provided by the Institute through its own research and feedback from members.

RESOURCE CENTRE

The Resource Centre has a section which sells the latest accounting publications. The books are sold at lower than the retail price as a service to members and students.

The centre continues to compile and upload newspaper clippings related to accounting every Wednesday in the Institute website www.mia.org.my

GO GREEN GO PAPERLESS

While dissemination of information to members is vital, MIA is always seeking the best way to do so with less impact on environment. From 1 June 2011, the Accountants Today was published on a bi-monthly basis as opposed to monthly previously.

REGIONAL OFFICES

The four regional offices (Johor, Northern, Sabah and Sarawak) of the Institute are supporting the Institute's office in Kuala Lumpur by carrying out the following functions:

- organising and conducting MPDC events;
- assisting new applicants for membership and Qualifying Examination;
- promoting the interest of the accountancy profession; and
- providing assistance to members and other stakeholders in their regions.

Chapter 2: Paving the Path to International Recognition

The MIA's role in supporting and promoting the development of accounting education in the country takes on a greater challenge as it is also responsible for ensuring that both existing and future professionals are able to face global challenges while remaining relevant to the need of society. Thus, MIA has to act as the catalyst in bringing stakeholders' expectations and providing a convenient conduit for them to stay updated on developments in accounting education.

At the same time, MIA also assists and participates in activities carried out by the International Accounting Education Standards Board (IAESB) Committees of the International Federation of Accountants (IFAC) in ensuring that its accounting education meets with global standards.

INITIATIVES

To ensure the competency of its members, MIA carried out several pro-active initiatives.

MIA Qualifying Examination (MIA QE)

The 15th and 16th sittings of the MIA QE were successfully conducted from 28 to 29 September 2010 and 29 to 30 March 2011. Five centres were chosen, namely, Universiti Teknologi MARA (UiTM) in Shah Alam (296 candidates) and MIA's Branch Offices in Johor Bahru, Penang, Kota Kinabalu and Kuching (232 candidates).

The results for Taxation and Advanced Financial Accounting and Reporting papers in the September 2010 sitting improved to 54% and 31% respectively compared to the March 2010 sitting. Eight candidates scored distinction in various papers.

For the March 2011 examination, the results for Business and Company Law and Auditing and Assurance Services papers have also improved slightly compared to the previous sitting. However, the performance of candidates in Advanced Financial Accounting and Reporting has shown a sharp fall in this sitting. Ten candidates scored distinction for Taxation, Business and Company Law and Auditing and Assurance Services papers respectively.

Twenty-six candidates successfully completed the examination and this has increased the number of graduates to 152 overall. Details on the analysis of results of September 2010 and March 2011 examinations are as follows.

TABLE 1: SEPTEMBER 2010 QE RESULTS

GRADE	TAX	BCL	AFAR	AUD
Pass with Distinction	1	2	3	2
Pass	34	19	20	10
Fail	30	32	52	32
Absent	18	19	11	11
TOTAL	83	72	86	55

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

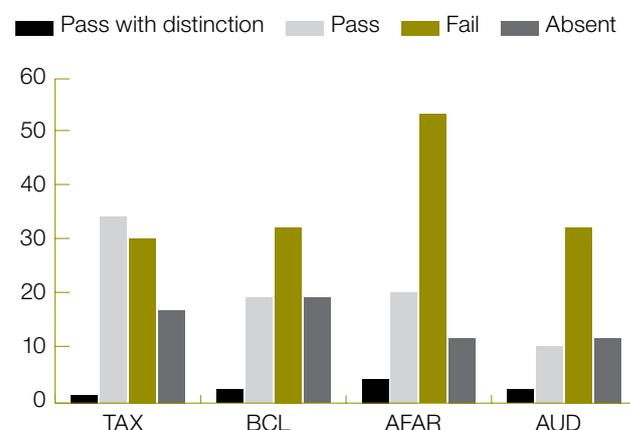


TABLE 2: MARCH 2011 QE RESULTS

GRADE	TAX	BCL	AFAR	AUD
Pass with Distinction	3	2	0	5
Pass	20	25	10	12
Fail	21	31	44	30
Absent	9	6	6	8
TOTAL	53	64	60	55

MIA QE TUITION PROGRAMME

For the third time, MIA implemented the MIA QE tuition programme from May 2010 until September 2010 for candidates sitting for the September 2010 examination. A total of 124 candidates participated in the tuition programme which was held at MIA’s Resource Centre in Kuala Lumpur, with facilitators from the academia as well as in public practice.

The objective of the tuition programme is to guide candidates in better understanding of the QE subjects and examination techniques through a systematic and thorough approach. Based on the analysis of results of candidates who attended the third QE tuition programme, many of the candidates performed well in the September 2010 examination, particularly for the Taxation paper. Of the 42 candidates who registered for the Taxation tuition, one of them obtained distinction and another 22 passed.

The fourth programme was conducted from November 2010 until March 2011 for candidates who registered for the March 2011 examination. A total of 108 candidates enrolled for the programme. Analysis has also shown that many of the candidates who attended the classes have performed very well in the examination with seven candidates scoring distinction in various papers.

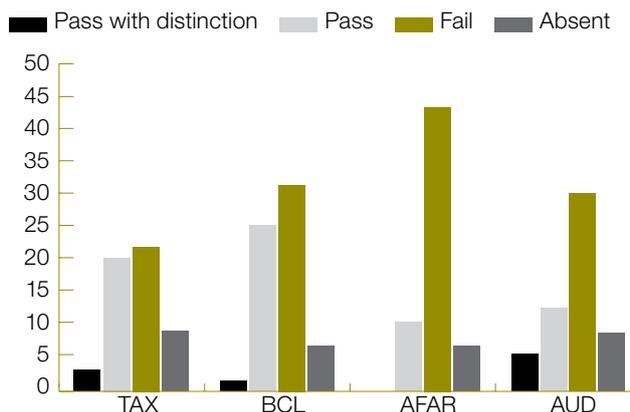
MIA QE GRADUATION

MIA hosted a graduation ceremony in honour of 32 candidates who successfully passed the MIA QE in the March and September 2010 sittings respectively. Eighteen candidates were also awarded Certificates of Achievement for having passed various papers of the QE with distinction. Held on 20 December 2010 at the SSM Auditorium, the QE graduation ceremony was the second organised by MIA.

ACCREDITATION

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

At the 24th Annual General Meeting on 25 September 2010, the following qualification was tabled and approved by the members of MIA as recognised qualification to be included in Part I of the First Schedule of the Accountants Act, 1967:



- The final examination of Universiti Industri Selangor for the Degree of Bachelor of Accountancy (Honours).

The processes of reviewing the application for accreditation from Universiti Sains Islam Malaysia (USIM) and Universiti Sultan Zainal Abidin (UniSZA) in respect of their Bachelor of Accounting programme are still on-going. At this stage, both Task Force Committees have submitted the final evaluation report to the Education Committee for due consideration.

CHARTERED ACCOUNTANTS’ RELEVANT EXPERIENCE (CARE) PROGRAMME

The Institute has improved its monitoring system for graduates’ experiences required for admission as chartered accountants through a new programme known as Chartered Accountants’ Relevant Experience (CARE). The programme sets out a range of competencies that need to be obtained before qualifying as a chartered accountant. The CARE programme requires a mentor for each participant. Once registered, participants have to update their experience in CARE log book regularly and get it verified by the mentor.

Since its inception on 1 November 2009, of the 1,425 graduates who registered for the programme, 402 of them have become MIA members.

INTEGRATED CASE STUDY

This on-going activity is conducted with participation from academicians and practitioners. The main objective is to develop cases that may be used by universities as a teaching tool in their Integrated Case Study (ICS) courses.

The Ministry of Higher Education Malaysia (MOHE) has funded the ICS development project. The first volume of ICS which contain nine (9) cases was launched by MOHE on 20 July 2010. The second round of ICS is currently in the final stage. Two workshops and a few meetings were carried out with the relevant stakeholders to develop new cases. The second volume of ICS is targeted to be printed by September 2011.

BRIDGING PROGRAMME

The bridging programme is an exciting new qualification developed by MIA. The programme allows many working adults who have been working in accounting related jobs for many years (but could not climb the career ladder due to qualification restriction) to chart their career and eventually become MIA members.

The development of this bridging programme is still in

progress. A few discussions have been carried out with the universities to collaborate in and develop the programme.

KEY STAKEHOLDERS' LINKAGES

MIA continues to communicate with the relevant stakeholders through various means to ensure that the credibility of accountants is maintained while at the same time generating more interest in the profession. At the same time, MIA also would like to envisage itself as a platform that brings the profession to ensure clear communication with its key stakeholders especially on issues that can be crucial to the development of the profession.

During the year under review, a number of activities were undertaken:

1. Roundtable Discussion

On 9 February 2011, a Roundtable Discussion was held with members of academia on how to make CA (M) a global qualification. This roundtable was the fourth of initiatives carried out by MIA to establish closer relations with members of the academia. The objective was to discuss and acquire feedbacks and exchange ideas among the universities in order to strategise the way forward for the Malaysian accountancy education system to meet global education standards. Twenty participants from selected public and private universities attended the session and the discussion was chaired by the President of MIA, Abdul Rahim Abdul Hamid. Also present were MIA's Vice President Christina Constance Foo and Chief Executive Officer Haji Rosli Abdullah.

2. Career and Awareness Talks

In promoting the accountancy profession at all levels, MIA conducted career and awareness talks at the Institutions of Higher Learning (IHLs) and schools. The sessions focused on educating and creating interest among students of these institutions to consider accountancy as a future career option. Students were exposed to the route to become qualified accountants and the importance of registering as a member. MIA members were also invited to deliver talks to these audiences sharing their knowledge and experience in the accountancy profession in order to give maximise impact of these sessions.

3. Event Collaboration with the Education Sector, Majlis Amanah Rakyat (MARA)

As an initiative to educate teachers about MIA and the accountancy profession, MIA and Secondary Education Division of MARA organised 'Kursus Pemantapan Prinsip Perakaunan' on 22 February 2011. Thirty-seven accounting teachers from MARA Science Junior College (MRSM) from all over Malaysia attended the event. Representatives from MIA, Universiti Sains Malaysia (USM), Universiti Teknologi MARA (UiTM) and Universiti Kebangsaan Malaysia (UKM) were present to give awareness talks about the accountancy profession as well as disseminating information about accountancy courses offered by each university.

On 27 to 29 June 2011, MIA and the Higher Education Division of MARA organised a Financial Reporting Standards (FRS) Seminar for 40 lecturers of MARA Professional Colleges from all over Malaysia. The seminar was aimed to educate and update the lecturers on the FRS standards and to create awareness about the IFRS Convergence 2012. The seminar was successfully conducted by Assoc. Prof. Jane Magdalene Vimola Lazar, from Faculty of Accountancy, UiTM Shah Alam. MIA had also invited MASB's representative to give a talk about the IFRS Convergence and Issues in Malaysia.

MIA will again plan to organise an education road shows with MRSM, the 'Accountancy: Education & Career Seminar' which focus on Form 4 & 5 students, teachers and counsellors of MRSM. The proposed road shows have been agreed by the Secondary Education Division of MARA and are expected to be held from January 2012.

**TABLE 3:
CAREER AND AWARENESS TALKS
(JULY 2010 – JUNE 2011)**

CATEGORY	SESSION
Secondary schools	3
Institutions of Higher Learning (Public)	8
Institutions of Higher Learning (Private)	19
Institutions of Higher Learning (ASEAN)	2
TOTAL	32

Chapter 3:

Local Talents, Global Outlook

These are challenging times for the accounting profession. The onslaught of globalisation in an increasingly complex and competitive business environment is a factor that determines the relevance of the profession.

MIA has to play an effective role in ensuring members' survival. This, is done by carrying out two important functions:

1. Knowledge generation and gathering of information through units such as professional standards and practices, professional accountants in business and public practice. MIA also participates in regional and global accountancy bodies such as the International Federation of Accountants (IFAC), ASEAN Federation of Accountants (AFA) and Confederation of Asia Pacific Accountants (CAPA). It also engages with relevant stakeholders to gain more knowledge and understand profession related issues and developments.
2. Knowledge dissemination to the profession via the MIA Professional Development Centre (MPDC), exclusive briefing sessions and e-learning.

ENHANCING INTERNATIONAL ALLIANCES

MIA continuously promotes the interests of the profession in Malaysia by actively engaging with and enhancing co-operation as well as collaboration with various accounting bodies at international and regional levels. Through its International Affairs and Special Projects Department, MIA also closely monitors the global trends and developments affecting local accountancy profession as well as the process of globalisation and liberalisation of trade in services at the multilateral, regional and bilateral levels.

MIA participated in the various activities at the international level during the year under review. Among them:

Globalisation and Liberalisation

In MIA maintained close cooperation with the Ministry of International Trade and Industries (MITI) concerning negotiations in multilateral trade in services for the Accounting, Auditing and Bookkeeping Services (CPC 862) sector under the General Agreement in Trade in Services (GATS) and the ASEAN Framework Agreement on Services (AFAS) sectors. As for other Free Trade Agreements (FTAs), Malaysia is currently negotiating either individually or as part of ASEAN, including the Trans Pacific Partnership, where for the first time Malaysia is required to use the negative list approach.

MIA will continue to monitor the developments of all these 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.

MIA views have also been sought on various issues concerning liberalisation of trade in services and the national economy as

a whole, in line with the Government's initiative in coming up with the New Economic Model (NEM). During the year, MIA was invited to participate in a NEM/ Strategic Reforms Initiatives (SRI) Lab on Liberalisation conducted by the Prime Minister's Performance Management Delivery Unit (PEMANDU) from February to April 2011. The Lab was given the task to draw up recommendations that can accelerate the liberalisation of the services sector in the country.

Regional Organisations

ASEAN Federation of Accountants (AFA)

MIA continues playing an active and leading role in its second year of holding the post of President of AFA.

MIA continues its task in the day-to-day maintenance of the AFA website - www.aseanaccountants.org - which is currently being completed by the Institute's Corporate and International Affairs Department with technical support from the IT Department. The website contains information about all of AFA's Primary and Associate members as well as updates on AFA, members' activities and international accounting news.

MIA continues to lead the effort in producing AFA publications such as the 2010 AFA Annual Report that chronicles the initiatives AFA undertook in accordance with its Strategic and Operational Plan throughout the year; as well as updating the AFA-ACCA 'Easy Guide to Setting Up Accountancy Practices in ASEAN Countries' and publishing the Guidelines for Application of AFA Associate Membership on the AFA website.

Having published and updated MIA's own Action Plan, the Institute is also actively involved in assisting fellow AFA member countries such as Brunei, Cambodia and Vietnam in formulating and editing their IFAC SMO Compliance Action Plan.

During the review period, three AFA Council meetings were held with MIA hosting two of them.

Confederation of Asian and Pacific Accountants (CAPA)

In March 2011, having reviewed the relevance and need to be in two regional organisations at the same time, the MIA Council has decided to terminate membership in CAPA. This decision is quite drastic in view of MIA's role in CAPA over the years.

Before the decision, MIA was an active member of CAPA and was also a member of the CAPA Board. MIA was also involved with the Strategic and Finance Committee, which involves setting the strategies of CAPA and overseeing its successful implementation. The committee also oversees CAPA's operations and finances to achieve its objectives, among others.

COLLABORATION AND ENGAGEMENT WITH STAKEHOLDERS ON TECHNICAL MATTERS

The PSP Department promotes adherence to professional standards and practices to ensure the conduct of members maintain public confidence and trust. In support of its technical functions, namely accounting and FRSIC; auditing and assurance; ethics and governance; and taxation, the PSP Department carried out the following activities in the financial year under review:

1. Dialogue sessions with MOF, IRB and MASB in November 2010 on matters pertaining to tax implications related to the implementation of FRS. It is an ongoing process where Discussion Papers have been submitted much earlier and followed by a series of dialogues since January 2010.
2. Ongoing initiatives in the implementation of MASB IC Interpretation 15 "Agreements for the Construction of Real Estate" in view of a proposed new standard by the International Accounting Standards Board. The initiatives are therefore modified to take into regard the requirements of the proposed new standard as well.
3. Presented a briefing on the standard-setting function of MIA to the Audit Oversight Board in August 2010.
4. Discuss technical issues relating to application of corporation law with SSM in August 2010. These were issues raised by members at MIA's Corporate Practice Consultative Forum (CPCF) 3/2010.
5. Participated in a media roundtable event entitled Global Perspective on Governance: Lessons from the East and West in September 2010. MIA's presentation was aimed at creating public awareness on the differences in East and West Governance practices.
6. Participated in a roundtable discussion organized by Malaysian Institute of Integrity concerning issues related to accounting professionals in the construction industry in September 2010.
7. Reviewed and provided comments to International Auditing and Assurance Standards Board (IAASB) for the following: Exposure Draft International Standard on Assurance Engagements (ISAE) 3420, Assurance Reports on the Process to Compile Pro Forma Financial Information Included in a Prospectus, in September 2010.
8. Reviewed and provided comments to IAASB for the following: Exposure Draft International Standards on Auditing (ISA) 315 (Revised), Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment and ISA 610 (Revised), Using the Work of Internal Auditors, in November 2010.
9. Reviewed and provided comments to IAASB for the following: Exposure Drafts Relating to the Withdrawal of Existing International Auditing Practice Statements (IAPSs) and Clarification of the Status and Authority of New IAPSs and IAPS 1000, Special Considerations in Auditing Complex Financial Instruments; in February 2011.
10. Reviewed and provided comments to IAASB for the following: Exposure Draft International Standard on Related Services (ISRS) 4410 (Revised), Compilation Engagements, in March 2011.
11. Provided technical assistance to the Accounting Issues Consultative Committee of Suruhanjaya Syarikat Malaysia (SSM) in respect of the Corporate Law Reform initiatives by reviewing selected sections in the Companies Act, 1965. Detailed recommendations and proposed amendments to the Act were submitted to SSM in September 2010.
12. Produced a guide on the determination of realised and unrealised profits or losses in the context of disclosures pursuant to Bursa Malaysia Securities Berhad Listing Requirements. This was done by formulating guiding principles based on the notion of "consumption of resource". The guide was issued in December 2010.
13. Reviewed and deliberated on the IFAC IESBA's Code of Ethics for Professional Accountants with appropriate consultation obtained from members and interested parties. The Code of Ethics was adopted and embedded into the Institute's By-Laws on Professional Ethics with modification made to selected sections of the Code. Revised By-Laws were issued in December 2010 and is effective from 1 January 2011.
14. In January 2011, provided technical assistance to SME Corporation Malaysia in publication of the "Achieving Financial Success" workbook by reviewing the draft publication to ensure the correctness and accuracy of its contents, as well as its consistency with the financial reporting framework and requirements in Malaysia.
15. Provided technical input to the Ministry of Housing and Local Government in January 2011 in connection with the proposals to amend a section in the Building and Common Property (Maintenance and Management) Act 2007 related to the preparation and presentation of financial statements by Joint Management Body, and drafted a set of illustrative financial statements to be inserted as a schedule to the said Act.
16. Conducted ongoing engagement with Bursa Malaysia Securities Berhad (Bursa) in clarifying auditors' responsibilities pursuant to Bursa Listing Requirements on Disclosure of Realised and Unrealised Profits/Losses in the Notes to the Quarterly Report and Annual Audited Financial Statements. A circular has been issued to member firms providing guidance on the form of reporting by auditors to address the requirements.
17. Participated in a forum with officials from the Managed Investment Schemes Department of the Securities Commission (SC) and industry experts from the exchange-traded funds and unit trust funds in February 2011. Also provided technical input to the SC in March 2011 on the proposed amendments to Clause 13.01 of Exchange Traded Fund Guidelines; and gave a sample presentation of distribution equalisation in the Statement of Changes in Equity.
18. Participated in the Strategic Reform Initiatives laboratory on public finance organised by the Performance Management and Delivery Unit (PEMANDU) from February to April 2011. A detailed gap analysis was submitted on accounting recognition and measurement criteria for the Federal government in connection with the proposed adoption of accrual accounting, using the International Public Sector Accounting Standards (IPSAS) as a benchmark.
19. Revised the Recommended Practice Guide (RPG) 4 - Examples Of Independent Auditors' Reports to incorporate requirements of clarified standards.
20. Organised a half day forum - Revised Auditing Standards: Implications to Business and Role of the External Auditors - jointly with ACCA in March 2011. The forum's objective was to create awareness among business owners, public practitioners, preparers and users of the financial reports on the implications arising from the revised and enhanced auditing standards known as the Clarified International Standards on Auditing.
21. Regular review, revision and finalisation of the FRS by the Joint Tax Working Group. Plans to also engage the Tax Authorities (Ministry of Finance - Tax Analysis Division, Tax Panel Review and Inland Revenue Board) for dialogues to consider the tax implications. Issued four discussion papers that are available for download by members from the MIA's website.
22. Initiated and embarked on technical research initiatives on FRSIC Issue No. 33 and as a result FRSIC Consensus 14 "Impairment of Investment in Equity Instrument Categorised as Available-for-Sale Financial Asset" due to "Significant or Prolonged" Decline in Fair Value" has been issued as a best practice implementation guide in March 2011.

23. Initiated and embarked on technical research initiatives on FRSIC Issue No. 37 and as a result FRSIC Consensus 15 “Classification of a Term Loan that Contains a Repayment on Demand Clause by the Borrower” has been issued as a best practice implementation guide in March 2011.
24. Reviewed and responded to Consultation Paper on Proposed Amendments to the Rules of Bursa Malaysia Securities Berhad and the Accompanying Directives in April 2011.
25. Jointly organised a seminar with the AOB on Enhance Audit Quality for practitioners to share inspection findings of AOB and discussion on stakeholders’ expectation on audit quality on 11 May 2011.
26. Provided inputs and comments to the IAASB on Exposure Draft on International Standard on Review Engagements (ISRE) 2400 (Revised), Reviewed Historical Financial Statements and Discussion Paper - The Evolving Nature of Financial Reporting: Disclosure and Its Audit Implications on 27 May 2011.
27. Formed four technical group discussion to facilitate application and implementation of clarified international standards on auditing involving representatives from small, medium and large firms. Three discussions were held on 24 May 2011, 21 June 2011 and 24 June 2011 respectively.

DEVELOPMENT FOR PROFESSIONAL ACCOUNTANTS IN BUSINESS

MIA continues to carry out projects to develop and support members who are professional accountants in business (PAIB) in the country. Through this function, MIA strives to provide a platform to facilitate the exchange of information regarding current developments and emerging issues that shape the profession and to promote global best practices for the enhancement of the profession.

During the financial year under review, MIA carried out the following activities:

1. Produced case studies on six successful SME companies that have benefited from the services or consultancy provided by accountants in managing their company.
2. Facilitated MIA Articles of Merit Award on PAIB 2010 whereby outstanding articles that were judged to make a distinct and valuable contribution to the development of the roles and domain of PAIBs were rewarded.
3. Co-organised the National Award for Management Accounting (NAfMA) 2010 competition with The Chartered Institute of Management Accountants (CIMA) Malaysia Division to recognise and to promote the use of best practices in management accounting towards world-class business performance among organisations in Malaysia.

DEVELOPMENT FOR ISLAMIC FINANCE

In the area of Islamic Finance (IF), MIA is supporting the government’s commitment to promote IF to become a significant part of Malaysia’s economy and provide a competitive edge for the country. Also in line with Malaysia’s quest to become a regional hub in Islamic Finance (IF), MIA would seek collaborations with countries in the region to share ideas and standards as a means to create a viable Asian market receptive to IF products. MIA would also endeavour to showcase its IF expertise and promote Malaysian accountants’ marketability internationally.

DEVELOPMENT INITIATIVES FOR MEMBERS IN PUBLIC PRACTICE

The activities of the Public Practice Department for the financial year under review were focused on the following areas:

1. Enhancing competency and quality

MIA continued to roll out the International Standards on Quality Control (ISQC) seminar with funding support from SME Corporation. During the year, RM82,630 was drawn down to support SMP in their ISQC implementation via seminars at nine locations.

A series of members’ engagement session (MES) was conducted in six locations with the following attendance:

Date	Location	Number of participants
9 August 2010	Kota Baru, Kelantan	19
13 August 2010	Penang	46
22 Sept 2010	Kuala Lumpur	118
27 Sept 2010	Kota Kinabalu, Sabah	55
28 Sept 2010	Kuching, Sarawak	40
4 Oct 2010	Johor Bahru, Johor	43

Among key topics discussed were the clarified International Standards on Auditing (ISAs) and the revised code of ethics of MIA. Feedback from members on the need to have no-frills training in these two areas have been acted upon with series of no-frills auditing courses being organised in early 2011. Similar courses for budding tax agents were also organised in early 2011, in Klang Valley.

The MES eventually culminate with the issuance of the CD ROM on the clarified ISAs and the revised code of ethics of MIA with the intention to bring the code to be consistent with those of IFAC.

2. Promoting growth and meeting new challenges

The MIA’s Merger & Affiliation (M&A) portal has been relaunched with the increase call to the profession to start consolidation in view of the significant operational challenges dealing with the issues of capacity.

The roadshows at five locations managed to attract the following participations:

Date	Location	Number of participants
4 Jan 2011	Kuala Lumpur	43
10 Jan 2011	Penang	28
24 Jan 2011	Johor Bahru, Johor	27
21 Feb 2011	Kota Kinabalu, Sabah	35
22 Feb 2011	Kuching, Sarawak	19

3. Shifting the paradigm of members and other co-regulators

1. A Public Practice Forum in January 2011 highlighted the opportunities of accountants in areas such as halal consultancy, reporting accountants’ role in IPO and other overseas corporate finance activities as well as setting up of foreign offices in Cambodia and Vietnam.
2. MIA provided support and cooperated with the Malaysian Department of Insolvency (MDI) on the ongoing revision of the proposed Insolvency Bill, before tabling of the Bill to Parliament.
3. There is tremendous scope for MIA to share information with the Audit Oversight Board (AOB) on our members’ quality assurance practices. MIA was also engaged with the Audit Oversight Board (AOB) over their first inspection report and the eventual sanction of three practitioners for the shortfall of their auditing works.

ENSURING ACCESS TO KNOWLEDGE WITH THE MIA PROFESSIONAL DEVELOPMENT CENTRE (MPDC)

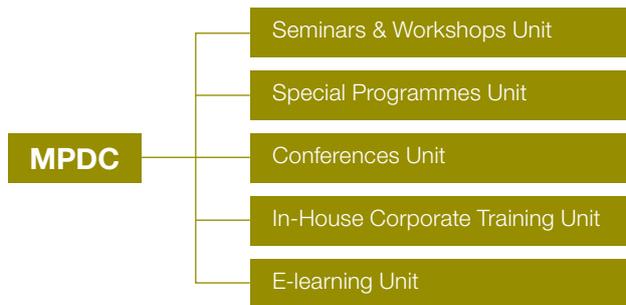
MPDC complements MIA’s overall strategic aim of maintaining the credibility of the accountancy profession in upholding public interest as well as providing a platform for continuous professional education of MIA members and other stakeholders of the profession.

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

As a strategic business arm of MIA, the specific functions of MPDC are:

- a) To maintain the professional competencies of MIA members in terms of knowledge and skills through continuing professional education (CPE) training programmes, seminars, courses, forums and conferences.
- b) To develop the knowledge and skills of non-members who work within and support the accountancy profession through training programmes, seminars and courses.
- c) To generate income for MIA and to provide funding for its other core support functions, namely the professional standard and practices, and surveillance and enforcement which are carried out to protect public interest.

MIA, via MPDC, currently offers a broad range of CPE programmes throughout the country. MPDC’s customer base consists of about 60% MIA members and 40% non-members, who are serviced by five strategic business units within MPDC as follows:



Performance

MPDC’s principal activities include carrying out general research work on training needs and topics for the accountancy profession, formulating relevant CPE programmes, sourcing facilitators/speakers or subject matter experts, securing programme partners, and planning and managing marketing and promotions of the CPE programmes. MPDC organises CPE programmes in various locations within the country.

During the year in addition to the CPE activities of the five strategic business units, MPDC was also actively involved in the project management of the World Congress of Accountants (WCOA) which was attended by a record breaking 6,000 delegates consist of about 2,000 Malaysian and 4,000 international delegates.

MIA has also expanded its CPE role by offering customised in-house training programmes to the corporate sector especially IFRS related topics. E-learning has kicked off with the MIA Induction Course offered for the benefit of newly-admitted members and during the year it has also introduced six e-learning Audit Courses for its members in public practice. Currently, MIA is exploring other suitable programmes that can be offered under the e-learning platform.

During the year, MIA successfully produced and delivered 688 educational programmes, which include 113 new titles. During the year, 177 industry specialists served as facilitators and speakers for MIA’s programmes, including 114 new speakers, attesting to MIA’s growing reputation as a leading provider of accountancy and professional continuing education. During the financial year under review, MIA delivered CPE programmes in these categories:

Categories	No. of Events	%
FRS & Financial Accounting	179	26%
Audit & Assurance	48	7%
Taxation	105	15%
Management Accounting	99	14%
Legal & Corporate Governance	11	2%
Banking & Finance	20	3%
Public Practice & Consultancy	18	3%
IT Application	168	24%
Soft Skills	28	4%
Others	12	2%
TOTAL	688	100%

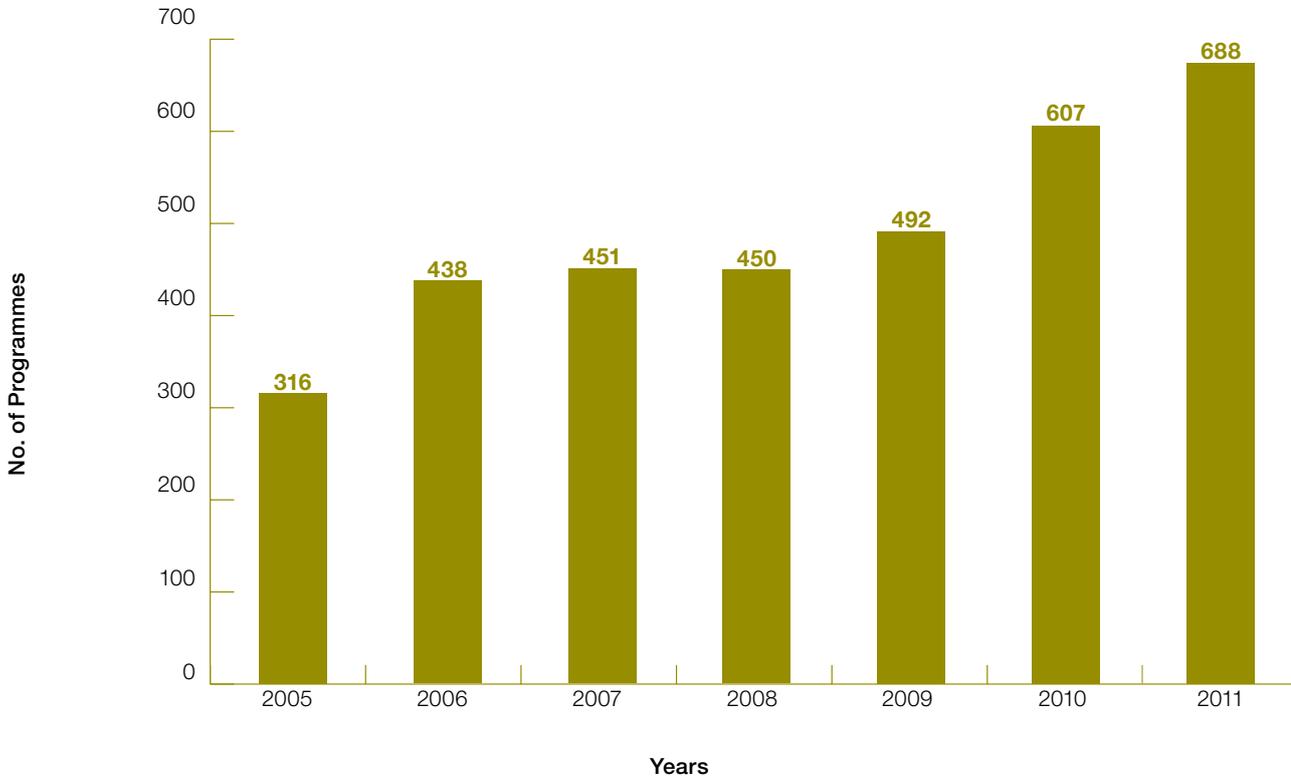
MIA delivered about 218,000 training hours in total of which about 60% (130,800 hours) was dedicated to MIA members, thus serving their CPE needs, while the balance of 40% (87,200 hours) was taken up by non-members. For the financial year, MIA via MPDC, has managed to serve and support about 11,000 of its members on CPE needs directly.

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

Location	No. of Programmes	%
Klang Valley	515	75%
Penang	46	7%
Johor	61	9%
Sarawak	29	4%
Sabah	21	3%
Others	16	2%
TOTAL	688	100%

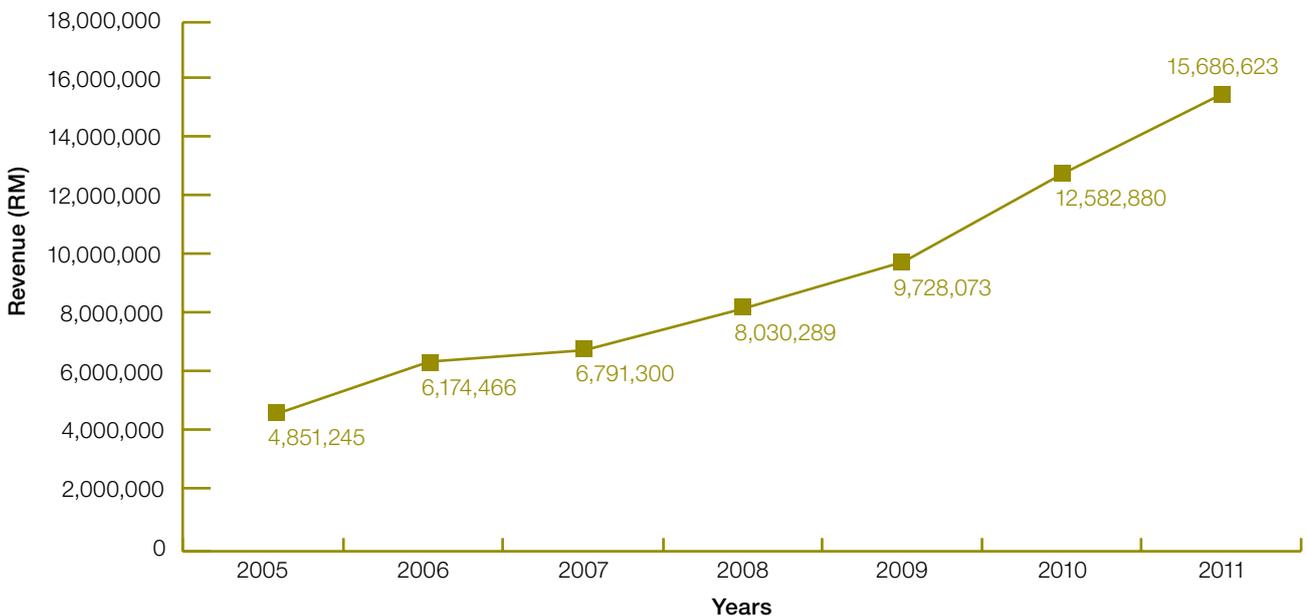
MIA has achieved continuous growth in terms of the number of CPE programmes delivered and income generated. The growth statistics for the last seven years are as illustrated in the following charts:

Chart 1: Number of programmes delivered from 2005 to 2011 (*achieved 13.5% average growth*)



In terms of income, the continuing professional education activities under MPDC has recorded a total revenue of RM15.69 mil, which include RM5.68 mil from WCOA 2010 (local delegates participation). As a result of this, MIA recorded a net profit of RM3.90 mil from its CPE activities for the financial year.

Chart 2: Revenue generated from 2005 to 2011 (*achieved 21.5% average growth*)



Collaborations with external organisations are a key factor in the growing success of MIA's professional development services. MIA has established excellent working relationships with leading accounting firms, professional firms and knowledge specialists, professional bodies, regulatory bodies, government agencies and IHLs. During the year, MIA jointly organised special CPE programmes with various strategic partners and among MIA's top training partners are as follows:

No.	Collaborating Organisation	No. of Events
1.	Persatuan Akauntan Percukaian Malaysia (MATA)	20
2.	Lee Hishammuddin Allen & Gledhill	7
3.	Muamalah Financial Consulting Sdn Bhd	7
4.	Royal Malaysian Customs	7
5.	The Institute of Chartered Accountants in England and Wales (ICAEW)	4
6.	Institute of Business Analytic Ltd	4
7.	International Centre for Education in Islamic Finance (INCEIF)	3
8.	Suruhanjaya Syarikat Malaysia (SSM)	3
9.	Association of Chartered Certified Accountants (ACCA)	2
10.	Bond Pricing Agency Sdn Bhd	2
11.	The Chartered Institute of Management Accountants (CIMA)	2
12.	CIMB	2
13.	Deloitte Malaysia	2
14.	KPMG Malaysia	2

In addition, during the year, MIA also collaborated and co-organised CPE programme with other strategic partners namely PricewaterhouseCoopers Malaysia, Ernst & Young Malaysia, CPA Australia, Jabatan Akauntan Negara, CIDB Malaysia, Malaysian Industrial Development Finance Berhad, Malaysia External Trade Development Corporation, SME Corp, Corporate Regulatory Authority of Singapore, XBRL International, IRIS Business Services Ltd, Business Reporting Advisory Group, International Centre For Leadership in Finance, Association of Fraud Examiners, Malaysian Anti Corruption Commission, Lembaga Hasil Dalam Negeri, Institute Surveyor Malaysia, Malaysian Accounting Standards Board, Practice 2 Perfect Solutions (P2P), Institute of Bankers Malaysia, Universiti Tun Abdul Razak and Universiti Kebangsaan Malaysia.

FINANCIAL ASSISTANCE FOR PARTICIPANTS OF MIA CPE PROGRAMMES

MIA secured financial assistance amounting RM447,000 from SME Corporation Malaysia (SMECorp) for participants of MIA CPE programmes. The financial assistance, in the form of training subsidy was used specifically for SME participants as well as Small Medium Practitioners (SMPs) and their staff attending MIA training programmes. More than 600 participants from SMEs and SMPs benefited from this financial assistance.

RECOGNITIONS RECEIVED BY MIA DURING THE YEAR

1. MIA received the PSMB's Appreciation Award ("training providers" category) from YB Datuk Dr. S Subramaniam, Minister of Human Resources Malaysia on 19 October 2010.
2. MIA was acknowledged by SMECorp for achieving 100% audit compliance for "Program Peningkatan Kemahiran PKS Tahun 2010".

Chapter 4:

Compliance Equals to Integrity

Members are bound by the MIA By-Laws that require them to be compliant at all times. This is to retain the integrity of the financial reporting that eventually leads to public confidence in an accountant's or an auditor's work. In carrying out its monitory role, the MIA has established four mechanisms:

1. Financial Statements Review;
2. Surveillance through media monitoring;
3. Practice Review;
4. CPE Audit.

FINANCIAL STATEMENTS REVIEW

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

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

The review under this function is carried out by MIA's Financial Statements Review Committee, that monitors the quality of financial statements through a review process.

In supporting MIA to regulate the practice of the profession of accountancy in Malaysia in order to strengthen the credibility of the accountancy profession, the Financial Statements Review Department (FSRD) carried out the following activities:

First, work with the Financial Statements Review Committee (FSRC) in reviewing financial statements of listed companies selected on random basis and cases of public interest (inclusive of those referred by other regulators). The objective of this exercise is to monitor compliance with statutory and other requirements, approved accounting standards and approved auditing standards in Malaysia in relation to financial reporting.

During the financial year ended 30 June 2011, FSRC reviewed 10 new financial statements of listed companies and 8 cases of public interest. 37 replies to queries raised by the Committee were deliberated during the financial year. In summary,

	Random selection	Public interest	Total
Cases brought forward from previous FY	9	-	9
Cases initiated/referred to FSRC	10	8	18
Cases closed during the financial year	(14)	(7)	(21)
Cases carried forward to next FY	5	1	6

During the year of review, the FSRC has categorised three cases under Category 2 of the penalty tariff, whereby warning letters were issued to the auditors/preparers for substantial number of non-compliances with the requirements of Financial Reporting Standards.

Second, actively keeping track of cases of public interest reported in media on financial reporting and ensure prompt action is taken to address the issue.

During the financial year, media reports or referrals prompted further analysis by the department were as follows:

Cases	Total
Cases brought forward from previous FY	4
Cases initiated	6
Cases closed during FY	(7)
Cases in progress as at end of FY	3

Third, the Institute jointly organised the National Annual Corporate Report Awards (NACRA) with Bursa Malaysia and The Malaysian Institute of Certified Public Accountants (MICPA). NACRA is aimed at promoting greater and more effective communication of financial and business information through the publication of timely, informative, factual and reader friendly annual reports.

Finally, to share with members of MIA on good financial reporting based on common findings identified during the review process, various common financial reporting issues have been compiled, and shared through an article in November 2010 issue of the Accountants Today titled "The Financial Statements Review Committee (FSRC) Key Observations". This is from the reviews conducted by the FSRC from July 2009 to June 2010.

MEDIA SURVEILLANCE

MIA also monitors the media as part of a proactive surveillance approach on possible accounting irregularities and reporting deficiencies in public-listed companies and public-interest entities and will take action, where necessary, should a member

be found to have breached any by-laws in the preparation of their financial statements.

PRACTICE REVIEW

The MIA’s Practice Review has been entrusted with the role of monitoring the auditing profession in Malaysia. This is to ensure that audit firms continually enhance their quality by ensuring that steps are taken to ensure full compliance with the requirements of relevant approved professional standards in accounting and auditing, as well as legal and regulatory provisions.

History has shown that whenever a financial scandal breaks out, the work of the auditors is most certainly called to question. The negative perception on the auditor’s work will inevitably taint the integrity and credibility of the auditing profession. While the errant auditor may be brought to book, the fallout of the debacle of a failed audit of a sizeable entity could be devastating to the audit firm and the collapsed entity in particular and the auditing profession in general.

Practice Review is therefore directly involved in the regulatory aspect of audit quality. The Practice Review process is transparent and is well-documented in the By-Laws of MIA. The dominant feature of the review process is centered on the review of engagement files that had been pre-selected in accordance with set criteria. Other characteristics of the review

process include the use of a questionnaire whose purpose is to gather information on the practice of the firm.

Audit quality remains the primary focus of the practice review function especially in the wake of the financial crisis that has affected the global economy. In Malaysia, the occurrence of some recent corporate frauds in public listed companies and increasing scarce audit resources have created a more challenging environment for audit firms as time goes by.

The International Auditing and Assurance Standards Board (IAASB) is a driver of audit quality through its promulgation of International Standards on Auditing (ISA) and International Standard on Quality Control (ISQC). These standards enshrine the essence of high quality audits and have been adopted by MIA as paragons of audit compliance for the guidance of the auditing fraternity in Malaysia, particularly the external auditors. The practice review regime is predicated on the ISA and ISQC platform in much the same manner as the audit firms’ work are guided by them.

Practice review reports are sent to audit firms with details of any shortcomings in the audit files and recommendations for improvement.

As in the past, practice review seminars were conducted in Kuala Lumpur, Penang, Johor Bahru, Kuching and Kota Kinabalu.

The summary of the statistics is as follows:

Activities		Timeline
Notifications of Firms Review	112	From July 2010-June 2011
First Time Reviews	512	As of 30 June 2011
Final Reports Signed Off and Sent	393	As of 30 June 2011
Results of Review		As of 30 June 2011 (cumulative)
Type 1 – Satisfactory	8.14%	
Type 2 – Assurance to be provided	44.27%	
Type 3 – Follow up review	47.59%	

Continuing Professional Education (CPE) Audit

The function of the CPE Audit is to ensure that basic tenets of ethical and professional conduct by all members in carrying out professional work. This is with proper regard for the technical and professional standards expected of them as a member of the Institute.

In brief, members have a responsibility to themselves, their employers, their clients and other stakeholders to ensure that they keep abreast with the current developments that affect their current and future professional work.

Objective	Activity/ Synopsis	Outcome
To maintain professional competence and to ensure the exercise of due care at all times, a professional accountant is required to participate in CPE learning activities that are relevant to his current and future work and professional responsibilities.	<ul style="list-style-type: none"> MIA continues to conduct the annual CPE audit. The Management proposed that the CPE Audit to be conducted on all active members (approximately 27, 000 members). The first batch of 6,900 members comprising Practising Certificate holders and Non-Practising Certificate holders were notified that they were to be audited in May 2011. All Practising Certificate holders will be audited on an annual basis. 	<ul style="list-style-type: none"> Members will revert to the Institute by way of ‘CPE Compliance Online Declaration’. The deadline for CPE credit hours submission is 31 December 2011. As of 30 June 2011, a total of 557 members have submitted the CPE online declaration, out of which 208 members had complied with the CPE credit hours requirements.

Chapter 5:

Upholding Checks and Balances

In its endeavour as the national statutory and regulatory body for the accounting profession in Malaysia, MIA has to ensure that credibility of the profession is maintained while public interest continues to be upheld at all times. Through its enforcement mechanism, MIA has imposed effective sanctions in an effort to further raise the standards of professional conduct among its members.

INVESTIGATION

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

CREATING AN EFFICIENT INVESTIGATION FRAMEWORK

During the financial year, 85 new cases were lodged with the Registrar on various forms of alleged misconduct. The Registrar had rejected and closed eight cases.

The IC held 11 investigative meetings throughout the period, resulting in 44 cases dismissed and 19 complaints referred to the DC. Of the number of complaints decided to be referred, nine complaints were submitted to the DC upon IC's full reports, and the balance 10 cases were pending while awaiting final IC reports.

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

Types of misconduct	New cases received during the period	Cases rejected by Registrar during the period	Cases dismissed by Investigation Committee during the period	Cases decided to be referred (pending submission of report to Disciplinary Committee)	Cases referred (report submitted to Disciplinary Committee)
Accounting & auditing failures	9	1	12	2	2
Breach of Companies Act provisions on auditors	1	2	-	-	-
Liquidators' failures	4	1	3	-	-
Company secretary's failures	11	3	7	1	2
Breach of other provisions of Companies Act	1	-	1	1	-
Discourteous acts	1	1	1	-	-
Other misconducts	58	-	20	6	5
Total	85	8	44	10	9

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

DISCIPLINARY ACTION

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

TABLE 2: CASES HANDLED BY THE DISCIPLINARY COMMITTEE (1 JULY 2010 TO 30 JUNE 2011)

Number of cases	Number of cases resulting in punishment	Number of cases dismissed by the Disciplinary Committee	Number of cases withdrawn by Investigation Committee at hearing stage	Pending cases	Complainant		Cases involving :	
					Individual / Others	Regulators	Auditors	• Directors • Liquidators • Others
19*	6	-	-	13**	16	1	10	7

* Including two (2) cases that came directly to DC under Rule 18 (2) of the MIA (Disciplinary) Rules, 2002

** Out of the 13 cases, five are pending hearing, three are pending decision, and five are pending mentions

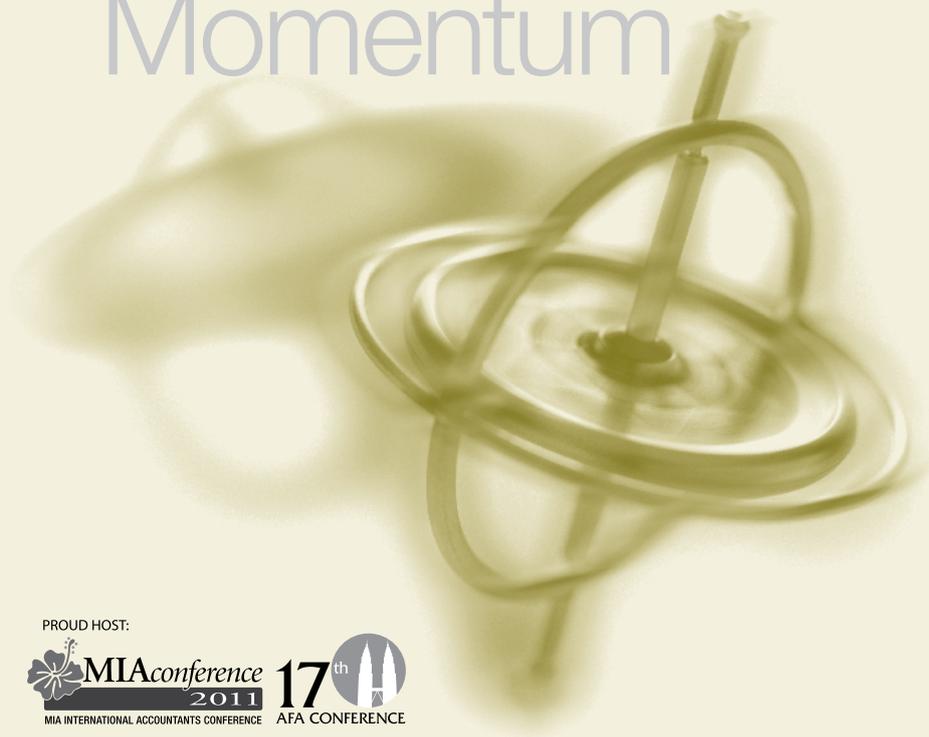
APPEALS

Any member aggrieved by the decision of the Disciplinary Committee may, within a specified period, appeal to the Disciplinary Appeal Board (DAB). The DAB is empowered under S.21(3) of the Act to consider appeals by members, and may confirm, reverse or vary the decision of the Disciplinary Committee. The DAB received four appeals during the financial year and met three times. Five appeals were considered by DAB during the period (including those brought forward) and the DAB confirmed the decisions of the DC in those cases. There are two appeals pending.



Committees

Sustaining
the
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Statutory Committees

Membership & Attendance from 1 July 2010 to 30 June 2011

INVESTIGATION COMMITTEE (IC)** – SECTION 19 (A) OF THE ACT

No. of Meetings: 12

No.	Name	Status		Attendance
1	Billy Kang Wei Geih	Chairman	Appointed on 12 Oct 2010	12/12
2	Uthaya Kumar Vivekananda	Member	-	4/12
3	Abraham Verghese	Member	-	10/12
4	Prof. Dr. Ku Nor Izah Ku Ismail	Member	Appointed on 12 Oct 2010	7/8
5	Ng Kim Tuck	Member	Appointed on 17 Mar 2011	1/4
6	Datuk Mohd Nasir Ahmad	Member	Retired on 28 Feb 2011	6/8
7	Yeo Tek Ling	Chairman	Retired on 25 Sept 2010	4/4

DISCIPLINARY COMMITTEE (DC)** - SECTION 19 (B) OF THE ACT

No. of Meetings: 8

No.	Name	Status		Attendance
1	Mohamed Raslan Abdul Rahman	Chairman	-	8/8
2	Alex Ooi Thiam Poh	Member	-	5/5
3	Dr. Kalsom Salleh	Member	-	6/8
4	Dato' Raymond Liew Lee Leong	Member	Appointed on 12 October 2010	2/4
5	Francis Chan Feoi Chun	Member	Appointed on 15 April 2011	1/1
6	Dr. YC Lee	Member	Retired on 15 April 2011	6/7
7	Dato' Gan Ah Tee	Member	Retired on 25 September 2010	1/2

DISCIPLINARY APPEAL BOARD (DAB)** - SECTION 19 (C) OF THE ACT

No. of Meetings: 3

No.	Name	Status		Attendance
1	Datuk Nur Jazlan Tan Sri Mohamed	Chairman	-	3/3
2	Prof. Datin Dr. Hasnah Haji Haron	Member	-	1/1
3	Seow Yoo Lin	Member	-	3/3
4	Heng Ji Keng	Member	-	2/3
5	Sam Soh Siong Hoon	Member	Appointed 12 Oct 2010	2/2
6	Mohd Noh Jidin	Member	Appointed 17 Mar 2011	1/1

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

EXAMINATION COMMITTEE – RULES 6 OF MIA QUALIFYING EXAMINATION RULES 2002

No. of Meetings: 7

No.	Name	Status		Attendance
1	Dato' Seri Ahmad Johan Mohammad Raslan	Chairman	-	5/7
2	Rosini Abdul Samad	Member	Appointed 17 March 2011	3/3
3	Assoc. Prof. Dr. Nor Aziah Abu Kasim	Member	-	3/7
4	Assoc. Prof. Dr. Zulkarnain Muhamad Sori	Member	-	2/7
5	Assoc. Prof. Noorbijan Abu Bakar	Member	-	7/7
6	Foo Yoke Pin	Member	-	4/7
7	Prof. Datin Dr. Hasnah Hj. Haron	Member	-	4/7
8	Prof. Dr. Ibrahim Kamal Abdul Rahman	Member	-	4/7
9	Zuraini Abidin	Member	Appointed 28 April 2011	2/2
10	Mohd Ali Jabar	Member	Retired 13 Dec 2010	2/3
11	Datuk Wan Selamah Wan Sulaiman Nominee: Er Beng Kiong	Member	Retired 17 March 2011	2/4

Other Committees

Membership & Attendance from 1 July 2010 to 30 June 2011

01. TECHNICAL

AUDITING AND ASSURANCE STANDARDS BOARD (AASB)

No. of Meetings: 4

No.	Name	Status		Attendance
1	Robert Tan Bun Poo	Chairman	Appointed on 6 Dec 2010	4/4
2	Ahmad Shahrul Mohamed	Member	-	1/4
3	Hooi Kok Mun	Member	-	2/4
4	Josephine Phan Su Han	Member	-	3/4
5	Lee Tuck Heng	Member	-	4/4
6	Lock Peng Kuan	Member	-	4/4
7	Mohamed Raslan Abdul Rahman	Member	-	2/4
8	Norazman Hashim	Member	-	2/4
9	Prof. Takiah Mohd Iskandar	Member	-	1/4
10	Quay Chew Soon	Member	-	4/4
11	Sukanta Kumar Dutt	Member	-	2/4
12	Tang Seng Choon	Member	-	4/4
13	Thong Foo Vung	Member	-	4/4
14	Walter Sandosam	Member	-	3/4
15	Chng Boon Huat	Observer	-	-
16	Zainun Taib	Observer	-	-
17	Lai Kor Foong	Observer	-	-
18	Lim Fen Nee	Observer	-	-
19	Yap Lai Kuen	Observer	-	-

ETHICS STANDARDS BOARD (ESB)

No. of Meetings: 2

No.	Name	Status		Attendance
1	Christina Constance Foo	Chairperson	-	2/2
2	Prof. Datin Hasnah Hj Nordin	Member	-	2/2
3	Datuk Mohd Nasir Ahmad	Member	Appointed 25 Nov 2010 Retired on 28 Feb 2011	1/1
4	Tan Soo Yan	Member	-	2/2
5	Ravindran Navaratnam	Member	-	2/2
6	Rita Benoy Bushon	Member	-	2/2
7	Sharifah Khadijah Syed Agil	Member	-	2/2
8	Dr. A Bakar Sarpon	Member	Appointed 9 Jun 2010	2/2
9	Lam Kee Soon	Member	Retired on 25 Nov 2010	1/1
10	Shalet Marian	Member	Retired on 31 Dec 2010	1/1
11	Zainun Taib	Observer	-	2/2
12	Muhamad Ibrahim	Observer	-	2/2
13	Selvarany Rasiah	Observer	-	2/2

EDUCATION COMMITTEE (EC)**No. of Meetings: 1**

No.	Name	Status		Attendance
1	Prof. Dr. Norman Mohd Saleh	Chairman	-	1/1
2	Prof. Dr. Ku Nor Izah Ku Ismail	Member	-	1/1
3	Assoc. Prof. Dr. Nafsiah Mohamed	Member	-	1/1
4	Assoc. Prof. Hashanah Ismail	Member	-	1/1
5	Aznam Abdullah	Member	-	0/1
6	Dr. Kalsom Salleh	Member	-	0/1
7	Mohammad Faiz Mohammad Azmi	Member	Appointed on 15 Mar 2011	0/1
8	Rosini Abdul Samad (Represented by <i>Rosenida Abdul Rahman</i>)	Member	Appointed on 15 Mar 2011	1/1
9	Prof. Datin Dr. Hasnah Hj. Haron	Member	Appointed on 15 Mar 2011	0/1
10	Abraham Verghese	Member	Appointed on 15 Mar 2011	-
11	Datuk Wan Selamah Wan Sulaiman (Represented by <i>Er Beng Kiong</i>)	Member	Retired on 15 Mar 2011	-

FINANCIAL REPORTING STANDARDS AND IMPLEMENTATION COMMITTEE (FRSIC)**No. of Meetings: 8**

No.	Name	Status		Attendance
1	Abdul Rahim Abdul Hamid	Chairperson	-	4/8
2	Mohamed Raslan Abdul Rahman	Member	-	6/8
3	Stephen Oong Kee Leong	Member	-	8/8
4	Dato' Narendra Kumar Jasani	Member	Appointed on 25 Nov 2010	2/4
5	Prof. Dr. Ku Nor Izah Ku Ismail	Member	Retired on 25 Nov 2010	0/4
6	Alex Ooi Thiam Poh	Member	-	7/8
7	Ng Kim Tuck	Member	-	8/8
8	Ng Kean Kok	Member	-	8/8
9	Ng Mi Li	Member	-	8/8
10	Thong Foo Vung	Member	-	5/8

TAXATION COMMITTEE (TC)**No. of Meetings: 3**

No.	Name	Status		Attendance
1	Beh Tok Koay	Chairperson	-	3/3
2	Peter Lim Thiam Kee	Member	-	2/3
3	Sam Soh Siong Hoon	Member	-	2/3
4	Pauline Tam Poh Lin	Member	-	1/3
5	Frances Po Yih Ming	Member	-	3/3
6	Mohd Noor Abu Bakar	Member	-	1/3
7	Ng Kim Lian	Member	-	3/3
8	Woon Yoke Lee	Member	-	3/3
9	Chan Kee Hoong	Member	-	2/3
10	Assoc. Prof. Dr. Choong Kwai Fatt	Member	-	1/3
11	Kenneth Lim Tiong Beng	Member	-	1/3

ISLAMIC FINANCE COMMITTEE (TIFC)**No. of Meetings: 1**

No.	Name	Status	Attendance
1	Mohamed Raslan Abdul Rahman	Chairperson	-
2	Mohammad Faiz Mohammad Azmi	Member	-
3	Badlisyah Abdul Ghani	Member	-
4	Daud Vicary Abdullah	Member	-
5	Mohd Radzuan Ahmad Tajuddin	Member	-
6	Nik Mohd Hasyudeen Yusoff	Member	-
7	Rafe Haneef	Member	-
8	YM Raja Teh Maimunah Raja Abdul Aziz	Member	-

02. SURVEILLANCE**FINANCIAL STATEMENTS REVIEW COMMITTEE (FSRC)****No. of Meetings: 9**

No.	Name	Status	Attendance
1	Stephen Oong Kee Leong	Chairman	-
2	Lam Kee Soon	Deputy Chairman	-
3	Cheong Thoong Farn	Member	-
4	Asna Atqa Abdullah	Member	-
5	Chen Voon Hann	Member	Appointed on 21 Feb 2011
6	Khairudin Ibrahim	Member	-
7	Mohd Noh Jidin	Member	Appointed on 17 Mar 2011
8	Ow Peng Li	Member	-
9	Raymond Cheong Chye Hin	Member	-
10	Sharon Sung Fong Fui	Member	Appointed on 21 Feb 2011
11	Siew Kar Wai	Member	Appointed on 21 Feb 2011
12	Soon Teck Thong	Member	-
13	Stephen Khoo Siong Kee	Member	-
14	Tan Poh Ling	Member	-
15	Tang Seng Choon	Member	-
16	Wong Kay Yong	Member	-
17	Assoc Prof. Dr. Zulkarnain Muhammad Sori	Member	Retired on 25 Nov 2010 Re-appointed on 17 Mar 2011
18	Dato' Raymond Liew Lee Leong	Member	Retired on 25 Nov 2010
19	Mohammad Faiz Mohammad Azmi	Member	Retired on 25 Nov 2010
20	Lee Teck Leong	Member	Retired on 25 Nov 2010
21	Liew Kim Yuen	Member	Retired on 25 Nov 2010
22	Ng Mi Li	Member	Retired on 21 Feb 2011
23	Prof. Dr. Ku Nor Izzah Ku Ismail	Member	Retired on 21 Feb 2011

PRACTICE REVIEW COMMITTEE (PRC)**No. of Meetings: 3**

No.	Name	Status	Attendance
1	Abdul Rahim Abdul Hamid	Chairman	-
2	Peter Lim Thiam Kee	Member	-
3	Subramaniam A V Sankar	Member	Appointed on 29 Mar 2011
4	Liew Kim Yuen	Member	Retired on 28 Aug 2010
5	Dato' Raymond Liew Lee Leong	Member	Retired on 28 Aug 2010
6	David Siew Kah Toong	Member	-

Practice Review Committee (continued)

No.	Name	Status		Attendance
7	Eric Ooi Lip Aun	Member	-	3/3
8	Ooi Chee Kun	Member	-	3/3
9	Peter Ho Kok Wai	Member	-	2/3

03. REPRESENTATIVE OF MEMBERSHIP

PUBLIC PRACTICE COMMITTEE (PPC)**No. of Meetings: 7**

No.	Name	Status		Attendance
1	Christina Constance Foo	Chairperson	-	7/7
2	Billy Kang Wei Geih	Member	-	6/7
3	Chen Voon Hann	Member	Retired on 25 Sept 2010	2/2
4	Dato' Gan Ah Tee	Member	Retired on 28 Apr 2011	5/6
5	Dato' Narendra Kumar Jasani	Member	Appointed on 15 Dec 2010	3/4
6	Dato' Raymond Liew Lee Leong	Member	-	6/7
7	Heng Ji Keng	Member	-	6/7
8	Mohammad Faiz Mohammad Azmi	Member	-	3/7
9	Peter Lim Thiam Kee	Member	-	7/7
10	Sam Soh Siong Hoon	Member	Appointed on 15 Mar 2011	2/2
11	Seow Yoo Lin	Member	Retired on 15 Mar 2010	1/3
12	Subramaniam A V Sankar	Member	Appointed on 15 Dec 2010	4/4

AUDIT PRACTICE SUB COMMITTEE**No. of Meetings: 5**

No.	Name	Status		Attendance
1	Billy Kang Wei Geih	Chairman	-	4/5
2	Mohammad Faiz Mohammad Azmi	Member	-	2/5
3	Sam Soh Siong Hoon	Member	Appointed on 15 Mar 2011	2/2
4	Seow Yoo Lin	Member	Retired on 15 Mar 2011	2/3
5	Abd Halim Husin	Member	-	1/5
6	Chan Ying Wah	Member	-	3/5
7	Chen Voon Hann	Member	Retired on 2 Dec 2010	3/3
8	Chin Chee Kong	Member	-	2/5
9	Dennis Wong Chen Feng	Member	Appointed on 10 Feb 2011	2/2
10	Desmond Tan	Member	Appointed on 10 Feb 2011	2/2
11	Goh Chee San	Member	Retired on 15 Mar 2011	0/3
12	Jason Sia Sze Wan	Member	-	5/5
13	Mohd Afrizan Husain	Member	-	3/5
14	Mohd Noor Abu Bakar	Member	-	3/5
15	Ooi Chee Kun	Member	-	4/5
16	Rejeesh Balasubramaniam	Member	-	4/5
17	Robart @ Robert M. Seenivasan	Member	-	3/5
18	Steven Lim Hoo Teck	Member	-	5/5
19	Tan Cheng Hooi	Member	-	4/5
20	Tan Poh Ling	Member	Appointed on 10 Feb 2011	2/2
21	Wang Ing Min	Member	-	5/5
22	Wong Lai Ching	Member	-	3/5

TAX PRACTICE SUB COMMITTEE**No. of Meetings: 2**

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

INSOLVENCY PRACTICE SUB COMMITTEE**No. of Meetings: 5**

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

PROFESSIONAL ACCOUNTANTS IN BUSINESS (PAIB)**No. of Meetings: 4**

No.	Name	Status		Attendance
1	Yeo Tek Ling	Chairman	Retired on 25 Sept 2010	1/1
2	Datuk Mohd Nasir Ahmad	Chairman	Appointed on 1 Jan 2011	3/3
3	Assoc. Prof. Dr. A. Thillaisundaram	Member	-	3/4
4	Ahmad Fuaad Mohd Kenali	Member	-	2/4
5	Billy Kang Wei Geih	Member	Retired on 31 Dec 2010	0/1
6	Prof. Dr. Ibrahim Kamal Abd Rahman	Member	Appointed on 1 Apr 2011	1/2
7	Dr. Kalsom Salleh	Member	-	1/4
8	Lee Hin Kan	Member	-	4/4
9	Prof. Dr. Maliah Sulaiman	Member	Retired on 31 Dec 2010	0/1

Professional Accountants In Business (continued)

No.	Name	Status	Attendance
10	Dr. Muslim Har Sani Mohamad	Member -	1/4
11	Mustapa Kamal Mohd Razali	Member -	4/4
12	N. Chanthiran Nagappan	Member -	1/4
13	Saat Esa	Member -	1/4
14	Dr. Ng Boon Beng	Member Appointed on 1 Apr 2011	2/2
15	Mazhairul Jamaludin	Member Appointed on 1 Apr 2011	0/2
16	Dato' Mohd Nizam Zainordin	Member Appointed on 1 June 2011	0/1
17	Tan Seow Heng	Member Retired on 31 Dec 2010	1/1

04. OPERATIONAL/ADMINISTRATIVE

WCOA 2010 STEERING COMMITTEE

No. of Meetings: 5*

No.	Name	Status	Attendance
1	Abdul Rahim Abdul Hamid	WCOA 2010, Steering Committee Chairman	- 4/5
2	Dr. YC Lee	WCOA 2010 Organising Committee Chairman	- 4/5
3	Christina Constance Foo	Member	- 5/5
4	Ho Foong Moi	Member	- 4/5
5	Dato' Prof. Dr. Daing Mohd Nasir	Member	- 0/5
6	Er Beng Kiong	Member (Representing Accountant General)	- 2/5
7	Rosli Abdullah	Member	- 4/5

* Soon after 11 August 2010, the WCOA 2010 Steering Committee Meetings were organised jointly with the Organising Committee. These meetings were held on a weekly basis until the Congress date. Immediately after the Congress ended, the Organising Committee was discontinued and two more Steering Committee meetings were held to review and oversee the completion of the project.



MIA REGIONAL OFFICES

NORTHERN REGION (PERLIS, KEDAH & PENANG)**No. of Meetings: 4**

No.	Name	Status		Attendance
1	Ooi Kok Seng	Chairman	Appointed on 1 July 2010	4/4
2	Adeline Chan Su Lynn	Member	Appointed on 1 July 2010	3/4
3	Chan Boon Jiunn	Member	Appointed on 1 July 2010	3/4
4	Goh Su Yin	Member	Appointed on 1 July 2010	4/4
5	Gwendolyn Lau Ee Lin	Member	Appointed on 1 July 2010	3/4
6	Lim Huck Khiam	Member	Appointed on 1 July 2010	4/4
7	Andrew Toh Hai Hin	Member	Appointed on 1 July 2010	2/4
8	Lok Char Lee	Member	Appointed on 17 Aug 2010	3/3

JOHOR**No. of Meetings: 6**

No.	Name	Status		Attendance
1	Huang Shze Jiun	Chairman	Appointed on 1 July 2010	6/6
2	Se Kuo Shen	Member	Appointed on 1 July 2010	4/6
3	Alvin Ong Seng Piow	Member	Appointed on 1 July 2010	4/6
4	Phang Kok Kwen	Member	Appointed on 1 July 2010	6/6
5	Lee Ming Li	Member	Appointed on 1 July 2010	6/6
6	Norherienda Abdul Kadir	Member	Appointed on 1 July 2010	5/6

SARAWAK**No. of Meetings: 3**

No.	Name	Status		Attendance
1	Chin Chee Kong	Chairman	Appointed on 1 July 2010	3/3
2	David Tiang Kung Seng	Vice-Chairman	Appointed on 1 July 2010	3/3
3	Dayang Rostylawati Awang Ehsan	Honorary Secretary	Appointed on 1 July 2010	3/3
4	Philip Lim Su Sing	Member	Appointed on 1 July 2010	3/3
5	Wan Idris Wan Ibrahim	Member	Appointed on 1 July 2010	3/3
6	Zahrah Hj Sirat	Member	Appointed on 1 July 2010	3/3
7	Mathew Wong Chie Bin	Member	Appointed on 1 July 2010	3/3
8	Yong King Sung	Member	Appointed on 1 July 2010	3/3

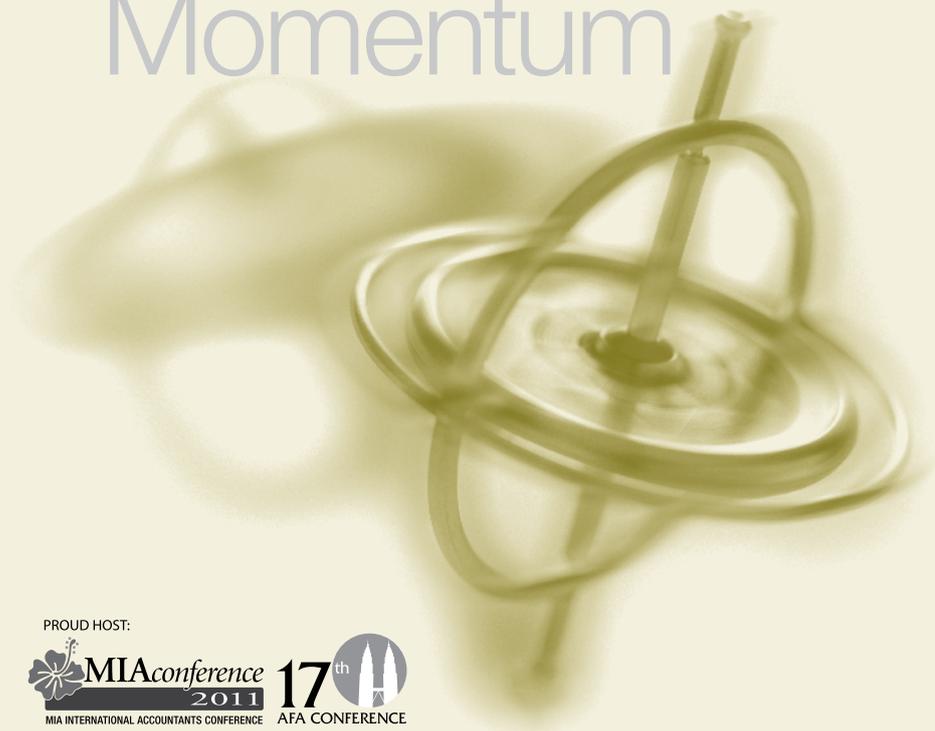
SABAH**No. of Meetings: 3**

No.	Name	Status		Attendance
1	Goh Chee San	Chairman	Appointed on 1 July 2010	3/3
2	Winson Chong Kan Hiung	Vice-Chairman	Appointed on 1 July 2010	1/3
3	Wong Chen Fen @ Dennis	Honorary Treasurer	Appointed on 1 July 2010	2/3
4	Modesta Siambun	Honorary Secretary	Appointed on 1 July 2010	3/3
5	Ng Kiat Min	Member	Appointed on 1 July 2010	2/3
6	Alex Chan Chau Yau	Member	Appointed on 1 July 2010	2/3
7	Chong Ket Vui @ Dusun	Member	Appointed on 1 July 2010	3/3
8	Zallifah Shadan	Member	Appointed on 1 July 2010	0/3

Financial Statements

For the Year Ended
30 June 2011

Sustaining
the
Momentum



MALAYSIAN INSTITUTE
OF ACCOUNTANTS
ACCOUNTANTS. MANAGERS OF VALUE

PROUD HOST:



MIAconference
2011



MIA INTERNATIONAL ACCOUNTANTS CONFERENCE AFA CONFERENCE

Certificate of the Auditor General

on the Financial Statements



CERTIFICATE OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE MALAYSIAN INSTITUTE OF ACCOUNTANTS FOR THE YEAR ENDED 30 JUNE 2011

The financial statements of Malaysian Institute Of Accountants for the year ended 30 June 2011 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.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Malaysian Institute Of Accountants as at 30 June 2011 and of the results of its operations and its cash flows for the year ended in accordance with the approved accounting standards.

(BOON JON LIN)
for AUDITOR GENERAL
MALAYSIA

PUTRAJAYA
/ 7 AUGUST 2011



Malaysian Institute of Accountants

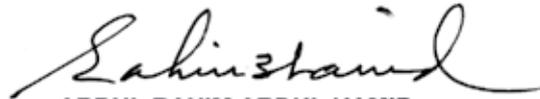
Statement by the Council

We, Datuk Mohd. Nasir Ahmad and Abdul Rahim Abdul Hamid, being the President and Vice President, respectively, of the MALAYSIAN INSTITUTE OF ACCOUNTANTS, do hereby state that, in the opinion of the Council, the accompanying financial statements together with the notes attached thereto, are properly drawn up in accordance with Financial Reporting Standards so as to give a true and fair view of the financial position of the Institute as at 30 June 2011 and of its results and cash flows for the year then ended.

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



DATUK MOHD. NASIR AHMAD
PRESIDENT



ABDUL RAHIM ABDUL HAMID
VICE PRESIDENT

Dated : 8 August 2011
Kuala Lumpur

Declaration by the Officer

Primarily Responsible for the Financial Management of the Institute

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

Subscribed and solemnly declared by the abovenamed
ROSLI BIN ABDULLAH at Kuala Lumpur in Wilayah
Persekutuan on 8 August 2011



ROSLI BIN ABDULLAH

Before me,



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

Statement of Financial Position

as at 30 June 2011

	Note	30 June 2011 RM	30 June 2010 RM	1 July 2009 RM
			Restated	
Non-current Assets				
Property, plant and equipment	4	3,282,666	3,499,198	3,514,395
Intangible asset	5	39,670	79,333	-
Investment	6	7,458	7,458	7,458
Deferred tax assets	7	-	107,163	190,053
		3,329,794	3,693,152	3,711,906
Current assets				
Inventories	8	69,688	55,402	146,236
Receivables, deposits and prepayments	9	2,024,593	900,898	1,071,583
Subscriptions in arrears	10	-	-	-
Tax recoverable		-	-	54,199
World Congress of Accountants ("WCOA 2010") Account		-	13,676,181	10,802,866
Institutional trust account	11	6,022,671	6,474,793	6,214,096
Fixed deposits with licensed financial institutions	12	12,548,123	3,323,136	107,074
Cash and bank balances	13	6,675,411	1,820,226	1,365,299
		27,340,486	26,250,636	19,761,353
TOTAL ASSETS		30,670,280	29,943,788	23,473,259
Current liabilities				
Subscription in advance		2,422,200	2,093,700	748,900
Sundry payables and accruals	14	6,326,893	3,183,856	1,833,297
World Congress of Accountants ("WCOA 2010") Account		-	6,456,510	5,724
Deferred income	15	600,213	518,489	417,316
Deferred income - Government grants	16	718,692	6,829,495	-
Provision for taxation		174,561	147,332	-
		10,242,559	19,229,382	3,005,237
Non-current liabilities				
Deferred tax liabilities	7	49,468	-	-
Deferred income - Sponsorship ("WCOA 2010") Account		-	-	1,538,772
Deferred income - Government grants		-	-	8,914,394
		49,468	-	10,453,166
TOTAL LIABILITIES		10,292,027	19,229,382	13,458,403
TOTAL NET ASSETS		20,378,253	10,714,406	10,014,856
ACCUMULATED FUND		20,378,253	10,714,406	10,014,856

The accompanying notes form an integral part of these financial statements

Statement of Comprehensive Income

for the Financial Year Ended 30 June 2011

	Note	2011 RM	2010 RM
Membership Income			
Members' annual subscription fees		7,088,100	6,821,900
Members' admission fees		883,350	701,850
Practising certificate fees		658,000	639,250
		8,629,450	8,163,000
Other Activities			
Income from other activities	17	11,622,112	14,612,664
Employees' benefits	21	(2,461,295)	(2,649,519)
Direct expenses	17	(5,619,247)	(7,367,929)
Net income from other activities		3,541,570	4,595,216
Surplus from World Congress of Accountants ("WCOA 2010")	18	9,506,110	-
Other income	19	398,682	374,217
TOTAL INCOME		22,075,812	13,132,433
Operating Expenses			
Depreciation of property, plant and equipment	4	365,461	396,546
Amortisation of intangible asset	5	39,663	39,667
Allowances and write-offs	20	264,326	258,161
Employees' benefits	21	7,172,130	7,101,391
International relations	22	501,120	435,080
Membership services	23	1,636,312	1,741,288
Other expenses	24	1,916,322	1,987,860
		11,895,334	11,959,993
Surplus before tax		10,180,478	1,172,440
Income tax expense	25	(516,631)	(472,890)
Surplus for the financial year, representing total comprehensive income for the financial year		9,663,847	699,550

The accompanying notes form an integral part of these financial statements

Statement of Changes in Accumulated Fund

for the Financial Year Ended 30 June 2011

	RM
Balance as at 1 July 2009	10,014,856
Total comprehensive income for the financial year	699,550
Balance as at 30 June 2010	<u>10,714,406</u>
Total comprehensive income for the financial year	9,663,847
Balance as at 30 June 2011	<u>20,378,253</u>

The accompanying notes form an integral part of these financial statements

Statement of Cash Flows

for the Financial Year Ended 30 June 2011

	2011 RM	2010 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Receipts from members and non-members	31,373,642	32,753,826
Payment for expenditures	(31,383,352)	(29,639,546)
Receipts for WCOA 2010	17,640,542	2,673,147
Payments for WCOA 2010	(14,724,625)	(2,558,351)
Cash generated from operations	2,906,207	3,229,076
Government grant received	400,000	1,090,400
Rental income	28,100	30,200
Management fee	5,500	5,000
Tax paid	(332,771)	(188,469)
Net Operating Cash Flow	3,007,036	4,166,207
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible asset (Note A)	(288,728)	(442,599)
Dividend received from institutional trust account	307,084	622,559
Interest received from fixed deposits	237,165	74,628
Net Investing Cash Flow	255,521	254,588
INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		
	3,262,557	4,420,795
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		
	21,983,648	17,562,853
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		
	25,246,205	21,983,648
ANALYSIS OF CASH AND CASH EQUIVALENTS:-		
Cash in hand	6,281	6,045
Bank balances	6,669,130	1,814,181
Fixed deposits with licensed financial institutions	12,548,123	3,323,136
Institutional trust account	6,022,671	6,474,793
WCOA 2010 account:		
- Bank balances	-	1,584,402
- Fixed deposits with licensed financial institutions	-	1,190,881
- Institutional trust account	-	7,590,210
	25,246,205	21,983,648

Upon the closure of the WCOA 2010 Account, the WCOA 2010's bank balances of RM2,581,566 and the fixed deposits with licensed financial institutions of RM8,927,241 were reclassified to the Institute's accounts.

Statement of Cash Flows for the Financial Year Ended 30 June 2011 (continued)

	2011 RM	2010 RM
Note A: Purchase of property, plant and equipment and intangible asset		
Purchase of property, plant and equipment during the financial year	213,205	404,554
Purchase of intangible asset during the financial year	-	119,000
Add : Unpaid purchase as at previous financial year	80,955	-
	<u>294,160</u>	<u>523,554</u>
Less : Unpaid purchase as at financial year end	(5,432)	(80,955)
Per statement of cash flows	<u>288,728</u>	<u>442,599</u>

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

30 June 2011

1. PRINCIPAL OBJECTIVES/ACTIVITIES

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

- 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.

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

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

2. DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the Council in accordance with a resolution of the Council on 8 August 2011.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

The financial statements of the Institute have been prepared in accordance with Financial Reporting Standards ("FRSs") in Malaysia. At the beginning of the current financial year, the Institute adopted new and revised FRSs which are mandatory for the financial periods beginning on or after 1 July 2010 as described fully in Note 3.2.

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

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

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

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

Description		Effective for financial period beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards (Revised)	1 July 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 101	Presentation of Financial Statements (Revised)	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
Amendments to FRS 7	Financial Instruments: Disclosures	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation - Puttable financial Instruments and obligations arising on liquidation - Consequential amendments arising from FRS 101 - Consequential amendments arising from improvements to FRSs (2009)	1 January 2010
Amendments to FRS 138	Intangible Assets - Additional consequential amendments arising from revised FRS 3	1 July 2010
Improvements to FRSs (2009)		1 January 2010

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

a) FRS 7, Financial Instruments: Disclosures

Prior to 1 July 2010, the disclosure of information about factors that affect the amount, timing and certainty of an entity's future cash flows relating to financial instruments was made in accordance with the requirements of FRS 132, Financial Instruments: Disclosure and Presentation. FRS 7 supersedes the disclosure requirements of FRS 132 and introduces enhanced disclosures on financial instruments. It requires disclosure of the significance of financial instruments for an entity's financial position and performance and the qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity and cash flow risks and market risk.

The Institute has applied FRS 7 prospectively in accordance with the transitional provisions of the standard. Accordingly, certain comparative information for the new disclosures have not been presented. As the changes affect only the disclosures, there is no impact on the Institute's results or financial position.

b) FRS 101, Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes to the overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

The revised standard requires presentation of all owner changes in equity in the statement of changes in equity and all non-owners changes in equity to be presented separately in one statement of comprehensive income or in two linked statements. The Institute has elected for the single statement presentation.

The revised standard also requires a statement of financial position as at the beginning of the earliest comparative period when there is a change in accounting policy retrospectively or when there is a retrospective restatement or reclassification of items in the financial statements.

In addition, the revised FRS 101 requires new disclosure of information that enables users of the financial statements to evaluate the Institute's objectives, policies and processes for managing capital.

The Institute has adopted the revised FRS 101 retrospectively. The adoption has no impact on the Institute's results or financial position for the current and previous financial years.

c) FRS 139, Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The Institute has adopted FRS 139 prospectively on 1 July 2010 in accordance with transitional provisions of the standard.

The adoption of FRS 139 has resulted in changes to accounting policies relating to impairment of receivables. Prior to 1 July 2010, an allowance for doubtful debts was made when a debt was considered to be doubtful of collection. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivables' carrying amount and the present value of estimated future cash flow discounted at the receivables' original effective interest rate.

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

The Institute has not early adopted the following new or revised FRSs, amendments to FRSs and IC Interpretations which have been issued by the MASB, but not yet effective as follows:

Description		Effective for financial period beginning on or after
FRS 124	Related Party Disclosures	1 January 2012
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosures	1 January 2011
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards - Additional Exemptions	1 January 2011
Amendments to FRS 7	Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments	1 January 2011
Improvements to FRSs (2010)		1 January 2011

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

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Income Recognition

(i) Membership subscription is payable annually at the beginning of the financial year. Only subscription which is

attributable to the current financial year is recognised as income. Subscription relating to periods beyond the current financial year is recognised as subscription in advance in deferred income under current liabilities in the statement of financial position.

(ii) Membership admission is recognised upon approval by

Council. Membership subscription and admission fees for applicants approved after the end of the financial year but received during the financial year are taken up as deferred income under current liabilities in the statement of financial position.

- (iii) Income from seminars and conferences is recognised in the period the services are provided. Advanced payments received from seminars and conferences are recognised as deferred income under current liabilities in the statement of financial position.
- (iv) Income from sale of technical materials/publications is recognised when physical control of the goods passes to the purchasers.
- (v) Income from advertisements placed in the Institute's journal is recognised over the advertisement period. Income received for such advertisements that take place before the said period is taken up as deferred income. Sponsorship income is deferred until the activities are rolled out.
- (vi) Processing fee on registration as a candidate for the Qualifying Examination is recognised upon receipt but the candidacy fee is only recognised upon approval by the Examination Committee. Examination fees are recognised twice every calendar year when the examination is held. Tuition fees are recognised over the tuition term.
- (vii) Practice review income is recognised upon completion of practice review exercise.
- (viii) Dividend income is recognised when the right to receive payment is established.
- (ix) Interest income is recognised based on an effective yield basis.
- (x) Rental income is recognised on an accrual basis.

b) Impairment of non-financial assets

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

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

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

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

An assessment is made at each reporting date as to whether there is any indication that previously recognised

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

c) Impairment of financial assets

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

Receivables and other financial assets carried at amortised cost

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

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

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

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

Unquoted equity securities carried at cost

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

d) Property, Plant and Equipment

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

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

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

Office equipment	10%
Furniture and fittings	10%
Computer equipment	33 ¹ / ₃ %
Renovation	10%

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

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

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

e) Intangible Asset - Computer Software

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

f) Subscriptions in Arrears

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

g) Inventories

Publications, souvenirs and merchandise items are stated at the lower of cost and net realisable value. Cost is

determined on first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

h) Income Tax

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

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

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

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

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

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

i) Government Grants

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

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

j) Employee Benefits

(i) Short Term Employee Benefits

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

non-accumulated compensated absences such as sick leave are recognised when the absences occur.

(ii) **Defined Contributions Plans**

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

k) Foreign Currency Transactions and Balances

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

l) Financial Assets

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

(i) **Classification and measurement**

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

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

Loans and receivables

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

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

Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

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

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

(ii) **Derecognition of financial assets**

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

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

(iii) **Regular way purchase or sale of financial assets**

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

m) Financial Liabilities

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

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

(i) **Classification and measurement**

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

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

The Institute did not have any financial liabilities at fair value through profit or loss during the year financial ended 30 June 2011. The financial liabilities of the Institute are classified as other financial liabilities.

Other financial liabilities

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

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

(ii) **Derecognition of a financial liability**

A financial liability is derecognised when, and only when, the obligation specified in the contract is extinguished. When an existing financial liability is exchanged with

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

n) Provisions

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

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

o) Cash and Cash Equivalents

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

3.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

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

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The Council estimates that the useful lives of the property, plant and equipment to be within 3 years to 50 years. The carrying amount of the Institute's property, plant and equipment as at 30 June 2011 was RM3,282,666 (2010: RM3,499,198). Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the

property, plant and equipment. Therefore, the future depreciation charge could be revised.

(ii) Impairment of receivables

The Institute makes an allowance for impairment losses based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. In assessing the extent of irrecoverable debts, the Council has given due consideration to all pertinent information relating to the ability of the debtors to settle debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables. The carrying amounts of the receivables and the cumulative allowance for impairment losses are disclosed in Note 9.

(iii) Income taxes and deferred tax

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

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

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land RM	Buildings RM	Computer Equipment RM	Renovation RM	Furniture & Fittings RM	Office Equipment RM	Total RM
COST							
At 1 July 2010	580,160	2,426,239	1,699,665	1,322,348	520,478	823,777	7,372,667
Additions	-	-	147,564	18,070	28,593	18,978	213,205
Disposals/Write-offs	-	-	(169,189)	-	(7,775)	(23,150)	(200,114)
At 30 June 2011	580,160	2,426,239	1,678,040	1,340,418	541,296	819,605	7,385,758
ACCUMULATED DEPRECIATION							
At 1 July 2010	-	837,713	1,469,005	788,207	323,620	454,924	3,873,469
Charge for the year	-	48,644	146,611	89,939	30,027	64,293	379,514
Disposals/write-offs	-	-	(122,942)	-	(7,064)	(19,885)	(149,891)
At 30 June 2011	-	886,357	1,492,674	878,146	346,583	499,332	4,103,092
NET BOOK VALUE AT 30 JUNE 2011	580,160	1,539,882	185,366	462,272	194,713	320,273	3,282,666
COST							
At 1 July 2009	580,160	2,426,239	1,637,971	1,271,811	461,773	732,187	7,110,141
Additions	-	-	200,702	50,537	58,705	94,610	404,554
Disposals/Write-offs	-	-	(139,008)	-	-	(3,020)	(142,028)
At 30 June 2010	580,160	2,426,239	1,699,665	1,322,348	520,478	823,777	7,372,667
ACCUMULATED DEPRECIATION							
At 1 July 2009	-	789,069	1,430,917	686,623	295,037	394,100	3,595,746
Charge for the year	-	48,644	177,057	101,584	28,583	62,676	418,544
Disposals/write-offs	-	-	(138,969)	-	-	(1,852)	(140,821)
At 30 June 2010	-	837,713	1,469,005	788,207	323,620	454,924	3,873,469
NET BOOK VALUE AT 30 JUNE 2010	580,160	1,588,526	230,660	534,141	196,858	368,853	3,499,198

As at the end of the financial year, the Institute has yet to receive the strata title for a leasehold shop lot in Sabah acquired in financial year ended 30 June 2000 with a net book value of RM302,261 (2010: RM310,160).

Included in property, plant and equipment are fully depreciated assets which are still in use, with costs totalling RM1,482,330 (2010: RM2,099,783).

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

5. INTANGIBLE ASSET

	2011 RM	2010 RM
Computer software		
Cost		
At beginning of financial year	119,000	-
Addition during the financial year	-	119,000
At end of financial year	119,000	119,000
Accumulated amortisation		
At beginning of financial year	39,667	-
Amortisation for the financial year	39,663	39,667
At end of financial year	79,330	39,667
Net carrying amount at end of financial year	39,670	79,333

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

6. INVESTMENT

	2011 RM	2010 RM
At cost:-		
Investment	7,458	7,458

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

7. DEFERRED TAXATION

	2011 RM	2010 RM
Deferred tax assets	-	121,371
Deferred tax liabilities	(49,468)	(14,208)
	(49,468)	107,163
At beginning of financial year	107,163	190,053
(Credited)/Charged to Statement of Comprehensive Income		
- property, plant and equipment	(35,260)	(64,901)
- provisions	(70,524)	4,901
- tax losses	(50,847)	(22,890)
	(156,631)	(82,890)
At end of financial year	(49,468)	107,163

7. DEFERRED TAXATION (continued)

	2011 RM	2010 RM
At end of financial year		
Deferred tax assets (before offsetting)		
- property, plant and equipment	-	-
- provisions	-	70,524
- tax losses	-	50,847
	-	121,371
Offsetting	-	(14,208)
Deferred tax assets (after offsetting)	-	107,163
Deferred tax liabilities (before offsetting)		
- property, plant and equipment	(49,648)	(14,208)
Offsetting	-	14,208
Deferred tax liabilities (after offsetting)	(49,648)	-

Unrecognised deferred tax assets

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

	2011 RM	2010 RM
Deferred tax assets have not been recognised in respect of the following items:		
Deductible temporary differences	380,742	-
Unabsorbed capital allowance	346,573	-
Unutilised tax losses	195,564	-
	922,879	-
Potential deferred tax assets not recognised at 24%	221,491	-

8. INVENTORIES

	2011 RM	2010 RM
At cost :-		
Publications, souvenirs and merchandise items	69,688	55,402

9. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2011 RM	30 June 2010 RM Restated	1 July 2009 RM
Amount due from seminars and conferences participants	684,720	171,459	104,475
Sundry receivables	673,316	208,892	297,638
	1,358,036	380,351	402,113
Less : Allowance for impairment losses	(31,054)	(55,529)	(27,804)
	1,326,982	324,822	374,309
Prepayments	647,527	531,248	658,501
Sundry deposits	50,084	44,828	38,773
	697,611	576,076	697,274
	2,024,593	900,898	1,071,583

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

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

	30 June 2011 RM	30 June 2010 RM Restated	1 July 2009 RM
Balance at 1 July	55,529	27,804	42,067
Impairment losses recognised during the year	11,120	47,285	49,204
Recovered impairment losses	(35,595)	(19,560)	(63,467)
Balance at 30 June	31,054	55,529	27,804

The ageing analysis of receivables is as follows:

Neither past due nor impaired	481,395	87,167	67,993
1 to 30 days past due not impaired	279,031	84,510	168,617
31 to 60 days past due not impaired	294,789	56,504	88,793
61 to 90 days past due not impaired	66,329	46,610	21,077
More than 90 days past due but not impaired	205,438	50,031	27,829
	1,326,982	324,822	374,309
Impaired	31,054	55,529	27,804
	1,358,036	380,351	402,113

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

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

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

9. RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

Receivables that are impaired

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

	30 June 2011 RM	30 June 2010 RM Restated	1 July 2009 RM
Receivables - nominal amounts	31,054	55,529	27,804
Less : Allowance for impairment losses	(31,054)	(55,529)	(27,804)
	<u>-</u>	<u>-</u>	<u>-</u>

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

10. SUBSCRIPTIONS IN ARREARS

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

	2011 RM	2010 RM
Subscriptions in arrears	7,750	5,000
Less : Allowance for impairment losses	(7,750)	(5,000)
	<u>-</u>	<u>-</u>

11. INSTITUTIONAL TRUST ACCOUNT

The Institute had placed funds in an Institutional Trust Account maintained with Amanah Raya Berhad, a public limited liability company domiciled in Malaysia. The gross dividend rate receivable by the Institute is 4.25% per annum (2010: 4.25% per annum).

12. FIXED DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The effective interest rates receivable for the fixed deposits placed with licensed financial institutions range from 2.25% to 3.10% (2010: 2.00% to 3.00%) per annum. The tenures of the fixed deposits range from 30 days to 1 year (2010: 30 days to 1 year).

13. CASH AND BANK BALANCES

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

	2011 RM	2010 RM
Ringgit Malaysia	5,243,999	1,820,226
United States Dollar	1,431,412	-
	<u>6,675,411</u>	<u>1,820,226</u>

14. SUNDRY PAYABLES AND ACCRUALS

	2011 RM	2010 RM
Sundry payables	514,380	666,573
Accruals - Seminars and conferences expenses	737,345	458,024
Accruals - Employee benefits	1,892,434	1,635,980
Accruals - Others	846,247	423,279
WCOA 2010's accruals	2,336,487	-
	<u>6,326,893</u>	<u>3,183,856</u>

The credit periods granted by sundry payables to the Institute ranges from 14 days to 60 days (2010: 14 days to 60 days).

15. DEFERRED INCOME

	30 June 2011 RM	30 June 2010 RM Restated	1 July 2009 RM
Membership admission pending Council's approval	285,133	257,867	189,202
Practising certificate holders pending Council's approval	7,500	3,250	4,000
Deferred Income - Existing Members	29,350	22,000	4,250
Deferred Income - Seminars and Conferences	266,309	205,222	152,694
Deferred Income - Others	11,921	30,150	67,170
	<u>600,213</u>	<u>518,489</u>	<u>417,316</u>

16. DEFERRED INCOME – GOVERNMENT GRANTS

	WCOA 2010 RM	FRSIC RM	ICS RM	SSCDF RM	Total RM
30 June 2011					
Grants received	10,000,000	1,700,000	125,000	565,400	12,390,400
Income derived from placement of grant	1,615,831	-	-	-	1,615,831
Deferred income released	<u>(11,615,831)</u>	<u>(1,551,454)</u>	<u>(88,956)</u>	<u>(31,298)</u>	<u>(13,287,539)</u>
	<u>-</u>	<u>148,546</u>	<u>36,044</u>	<u>534,102</u>	<u>718,692</u>
30 June 2010					
Grants received	10,000,000	1,300,000	125,000	565,400	11,990,400
Income derived from placement of grant	1,328,021	-	-	-	1,328,021
Deferred income released	<u>(5,337,655)</u>	<u>(1,104,602)</u>	<u>(15,902)</u>	<u>(30,767)</u>	<u>(6,488,926)</u>
	<u>5,990,366</u>	<u>195,398</u>	<u>109,098</u>	<u>534,633</u>	<u>6,829,495</u>

16. DEFERRED INCOME – GOVERNMENT GRANTS (continued)

(a) WCOA 2010

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

(b) FRSIC

The Institute was offered a grant from the Capital Market Development Fund (“CMDF”) during the financial year ended 30 June 2008. This grant is for the establishment and operation of a dedicated secretariat to manage the implementation of Financial Reporting Standards Implementation Committee (“FRSIC”). It is payable yearly over a period of 5 years from 1 October 2007 to 30 September 2012 totalling RM2,000,000. RM400,000 was received during the financial year (2010 : RM400,000).

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

	2011 RM	2010 RM
(i) Grant received		
At beginning of financial year	1,300,000	900,000
Grant received during the financial year	400,000	400,000
At end of financial year	<u>1,700,000</u>	<u>1,300,000</u>
(ii) Deferred income released to compensate the related expenditure incurred		
At beginning of financial year	1,104,602	743,699
Advisory	12,000	33,000
Administration	725	853
Meeting	746	1,188
Salaries	433,381	325,862
	<u>446,852</u>	<u>360,903</u>
At end of financial year	<u>1,551,454</u>	<u>1,104,602</u>

(c) ICS

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

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

	2011 RM	2010 RM
(i) Grant received		
At beginning of financial year	125,000	-
Grant received during the financial year	-	125,000
At end of financial year	<u>125,000</u>	<u>125,000</u>
(ii) Deferred income released to compensate the related expenditure incurred		
At beginning of financial year	15,902	-
Meeting and workshop	71,523	15,028
Travelling	1,531	874
	<u>73,054</u>	<u>15,902</u>
At end of financial year	<u>88,956</u>	<u>15,902</u>

16. DEFERRED INCOME – GOVERNMENT GRANTS (continued)

(d) SSCDF

RM1.1308 million was approved under the Malaysian Industrial Development Authority (“MIDA”) Service Sector Capacity Development Fund (“SSCDF”) with RM630,800 for Upgrading and Modernisation Programme and RM500,000 for Training/ Outreach Programme. 50% of the grant amounting to RM 565,400 was received by the Institute during the previous financial year and the balance will be claimable upon completion. The Institute has to implement the said programmes before 31 December 2011 as required by MIDA.

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

	← 2011 →		← 2010 →	
	Upgrading & Modernisation RM	Training / Outreach RM	Upgrading & Modernisation RM	Training / Outreach RM
(i) Grant received				
At beginning of financial year	315,400	250,000	-	-
Grant received during the financial year	-	-	315,400	250,000
At end of financial year	<u>315,400</u>	<u>250,000</u>	<u>315,400</u>	<u>250,000</u>
(ii) Deferred income released to compensate the related expenditure incurred				
At beginning of financial year	30,767	-	-	-
Meeting and workshop	531	-	30,767	-
Travelling	-	-	-	-
At end of financial year	<u>31,298</u>	<u>-</u>	<u>30,767</u>	<u>-</u>

18. WORLD CONGRESS OF ACCOUNTANTS (WCOA 2010) ACCOUNT

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

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

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

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

The WCOA 2010 account is represented by the following:

	← 2011 →	
	RM	RM
Government Grants (Note 16)		10,000,000
Income derived from placement of grant: (Note 16)		
Dividend from Institutional trust account	1,325,853	
Fixed deposit interest	276,966	
Interest income from current account	13,012	1,615,831
Income derived from WCOA 2010:		
Delegates fees	14,027,562	
Income from sponsorship	2,984,420	
Income from exhibition	778,432	
Income from golf tournament	72,400	17,862,814
Total Income from WCOA 2010		29,478,645
Less: Expenditure of WCOA 2010		
Administration	(2,571,202)	
Acceptance fee	(57,024)	
Auditors' remuneration	(24,650)	
Bank charges	(19,223)	
Commission on exhibition	(61,439)	
Commission on sponsorship	(83,750)	
Commission for IFAC	(1,402,756)	
Depreciation	(36,053)	
Employees' benefits	(2,147,939)	
Exhibition expenses	(543,120)	
Mailing/Distribution	(365,287)	
Manpower resources	(132,978)	
Meeting	(222,161)	
Marketing and promotion	(2,145,416)	
Professional Congress Organiser fee	(1,800,000)	
Risk Management	(114,031)	
Service tax	(91,981)	
Social programme	(2,595,657)	
Speaker costs	(535,145)	
Transportation	(225,610)	
Venue rental	(4,797,113)	(19,972,535)
Surplus from WCOA 2010 account		9,506,110

The dividend and interest rates and tenure of placement for the funds placed in an Institutional trust account and fixed deposits are disclosed in Notes 11 and 12.

19. OTHER INCOME

	2011 RM	2010 RM
Dividend from institutional trust accounts	255,425	269,125
Hibah income on current account	30,239	18,996
Interest on fixed deposit	56,050	34,778
Management fee	6,000	6,000
Miscellaneous income	19,768	14,118
Rental income	31,200	31,200
	<u>398,682</u>	<u>374,217</u>

20. ALLOWANCES AND WRITE-OFFS

	2011 RM	2010 RM
(Reversal)/Allowance of impairment of receivables	(24,475)	32,095
Property, plant and equipment written off	50,223	1,207
Assets expensed off	3,611	4,825
Slow moving and obsolete inventories written off	-	41,834
Subscription in arrears written off	234,967	178,200
	<u>264,326</u>	<u>258,161</u>

21. EMPLOYEES' BENEFITS

	2011 RM	2010 RM
Salaries, overtime and bonus	7,526,285	7,944,152
Contributions to EPF	1,254,208	1,207,843
Other staff benefits	389,981	344,835
Social security contribution	68,776	66,450
Staff training	217,551	170,044
Staff welfare	176,624	17,586
	<u>9,633,425</u>	<u>9,750,910</u>
Less: Employees' benefits charged to Other Activities (Note 17)	<u>(2,461,295)</u>	<u>(2,649,519)</u>
	<u>7,172,130</u>	<u>7,101,391</u>

22. INTERNATIONAL RELATIONS

	2011 RM	2010 RM
Subscription to international accountancy bodies	297,810	241,351
Meetings of council, technical and advisory committees of international accountancy bodies	203,310	193,729
	<u>501,120</u>	<u>435,080</u>

23. MEMBERSHIP SERVICES

	2011 RM	2010 RM
Annual general meeting	131,679	94,687
Council, committee and other meetings	138,266	148,502
Gazette	20,620	20,155
Institute's journal - Accountants Today	1,216,049	1,322,223
Library	49,781	56,362
Membership recruitment drive	379	23,441
Technical, printed materials and postage	79,538	75,918
	<u>1,636,312</u>	<u>1,741,288</u>

24. OTHER EXPENSES

	2011 RM	2010 RM
Advertisement - staff recruitment	16,333	38,422
Auditors' remuneration	13,400	13,660
Bank charges and commissions	128,565	122,399
Branch administrative expenses	9,600	63,750
Donation and contribution	-	5,530
Establishment expenses	485,175	505,021
General expenses	79,945	73,025
Gifts, momentos and tokens	10,613	6,965
Honorarium to registrar	60,000	60,000
Insurance	72,559	67,037
Office rental	376,460	307,962
Professional fees	26,345	107,429
Promotional expenses	87,218	55,974
Public relations expenses	-	52
Repair and maintenance	140,730	148,311
Subscription to other professional bodies	3,634	2,985
Travelling and accomodation	65,696	60,624
Utilities	340,049	348,714
	<u>1,916,322</u>	<u>1,987,860</u>

25. INCOME TAX EXPENSE

	2011 RM	2010 RM
Income tax		
- current year	360,000	390,000
- prior year	-	-
	<u>360,000</u>	<u>390,000</u>
Deferred tax (Note 7)	156,631	82,890
	<u>516,631</u>	<u>472,890</u>

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

INCOME TAX EXPENSE (continued)

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

	2011 RM	2010 RM
Surplus before tax	10,180,478	1,172,440
Taxation at applicable statutory tax rate of 24% (2010: 26%)	2,443,315	304,834
Tax effects of:		
- expenses not deductible for tax purposes	56,769	52,084
- unabsorbed capital allowances for the current year disregarded under Addendum to Public Ruling No. 6/2005	32,114	62,722
- current year losses disregarded under Addendum to Public Ruling No. 6/2005	35,948	-
- overprovision of deferred tax assets in prior year	-	78,040
- deferred tax assets not recognised	221,491	-
- income not subject to tax	(2,281,466)	-
- change in tax rate	8,460	(24,790)
	<u>516,631</u>	<u>472,890</u>

26. RELATED PARTY DISCLOSURES

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

(a) Fees paid by Council members

	2011 RM	2010 RM
Members' annual fees	6,000	7,500
Practising certificate fees	4,250	4,250
	<u>10,250</u>	<u>11,750</u>

(b) Key management personnel compensation

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

	2011 RM	2010 RM
Salaries	774,413	773,386
Contribution to EPF	105,032	110,808
Social security contribution	620	620
	<u>880,065</u>	<u>884,814</u>

The year-end outstanding balance of RM135,211 (2010: RM100,960) in relation to compensation payable to key management personnel is included in payables and accruals.

27. FINANCIAL INSTRUMENTS

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

(a) Categories of Financial Instruments

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

	2011 RM	2010 RM
Financial assets		
Loans and receivables:		
- Receivables, deposits and prepayments	2,024,593	900,898
- Fixed deposit with licensed financial institutions	12,548,123	3,323,136
- Institutional trust account	6,022,671	6,474,793
- Cash and bank balances	6,675,411	1,820,226
	<u>27,270,798</u>	<u>12,519,053</u>
Available-for-sale financial asset:		
- Investment	<u>7,458</u>	<u>7,458</u>
Financial liabilities		
Financial liabilities measured at amortised costs:		
- Payables	514,380	666,573
- Accruals	5,812,513	2,517,283
	<u>6,326,893</u>	<u>3,183,856</u>

(b) Financial Risk Management Objectives and Policies

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

i) Credit Risk

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

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

ii) Liquidity Risk

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

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

Maturity Analysis

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

	Less than 1 year 2011 RM
Sundry payables	514,380
Accruals - Seminars and conferences expenses	737,345
Accruals - Employees benefit	1,892,434
Accruals - Others	846,247
WCOA 2010's accruals	<u>2,336,487</u>
	<u>6,326,893</u>

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

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

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

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

(c) Fair value

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

28. CAPITAL MANAGEMENT

The objectives of the Institute in managing capital are:

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

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

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

29. RESTATEMENT OF COMPARATIVES

Included in receivables are the amounts recognised upon registration of participants for seminars and conferences which did not meet the definition of assets, and accordingly the said amounts and its corresponding entries in deferred income were adjusted and the comparative figures have been restated as follows:

At 30 June 2010

	As previously stated RM	Adjustment RM	As restated RM
Current assets			
Receivables, deposits and prepayments	1,243,251	(342,353)	900,898
Current liabilities			
Deferred income	860,842	(342,353)	518,489

The balances at 1 July 2009 did not include the amounts recognised upon registration of participants for seminars and conferences and accordingly no adjustment is required.

Event Highlights

1 July 2010 – 30 June 2011

Sustaining
the
Momentum



WCOA 2010

Malaysia and MIA Hit the Big Time



Tan Sri Nor Mohamed Yakcob, Malaysian Minister in the Prime Minister's Department in charge of Economic Planning Unit, delivering the keynote address at the opening ceremony of WCOA 2010.



WCOA 2010 brought over 6,000 delegates from 134 countries to Kuala Lumpur.

The 18th World Congress of Accountants held for the first time in Malaysia from 8-11 November 2010 was billed as the “greatest show on earth” for accountants all around the globe.

Jointly organised by the Malaysian Institute of Accountants (MIA) and the International Federation of Accountants (IFAC), the latest congress was deemed a triumph in terms of attendance – it succeeded in drawing a record-breaking 6,050 delegates from 134 countries and over 100 high-powered speakers.

Themed “Accountants: Sustaining Value Creation”, the Congress was held in Malaysia for the first time. Under the umbrella of sustainability, the key issues under discussion included understanding how accountants can add sustainable value and remain relevant; the development of a new integrated reporting framework to strengthen corporate reporting and enable the accurate valuation of enterprises; the alternative role of Islamic finance in global markets; and profiling the accountants of the future.

Beginning from the glamorous opening ceremony steeped in Malaysian traditions to the closely-attended plenary and concurrent sessions, the WCOA was considered an overwhelming success in branding the accounting profession as creators and sustainers of value and in raising the relevance and profile of the profession.

Pictures tell a thousand words, and the following photospread captures the highlights and essence of WCOA 2010.



Delegates enjoyed up-to-the-minute presentations from a diverse line-up of speakers on subjects ranging from Sustainability to Global Islamic Finance.



Congress Rolls-out Green Initiatives: A tree planting ceremony as part of the Congress green initiative. (L-R) Ex-IFAC President Robert Bunting, IFAC President Goran Tidstrom, IFAC CEO Dr Ian Ball, MIA Vice President Christina Foo, MIA President Abdul Rahim Abdul Hamid, and MIA CEO Rosli Abdullah.

BENEFITS OF WCOA 2010

It is certainly a great challenge for Malaysia and MIA in particular to host a grand international event such as WCOA 2010 that have benefitted not only the country's economy but also project strongly the nation's positive image in the international arena. WCOA 2010 is a project not just for MIA but for the nation and all Malaysians. It is undoubtedly a project of national and strategic importance.

WCOA 2010 has delivered the following enormous benefits to the country:-

- i) WCOA 2010 attracted many senior financial officers of foreign companies who wield much investment decision making and spending power into Malaysia.
- ii) WCOA 2010 presented and showcased great opportunities for Malaysian business and financial leaders to seek out foreign players for the purpose of forming business and other partnerships.
- iii) WCOA 2010 showcased Malaysia's leading role on Islamic finance and accounting. Malaysia is already recognised as a major player of Islamic finance in the world, this congress provide an opportunity to expose and involve over 6,000 accountants in the world to the benefits and added value of Islamic finance.
- iv) WCOA 2010 further enhanced Malaysia's position among global financial community. There have been positive indications of this fact. For example, the Government of Malaysia has agreed to host the United Nations Development Programme's (UNDP) Global Shared Services Centre on International Public Sector Accounting Standards. The UNDP Global Shared Services Centre (GSSC) is being established to support UNDP's adoption of "best practice" International Public Sector Accounting Standards (IPSAS) from January 2012. The Centre will provide training and other IPSAS support to UNDP's global offices.

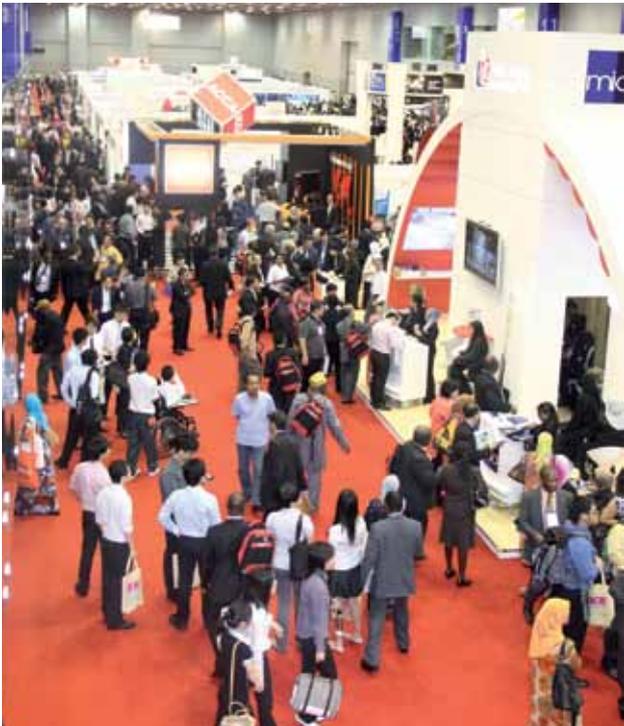


The Winning Team behind WCOA 2010's towering success. (L-R): Organising Committee Chairman, YC Lee; Steering Committee Chairman, Abdul Rahim Abdul Hamid; Christina Foo and Rosli Abdullah.

- v) WCOA 2010 provided opportunities to financial experts and leaders from various industries to gain access to the latest developments and information in the corporate business and financial world via sharing of information by world famous speakers. This has indirectly benefitted our local business leaders in exploring global market and achieves competitive edge.
- vi) WCOA 2010 also has successfully promoted Malaysia as a tourist destination. Hosting the WCOA has boosted the country's image as a multi-racial country with its population living in harmony.
- vii) WCOA 2010 generated tremendous media publicity for MIA and Malaysia.
- viii) WCOA 2010 created tremendous multiplier economic effect for the country. On average each foreign delegate spends about USD6,500 during their stay in Kuala Lumpur.



Delegates were introduced to the diversity of Malaysia through numerous cultural performances at social and networking events.



WCOA 2010 heavy-weight sponsors.



2 July 2010

Attaining Audit Quality for Public Interest Entities

The practical aspects on the implementation of the International Standard on Quality Control 1 (ISQC1) towards developing an enhanced framework for audit quality, as well as the applicability and practicability of the ISQC 1 pursuant to the regulatory framework, were discussed in a half-day special forum organised in partnership with the Securities Commission.



10 July 2010

UiTM Accountancy Career Talk

An Accountancy Career Talk was organised for UiTM's new intake at the Faculty of Accountancy in its Kota Samarahan, Sarawak campus. Two hundred and ten students and lecturers attended the talk held to promote the accountancy profession and MIA.



19 August 2010

Risks Management in Audit Practices

Auditors are expected to understand and manage the risks in the environment they are currently operating in as well as how to effectively manage these risks to sustain and grow the business. At the same time, they are also expected to apply risk reward principle to maximise the return on practices. This knowledge was imparted in a one-day event in Kuala Lumpur.



22 September 2010

Members Engagement Session (MES) 2010

The latest technical update and knowledge on information regarding the most current development in the accountancy profession, locally and globally, were disseminated to members at the event held in Kuala Lumpur.



25 September 2010
MIA's 24th Annual General Meeting

The annual meeting was attended by about 500 members.



1 October 2010
Time Out in Sabah

MIA Sabah Members had for the first time held their annual meet outside Kota Kinabalu. The gathering in Sandakan saw members having a sport of golf and bowling friendlies, followed by Members' Dialogue with MIA CEO/Registrar Rosli Abdullah. It was a fruitful interacting session for 80 members and the Sabah Regional Committee as well as Rosli. The two-day gathering also fit in some R&R activities, namely visit to the Orang Utan Rehabilitation Centre in Sepilok, as well as a tour of Sandakan's attractions. MIA Sabah also celebrated its 43rd anniversary with a well attended dinner that honoured senior MIA members who reside in Sandakan.



7 October 2010
MIA-USM Business Forum

Carrying the theme Sustainable Development: New Challenges for the Professionals, a business forum was organised in collaboration with the Graduate School of Business of Universiti Sains Malaysia in Penang. The forum provided a platform for exchange of ideas, views and expertise on sustainable agenda and the roles that professionals play therein.



11-12 October 2010
Accountants in Business Symposium 2010

Accountants who are employed in the commerce and industry should gain the latest updates and insights on specific issues that matters most to their jobs, and that would have great impact on their organisations both in terms of enterprise governance and performance. Twelve highly sought-after speakers shared their expertise with participants at the two-day symposium in Kuala Lumpur.



19 October 2010
PSMB HR Award

In recognition of MIA's excellent role in the human resources development sector, Pembangunan Sumber Manusia Bhd (PSMB) has chosen MIA to be the recipient of the Appreciation Award 2010. The Human Resources Development Awards are given out to training providers who have played significant roles in the human resources development in the country. MIA Chief Executive Officer Rosli Abdullah accepted the award for MIA from the Minister of Human Resources, YB Datuk Dr S Subramaniam.



20–29 October 2010
Budget 2011 Proposals & Recent Developments Roadshow

Jointly organised by MIA and the Malaysian Association of Tax Accountants (MATA), the roadshow attracted close to 1,600 participants throughout Malaysia and saw a panel of prominent speakers from the Ministry of Finance, Inland Revenue Board of Malaysia and some private companies.



19–22 November 2010
Accounting Students Conference 2010 (ASC 2010)

In line with its commitment to the development and advancement of the accountancy profession, MIA has initiated the Accounting Students Conference (ASC) that is held once every two years since 2006. The objectives of the conference were to expose the students to the accountancy profession and to equip them with the knowledge required of them as professionals. The conference was hosted by Universiti Teknologi Mara Accounting Students Club Shah Alam.



9 December 2010
MIA-IRB Penang Get Together

Chairman of MIA in Northern Region Ooi Kok Seng, committee members and staff hosted a visit from Inland Revenue Board Penang State Director Ramlot Keli and some senior officials. Among others, Ooi briefed on the disparity in the accounting and tax treatment arising from the adoption of Financial Reporting Standards (FRSs) by listed companies. The tax agent's licence interview process and other administrative matters were discussed and clarified at the meeting.



15 December 2010
National Award for Management Accounting (NAfMA)

Maxis Berhad emerged as the Excellence winner of the NAfMA 2010. Malaysia Airlines System Bhd bagged the best practice award in the public listed category while Digi Communications Sdn Bhd won in the non-listed category. The practice solution award was bagged by Plus Expressways Bhd in the public listed category, The New Straits Times Press in the non-listed category and TEX Cycle Sdn Bhd in the SME category. YBhg Dato' Daud Tahir, Malaysia's deputy secretary general, presented the awards on behalf of YB Dato' Seri Ismail Sabri Yaakob Minister of Domestic Trade, Cooperative and Consumerism at the grand dinner ceremony.



18-19 December 2010
Penang Career & Postgraduate Expo

MIA was among 85 organisations comprising multinational corporations, companies, universities, employment agencies and associations which participated as exhibitors in the Expo.



20 December 2010
MIA QE Graduation

MIA hosted a graduation ceremony in honour of 32 candidates who successfully passed the MIA Qualifying Examination (MIA QE) in the March and September 2010 sittings. A number of 18 candidates were also awarded Certificates of Achievement for having passed various papers of the QE with Distinction.



13 January 2011
Build Your Business: Assessing Options, Building Capabilities, Competing for the Future

This special forum was designed for the public practitioners and accountants who want to further develop their careers. It was facilitated by nine speakers, namely, Dato' Gan Ah Tee, Chua Hock Hoo, Chen Voon Hann, Paul Cheng Chai Liou, Arthur Law, Lim Chor Ghee, Noraida Maria Mohd Hatta and James Chan.



17 January 2011
Courtesy visit to IRB Johor

MIA Johor branch paid a courtesy visit to Inland Revenue Board (IRB) to foster closer ties as coincidentally both MIA Johor Regional Chairman, Huang Shze Jiun, and IRB Director of the Johor state, Md. Daud Ab. Rahman, were newly appointed.



22 January 2011
Members' Annual Gathering 2010/2011

MIA Sarawak Regional Office held a dinner party for its members' annual gathering in Kuching. Attendees were transported back to the 70s and 80s, with colourful décor and intricate clothing, reminiscent of the flashy disco era.



27 January 2011
Career Talk Sessions

Sabah Regional office officer, conducted Career Talk sessions at Yu Yuan Secondary School and St Mary Secondary School in Sandakan. The students were from Form Five, Form Six, A Levels and those pursuing London Chamber of Commerce and Industry (LCCI). The officer talked about the path to be an accountant, the benefits of being an accountant and the advantages of choosing accountancy as a career especially in this current economic situation. She also shared her personal experience as an accountancy student and how she qualified as a chartered accountant.



27 January 2011
National Annual Corporate Report Awards 2010 (NACRA)

A ceremony was held in Kuala Lumpur to honour the winners. Public Bank Berhad was awarded the Platinum Award for winning the Most Outstanding Annual Report of the Year as well as the Gold Award for Best Annual Report in Bahasa Malaysia and the Industry Excellence Award (Main Market) for the Finance Category. Telekom Malaysia Berhad swept five awards which included the Gold award for the Most Outstanding Annual Report of the Year and the Industry Excellence Award (Main Market) for the Trading & Services category. PLUS Expressways Berhad won three awards which included the Silver award for the Most Outstanding Annual Report of the Year.



9 February 2011
Fourth Roundtable Discussion

The topic “How to Make CA (M) a “Global” Qualification” was explored, in sync with the Economic Transformation Programme Roadmap which has identified the accounting services as one of the additional business opportunities that will support the growth of the business services industry. Chaired by MIA President Abdul Rahim Abdul Hamid, the discussion exchanged ideas among the academicians from the higher learning institutions in order to strategise the way forward for the Malaysian accountancy education system to meet global education standards. Also present were Christina Constance Foo, Rosli Abdullah and other representatives from local public and IHLS universities.



22 February 2011
Kursus Pemantapan Prinsip Perakaunan

MIA was invited by Majlis Amanah Rakyat (MARA) to deliver a talk about the Institute and the accountancy profession at their “Kursus Pemantapan Prinsip Perakaunan”, organised by Institut Latihan Kecemerlangan MARA. MIA representative took the opportunity to provide information on the accountancy profession, particularly on the career path of an accountant to 37 accounting teachers from Maktab Rendah Sains MARA across Malaysia during a four-hour session. Three universities namely Universiti Sains Malaysia, Universiti Teknologi MARA and Universiti Kebangsaan Malaysia participated in the event.



6 March 2011
Case Critique Workshop

MIA organised a brainstorming session, Case Critique Workshop, in Cyberjaya in an effort to ensure that cases are compatible with students’ understanding and relevant to the lecturers’ teaching perspectives. This is in view that the second round of Integrated Case Study (ICS) development was completed while the Second Volume of Case Studies was expected to be ready in June 2011. The objectives of the workshop were to enhance and review cases that may be used by universities as part of teaching tools in the ICS course and to serve as platform for exchanging views and ideas among the academicians and practitioners on areas for improvement with regard to the contents of the cases, teaching notes or delivery matters. The workshop was facilitated by case writers, Rahimah Yeop, former officer of Institut Tadbiran Awam Negara and Assoc. Prof. Dr. Arfah Salleh of the Graduate Business School of Management, Universiti Pertanian Malaysia.



11 March 2011
Forum on Revised Auditing Standards

A forum entitled “Revised Auditing Standards: Implication to Business and Role of the External Auditors” to discuss the latest developments on the auditing standards in Malaysia was organised jointly with ACCA Malaysia Sdn Bhd. The half-day forum was opened by MIA Vice President, Christina Constance Foo while Thong Foo Vung, Technical Partner, KPMG delivered a presentation on “Clarified International Standards on Auditing (ISAs).” Five panellists namely Nik Mohd Hasyudeen Yusoff, Executive Chairman, Audit Oversight Board, Securities Commission; Mohd Raslan Abdul Rahman, Managing Partner, KPMG; Muhammad Ibrahim, CEO of Federation of Public Listed Companies Bhd; Jason Sia Sze Wan, Member, Audit Practice Committee, MIA; and Dr. Nurmazilah Dato’ Mahzan from University of Malaya explored issues on the latest developments on the auditing standards in Malaysia. The discussion was moderated by Lee Tuck Heng, Partner, PricewaterhouseCoopers.



15 March 2011
Courtesy Call to IRB Kota Kinabalu

MIA Sabah Regional Committee made a courtesy call to IRB Sabah Director Tuan Haji Kamaruzzaman Ab. Salleh at his office at IRB, Kota Kinabalu, jointly with CTIM Sabah Branch. A fruitful discussion then ensued among IRB, MIA and CTIM.



19 March 2011
10th Intersarsity Accounting Quiz (IVAQ) 2011

The event was organised by the MMU, Melaka Campus and advised by MIA. Among the objectives of the event were to test the understanding, application and implementation of the accounting field as well as to create awareness among students on the accounting bodies in Malaysia such as the MIA. MIA President, Abdul Rahim Abdul Hamid delivered a speech at the opening ceremony. The participating students are from Multimedia University, Taylor's College, Sunway College Ipoh, TAR College, Management & Science University, Sunway College Johor Bahru, Sinar College, University Teknologi MARA, Universiti Putra Malaysia, Universiti Tunku Abdul Rahman, Universiti Malaya, Sunway University College, City University College, Universiti Kebangsaan Malaysia, KBU International College and Disted College.



29-30 March 2011
Induction Course for Boards in Ministry of Finance, Sabah

MIA representative Petrus Gimbad discussed three main topics on the Boards' role in Strategic Oversight, Financial and Legal Risk Management, Audit Committee Effectiveness, Challenges and Priorities; and ensuring effective Committees: Audit, Compensation and Nominating and Governance. The event was attended by 100 participants.



30 March 2011
Forum on accounting career: Opportunities and Challenges

A forum was held at the UiTM Melaka City Campus auditorium and was attended by close to 430 students and members of the academia. The program was held to fulfill part of the requirement of the coursework for the subject on Audit and Assurance Services with the objective of exposing the students to the job opportunities as well as the challenges in the accounting field. MIA was represented by Abdul Halim Husin, Lee Hin Kan and Gan Kin; among others.



12 April 2011
Career Talk at SMK Sultan Badlishah, Kulim

Regional Committee Member Chan Boon Jiunn conducted a career talk at SMK Sultan Badlishah, Kulim, Kedah. The talk was attended by 110 Form 5 students and teachers. Chan shared his experience as an accountant/ auditor, introduced the roles and functions of the MIA, and answer questions raised by students.



22 April 2011
WCOA 2010 contributes RM60,000 towards Malaysia Business Tourism Green Programme

The International Federation of Accountants (IFAC) and The Malaysian Institute of Accountants (MIA), contributed RM60,000 to the Forest Research Institute Malaysia (FRIM) towards the Malaysia Business Tourism Green Programme (MBTGP) to offset country's carbon emissions through tree planting activities. This contribution was made by both organisations as part of their commitment to offset carbon emissions from the 18th World Congress of Accountants (WCOA) 2010. During the event, more than 6,000 delegates were encouraged to contribute to offset carbon emissions. Presenting the cheque to FRIM's Director General, Datuk Dr. Abdul Latif Mohmod was the WCOA 2010 Steering Committee Chairman and MIA President, Abdul Rahim Abdul Hamid. The ceremony was held in FRIM in conjunction with the 2011 Earth Day Celebration. With the contribution of RM60,000 a total of 600 trees have been planted by FRIM.



4 May 2011
Unveiling of MIA AFA Conference 2011 and Strategic Networking

MIA and AFA announced the hosting of MIA-AFA Conference 2011 that will be held from 2–3 November 2011 in Kuala Lumpur. It is expected that over 2,500 delegates from ASEAN Countries and the Asia Pacific region—comprising thought leaders in accounting, finance and business—will share and gain fresh insights on cutting edge information on global trends, issues and challenges affecting the business world today. The launch was attended by various ministries, regulatory agencies, accounting professional bodies, accounting firms, academicians and corporate entities who also will act as strategic partners in promoting and proactively participating in making the event a success. With the theme, 'Converge, Transform, Sustain: Towards World Class Excellence', it resonates well in the present highly competitive financial services industry where new challenges and opportunities are continuously emerging in this era of globalisation.



11 May 2011
Special Members' Briefing on Companies Regulation 1966

Sabah Regional office initiated a Special Members' Briefing on Companies Regulation 1966—Governing Prescribed Forms and Documents and MYCOID by Ng Ling Chee, Head of Operation of SSM Sabah in Damai Office. The outline of the briefing includes format of prescribed forms, general requirements for forms lodge with the Registrar-Regulation 5(1), Lodgement of Prescribed forms under the Companies Act 1965, common errors in lodgement of forms/ documents and information on MYCOID. It was overwhelming with full house attendance of 70 members and member firms' staff.



19 May 2011
2011 Tax Updates Seminar

In collaboration with the IRB, MIA Northern Regional Office organised a seminar to update the stakeholders and promote tax compliance in Penang. The speaker, Yong Mei Sim, Principal Assistant Director of IRB updated the 170 accountants and tax professionals attending on the salient points of recent tax developments, particularly, the IRB's stand on some of the tax issues and two public rulings issued in 2011. She also shared invaluable insights of leading tax cases' court decisions which would be used as reference to solve common issues.



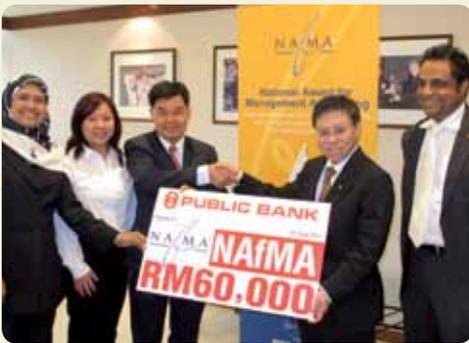
25–26 May 2011
National Accounting Educators Symposium 2011

Several renowned speakers and panelist delivered their papers at the symposium held in Kuala Lumpur. Its objective was to provide an avenue for accounting educators to explore the practical issues and latest developments confronting the accounting profession, in order to bridge the gap between theory and practice.



6–7 June 2011
The National Public Sector Accountants Conference (NAPSAC 2011)

Attracting close to 540 participants, the conference held in Kuching, Sarawak, gave participants an understanding of the requirements, standards and policies of accrual based IPSAS as well as to help participants understand the challenges and issues arising from implementing accrual based IPSAS.



22 June 2011
NAfMA 8th Anniversary and Workshop

NAfMA has reached its eighth year this year and both the awarding bodies, CIMA Malaysia and MIA are proud to acknowledge that NAfMA has evolved into a coveted competition since its inception in 2004. This year, the NAfMA Organising Committee has included a new entry category for cost centre companies that have successful management accounting practices and tools with at least two years proven track record of cost saving. NAfMA workshops are being held nationwide, with the first one at Menara Public Bank in Kuala Lumpur. The workshop was held in conjunction with a breakfast talk on 'Management accounting tools for building sustainable value' where speakers from winning companies of NAfMA 2010 were present to share their experience in preparing for the competition. Following the talk, Public Bank, the main sponsor of NAfMA 2011, presented a mock cheque to NAfMA.