



MALAYSIAN INSTITUTE OF ACCOUNTANTS

#NATION BUILDING

Driving Sustainability Through Trust and Collaboration

Integrated Report 2020

About This Report



MIA collaborates strategically with trusted stakeholders and partners to future-proof the accountancy profession, protect the public interest and support sustainable nation building.

Scope and Boundary of Reporting

This is MIA's fourth Integrated Report (<IR>), prepared in accordance with the International <IR> Framework of the International Integrated Reporting Council (IIRC) and provides our stakeholders with a concise evaluation of our value creation activities for the 2019/2020 financial year.

The report covers MIA's primary activities of regulation and development of the accountancy profession in Malaysia to support our overarching purpose of nation building. It is primarily intended to serve the information requirements of our stakeholders and to demonstrate our integrated thought process as well as how we create integrated value through regulation and development to uphold their interests.

We produce and publish our <IR> annually to provide material information relating to our purpose and values, strategy and business model, capitals and enablers, operating environment, material factors and risks, stakeholder interests, performance as measured against our strategic objectives,

our governance processes according to the Accountants Act 1967 (the Act) and the profession's outlook and prospects. Any material events after 30 June 2020 and up to the Council's approval date of 27 August 2020 have also been included.

Readers will gain insight into MIA's purpose, strategy, operational targets and expected value creation outcomes for the short (1 year), medium (3 years) and long term (5 years or more), which are primarily non-financial in nature as a statutory body of the Malaysian accountancy profession. We have also revised our disclosures and guidance to take into account the impacts of the COVID-19 pandemic. In addition, our strategic and operational plans as well as our key targets are under continuous review.

To ensure the integrity of this report, the Council exercises its collective oversight over the report preparation and presentation processes. It is the Council's opinion that this report is presented in accordance with the IIRC's Integrated Reporting Framework.

In This Report

1.0 Overview

02 MIA At A Glance

2.0 Reflections From The Top

04 President's Message
06 CEO's Statement
08 Management Team
10 Views from Management
12 Case Study 1 : Future-proof through Digital Transformation
15 Case Study 2 : Supporting the Development of Islamic Finance
18 Case Study 3 : Driving <IR> for Long Term Sustainability
20 Our Talent, Culture and Diversity

3.0 Creating Value Through Our Strategy

24 Market Outlook and Key Trends
28 Stakeholders Engagement
38 Material Matters
42 Our Value Creation Model
44 Performance By Strategic Objectives
61 Our Capitals
65 Financial Summary
66 Embedding Sustainability
68 Our Key Risks

4.0 Our Governance

70 Council Members
74 Governance Framework and Functions
75 Our Risk Management Framework
76 Report of The Council
79 Composition of Council
81 Committees/Task Forces
82 Acronyms

5.0 Our Performance

84 Financial Statements for the Financial Year Ended 30 June 2020

MIA At A Glance

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

MIA's nation building purpose is integrated with these following 6 key SDGs:



Our Purpose, Vision and Values

Purpose

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

Vision

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

Values



Integrity



Mutual Trust and Respect



Professionalism



Accountability



Commitment



Teamwork



Sustainability

Founded on our values, and fuelled by our 6 capitals, MIA's regulatory and development activities are guided by our 4 Strategic Objectives.

Strategic Objective 01



S01

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

Strategic Objective 02



S02

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

Strategic Objective 03



S03

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

Strategic Objective 04



S04

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



For more information, please scan this QR Code to access our website or visit <https://www.mia.org.my/>

For more information about Performance by Strategic Objectives and Our Capitals, please go to [pages 44 - 64](#)

Our Capitals



Intellectual



Human



Social and Relationship



Manufactured



Financial



Natural

MIA'S KEY VALUE CREATION ACTIVITIES ALIGNED WITH OUR STRATEGIC OBJECTIVES

S01

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

- Thought leadership, technical support and guidance on standards and professional practices
- Develop education and outreach initiatives
- Design and deliver relevant Continuing Professional Education (CPE)

>>

Build competency of accountancy professionals

>>

Upskill and strengthen the accountancy talent pipeline

S02

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

- Support the implementation of ethics standards and MIA By-Laws (On Professional Ethics, Conduct and Practice)

>>

Protect public interest

S03

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

- Robust surveillance, investigation and disciplinary processes
- Advocate reform of the Accountants Act 1967
- Issuance of auditing and ethics standards

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A well-governed and compliant accountancy profession

>>

More effective and relevant regulation

S04

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

- Craft, review and implement strategic and operational plans
- Review, enhance, integrate and optimise operations, business processes and systems
- Engage with global bodies to enhance international recognition
- Diversify and sustain CPE and other income streams
- Embrace technology

>>

Steer our value creation activities in the short, medium and long term

>>

Better organisational efficiency

>>

Articulate MIA as the voice of the profession

>>

Strengthen business continuity

>>

Support the profession's digital transformation

President's Message

➔ **Huang Shze Jiun**
President



Enabling a Resilient and Relevant Accountancy Profession

Looking back, the past year has been highly volatile for the Institute and the profession as we responded to our key risks including the COVID-19 crisis, governance, our relevancy and business continuity.

In this critical environment, it is vital to escalate our efforts to further strengthen and develop the profession towards long-term resilience and relevance. This supports the country's sustainable development in line with MIA's nation building purpose as enshrined in the Accountants Act 1967.

Below are some of the key strategies that MIA has been deploying to manage key risks and grasp emerging opportunities for the Institute and the profession throughout these turbulent times:

Managing the COVID-19 Risk

Top of the agenda right now is managing the COVID-19 crisis that has affected the Institute and the profession.

To support members, MIA has implemented crisis management strategies focusing on information, business continuity and continuing competency development. These include:

- Constant communication, including our first ever series of virtual Townhalls and a dedicated COVID-19 resource page, to keep members and stakeholders informed.
- Engagement with Government agencies such as the National Security Council, Ministry of Finance (MOF) and Ministry of Health to get clearance and clarification on resumption of accountancy services and aid for businesses and the profession
- Engagement with financial institutions to arrange lines of credit, loan moratoriums and other financial aid schemes to support the profession's business continuity
- Continuous outreach and sharing on crisis management strategies to support business continuity, especially for SMPs and SMEs
- Increased sharing on digital adoption, technologies and upskilling to help the profession navigate remote working culture
- Pivoting to online platforms such as e-learning and webinars to ensure continuing competency development
- Discounting CPE fees to accommodate members facing financial pressures
- Incorporating learning outcomes aligned with International Education Standards (IES) 7 into webinar programmes that meet CPE compliance requirements.

Managing Governance Risk

Next to COVID-19 risks, governance risk is the uppermost risk affecting the Institute and the profession. Strengthening governance of the profession is critical in order to improve

trust and confidence in the accountancy profession and in MIA as the regulator of the profession.

To strengthen governance, MIA is pressing for reform of the Accountants Act 1967, from which we derive our powers to develop and regulate the profession. Regulatory reforms will enable development of relevant regulations and better governance in line with time and best practices.

Although reforms of the Act have been delayed due to unforeseen circumstances including the COVID-19 crisis, the Institute will continue to engage proactively with the MOF to enact the proposed new Act. In the meantime, we are proactively managing the Act's shortcomings to enable better governance.

Opportunities for Digital Transformation

Digital transformation is vitally important in this new normal for the profession to be productive and relevant in a remote working culture. MIA will continue to advocate for accountants to embrace AI, big data analytics, blockchain, cloud, cybersecurity and robotics process automation which are the key technologies affecting the profession, via the operationalisation of the MIA Digital Technology Blueprint.

Opportunities for Sustainability – Towards Becoming a Relevant and Resilient Profession

Where the profession is concerned, the key to sustainability and future relevance lies in competency development, digital transformation and mindset change.

To become future relevant, accountants should embrace skills such as data analytics and become strategic business partners while creating compelling business insights to expand their organisation's footprints and impacts - sustainably. This is the way forward for the profession.

Looking Ahead

MIA's continued commitment to enabling the profession's sustainability is aimed at building a well-regulated, resilient and relevant profession that is trusted and adds value across a spectrum of economic and social settings.

While doing so, we will continue to uphold the profession's distinctive values of integrity, accountability and trust that differentiate and distinguish us as providers of trusted assurance and protectors of the public interest.

As the profession needs to be backed by a trusted and recognised advocate, we are equally committed to continue strengthening the Institute's governance, business model, talent, operations and reputation, and I believe this will be further enhanced once the proposed new Accountants Act is enacted.

Equally important, we trust that all accountants will embrace our vision of developing the profession sustainably, as transformation is impossible without your commitment. On behalf of the Council, I thank you for your ongoing support throughout the Institute's journey.

Acknowledgements

My term as President concludes at the MIA AGM in September 2020. Although short, as I was elected President in August 2019, my term has been very rewarding and memorable. I wish to thank my Vice President, Council members and stakeholders for their support and MIA management and staff for their dedicated efforts in executing the Institute's nation building initiatives.

As we forge ahead, I look forward to seeing what lies ahead on the horizon, and to serving the profession in other capacities.

CEO's Statement

➔ Dr. Nurmazilah Dato' Mahzan

Chief Executive Officer

Safeguarding the Profession

In review, the COVID-19 crisis and its impacts began to affect MIA in mid-March 2020, coming on the back of an excellent performance by the Institute from July 2019 to February 2020.

MIA remains committed to driving our purpose of value creation for nation building despite the challenges faced. Our actions are guided by our 4 strategic objectives and backed by composure in crisis, agility and preparedness to pivot, to enable a resilient and relevant Institute and profession

Adhering to our strategic plans and supported by our culture of collaboration, we delivered 71 key outputs in 2019/2020 versus 43 key outputs in 2018/2019. The key outputs delivered were also garnered in integration to deliver key outcomes to MIA's stakeholders.



See pages [44 - 60](#) for more information on our selected material key outputs

Committed to Value Creation

We continually monitor our value creation initiatives against our 4 strategic objectives to ensure that our outcomes align with the sustainable development goals of the Institute, profession and nation.

A key focus is to continually enhance the Institute's enforcement and regulatory mechanisms for better governance and public trust in the profession, disposing of 81 cases for the year. While we achieved numerous targets in developing the profession's competency, two notable milestones are our record breaking MIA International Accountants Conference 2019 and the release of the MIA Competency Framework.

The MIA International Accountants Conference 2019 drew 3,297 delegates, 83 speakers and 65 sponsors, far more than previous years. However, COVID-19 Standard Operating Procedures (SOPs) meant that MIA had to cancel the 2020 Conference due to prohibitions on large physical gatherings.

As of June 2020, the MIA Competency Framework document has been approved and made available to everyone in July 2020. The Competency Framework defines the baseline competencies required to become accountancy professionals in Malaysia in line with and in response to risks raised earlier in the Committee to Strengthen the Accountancy Profession (CSAP) report on recommendations for future relevance of the profession and the World Bank's 2012 Report on the Observance of Standards and Codes in Accounting and Auditing (ROSC AA) for Malaysia.

Digital transformation is pivotal to future-proofing the profession. Despite the challenges of COVID-19, we were able to proceed with the completion and e-launch of eConfirm.my, the multi-stakeholder industry-wide paperless bank confirmation platform. Notably, while work had come to a standstill in several sectors due to infection fears, MIA wrote to the relevant authorities for permission to proceed with our eConfirm.my project, and we were able to go live and launch on time during the Movement Control Order (MCO). eConfirm.my went live in May 2020 and close to 365 audit firms were registered as at June 2020, marking another frontier in our ongoing journey of digitalising the auditing and accounting profession.

Committed to Collaboration

We appreciate that collaboration and communication with our many stakeholders drive the recognition and relevance of the Institute and the profession. Leveraging on our financial expertise, MIA and the profession work closely with the public and private sector to advocate policies and initiatives for restarting and developing the economy. MIA advocates for accountants to step up as business partners and advisors on business continuity, risk management and sustainability to continue supporting the country's economic development and the profession's future relevance. Through our advocacy and collaborative engagements, MIA continues to provide value to the profession and our 36,365 members.

On a global and regional platform, we engage closely with global associations such as IFAC, IIRC and AFA to articulate Malaysia's interests and perspectives. We are delighted to be recognised as

the voice of the profession on digital transformation, corporate reporting, Islamic finance accounting and capacity and competency building, and to stand side-by-side with global accountancy leaders at the regional and international forefront.

Acknowledgements

Our continuing success is driven through commitment, collaboration, integrity and trust. On behalf of MIA and the management team, I wish to extend my deepest appreciation to all our stakeholders, collaborators and our staff for your contribution and ongoing support of MIA's nation building mission. As we move ahead, I look forward to working together as we explore emerging opportunities in the new normal.

Management Team



MIA’s management team comprises of diverse leaders and professionals who are attuned to the profession’s challenges and work together seamlessly to advance our nation building agenda.

The Management demonstrates proactive and dynamic behaviour that is committed to mitigating risks, while creating and optimising opportunities for growth aligned with our 4 Strategic Objectives. We are continually assessing and innovating our management structures and processes to enhance productivity and bring out the best in our leadership and people.

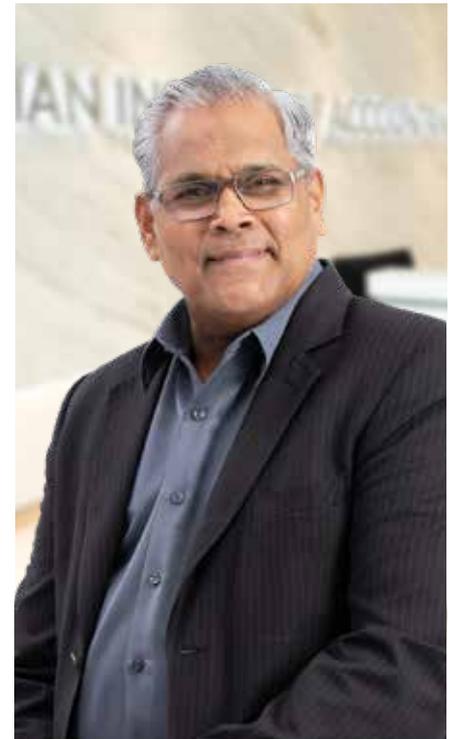
Dr. Nurmazilah Dato’ Mahzan

Chief Executive Officer



Dato’ Muhammad Redzuan Abdullah

Executive Director
Surveillance and Enforcement



Robust and open leadership, guided by the latest management best practices, is the key to building a culture of organisational excellence. At MIA, management strongly believes in building competencies in our people and recognising their growth.

Name	Sector						
	Audit	Legal	Technology	Government	Accounting and Finance	MNC	Education and Training
Dr. Nurmazilah Dato’ Mahzan	√			√	√		√
Dato’ Muhammad Redzuan Abdullah		√		√			
G. Shanmugam					√	√	√
Simon Tay Pit Eu	√						
Siti Rohana Haji Mohamed Amin			√	√		√	

Years of Experience (Average)

28 years

G. Shanmugam

*Executive Director
Strategy and Development*



Simon Tay Pit Eu

*Executive Director
Professional Practices and Technical*



Siti Rohana Haji Mohamed Amin

*Executive Director
Membership, Technology and Operations*



The following qualities are the hallmarks of MIA's management culture:

- **COLLABORATIVE LEADERSHIP**
- **COMMITMENT TO RISK MANAGEMENT AND CONTROLS, AND STRONG TONE FROM THE TOP**
 - Risk management function carved out into a dedicated division effective 2020/2021
 - All staff to attend risk management workshops effective 2020/2021
- **COURAGEOUS LEADERSHIP AND CRISIS MANAGEMENT TOWARDS AGILITY AND RESILIENCE**
 - 4 scenario plans created and revised to manage COVID-19 impacts
- **COMPOSURE, CONFIDENCE-BUILDING AND COMPASSION**
 - 13 Institute-wide staff meetings including virtual meetings during MCO and Recovery Movement Control Order (RMCO)
- **CONSTANT COMMUNICATIONS AND FEEDBACK**
 - To ensure that all stakeholders understand our nation building purpose
- **CONTINUOUS COACHING, TEACHING AND CONSTRUCTIVE CRITICISM**

Views from Management

Dr. Nurmazilah Dato' Mahzan

Chief Executive Officer

DRIVING VALUE

What leadership qualities did the Management exert to help the Institute and the profession navigate this unprecedented crisis and sustain value creation?

There are several essential qualities that leaders must possess, but composure is the foundation of effective crisis management and leadership that enables MIA's ongoing value creation efforts. We have to remain calm and composed during a crisis as people are looking to us for guidance and reassurance to steer them out of the crisis and not deviate from our strategic plan due to panic.

We also have to be agile, prepared, swift to pivot and act decisively, in order to be resilient and move ahead despite volatility and uncertainty. We were very quick to proceed with our action plan, scenario plan and close monitoring. During the MCO, MIA produced 4 scenario plans, which I prepared myself and reviewed every week because the scenario kept changing. Fortunately, we intensified the usage of Microsoft Teams for virtual meetings two weeks before the MCO, so the transition to remote work was smooth. We pivoted fast to e-learning and webinars to reach out and continue upskilling the profession.

Importantly, we communicated with our people and stakeholders at all times to keep them informed, reassured and aligned with our purpose of collaboration for value creation. We shared our action plan and scenario plan with all staff so that they are guided and know what they are expected to achieve to move forward. We also kept our members and stakeholders informed of all relevant developments through our dedicated COVID-19 resources and our general communication channels.

Through constant, close communication and consultation, we are optimistic and charged with exploring new opportunities in the new norm. Our strategies are in place and we are geared to achieving our value creation objectives.

Dato' Muhammad Redzuan Abdullah

Executive Director
Surveillance and Enforcement

DRIVING GOVERNANCE

Given the delay in passing the proposed new Accountants Act as well as the shift to social distancing and remote work, what is MIA doing to enhance regulation of the profession and protect public trust?

The delay in the passing of the proposed new Accountants Act as well as the new SOPs in no way hinders MIA in its drive to enhance regulation of the profession, particularly in its effort to protect public interest through both reactive and proactive enforcement.

Reactive enforcement refers to actions on the complaints lodged by the public at large against members, which MIA has made very easy and accessible.

Proactive enforcement on the other hand originates from surveillance conducted through our Practice Review and Financial Statements Review initiatives and the compliance initiatives conducted by our Enforcement and Legal team.

We have continued to closely monitor complaints/referrals from co-regulators, members, public or anonymous persons via oral channels or letters, as well as website/newspaper advertisements on public practice services offered by members or non-members without valid qualifications, such as membership status, practising certificate or related licences from the MOF. We also closely monitor issues related to unprofessional conduct by members of the profession that appear in mass media reports.

In both these modes of reactive and proactive enforcement, there is no physical proximity needed in the conduct of the inquiries/investigations as most of the required work is done through online communication and submission of documentary evidence. Hence, these modes could be discharged effectively within the scope of the Government's SOPs, thereby manifesting justice speedily.

G. Shanmugam

*Executive Director
Strategy and Development*

DRIVING SUSTAINABILITY

This past year has presented unprecedented challenges to business continuity. How has the Institute pivoted to defend MIA and the profession's sustainability?

The COVID-19 crisis and the MCO have caused unprecedented challenges to MIA in executing its strategic plan. The areas that were particularly impacted include continuing professional education (CPE), outreach activities, stakeholder engagement and physical office operations.

We responded to the disruption based on the following 3 main principles:

- To protect public interest and support fiscal policy as a statutory body under the MOF
- To facilitate the ability of accountancy professionals (PAIBs, public practitioners, public sector accountants, and academics) in carrying out their functions
- To engage and collaborate with relevant stakeholders for the benefit and development of accountancy professionals.

The key highlights of the responses and initiatives that were put in place in a timely manner to address the COVID-19 crisis are:

- Scenario planning exercise in managing crisis
- Special communications initiatives that are focused and timely
- Enabled all staff to work from home (WFH) on a rotational basis
- Redeployed staff and upskilled them to convert physical CPE programmes to virtual programmes to support competency development
- Actively engaging with authorities in seeking guidance and assistance for the benefit of the profession.

The profession's sustainability depends on its ability to evolve and embrace new skill sets and knowledge that are relevant in the Industrial Revolution 4.0 (IR4.0). The unprecedented challenges have poised the Institute to further emphasise, educate and train accountancy professionals on emerging skill sets embracing a digital mindset and culture to seize new opportunities, and to be future relevant and sustainable.

Simon Tay Pit Eu

*Executive Director
Professional Practices and Technical*

DRIVING COMPETENCY

How do MIA's competency development activities enable accountants to thrive in the new normal?

Strategic competency development is critical if accountants are to assimilate into the new normal where business and jobs are under siege from all types of disruption: economic, social and technological. The Institute has identified the competencies and skills that accountants must be equipped with in order to be future relevant. These include digital acumen, EQ, creativity and vision, backed by robust technical knowledge, experience, ethics and integrity.

Throughout the year under review, the Institute engaged with accountants across multiple platforms to impart the necessary knowledge and upskilling, and encouraged them to embrace new value-added roles.

These include:

- Providing continuing guidance on technical matters, including dedicated resources on COVID-19 impacts
- Enhancing the skillsets and resiliency of accountants through sharing of knowledge and best practices
- Encouraging innovation, particularly the adoption and harnessing of technology initiatives to address existing market needs
- Advocating for accountants to evolve into strategic and risk advisors able to support organisations through the crisis
- Continuously engaging accountants through various means to garner feedback and deliberate on issues facing the profession and addressing them through operational plans.

By repurposing and realigning skills and roles, the Institute is confident that our competency development efforts will help recast accountants as leaders and advocate for the nation's sustainable economic renewal.

Siti Rohana Haji Mohamed Amin

*Executive Director
Membership, Technology and Operations*

DRIVING DIGITAL TRANSFORMATION

How is MIA progressing in its digital transformation, and how does digitalisation support its value creation culture?

One of MIA's fundamental strategies for sustainable value creation is to embrace new technology innovation, towards becoming a digital and data driven organisation that is relevant and future-proof.

To this end, our internal digital transformation efforts are ongoing and evolving in alignment with our 3-year IT Strategy Plan from 2020-2022.

The Institute's initiatives for digital transformation include:

- The ongoing implementation of the MIA Membership Information System (MMIS) which has transformed non-digital or manual processes to digital processes across the Institute's various functions. Improvements to MMIS are in progress to enhance user experience and meet dynamic business requirements
- Upgrading our internet bandwidth to ensure stable high-speed Internet service and optimise online access experience
- Rolling out online meeting and webinar software speedily to ensure the Institute's business continuity in the wake of the COVID-19 outbreak and subsequent new norms
- Implementing an e-Library portal that archives member circulars, soon to be expanded to publications and eBooks to facilitate members' competency development
- Leveraging on current digital technologies to modernise our IT infrastructure and corporate website for better services and user experience.

As we go forward, the Institute will continue to operationalise digital transformation to drive continuous business process and productivity improvements. A top priority is to recalibrate our people's mindsets and our performance culture to assimilate talent into this digital workplace, making MIA more productive with an engaged workforce environment.

Case Study 1 :

Future-proof through Digital Transformation

MIA strongly advocates for digital transformation to future-proof the profession and accountants, ensuring their relevance in the IR4.0 digital economy.



As such, MIA emphasises the development of digital competencies that are most salient for accountants – artificial intelligence, blockchain, cloud and cybersecurity, data analytics, and robotics process automation.

Driving Nation Building Through Digital Transformation

MIA has been calling for digital transformation of the profession since 2016, foreshadowing the Government's move towards a digital IR4.0 economy guided by MITI's 2018 Industry4WRD: National Policy on Industry 4.0.

By transforming the profession digitally, accountants would be able to support businesses of all sizes across all sectors in the digital economy. At the same time, MIA has been advocating a similar national policy for the services sector. Such a policy is currently in the works where MIA has been consulted during the policy formulation.

Where We Are Today

After many years of advocating and creating awareness on digital adoption, MIA is focusing on facilitating implementation of technology by the profession as guided by our Digital Technology Blueprint and our 3-year Digital Technology Implementation Plan.



For more information about the MIA Digital Technology Blueprint, please scan this QR Code to access our website or visit <https://www.mia.org.my/>

MIA's Journey of Integrated Digital Advocacy

Milestones	Outputs	Opportunities for Value-Add	Value Created	Impacts
Strategic Leadership by the MIA Digital Economy Task Force (DETF)	<ul style="list-style-type: none"> DETF established in early 2017 to drive the profession's digital transformation Developed the MIA Digital Technology Blueprint as a roadmap for the profession's digital transformation 	<ul style="list-style-type: none"> Further identify and leverage on technology disruptions affecting the profession Further educate the profession on adopting relevant technologies 	Profession future-proof and relevant in the IR4.0 economy	  
MIA Digital Technology Blueprint	Launched in 2018	Guides the profession's adoption of digital technologies	<ul style="list-style-type: none"> MIA recognised as advocate for digital transformation Blueprint used as a reference for digital transformation in international and developing markets 	  
Ongoing Implementation of the MIA Digital Technology Blueprint by the Digital Technology Implementation Committee (DTIC)	<ul style="list-style-type: none"> Developed a 3-year operational plan (July 2019 - June 2022) for implementation Engaged with the Malaysia Digital Economy Corporation (MDEC), Ministry of International Trade and Industry (MITI) and Malaysian Investment Development Authority (MIDA) to address challenges including implementation, funding and governance of digital transformation 	<ul style="list-style-type: none"> Operationalise the Digital Technology Blueprint to strengthen adoption 39 initiatives with over 250 outputs and activities for digital transformation Key KPIs <ul style="list-style-type: none"> issue relevant guidance set up technology providers database share success stories and case studies develop a funding mechanism Organise sharing sessions and workshops to help smaller firms address resource constraints and challenges 	<ul style="list-style-type: none"> Helps surmount barriers to technology as identified in the Digital Technology Blueprint and the MIA Digital Technology Adoption Surveys in 2017 and 2019 Strengthens smaller firms and levels the digital playing field 	  
Digital Competency Development	<ul style="list-style-type: none"> Inclusion of digital topics into various events and CPE Dedicated technology workshops and conferences 33 technology events in 2019/2020 143 participants at the MIAAccTech Conference 9 graduated with the Professional Certificate in Digital Leadership 	<ul style="list-style-type: none"> Continuous identification and introduction of emerging technologies relevant to the profession Hold more technology events 	<ul style="list-style-type: none"> Upskills digitally literate accountants Profession becomes more efficient and relevant to digital economy 	 

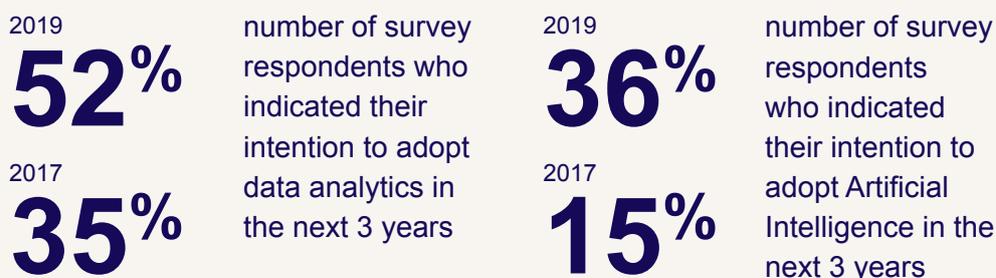
Case Study 1 : Future-proof through Digital Transformation

Milestones	Outputs	Opportunities for Value-Add	Value Created	Impacts
International and Regional Advocacy	<ul style="list-style-type: none"> MIA is advocating for an IR4.0 policy for the Malaysian services sector MIA contributes views on digital transformation in IFAC committees, namely the PAIB and SMP committees, and in AFA 	Continue to offer views and insights on IR4.0 policy and digital transformation best practices	<ul style="list-style-type: none"> MIA and the Malaysian profession recognised as a model for digital transformation Strengthens MIA as the voice of the profession 	 
Regular assessments of digital adoption rates through Surveys and Roundtables	<ul style="list-style-type: none"> The 1st MIA Technology Adoption Survey in 2017 and roundtable discussion The 2nd MIA Technology Adoption Survey in 2019 	<ul style="list-style-type: none"> Clarifies the state of digital technology adoption by the accountancy profession in Malaysia Survey findings guide implementation of the 3-year operational plan 	Digital implementation strategies and actions are segmented and customised to the different sectors using data-derived insights	 
MIA Membership Information System (MMIS)	<ul style="list-style-type: none"> 40,392 unique logins 23% increase in the total number of unique login compared to FY2019, which shows an increased in adoption of technology by the members 	Ongoing integration of data analytics into MMIS to avail MIA of rich data-driven actionable insights	<ul style="list-style-type: none"> Supports shift to becoming a data-driven organisation MIA to use the derived insights to serve members better and identify potential areas to enhance value 	 



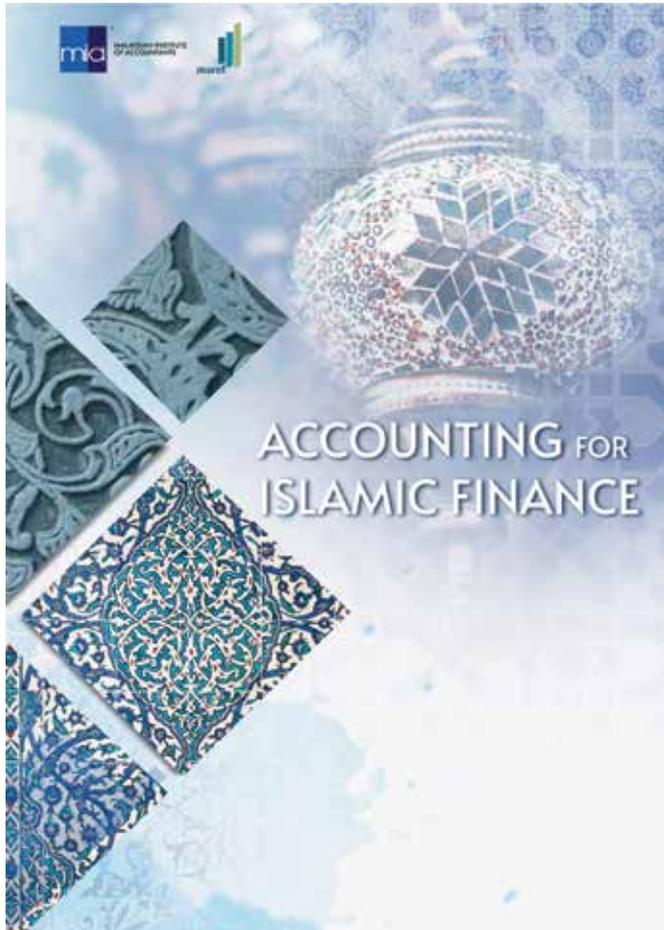
For more information about the MIA Technology Adoption, please scan this QR Code to access our website or visit <https://www.mia.org.my/>

MIA Technology Adoption Surveys



Case Study 2 :

Supporting the Development of Islamic Finance



Malaysia prioritises Islamic Finance (IF) as a differentiator and engine for national development. We currently rank second in the Islamic Finance Country Index 2019, which recognises Malaysia's comprehensive and balanced development in Islamic banking and finance.

To sustain Malaysia's leadership in IF and fuel continuing growth, the development of skilled talent and competency building materials are essential. As IF is a key area of focus for MIA's nation building efforts, we currently implement a two-pronged development strategy for IF that relies heavily on our multi-stakeholder strategic collaboration approach.

One, we focus on upskilling accountants and finance professionals working in IF through our multi-stakeholder programmes, the MIA Islamic Finance Mini Pupillage Programme which is in its second year. Two, in collaboration with multi-stakeholders, we successfully produced and launched our complimentary textbook on Accounting for Islamic Finance in January 2020.

Accounting for Islamic Finance - Free Textbook from MIA

This complimentary textbook seeks to bridge the current lack of reference materials on accounting for IF transactions. By making it available for free downloads worldwide, MIA is facilitating access to this textbook to instil the knowledge of applying MFRS on IF transactions among the students of universities and institutes of higher learning as well as provide useful reference materials in teaching the application of MFRS on IF transactions. In addition, this book could be a point of reference that explains and clarifies the rationale behind current applications of MFRS for IF either for Islamic financial institutions (IFIs) or other industries.

The textbook project was led by MIA's Islamic Finance Committee and the Malaysian Accountancy Research and Education Foundation, in collaboration with multi-stakeholders from Bank Negara Malaysia, IFIs and academicians.

The textbook discusses the application of MFRS on assets, liabilities, income, expenses and equity of Islamic banks, takaful entities and Islamic asset management companies and looks at definition/nature, recognition, measurement as well as presentation and disclosure of the items in the financial statements of such entities.



“The textbook explains the contents of the financial statements of an Islamic financial institution (IFI) in an actual application. This would provide guidance to university students on the theory and actual application.”

En Muhammad Ridzuan Ismail

*Vice President, Head of Finance,
Takaful Ikhlas General Berhad*

*For more information
about the Islamic Finance
Textbook, please scan this
QR Code to access our
website or visit
<https://www.mia.org.my/>*



Case Study 2 : Supporting the Development of Islamic Finance

The table below relates our Islamic Finance (IF) advocacy efforts and values created mapped to our Strategic Objectives and the UN Sustainable Development Goals (SDGs)

Islamic Finance (IF) Advocacy	Outputs	Value Created	Impacts
Featured IF at World Congress of Accountants (WCOA) 2010, the largest global gathering of accountants organised by IFAC and co-hosted in 2010 by MIA	Partnered with Bank Negara Malaysia (BNM) to advocate for featuring IF in a Plenary session as well as 2 concurrent sessions in WCOA 2010	<ul style="list-style-type: none"> Convinced IFAC to feature IF for the first time ever at WCOA Brought IF issues to the attention of the global accountancy profession Positioned Malaysia as global voice for IF development 	  
Permanent session on IF included in the annual MIA International Accountants Conference since 2013	Topics covered include governance, sustainability, digital disruption and technological innovation for IF	<ul style="list-style-type: none"> Showcases the profession's IF expertise Promotes Malaysian accountants' marketability in IF Nurtures steady interest in IF issues and developments among profession 	 
Islamic Finance Roadshow 2013 on <i>Understanding Islamic Finance and Application of MFRS</i>	<ul style="list-style-type: none"> The first road show on IF organised by MIA to educate members 128 participants working in finance, insurance and takaful reached 	<ul style="list-style-type: none"> Communicated IF's urgent need for accountancy talent skilled in IF to fill existing market and talent gaps Familiarised accountants with application of IFRS for IF to standardise application and practices 	  
National Business Zakat Symposium 2013 organised by MIA in collaboration with Universiti Tenaga Nasional (UNITEN)	Educated accountants on business zakat, including MASB TRI-1 and accounting for business zakat	<ul style="list-style-type: none"> Enhance and standardise accounting and reporting practices for all stakeholders in the zakat eco-system Successful implementation of business zakat supports socioeconomic development 	 
Islamic Finance Mini Pupillage Programme	<ul style="list-style-type: none"> First batch graduated in 2018/2019 from the inaugural programme Programme now in its second edition for 2019/2020 Collaborative multi-stakeholder programme 	Develops high-skilled accountancy talent for IF	  

Islamic Finance (IF) Advocacy	Outputs	Value Created	Impacts
Complimentary Talks	Cryptocurrency and Blockchain in the Islamic Capital Market	Upskills IF accountancy professionals on the latest technologies disrupting finance	  
Accounting for Islamic Finance Textbook	<ul style="list-style-type: none"> • Complimentary Textbook released in January 2020 • Available for free download • Multi-stakeholder collaboration • Physical copies shared with relevant stakeholders including regulators, IFIs and universities • Article on textbook published in IFAC’s global knowledge gateway and textbook was referenced in IFAC newsletter • Complimentary briefing on Accounting for Islamic Finance textbook 	<ul style="list-style-type: none"> • Addresses the shortage of reference materials on MFRS applications for IF transactions • Supports consistent practice in MFRS application • Establishes MIA and Malaysia as authority on IF accounting and development 	  
Articles	<p>Article on “SukukChain: A Blockchain Solution for Islamic Capital Market”</p> <p> For more information, please visit https://www.at-mia.my/2019/08/14/sukukchain-a-blockchain-solution-for-islamic-capital-markets/</p>	Educates accountants on digital innovation applications for IF	 

Case Study 3 :

Driving <IR> for Long Term Sustainability

MIA is a leading advocate for <IR> in the Malaysian capital market

Currently, MIA is in the Momentum Phase of building <IR> consensus and adoption, as described by the International Integrated Reporting Council (IIRC). The Momentum Phase includes advancing integrated thinking as part of corporate governance reform, facilitating alignment of <IR> in the corporate reporting system and accelerating <IR> adoption in Malaysia.

Our goal is to ingrain integrated thinking and reporting into the DNA of more Malaysian organisations, towards more efficient and effective alignment of value creation activities with nation building.

MIA <IR> Advocacy	Outputs	Value Created	Impacts
Strategic and Collaborative Leadership	<ul style="list-style-type: none"> Established the multi-stakeholder Integrated Reporting Steering Committee under MIA on 18 December 2014 Formed upon the recommendation of the Securities Commission Malaysia To drive <IR> adoption in Malaysia 	<ul style="list-style-type: none"> Provides leadership on <IR> adoption, education and implementation Proposed <IR> as an exemplary practice in the Public Consultation Paper of the Malaysian Code on Corporate Governance 2016 (MCCG), and <IR> was subsequently incorporated into the MCCG 	   
International Engagement and Outreach	<ul style="list-style-type: none"> Member of the IIRC business network IIRC certified trainer for ASEAN MIA CEO is a member of the IIRC panel for revisions to the <IR> Framework Compiled and provided feedback for the IIRC's revised International <IR> Framework Hosted the virtual Regional Focus Group Roundtable on Consultation Draft of the revised International <IR> Framework on 2 June 2020 	<ul style="list-style-type: none"> Supporting IIRC in building consensus and strengthening adoption of <IR> in Malaysia and the region Articulating Malaysia's perspectives in the global arena MIA recognised internationally as the voice of the profession and the nation on <IR> 	  
Local Market Engagement and Outreach	<ul style="list-style-type: none"> Organised numerous <IR> outreach events for CFOs, investors, directors, audit committee members, fellow regulators and public Incorporated <IR> modules and content into CFO Circle events to reach CFOs and finance function professionals 	<ul style="list-style-type: none"> Builds competency in <IR> Encourages adoption and acceptance of <IR> Supports transparency and good governance through better corporate reporting 	   
Education and Training	<ul style="list-style-type: none"> Conducted <IR> training workshops at introductory and preparers level Conducted inaugural in-house <IR> training with a large listed company for 25 participants Organised workshop on "The Importance of Culture Reporting" Organised Webinars on <IR> implementation experience shared by early adopters 	<ul style="list-style-type: none"> Builds competency in <IR> and diminishes fears of adoption Disseminates <IR> best practices 	 

MIA <IR> Advocacy	Output	Value Created	Impacts
<p>Local Awards and Recognition</p>	<p>Launched <IR> Awards as a standalone category in the National Annual Corporate Report Awards (NACRA) on 30 March 2017. Began accepting <IR> entries for the NACRA 2018</p> <ul style="list-style-type: none"> • 44 companies participated in NACRA 2018 • 45 companies participated in NACRA 2019 – including 8 new entrants 	<ul style="list-style-type: none"> • Encourages adoption and market validation of <IR> • Supports transparency and good governance through better corporate reporting 	  
<p>Surveys and Publications</p>	<ul style="list-style-type: none"> • Conducted and published MIA-ACCA Integrated Reporting Survey in September 2016 • 330 responses - 55% preparers and 45% non-preparers • MIA is in its 4th year of producing <IR> 	<ul style="list-style-type: none"> • Survey demonstrated the following benefits of <IR> adoption: <ul style="list-style-type: none"> - 97% of investors and 85% of preparers reported improved transparency and governance reporting - 81% of investors and 81% of preparers reported improved communications with external stakeholders - 74% of investors and 57% of preparers reported better integrated thinking and demolishing of silos within organisations • Share MIA's unique value creation story 	  
<p>Improvements in Reporting Quality</p>	<p>Best practices noted when reviewing companies that have adopted <IR> in 2019 are:</p> <ul style="list-style-type: none"> • increased use of diagrams and pictures for better clarity and understanding • clear disclosure on basis of presentation, reporting boundary and frameworks used (GRI, SDGs and <IR>) • clear disclosure of key risks, impacts and how these are managed • shift away from boilerplate reporting to tell their story in terms of their own value creation <p>Going forward, MIA will advocate for further enhanced disclosure by:</p> <ul style="list-style-type: none"> • improving on the completeness and balanced reporting of information • improving independent assurance • replacing high-level boilerplate statements with descriptive value creation statements 	<p>Many companies are now able to:</p> <ul style="list-style-type: none"> • report on both financial and non-financial capitals and metrics • narrate the connectivity between the factors that affect ability to create value over time • Better corporate reporting leads to benefits including: <ul style="list-style-type: none"> - improved transparency and stakeholder communications - better governance - stronger integrated thinking - breaking down of internal silos 	  

Our Talent, Culture and Diversity

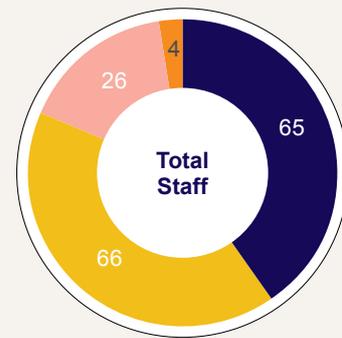
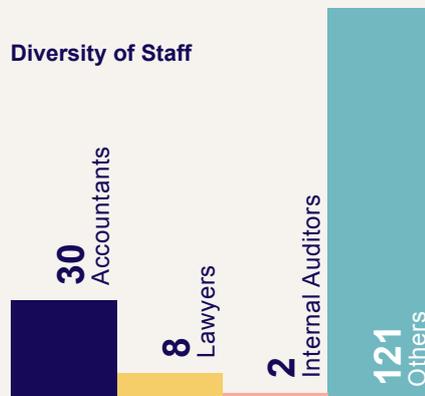
The diversity of our talent and our collaborative culture are the key factors underpinning our high productivity. MIA benefits from a high diversity of expertise and skills, where we have a large number of professionals with legal, audit, accounting and judicial experience. We are also able to leverage on the extensive and diverse talent who comprise our Committees and Task Forces.

We prioritise engagement and upskilling within a conducive work environment to sustain productivity.

85%

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

Diversity of Staff



Years of Experience (Range)

- 0 - 10
- 11 - 20
- 21 - 30
- Above 30

Manpower statistics as at 30 June 2020

	CEO/ Executive Director	Deputy Executive Director/ Senior Manager	Manager/ Assistant Manager	Senior Executive/ Executive/ Junior Executive	General Staff	Total
Top Management	5	0	0	0	0	5
Membership and *CDF	0	2	10	30	0	42
Professional Development	0	3	8	20	0	31
Surveillance	0	2	6	3	0	11
Enforcement	0	2	7	4	0	13
Technical	0	3	6	3	0	12
**Support Services	0	4	12	29	2	47
Grand Total	5	16	49	89	2	161

* Competency Development and Framework

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

To engage employees and provide a facilitative workplace whether physical or remote, the Institute deploys the following strategies:

Strategy	Activity	Outputs	Value Created	Impacts
1 Maintain clear, consistent and open lines of communication	<ul style="list-style-type: none"> Pre COVID-19 crisis, the Management engaged with employees at frequent staff meetings Practise open door management Prior to the MCO, implemented Microsoft Teams for online meetings 	13 Staff Meetings held vs KPI of 12 meetings	<ul style="list-style-type: none"> Employees are clear on how their work supports MIA's short-term goals and long-term nation building purpose Employees can get first-hand information and guidance from leaders Employees are familiarised with digital collaboration and meeting culture 	 
2 Ensure connections are authentic and nurture trust	<ul style="list-style-type: none"> During the COVID-19 crisis, engagement with employees were held via virtual staff meetings Management holds regular check-ins with staff to monitor their wellbeing, provide reassurance and build trust 		<ul style="list-style-type: none"> Employees were given the opportunity to query and obtain clarification from the Management on areas of concern Bonds between management and employees were strengthened despite remote working Work-related challenges faced by employees were tackled timely e.g. mental health, technological breakdowns, etc. 	 
3 Upskill employees continuously	<ul style="list-style-type: none"> Formal courses and workshops On-the-job learning Job rotation Informal knowledge sharing sessions 	<ul style="list-style-type: none"> Staff Job Rotation rate of 6.0% vs KPI of 3.0% 3.7 average training days per staff vs KPI of 3.5 training days per staff Staff retention rate of 91.5% vs KPI of 85.0% 	<ul style="list-style-type: none"> Redeployment of talent to areas that add value and drive change in specific areas to benefit the Institute and profession e.g. redeployment of talent to digital economy and risk reporting function as of FY2020/2021 New opportunities for growth are given priority and strengthens retention 	 
4 Digital Transformation	<p>Staff are backed by:</p> <ul style="list-style-type: none"> The 3-year Information Technology (IT) Strategy Plan, which guides the institute's technology innovation The MIA Membership Information System (MMIS) has digitalised and streamlined many of the Institute's manual processes Internet bandwidth was upgraded to optimise online access and productivity Education and mindset change to help employees adapt to a new digital workplace 	Staff Technology Survey Findings	<ul style="list-style-type: none"> New technology innovation embraced to support MIA's larger goal of evolving into a digital and data driven organisation fit for the future Talent readiness is frequently cited as the weak link in digital transformation, therefore developing digital competencies is critical to the success of MIA's digital transformation 	 
5 Facilitate Productivity for High Performance	Continuous business process and culture improvements e.g. standardisation of processes and documentation of standardised processes in operating manuals	Improved processes that are documented	<ul style="list-style-type: none"> Employees are clear on execution of processes for higher efficiency Standardisation and documentation of processes improve perception of MIA as an efficient, transparent and trustworthy organisation 	 
6 Emphasise Professional Qualifications	<ul style="list-style-type: none"> Actively recruit professionals on board Encourage staff to sign up for MIA's special pathways and programmes to earn additional credentials 	<ul style="list-style-type: none"> 45 professionals out of total staff in 2020 23 professionals with dual qualifications 	<ul style="list-style-type: none"> Facilitated engagement and linkages with professional bodies Technically competent and qualified professional staff supports enhanced regulation and development 	 



Our



Talent

Market Outlook and Key Trends

Based on extensive stakeholder engagement and deliberations by Council and Management, MIA maps out the prospective material developments and key trends that affect our value creation activities. We then craft and execute the appropriate strategies in response to these trends to ensure the future relevance of the accountancy profession.

Sector	Prospects	How We Respond	Impacts
1 Economic	<p>Institute is affected by the unprecedented economic downturn attributed to COVID-19 crisis impacts and containment measures</p> <ul style="list-style-type: none"> World Bank projected -3.1% GDP growth for Malaysia for 2020 in its June 2020 Economic Monitor report BNM projected -5.5 to -3.5% GDP growth for Malaysia for 2020 in its August 2020 report 	<p>Agile scenario planning for business continuity:</p> <ul style="list-style-type: none"> Produced 4 different scenarios Regularly revisit and revise scenarios in response to external developments <p>Enable continuing regulation and development via:</p> <ul style="list-style-type: none"> Remote working and operations Virtual learning to support CPE Online engagement to support members and stakeholders Organise SOP-compliant face-to-face CPE 	 
	<p>Members and member firms face unprecedented challenges to solvency and business continuity arising from COVID-19 impacts</p>	<p>Kept members updated on COVID-19 via dedicated channels</p> <p>Engaged Government on measures to assist members</p> <p>Provided discounted CPE</p> <p>Encouraged members to:</p> <ul style="list-style-type: none"> Focus on business continuity Reposition as business advisors supporting other enterprises on business continuity 	  
	<p>Opportunity for Malaysia to reinvent itself as a higher-value and more sustainable economy by investing in people and leveraging on technologies</p>	<p>Support restarting the economy by:</p> <ul style="list-style-type: none"> Proposing fiscal and tax policies for stimulus Building competency Advocating for digital transformation 	  

Sector	Prospects	How We Respond	Impacts
<p>2 Legislative</p>	<p>Delayed enactment of the proposed new Accountants Act</p>	<p>Continue to engage with the Ministry of Finance to expedite the proposed new Accountants Act</p>	<p>S04</p>  
	<p>Salient changes in local legislations and standards expected to affect MIA and the profession include:</p> <ul style="list-style-type: none"> • Section 17A, Malaysian Anti-Corruption Commission (MACC) (Amendment) Act 2018 and Adequate Procedures • Revised Anti Money Laundering, Counter Financing of Terrorism and Targeted Financial Sanctions for Designated Non-Financial Businesses and Professions and Non-Bank Financial Institutions (AML/ CFT and TFS for DNFBPs and NBFIs) Policy Document effective on 1 January 2020 • COVID-19 Bill • COVID-19 Economic Stimulus Package • MFRS 17 Insurance Contracts • Malaysian Business Reporting System (MBRS) <p>Salient changes in global legislation affecting the Institute and the profession include:</p> <ul style="list-style-type: none"> • Revisions to the International Education Standards (IESs) • Revisions to the IIRC <IR> framework 	<p>Focus on competency development and deliver quality CPE to strengthen compliance, reputation and trust in the profession</p> <p>Continue to engage policymakers, regulators and standard-setters to share MIA's voice, uphold the profession's interests and influence policies for sustainable development</p> <p>Collaborate with international bodies, standard setters and peer regulators to promote seamless governance and market integrity</p>	<p>S01</p> <p>S03</p>  

Market Outlook and Key Trends

Sector	Prospects	How We Respond	Impacts
3 Social	<p>New normal of COVID-19 is disrupting human behaviour</p> <p>Risk and fears of COVID-19 infection have diminished engagement and trust</p>	<p>Encourage compliance with Government SOPs to reduce risk and enhance trust in social encounters at the workplace and in the marketplace</p>	 
	<p>Virtual learning is gaining ground in the new normal</p>	<p>Deliver more online CPE at affordable prices to ensure members' continuing professional development</p> <p>Issued CPE Guidelines for webinars to support members</p> <p>Develop quality CPE virtual programmes that qualify for statutory compliance</p> <p>Able to source more diverse and international subject matter experts as virtual learning surmounts geographical borders and physical boundaries</p>	  
4 Technology	<p>Technology continues to be a key disruptor</p> <p>Technology transformation is in line with the economy's transition to IR4.0 as guided by MITI's Industry4WRD: National Policy on Industry 4.0</p> <p>Close collaboration with MDEC through MoU to organise webinars to provide awareness on IR4.0 initiatives</p> <p>As accountants support every business and organisation across all sectors, they must develop the competency to support digital transformation</p>	<p>Formulate a multi-pronged strategy to leverage on technology disruption and ensuring opportunities</p> <p>MIA advocates a similar national IR4.0 policy for the services sector</p> <p>To support the Institute's digital transformation, MIA is implementing a 3-year Information Technology (IT) Strategy Plan</p> <p>MIA is operationalising the 3-year implementation of the MIA Digital Technology Blueprint from July 2019 to June 2022</p>	  

Sector	Prospects	How We Respond	Impacts
<p>5 Sustainability</p>	<p>The Paris Agreement 2015 (under the United Nations Framework Convention on Climate Change) aims to keep the world's average surface temperature from warming more than 2 degrees Celsius above the pre-industrialisation level, to help mitigate climate change risks</p> <p>The global profession led by IFAC supports the goals of the Paris 2015 agreement and the fight against climate change</p> <p>Government of Malaysia pledge on SDG implementation</p>	<p>Embark on mapping sustainability risks and UN SDGs to MIA's strategic and operational plans</p> <p>Educate accountants to reframe climate change as an integrated business and strategic risk</p> <p>Deliver CPE on measuring and reporting on climate change information to upskill accountants to provide climate-related actionable insights</p> <p>Collaborate with IFAC to integrate sustainability and climate change reporting and assurance into the accountancy profession's circle of competence</p>	<p>S04</p>   

Stakeholders Engagement

Collaboration and trusted engagements are ingrained in our value creation activities. MIA is backed by a large and diverse web of stakeholder groups, who are represented across the MIA Council, Committees and Task Forces, members and staff.



We engage with all stakeholder groups regularly to understand and address their interests and concerns as explained below.

Our collaborations and partnerships with our stakeholders extend and deepen our circle of expertise and trust. By leveraging on trusted relationships, we enrich and amplify our social and relationship, intellectual, human and financial capitals. Driven by stakeholder collaboration, MIA has produced numerous intellectual assets ranging from publications to learning programmes that we deploy to upskill accountants, improve regulation, and differentiate MIA, the accountancy profession and the nation in the jurisdictions and markets where we lead, regulate and engage.

COVID-19 social distancing and norms have been a gamechanger for stakeholder engagement. In general, stakeholders have embraced virtual meetings, enabling MIA to tilt its value creation model further towards digital platforms and virtual engagement. However, restrictions in the Accountants Act 1967 have hindered us somewhat, for example in the convening of Council and Committee meetings which require a physical quorum. Nevertheless, the Institute continued to operate and seek urgent approvals via circular resolutions despite the limitations.

• Outcomes are positive unless marked with (-)

Stakeholder Interests	How We Engage/Respond	Value Created	Impacts
GOVERNMENT (MOF, other relevant ministries and public sector agencies)			
<p>1 Effective regulation and development of the accountancy profession</p> <p>2 Support Government policies as a regulator governed by the Accountants Act 1967 (Act)</p>	<ul style="list-style-type: none"> Advocate for reform of the Act to strengthen MIA's regulatory and development powers Monitoring progress on the proposed new Accountants Act draft Bill with MOF Established formal working relationships with the Offices of the Accountant General and Auditor General 	<ul style="list-style-type: none"> (-) Delay in passing the proposed new Accountants Act affects MIA's regulatory and enforcement plan (-) Delay affects market governance and business confidence 	
<p>3 MIA Statutory Committees to discharge their functions effectively and inform Government of disciplinary outcomes</p>	<ul style="list-style-type: none"> The decision of the Disciplinary Committee to be published in an official publication of the Institute, daily newspaper or any other publications The decision of the Disciplinary Committee shall be informed to all relevant Government licensing authorities, any other association of accountants and any other body, corporate and unincorporated Improve internal processes of surveillance and enforcement 	<p>MIA discharges its statutory functions according to the Act which protects the public interest and to gain the public trust.</p>	<p>SO3</p> 
<p>4 Transformation of accountancy education and careers</p>	<ul style="list-style-type: none"> Provide feedback via Ministerial meetings, Government working groups, meetings and roundtables on accountancy education and careers Develop MIA Competency Framework to define and set accountancy professionals' baseline competencies Views sought by Talent Corp on the Critical Occupational List 2019/2020 	<ul style="list-style-type: none"> Accountancy transformation of competency requirements and skillsets are the key to ensuring the future relevance of the profession "Accountants" recognised and supported as a critical occupation and sector by the Government and Talent Corp 	<p>SO4</p> 
<p>5 Growth of accountancy talent pool</p>	<p>Various initiatives to meet target of 60,000 accountancy professionals by 2030</p>	<p>Adequate number of Accountancy Professionals to support economic and social development</p>	<p>SO4</p> 
<p>6 Feedback on various stakeholders' interests across the accountancy profession</p>	<ul style="list-style-type: none"> Advocate for interests of profession, member firms and companies MITI's Service sector Blueprint for the 12th Malaysian Plan National Policy Framework for the Fourth Industrial Revolution 	<ul style="list-style-type: none"> Articulates the profession's interests for inclusion in national policymaking and outcomes Selected MIA proposals incorporated into Government policies and plans e.g. COVID-19 economic revival measures and National Budget 	<p>SO4</p> 

Stakeholders Engagement

Stakeholder Interests	How We Engage/Respond	Value Created	Impacts
REGULATORS (Co-regulators on regulatory initiatives conducted by the Institute, particularly those involving non-members)			
<p>1 Effective regulation</p>	<ul style="list-style-type: none"> • Work together on proactive enforcement <ul style="list-style-type: none"> - BNM on AMLA - AOB on audit expectations gap • Consultative engagements with SSM and Bursa • Initiate meetings with MOF and IRB on tax implications related to MFRS 15 and MFRS 16 • Referral of cases on MIA Members • Inform regulators of MIA's disciplinary outcomes 	<ul style="list-style-type: none"> • Seamless and strengthened regulation and market governance • Input from MIA facilitate overall market regulation 	<p>SO2</p> <p>SO3</p> 
<p>2 MIA to impart knowledge among its members on compliance with regulatory requirements</p>	<ul style="list-style-type: none"> • Issue circulars, guidance, FAQs based on latest regulatory requirements and answer members' questions • Conduct complimentary outreach and engagements • Jointly organise outreach programmes with regulators • MIA Public Practice Programmes • Programmes with Co-Regulators and Professional Bodies • Articles on Regulatory and Enforcement Processes 	<p>Improved compliance and quality of work carried out by MIA members, especially public practitioners</p>	<p>SO1</p> <p>SO3</p> 
<p>3 Improved quality of audit and accounting services</p>	<ul style="list-style-type: none"> • MIA Practice Review • Provision of training to peer regulator Saudi Organisation for Certified Public Accountants (SOCPA) in Kingdom of Saudi Arabia (KSA) • Audit Quality Enhancement Programme (AQEP) 	<ul style="list-style-type: none"> • Stringent MIA Practice Review linked to better quality corporate reporting • MIA recognised as role model for international developing markets in strengthening audit quality and regulation 	<p>SO2</p> 
<p>4 Improved financial and corporate reporting</p>	<ul style="list-style-type: none"> • Consultative engagement on issuance of standards • NACRA Adjudication process motivate the improvement of financial and corporate reporting • Drive <IR> inclusion and assessment in NACRA • Engage directors, audit committees and investors in advocacy for <IR> adoption 	<p>Better corporate reporting in Malaysian market strengthens governance and investor confidence</p>	<p>SO2</p> 

Stakeholder Interests	How We Engage/Respond	Value Created	Impacts
MEMBERS			
1 Ease of Statutory approvals	Membership registration, support and licensing services	<ul style="list-style-type: none"> Licence to operate specifically for MIA registered members Actions against non-compliant and bogus accountants create a well-governed jurisdiction 	 
2 Enhanced membership services and value 3 Smooth communication and support	<ul style="list-style-type: none"> MIA Membership Information System (MMIS) MIA Digital Membership Privilege Card and Lifestyle Benefits e-Broadcast and e-Feedback website tools 	Enhances commitment to the profession	   
4 Continuous professional development and learning opportunities	<ul style="list-style-type: none"> Various CPE programmes via physical and e-platforms Provided webinars for continuous learning during the COVID-19 MCO period at complimentary and affordable fees 	<ul style="list-style-type: none"> Members upskilled against future disruptions and equipped for new developments Shift to e-learning promotes digital literacy Helps financially challenged members and supports the profession's sustainability 	   
5 Support extension of compliance to CPE requirements for 2020, due to COVID-19 challenges	<ul style="list-style-type: none"> Various online learning platform by the Institute to assist members' CPE Compliance Professional support and response to members' enquiries on CPE Compliance in the MMSP 	Continuous CPE learning to enhance members' skills and competency	 
6 Future relevance of accountancy profession and jobs	<ul style="list-style-type: none"> Integrated advocacy efforts for future relevance e.g. digital transformation, competency development, <IR>, Islamic finance Various publications, blueprints, frameworks and digital platforms drive transformation Survey: Technology Adoption by the Accountancy Profession in Malaysia 2019 Various Technology Trainings events Completed public consultation for the MIA Competency Framework (MIA CFM) Exposure Draft and developed the MIA CFM 	<ul style="list-style-type: none"> Members are upskilled and future-fit for the evolving digital economy Thought leadership articles and videos, news in media increase interest of digital transformation Increased attendance for trainings Increased readership and publications which signals that more people are gaining knowledge The baseline competency for future accountancy professionals is defined in line with international standards 	    

Stakeholders Engagement

Stakeholder Interests	How We Engage/Respond	Value Created	Impacts
MEMBERS			
<p>7 Close co-operation with Government and regulators to support members' interests</p>	<ul style="list-style-type: none"> MIA liaised with authorities for their clearance of processes affecting members during MCO Certain compliance and reporting deadlines postponed due to COVID-19 measures 	To facilitate members and practitioners in discharging their professional duties during challenging times	 
<p>8 Avenue for complaints on non-compliance of members with relevant Acts and MIA By-Laws</p>	<p>Providing the necessary information on complaint matters through the MIA website and the Public Practitioners Programme conducted by MIA</p>	Better understanding on relevant laws and regulations, enhance compliance and minimise disciplinary impact	 
COMPANIES (Finance functions, Corporation and SMEs)			
<p>1 Better business and financial performance</p>	<ul style="list-style-type: none"> Training on Business and Financial Best Practices Organised COVID-19 crisis management and strategic roundtables for PAIBs Business Excellence for SMEs booklet 	Improves financial literacy of business owners	    
<p>2 Upskilling of CFOs and finance functions in leadership, strategy, crisis management and transformation</p>	<ul style="list-style-type: none"> CFO Circle events MIA Competency Frameworks for CFOs and Finance Functions in PIEs Technical support Advocate for <IR> Published COVID-19 articles and guidance 	<ul style="list-style-type: none"> Improves financial management and financial reporting in the private and public sector for good governance Enhances future fitness of finance functions and CFOs 	     

Stakeholder Interests	How We Engage/Respond	Value Created	Impacts
PROFESSIONAL ACCOUNTANCY ORGANISATIONS <i>(Professional Bodies in the Accountancy ecosystem)</i>			
<p>1 Collaboration on capacity and competency building</p>	<ul style="list-style-type: none"> • MIA-ACCA Business Outlook Report 2020 • MIA-CAPA PAO-Public Sector Case Study 2020 • Joint Memorandum on proposals to authorities • NACRA 2019 • Collaboration on Professional Development Activities 	<ul style="list-style-type: none"> • Provides insights into business prospects and resource allocations • Brands accountancy profession as authority on Malaysian business, economic strategy, public sector financial management • Improved corporate reporting boosts capital market and investor confidence 	       
<p>MIA provides feedback on Professional Accountancy Organisation (PAO) consultation papers</p>	<p>Shares Malaysia's viewpoints</p>	  	
<ul style="list-style-type: none"> • Speak at PAO events on crisis management and e-learning trends • MoUs/co-branded programmes /Special Pathways 	<ul style="list-style-type: none"> • Articulates future relevance of accountancy profession • Positions accountants as business experts, futurists and strategic advisors • Positions Malaysia as competitive accounting education hub • Upskills accountancy talent and supports high-value jobs, high-income economy • Professional qualifications add value and prepare graduates to meet job and employer expectations 	     	
<p>Collaboration on complimentary capacity building initiatives for academicians</p>	<p>Improves the capacity of academicians and provides industrial expertise on the application of real life examples within accounting education</p>	 	

Stakeholders Engagement

Stakeholder Interests	How We Engage/Respond	Value Created	Impacts
PROFESSIONAL SERVICES FIRMS (<i>Firms licensed to provide public practice services</i>)			
<p>1 Facilitating the setting up of professional service firms</p>	<ul style="list-style-type: none"> Public Practice Programme (PPP) prepares members to operate a professional services firm Audit licence renewal process Necessary information to MOF 	<ul style="list-style-type: none"> Supports best practice for better regulation Developing the nation's professional services sector 	<p>SO3</p>  
<p>2 Intermediation between firms, Government, regulators and financial institutions to promote firms' interests</p> <p>3 Support and clarity on regulations and extension of compliance deadlines</p>	<ul style="list-style-type: none"> Engage formally with authorities on measures to benefit member firms e.g. permission to operate during the MCO, stimulus measures, social and employment safety nets for COVID-19, tax and investment incentives Liaise with financial institutions on special financial schemes for member firms 	<ul style="list-style-type: none"> Articulates the potential value created by accountants in advising and assisting businesses during crisis (-) Firms' demand for wage subsidies and financial safety nets diminishes credibility as business advisors More financial schemes/IT packages catered for accounting firms support business sustainability 	<p>SO4</p>   
<p>4 Help address accountancy firms' challenges and continuously communicate the Institute's responses</p>	<ul style="list-style-type: none"> Survey on the Impact of the MCO and Effect of the Economic Stimulus Package on MIA Member Firms Survey on Member Firms' Financing Needs and Availability of External Finance Engagement through Town Hall sessions 	<ul style="list-style-type: none"> Survey findings provide data that informs Institute's strategy for profession's future relevance Creates awareness on the Institute's initiatives to support public practitioners and members 	<p>SO4</p>  
<p>5 Support on business continuity and practice management</p>	<ul style="list-style-type: none"> Conducted Survey on Practice Matters Practice Review Moratorium of Practice Review for 6 months commencing July 2020 to December 2020 to enable audit firms' recovery post-MCO COVID-19 and crisis management resources on MIA website 	<p>Audit quality and strong practice management lead to more sustainable operations and business models for members firms</p>	<p>SO3</p>  
<p>6 Support for technology transformation</p>	<ul style="list-style-type: none"> Launch of eConfirm.my AccTech 2020 Conference and assorted technology programmes Conducted Technology Survey: technology adoption measures among target firms and members 	<ul style="list-style-type: none"> Drives digitalisation of audit sector and accountancy profession for greater efficiency Able to offer more value added services to clients Improved practice efficiency and profitability 	<p>SO1</p> <p>SO4</p>    

Stakeholder Interests	How We Engage/Respond	Value Created	Impacts
ACADEMICIANS (<i>Accountancy educators</i>)			
1 Support for learning and professional development	<ul style="list-style-type: none"> Complimentary and affordable capacity building and upskilling programmes Extended complimentary capacity building initiatives to academicians from Klang Valley, East Coast and Sarawak Upskill academicians teaching accountancy at Degree and Diploma levels Outreach and support for academicians from Cambodia 	<ul style="list-style-type: none"> Recalibrates accountancy education pedagogy to enhance future relevance of accounting graduates Expanded outreach narrows the urban-rural and intra-ASEAN development gaps Enhances education quality at degree and diploma level benefits graduates and employers 	  
2 Represent their interests in matters related to accountancy education	<ul style="list-style-type: none"> Carried out accreditation exercise for 4 universities for inclusion into Part I of the First Schedule to the Accountants Act 1967 Regular engagement with Council of Deans and Universities Engaged Bahagian Pendidikan Tinggi MARA on potential collaboration on training and curriculum development Responded to invitations from universities to share industry input and curriculum development trends 	Accountancy education reform boosts relevance of academicians and Institutions of Higher Learning	  
3 Support for COVID-19 crisis management	Provided temporary approval to universities recognised under Part 1 of the First Schedule to the Accountants Act 1967 to adopt online assessment and replace industrial training with other alternative form of assessments in line with the Malaysian Qualifications Agency (MQA) and Ministry of Higher Education (MOHE) requirements	Supports continuing delivery of accounting education for human capital development	 
4 Advocacy for digital transformation	Survey on Technology Adoption within the Accounting Courses by the Universities in Malaysia	<ul style="list-style-type: none"> Supports digitalisation and future relevance of accountancy education Accounting graduates being more technology savvy 	  
5 Support for accountancy research and grants	<ul style="list-style-type: none"> Ongoing MIA-MAREF Priority Research Report 2.0 Produced complimentary "Accounting for Islamic Finance" textbook 	<ul style="list-style-type: none"> Strengthens applied accountancy knowledge base Easy access to latest Islamic finance accounting guidance improves accounting education and application of MFRS for Islamic finance institutions 	   

Stakeholders Engagement

Stakeholder Interests	How We Engage/Respond	Value Created	Impacts
PUBLIC (<i>Members of the public and the public interest</i>)			
1 Expect the accountancy profession to act with integrity and accountability, and protect the public interest	<ul style="list-style-type: none"> Educate the public on the scope and roles of the profession and awareness of bogus accountants Public and non-members access programmes at an affordable fee Branding as preferred training provider with 40% of participants to be derived from non-members Free public access to MIA's intellectual capitals online e.g. Accounting for Islamic Finance textbook, e-Accountants Today (e-AT) 	<ul style="list-style-type: none"> Public trust essential to future relevance of accountancy profession and validation of the Institute's nation building role Access to education nurtures more informed population, drives social mobility 	  
GLOBAL ASSOCIATIONS (<i>Mutual advocates for the profession's value and relevance</i>)			
1 Support and contribute to the global profession's development agenda as espoused by IFAC, IAASB, IIRC and AFA	<ul style="list-style-type: none"> Member of IFAC and AFA committees Co-hosted IFAC "Developing Accountancy Capacity in Fragile and Conflicted Affected States" Conference in 2019 Contributions to IFAC Knowledge Gateway and AFA Connect and reciprocal republishing of IFAC content on e-AT Conducted roundtable on the IAASB's Discussion Paper on Audits of Less Complex Entities (LCE) 	<ul style="list-style-type: none"> Supports the current and future relevance of the global accountancy profession Shares Malaysia's perspectives on matters relating to the accountancy fraternity Differentiates MIA and Malaysia as role model for developing economies in mutual areas of interest Knowledge gained through thought leadership and best practices improve local practice 	  
2 Building consensus and driving adoption and awareness of <IR>	<ul style="list-style-type: none"> IIRC certified trainer MIA's contributions to IIRC's <IR> framework reforms 	<ul style="list-style-type: none"> Enhances <IR> adoption and quality of corporate reporting in Malaysia Strengthens reputation of Malaysian companies and capital market 	   
EMPLOYEES (<i>MIA's internal talent pool</i>)			
1 Healthy company culture	<ul style="list-style-type: none"> Monthly meetings between management and employees Mentoring, coaching and annual team building exercise Inculcate Corporate Social Responsibility (CSR) mindset 	High-skilled talent key to driving Institute's nation building agenda	 
2 Adequate equipment and tools	Systems and equipment for efficiency and productivity: MIA Membership Information System (MMIS), Microsoft Teams and Operation Manual (OM) policies and processes	Employees able to understand and apply standardize processes to increase organisational efficiency and employee productivity	
3 Professional development pathways	Training and development	Strengthens staff capabilities and supports high performance culture	
4 Inputs and clarity on Key Performance Indicators (KPIs), policies, plans and processes	<ul style="list-style-type: none"> Performance appraisals and feedback for improvement Survey on MIA Staff Technology Adoption 	Technology adoption supports MIA's evolution as a digital data-driven enterprise	

Stakeholder Interests	How We Engage/Respond	Value Created	Impacts
ACCOUNTANCY TALENT (<i>Students at Secondary and Tertiary Level, CARE Volunteers</i>)			
<ol style="list-style-type: none"> High-skilled high-value jobs in a prestigious profession Relevant future-fit roles with opportunities for mobility and advancement 	<ul style="list-style-type: none"> Development of Competency Framework, which defines and explains roles of accountants in future digital economy Work with schools and Institutions of Higher Learning to engage students through accountancy career events and Chartered Accountant's Relevant Experience (CARE) programme Malaysia Professional Accountancy Centre (MyPAC) to develop Bumiputera accountants among the B40 socioeconomic segment 	<ul style="list-style-type: none"> Increasing interest in accountancy supports accountancy talent pipeline and future economic and social development Encourages e-learning and alternative channels to support education despite COVID-19 social distancing and Government SOPs 	    
MEDIA (<i>Traditional and Social</i>)			
<ol style="list-style-type: none"> Interested in newsworthy content Seek MIA's perspectives on current issues and developments related to the profession 	<ul style="list-style-type: none"> Educate media on scope, roles and relevance of the profession Extend invitations for event coverage and exclusive interviews Partner with media to provide visibility on the profession's competency development, advocacy and digital transformation High-level courtesy visits to media agencies Media training for Council and Management 	<ul style="list-style-type: none"> Strengthens reputation and trust in MIA and the accountancy profession Advocates for MIA's nation building work Increased presence on social media platforms Increased readership and sharing of e-AT 	   
SUBJECT MATTER EXPERTS (<i>Partners and Speakers</i>)			
<ol style="list-style-type: none"> Share expertise Win-win partnership in developing the profession 	<ul style="list-style-type: none"> Valued Partnerships Identify and invite experts to contribute as speakers and panellists to webinars and seminars Create more opportunities for experts to share An increased number of experts keen to contribute through webinars at a more economical cost Participation in MIA roundtable discussions, Committees and Task Forces 	<p>High value and relevant learning sessions and programmes for the accountancy fraternity</p> <ul style="list-style-type: none"> Accelerated e-learning as an alternative training and development channel MIA adapted quickly to deliver complimentary webinars on COVID-19 implications and crisis management strategies for members' benefit 	      
COMMITTEES AND TASK FORCES (<i>MIA's external talent pool</i>)			
<ol style="list-style-type: none"> Advocate for common interests relating to the accountancy profession Networking and brand building Volunteerism and CSR 	<ul style="list-style-type: none"> Devise and drive opportunities for collaboration Nominate market leaders and subject matter experts for Committees and Task Forces 	<ul style="list-style-type: none"> Diverse expertise of Committees and Task Forces enriches knowledge sharing for nation building Differentiates Malaysia in technical and expert domains e.g. Islamic finance, finance function competencies, and technology transformation 	     

Material Matters

Material factors are those that significantly affect the Institute's capacity to create value over time. These factors are derived based on data from extensive stakeholder engagements and reviewed and approved by the Council.

For the year under review, COVID-19 has emerged as a new material matter that has a substantive impact on our materiality indices; we continue to review our materiality matrix accordingly to respond to COVID-19 uncertainty.

Material Matters	Risk or Opportunity	Our Response	Impacts
<p>1 COVID-19 and concomitant risks</p>	<ul style="list-style-type: none"> • Pandemic risk jeopardises MIA's business continuity and financial sustainability, which could curtail our regulation and development activities • Areas impacted by COVID-19 include physical CPE, membership continuity outreach activities, stakeholder engagement and physical office operations • Help accelerate digital mindset and culture embracing emerging technologies for e-commerce and professional services • Able to have sought after international subject matter experts and thought leaders for virtual CPE and outreach 	<ul style="list-style-type: none"> • MIA conducts regular and intensive reviews of our scenario plans, Enterprise Risk Management (ERM), operational plan, and business model towards continuing sustainability • Shift to remote working to support stakeholders engagement and member services • Emphasis on e-learning and webinars supports CPE and outreach • Exploring to support affected members on their membership continuance • Continue to advocate on digital leadership of the profession and its future relevance in creating value to the business and society. • Quality of CPE and outreach activities especially the conferences and key events have been enhanced with international speakers sharing their thoughts and views 	<p style="text-align: right;">● Risk ● Opportunity</p> <p>S01 S04</p> 
<p>2 Accountants Act 1967 from which MIA derives its powers</p>	<p>Delay in passing the proposed new Accountants Act affects MIA's regulatory and enforcement plan</p> <p>Proposed new Accountants Act equips MIA for modern challenges of regulation in the digital economy</p>	<ul style="list-style-type: none"> • Innovate enforcement mechanisms and processes to enhance regulation of accountancy profession <ul style="list-style-type: none"> - Reactive enforcement is facilitated through lodging of complaints online by the public followed by the statutory processes - Proactive enforcement evolves on surveillance of practice reviews, financial statements review, CPE compliance and compliance to laws and regulations by members and non-members • Ongoing engagement with MOF to enact proposed new Accountants Act 	<p>S03</p> 

Material Matters	Risk or Opportunity	Our Response	Impacts
<p>3 Government and Regulatory Support</p>	<p>Support MOF and collaboration with other Ministries, Government agencies and regulators facilitate MIA's regulation and development activities</p>	<ul style="list-style-type: none"> Continue to engage and seek new opportunities for collaboration on the profession's regulation, development, and future relevance Collaborate with co-regulators on regulatory initiatives conducted by the Institute particularly involving non-members 	<p>S04</p> 
<p>4 Strategic Plans and Business Process Improvement</p>	<p>Steers the Institute's direction and drives productivity improvement</p>	<ul style="list-style-type: none"> Drafted MIA Long Term Strategic Plan 2030 FY2020/2021 3-Year operational plan finalised and approved for implementation Quarterly performance review and update Currently revising and producing SOP manuals aligned with ISO 9001-2015 to improve business processes and operational efficiency 	<p>S04</p> 
<p>5 Competency on Regulations, Standards and Best Practices linked to the accountancy profession</p>	<p>Institute's expertise in this area enables competency development and strong regulation of the profession</p>	<ul style="list-style-type: none"> Provide continuing guidance through circulars, articles, publications and guidance materials on standards, regulations and best practices Provide dedicated resources on COVID-19 impacts Increased focus on training programmes and outreach sessions, while pivoting to e-learning channels, supports ongoing competency development in the profession Encourage technology adoption and best practices through operationalisation of MIA Digital Technology Blueprint Enforce MIA By-Laws and inculcate the Code of Ethics Development of the MIA Competency Framework based on international standards to set baseline competencies for accountancy professionals 	<p>S01</p> 

● Risk ● Opportunity

Material Matters

Material Matters	Risk or Opportunity	Our Response	Impacts
<p>6 Institute's Digital Transformation</p>	<p>Leverage on technologies to enhance productivity</p>	<ul style="list-style-type: none"> Guided by 3-year IT Strategy Plan from 2020-2022 Ongoing enhancement of MMIS that transforms manual processes to digital processes across the Institute's various functions Ongoing adoption of data analytics for data-driven decision-making Roll-out of virtual meeting and webinar software to support e-learning and virtual competency development 	<p>S01</p> 
<p>7 Institute's Talent</p>	<p>Develop a dynamic, competent and highly-skilled workforce committed to MIA's nation building purpose</p>	<ul style="list-style-type: none"> Constant communications and engagements between the management and staff managed to provide common understanding on the Institute's nation building initiatives Continuous skills enhancement to ensure relevance Enable staff to work from home throughout the COVID-19 crisis on a rotational basis to: <ul style="list-style-type: none"> Ensure continuity of operations Provide uninterrupted services to our members and other stakeholders To safeguard health and safety 	<p>S04</p> 
<p>8 Stakeholder Relationships</p>	<p>Strong and trusted relationships are the basis of continuing and forward-looking strategic collaboration</p>	<ul style="list-style-type: none"> MIA continues to forge strong relationships and strategic collaborations with diverse stakeholders at local, regional and international levels Continuing engagement with global associations and PAOs establishes MIA as the voice of Malaysian accountancy profession Shift to e-learning channels enables MIA to tap a larger and more international pool of speakers and subject matter experts for our competency development initiatives 	<p>S04</p> 

● Risk ● Opportunity

Material Matters	Risk or Opportunity	Our Response	Impacts
<p>9 Tone at the Top – governance and oversight by MIA Council</p>	<p>Conflicts of interest and vested interests could compromise independence and oversight of Council</p> <p style="text-align: right;">● Risk</p>	<ul style="list-style-type: none"> • Issued Governance Council Charter • Proposed new Accountants Act reforms will address these risks for better governance • Obtained Council's commitment for MIA's sustainability and nation building agenda 	<p style="text-align: right;">● Risk ● Opportunity</p> <p>S03</p> 
<p>10 Financial Sustainability</p>	<p>Lower income from CPE and membership due to pandemic risks may affect our regulation and development activities</p> <p style="text-align: right;">● Risk</p>	<ul style="list-style-type: none"> • Agile scenario planning guides the Institute's business continuity and sustainability strategies • Close monitoring of budgetary control process in managing operational expenses and temporary freeze of staff recruitment • Reviewed and improved SOPs for procurement to address procurement risk and ensure MIA obtains competitive pricing from vendors and suppliers • Pivot to e-learning and webinars subsidises declines in income due to SOPs prohibiting large physical gatherings for events and conferences 	 

Our Value Creation Model

Our Environment

Key drivers of change in our business model



For more information about Performance by Strategic Objectives, please go to pages 44 - 60

Macroeconomic

- ECONOMIC PROSPECTS
- COVID-19 CRISIS
- BUSINESS CONTINUITY
- UNEMPLOYMENT
- LIQUIDITY AND DEBT CRUNCH

Capitals

Strategic Objectives



Intellectual

- MIA Competency Framework
- MIA Digital Technology Blueprint
- MIA CFO and Finance Function Competency Frameworks in PIEs
- E-Accountants Today (e-AT)
- CPE Programmes
- Practice Review Programme
- SMP Roadmap
- Islamic Finance Mini Pupillage Programme
- Technical Standards and Guidance



Human

- Collaborative Leadership Strategy
- Council
- Management and Staff
- Committees and Task Forces
- Subject Matter Experts
- Speakers
- Crisis Leadership
- Risk Mindset
- High-Performance Work Culture



Social and Relationship

- Ties with Ministries, Accountant-General Office, Auditor-General Office
- Collaboration with Regulators, Global Accountancy Associations, Professional Accountancy Organisations
- Memorandum of Understanding
- MIA Members
- MIA Digital Membership Privilege Card and Lifestyle Benefits



Manufactured

- MIA Membership Information System
- Office Premises owned by MIA



Financial

- Income from CPE
- Membership Fees
- Event Sponsorship
- Valued Partnerships
- Regulatory Sanctions and Fines
- Retained Earnings



Natural

- Energy, water and plastic are consumed in our operations, production of training events and travel
- Our responsible consumption strategies include eliminating single-use plastic bottles, reduction of travel, e-brochures, digital training, and tree planting to offset our carbon footprint
- We will quantify our impacts beginning in 2020/2021

Strategic Objective 01



S01

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

Strategic Objective 02



S02

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

Strategic Objective 03



S03

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

Strategic Objective 04



S04

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

CORE ACTIVITIES

• Enhancing the value proposition of Membership and the Accountancy Profession

• Communications and Brand Building

• Funding for long-term sustainability

• Surveillance, Proactive Enforcement, Investigative and Disciplinary Processes

• Membership Registration and Licensing

• Research and development, thought leadership and knowledge sharing

• Guidance and implementation of standards and professional practices

• Issuance and embedding of ethical codes

• Competency development and capacity building

• CPE as key driver for competency development

• Advocacy for transformation and future relevance of the profession

• Strategic engagement and collaborations

Political, Legislative and Regulatory

- CHANGE IN GOVERNMENT
- ACCOUNTANTS ACT 1967 AND PROPOSED REFORMS
- CSAP
- MACC ACT
- MFRS
- COMPANIES ACT
- ACCOUNTING AND AUDITING STANDARDS TAX RULES

Technology

- e-LEARNING
- ARTIFICIAL INTELLIGENCE
- BLOCKCHAIN
- CYBERSECURITY
- CLOUD
- DATAANALYTICS
- ROBOTICS PROCESS AUTOMATION
- DIGITAL INEQUALITY AND ACCESS

Social

- TRUST DEFICIT
- PUBLIC EXPECTATIONS
- REMOTE WORK CULTURE
- SOCIAL DISTANCING
- INDUSTRY: GRADUATE SKILLS MISMATCH

Outputs

Members
(2019: 35,630)

36,365

Students Reached
(2019: 12,000)

10,720

Cases Resolved
(2019: 108)

81

Actions against bogus accountants
(2019: 34)

31

CPE Programmes
(2019: 968)

867

People Trained
(2019: 36,240 / 2020: 34,813)

Members **25,613** Non-Members **9,200**

Outreach Programmes
(2019: 27)

33

Webinars
(new 2020 initiative)

80

Collaborative Partners
(2019: 32)

23

Signed up to special pathway/MoU's
(2019: 895)

1,044

Academicians trained through capacity building initiatives
(2019: 224)

202

Launch of eConfirm.my

Launch of Islamic Finance Accounting Textbook

Thought leadership publications/articles
(2019: 29)

37

Digital Advocacy

6 articles **33** events
2 surveys

Circulars Issued
(2019: 142)

152

Comment Letters
(2019: 27)

29

ASEAN CPAs
(2019: 842)

1,063

Downloads - MIA Digital Membership Privilege Card and Lifestyle Benefits
(2019: 17,780 (85 lifestyle benefits))

20,666 (79 lifestyle benefits)

Income
(2019: RM45.21 million)

RM41.19 million

Media Mentions
(2019: 544)

148

e-AT Page Views
(2019: 78,597)

139,694

Number of unique logins into MMIS
(2019: 32,804)

40,392

Speaking Engagements by Stakeholders
(invited)

20

Value Created For Nation Building

- Competent Talent Pipeline Drives Economic and Social Development
- Attracts and Retains High-Skilled Talent



- Drives Business Compliance, Market Regulation and Good Governance



- Upskills Accountants with Future-Relevant Skills for High-Value Jobs
- Supports Upward Social Mobility and Builds Communities



- Supports Malaysia's Goal of Reaching Developed Nation Status

- Spearheads Digitalisation of Profession
- Improves Financial Reporting and Assurance
- Inculcates Ethical Behaviour for Stronger Governance and Trust



- Accountancy Nurtured as a High-Value and Future-Fit Profession in Malaysia



- MIA Recognised as the Voice of the Profession



- Finances and Sustains MIA's Nation Building Activities



- Responsible consumption of scarce natural resources supports sustainable development



Performance By Strategic Objectives

The value creation activities of MIA is steered by our four Strategic Objectives ingrained in our Operational Plan and permeated by the culture of strategic collaboration.



This enables us to optimise the regulation and development of the accountancy profession in order to support sustainable social and economic development.

For the year under review from July 2019 to June 2020, we accomplished the Operational Plan targets for the first half of the year. However, the end of the third quarter and our fourth quarter were impeded by the impacts of the COVID-19 crisis. The unprecedented challenges arising from the crisis and the Government's MCO and RMCO restrictions affected key activities namely CPE, outreach, stakeholder engagement and roundtables, practice review as well as investigative and disciplinary processes.

To mitigate these challenges, MIA devised various action plans and executed them progressively to facilitate operations and discharge our obligations

as mandated by the Accountants Act 1967 and to provide the appropriate support to our stakeholders. Specifically, as the statutory body under the MOF responsible for regulating and developing the accountancy profession, MIA's crisis management plans sought to:

- sustain its protection of the public interest by supporting fiscal policy and
- facilitate the ability of accountancy professionals in carrying out their functions.

Despite the difficulties and uncertainties, MIA successfully delivered 71 key outputs in 2019/2020 where 14 outputs exceeded the target, 30 outputs met target, 21 outputs were below target and 6 new outputs were initiated and achieved beyond the initial KPIs.

Strategic Objective 1 (SO1)				
Develop and enhance the competency of accountancy professionals to stay relevant to business and market demand				
Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
1 MIA Competency Framework (MIA CFM)	<ul style="list-style-type: none"> Complete public consultation for Exposure Draft of MIA CFM Release the final version of MIA CFM for full implementation 	<ul style="list-style-type: none"> Completed and closed public consultation for Exposure Draft of MIA CFM ● MIA CFM Document and full design approved in June 2020 and scheduled for release via various communication channels ● 	<ul style="list-style-type: none"> Defines baseline competencies required to become accountancy professionals in line with international standards Responds to CSAP recommendations for future relevance of the profession 	 
2 Develop and deliver CPE programmes in accounting and financial reporting, taxation, education, technology and <IR>	<ul style="list-style-type: none"> 37,000 pax targeted 60% of MIA members to attend minimum 1 event 	<ul style="list-style-type: none"> 34,813 or 94% participants attended in total ● 14,060 or 40% of participants are MIA members who attended at least one event ● 	<ul style="list-style-type: none"> Equips members for current and future market relevance Disruption to CPE due to COVID-19 affects profession's development MIA pivoted swiftly to webinars and e-learning to counteract declines in physical CPE 	 
3 MIA International Accountants Conference (MIA Conference)	MIA Conference 2019 KPIs	<ul style="list-style-type: none"> Largest-ever MIA Conference 2019 recorded ● <ul style="list-style-type: none"> 3,297 delegates 83 speakers 65 sponsors MIA Conference 2020 postponed to mid-2021 ● 	<ul style="list-style-type: none"> Flagship conference brands MIA as the voice of the profession Sought-after platform for valued partnerships and branding/marketing opportunities Cancellation of MIA International Accountants Conference 2020 affects profession's development and MIA's income 	 
4 New Accreditation Framework of Universities and Professional Programmes	Develop and approve new accreditation criteria and processes for universities and professional programmes	<ul style="list-style-type: none"> Drafted new accreditation guidelines ● Further deliberation and engagement with MQA to be planned 	<ul style="list-style-type: none"> Ensures that accountancy education meets baseline accreditation standards and criteria for enhanced quality Supports development of high-skilled talent 	 

Performance By Strategic Objectives

Strategic Objective 1 (SO1)				
Develop and enhance the competency of accountancy professionals to stay relevant to business and market demand				
Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
5 • Respond to consultation documents relating to international standards on auditing, ethics and public sector accounting • Respond to papers by IIRC, IVSC, SC, Bursa, SSM	<ul style="list-style-type: none"> All response letters sent on a timely basis At least 1 comment taken up from each comment letter Share or report results and/or final outcomes 	<ul style="list-style-type: none"> 29 comment letters submitted on a timely basis 15 comment letters - at least 1 comment taken up 12 comment letters - still being deliberated 2 comment letters - no comments taken up 12 comment letters - the results have been shared 	MIA recognised as the voice of Malaysia's accountancy profession globally and locally	 
6 Publish technical related articles, guidance and publications	<ul style="list-style-type: none"> 28 articles and publications (including 7 guidance materials) 5,000 total reads 	<ul style="list-style-type: none"> 37 articles and publications (including 9 guidance materials) 10,563 reads based on 13 e-AT articles 	Accountants upskilled on technical developments and practices for better services and compliance	 
7 Inclusion of AMLA into MIA Induction Programme	To be completed by December 2019	Draft AMLA video submitted for inclusion in MIA Induction Programme	<ul style="list-style-type: none"> Accountants are more aware of AMLA requirements Supports seamless regulation and good governance 	  
8 Conduct outreach/ engagement/ roundtable sessions	<ul style="list-style-type: none"> 17 outreach events 13 webinars/videos 	35 events/webinars organised, on topics relevant to accountants and stakeholders	<ul style="list-style-type: none"> Upskills accountants and stakeholders Ensures accountants are relevant 	 
9 Initiatives related to MIA Competency Frameworks for CFO and Finance Functions in PIEs	<ul style="list-style-type: none"> 4 CFO Circle events 2 outreach events 1 webinar/video 	<ul style="list-style-type: none"> 2 CFO Circle Luncheon talks on Future of Finance and CFO Competencies 1 virtual CFO Circle and 1 forum with finance leaders on COVID-19 strategies 	<ul style="list-style-type: none"> Enhances competency of accountancy professionals in commerce and industry Strengthens organisational performance Focus on COVID-19 improves enterprise crisis management to support economic sustainability 	 

Strategic Objective 1 (SO1)				
Develop and enhance the competency of accountancy professionals to stay relevant to business and market demand				
Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
10 Implementation of SMP Roadmap	<ul style="list-style-type: none"> 10 workshops covering 200 audit firms Revamp Public Practice Programme (PPP) 5 sessions with Bank Negara Malaysia (BNM) 	<ul style="list-style-type: none"> 6 Illustrative Audit Working Paper workshops 57 audit firms reached ● ● Converting PPP into e-learning modules and workshops ● Completed development of PPP e-learning modules ● 4 sessions with BNM No sessions in Q3 and Q4 due to COVID-19 ● ● 	<ul style="list-style-type: none"> Continuing improvement in audit quality of audit firms in Malaysia supports better services and market regulation Promotes enhanced competency and market relevance of practitioners and members 	
11 Operationalisation of MIA Digital Technology Blueprint - supports technology adoption by SMPs	<ul style="list-style-type: none"> eConfirm.my platform - 50% of audit firms to participate 	<ul style="list-style-type: none"> eConfirm.my - went live in May 2020 365 audit firms or 24.7% registered on eConfirm.my as at June 2020 ● physical and virtual launch in June 2020 ● 	<ul style="list-style-type: none"> eConfirm.my improves efficiency, quality of audit services and customer satisfaction Drives digitalisation and transformation of accountancy profession for future relevance 	
12 <ul style="list-style-type: none"> Publication of "Accounting for Islamic Finance" textbook Islamic Finance Mini Pupillage Programme 	<ul style="list-style-type: none"> To launch IF textbook by December 2019 10% increase in number of participants in IF Mini Pupillage Programme 	<ul style="list-style-type: none"> IF textbook launched in January 2020 ● 14 registered participants in IF Pupillage Programme 2019/2020 (15 pupils in 2017/2018) ● 	<ul style="list-style-type: none"> Strengthens local intellectual capital and thought leadership in IF Malaysia gains foothold in greenfield segment of IFRS for IF Supports competency development of IF sector globally and locally 	

For more information, please go to page 15 - Case Study 2

Performance By Strategic Objectives

Strategic Objective 1 (SO1)				
Develop and enhance the competency of accountancy professionals to stay relevant to business and market demand				
Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
13 IR training programmes certified by the IIRC  For more information, please go to page 18 - Case Study 3	<ul style="list-style-type: none"> 8 introductory level courses 3 practitioner level courses 	<ul style="list-style-type: none"> IR Training – Introduction <ul style="list-style-type: none"> 10 workshops 319 participants IR Training – Preparer <ul style="list-style-type: none"> 2 workshops 40 participants In house IR Training <ul style="list-style-type: none"> 1 workshop 25 participants 	<ul style="list-style-type: none"> Increased application of <IR> improves corporate reporting quality and investor confidence Recognised locally, regionally and internationally as advocate for <IR> consensus and competency 	   
14 Promotion of compliance based on best practices and good financial reporting <ul style="list-style-type: none"> Share knowledge and guidance on exemplary financial reporting 	<ul style="list-style-type: none"> Publication of annual Practice Review report within 3 months after financial year end Publication of annual FSRC report 	<ul style="list-style-type: none"> Published 2 articles on Practice Review in e-AT Practice Review Annual Report – work in progress 1 article published in e-AT on FSRC findings Annual FSRC report – work in progress 	<ul style="list-style-type: none"> Compliance improves practice management and audit quality in line with international standards Enhancement of financial reporting among members and practitioners leads to increased trust and market confidence 	   
15 Discounted publications are made available to members	5% increase in relevant titles to date	29 total publications (2018/2019 – 26 titles) 11.5% increase	Discounts benefit members especially during the COVID-19 crisis	 
16 E-library for members	Establish Phase 1 by December 2019	Phase 1 of e-Library went live in June 2020	Convenient access to online knowledge supports professional competency and digital literacy	 

Strategic Objective 1 (SO1)				
Develop and enhance the competency of accountancy professionals to stay relevant to business and market demand				
Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
17 Capacity building initiatives for academicians	<ul style="list-style-type: none"> 4 structured capacity building workshops Max 10 invitations fulfilled 	<ul style="list-style-type: none"> 5 structured workshops conducted ● 10 invitations fulfilled ● 	<ul style="list-style-type: none"> Upskills the knowledge of accounting academicians to produce more industry relevant accounting graduates Improves quality and competency of talent pipeline 	  
18 MIA QE holders recognised by MOF	Additional initiative	MIA QE holders approved by MOF as a recognised qualification for tax agent licence applications ●	MIA QE recognised as a valuable qualification in the market	  
19 Accounting Education Collaboration	Additional initiative	Engaged with Ministry of Higher Education (MOHE) on the Accounting Education Master Plan ●	Increases competency of accounting educators and produces industry relevant graduates	  
20 Development of MPERS interactive e-book	Additional initiative	<ul style="list-style-type: none"> 89 audio recordings and 3 video recordings completed ● Customisation of content fulfilment platform ● 	Digital content enhances members' technical competency and supports future relevance of the profession	  

Performance By Strategic Objectives

Strategic Objective 2 (SO2)				
Nurture professional values and ethics of members to uphold a strong accountancy profession				
Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
1 <ul style="list-style-type: none"> Audit Quality Enhancement Programmes and Public Practice Programmes (PPP) Collaborative programmes with the regulators 	Continuous education programmes for members and practitioners	<ul style="list-style-type: none"> 5 Public Practice Programmes Attended ACCA-AOB roundtable on closing the Expectation Gap in Audit Engagement session with BNM on AMLA exposure draft Attended IFAC roundtable on audit of less complex entities Discussion on bogus accountants with PDRM Director of Commercial Crime Attended Audit Committee meetings in SuruhanJaya Koperasi Malaysia (SKM) Engagement sessions with LOFSA, Commissioner of Lands and Buildings, ROS and SKM on audit matters ● 	<ul style="list-style-type: none"> Creates awareness and enhances knowledge of ethics and professional values among members/practitioners. Collaboration between co-regulators on issues related to the profession strengthens values-based governance 	
2 <ul style="list-style-type: none"> National Annual Corporate Reporting Awards (NACRA) - a collaborative effort between Bursa Malaysia, MIA and MICPA Coordinate the adjudication process and organisation of NACRA 	<ul style="list-style-type: none"> Assist MICPA in organising NACRA 2019 and participate in the adjudication process Take the lead role in organisation and adjudication of the new NACRA beginning in 2020 Draft the new NACRA adjudication framework for NACRA 2020 	<p>NACRA 2019</p> <ul style="list-style-type: none"> 45 companies participated in the NACRA 2019 2 rounds of adjudication NACRA Presentation Dinner officiated by the Minister of Finance ● <p>NACRA 2020</p> <ul style="list-style-type: none"> NACRA 2020 successfully launched under MIA's leadership New NACRA framework completed, launched and shared with media Closing date for entry submission extended from 29 May 2020 to 15 July 2020 due to COVID-19 ● Adjudication to commence from August to November 2020 ● ● 	Promotes excellence in annual corporate reporting	

Strategic Objective 2 (SO2)
Nurture professional values and ethics of members to uphold a strong accountancy profession

Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
3 Training of international peer regulators in audit quality and enforcement	Additional initiative	<ul style="list-style-type: none"> Provision of training to SOCPA, our peer regulator from Kingdom of Saudi Arabia (KSA) in 2019 ● Organised meeting between SOCPA and MICPA to facilitate collaborative opportunities ● 	<ul style="list-style-type: none"> Recognised as role model for audit quality and regulation in developing markets Built goodwill by supporting the strengthening and refinement of KSA's Audit Quality Monitoring (AQM) system Promotes MIA and Malaysia in the international and emerging markets' audit sector 	

Strategic Objective 3 (SO3)
Regulate and develop the practice of the accountancy profession consistent with global standards and best practices

Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
1 Adoption of international standards in alignment with IFAC's plan	Timely adoption of standards when issued	14 updated/revised Malaysian Approved Standards issued on a timely basis ●	<ul style="list-style-type: none"> Enhanced coverage and quality of technical standards and guidance supports competency development Members comply with international best practices 	
2 Timely issuance of Notices of Complaints (NOC)	Drafting/ Issuance of NOC within stipulated timeframe of 4-5 working days	<ul style="list-style-type: none"> Total 128 complaints - NOC issued - 109 ● - Closed - 19 	Ingrains public confidence in the due processes of the complaint mechanism of the Institute	

Performance By Strategic Objectives

Strategic Objective 3 (SO3)				
Regulate and develop the practice of the accountancy profession consistent with global standards and best practices				
Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
3 Monitor compliance with regulatory requirements via Practice Review	50 reviews (New and Monitoring Reviews)	<ul style="list-style-type: none"> 41 Practice Review Reports finalised <ul style="list-style-type: none"> 21 first review reports 1 follow up review 19 monitoring review reports (8 Satisfactory, 11 Unsatisfactory) 12 Remedial Action Plans (RAPs) approved KPI shortfall due to reduced manpower, additional 1MDB-related ad hoc cases and delay in submission of documents by audit firms due to MCO ● ● 	<ul style="list-style-type: none"> Improved compliance of audit firms enhances quality of public practice services Monitoring Review enables audit firms to better understand and rectify weaknesses through the submission of RAPs 	
4 Monitor compliance with statutory requirements and approved accounting and auditing standards through surveillance programmes: <ul style="list-style-type: none"> Monitor quality of financial statements through random reviews Proactive surveillance of public interest cases 	<ul style="list-style-type: none"> Random reviews <ul style="list-style-type: none"> Target revised to 15 cases from 25 originally due to staff shortage, redeployment of staff and new NACRA framework workload Hot Pursuit cases <ul style="list-style-type: none"> Target 15 cases 	Random reviews of Financial Statements 15 new cases and 3 cases brought forward <ul style="list-style-type: none"> 12 cases disposed <ul style="list-style-type: none"> Category 1 – 10 cases Category 2 – 1 case Category 3 – 1 case Work in progress – 6 cases • 2 formal complaints lodged to the Registrar ● Hot Pursuit cases 14 new cases and 1 case brought forward <ul style="list-style-type: none"> 11 cases disposed 2 cases - full review completed 2 cases - work in progress ● 	Greater awareness and accountability among preparers of financial statements for compliance with accounting and auditing standards strengthens quality of financial reporting and confidence among investors	

Strategic Objective 3 (SO3)
Regulate and develop the practice of the accountancy profession consistent with global standards and best practices

Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
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● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19

<p>5</p> <ul style="list-style-type: none"> • Monitoring compliance with CPE requirement • Conduct CPE Compliance Audit and Review on members particularly Audit Licence Holders and Practising Certificate (PC) Holders 	<ul style="list-style-type: none"> • Conduct random CPE Compliance Audit on 300 members • Monitoring of CPE Compliance of all PC holders 	<p>CPE Compliance Audit 2019</p> <ul style="list-style-type: none"> • Compliance rate for CPE 2019 Audit: <ul style="list-style-type: none"> - 131 members (44%) complied and 169 members (56%) non-compliant out of 300 selected for audit - 6 members (12%) complied and 45 members (88%) non-compliant out of 51 members selected for Re-Audit <p>●</p> <p>Monitoring of PC Holders CPE Compliance</p> <ul style="list-style-type: none"> • Compliance Rate as at 30 June 2020 <ul style="list-style-type: none"> - 3,962 total PC holders, comprising Audit Licence and Non-Audit Licence holders • 1,675 Audit Licence Holders <ul style="list-style-type: none"> - 1,475 (87%) complied - 210 (13%) non-compliant • 2,287 Non-Audit Licence Holders <ul style="list-style-type: none"> - 1,752 (77%) complied - 535 (23%) non-compliant <p>●</p>	<ul style="list-style-type: none"> • Stringent enforcement of CPE Compliance develops competent and trusted Audit Licence and PC holders for an orderly market • Compliance supports public trust and regulatory confidence 	
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Performance By Strategic Objectives

Strategic Objective 3 (SO3)
Regulate and develop the practice of the accountancy profession consistent with global standards and best practices

Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
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● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19

5 (Continued from previous page)

- Review CPE Compliance of PC Holders for the purpose of PC renewal
- Review CPE Compliance of Audit Licence Holders for the purpose of audit licence renewal

Annual Review CPE compliance of PC Holders

- 824 PC Holders reviewed
 - 792 (96%) complied
 - 32 (4%) shortfall

Review CPE Compliance of Audit Licence Holders for renewal of audit licence for the period 1 July 2019 to 30 June 2020

- 538 Audit Licence Holders reviewed
 - 426 (79%) complied
 - 112 (21%) shortfall

Annual Review CPE Compliance of Audit Licence Holders to ensure compliance with CPE requirements

- 301 Audit Licence Holders reviewed
 - 272 (90%) complied
 - 29 (10%) shortfall
- CPE Review completed and reminder sent to 1,197 Audit Licence Holders with shortfall in CPE hours in 2019



Strategic Objective 3 (SO3)				
Regulate and develop the practice of the accountancy profession consistent with global standards and best practices				
Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
6 Provide prompt guidance and support on CPE-related matters both to members and within MIA Respond to members' CPE queries	Respond to queries within 3 working days	Timely response to 100 CPE enquiries in MMIS from 1 January 2020 to 30 June 2020 ●	<ul style="list-style-type: none"> Provides satisfactory feedback to members Supports CPE compliance that drives competency development and balanced enforcement 	
7 Timely complaints lodged with Registrar's Office by MIA's Investigation Committee (IC)	Within 30 days from date of issuance of reports by Committees	90 complaints lodged with Registrar within 30 days ●	Effective monitoring of member compliance and timely lodgement of complaints strengthens regulation and enforcement	
8 Timely disposal of cases against members	All complaints to be disposed within 4 to 18 months from date of referral by Registrar's Office	<ul style="list-style-type: none"> 144 total cases investigated <ul style="list-style-type: none"> - 42 cases brought forward from 2018/2019 - 102 current year cases 81 cases disposed <ul style="list-style-type: none"> - 59 cases referred - 22 cases dismissed 63 cases carried forward with aging of less than 18 months ● ● 	Speedy disposal of cases ingrains public confidence in the Institute's enforcement and regulatory mechanisms	

Performance By Strategic Objectives

Strategic Objective 3 (SO3)				
Regulate and develop the practice of the accountancy profession consistent with global standards and best practices				
Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
9 Timely disposal of cases before the Disciplinary Committee (DC) (Priority given to high profile and referral cases from co-regulators)	<ul style="list-style-type: none"> DC to dispose cases referred by the IC within 6 to 9 months from the date of referral To dispose cases under Rule 18(2) within 3 to 6 months upon notification 	<ul style="list-style-type: none"> 122 total cases before DC <ul style="list-style-type: none"> - 66 cases brought forward from 2018/2019 - 54 new IC referrals - 2 Rule 18(2) cases 55 cases disposed <ul style="list-style-type: none"> - 39 found guilty - 16 dismissed 67 balance of cases carried forward 	Disposal was delayed by the DC's focus on 1MDB cases which required lengthy hearings as well as the lag in appointing DC members in 2019	
10 Timely disposal of cases before the Disciplinary Appeal Board (DAB)	DAB to dispose 90% of cases within 6 months from the date of referral	<ul style="list-style-type: none"> 14 total number of cases <ul style="list-style-type: none"> - 5 cases brought forward from 2018/2019 - 9 current year cases 13 cases disposed 1 case carried forward 	Speedy disposal of cases ensures justice is manifested	
11 Timely collection of fines and costs imposed	100% collection of fines and costs imposed	Disciplinary Committee <ul style="list-style-type: none"> 99% of collections are within the timeframe Legal <ul style="list-style-type: none"> 1 case ongoing in court 2 cases – consent judgement entered and awaiting payment 2 cases pending Court action 	Timely collection to recover debts sustains MIA's regulatory activities	
12 Monitor compliance through robust surveillance and enforcement initiatives	<ul style="list-style-type: none"> Increase in surveillance work against members and non-members. Target 30 cases against non-members and 30 cases against members 	<ul style="list-style-type: none"> 31 notices to show cause issued to companies/ businesses 2 Public Announcements in 4 newspapers involving 13 entities 19 referrals to co-regulators <ul style="list-style-type: none"> - 7 cases to IRB - 10 cases to SSM - 2 cases to MCMC 59 complaints against members lodged to Registrar's Office by Committees 	Effective monitoring on compliance by members and non-members strengthens enforcement and regulation	

Strategic Objective 3 (SO3)
Regulate and develop the practice of the accountancy profession consistent with global standards and best practices

Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
13 Answering technical queries	Answer 85% of technical queries within 10 days	<ul style="list-style-type: none"> 96% of the technical queries answered within 10 days ● 	Develops members' technical competencies consistent with global standards and best practices	

Strategic Objective 4 (SO4)
Promote the value proposition of accountancy profession and continuously uplift global recognition

Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
1 Enhance Institute's Strategic Plan to fulfil its mandate of protecting public interest for nation building	Liaise with MOF on the new Accountants Act in line with CSAP recommendations till legislated by Parliament	Recurring meetings with MOF to expedite and approve reforms to Accountants Act 1967 ●	Responds to CSAP and expedites reforms to the Accountants Act for better regulation and development of the profession	
2 <ul style="list-style-type: none"> Members and member firms' engagement and recruitment activities Engagement with chambers of commerce/ business associations to advocate value proposition of MIA members 	<ul style="list-style-type: none"> 4.5% growth in membership (1,670 New members) 28 engagement events 7 MIA Townhalls Roadmap for young accountancy professionals' development and retention 	<ul style="list-style-type: none"> 1,519 new members 4.26% growth in membership 36,365 total membership ● ● 32 engagements events ● 6 Town Hall webinars ● ● YPC roadmap completed ● 	<ul style="list-style-type: none"> Growth in membership targeting 60,000 members by year 2030 supports talent pipeline and development projections Positions accountancy as dynamic, high-value and future-relevant profession with excellent prospects 	

Performance By Strategic Objectives

Strategic Objective 4 (SO4)				
Promote the value proposition of accountancy profession and continuously uplift global recognition				
Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
3 ASEAN CPA	168 new ASEAN CPA members (20% growth)	221 new ASEAN CPA members (26.2% growth) ●	<ul style="list-style-type: none"> Supports marketability and mobility of members who are ASEAN CPAs Strengthens the regional provision of services needed by the ASEAN Economic Community, of which Malaysia is a key member 	 
4 Leadership roles and participation in IFAC, IIRC and AFA	100% attendance and active participation during the meetings	<p>AFA</p> <ul style="list-style-type: none"> Council Meeting Working Committee 3 meeting on PAO Development ● <p>94th ASEAN Coordinating Committee on Services meeting ●</p> <p>IFAC</p> <ul style="list-style-type: none"> Council Meeting MIA CEO spoke at the Chief Executive Forum IFAC-AFA Joint Virtual Meeting on COVID-19 ● <p>IIRC</p> <p> For more information, please go to page 18 - Case Study 3 on International Engagement and Outreach ●</p>	MIA recognised as the voice of the accountancy profession at international and regional level	 
5 Thought Leadership	Articulate and contribute MIA's thought leadership	<ul style="list-style-type: none"> Participated at ASEAN CPA Conference and the ISCA FRCAFA Financial Reporting & Business Conference 2019 Co-hosted IFAC Conference on Developing Accountancy Capacity in Fragile and Conflicted Affected States Speaker at AFA - IAI - ICAEW joint webinar on the financial reporting implications of COVID-19 Contributed articles on COVID-19 strategies in IFAC Knowledge Gateway and AFA Connect ● 	Malaysia's perspectives heard and incorporated by global and regional bodies	 

Strategic Objective 4 (SO4)				
Promote the value proposition of accountancy profession and continuously uplift global recognition				
Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
6 Become the preferred training provider	14,800 (40%) of targeted participants to comprise non-members	9,200 Non-Members participated (62% of KPI) ● ●	<ul style="list-style-type: none"> Shortfall disrupts MIA's goal of diversifying its CPE customer base and income Opportunity to improve branding as preferred CPE provider among non-members and public 	 
7 Outreach initiatives with learning institutions and students	<ul style="list-style-type: none"> 30 career talks targeting 2,500 students Complete MIA-Sunway TES Accounting Quiz 2019, Accounting Students Conference (ASC) 2019 and Best Accounting Students Award (BASA) 2019 	10,720 students reached <ul style="list-style-type: none"> - 3,984 through 47 career talks - 1,281 through 13 CARE briefings - 5,455 through other events including MIA Sunway TES Accounting Quiz 2019, ASC 2019 and BASA 2019 ●	<ul style="list-style-type: none"> Attracts talent to accountancy profession Increases enrolments in accountancy programmes Supports national target of achieving 60,000 accountants by year 2030 Strengthens high-skilled talent pipeline 	 
8 Expand the privileges and benefits of the MIA Digital Membership Privilege Card	<ul style="list-style-type: none"> 95 total lifestyle benefits targeted 10% growth in app downloads 	<ul style="list-style-type: none"> 79 total lifestyle benefits ● ● 20,666 total App downloads (16.2% growth) ● 	<ul style="list-style-type: none"> Higher App downloads denote member satisfaction with the Privilege Card despite fewer lifestyle benefits Attracts new members and supports membership growth to achieve 2030 target of 60,000 accountants 	 
9 High-level stakeholder engagements	8 structured visits	8 courtesy visits: <ul style="list-style-type: none"> - Minister of Education - Minister of Human Resources - Accountant General Malaysia - Auditor General Malaysia - Special Officer to Finance Minister - CEO, Suruhanjaya Syarikat Malaysia (SSM) - CEO, Lembaga Tabung Haji - BERNAMA national news agency ●	<ul style="list-style-type: none"> Stronger rapport and stakeholder relationships facilitate MIA's regulatory and developmental efforts and its nation building agenda MIA recognised as regulator and the voice of the accountancy profession 	 

Performance By Strategic Objectives

Strategic Objective 4 (SO4)				
Promote the value proposition of accountancy profession and continuously uplift global recognition				
Value Creation Activity	FY2019/2020 KPIs	FY2019/2020 Outputs	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
10 Enhance Social Media and Traditional Media presence	<ul style="list-style-type: none"> Increase social media followers by 15% 12 press releases issued in a year (average once a month) 	<ul style="list-style-type: none"> Facebook - 14.25% LinkedIn - 28.89% Twitter - 32.94% Telegram - 1,516 (new initiative) ● 11 press releases issued 5 special media interviews 148 media mentions ● 	<ul style="list-style-type: none"> Gains wider support for MIA's advocacy and nation building Increased recognition of MIA's brand as the voice of the profession 	
11 MIA Integrated Report <IR>	<ul style="list-style-type: none"> Produce <IR> 2019 by September 2019 Commence <IR> 2020 by January 2020 	<ul style="list-style-type: none"> <IR> 2019 completed on a timely basis Received positive feedback from IIRC via <IR> report critique project and other stakeholders on <IR> 2019 <IR> 2020 work in progress ● Nominated <IR> 2020 to be in the <IR> report critique project 	<ul style="list-style-type: none"> Communicates and articulates MIA's value creation, strategic and operational initiatives Communicates MIA's nation building agenda 	
12 Internationalisation of SMPs	1 study visit/networking session	Export Acceleration Mission in Vietnam supported by MITI deferred until further notice due to COVID-19 ● ●	<ul style="list-style-type: none"> Affects SMPs' ability to compete regionally Impacts Malaysia's export of key services 	
13 Advocate on the importance and relevance of the accountancy profession	Additional initiative	<ul style="list-style-type: none"> Engaged with Talent Corp on the Critical Occupational List 2019/2020 Engaged with the Minister of Human Resources on the Future Relevance of the Accountancy Profession Continuous engagements with Media, PR practitioners and key stakeholders to advocate for the future relevance of the profession in the IR4.0 economy ● 	<ul style="list-style-type: none"> Accountants included on list of professions critical to nation building, which attracts talent Ensure the accountancy profession remains relevant and visible 	

Our Capitals

MIA uses 6 Capitals to drive our value creation processes as guided by our 4 Strategic Objectives.

In this section below, we describe the movements in our Human Capital, Manufactured Capital and Financial Capital. References to Intellectual Capital can be found in Performance by Strategic Objectives, Social and Relationship Capital in our Stakeholders Engagement and Natural Capital in our Value Creation Model and Embedding Sustainability.

Human Capital				
Diversified, Collaborative, Competent and Dynamic talent, reinforcing high performance culture				
Process/Activity	KPI FY2019/2020	Movement in Capitals	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
1 Effective talent development through training and coaching	<ul style="list-style-type: none"> Average attendance of 3.5 training days per staff 80% utilisation of Staff Training Budget 80% matching of Training Needs Analysis (TNA) data with training attendance Review of Staff Scaled Competency Dictionary 	<ul style="list-style-type: none"> 3.7 days on average per staff ● 72.5% utilised as staff participated in lower-cost online courses during MCO ● 69.4% matching of TNA data with training attendance ● Review is deferred due to COVID-19 pandemic and potential new competencies emerging from the new normal ● ● 	Competent and dynamic talent drives higher productivity	
2 Effective talent retention	<ul style="list-style-type: none"> 75% overall staff satisfaction rate based on Staff Satisfaction Survey 85% staff retention rate 	<ul style="list-style-type: none"> 85% overall staff satisfaction rate based on Staff Satisfaction Survey ● 91.5% staff retention rate ● 	<ul style="list-style-type: none"> Higher talent engagement and retention rates Increased teamwork and employee commitment 	
3 Effective staff performance management	Increased staff participation in the 360 Degree Evaluation programme and improve programme implementation	14.5% increase in staff participation in the 360 Degree Evaluation programme and improvements on the implementation ●	Enhances performance and productivity	

Our Capitals

Human Capital				
Diversified, Collaborative, Competent and Dynamic talent, reinforcing high performance culture				
Process/Activity	KPI FY2019/2020	Movement in Capitals	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
4 3-Year Operational Plan	To develop and finalise the 3-Year Operational Plan by March 2020	The 3-Year Operational Plan was finalised in March 2020 but had to be revised due to the COVID-19 crisis ●	Ensures MIA's long term strategies align with its nation building purpose	 
5 Review and improve operations, business processes and systems	Revise and produce 10 Operation Manuals (OMs)	Due to COVID-19 challenges, the completion of OMs has been extended to 31 July 2020 ● ●	The delay in completing the OMs which document a standardised methodology for work processes affects organisational efficiency and decreases value-add	 
6 Strengthen internal process of surveillance and enforcement SOPs	Biannual review of surveillance and enforcement SOPs	<ul style="list-style-type: none"> On-going process for improving Practice Review ● Drafting of Operation Manuals for Legal, FSR and CPE Compliance ● Drafting of Contracts and Agreements ● 	Systematic process to strengthen MIA's regulatory and enforcement capacity drives better governance and trust in the accountancy profession	 
7 Effective implementation of case management through MMIS	<ul style="list-style-type: none"> To ensure speedy and timely implementation for case management Adoption of risk profiling system (selection of audit firms through the system) 	<ul style="list-style-type: none"> Enhancement of the relevant enforcement and legal modules of MMIS are deferred due to budget constraints ● Adoption of risk profiling system pushed to FY2020/2021 ● 	Hampers increased efficiency in case management and slows down regulation	

Manufactured Capital				
Business enabling and operational optimisation				
Process/Activity	KPI FY2019/2020	Movement in Capitals	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
1 Infrastructure transformation – to support the execution of strategic objectives	<ul style="list-style-type: none"> Enhance server and network infrastructure to achieve best effectiveness by December 2019 Ensure smooth transition during implementation with 93% uptime in total operational hours Design of network setup facilitates effective Network Monitoring Mechanism Better Network Monitoring Mechanism to provide an early alert on system failure – 99.5% uptime Enhanced security on infrastructure and to pass third-party penetration test 	<ul style="list-style-type: none"> The tender process is completed and vendor appointment approved ● Implementation is targeted for completion in December 2020 ● 	Delay in implementing stable and enhanced systems diminishes MIA value proposition, employee performance and member satisfaction	
2 New MIA website development	To go live in January 2020	Still under development stage due to challenges of identifying a suitable vendor, coupled with COVID-19 and MCO issues ●	Delays affect MIA's efficiency and effectiveness of communications and branding	
3 Implementation and integration of e-procurement with invoice payment and automation of staff claims in SAP	To be completed by June 2020	Based on the feasibility review, a holistic review of the SAP system is required and will be conducted in 2020/2021 ●	Delay in updating technology applications decreases operational efficiencies	

Our Capitals

Manufactured Capital Business enabling and operational optimisation

Process/Activity	KPI FY2019/2020	Movement in Capitals	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
4 Adoption of virtual meeting tools	Additional initiative	<ul style="list-style-type: none"> Transition to online meetings using Microsoft Teams prior to the MCO period ● Evaluated and began using GoToWebinar software for online seminars, training, outreach programmes and townhalls ● 	Delay in updating technology applications decreases operational efficiencies	 
5 Enhancement of Sabah Regional Office	Additional initiative	Renovation commenced in May 2019 and was completed as scheduled in August 2019 ●	Enhances Regional Members' inclusivity, experience and satisfaction	 

Financial Capital Financial sustainability through dynamic funding mechanism and astute financial management

Process/Activity	KPI FY2019/2020	Movement in Capitals	Value Created	Impacts
● Below Target ● Meet Target ● Exceed Target ● Materially Impacted by COVID-19				
1 Revenue generation through Professional Development (PD), Membership and other income	<ul style="list-style-type: none"> PD: RM32.50 million Membership: RM16.24 million Other income: RM3.10 million 	<ul style="list-style-type: none"> PD income: RM22.30 million (69% of KPI) ● ● Membership Income: RM16.34 million (100% of KPI) ● Other income: RM2.55 million (82% of KPI) ● ● 	Decrease in income from professional development activities could affect MIA's business continuity	 

 For more on Intellectual Capital refer to Performance by Strategic Objectives (pages 44 - 60)

 For more on Social and Relationship Capital refer to Stakeholders Engagement (pages 28 - 37), and Performance by Strategic Objectives (pages 44 - 60)

 For more on Natural Capital refer to our Value Creation Model (pages 42 - 43) and Embedding Sustainability (pages 66 - 67)

Financial Summary

Summary

MIA recorded an increased surplus before taxation of RM2.01 million for the financial year ended 30 June 2020 compared to a surplus before taxation of RM0.37 million for the previous financial year, despite an unprecedentedly challenging landscape affected by the COVID-19 crisis. This demonstrates MIA's agility and ability to maintain financial sustainability in order to achieve our nation building purpose.

Though MIA suffered reduced income from CPE activities resulting from cancellation of physical events and conferences due to the COVID-19 crisis, the year-on-year increase in our surplus before taxation of RM1.64 million was achieved mainly due to the increase in membership income and prudent management of employees costs and other cost saving measures.

Accumulated fund

The accumulated fund of the Institute has increased by RM1.73 million (4% increase) to RM46.73 million and this is a positive reflection of intelligent deployment of financial capital balanced with utilisation of other capitals in executing the operations of MIA.

FIVE-YEAR SUMMARY OF FINANCIAL PERFORMANCE

(in RM 'Million)

	2020	2019	2018	2017	2016
Revenue from contracts with customers	39.80	43.56	44.10	39.61	36.20
Other income	1.39	1.65	9.56	1.44	1.80
Surplus before gain on disposal of land and building	2.01	0.37	1.31	0.71	2.11
Gain on disposal of land and building	-	-	7.48	-	-
Surplus before taxation	2.01	0.37	8.79	0.71	2.11
Taxation	(0.23)	0.04	(0.20)	0.26	0.10
Surplus after taxation	1.78	0.41	8.59	0.97	2.21
Accumulated fund	46.73	44.95	44.54	35.95	34.98
Property, plant and equipment	25.46	26.34	27.38	28.31	25.46
Right-of-use assets	0.37	0.26	-	-	-
Intangible assets	1.02	1.16	0.49	0.42	0.32
Investment	0.01	0.01	0.01	0.01	0.01
Deferred tax assets	0.00	0.23	0.19	0.29	0.03
Total non-current assets	26.86	28.00	28.07	29.03	25.82
Current assets	28.57	30.53	31.74	21.63	21.63
Current liabilities	8.48	13.46	15.27	14.71	12.47
Net current assets	20.09	17.07	16.47	6.92	9.16
Non-current liabilities	0.22	0.12	-	-	-
Net assets	46.73	44.95	44.54	35.95	34.98
Current ratio	3.37	2.27	2.08	1.47	1.74

Income

RM41.19 MILLION

2019: RM45.21 MILLION

Surplus Before Taxation

RM2.01 MILLION

2019: RM0.37 MILLION

Accumulated Fund

RM46.73 MILLION

2019: RM44.95 MILLION

Embedding Sustainability



For more information, please scan this QR Code to access to IFAC website or visit <https://www.ifac.org/>

A snapshot of 8 UN SDGs identified by IFAC as opportunities for the global profession to contribute to sustainable development:

▼

Goal 4:	Quality Education		
Goal 5:	Gender Equality		
Goal 8:	Decent Work and Economic Growth		
Goal 9:	Industry, Innovation and Infrastructure		
Goal 12:	Responsible Consumption and Production		
Goal 13:	Climate Action		
Goal 16:	Peace, Justice and Strong Institutions		
Goal 17:	Partnerships for the Goals		

“Sustainable development has been defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Sustainable development calls for concerted efforts towards building an inclusive, sustainable and resilient future for people and planet.

For sustainable development to be achieved, it is crucial to harmonise three core elements: economic growth, social inclusion and environmental protection.”

The United Nations Sustainable Development Agenda

The 17 United Nations (UN) Sustainability Development Goals (SDGs) are at the heart of the 2030 Agenda for Sustainable Development, adopted by all UN Member States in 2015 at the UN Sustainable Development Summit. As a signatory to the Agenda, Malaysia aligned the 11th Malaysia Plan initiatives with the SDGs and established a National SDG Roadmap to guide the implementation of Agenda 2030 and the SDGs.

The 17 SDGs are integrated, which means that action in one area will affect outcomes in other areas. The SDGs aim for sustainable outcomes - development must have positive outcomes for people and the environment, and not only for the economy. Ubiquitous measures

of development such as national GDP (Gross Domestic Product), income per capita and return on investment (ROI) are traditionally skewed towards financial growth, at the expense of people and the environment.

Integrated goals require consensual action, and the clock is ticking towards the 2030 deadline. In September 2019, the UN Secretary-General exhorted all stakeholders to mobilise for a Decade of Action at three levels: global action for greater leadership, more resources and smarter solutions; local action advocating that policies, budgets, institutions and regulatory frameworks of Governments and the public sector be aligned with SDGs; and people action, encompassing actions by private sector, civil society, media, academia and others.

As the regulator and developer of the profession in Malaysia, MIA mobilises the SDGs at all three levels: globally, through our advocacy and engagement with bodies such as IFAC, IIRC, World Bank and AFA; locally, through our strong ties and engagement with Government ministries, regulators, public sector agencies and climate NGOs; and with people through our trusted relationships with our diverse stakeholders.

As of now, our <IR> is not benchmarked to the GRI Sustainability Reporting Standards, but we hope to do so in future. Certain SDGs may be more relevant and immediate for the profession than other SDGs. We will strive to map our SDG impacts to our Operational Plan and outcomes and to report both positive and negative impacts towards the SDG goals for balanced reporting.

MIA's Sustainability Strategies	Targeted Outcomes	SDG Impacts	
Collaborates strategically with our many stakeholders to advocate the profession's role and value in nation building	Accountants and the profession valued as front-liners in economic and social development and rejuvenation	MIA leverages on our extensive stakeholder relationships and our social and relationship, intellectual and human capitals to drive sustainable nation building	
Strengthen regulation and enforcement through collaborative leadership	Public trusts in accountancy profession. Mitigates reputational risk. Profession accepted as regulator and driver of good governance in economy and society	MIA collaborates with Government and regulators to enhance regulation of the profession and advocate for good governance in the public interest	
Driving competency development and improvement of accountancy education Focus on skillsets acquisition and upskilling by accountants	Improves future relevance of accountants in all sectors Improves employability and value-add of accountants	A quality accountancy education supports a robust talent pipeline for accountants, which in turn promotes social mobility and economic development	
Support the profession and businesses on crisis management and business continuity Advocate for digital transformation to make the profession and businesses more efficient	Enhances future relevance of accountants as business advisors, hybrid digital and strategic leaders supporting business continuity and economic sustainability	MIA's initiatives promote business continuity and economic revival to protect jobs and organisations, as well as the livelihoods of families and communities	
Collaborating with IFAC and organisations championing climate change governance to educate accountants on climate change risks	Advised by accountants, businesses recognise climate change as a major strategic risk. Advocating for consensus and quality in <IR> to help businesses manage and report on their climate footprint	MIA participates in and leads collaborative initiatives to increase visibility on climate change risks and encourage the profession to advocate for climate sustainability	
Reduce our environmental footprint and consume responsibly	Although natural capital is not a material input in our work, we consume energy, water and plastic in our operations, production of training events and travel. We practice responsible consumption strategies, including eliminating single-use plastic bottles, switching to digital training and marketing materials, and tree planting to offset our carbon footprint. We plan to begin quantifying our impacts beginning in 2020/2021	Responsible consumption of scarce natural resources supports sustainable development and protection of the environment	

Our Key Risks

The Institute’s Management Risk Management Committee (MRMC) continuously monitors the key risks challenging the Institute, while ensuring that mitigating measures and risk controls are in place. Oversight of the MRMC and the Institute’s ERM direction, processes and outcomes is provided by the Audit and Risk Management Committee which in turn reports to the Council.

Key Risks (ranked in order from highest to lowest)	Mitigation Measures
1. GOVERNANCE	
<p>MIA’s regulatory and development activities are constrained by the shortcomings of the Accountants Act 1967 (the Act), which include:</p> <ul style="list-style-type: none"> - Risks arising from Council composition and possible conflicts of interest - Monetary sanctions and penalties that do not commensurate with the type and seriousness of offences committed and are not sufficient deterrents to non-compliance 	<p>Engaged with MOF to propose reforms to the Accountants Act</p>
2. INFORMATION TECHNOLOGY	
<p>Potential IT legacy systems failure could disrupt the Institute’s systems performance and service delivery</p>	<p>Internal digital transformation is steered by the MIA 3-year IT Strategy Plan from 2020-2022, including:</p> <ul style="list-style-type: none"> - Enhancement of MMIS - Upgrading of internet bandwidth - Adoption of digital technologies, virtual meeting and webinar tools
3. HUMAN CAPITAL RECRUITMENT & RETENTION	
<p>Risk of talent flight</p>	<p>Implemented numerous measures to recruit and retain talent, including upskilling, career development, training opportunities and digital transformation resulting in a 91.25% staff retention rate and an overall employee satisfaction rate of 85% based on the MIA Staff Satisfaction Survey vs KPI of 75%</p>

Key Risks (ranked in order from highest to lowest)	Mitigation Measures
4. NON-COMPETITIVE PROCUREMENT	
Prevents MIA from obtaining competitive pricing and adds unnecessary expense	<p>In the process of revising and producing Operation Manuals that formalise SOPs, including SOPs for procurement</p> <p>Involvement of Tender Committee for certain tender exercises</p> <p>Use of an approved panel of suppliers that is periodically reviewed</p>
5. IMPLEMENTATION OF MIA COMPETENCY FRAMEWORK (CFM)	
Non-completion of CFM affects MIA's ability to achieve "sustain" status under IFAC Statements of Membership Obligations 2 and meet CSAP and World Bank recommendations for baseline competencies of accountancy professionals	MIA CFM Document and full design approved in June 2020 and scheduled for release via various communications channels

To ensure that our risk controls are continuously robust and relevant, the Institute has embarked on reviewing its existing risk management policy and framework and risk register and the exercise is still ongoing.

This will enable the Institute to develop a risk management strategy that embeds sustainability development goals, in order to strengthen the continuing and future relevance of the Institute and the accountancy profession in our support of nation building.

 See [page 75](#) for Our Risk Management Framework

Council Members

The Council is committed to upholding the Accountability, Integrity and Trust of the Accountancy Profession to protect the public interest and ensure the continuous relevance of accountants for nation building.



Gender Diversity



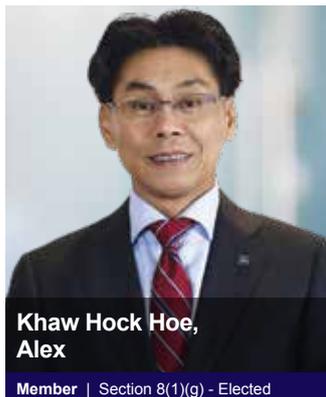
70%
Male

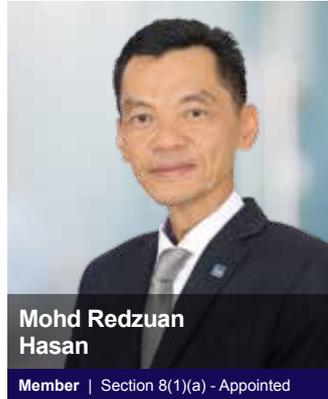


30%
Female

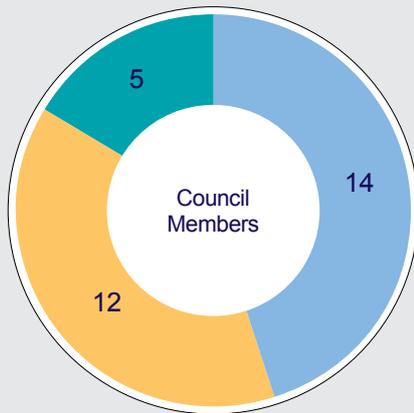


For more information about Council Members, please scan this QR Code to access our website or visit <https://www.mia.org.my/>





Inclusivity Across Generations



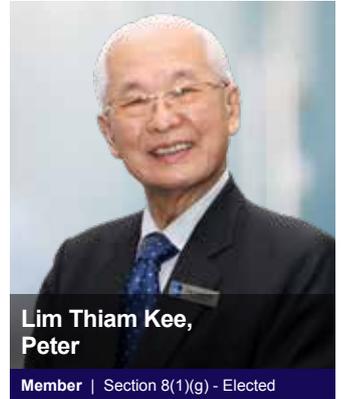
Age Range (years)

- 40 – 50
- 51 – 60
- Above 60

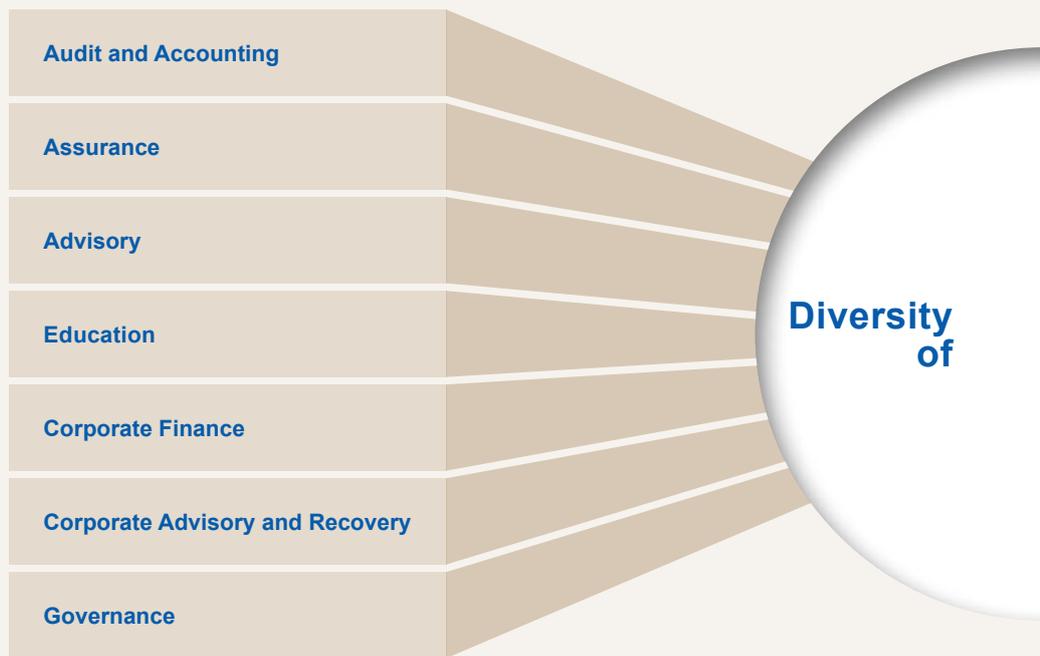


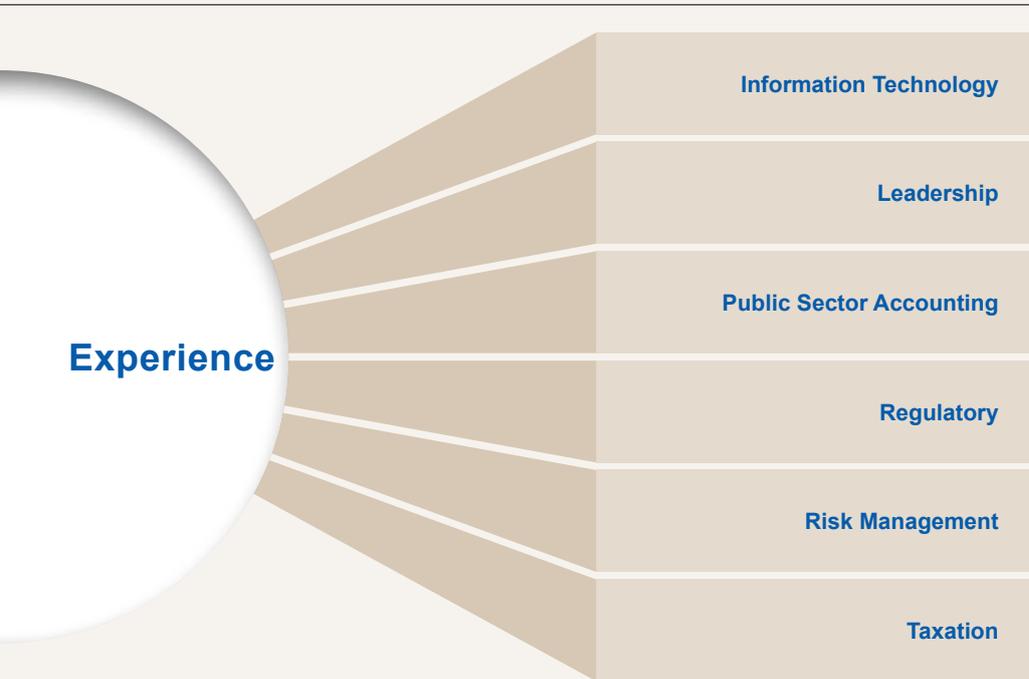
Council Members

The Council is highly diverse and its composition is qualitatively and quantitatively balanced in terms of skills, demographics, experience and tenure.



Diversity of Experience





Governance Framework and Functions

Institute’s governance and internal control statement

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



Institute’s Functions

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

- To **determine**

the qualifications of persons for admission as members
- To **provide**

for the training and education; and by the Institute or any other body, of persons practising or intending to practise the profession of accountancy
- To **approve**

the MIA Qualifying Examination (QE) and to regulate and supervise the conduct of that Examination
- To **regulate**

the practice of the profession of accountancy in Malaysia
- To **promote**

in the manner it thinks fit, the interests of the profession of accountancy in Malaysia
- To **render**

pecuniary or other assistance to members or their dependents as it thinks fit with a view to protecting or promoting the welfare of members
- Generally**

to do such acts as it thinks fit for the purpose of achieving any of the aforesaid objects

MIA Council Charter

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

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

Our Risk Management Framework

The MIA Enterprise Risk Management (ERM) framework is in line with the best practices of ISO31000:2009 and provides adequate control environment through the implementation of appropriate systems and risk assessment processes.



See [pages 68-69](#) for more information on Our Key Risks

Report of The Council

COUNCIL

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

- make by-laws
- appoint staff
- take cognisance of anything affecting the Institute or professional conduct of its members
- communicate with other similar bodies and with members of the profession in other places
- establish branches
- delegate in its absolute discretion any of its power, privileges and discretions
- appoint Committees of the Institute
- exercise all such powers, privileges and discretions which are not required to be exercised by members in the general meeting, and
- use the official seal of the Institute.

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

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

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

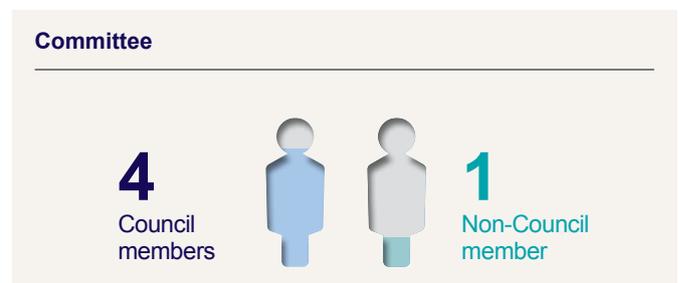
During the financial year, the Council conducted ten (10) meetings. During these meetings, amongst others, the Council deliberated on the following matters:

1. Amendments to the MIA By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants
2. MIA Operational Plan and Budget for 2020/2021
3. Update on the proposed new Accountants Act
4. MIA's response to the COVID-19 Crisis
5. Proposed Memoranda of Understanding with Other Professional Accountancy Organisations
6. Recommendations from the Corporate Governance and Charter Task Force
7. MIA Digital Technology Blueprint 3-year Operational Plan
8. Industry-Wide Electronic Bank Confirmation Platform
9. Approval of Financial Statements for Financial Year Ended 30 June 2019
10. National Annual Corporate Report Awards (NACRA) New Framework

AUDIT AND RISK MANAGEMENT COMMITTEE (ARMC)

Composition and Attendance

The Council at its meeting held on 22 November 2018 approved that the Committee shall comprise five (5) members, four (4) members of whom shall be Council members and who are not members of the Oversight Committee of the Institute, and one (1) member who is a non-Council MIA member. The ARMC held four (4) meetings during the financial year and members' attendance records are disclosed in the Report of the Council contained in this Annual Report.



The primary function of the ARMC is to assist the Council in fulfilling its statutory and fiduciary responsibilities. The ARMC reviews the financial statements and its reporting process, the system of internal controls, management of enterprise risks, the audit process, and the process of compliance with laws and regulations. It has direct access to the internal and external auditors and full discretion to invite any Executive to attend its meetings.

KEY ISSUES CONSIDERED BY THE ARMC

During the Financial Year ended 30 June 2020, the Committee discharged its functions and carried out its duties as set out in its Terms of Reference (TOR). Among the key issues considered and deliberated by the ARMC were:

Financial Reporting

- In overseeing MIA's financial reporting process, the ARMC reviewed the annual financial statements 2019/2020 at two (2) special sittings dated 12 August 2020 and 18 August 2020. The Committee deliberated on significant matters raised and received progress updates from the Management on actions taken for improvements.

KEY ISSUES CONSIDERED BY THE ARMC (continued)

Financial Reporting (continued)

- To safeguard the integrity of information, the Executive Director of Professional Practices and Technical, who is responsible for the financial management of the Institute, had given assurance to the ARMC that:
 - i. Appropriate accounting policies had been adopted and applied consistently;
 - ii. Prudent judgement and reasonable estimates had been made in accordance with the requirements set out in the MFRSs;
 - iii. Adequate processes and controls were in place for effective and efficient financial reporting and disclosures under MFRSs; and
 - iv. The Annual Financial Statements did not contain material misstatements but gave a true and fair view of the financial position of the Institute and the results of operations and cash flows of the Institute.

External Audit

- The External Auditor met with the ARMC twice to review the financial statements, MFRS related issues, and areas of concern as identified.
- On 24 June 2020, the ARMC reviewed the External Auditors' 2019/2020 Audit Planning Memorandum outlining its scope of work, audit approach, and the fees for the statutory audit. The External Auditor in its 2019/2020 Audit Plan also presented to the ARMC its engagement team, audit timeline, the areas of audit emphasis, and focus areas.

Risks and Controls

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

- Assessed the effectiveness of the Institute's policies and procedures regarding internal control systems by reviewing the work of the Internal Audit Department (IAD) and the external auditor, and regular reports from management, including those on risk management. The Institute has adopted the necessary control mechanisms to monitor and comply with the Accountants Act 1967 and other regulatory requirements;

- The Institute's principal risks, risk profile, and remedial actions were reported to and deliberated by the ARMC on a half-yearly basis, a summary of which was reported to the Council;
- Robust oversight of and input from the ARMC in ensuring risks are appropriately identified, assessed, and responded to by the Management; and
- Internal control and risk-related matters which warranted the attention of the Council were recommended by the ARMC to the Council for its approval and matters or decisions made within the ARMC's purview were updated to the Council for its notation or actions.

Annual Report

- Reviewed and approved the ARMC Statement for inclusion in the Integrated Report for the financial year ended 30 June 2020.

The MIA Enterprise Risk Management (ERM) provides the necessary platform for the Management to evaluate the effects of COVID-19, whether those effects trigger an event-driven reassessment of business risk, control risk, and the effectiveness of the related controls. As the COVID-19 pandemic impacted the way business operations are run, the Committee continues to understand the impact of changes in the control environment and ensure that any material issues are escalated to the Council.

Internal Audit Functions

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

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

Report of The Council

KEY ISSUES CONSIDERED BY THE ARMC (continued)

Internal Audit Functions (continued)

Apart from conducting independent, regular, and systematic reviews of MIA's system of internal control to ensure such a system continues to operate efficiently and effectively, the IA also follows up on Management's response to issues highlighted by the External Auditor in its Management Letter until closure. The IA function adopts a risk-based audit approach and performs its review based on a two-year internal audit plan encompassing assurance and consulting services. The IA function also implemented an adaptive audit planning approach which provides the flexibility needed to respond to emerging and potential risks.

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

OVERSIGHT COMMITTEE (OC)

The Oversight Committee (formerly known as the Executive Committee), or OC, was established by the Council as a medium between Council and Management. The OC ensures that policies, business strategies and any major operational issues are managed efficiently and effectively and that the requirements of good corporate governance practices are observed.

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

During the financial year the OC conducted sixteen (16) meetings and deliberated, amongst others the following matters:

1. Institute's Performance Review for FY2019/2020
2. MIA Operational Plan and Budget for 2020/2021
3. MIA's response to the COVID-19 Crisis
4. Industry-Wide Electronic Bank Confirmation Platform
5. MIA IT Strategic Plan
6. Appointment of Vendor for IT Infrastructure Transformation
7. Membership Management Information System (MMIS) Phase 2 Enhancements

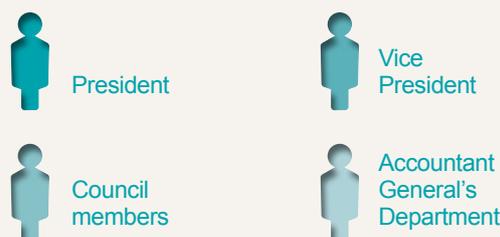
8. Client Service Agreement with Marsh Insurance Brokers (M) Sdn Bhd as the Insurance Broker and Consultant for MIA's Professional Indemnity Insurance Scheme
9. Amendment of MIA's Organisation Structure
10. World Economic Forum Report on "Future of Jobs" and implications for the profession

REPORT OF THE NOMINATING COMMITTEE (NC)

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

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

Nominating Committee



During the financial year, the Committee conducted eight (8) meetings during which the Committee deliberated and made recommendations to the Council on matters including:

- Appointments and reappointment of members to the Institute's Committee and Boards
- Interview Panels for Approved Liquidators and Approved Auditors
- Recommendations from the Corporate Governance and Charter Task Force on Board/Committees' Terms of References and members' criteria
- Deliberation on retiring MIA Council members, and
- Related vacancies and recommendations for the IFAC's Call for Nominations.

Composition of Council

Number of Meetings: 10

Name	Designation	Section	Status	Attendance
Huang Shze Jiun	President	8(1)(g)	Elected as President 27 August 2019	9/10
Assoc. Prof. Dr. Zuraeda Ibrahim	Vice President	8(1)(b)	Re-appointed 16 July 2019	7/9
			Elected as Vice President 19 September 2019	
Ahmad Zahirudin Abdul Rahim	Member	8(1)(f)	Appointed 25 February 2019	8/10
Andrew Heng	Member	8(1)(g)	Elected 29 September 2018	9/10
Arief Putera Mohd Sharipudin	Member	8(1)(f)	Retired 28 September 2019	5/5
Assoc. Prof. Dr. Mazlina Mustapha	Member	8(1)(b)	Appointed 1 August 2019	8/9
Assoc. Prof. Dr. Romlah Jaffar	Member	8(1)(b)	Retired 16 July 2019	N/A
Assoc. Prof. Dr. Zarina Zakaria	Member	8(1)(b)	Appointed 25 February 2019	5/10
Aznorashiq Mohamed Zin	Member	8(1)(f)	Retired 15 October 2019	5/5
Chan Kuan Chee, James	Member	8(1)(f)	Appointed 17 February 2020	1/1
Chong Hou Nian, Steven	Member	8(1)(g)	Retired 28 September 2019	5/5
Dato' Abdul Rauf Rashid	Member	8(1)(f)	Retired 16 August 2019	1/1
Dato' Dr. Lukman Ibrahim	Member	8(1)(f)	Retired 1 December 2019	6/7
Dato' Gan Ah Tee	Member	8(1)(e)	Retired 1 October 2019	4/5
Dato' Merina Abu Tahir	Member	8(1)(d)	Retired 1 December 2019	6/7
Dato' Zamimi Awang	Member	8(1)(a)	Retired 11 November 2019	3/5
Datuk Bazlan Osman	Member	8(1)(f)	Appointed 1 December 2019	2/3
Dr. Azrie Tamjis	Member	8(1)(f)	Re-appointed 15 January 2020	5/9
Dr. Veerinderjeet Singh	Member	8(1)(c)	Appointed 25 May 2019	8/10
Irvin George Luis Menezes	Member	8(1)(d)	Retired 16 July 2019	3/5
			Appointed 1 November 2019	
Jafri Junit	Member	8(1)(f)	Retired 1 December 2019	1/7
Jeremy Nasrulhaq	Member	8(1)(f)	Appointed 1 July 2018	6/10
K. Renganathan Kannan	Member	8(1)(g)	Retired 28 September 2019	5/5
Khaw Hock Hoe, Alex	Member	8(1)(g)	Elected 30 September 2017	7/10
Leong Kah Mun	Member	8(1)(g)	Elected 29 September 2018	9/10
Leong Wai Leng	Member	8(1)(f)	Retired 15 October 2019	5/5
Lim Fen Nee	Member	8(1)(d)	Resigned 1 December 2019	7/9
			Appointed 16 December 2019	
Lim Thiam Kee, Peter	Member	8(1)(g)	Elected 29 September 2018	10/10
Mohamad Faisal Abdul Malik	Member	8(1)(g)	Elected 28 September 2019	5/5
Mohd Redzuan Hasan	Member	8(1)(a)	Appointed 11 November 2019	4/5
Nasran Omar	Member	8(1)(f)	Appointed 1 November 2019	5/5
Ong Chee Wai	Member	8(1)(g)	Elected 30 September 2017	5/10
Ooi Thiam Poh, Alex	Member	8(1)(f)	Appointed 1 November 2019	3/5
Poon Yew Hoe	Member	8(1)(e)	Appointed 1 November 2019	3/5
Prof. Dr. Maliah Sulaiman	Member	8(1)(b)	Retired 16 July 2019	N/A
Prof. Dr. Nor Aziah Abd Manaf	Member	8(1)(b)	Re-appointed 1 December 2019	5/10
Prof. Dr. Norman Mohd Saleh	Member	8(1)(b)	Appointed 1 August 2019	5/9
Salihin Abang	Member	8(1)(g)	Retired as President 23 August 2019	5/5
			Retired 28 September 2019	
Sharman Arumugam	Member	8(1)(d)	Appointed 25 February 2019	8/10
Tai Yoon Foo	Member	8(1)(g)	Elected 28 September 2019	3/5
Wan Ahmad Ikram Wan Ahmad Lotfi	Member	8(1)(f)	Appointed 1 November 2019	4/5
Yee Wing Peng	Member	8(1)(g)	Elected 28 September 2019	3/5
Zarina Abdul Samad	Member	8(1)(f)	Appointed 1 November 2019	2/5

Nominating Committee

Number of Meetings: 8

Name	Designation	Status	Attendance
Irvin George Luis Menezes	Chairman	Appointed as Chairman 19 November 2019	4/5
Assoc. Prof. Dr. Zuraeda Ibrahim	Member	Elected as Vice President 19 September 2019	5/6
Dato' Zamimi Awang	Member	Retired 11 November 2019	4/4
Huang Shze Jiun	Member	Elected as President 27 August 2019	8/8
Jeremy Nasrulhaq	Member	Re-appointed 19 November 2019	6/8
Lim Thiam Kee, Peter	Member	Re-appointed 19 November 2019	5/7
Mohd Redzuan Hasan	Member	Appointed 19 November 2019	3/4
Prof. Dr. Norman Mohd Saleh	Member	Appointed 19 November 2019	3/4
Salihin Abang	Member	Retired as President 23 August 2019	2/2

Oversight Committee

Number of Meetings: 16

Name	Designation	Status	Attendance
Huang Shze Jiun	Chairman	Elected as President 27 August 2019	16/16
Assoc. Prof. Dr. Zuraeda Ibrahim	Member	Elected as Vice President 19 September 2019	8/10
Dato' Abdul Rauf Rashid	Member	Retired 16 August 2019	3/3
Dato' Merina Abu Tahir	Member	Retired 19 November 2019	7/8
Dato' Zamimi Awang	Member	Retired as Accountant General's nominee 11 November 2019	8/8
Datuk Bazlan Osman	Member	Appointed 23 January 2020	3/6
Dr. Veerinderjeet Singh	Member	Appointed 19 November 2019	7/8
Lim Fen Nee	Member	Served 16 July - 19 November 2019 Appointed 23 January 2020	10/11
Mohd Redzuan Hasan	Member	Appointed as Accountant General's nominee 11 November 2019	7/8
Prof. Dr. Maliah Sulaiman	Member	Retired 16 July 2019	0/1
Salihin Abang	Member	Retired 23 August 2019	3/3

Audit and Risk Management Committee

Number of Meetings: 4

Name	Designation	Status	Attendance
Sharman Arumugam	Chairman	Appointed as Chairman 22 August 2019 Re-appointed as Chairman 19 November 2019	4/4
Assoc. Prof. Dr. Zarina Zakaria	Member	Re-appointed 19 November 2019	3/4
Dr. Azrie Tamjis	Member	Re-appointed 19 November 2019	3/4
Lee Min On	Member	Re-appointed 19 November 2019	3/4
Ong Chee Wai	Member	Re-appointed 19 November 2019	4/4

Committees/Task Forces

Statutory

Committee	Chairman	Number of members	Number of meetings
Disciplinary Appeal Board	Wan Ahmad Ikram Wan Ahmad Lofti	5	4
Disciplinary Committee	Jeremy Nasrulhaq	5	17
Examination Committee	Assoc. Prof. Dr. Zarina Zakaria	9	1
Investigation Committee	Ong Chee Wai	5	12

Non-Statutory

Committee	Chairman	Number of members	Number of meetings
ASEAN CPA Monitoring Committee	Huang Shze Jiun	6	Nil
Audit and Risk Management Committee	Sharman Arumugam	4	4
Auditing and Assurance Standards Board	Lee Tuck Heng	21	1
Capital Market Advisory Committee	Teoh Soo Hock	17	3
Digital Technology Implementation Committee	Chong Hou Nian, Steven	14	2
Education Board	Tan Sri Abdul Samad Haji Alias	16	3
Ethics Standards Board	-	11	1
Financial Statements Review Committee	Foong Mun Kong	15	7
Insolvency Practice Committee	Dato' Gan Ah Tee	18	4
Integrated Reporting Steering Committee	Ong Chee Wai	11	3
Islamic Finance Committee	Mohd Muazzam Mohamed	15	2
MIA – MQA Joint Technical Committee	Jeremy Nasrulhaq	12	Nil
Nominating Committee	Irvin George Luis Menezes	8	8
Oversight Committee	Huang Shze Jiun	10	16
Practice Review Committee	Lim Thiam Kee, Peter	8	7
Professional Accountants in Business Committee	Datuk Bazlan Osman	14	3
Public Practice Committee	Tai Yoon Foo	17	4
Public Sector Accounting Committee	Datuk Dr. Yacob Mustafa	12	1
Small and Medium Practice Committee	Mohamad Faisal Abdul Malik	9	3
Taxation Practice Committee	Dr. Veerinderjeet Singh	13	3
Valuation Committee	Dato' Wong Wing Seong	11	2
Young Professionals Committee	K. Renganathan Kannan	8	6

Task Force

	Chairman	Number of members	Number of meetings
CSAP Task Force	Huang Shze Jiun	6	Nil



For more information about the Committees and Task Forces please visit <https://www.mia.org.my/>

Acronyms

1MDB	1Malaysia Development Berhad	ISAs	International Standards on Auditing
AASB	Auditing and Assurance Standards Board	KPI	Key performance indicator
ACCA	Association of Chartered Certified Accountants	MAREF	Malaysian Accountancy Research and Education Foundation
ACPACC	ASEAN CPA Coordinating Committee	MCMC	Malaysian Communications and Multimedia Commission
AFA	ASEAN Federation of Accountants	MCO	Movement Control Order
AI	Artificial Intelligence	MDEC	Malaysia Digital Economy Corporation
AML	Anti Money Laundering	MIA QE	MIA Qualifying Examination
AMLA	Anti-Money Laundering Act	MITI	Ministry of International Trade and Industry
AOB	Audit Oversight Board	MFRS	Malaysian Financial Reporting Standards
ARMC	Audit Risk and Management Committee	MICPA	Malaysian Institute of Certified Public Accountants
ASEAN	Association of Southeast Asian Nations	MMIS	MIA Membership Information System
BNM	Bank Negara Malaysia	MOE	Ministry of Education
Bursa	Bursa Malaysia	MOF	Ministry of Finance
C.A. (M)	Chartered Accountant Malaysia	MOU	Memorandum of Understanding
CAPA	Confederation of Asian and Pacific Accountants	MPERS	Malaysian Private Entities Reporting Standard
CARE	Chartered Accountant's Relevant Experience	MQA	Malaysian Qualifications Agency
CEO	Chief Executive Officer	MRMC	Management Risk Management Committee
CDF	Competency Development and Framework	MyPAC	Malaysia Professional Accountancy Centre
CFM	MIA Competency Framework	NAC	National Accounting Council
CFOs	Chief Financial Officers	NACRA	National Annual Corporate Report Awards
CIMA	Chartered Institute of Management Accountants	NOC	Notice of Complaint
CIPFA	Chartered Institute of Public Finance and Accountancy	OM	Operations Manual
CMAC	Capital Market Advisory Committee	PAIB	Professional Accountants in Business
COL	Critical Occupational List	PAOs	Professional Accountancy Organisations
CPE	Continuing Professional Education	PDRM	Polis Diraja Malaysia
CSAP	Committee to Strengthen the Accountancy Profession	PIEs	Public Interest Entities
E-AT	Electronic Accountants Today	PPP	Public Practice Programme
ERM	Enterprise Risk Management	PRC	Practice Review Committee
GDP	Gross Domestic Product	QE	Qualifying Examination
IES	International Education Standards	RAPs	Remedial Action Plans
IF	Islamic Finance	RMCO	Recovery Movement Control Order
IFIs	Islamic Finance Institutions	ROS	Registrar of Societies
IFAC	International Federation of Accountants	SC	Securities Commission
IFRS	International Financial Reporting Standards	SKM	Suruhanjaya Koperasi Malaysia
IIRC	International Integrated Reporting Council	SMEs	Small and medium-sized enterprises
<IR>	Integrated Reporting	SMPs	Small and medium practices
IR4.0	Industrial Revolution 4.0	SOPs	Standard Operating Procedures
IRB	Inland Revenue Board	UN SDGs	United Nations Sustainable Development Goals
ISCA	Institute of Singapore Chartered Accountants	YPC	Young Professionals Committee
IVSC	International Valuation Standards Council	WCOA	World Congress of Accountants

Financial Statements

For the Financial Year Ended 30 June 2020

- 84 Report of the Auditor General
- 89 Statement by the Council
- 89 Statutory Declaration
Financial Statements
- 90 - Statement of Financial Position
- 91 - Statement of Profit or Loss and Other Comprehensive Income
- 91 - Statement of Changes in Accumulated Fund
- 92 - Statement of Cash Flows
- 93 - Notes to the Financial Statements



**CERTIFICATE OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF
THE MALAYSIAN INSTITUTE OF ACCOUNTANTS
FOR THE YEAR ENDED 30 JUNE 2020**

Certificate on the Audit of the Financial Statements

Opinion

The financial statements of the Malaysian Institute of Accountants which comprise the Statement of Financial Position as at 30 June 2020 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Accumulated Fund and Statement of Cash Flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies, as set out on pages 90 to 123, have been audited by my representative.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Malaysian Institute of Accountants as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and Accountants Act 1967 (Act 94).

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matter

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

Key Audit Matter	How the Matter is Addressed in My Audit
<p>Accuracy of Income Recognition Refer to:</p> <p>Note 2.3(j)(i)–Revenue; and Note 16–Revenue from membership subscription fees and income from events and conferences.</p> <p>The main sources of income for the Malaysian Institute of Accountants are membership subscription fees and income from events and conferences. These sources of income total RM35,291,678 for the financial year ended 30 June 2020 (2019:RM40,743,961).</p> <p>I focused on the accuracy of these incomes as they represent significant components of the Malaysian Institute of Accountants' revenue and involve large volumes of transactions.</p>	<p>Audit procedures include, among others:</p> <ul style="list-style-type: none"> a) Obtained an understanding of the systems, processes and controls in place over the accuracy and timing of income recognised in the financial statements and performed testing over key controls; b) Developed an expectation of the current year members' annual subscription fees by reconciling the number of members for the year multiplied with the annual subscription fee charged, and comparing the expectation against the actual members' annual subscription fees recognised for the current financial year; c) Reviewed reconciliation of income amount for events and conferences between accounting system and MIA Membership Information System prepared by the management; d) Checked to selected samples of invoices and agreed the number of participants and event fees charged against each attendance report of the particular events; e) Performed income cut-off testing; and f) Evaluated the appropriateness of the accounting policies for income recognition.

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

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

Responsibilities of the Council for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Malaysian Institute of Accountants' internal control.
 - c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
 - d. Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on of the Malaysian Institute of Accountants' ability to continue as a going concern. If I conclude that a material uncertainty exists, I have to draw attention in my Auditor's Certificate to the related disclosures in the Financial Statements of the Malaysian Institute of Accountants or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of Auditor's Certificate.
 - e. Evaluate the overall presentation of the Financial Statements of the Malaysian Institute of Accountants, including the disclosures, and whether the Financial Statements of the Malaysian Institute of Accountants represent the underlying transactions and events in a manner that achieve fair presentation.

I also provide the Council with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

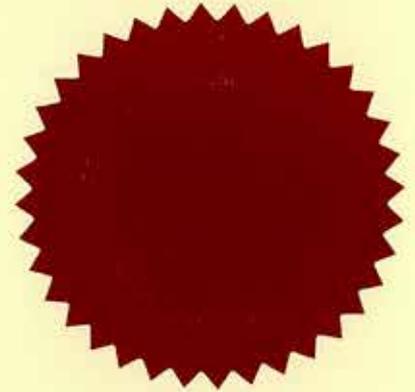
From the matters communicated with the Council, I determine the matter that is of most significance in the audit of the Financial Statements of the Malaysian Institute of Accountants for the current year and is therefore the key audit matter. I describe the matter in our Auditor's Certificate unless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

This certificate is made solely to the Council in accordance with the Accountants Act 1967 (Act 94) and for no other purpose. I do not assume responsibility to any other person for the content of this certificate.



(KARTINA BINTI ZAMHARI)
ON BEHALF OF AUDITOR GENERAL

PUTRAJAYA
15 SEPTEMBER 2020



STATEMENT BY THE COUNCIL

We, Huang Shze Jiun and Sharman A/L Arumugam, being the President and a Council member, respectively, of the MALAYSIAN INSTITUTE OF ACCOUNTANTS, do hereby state that, in the opinion of the Council, the accompanying financial statements are properly drawn up in accordance with the provisions of the Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Institute as at 30 June 2020 and of its results and cash flows for the financial year then ended.

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



HUANG SHZE JIUN
PRESIDENT

21 August 2020
Kuala Lumpur



SHARMAN A/L ARUMUGAM
COUNCIL MEMBER

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

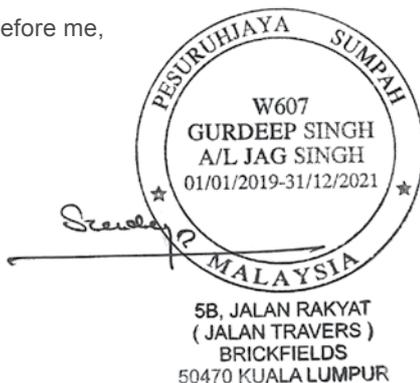
I, Dr Nurmazilah Dato' Mahzan, being the officer primarily responsible for the financial management of the MALAYSIAN INSTITUTE OF ACCOUNTANTS, do solemnly and sincerely declare that the accompanying financial statements are to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named Dr. Nurmazilah Dato' Mahzan at Kuala Lumpur in Wilayah Persekutuan on 21 August 2020



DR NURMAZILAH DATO' MAHZAN
C.A. (M) 10459

Before me,



Statement of Financial Position

as at 30 June 2020

	Note	2020 RM	2019 RM
Assets			
Non-current assets			
Property, plant and equipment	3	25,461,252	26,343,399
Right-of-use assets	4	373,736	260,422
Intangible assets	5	1,018,306	1,156,841
Investment	6	7,458	7,458
Deferred tax assets	7	-	228,901
		26,860,752	27,997,021
Current assets			
Inventories	8	88,106	65,492
Receivables, deposits and prepayments	9	1,876,172	3,188,843
Subscription receivables	10	-	-
Current tax recoverable		240,000	168,000
Fixed deposits with licensed financial institutions	11	20,750,121	19,677,355
Cash and bank balances		5,616,266	7,436,562
		28,570,665	30,536,252
Total assets		55,431,417	58,533,273
Non-current liabilities			
Lease liabilities	12	221,621	116,331
Current liabilities			
Lease liabilities	12	159,659	149,129
Payables and accruals	13	6,417,281	7,810,613
Contract liabilities	14	1,442,413	4,599,730
Deferred income - government grants	15	458,464	903,464
		8,477,817	13,462,936
Total liabilities		8,699,438	13,579,267
Total net assets		46,731,979	44,954,006
Accumulated fund		46,731,979	44,954,006

Statement of Profit or Loss and Other Comprehensive Income

for the financial year ended 30 June 2020

	Note	2020 RM	2019 RM
Revenue from contracts with customers	16	39,802,082	43,560,436
Other income	17	1,392,590	1,650,880
Total income		41,194,672	45,211,316
Less:			
Depreciation of property, plant and equipment	3	(1,384,049)	(1,323,701)
Depreciation of right-of-use assets	4	(193,362)	(179,772)
Amortisation of intangible assets	5	(154,862)	(172,188)
Expenses for events and conferences (excluding employees benefits)	18	(11,261,341)	(14,326,290)
Employee benefits	19	(19,681,494)	(22,293,914)
Membership services		(1,115,737)	(1,193,854)
Net loss on impairment of receivables		(450,303)	(224,044)
Interest on lease liabilities		(14,488)	(14,210)
Other operating expenses	20	(4,932,162)	(5,111,871)
Total expenses		(39,187,798)	(44,839,844)
Surplus before tax		2,006,874	371,472
Taxation	22	(228,901)	43,198
Surplus for the financial year, representing total comprehensive income for the financial year		1,777,973	414,670

Statement of Changes in Accumulated Fund

for the financial year ended 30 June 2020

	RM
At 1 July 2018	44,539,336
Surplus for the financial year, representing total comprehensive income for the financial year	414,670
At 30 June 2019/1 July 2019	44,954,006
Surplus for the financial year, representing total comprehensive income for the financial year	1,777,973
At 30 June 2020	46,731,979

Statement of Cash Flows

for the financial year ended 30 June 2020

	Note	2020 RM	2019 RM
Cash flows from operating activities			
Receipts from members and non-members		39,980,848	43,387,574
Payments for expenditure		(40,699,427)	(44,387,102)
Cash used in operations		(718,579)	(999,528)
Management fees received		18,000	24,000
Tax paid		(72,000)	(141,558)
Tax refunded		-	441,138
Net cash flow used in operating activities		(772,579)	(675,948)
Cash flows from investing activities			
Placements of fixed deposits with licensed financial institutions maturing exceeding 3 months		(2,726,966)	(98,956)
Purchase of property, plant and equipment and acquisition of intangible assets (Note A)		(573,404)	(1,106,789)
Interest received		803,797	734,626
Net cash flow used in investing activities		(2,496,573)	(471,119)
Cash flows from financing activities			
Interest on lease liabilities	12	(14,488)	(14,210)
Payment of lease liabilities	12	(190,856)	(174,734)
Net cash flow used in financing activities		(205,344)	(188,944)
Net decrease in cash and cash equivalents		(3,474,496)	(1,336,011)
Cash and cash equivalents at beginning of financial year		11,090,762	12,426,773
Cash and cash equivalents at end of financial year		7,616,266	11,090,762
Analysis of cash and cash equivalents:			
Cash in hand		3,889	9,087
Bank balances		5,612,377	7,427,475
Fixed deposits with licensed financial institutions maturing not exceeding 3 months	11	2,000,000	3,654,200
		7,616,266	11,090,762
Note A: Purchase of property, plant and equipment and acquisition of intangible assets			
Purchase of property, plant and equipment during the financial year	3	534,262	309,454
Acquisition of intangible assets during the financial year	5	16,342	833,345
Add: Unpaid purchases as at previous financial year end		92,100	56,090
		642,704	1,198,889
Less: Unpaid purchases as at financial year end		(69,300)	(92,100)
		573,404	1,106,789

Notes to the Financial Statements

for the financial year ended 30 June 2020

1. GENERAL INFORMATION

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

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

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

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

The financial statements were authorised for issue by the Council in accordance with a resolution of the Council on 21 August 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

2.2. NEW AND REVISED PRONOUNCEMENTS YET IN EFFECT

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

Effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 9, MFRS 139 and MFRS 7 (*Interest Rate Benchmark Reform*)
- Amendments to MFRS 101 Presentation of Financial Statements (*Definition of Material*)
- Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (*Definition of Material*)

Notes to the Financial Statements

for the financial year ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2. NEW AND REVISED PRONOUNCEMENTS YET IN EFFECT (CONT'D)

Effective for annual periods beginning on or after 1 June 2020

- Amendment to MFRS 16 Leases (*Covid-19-Related Rent Concessions*)

Effective for annual periods beginning on or after 1 January 2022

- MFRS 1 - Annual Improvements to MFRS Standards 2018 - 2020
- MFRS 9 - Annual Improvements to MFRS Standards 2018 - 2020
- Amendments to MFRS 116 *Property, plant and equipment (Property, Plant and Equipment - Proceeds before Intended Use)*
- Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts - Cost of Fulfilling a Contract)*

Effective for annual periods beginning on or after 1 January 2023

- Amendments to MFRS 101 *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)*

2.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Property, plant and equipment and depreciation

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

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

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

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

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

Leasehold properties	50 years
Office equipment	10 years
Furniture and fittings	10 years
Computer equipment	3 years
Renovation	10 years

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

(b) Intangible assets

(i) Computer software

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

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

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

(ii) Development expenditure

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

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

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

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

Notes to the Financial Statements

for the financial year ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Intangible assets (cont'd)

(ii) Development expenditure (cont'd)

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

Capitalised development costs recognised as intangible assets will be amortised from the point at which the assets are ready for use on a straight-line basis over their useful lives.

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

(c) Inventories

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

(d) Receivables

Refer to Notes 2.3(f) on financial instruments and 2.3(g) on impairment of receivables.

(e) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash in hand, bank balances, deposits with licensed financial institutions with original maturities not exceeding 3 months and other short-term highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The statement of cash flows is prepared using the direct method.

(f) Financial instruments

(i) Recognition and initial measurement

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

- **Amortised cost**

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

- **Fair value through other comprehensive income**

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

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

Financial liabilities

The categories of financial liabilities are as follows:

- **Fair value through profit or loss**

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

- **Amortised cost**

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

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

(iii) Derecognition

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

Notes to the Financial Statements

for the financial year ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (Cont'd)

(iii) Derecognition (cont'd)

A financial liability is derecognised when the obligation specified in the contract is either discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

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

(g) Impairment of receivables

Amount due from participants of events and conferences

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

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

Subscription receivables

Subscription receivables for 6 months and above due from members who were removed from the Register of Members and where in the opinion of the Council these debts are no longer recoverable, are written off to profit or loss. Subsequent recovery is taken up on a cash receipt basis.

Members who have ongoing investigation and disciplinary proceedings instituted against them and whose subscriptions are in arrears for more than 6 months will not be removed from the Register of Members. An impairment of receivables is carried out based on a review of all subscription in arrears at the reporting date. Subsequent recovery is taken up on a cash receipt basis.

(h) Contract liabilities

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Government grants

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

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

(j) Revenue and other income

(i) Revenue

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

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

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

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

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

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

Processing fee on registration as a candidate for the Qualifying Examination is recognised upon receipt but the candidacy fee is only recognised upon approval by the Examination Committee. Examination fees are recognised when the examination is held. Tuition fees are recognised over the tuition term.

Income from advertisements placed in the Institute's journal is recognised over the advertisement period. Cash received for such advertisements that take place before the said period is taken up as contract liabilities. Sponsorship income is recognised based on the delivery timing of the performance obligations.

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

Notes to the Financial Statements

for the financial year ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Taxation

(i) Current tax

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

(ii) Deferred tax

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

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

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except for the deferred tax asset that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Employee Benefits

(i) Short-term employee benefits

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

(ii) Defined contribution plans

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

(m) Foreign currency transactions and balances

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

(n) Leases

(i) Definition of a lease

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

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

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

Notes to the Financial Statements

for the financial year ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Leases (cont'd)

(ii) Recognition, initial measurement and subsequent measurement

As a lessee

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

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

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

- office equipment - 5 years
- properties - 2 to 5 years

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Leases (cont'd)

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

Short-term leases and leases of low-value assets

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

(o) Borrowing costs

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

(p) Operating segments

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

2.4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Sources of estimation uncertainty

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

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

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

Property, plant and equipment are depreciated on the straight-line basis over their estimated useful lives. The Council estimates that the useful lives of the property, plant and equipment to be within 3 years to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the property, plant and equipment. Therefore, the future depreciation charge could be revised.

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

For intangible assets, changes in the expected useful lives or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate and are treated as changes in accounting estimates. The carrying amounts of the intangible assets at the reporting date are disclosed in Note 5.

Notes to the Financial Statements

for the financial year ended 30 June 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(a) Sources of estimation uncertainty (cont'd)

(ii) Income taxes and deferred tax

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

Deferred tax implications arising from the changes in 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 or loss in the period in which actual realisation and settlement occurs.

(b) Significant judgement made in the process of applying the accounting policies

In applying the accounting policies, significant judgement was made in the recognition of an intangible asset relating to the MIA Competency Framework which may affect the amount recognised in the financial statements. In particular, judgement was made whilst assessing the expected future economic benefits that are attributable to the operationalisation of the MIA Competency Framework. The future economic benefits are realisable upon the enactment of proposed revisions to the Accountants Act, 1967. The Institute is still in the process of following up with relevant parties regarding the proposal to revise the Accountants Act, 1967.

3. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties RM	Computer equipment RM	Renovation RM	Furniture and fittings RM	Office equipment RM	Total RM
Cost						
At 1 July 2019	22,797,454	1,524,264	3,142,202	1,802,377	2,794,727	32,061,024
Additions	-	131,612	185,570	93,060	124,020	534,262
Write-offs	-	(127,247)	(154,085)	(9,087)	(30,444)	(320,863)
At 30 June 2020	22,797,454	1,528,629	3,173,687	1,886,350	2,888,303	32,274,423
Accumulated depreciation						
At 1 July 2019	1,948,136	1,244,486	1,094,145	543,499	887,359	5,717,625
Charge for the financial year	455,949	175,469	294,363	179,889	278,379	1,384,049
Write-offs	-	(101,860)	(154,079)	(9,017)	(23,547)	(288,503)
At 30 June 2020	2,404,085	1,318,095	1,234,429	714,371	1,142,191	6,813,171
Net carrying amount at 30 June 2020	20,393,369	210,534	1,939,258	1,171,979	1,746,112	25,461,252
Cost						
At 1 July 2018	22,797,454	1,456,030	3,109,652	1,754,115	2,806,515	31,923,766
Additions	-	213,903	32,550	63,001	-	309,454
Write-offs	-	(145,669)	-	(14,739)	(11,788)	(172,196)
At 30 June 2019	22,797,454	1,524,264	3,142,202	1,802,377	2,794,727	32,061,024
Accumulated depreciation						
At 1 July 2018	1,492,187	1,234,049	810,680	382,898	627,310	4,547,124
Charge for the financial year	455,949	138,692	283,465	173,764	271,831	1,323,701
Write-offs	-	(128,255)	-	(13,163)	(11,782)	(153,200)
At 30 June 2019	1,948,136	1,244,486	1,094,145	543,499	887,359	5,717,625
Net carrying amount at 30 June 2019	20,849,318	279,778	2,048,057	1,258,878	1,907,368	26,343,399

As at end of the financial year, the Institute has yet to receive the strata titles for the leasehold properties. The leasehold office suite in Kuala Lumpur is depreciated over 50 years based on the estimated economic useful life of the office although the lease term is 91 years at the vacant possession date.

Included in property, plant and equipment are fully depreciated assets which are still in use, with cost totalling RM1,250,700 (2019: RM1,451,093).

Notes to the Financial Statements

for the financial year ended 30 June 2020

4. RIGHT-OF-USE ASSETS

As lessee

The Institute leases properties and office equipment. Information about leases for which the Institute is a lessee is presented below.

	Properties RM	Office equipment RM	Total RM
Cost			
At 1 July 2019	225,099	215,095	440,194
Addition during the financial year	306,676	-	306,676
At 30 June 2020	531,775	215,095	746,870
Accumulated depreciation			
At 1 July 2019	120,225	59,547	179,772
Charge for the financial year	133,815	59,547	193,362
At 30 June 2020	254,040	119,094	373,134
Net carrying amount at 30 June 2020	277,735	96,001	373,736
Cost			
At 1 July 2018	130,924	215,095	346,019
Addition during the financial year	94,175	-	94,175
At 30 June 2019	225,099	215,095	440,194
Accumulated depreciation			
At 1 July 2018	-	-	-
Charge for the financial year	120,225	59,547	179,772
At 30 June 2019	120,225	59,547	179,772
Net carrying amount at 30 June 2019	104,874	155,548	260,422

5. INTANGIBLE ASSETS

	2020 RM	2019 RM
Computer software		
Cost		
At beginning of financial year	1,665,087	899,487
Addition during the financial year	16,342	765,600
Less: Write-off during the financial year	(320,157)	-
At end of financial year	1,361,272	1,665,087
Accumulated amortisation		
At beginning of financial year	948,699	776,511
Less: Write-off during the financial year	(320,142)	-
Amortisation for the financial year	154,862	172,188
At end of financial year	783,419	948,699
Net carrying amount at end of financial year	577,853	716,388
Development expenditure		
Cost		
At beginning of financial year	440,453	372,708
Addition during the financial year	-	67,745
At end of financial year	440,453	440,453
Total	1,018,306	1,156,841

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 lives of 3 to 7 years.

The development expenditure represents the Institute's development of the MIA Competency Framework. The future economic benefits of the MIA Competency Framework is expected to be realisable upon the enactment of certain proposed revisions to the Accountants Act, 1967.

6. INVESTMENT

	2020 RM	2019 RM
At fair value through other comprehensive income		
Investment, unquoted	7,458	7,458

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

Notes to the Financial Statements

for the financial year ended 30 June 2020

7. DEFERRED TAX ASSETS

	2020 RM	2019 RM
Deferred tax assets	-	228,901
At beginning of financial year	228,901	187,298
Recognised in profit or loss (Note 22)		
- Provisions, advance receipts and leases	(228,901)	41,603
At end of financial year	-	228,901
Deferred tax assets		
- Provisions, advance receipts and leases	-	228,901

Unrecognised deferred tax assets

With effect from the year of assessment 2009, based on Addendum to Public Ruling No 6/2005 issued on 1 July 2009, capital allowances and losses from membership activities if unutilised, cannot be carried forward to a future year of assessment. As at the reporting date, the Institute has a balance of unabsorbed capital allowances and unutilised losses totalling RM542,137 (2019: RM542,137) from years of assessment before the addendum came into effect.

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

	2020 RM	2019 RM
Unabsorbed capital allowances	1,977,416	1,413,299
Unutilised tax losses	4,156,730	2,718,067
Other temporary differences	393,390	-
	6,527,536	4,131,366
Potential deferred tax assets not recognised at 24% (2019: 24%)	1,566,609	991,528

The unutilised tax losses will expire in accordance with Section 44(5F) of the Income Tax Act 1967 as follows:

	2020 RM	2019 RM
Year of assessment		
2025	1,898,588	1,898,588
2026	1,637,843	819,479
2027	620,299	-
	4,156,730	2,718,067

8. INVENTORIES

	2020 RM	2019 RM
At cost		
Publications	88,106	65,492

During the financial year, inventories recognised as an expense amounted to RM77,306 (2019: RM144,846).

9. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2020 RM	2019 RM
Amount due from participants of events and conferences	383,028	1,047,830
Other receivables	821,270	922,110
	1,204,298	1,969,940
Less: Allowance for expected credit losses	(145,627)	(25,064)
	1,058,671	1,944,876
Prepayments	690,098	1,117,564
Deposits	127,403	126,403
	817,501	1,243,967
	1,876,172	3,188,843

The credit period granted by the Institute is 30 days (2019: 30 days).

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

	2020 RM	2019 RM
At beginning of financial year	25,064	2,120
Expected credit losses recognised during the financial year	126,441	25,064
Reversal of impairment losses	(5,878)	(2,120)
At end of financial year	145,627	25,064

Notes to the Financial Statements

for the financial year ended 30 June 2020

10. SUBSCRIPTION RECEIVABLES

	2020 RM	2019 RM
Subscription receivables	4,550	9,150
Less: Allowance for impairment losses	(4,550)	(9,150)
	-	-

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

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

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

	2020 RM	2019 RM
At beginning of financial year	9,150	2,800
Impairment losses recognised during the financial year	4,200	9,150
Reversal of impairment losses	(1,600)	(350)
Written off	(7,200)	(2,450)
At end of financial year	4,550	9,150

During the financial year, subscriptions receivables amounting to RM327,140 (2019: RM192,300) were written off to profit or loss.

11. FIXED DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The maturity profile of fixed deposits is presented as follows:

	2020 RM	2019 RM
Not exceeding 3 months	2,000,000	3,654,200
Exceeding 3 months	18,750,121	16,023,155
	20,750,121	19,677,355

The interest rates for the fixed deposits placed with licensed financial institutions range from 2.35% to 4.38% (2019: 3.80% to 4.38%) per annum.

12. LEASE LIABILITIES

	2020 RM	2019 RM
Lease liabilities included in the statement of financial position		
At beginning of financial year	265,460	346,019
Addition during the financial year	306,676	94,175
	572,136	440,194
Less:		
Payment of lease liabilities	(190,856)	(174,734)
At end of financial year	381,280	265,460
Current	159,659	149,129
Non-current	221,621	116,331
	381,280	265,460
Maturity analysis - contractual undiscounted cash flows		
Less than one year	172,544	157,044
Between one and five years	232,898	120,742
Total undiscounted lease liabilities at 30 June	405,442	277,786
Amount recognised in profit or loss		
Expenses relating to short-term leases	-	16,460
Expenses relating to leases of low-value asset, excluding short-term leases of low-value assets	1,908	1,908
Amount disclosed in the statement of cash flows		
Interest on lease liabilities	14,488	14,210
Payment of lease liabilities	190,856	174,734

13. PAYABLES AND ACCRUALS

	2020 RM	2019 RM
Payables	2,364,755	1,093,163
Accruals - events and conferences expenses	397,034	960,555
Accruals - employee benefits costs	2,872,512	4,904,443
Accruals - education expenses	139,723	64,608
Accruals - others	543,557	689,644
Deposits	99,700	98,200
	6,417,281	7,810,613

The credit periods granted to the Institute for payables range from 14 to 30 days (2019: 14 to 30 days).

Notes to the Financial Statements

for the financial year ended 30 June 2020

14. CONTRACT LIABILITIES

	2020 RM	2019 RM
Subscriptions in advance	601,270	1,700,569
Membership application fees	405,050	431,350
Practising certificate application fees	26,400	2,500
Readmission fees	5,900	88,850
Events and conferences	202,293	2,057,311
Qualifying examination	96,500	248,150
Education and advertisements	90,000	71,000
Others	15,000	-
	1,442,413	4,599,730

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

With the exception of subscriptions in advance, all other contract liabilities at the beginning of the financial year amounting to RM2,899,161 (2019: RM2,588,992) were realised as revenue within the same financial year. The total amount of subscriptions in advance at the beginning of the financial year of RM1,700,569 (2019: RM3,757,305) that was recognised as revenue during the financial year ended 30 June 2020 amounted to RM1,679,649 (2019: RM3,727,305).

As at 30 June 2019, all items that were previously classified as deferred income - others amounting to RM2,899,161 have been reclassified as contract liabilities to conform to the current year's presentation. As at 30 June 2019, subscriptions in advance amounting to RM1,700,569, which was previously presented as a separate line item on the statement of financial position, has been included in contract liabilities to conform to the current's year's presentation.

15. DEFERRED INCOME - GOVERNMENT GRANT

	2020 RM	2019 RM
At beginning of financial year	903,464	1,229,164
Effect of the revised grant amount as per supplemental agreement	(307,900)	-
Deferred income released to profit or loss (Note 17)	(137,100)	(325,700)
At end of financial year	458,464	903,464

In the financial year ended 30 June 2015, the Capital Market Development Fund ("CMDF") approved a grant to the Institute for implementing and administering Financial Reporting Standards Implementation Committee ("FRSIC") and Capital Market Advisory Committee ("CMAC") projects. The grant was receivable annually over a period of 4 years from May 2015 to 31 December 2018 for a total sum of RM4.52 million, to be used for initiatives in capacity building of professional accountants through the provision of knowledge and skills upgrading courses and to achieve consistent application of the securities laws and rules of the stock exchange and accounting standards through the provision of guidance notes, clarification and consensuses. As the grant agreement expired in May 2019, a supplemental agreement was signed on 16 July 2019 with CMDF to further extend the term of the grant to 31 December 2020 with a revised total grant of RM3.95 million. The total grant receivable/received to date amounted to RM3.02 million (2019: RM3.33 million).

16. REVENUE FROM CONTRACTS WITH CUSTOMERS

(i) Disaggregation of revenue from contracts with customers:

	2020 RM	2019 RM
Membership subscription fees	13,024,300	12,752,578
Membership admission fees	782,400	782,700
Practising certificate fees	2,530,800	992,500
Income from events and conferences (note 18)	22,267,378	27,991,383
Education income	803,490	574,472
Income from joint activities with other professional bodies	60,000	83,236
Sale of technical materials/publications	104,914	85,402
Technical program fees	39,260	106,341
Miscellaneous income	189,540	191,824
	39,802,082	43,560,436

(ii) Timing of revenue recognition:

	2020 RM	2019 RM
- at a point in time	22,076,722	26,896,171
- over time	17,725,360	16,664,265
	39,802,082	43,560,436

17. OTHER INCOME

	2020 RM	2019 RM
Enforcement penalties	69,000	155,200
Reimbursement of enforcement costs	156,721	128,150
Government grant recognised	137,100	325,700
Interest on fixed deposits and current accounts	900,739	970,248
Practice review income	129,030	71,582
	1,392,590	1,650,880

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

	2020 RM	2019 RM
Income (note 16)	22,267,378	27,991,383
Direct expenses (excluding employee benefits)	(11,261,341)	(14,326,290)
	11,006,037	13,665,093

Notes to the Financial Statements

for the financial year ended 30 June 2020

19. EMPLOYEE BENEFITS

	2020 RM	2019 RM
Salaries, overtime and bonus	15,728,490	17,861,896
Contributions to EPF	2,431,910	2,792,272
Social security contribution	122,665	126,340
Staff training	353,913	452,783
Staff welfare	127,519	299,348
Other staff benefits	916,997	761,275
	19,681,494	22,293,914

Included in employee benefits is the key management personnel compensation shown in Note 23(c).

20. OTHER OPERATING EXPENSES

	2020 RM	2019 RM
Assets written off	32,375	18,996
Auditors' remuneration	26,545	25,750
Bank charges	273,501	267,152
Education expenses	507,753	598,382
Enforcement expenses	343,340	241,731
Insurance expenses	62,666	77,117
International relations expenses	245,384	299,411
Legal consultancy and litigation fees	134,684	161,991
Other consultancy fees	90,724	164,133
Licensing expenses	183,011	198,000
Printing, postage and stationery	218,442	252,131
Promotion and advertising cost	239,762	244,913
Rental of premises	-	16,000
Subscriptions	466,326	478,770
Technical programme expenses	293,210	247,808
Local travelling expenses	81,438	104,386
Upkeep of office	419,470	486,664
Upkeep of office equipment	738,436	528,767
Utilities	380,661	363,019
Other expenses	194,434	336,750
	4,932,162	5,111,871

21. INCOME AND EXPENSES BY OPERATING SEGMENT

2020	Membership & Education RM	Professional Development RM	Professional Practices & Technical RM	Surveillance & Enforcement RM	Total RM
Revenue	16,337,500	22,267,378	-	-	38,604,878
Other income	1,135,244	35,800	139,260	354,751	1,665,055
Total income	17,472,744	22,303,178	139,260	354,751	40,269,933
Less:					
Direct expenses	(573,920)	(11,261,341)	(290,440)	(365,393)	(12,491,094)
Employee benefits	(1,577,940)	(2,843,593)	(1,744,485)	(3,635,360)	(9,801,378)
Overheads	(2,630,886)	(347,187)	(130,638)	(73,055)	(3,181,766)
	(4,782,746)	(14,452,121)	(2,165,563)	(4,073,808)	(25,474,238)
Surplus/(Deficit) before allocated expenses*	12,689,998	7,851,057	(2,026,303)	(3,719,057)	14,795,695
Less:					
Employee benefits - allocated	(2,881,700)	(3,293,373)	(1,543,767)	(2,161,276)	(9,880,116)
Overheads - allocated	(1,118,088)	(1,277,814)	(598,976)	(838,566)	(3,833,444)
	(3,999,788)	(4,571,187)	(2,142,743)	(2,999,842)	(13,713,560)
Surplus/(Deficit) at segment level	8,690,210	3,279,870	(4,169,046)	(6,718,899)	1,082,135
Interest income					900,739
Management income					24,000
Surplus before tax at Institute level					2,006,874

Notes to the Financial Statements

for the financial year ended 30 June 2020

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

2019	Membership & Education RM	Professional Development RM	Professional Practices & Technical RM	Surveillance & Enforcement RM	Total RM
Revenue	14,527,778	27,991,383	-	-	42,519,161
Other income	888,635	91,299	363,041	354,932	1,697,907
Total income	15,416,413	28,082,682	363,041	354,932	44,217,068
Less:					
Direct expenses	(649,153)	(14,326,249)	(247,808)	(295,847)	(15,519,057)
Employee benefits	(1,573,381)	(2,852,757)	(2,123,573)	(3,957,451)	(10,507,162)
Overheads	(2,200,736)	(274,065)	(360,570)	(228,200)	(3,063,571)
	(4,423,270)	(17,453,071)	(2,731,951)	(4,481,498)	(29,089,790)
Surplus/(Deficit) before allocated expenses*	10,993,143	10,629,611	(2,368,910)	(4,126,566)	15,127,278
Less:					
Employee benefits - allocated	(3,204,165)	(3,661,904)	(1,830,952)	(3,089,731)	(11,786,752)
Overheads - allocated	(1,077,403)	(1,231,318)	(615,658)	(1,038,923)	(3,963,302)
	(4,281,568)	(4,893,222)	(2,446,610)	(4,128,654)	(15,750,054)
Surplus/(Deficit) at segment level	6,711,575	5,736,389	(4,815,520)	(8,255,220)	(622,776)
Interest income					970,248
Management income					24,000
Surplus before tax at Institute level					371,472

Notes:

1. The activities of Membership and Education include providing support to the Education Board, Examination Committee, MIA-MQA Joint Technical Committee and Young Professionals Committee.
2. The activities of Professional Practices & Technical include providing support to the Auditing and Assurance Standards Board, Ethics Standards Board, Capital Market Advisory Committee, Integrated Reporting Steering Committee, Islamic Finance Committee, Professional Accountants In Business Committee, Public Sector Accounting Committee, SMP Committee, Insolvency Practice Committee, Valuation Committee, Public Practice Committee, Taxation Practice Committee and Digital Technology Implementation Committee.
3. The activities of Surveillance & Enforcement include providing support to the Financial Statements Review Committee, Practice Review Committee, Investigation Committee, Disciplinary Committee and Disciplinary Appeal Board.

*The allocation is based on headcount.

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

	2020 RM	2019 RM
Reconciliation of revenue and other income with Notes 16 and 17:		
Revenue of segments	38,604,878	42,519,161
Other income of segments	1,665,055	1,697,907
Interest income	900,739	970,248
Management income	24,000	24,000
Total income	41,194,672	45,211,316
Consists of:		
Revenue from contracts with customers (Note 16)	39,802,082	43,560,436
Other income (Note 17)	1,392,590	1,650,880
Total income	41,194,672	45,211,316

22. TAXATION

	2020 RM	2019 RM
Income tax		
- over-recognition of current tax in prior year	-	(1,595)
Deferred tax assets (Note 7)		
- relating to origination and reversal of temporary differences	134,488	(41,603)
- derecognition of deferred tax assets	94,413	-
	228,901	(43,198)

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

Notes to the Financial Statements

for the financial year ended 30 June 2020

22. TAXATION (CONT'D)

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:

	2020 RM	2019 RM
Surplus before tax	2,006,874	371,472
Taxation at the effective tax rate of 24% (2019: 24%)	481,650	89,153
Tax effects of:		
- expenses not deductible for tax purposes	223,391	242,286
- membership income not subject to tax	(1,018,317)	(745,282)
- other income not subject to tax	(32,904)	(78,168)
- unrecognised deferred tax assets	575,081	450,408
Over-recognition of current tax in prior year	-	(1,595)
	228,901	(43,198)

23. RELATED PARTY TRANSACTIONS

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

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

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

	2020 RM	2019 RM
(a) Fees and sponsorship income received from Council members and their related parties		
Members' annual subscription and practising certificate fees	198,750	111,450
Event and conference fees	22,633	48,614
Sponsorship and other income	175,400	223,770
(b) Fees paid to Council members and their related parties		
Speaker fees, QE examination and facilitator fees and contract fees	176,785	478,530

These transactions are transacted in the normal course of business.

23. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Key management's remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institute either directly or indirectly.

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

	2020 RM	2019 RM
Salaries, bonus and contract fees	2,236,384	2,418,961
Contribution to EPF	319,513	349,038
Others	4,286	4,271
	2,560,183	2,772,270

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

	2020 RM	2019 RM
Range of total remuneration	Number of persons	Number of persons
600,001 to 800,000	1	1
400,001 to 600,000	3	3
200,001 to 400,000	1	1
200,000 & below	0	1

The year-end outstanding balance of RM584,665 (2019: RM892,507) in relation to compensation payable to key management personnel is included in payables and accruals.

Notes to the Financial Statements

for the financial year ended 30 June 2020

24. FINANCIAL INSTRUMENTS

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

(a) Categories of financial instruments

	Financial assets at FV through OCI RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Carrying amount RM
As at 30 June 2020				
Financial assets:				
- Investment	7,458	-	-	7,458
- Receivables	-	1,058,671	-	1,058,671
- Fixed deposits with licensed financial institutions	-	20,750,121	-	20,750,121
- Cash and bank balances	-	5,616,266	-	5,616,266
Total financial assets	7,458	27,425,058	-	27,432,516
Financial liabilities:				
- Payables	-	-	2,364,755	2,364,755
- Accruals	-	-	3,952,826	3,952,826
- Lease liabilities	-	-	381,280	381,280
Total financial liabilities	-	-	6,698,861	6,698,861
As at 30 June 2019				
Financial assets:				
- Investment	7,458	-	-	7,458
- Receivables	-	1,944,876	-	1,944,876
- Fixed deposits with licensed financial institutions	-	19,677,355	-	19,677,355
- Cash and bank balances	-	7,436,562	-	7,436,562
Total financial assets	7,458	29,058,793	-	29,066,251
Financial liabilities:				
- Payables	-	-	1,093,163	1,093,163
- Accruals	-	-	6,619,250	6,619,250
- Lease liabilities	-	-	265,460	265,460
Total financial liabilities	-	-	7,977,873	7,977,873

24. FINANCIAL INSTRUMENTS (CONT'D)

(b) Net gains arising from financial instruments

	2020 RM	2019 RM
Income on fixed deposits and current accounts	900,739	970,248
Subscription receivables impaired and written off	(329,740)	(201,100)
Trade receivables impaired and written off	(120,563)	(22,944)
Net gains on loans and receivables	450,436	746,204

(c) Financial risk management objectives and policies

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

(i) Credit risk

Receivables and transactions with 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 organisations. It is the policy of the Institute to monitor the financial standing of these counter parties on an on-going basis to ensure that the Institute is exposed to minimal credit risk.

The Institute has also exercised strict control in removing members in arrears of more than 6 months as provided under Rules 2001 (Membership and Council) of the Malaysian Institute of Accountants.

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 statement of financial position.

(ii) Liquidity risk

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

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

Notes to the Financial Statements

for the financial year ended 30 June 2020

24. FINANCIAL INSTRUMENTS (CONT'D)

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

Maturity analysis

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

	Carrying amount RM	Gross contractual cash flow RM	Not more than 1 year RM	1-5 years RM
2020				
Payables and accruals	6,317,581	6,317,581	6,317,581	-
Lease liabilities	381,280	405,442	172,544	232,898
2019				
Payables and accruals	7,712,413	7,712,413	7,712,413	-
Lease liabilities	265,460	277,786	157,044	120,742

(iii) Interest rate risk

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

(d) Fair value

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

The carrying amounts of long-term lease liabilities approximated their fair values.

25. 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.

26. COMMITMENTS

	2020 RM	2019 RM
Authorised capital expenditure not provided for in the financial statements:		
(a) Digital publishing and bookstore	35,510	198,957
(b) Improvement of Membership system	480,975	-
(c) Information technology (IT) infrastructure transformation	493,133	-
	1,009,618	198,957

27. IMPACT OF COVID-19 ON THE INSTITUTE

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 as a pandemic. In Malaysia, the Movement Control Order (MCO) was imposed on 18 March 2020 with containment measures that significantly impacted businesses and the economy. The COVID-19 pandemic negatively affected the Institute's revenue generated from events and conferences from March to June 2020 for the financial year ended 30 June 2020 as a result of the cancellation and postponement of physical courses, trainings and conferences. The restriction of movement and social distancing requirements also caused the cancellation of planned physical activities involving members, staff and other stakeholders. Consequently, there was also a decline in costs in relation to these activities.

During that period, other than facilitating work from home, MIA benefited from its ongoing digital transformation, which supports its strategic collaboration with stakeholders. The Institute was able to serve members with minimal disruption through the MIA Membership Information System (MMIS). The Institute was also able to continually engage members in relation to technical matters in working groups and Committees/Boards as well as conducting Continuing Professional Development (CPD) and webinars through online platforms.

The Institute has performed assessments and carefully considered the impact of COVID-19 on the Institute's operations and financial position and will continue to monitor developments involving COVID-19. For the financial year ending 30 June 2021, COVID-19 is expected to cause a decline in revenue generated from events and conferences as a result of less physical courses, trainings and conferences and the effect of cost reduction measures by businesses and lower training budgets. Membership income growth rate is also expected to be negatively affected as a result of the limitation in recruitment activities and the challenging economic situation.

Accordingly, the Institute has commenced its cost cutting measures to optimise operational costs while ensuring strategic objectives are to be achieved. At the point of reporting, the Institute has sufficient cash reserves to support the working capital needs and capital expenditure of the Institute for the financial year ending 30 June 2021 and in the near future.

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