



MALAYSIAN INSTITUTE
OF ACCOUNTANTS



**#NATION
BUILDING**

Agile and Collaborative
for Stakeholder Resilience
Towards Long-Term Sustainability

Integrated Report 2021



About This Report

This report provides a concise evaluation of our value creation activities for the 2020/2021 financial year, prepared in accordance with the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC).

Scope and Boundary of Reporting

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

We create and publish our <IR> annually in both print and virtual formats to provide material information that explains our:

- ▶ Purpose, vision and values
- ▶ Value creation model
- ▶ Six capitals
- ▶ Operating environment and market outlook, including the accountancy profession's prospects and challenges
- ▶ Material matters and key risks
- ▶ Stakeholder engagement and interests
- ▶ Performance as measured against our four strategic objectives, and
- ▶ Governance processes and oversight as per the Accountants Act 1967.

We have also included significant events after 30 June 2021 and up to the Council's approval date of 1 September 2021. For the year under review, we have revised our disclosures and we continuously review our strategic and operational plans and guidance in response to the impact of the COVID-19 pandemic, which is the top risk to the Institute and profession. We have also endeavoured to address the feedback raised by the IIRC in their review of MIA's fourth <IR>, in order to enhance disclosures.

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

To ensure the integrity of this report, it has been checked by the MIA Internal Audit Department. In addition, the Council has exercised its collective oversight and mind over the report preparation and presentation processes. It is the Council's opinion that this report is presented in accordance with the IIRC's International <IR> Framework.



Please scan the QR Code to view our Integrated Report 2021 in online version

or log on to <https://www.mia.org.my/>

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MIA At A Glance

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

Our primary long-term goal is to continue to protect public interest with high quality financial reporting and practices to achieve the sustainability and the future relevance of the accountancy profession which then enables sustainable nation building.

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



Commitment



Mutual Trust and Respect



Teamwork



Professionalism



Sustainability



Accountability

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

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 about Performance by Strategic Objectives, please go to [pages 40 to 47](#)

Our Capitals



Intellectual

The Institute's collective knowledge and expertise, extensive archive of publications, frameworks and blueprints, proprietary programmes, along with our intangible brand and reputation that facilitate the profession's regulation and development



Social and Relationship

The extensive and expanding linkages with multi-stakeholders that support our dynamic collaboration efforts towards innovation and transformation



Human

The collective competencies, capabilities and experience available to the Institute in developing and implementing our regulatory and developmental initiatives



Manufactured

Physical resources and assets that support the provision of the Institute's services, such as IT equipment and software, proprietary virtual platforms, buildings and other equipment



Financial

The funds available to MIA that enable the provision of the Institute's services and our advocacy for sustainability and nation building



Natural

The natural resources consumed in the course of the Institute's operations, namely energy, plastics, paper and water



For more information about Our Capitals, please go to [pages 48 to 52](#)

MIA's Key Value Creation Activities enabled by our Capitals and aligned with our Strategic Objectives and Key SDGs

Strategic Objectives	Key Value Creation Activities	Value Created	Linked to Capitals	Linked to SDGs
<p>S01</p> <p>Develop and enhance the competency of accountancy professionals to stay relevant to business and market demand</p>	<ul style="list-style-type: none"> Carrying out the implementation phase of the MIA Competency Framework Competency development through future relevant professional development programmes Driving digital adoption of the profession Sharing of COVID-19 resources and guidance on business continuity 	<ul style="list-style-type: none"> Addresses competency gaps and meets industry needs Upskills talent to be future relevant for the digital economy Supports the profession's digital transformation and national digital economy vision Supports business continuity and sustainability of the profession 		
<p>S02</p> <p>Nurture professional values and ethics of members to uphold a strong accountancy profession</p>	<ul style="list-style-type: none"> Implementation of MIA By-Laws (On Professional Ethics, Conduct and Practice) and ethics standards Continuing education and engagements 	<ul style="list-style-type: none"> Enhances regulatory compliance Strengthens good governance in the public interest 		
<p>S03</p> <p>Regulate and develop the practice of the accountancy profession consistent with global standards and best practices</p>	<ul style="list-style-type: none"> Robust surveillance, investigation and disciplinary processes Advocacy for reform of the Accountants Act 1967 Issuance of auditing and ethics standards 	<ul style="list-style-type: none"> A well-governed and compliant accountancy profession More effective and relevant regulation protects the public interest 		
<p>S04</p> <p>Promote the value proposition of the accountancy profession and continuously uplift global recognition</p>	<ul style="list-style-type: none"> Articulate and improve value proposition to strengthen membership growth Collaboration with global bodies to enhance international recognition Increase strategic communications and engagement across social and traditional media Initiatives for Future Relevance of the Accountancy Profession (FRAP) 	<ul style="list-style-type: none"> Strengthen talent pipeline for nation building Strengthens Institute's brand and the profession's reputation MIA trusted as voice of the profession Overcoming risks against technological disruption and job obsolescence Prepares accountants for climate risk and ESG management 		

President’s Message:

Future-Proofing the Profession in the Face of Adversity

We have all weathered a highly challenging year as the COVID-19 pandemic impact affected our lives and livelihoods.



For more information about Our Key Risks, please go to pages 56 and 57



Dr Veerinderjeet Singh
President



The MIA Member Satisfaction Survey 2020 found that:

87% of respondents were satisfied with the COVID-19 resources and updates provided by the Institute

79% of respondents are satisfied with the Institute

82% of members are proud to be MIA members

In such adverse circumstances, MIA has done its best within the parameters of the Accountants Act 1967, the restrictions of the pandemic, and the resource constraints to support our members and stakeholders. At the same time, we are mindful of the need to strengthen our advocacy and uphold our strategic objectives in order to equip members for a rapidly changing landscape.

Understandably, the COVID-19 pandemic and its impact have dominated the conversation. To mitigate the impact, we engaged with the Government, ministries and authorities

for clarification on their direction and policies on matters affecting MIA members, with positive outcomes for the profession. MIA also provided various COVID-19 resources such as the Pembangunan Leasing Corporation (PLC) Professional Liquidity Scheme to support members’ business continuity and a dedicated COVID-19 webpage with numerous COVID-19 related guidance and articles.



See pages 16 and 17 on Case Study 1: How MIA is Navigating the COVID-19 Crisis

President's Message: Future-Proofing the Profession in the Face of Adversity

The MIA Member Satisfaction Survey 2020 found that 87% of respondents were satisfied with the COVID-19 resources and updates provided by the Institute.

To strengthen regulation and enforcement in the public interest, we continued to execute our investigative and disciplinary processes, disposing 82 cases.

OUTLOOK

Going forward, MIA will continue to prioritise key initiatives to strengthen the profession and members.

We are continuously pursuing with the Government on reforming the Accountants Act 1967, to strengthen MIA's effectiveness as the national accountancy regulator and for the profession to stand tall in the eyes of the world. The reforms have been delayed as the Government is rightly prioritising COVID-19 intervention, but efforts for legislative reform shall continue.

COVID-19 and its impact will remain a major focus. In addition to engaging with the Government, authorities and regulators for clarity on accountancy-related matters, MIA will continue to develop members through virtual CPE, outreach and advocacy programmes.

I encourage Small and Medium Practices (SMPs) to take advantage of the many programmes that MIA has introduced to ramp up SMP capabilities and competencies, especially MIA's extensive digital adoption initiatives targeted at SMPs and regionalisation of accountancy services.



See pages 18 to 21 on Case Study 2:
SMPs - Towards Resilience and Future Relevance

Importantly, MIA will continue to create awareness on global tax developments to support efficient tax strategy and policies. We will also advocate for tax governance and incentive reforms to improve the Malaysian tax administration and Malaysia's global competitiveness as a destination for high-value investment.

ACKNOWLEDGEMENTS

I would like to thank my fellow Council members for their invaluable insights and oversight of the Institute. Many thanks are due to our Immediate Past Vice-President, Assoc. Prof. Dr. Zuraeda Ibrahim. I am also delighted to welcome MIA's new Vice-President Datuk Bazlan Osman, who is no stranger to MIA as the current chair of the Professional Accountants in Business (PAIB) Committee and a Council member. Datuk Bazlan brings his experience on corporate boards, corporate management and finance functions to the table which will definitely boost MIA's advocacy for excellence in corporate governance, business performance and financial management.

Next, I would like to thank the management and staff of MIA for their dedication and diligence in executing the Institute's strategy and operational plans as guided by MIA's purpose of future relevance and nation building.

The Council hopes that members and the profession will continue to benefit from MIA's initiatives. On behalf of the Council and MIA, I wish to express my thanks for members' recognition and appreciation of MIA's efforts. The MIA Member Satisfaction Survey 2020 showed that 79% of respondents are satisfied with the Institute. The survey also showed that 82% of members are proud to be MIA members.

We are optimistic that Malaysia's high vaccination rate and public adherence to safety protocols will eventually set Malaysia back on the road to recovery. As always, MIA will strive with purpose, passion and perseverance to build up the resilience of our members and support the profession's advancement and the country's economic growth. We hope that members and stakeholders will work hand-in-hand with MIA to enhance our future relevance and support nation building. In whatever we do, members are reminded to always uphold professionalism and the code of ethics that differentiate us as a profession and the gatekeeper of public interest.

CEO's Statement:**Navigating Crisis with Agility and Resilience**

We live today in unprecedented times, where the COVID-19 crisis has created an environment of extreme volatility and uncertainty.



For more information about Governance Framework and Functions, please go to [page 62](#)



Dr. Nurmazilah Dato' Mahzan
Chief Executive Officer

We provided tremendous **COVID-19 support** to manage our diverse stakeholder expectations.

We prioritised digital adoption, including the launch of **eConfirm.my**, the issuance of our first ever interactive **e-Book**, the launch of our **e-Library**, and the issuance of several guidance and tools on technology adoption to accelerate digital transformation.

To navigate this chaotic landscape, MIA is adhering firmly to our vision of future-proofing the accountancy profession for sustainable nation building. MIA continues to provide stewardship with a key focus on the objectives and purpose of the Institute. We regularly revisit and refine our operational plans to ensure that we remain on track to achieve our four Strategic Objectives of developing competency, upholding ethics, strengthening regulation and promoting the value proposition of the accountancy profession.

OUR PERFORMANCE

MIA is mindful that the crisis has stretched our resources. To optimise our effectiveness, we continually assess our priorities, risks and capacities, and optimise our internal operations and resources in order to respond to our stakeholders.

A key priority has definitely been responding to COVID-19, whereby we provided tremendous COVID-19 support to manage our diverse stakeholder expectations whilst upholding strong regulation and enforcement. We supported the Government by collecting feedback and escalating concerns to Ministries, authorities and regulators to support

CEO's Statement: Navigating Crisis with Agility and Resilience

policy and decision making, while relaying information and guidance back to our members for their business continuity and professional wellbeing. We also elevated members' awareness on SOPs, compliance and vaccinations for health and safety while providing technical guidance on financial reporting, auditing and ethics implications of COVID-19. Critically, MIA also provided business continuity guidance and information on funding and grants specific to accountancy professionals and the organisations they work with to support their business sustainability.

At the same time, MIA continued to drive its initiatives that will determine the ongoing development and business sustainability of the profession. We prioritised digital adoption, charting several milestones including the launch of the eConfirm.my online bank confirmation platform, the issuance of our first-ever interactive e-Book, the launch of our e-Library, and the issuance of several guidance and tools on technology adoption to accelerate digital transformation.

Yet another key priority was building up MIA's institutional capabilities and resilience to provide more efficient and effective services that deliver on stakeholders' expectations. Our pivot to webinars and e-learning helped to sustain our core income stream from Professional Development. We continued to implement business process reengineering, risk management enhancement and IT systems and software transformation for organisational excellence. We emphasised talent management and development in order to engage staff,

create a collaborative culture, build up their adaptability and endurance, and ensure that everybody is on the same page and committed to our purpose of future relevance and nation building. Occupational safety and health has also become a top priority for MIA and we complied with strict protocols to keep our people, members and stakeholders safe at our premises.

Enhancing our status and recognition as the voice of the profession continued apace. MIA's ongoing collaborations and discourse with international bodies and standard-setters help ensure that the perspectives of the Malaysian and regional accountancy profession are reflected in upcoming standards, frameworks and documents. On behalf of MIA, I wish to thank the IFAC President for speaking at the MIA International Accountants Conference 2021 on the highly relevant and timely subject of the future relevance of the accountancy profession. I would also like to thank the International Integrated Reporting Council (IIRC) for the opportunity to participate in their Framework Reform panel. The revised <IR> Framework has since been released. Further to this, the IIRC has merged with the Sustainability Accounting Standards Board (SASB) to form the Value Reporting Foundation (VRF).

OUTLOOK

As the COVID-19 virus continues to mutate and debilitate economies and people across the globe, the outlook will remain volatile and uncertain. MIA will continue to monitor external and internal developments, update and adjust the scenario plans and operational plans to manage emerging threats and potential opportunities.

This approach will enable MIA to achieve its enduring goals of future-proofing the profession towards sustainable nation building.

Going forward, MIA will continue to prioritise its efforts in the areas of strengthening regulation and enforcement, digital adoption and innovation, advocacy for <IR> and value reporting, embedding of ESG and climate change metrics and disclosure into business strategy and operations, and competency and capacity building for all our members as well as the Institute's talent. We are also working towards our Future Relevance of the Accountancy Profession (FRAP) project to educate accountancy professionals and stakeholders on the importance of FRAP, which will ensure the profession's continuing relevance to business and all the markets in which accountants operate.

ACKNOWLEDGEMENTS

MIA's ability to create value is empowered by our robust engagement and collaboration with our stakeholders. On behalf of MIA and the management team, I would like to thank all our members, stakeholders, partners, collaborators and staff for their contributions and ongoing support. I would also like to extend my deepest appreciation to the MIA President Dr. Veerinderjeet and the Council for their guidance and oversight.

Working together, I am positive that MIA will be able to execute its goals of shaping a progressive, adaptable and resilient profession capable of rising to the emerging opportunities and challenges in the digital economy.

Management Team: Sustainable Leadership

While the impact of the COVID-19 pandemic has been challenging, they have also kindled positive changes at MIA in order to achieve our strategic objectives efficiently and effectively.

One of MIA's most effective innovations has been the pivot to virtual platforms and engagements to counter disruptions to business and operations due to the implementation of lockdowns and COVID-19 protocols. This has enabled us to increase our productivity and deliver 75 outputs for the year under review, compared to 71 outputs for the previous year. Online platforms and engagements have also been an enabler for financial sustainability as MIA is able to deliver higher-quality CPE events to thousands of participants at more economical costs.

Looking ahead, it will be essential to boost our innovation, agility and resilience even further as COVID-19 and its impact are projected to become endemic to our economy and society. MIA's management and staff will therefore be monitoring the horizon for risks and opportunities to attain our strategic objectives, the future relevance of the accountancy profession and nation building purpose. Here, the MIA management team shares key insights into their achievements for the past year and their upcoming plans.

Management Team



Dr. Nurmazilah Dato' Mahzan

Chief Executive Officer



Dato' Muhammad Redzuan Abdullah

Executive Director Surveillance and Enforcement



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



Rasmimi Ramli

Deputy Executive Director Digital Economy, Reporting and Risk

Management Team:
Sustainable Leadership

Diversity of Experience and Sector Metrics

Name/Sector	Audit and Public Practice	Legal, Judiciary & Regulatory	Standards and Compliance	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				●	●		●	
Rasmimi Ramli	●		●		●	●		

Diversity of Skills and Roles

Skills/Name	Dr Nurmazilah Dato' Mahzan	Dato' Muhammad Redzuan Abdullah	G. Shanmugam	Simon Tay Pit Eu	Siti Rohana Haji Mohamed Amin	Rasmimi Ramli
Leadership	●	●	●	●	●	●
Strategy and Planning	●	●	●	●	●	●
Operations Management	●	●	●	●	●	●
Talent Management	●	●	●	●	●	●
Risk Management	●	●	●	●	●	●
Crisis Management	●	●	●	●	●	●
Legal and Judicial		●				
IT	●				●	
Standards and Compliance	●	●	●	●	●	●
Branding and Marketing	●		●			
Communications	●	●	●	●	●	●
Technical Accountancy Knowledge	●		●	●		●
Coaching and Mentoring	●	●	●	●	●	●
Project Management	●	●	●	●	●	●

Management Team: Sustainable Leadership

Dr. Nurmazilah Dato' Mahzan

Chief Executive Officer

INTEGRATING COURAGES LEADERSHIP AND EFFECTIVE RISK MANAGEMENT FOR ENHANCED RESILIENCE

In navigating the pandemic, leading with courage enables the team to move forward with confidence. Another key step in building up the agility and resilience of the Institute was the prompt scenario analyses and plan as well as the enhancement of our enterprise risk management framework, which helped us to identify, analyse and prioritise our risks and our responses. Our agility and resilience is also tied to our ability to integrate these risks into our operational plans, to communicate these risks to our talent and to inculcate a culture of risk awareness and management at all levels. At management level, knowing our risks has facilitated the fine-tuning and adjustment of our scenario plans and our responses to the challenges and opportunities on our radar. Importantly, our efforts to introduce standardised and consistent SOPs documented in our new Operations Manuals are meant to familiarise staff with these risks and to manage them by applying these SOPs. Issues on ESG have also been considered in the scenario plan, ERM, operational plan and operation manual but need to be further enhanced.

Dato' Muhammad Redzuan Abdullah

Executive Director, Surveillance and Enforcement

DRIVING ENFORCEMENT THROUGH COMPLIANCE AND ENGAGEMENT

MIA is emphasising on two key matters to further strengthen regulation and enforcement of the accountancy profession.

One is strict compliance with standards. All members, particularly practitioners, must comply strictly with the standards imposed by the rules and regulations set by MIA, which apply across the board regardless of the size of the firm. To drive compliance, MIA imposes mandatory CPE hour requirements to equip members, especially practitioners, with knowledge of the accounting and auditing standards.

Two is the strict enforcement of Section 22 of the Accountants Act 1967, which states that those who want to offer public practice services must be a member of the Institute and a registered practitioner. Currently, it is also possible to register a business vehicle under other authority, and they could then offer public practice services unregulated by MIA. However, efforts are at hand to streamline this provision under the reform of the new Accountants Act. We also engage with other related regulators in handling this issue from time to time.

During the year under review, we successfully disposed 82 cases, including the high-profile cases related to 1Malaysia Development Berhad (1MDB) that were investigated for issues related to non-compliance with auditing standards. Technology has tremendously assisted the process of disposing the large volume of cases that are pending by enabling virtual meetings during the pandemic.

G. Shanmugam

Executive Director, Strategy and Development

TRANSFORMING FOR SUSTAINABILITY

The key to MIA's agility and resilience has been the quick realigning of our business model and operations plans to respond to the pandemic new normal. At the same time, we have strengthened and expanded our communication methods and channels to ensure that MIA members and stakeholders are well informed and updated on a timely basis.

Our swift response has enabled MIA to continue developing the profession's competencies as we converted our professional development programmes from physical to virtual. MIA has reaped tremendous pay-offs from embracing virtual engagement and technologies. One, cost savings from conversion to virtual programmes are being passed on to members whilst continuing to sustain a healthy CPE income in supporting MIA's financial sustainability. Two, MIA staff involved in professional development have rapidly acquired valuable new skillsets in managing and organising CPE programmes and conferences virtually. Three, the virtual delivery of CPE enables members to comply with CPE compliance requirements remotely without any challenges. Four, MIA was able to offer numerous training programmes with sought after subject matter experts including many international speakers to help members address the challenges and implications of the COVID-19 crisis and mitigation measures.

▶ NEXT STEPS

MIA will continue its strategic initiatives to be an agile, resilient and forward-looking statutory body that upholds the agenda of nation building whilst deploying technology in achieving sustainable value creation goals.

Plans are being developed to embark on analytics and becoming a data driven organisation as well as automation of the remaining internal systems and processes. Concurrently, the talents are continuously coached and mentored to adapt to sustainable technology-driven organisational culture and processes. Health and safety is also a priority during the COVID-19 pandemic. To further address risk, we are also looking into how we can embed ESG culture, metrics and reporting into our operations as we prioritise our enterprise sustainability, in light of supporting the relevant UN SDGs that mesh with our strategic objectives.

▶ NEXT STEPS

MIA is looking forward to the tabling of the proposed new Accountants Act and its operationalisation to strengthen MIA's powers as regulator of the profession and will continue to engage with the Ministry of Finance on this matter.

We will also intensify our focus on Practice Review to improve compliance and the quality of audit among public practitioners and firms. We will also initiate drastic efforts to clamp down on collaboration by members with bogus accountants, which is a key factor in the proliferation of unauthorised public practice services in the market.

▶ NEXT STEPS

To support the future relevance of the accountancy profession, MIA will continue to develop and offer emerging and relevant professional development programmes with digital badging for selected programmes in line with the latest trends. We are also developing proprietary on-demand e-learning programmes that will not only be more affordable but customised for Malaysian audiences, subjects and requirements.

We will continue to enhance the Institute's operational efficiency and effectiveness through improved quality management systems in line with ISO 9001:2015. More focused initiatives will be rolled out to enhance MIA communications strategies in engaging with members and other stakeholders and articulate MIA's advocacy to raise the profession's status and public perception. This includes the ongoing effort in developing a new website for the Institute, enhancing e-Accountants Today's digital platform and the implementation of the Future Relevance of the Accountancy Profession (FRAP) communications plan.

Management Team: Sustainable Leadership

Simon Tay Pit Eu

Executive Director, Professional Practices and Technical

STRENGTHENING CAPACITY AND COMPETENCY IN CRITICAL TIMES

MIA's successful pivot to online platforms at the onset of the COVID-19 crisis enabled us to not only increase engagement and coverage of members and stakeholders on technical matters and professional practices, but to prioritise timely engagements with the relevant Government bodies.

This was critical to mitigate the impact on accountancy firms arising from the evolving COVID-19 situation. During the financial year, we sent out 14 correspondences to the Government stakeholders to address COVID-19 issues related to the profession and submit recommendations, in spite of the tight turnaround time for COVID-19 matters, resulting in 10 positive outcomes for our members. We also shared numerous guidance materials, articles and technical support for consistent application of auditing and ethics standards on pandemic-related matters.

Other key highlights include the issuance of the Malaysian Investment Reporting Standards to enhance consistency in capital market practice. We also focused on building capacity, competency and capabilities in <IR>, finance functions and CFO leadership and looked into professional and policy reforms for the auditing profession.

Siti Rohana Mohamed Amin

Executive Director, Membership, Technology and Operations

ADAPTING AND INNOVATING TO ACHIEVE RESULTS

Adapting to change has been crucial in the past year for MIA to be agile, resilient and rise above the challenges of the pandemic. Previously, MIA staff would have relied tremendously on face-to-face programmes and outreach for stakeholder engagements and collaboration, but these have been converted to all-virtual engagements. We had to collaborate and be innovative on how to execute our action plans to achieve our goals and strategic objectives.

Leveraging on technology has been crucial. Guided by the 3-year IT Strategy Plan 2020 -2022, MIA continues to focus on IT transformation to walk the talk of technology adoption for the profession and to drive the Institute's and profession's sustainability. During the year under review, we continued to enhance the MIA Membership Information System (MMIS) to elevate the user experience and improve operational efficiency. MIA has also completed the first phase of the MIA data analytics project, where outcomes will be linked back to improving our services to members.

Pivoting to virtual engagements and thinking innovatively, underpinned by technology adoption, have enabled us to effectively enhance and communicate the value proposition of the accountancy profession. MIA registered 1,311 new members and 244 new ASEAN CPAs, conducted 85 outreach sessions benefiting 6,891 students and recorded 23.68% growth in member benefits and privileges, all way above our targets. We also continued with the implementation of the Competency Framework that sets out baseline competencies for accountants in line with international standards, to ensure the future relevance of the accountancy profession

Rasmimi Ramli

Deputy Executive Director, Digital Economy, Reporting and Risk

ADVANCING DIGITALLY FOR FUTURE RELEVANCE

MIA is focusing intensively on operationalising the MIA Digital Technology Blueprint to enhance the future relevance of the accountancy profession. During the year under review, we issued self-assessment tools that can be used to assess digital competency and readiness of individual members and SMPs. We also issued a self-assessment tool on data analytics and artificial intelligence for organisations, guidance on the selection of software and software vendors for SMPs and SMEs and launched a software vendor database to help them assess the suitability of software and vendors. We helped with funding challenges by engaging with the Government and state agencies to make digital grants available to MIA members. SMPs and SMEs also benefited greatly from the launch of MIA's first interactive e-Book i.e. the MIA Illustrative MPERS Financial Statements with Commentaries and Guidance Notes that can uplift the quality of financial reporting for private entities.

To gather insights on stakeholder priorities and concerns that will shape our responses appropriately, we held roundtable discussions with public practitioners on digital adoption issues and academicians on future-proofing accountancy education and talent, as well as engaged with MOSTI, MDEC and MITI on digital economy.

Critically, digital adoption of the profession must be supported by MIA's internal technological advancement. MIA has completed the first phase of the MIA data analytics project, where outcomes will be linked back to improving our services to members.

▶ NEXT STEPS

The COVID-19 crisis is evolving rapidly raising hitherto unknown or unexpected implications and impact. Therefore, we will continue to engage relevant Government agencies and communicate to members and member firms regarding COVID-19 matters and developments.

Engagements with PAIBs will continue on better corporate and value reporting through <IR> and future-proofing the finance function.

To enhance compliance and the quality of audit services, we will engage with auditors on ISA 315 (effective beginning 2022) and ISQM 1 & 2 (effective end of 2022). To further embed professional ethics and values, we plan to engage with members on the role and mindset of professional accountants in the By-laws (effective end of 2021). Taken together, our initiatives are collectively geared to enhancing trust and confidence in the profession while protecting the public interest.

▶ NEXT STEPS

Going forward, we will continue to execute the MIA IT Strategy Plan to propel the Institute's ongoing digital transformation. Key upcoming initiatives include collaborating on MIA's data analytics project towards harnessing data for decision-making, establishing a secondary data centre and enhancing IT security for all systems.

People are the centrepiece of these efforts as MIA requires competent and upskilled talent to move to the next level. Our talent will have to be adept at integrated thinking and adapt to innovative thinking to achieve the targeted results in this new digitally driven environment.

▶ NEXT STEPS

MIA will continue to spur the evolution of the digital economy and the profession by operationalising more digital initiatives guided by the MIA Digital Technology Blueprint. MIA will place more efforts in featuring successful case studies on accountants adopting technology and provide opportunities for sharing of experience by members on their technology adoption. MIA will also continue its efforts on supporting SMPs in their digital transformation including funding opportunities. As more members have adopted technology in their roles and organisations, MIA will be introducing an award to recognise such efforts and encourage other members to adopt technology.

Special Focus:

Future-Proofing Accountants Through Digital Adoption

As the global digital economy accelerates, it is critical that accountants embed digital skills and technologies in order to become and remain future relevant.

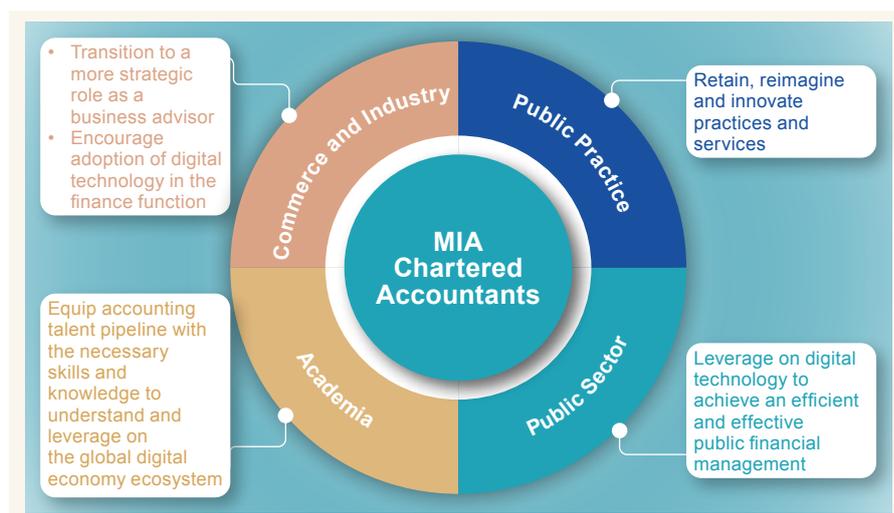
Guided by the MIA Digital Technology Blueprint, the Institute is implementing numerous initiatives that will facilitate accountants and the profession to become future proof for the digital age.

The profession's digital transformation will also equip accountants for future relevance in Malaysia's emerging digital economy as envisioned under the MyDigital and Malaysia Digital Blueprint.

MIA Digital Technology Blueprint

The MIA Digital Technology Blueprint was launched by then IFAC President Rachel Grimes at the inaugural MIA AccTech Conference 2018. The Blueprint was MIA's response to members' rising interest in technology as well as their discomfort with digital disruption. The culmination of two years' worth of intensive research, several roundtables with stakeholders, reference to numerous IFAC articles and resources, this document aimed to serve as a roadmap for digital adoption for the profession.

MIA is now in the process of operationalising the Blueprint from July 2019 – June 2022. The Institute, under the guidance of the Digital Technology Implementation Committee, has identified 39 initiatives with over 250 outputs and activities for the profession's digital transformation. These outputs include the virtual bank confirmation platform eConfirm.my and the MPERS e-Book.



[Source: MIA Digital Technology Blueprint](#)

MIA's Enterprise Digital Transformation

The digital adoption of the profession is underpinned by MIA's own structured digital transformation efforts to future-proof the Institute as well as its members.

Guided by the 3-year MIA IT Strategy Plan 2020 – 2022 that is aligned with the MIA Strategic Objectives and Operational Plan, MIA has successfully:

- Enhanced the MIA Membership Information System (MMIS) to digitalise processes across the Institute's various functions to enhance user experience and meet evolving business requirements
- Invested in IT Infrastructure Transformation to support the business needs and to tighten the security measures

- Invested in powerful services and upgraded internet bandwidth to deliver stable high-speed services and optimise the online access experience
- Rolled out virtual meeting and webinar software to enable MIA's continuing provision of CPE hence supporting the Institute's business continuity and financial sustainability

Moving ahead, MIA will continue to operationalise and optimise its digital transformation. Key upcoming initiatives include:

- The rollout of a secondary data centre to enhance disaster management, and
- The implementation of data analytics and reporting to analyse data for strategic planning and shape MIA into a data-driven organisation.

Special Focus:
Future-Proofing Accountants Through Digital Adoption



eConfirm.my

In June 2020, the Malaysian Institute of Accountants (MIA) officially launched the industry-wide Electronic Bank Confirmation (EBC) Platform (eConfirm.my) in collaboration with platform developer and service provider, Extol Corporation Sdn Bhd (Extol).

eConfirm.my digitalises the current bank confirmation process and enables members especially SMPs to adopt digital technology that enhances audit efficiency and effectiveness.



No. of users

- **749** participating audit firms
- **23** participating banks as at 30 June 2021

Interactive e-Book of the MIA Illustrative MPERS Financial Statements, with Commentaries and Guidance Notes

MIA launched its inaugural e-Book, the Interactive e-Book of the MIA Illustrative MPERS Financial Statements, with Commentaries and Guidance Notes in November 2020.

Available on a number of different platforms (Window, Android, and iOS) to support different devices and enable learning anywhere, anytime, the e-Book will familiarise users with digital applications and help enable future relevance.



Interactive e-Book of the MIA Illustrative MPERS Financial Statements, with Commentaries and Guidance Notes



No of downloads: 349 as at 30 June 2021

9
useful videos featuring experts in their respective areas

Interactive quizzes with **34** questions

105
audio commentaries



Various **e-Book** features

Available on **multiple** Windows, Android and iOS devices

Uses MIA's very own secured **e-Reader**



e-Library

Developed to support members' continuous learning, the MIA e-Library for members currently hosts the collection of the Institute's Circulars while MIA Publications will be added to the e-Library in phases. The e-Library has a search functionality where members would be able to search by topic and subject.

Special Focus: Future-Proofing Accountants Through Digital Adoption

Milestones - MIA's Digital Journey

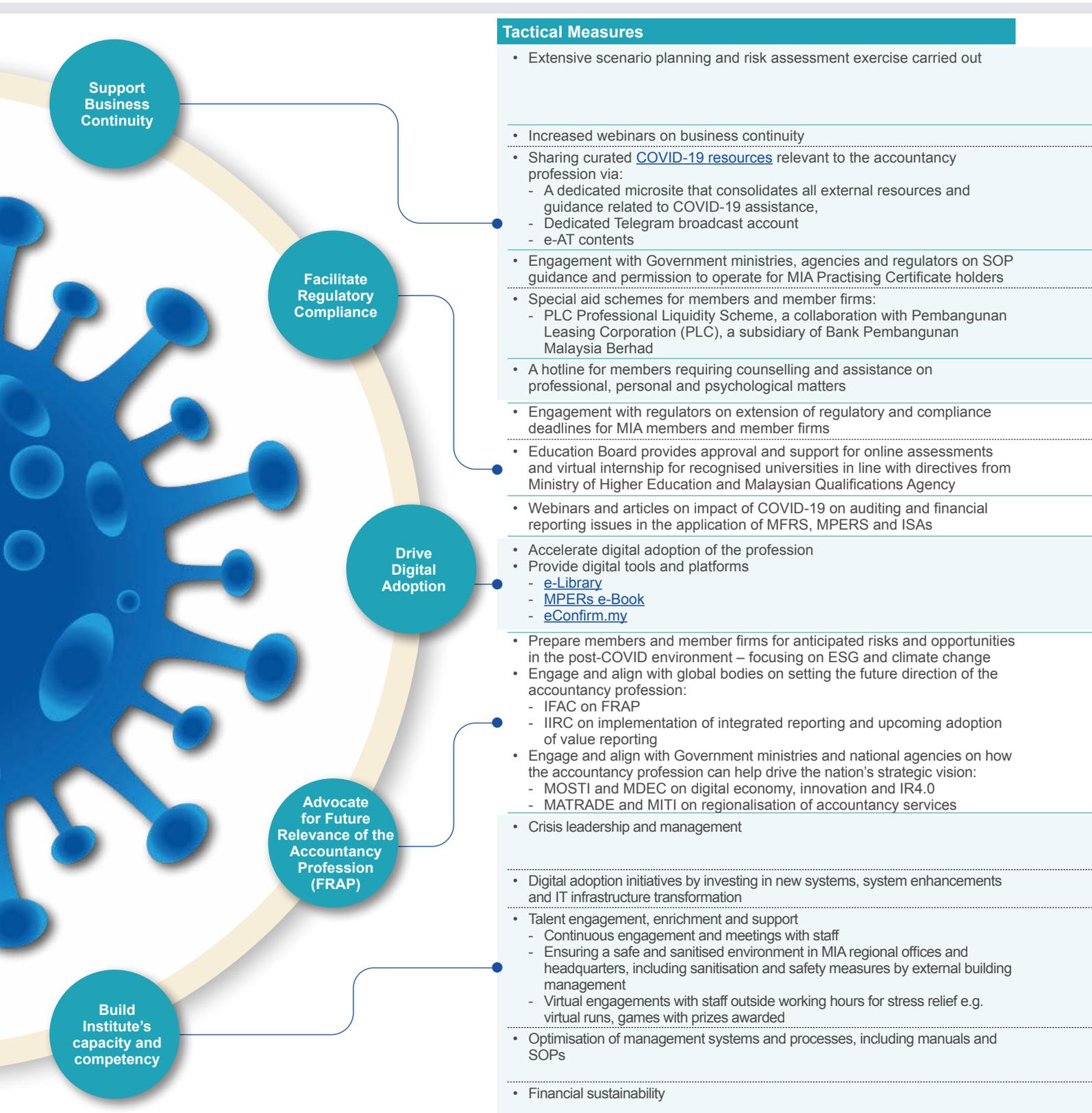
- ▶ **Established the MIA Digital Economy Task Force (DETF), now known as the Digital Technology Implementation Committee (DTIC)**
- ▶ **Launched the MIA Digital Technology Blueprint**
- ▶ **Established the Digital Economy, Reporting and Risk Division**
- ▶ **Ongoing Implementation of the MIA Digital Technology Blueprint**
- ▶ **Competency development and digital upskilling through:**
 - CPE that integrates digital adoption components
 - Conferences focused on digital transformation such as AccTech and sector-specific data analytics events
 - Professional Certificate in Digital Leadership
 - Special webinars related to digital transformation
 - Digital-related certifications
 - Various digital-related articles and videos
- ▶ **Assessment of Digital Readiness and Adoption**
 - 1st MIA Technology Adoption Survey
 - 2nd MIA Technology Adoption Survey
 - Roundtables with practitioners and academicians to understand issues and challenges in digital technology adoption and education
 - Digital competency assessment:
 - Digital competency assessment tool for members
 - Digital competency assessment tool for small and medium practices (SMPs)
 - Data analytics and AI readiness tool
- ▶ **Digital Solutions and Support**
 - MIA Guidance on Software and Software Vendor Selection
 - MIA Software Vendor Database
 - Article on Developing a Technology Adoption Strategy for SMPs
 - SMPs encouraged to participate in the MDEC 100 Go Digital Coaching Programme
 - Special packages and discounts made available to members on digital solutions
- ▶ **Facilitate funding for technology investment by engaging with Government agencies and monitoring availability and access to grants such as:**
 - Smart Automation Grant (SAG) under the Ministry of International Trade and Industry (MITI) – manufacturing companies;
 - SAG under the Malaysia Digital Economy Corporation (MDEC) – non-manufacturing companies including professional services (i.e. MIA public practice members and SMPs)
 - SME Business Digitalisation Grant managed by the Ministry of Finance (MOF) Malaysia, together with Bank Simpanan Nasional (BSN), SME Bank and MDEC – SMEs (including SMPs) for digital adoption in daily operations
- ▶ **Support for MyDigital and Malaysia Digital Economy Blueprint**
 - MIA contributes as a member of the Digital Economy Blueprint's Emerging Technology cluster, chaired by the Minister of Science, Technology and Innovation
 - Identifies impacts on members and the profession arising from MyDigital and the [Digital Economy Blueprint](#)

Special Focus:
Future-Proofing Accountants Through Digital Adoption

Outcomes	Linked to Impacts
<ul style="list-style-type: none"> Oversight of the profession's digital transformation Develop MIA Digital Technology Blueprint 	
<ul style="list-style-type: none"> Roadmap guiding the profession's digital transformation Acknowledged by IFAC, AFA and other professional accountancy organisations as a gamechanger 	
<ul style="list-style-type: none"> Tasked with operationalising the Digital Economy Blueprint 	
<ul style="list-style-type: none"> 39 initiatives with over 250 outputs and activities for the profession's digital transformation Supports adoption of remote work processes that comply with COVID-19 lockdowns, norms and SOPs 	
<ul style="list-style-type: none"> Equips members for the digital economy Bridge competency and technology gaps Supports continuous learning 	
<ul style="list-style-type: none"> Identify and remedy competency and technology gaps Helps SMPs craft and adopt a technology adoption strategy that suits their unique needs 	
<ul style="list-style-type: none"> Provide guidance and assist SMPs/SMEs on accessing software and support 	
<ul style="list-style-type: none"> Addresses cost challenge Facilitates members' adoption of technology for future-proofing especially for SMPs 	
<ul style="list-style-type: none"> Prepares profession for digital economy developments which supports sustainable nation building 	

Case Study 1:

How MIA is Navigating the COVID-19 Crisis



MIA recognises that the severity of the COVID-19 pandemic and its containment and mitigation measures have caused acute stress and financial distress for the accountancy profession and our stakeholders. Amidst the volatility and uncertainty, MIA has adapted our scenario planning and risk assessment exercise that guide us in our decision making. MIA has also taken tactical measures in collaboration with its stakeholders to support our members in navigating the crisis. These measures are aligned with our core strategic objectives and integrated into our long-term vision of achieving a future-relevant accountancy profession for sustainable nation building.

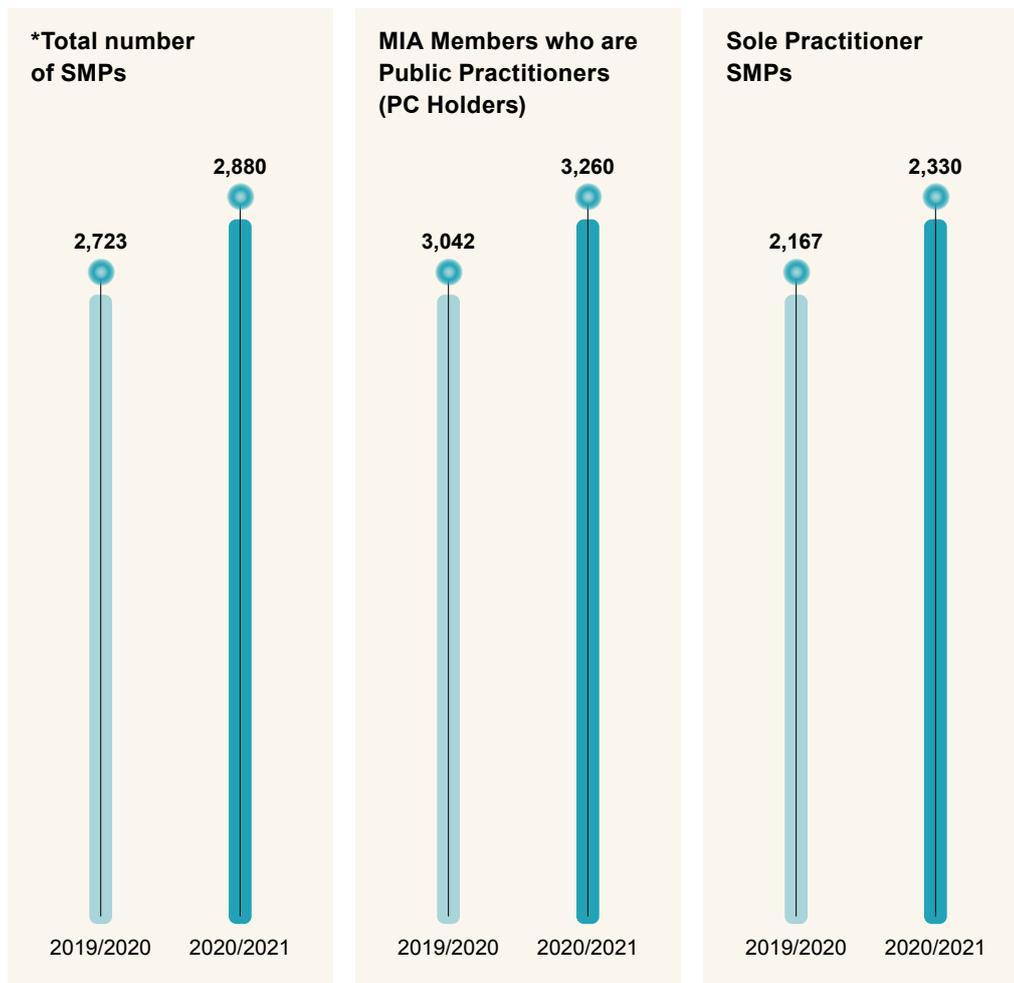
Outcomes	Impacts
<ul style="list-style-type: none"> Enables a more effective and efficient operational plan and budget that supports MIA's sustainability 	
<ul style="list-style-type: none"> Members and stakeholders are more agile and resilient to face the impact of the COVID-19 crisis Members are informed of the latest developments to help control anxiety Connects members with the resources and emergency aid available from federal and state agencies, and the hotline numbers of all relevant Ministries 	
<ul style="list-style-type: none"> Improves clarity and certainty on Government and regulatory directives and facilitates members' compliance Supports members with liquidity and cashflow challenges to protect business continuity 	
<ul style="list-style-type: none"> Supports the wellbeing of members 	
<ul style="list-style-type: none"> Clarifies changing requirements and facilitates regulatory compliance and enforcement 	
<ul style="list-style-type: none"> Universities are supported and encouraged to adopt more virtual initiatives while maintaining the quality assessment required 	
<ul style="list-style-type: none"> Enables remote work during lockdowns and MCOs Facilitates automation and greater efficiency Uninterrupted access to knowledge for professional and competency development Supports national aspirations towards digital connectivity and economy for future proofing 	
<ul style="list-style-type: none"> Develops members in the priority areas related to the profession's core competencies: <ul style="list-style-type: none"> Measurement, reporting and assurance for ESG matters, including climate change Upskilling on value reporting, sustainable finance, environmental management accounting (climate accounting), and TCFD (Task Force on Climate-Related Financial Disclosures) reporting of climate-related financial risks and information Advocates for accountants as board members to strengthen board leadership and tone from the top on ESG 	
<ul style="list-style-type: none"> Detailed scenario planning and risk management build confidence and deter panic Able to leverage on opportunities and mitigate risks during pandemic crisis Remain on course for long-term future relevance of the accountancy profession Enables a more secured remote operations and WFH facilities for uninterrupted services to members and to increase operational effectiveness e.g. webinars, MMIS, eConfirm.my, e-Library and eAT Helps management understand staff needs and devise appropriate policies Maintains staff morale and strengthens teamwork and trust Institute is able to extend continuous support and services to members and stakeholders even during MCOs and lockdowns Develops agile, resilient and productive work culture in response to implementation of WFH and rotational work schedules 	
<ul style="list-style-type: none"> Improves efficiency and effectiveness of Institute operations Drives productivity Improves services and satisfaction for members and stakeholders Pivoting to webinars and e-learning generates new and sustainable sources of income during MCOs Supports the Institute's regulatory and development activities 	

Case Study 2:

SMPs - Towards Resilience and Future Relevance

MIA is committed to strengthening SMPs in order to build up the resilience and future relevance of the Malaysian accountancy profession. Robust SMPs are also necessary to support the Micro, Small and Medium Enterprises (MSMEs) that account for nearly 40% of Malaysia's GDP and are struggling in the pandemic economy.

SMPs At A Glance



* excluding AOB registered firms

MIA's SMP Milestones

- 2015**
 - SMP Department and Website set up
- 2016**
 - Quality Assessment Programme (QAP)
 - Illustrative MPERS Financial Statements, with Commentaries
- 2017**
 - Practical Auditing Methodology for SMPs Workshop
 - Specific CPE requirement for audit approval renewal (50% of structured CPE hours must be related to ISQC1, auditing standards, financial reporting standards and/or professional ethics for audit licence renewal purposes)
- 2018**
 - Illustrative MPERS Financial Statements, with Commentaries (2nd Edition)
 - MIA Digital Technology Blueprint
- 2020**
 - eConfirm.my
 - Interactive e-Book on Illustrative MPERS Financial Statements, with Commentaries
 - COVID-19 Resources webpage
 - Professional Liquidity Scheme for MIA PC Holders



What is an SMP?

IFAC defines SMPs as practices that have the following characteristics:

- Their clients are mostly SMEs
- They use external sources to supplement limited in-house resources
- They employ a limited number of professional staff

<https://www.ifac.org/who-we-are/advisory-groups/small-and-medium-practices-advisory-group>

How SMPs Create Value for Nation Building

SMP Core Competencies and Activities	Value Created by SMPs	Linked to UN SDGs
<ul style="list-style-type: none"> Business advisory and financial management services for MSMEs 	<ul style="list-style-type: none"> Provide guidance on accessing COVID-19 resources Support MSME business continuity and Malaysia's economic health 	
<ul style="list-style-type: none"> Statutory auditing and assurance services <ul style="list-style-type: none"> Compliance with standards (MPERS, ISQC1, ISAs) and regulations 	<ul style="list-style-type: none"> Enhances disclosure and governance and deters fraud Supports tax governance and transparency Protects the public interest 	 
<ul style="list-style-type: none"> Move to digital <ul style="list-style-type: none"> Adopt automation, robotics, remote work processes Provide computer-assisted auditing and financial services Advise clients on digital transformation for finance and business operations Assist clients in accessing funding for digital transformation 	<ul style="list-style-type: none"> Supports move to digital connected economy and IR4.0 envisioned by MyDigital and Malaysia Digital Economy Blueprint. Aligns with businesses that have adopted digital technologies 	 

How MIA Supports SMPs

MIA continuously regulates and develops SMPs to enhance their agility and resilience in a highly challenging and disruptive landscape.

Themes	Initiatives	Outputs/Outcomes	Value Created	Linked to Impact
Capacity and Competency Building	<ul style="list-style-type: none"> MIA SMP Department <ul style="list-style-type: none"> Coordinator and single point of contact for SMPs at smp@mia.org.my 	<ul style="list-style-type: none"> Facilitates engagement with SMPs Centralised management of SMP matters 	<ul style="list-style-type: none"> Supports effective SMP development Helps SMPs improve their audit quality 	
	<ul style="list-style-type: none"> MIA SMP Roadmap 	<ul style="list-style-type: none"> Steers the capability and competency development efforts of MIA for SMPs 	<ul style="list-style-type: none"> Strengthens SMPs' business sustainability and future relevance 	
	<ul style="list-style-type: none"> Practice Management Services 	<ul style="list-style-type: none"> Supports a practice throughout its business lifecycle 	<ul style="list-style-type: none"> Strengthens practice resilience 	
	<ul style="list-style-type: none"> Merger and Affiliation Portal 	<ul style="list-style-type: none"> Free online business register for MIA member firms seeking merger and affiliation opportunities 	<ul style="list-style-type: none"> Supports scaling up of firms to combine resources and pursue growth opportunities 	
	<ul style="list-style-type: none"> CPE for SMPs Guidance for SMPs 	<ul style="list-style-type: none"> 32 complimentary webinars Circulars e-AT and technical guidance materials Illustrative MPERS Financial Statements, with Commentaries (First and Second Editions) 	<ul style="list-style-type: none"> Upskills SMPs Strengthens compliance with standards and regulations Sharing on the latest developments Educates on ethics and upholding the public interest 	

Case Study 2: SMPs - Towards Resilience and Future Relevance

Themes	Initiatives	Outputs/Outcomes	Value Created	Linked to Impacts
Crisis Management	<ul style="list-style-type: none"> COVID-19 Support for SMPs 	<ul style="list-style-type: none"> Continuous engagement with Government ministries on SOPs and approval for SMPs to operate through the many MCOs Continuous engagement with regulators on deferment of compliance deadlines PLC Professional Liquidity Scheme assists member firms including SMPs to fund salary expenses with advances obtained from unpaid invoices 	<ul style="list-style-type: none"> Supports SMPs' business operations and business continuity Supports regulatory compliance in the pandemic environment 	
SMP Digital Readiness	<ul style="list-style-type: none"> MIA Digital Technology Blueprint implementation of projects that benefit SMPs 	<ul style="list-style-type: none"> 349 downloads/purchases of the MIA Illustrative MPERS Financial Statements Interactive e-Book 749 firms participated, 3,270 audit staff trained and more than 46,000 submissions via eConfirm.my Digital assessment tools Virtual webinars and programmes such as MIA Townhall <p> See pages 12 to 15 on Special Focus: Future-Proofing Accountants Through Digital Adoption</p>	<ul style="list-style-type: none"> Drives SMP digital transformation Promotes adoption of digital tools and automated processes 	
Stronger Regulation and Enforcement	<ul style="list-style-type: none"> Surveillance and monitoring of compliance Action on complaints of unprofessional conduct Answering technical queries 	<ul style="list-style-type: none"> Registration and Licensing CPE Compliance Audit of PC and Audit Licence Holders Actions against bogus accountants 	<ul style="list-style-type: none"> Deters non-compliance of rules and regulations Encourages CPE compliance Provides a more level playing field for SMPs by weeding out bogus accountants Protects the public interest 	

Case Study 2:
SMPs - Towards Resilience and Future Relevance

Themes	Initiatives	Outputs/Outcomes	Value Created	Linked to Impacts
Enhancement of Audit Quality	<ul style="list-style-type: none"> Practical Auditing Methodology for SMPs joint training programme with MICPA <ul style="list-style-type: none"> includes MICPA's Audit Guide for Practitioners (AGP) and the Illustrative Audit Working Paper (IAWP) Quality Assessment Programme (QAP) Practice Review 	<ul style="list-style-type: none"> Provides understanding on the practical aspects of SME audits, which meet the requirements of the International Standards on Auditing (ISAs) 706 firms trained, 2,199 participants trained and 57 workshops organised on a cumulative basis since 2017 Provides voluntary structured review of an MIA member firm to promote continuous improvement in audit quality 8 firms completed QAP Monitors compliance with quality standards and regulatory requirements 	<ul style="list-style-type: none"> Promotes good SMP audit quality and compliance with ISAs Enables SMPs to better understand and rectify weaknesses for enhanced audit quality 	
SMP Regionalisation	<ul style="list-style-type: none"> Advocacy for regional services and participation in trade pacts 	<ul style="list-style-type: none"> Creating awareness of the Regional Comprehensive Economic Partnership (RCEP) and ASEAN CPA programme Collaboration with MATRADE on opportunities in Vietnam's accountancy services market 	<ul style="list-style-type: none"> Diversifies SMP markets 	

Our Talent, Culture and Diversity

As a knowledge and performance driven organisation, MIA recognises that effective talent management strategies are directly correlated with our organisational performance and therefore the achievement of our strategic objectives and nation building agenda.

Strategic collaboration and teamwork are the foundation of MIA's organisational culture. We are able to draw on a deep and diverse pool of relevant expertise and skills in audit, accounting, legal and judiciary, comprising our internal professionals and the leaders/subject matter experts who serve on our Committees and Task forces.

At MIA, talent management is directly under the purview of the CEO which attests to the strategic importance of this function. Talent management strategies are devised based on extensive feedback and inputs from our workforce through both formal and informal channels, as well as the stakeholders with whom our people interact.

During the year under review, MIA has identified the COVID-19 crisis, the competency gap and succession planning as top talent related risks that could affect our business continuity and operational performance.



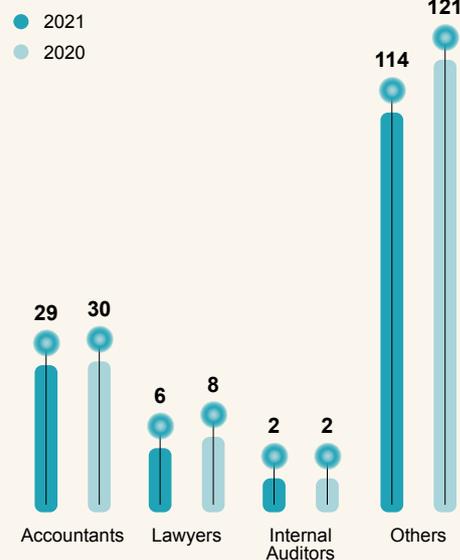
See pages 56 and 57 on Our Key Risks

We continue to implement measures aligned with best management practices and ESG concerns, including diversity and inclusion, in order to manage these risks while sustaining and enhancing our productivity and effectiveness.

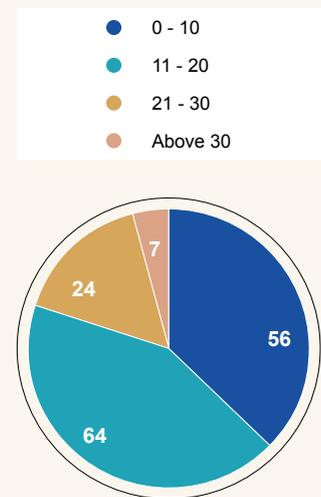
Staff - 151

70% overall staff satisfaction rate based on Staff Satisfaction Survey vs KPI of 75%

Professional Diversity:



Years of Experience:



Manpower Statistics

	CEO/ Executive Director	Deputy Executive Director/ Senior Manager	Manager/ Assistant Manager	Senior Executive/ Executive/ Junior Executive	General Staff	Total
Top Management	5	2	0	0	0	7
Membership and *CFD	0	1	8	28	0	37
Professional Development	0	2	8	22	0	32
Surveillance	0	2	5	3	0	10
Enforcement	0	2	6	2	0	10
Technical	0	3	5	4	0	12
**Support Services	0	5	10	26	2	43
Grand Total	5	17	42	85	2	151

* Competency Framework and Development

** 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

Our Talent, Culture and Diversity

How We Support Our People	What We Do	Outputs	Outcomes	Impacts
<ul style="list-style-type: none"> Support at Work 	<ul style="list-style-type: none"> Hold regular virtual work meetings with management and direct reports Hold regular virtual meetings and games after 5pm 	<ul style="list-style-type: none"> Held 12 staff meetings vs KPI of 12 meetings (2020: 13) 	<ul style="list-style-type: none"> Staff are engaged and aware of their roles and responsibilities in spite of WFH restrictions Staff can destress for improved wellbeing 	
<ul style="list-style-type: none"> Supporting Business Continuity Enhancing Occupational Safety and Health 	<ul style="list-style-type: none"> Implement rotational work schedules that comply with COVID-19 norms and SOPs Implement WFH during lockdowns in compliance with Government's COVID-19 protocols Enforce strict health and safety protocols at all MIA offices, including: <ul style="list-style-type: none"> temperature checks MySejahtera check-ins Availability of hand sanitisers Prioritising virtual transactions and engagements with members and stakeholders Complimentary swab tests for MIA staff suspected of infections 		<ul style="list-style-type: none"> MIA able to operate virtually and service members and stakeholders while protecting staff health and safety Staff feel safe and confident to attend to work in-person at the office 	 
<ul style="list-style-type: none"> Competency Development 	<ul style="list-style-type: none"> Upskill staff continuously via: <ul style="list-style-type: none"> formal courses and workshops on the job learning job rotation and secondment informal sharing sessions Encourage staff to sign up for MIA's special pathways and professional certified development programmes Actively recruit professionals 	<ul style="list-style-type: none"> Staff job rotation rate of 5% vs KPI of 3% (2020: 6%) 4.2 average training days per staff vs KPI of 3.5 (2020: 3.7) 37 professionals on MIA's staff (2020: 45) 22 professionals with dual qualifications (2020: 23) 	<ul style="list-style-type: none"> Strengthens the capacity and competency of the Institute Equips staff to achieve better performance and help drive strategic objectives for nation building 	 
<ul style="list-style-type: none"> Career Development 	<ul style="list-style-type: none"> Benchmarking of remuneration to market rates Career development pathways Mentoring and coaching 	<ul style="list-style-type: none"> Staff retention rate of 80% vs KPI of 85% (2020: 91%) 	<ul style="list-style-type: none"> Availability of career development and remuneration opportunities improves retention Better retention supports succession planning 	 
<ul style="list-style-type: none"> Institute's Digital Transformation 	<ul style="list-style-type: none"> Ongoing implementation of Institute's 3-year Information Technology Strategy Plan New servers, software and technologies adopted MIA Membership Information System Staff training to use new systems and technologies 		<ul style="list-style-type: none"> Helps talent develop digital skills and competencies to be relevant for adoption of MyDigital and Malaysia Digital Economy Blueprint Staff able to support members and stakeholders efficiently as they embark on their own digital transformation journeys 	 
<ul style="list-style-type: none"> Adoption of Management Best Practices 	<ul style="list-style-type: none"> Implementation of standardised processes and operating manuals 		<ul style="list-style-type: none"> Staff are clear on how to execute processes for increased efficiency Standardised processes improve transparency and governance of operations, and enhance trust in MIA 	 





Talent



Market Outlook and Key Trends

These are the external developments and key trends that are projected to affect our operations and strategic value creation activities in the short, medium and long-term. These key trends are derived from our extensive research, observations and inputs from our diverse stakeholders. MIA responds within the context of our strategic objectives to drive the future relevance of the accountancy profession in protecting public interest and supporting sustainable nation building.

* (-) denotes negative developments and outcomes

Economic Developments and Key Trends	How We Respond	Impacts
<p>Uncertain and volatile economic outlook</p> <ul style="list-style-type: none"> 3% - 4% Bank Negara Malaysia's (BNM) revised GDP forecast for 2021 	<p>MIA regularly revisits and revises its scenario plans and risk controls to support the Institute's business continuity which is a top risk:</p> <ul style="list-style-type: none"> Adopted the most probable scenario out of 4 possible scenarios Adjusted our tactics to achieve our operational and strategic objectives in the COVID-19 new normal <hr/> <p>Adoption of technology and virtual processes have enabled MIA to become more efficient and effective:</p> <ul style="list-style-type: none"> Switchover to virtual learning enables MIA to broaden and expand CPE offerings, tap into a wider global pool of speakers, and reach regional and international participants at a more economical cost while sustaining CPE income Stakeholder engagement and outcomes have increased substantially with the implementation of virtual tools and processes 	
<p>Business continuity challenges arising from the COVID-19 crisis</p>	<p>MIA provides comprehensive assistance to members and member firms to manage COVID-19 impact</p> <p> See pages 16 and 17 on Case Study 1: How MIA is Navigating the COVID-19 Crisis</p> <p>The ongoing operationalisation of the MIA Digital Technology Blueprint accelerates digital adoption among members and the profession</p> <p> See pages 12 to 15 on Special Focus: Future-Proofing Accountants Through Digital Adoption</p> <p>SMPs can access Guidance on implementing a technology adoption strategy</p> <p>MIA advocates that members and member firms step forward as advisors to SMEs on financial management and business continuity</p> <p> See pages 18 to 21 on Case Study 2: SMPs - Towards Resilience and Future Relevance</p>	
<p>Malaysia's digital economy agenda as mapped out by MyDigital and Malaysia Digital Blueprint.</p>	<p>MIA is included as the lead agency for professional service transformation under the emerging technology cluster of the Malaysia digital economy. MIA has also defined the opportunities for the accountancy profession arising from digital transformation and advocates for digital adoption</p>	
<p>ESG factors and the 17 UN SDGs are gaining momentum as key global drivers of business and investment decisions:</p> <ul style="list-style-type: none"> (-) The UN Global Risk Report 2021 identifies climate change and extreme weather as extreme risks to people, planet and profit 127 Countries have committed to achieving carbon neutrality by 2050, including Malaysia There is increasing demand for sustainable investment and finance including application of ESG filters 	<p>MIA is aligned with IFAC's stance on positioning the global profession as a leader for ESG and climate governance</p> <p>MIA delivers future-oriented CPE that:</p> <ul style="list-style-type: none"> Reframes ESG and climate change as integrated business and strategic risks Leverages on the profession's core competencies and ethical codes to upskill accountants on ESG and sustainability measurement, disclosure and assurance, including TCFD 	
<p>Growth in Islamic Finance assets and Shariah-compliant investment whereby the objectives of Maqasid al-Shariah parallel the targeted outcomes of the 17 UNSDGs and ESG.</p>	<p>MIA helps builds capacity and competency in Islamic Finance through our collaborative Islamic Finance Mini-pupillage Programme, our free textbook on accounting for Islamic Finance and Shariah Audit Roundtables</p>	

Market Outlook and Key Trends

Legislative Developments and Key Trends	How We Respond	Impacts
<p>(-) Delayed enactment of the proposed new Accountants Act due to Government's focus on managing COVID-19 impact.</p>	<p>Continue to engage with the Ministry of Finance to table the proposed new Accountants Act that will streamline MIA's regulatory and enforcement powers for the future and the digital economy</p>	  
<p>Local legislative and regulatory developments that impact the accountancy profession:</p> <p>AMLA, Section 17A MACC, MCCG 2021 by the SC, COVID-19 Act, Emergency Ordinances, economic stimulus packages, MPSAS, FTSE4Good Bursa Malaysia Index</p> <p>Global standards and developments that impact the accountancy profession:</p> <ul style="list-style-type: none"> Revised IIRC <IR> framework Upcoming value reporting and use of SASB's metrics BEPS Pillars 1 and 2 Imposition of a global minimum corporate tax Task Force on Climate-Related Financial Disclosures (TCFD) 	<p>Deliver CPE that covers these developments and their impacts on the profession and business</p> <p>Enforce compliance on CPE requirements to ensure members are up-to-date on regulations and legislation</p> <p>Consult and collaborate with Government, regulators, standard-setters and international bodies to articulate the profession's perspectives and interests</p>	  
<p>Social Developments and Key Trends</p> <p>Virtual activities, learning and engagements have become the new normal with the spike in COVID-19 cases and different variants.</p>	<p>Reduce infection risk, protect health and safety, and build trust by:</p> <ul style="list-style-type: none"> Encouraging vaccinations and compliance with COVID-19 SOPs Implementing rotational work schedules and/or remote work from home Delivering member services virtually Engaging virtually with our diverse stakeholders <p>MIA supports members' continuing professional development and compliance with CPE hour requirements by:</p> <ul style="list-style-type: none"> Delivering more online CPE at affordable prices Developing quality virtual CPE programmes that qualify for CPE hour statutory compliance Sourcing more diverse and international subject matter experts 	     
<p>Technological Developments and Key Trends</p> <p>Like other sectors, the accountancy profession must become future-proof to manage digital transformation.</p> <p>Technology transformation of the accountancy profession supports MyDigital and the Malaysia Digital Economy Blueprint.</p> <p>As accountants support every business and organisation across all sectors, they must develop the required competencies to support digital transformation.</p>	<p>MIA has mapped out the baseline competencies, including digital skill quotients, required by accountants in the MIA Competency Framework.</p> <p>The impacts of MyDigital and the Malaysia Digital Economy Blueprint on the profession have been mapped out</p> <p>MIA continually monitors technologies that impact on the profession, including artificial intelligence, big data analytics, blockchain, cloud, cybersecurity, robotic process automation and digital ethics</p> <p>Since 2018, MIA has substantially integrated digital competency requirements and upskilling on these technologies into its CPE and learning events</p> <p>To drive digital transformation of the profession, MIA is operationalising the 3-year implementation of the MIA Digital Technology Blueprint from July 2019 – June 2022</p> <p> See pages 12 to 15 on Special Focus: Future-Proofing Accountants Through Digital Adoption</p>	  

Stakeholder Engagement: Collaborating for Sustainability

Collaboration is at the heart of MIA's value creation model. As the regulator and developer of the accountancy profession, MIA connects with a broad and diverse network of stakeholders who each contribute their unique perspectives and strengths to our value creation activities.

In the era of COVID-19 norms, MIA prioritises virtual engagements and channels in order to nurture our stakeholder relationships and support collective safety and health. MIA is delighted to report that our stakeholder engagement activities and outcomes have increased tremendously amidst the COVID-19 challenges, as we leveraged effectively on virtual meeting, webinar and conference platforms to drive engagement, enhance our capitals and achieve our strategic and operational targets.

Stakeholder Priorities	Our Engagement/Responses	Implications	Impacts
Government <ul style="list-style-type: none"> Strengthen regulation and enforcement for good governance Support Government direction and policies Boost the accountancy profession as a driver, advisor and value creator for business 	<ul style="list-style-type: none"> Work closely with the MOF, MITI, the Offices of the Accountant General and Auditor General, other key Ministries and Government agencies Advocate for the tabling of the new Accountants Act MIA Registrar Office updates Office of Accountant General on status of cases MIA Statutory Committees to discharge their functions Advocate for reforms that will drive the transformation and accountability of public sector, including: <ul style="list-style-type: none"> Tax reforms Public sector financial management reforms and MPSAS adoption Technology adoption Participate in Government working group panels, Ministerial meetings and roundtables Make submissions to authorities 	<ul style="list-style-type: none"> MIA able to articulate and contribute the profession's interests and perspectives Government supports MIA plan for transformation and future relevance of the accountancy profession MIA supports public sector transformation for heightened governance, accountability and transparency Government aligned with international developments in tax policy and digital economy Accountancy prioritised as essential services sector and critical occupation Government supports the export and regionalisation of Malaysia's accountancy services The profession's viewpoints are integrated into national development plans 	
<ul style="list-style-type: none"> Support for business continuity among entities affected by COVID-19 	<ul style="list-style-type: none"> Communicate the Government's various COVID-19 assistance schemes to members and businesses 	<ul style="list-style-type: none"> Helps to protect jobs and support businesses for social and economic resilience 	
Regulators <ul style="list-style-type: none"> Strong market regulation and governance Feedback on standards and regulations 	<ul style="list-style-type: none"> MIA Membership registration and licensing Actions against bogus accountants as well as collusion and non-compliant services by MIA members Collaborate on proactive enforcement Co-regulators' referral of cases on MIA members Inform regulators of MIA's disciplinary outcomes Consultative engagement on: <ul style="list-style-type: none"> Issuance of standards Tax governance in listed entities Submissions to regulators and standard-setters Participate in working groups and committees organised by regulators and standard-setters 	<ul style="list-style-type: none"> Enhances investor confidence, public trust and global reputation MIA's views on the accountancy profession are considered in relation to regulations and standards 	
<ul style="list-style-type: none"> Improve compliance with standards and regulations Higher quality of work carried out by MIA members, specifically public practitioners 	<ul style="list-style-type: none"> Joint programmes and outreach events with co-regulators e.g. BNM on AMLA/CFT Publish articles on regulatory and enforcement developments and compliance 	<ul style="list-style-type: none"> Improves quality of audit and accounting services which boosts corporate governance, investor confidence and public trust 	
<ul style="list-style-type: none"> Improved financial and corporate reporting 	<ul style="list-style-type: none"> Collaborate on NACRA awards (with Bursa Malaysia) Advocacy for <IR>, ESG and sustainability reporting 	<ul style="list-style-type: none"> Strengthens quality of disclosure and transparency to boost investor confidence in Malaysian capital and financial markets 	

Stakeholder Engagement: Collaborating for Sustainability

Stakeholder Priorities	Our Engagement/Responses	Implications	Impacts
<p>Members</p> <ul style="list-style-type: none"> Ease of statutory approvals Licence to operate restricted to MIA members Level playing field for MIA members Updates on investigation decisions 	<ul style="list-style-type: none"> Membership registration, support and licensing services Provide avenue for complaints on non-compliance of members with relevant Act and MIA by-Laws 	<ul style="list-style-type: none"> Facilitates membership processes and enhances value of membership Actions against non-compliant and bogus accountants support good governance and public trust 	<p>S03</p> 
<ul style="list-style-type: none"> Business and operational continuity during the COVID-19 crisis and lockdowns Financial support for COVID-19 impact Extension on compliance and regulatory deadlines COVID-19 resources, guidance and aid Assistance with CPE compliance requirements due to lockdown 	<ul style="list-style-type: none"> Engaged with Government ministries and authorities on status of profession as essential service and permission for member firms to operate Engaged with regulators and authorities for extension on compliance and regulatory deadlines Engaged with financial institutions to provide financial assistance Provided dedicated resources and communications on COVID-19 Delivered specific CPE programmes and guidance on COVID-19 Accelerated digital adoption for profession Increase virtual learning and availability of webinars and online learning platforms Organised webinars that qualify for CPE credit hour requirements Arranged concessions for members on digital services in collaboration with technology companies Extension on payment of membership fees to support those affected by COVID-19 Engaged with HRD Corp to continue offering fee exemptions for MIA training programmes under the SBL scheme and the HRDF levy-based scheme <i>HRDF - https://hrdcorp.gov.my/faq/</i> Centralised access and one-stop guidance on COVID-19 financial aid and stimulus programmes Assist in the acceleration of digital adoption for members to support remote operations and work from home 	<ul style="list-style-type: none"> Supports members' continuing development, business continuity and wellbeing Provides concessions and access to aid for members affected by the COVID-19 crisis 	<p>S01</p> 
<ul style="list-style-type: none"> Enhanced membership services and value 	<ul style="list-style-type: none"> MIA Membership Information System MIA Digital Membership Privilege Card and Lifestyle Benefits 	<ul style="list-style-type: none"> Enhances member satisfaction and value of belonging to the accountancy profession Attract new members to strengthen talent pipeline 	<p>S04</p> 
<ul style="list-style-type: none"> Address members' fears of obsolescence Future-proofing of members 	<ul style="list-style-type: none"> Implement MIA Competency Framework and MIA Competency Frameworks for CFOs and Finance Functions Offer hundreds of webinars and virtual professional development events Collect feedback from members on satisfaction with quality of CPE and learning outcomes Professional Certification in Digital Leadership (with APU) Technical support and technical updates Statements to members Virtual Town Halls (nation-wide) 	<ul style="list-style-type: none"> Future-proof the accountancy profession Improve the quality, diversity, inclusivity and reach of MIA's webinars and services Regional members able to access all of MIA's virtual CPE and events Members equipped with baseline competencies and relevant skills Update members on new developments 	<p>S01</p> 

Stakeholder Engagement: Collaborating for Sustainability

Stakeholder Priorities	Our Engagement/Responses	Implications	Impacts
<p>Companies and Organisations (Public Sector, Private Sector and Non-Profit)</p> <ul style="list-style-type: none"> Capacity and competency building for finance functions, CFOs and boards Good corporate governance Better business performance and financial management Financial literacy and management for SMEs 	<ul style="list-style-type: none"> CFO Circle events Operationalise MIA Competency Frameworks for CFOs and Finance Functions Organise education, networking and knowledge sharing sessions Advocacy for: <ul style="list-style-type: none"> Board leadership and tone at the top Increased representation of women accountants on boards Internal auditors as pillars of robust risk management and good corporate governance Board and C-suite leadership in <IR>, ESG, climate risks and climate governance Customised in-house learning programmes for companies Collaborate on training initiatives with Agensi Kaunseling dan Pengurusan Kredit (AKPK) for SMEs 	<ul style="list-style-type: none"> Builds competency and capacity for CFOs and finance functions Supports good corporate governance, risk management and organisational transformation Supports knowledge sharing among CFOs and their peers Encourages companies to adopt ESG agenda for future sustainability Strengthens diversity and inclusion Strengthen financial literacy and business performance for SMEs 	<p>S01</p>
<p>Professional Accountancy Organisations (PAOs)</p> <ul style="list-style-type: none"> Build capacity and competency of the Malaysian accountancy profession Strengthen the local market for accountancy services Enhance local expertise Improve quality of corporate reporting Improved transparency on MIA disposal of cases 	<ul style="list-style-type: none"> Collaboration on: <ul style="list-style-type: none"> Professional development activities MoUs Co-branded programmes Special pathways Joint memoranda on proposals to authorities NACRA (with MICPA) Corporate reporting guide (with CPA Australia) PAO events, including participation as expert speakers Complimentary capacity building initiatives for academicians Feedback on PAO consultation papers Strategic partnerships Publication of DC decisions affecting PAO members Reciprocal publishing of content on e-AT 	<ul style="list-style-type: none"> Enable sharing of knowledge MIA established as voice of profession Drives development of the Malaysian accountancy profession and market for accountancy services Supports future relevance of accountants and the profession Malaysia's perspectives incorporated into consultation documents 	<p>S01 S04</p>
<p>Professional Services Firms</p> <ul style="list-style-type: none"> Support for registration and licensing processes Guidance on improving practice management and audit quality for future-proofing Confidentiality on disciplinary proceedings affecting members Support and assistance for member firms affected by COVID-19 Support for digital adoption of SMPs and member firms 	<ul style="list-style-type: none"> Facilitate application, licensing and renewal processes for audit licences and practising certificates Issue technical articles and guidance materials to support the implementation of applicable standards and regulatory requirements Channel necessary information to the MOF Provide support and address queries Public Practice Programme (PPP) Practice Review Act as intermediary between firms, Government, regulators, financial institutions and other relevant parties Facilitate the establishment, practice management and continuing operations of professional services firms COVID-19 measures <ul style="list-style-type: none"> See pages 16 and 17 on Case Study 1: How MIA is Navigating the COVID-19 Crisis Intermediation with financial institutions on financial aid, including the PLC Professional Liquidity Scheme for MIA PC Holders Survey on financial needs of member firms Moratorium on Practice Review Ongoing implementation of MIA Digital Technology Blueprint <ul style="list-style-type: none"> See pages 12 to 15 on Special Focus: Future-Proofing Accountants Through Digital Adoption and pages 18 to 21 on Case Study 2: SMPs - Towards Resilience and Future Relevance 	<ul style="list-style-type: none"> Supports regulatory compliance and good governance Supports business continuity of member firms Provides leeway for firms to revive operations post-MCO Future-proofing SMPs and member firms 	<p>S01 S03</p>

Stakeholder Engagement: Collaborating for Sustainability

Stakeholder Priorities	Our Engagement/Responses	Implications	Impacts
Academicians			
<ul style="list-style-type: none"> Develop competency and capacity 	<ul style="list-style-type: none"> Co-branded competency building programmes Complimentary workshops Updates on latest developments related to the profession Knowledge sharing sessions on MIA enforcement processes 	<ul style="list-style-type: none"> Future-proof academicians Share information on the regulation of the profession and future developments with their students 	 
<ul style="list-style-type: none"> Representation of their interests in matters related to accountancy education 	<ul style="list-style-type: none"> Regular engagement with the Council of Deans and Universities Facilitate signing of MoU between MICPA and local universities to embed local professional qualifications within accountancy education curriculum Engage Government on matters relating to accountancy education 	<ul style="list-style-type: none"> Support transformation of accountancy education ecosystem Encourage take-up of professional qualifications to improve quality of the accountancy profession 	 
<ul style="list-style-type: none"> Improve quality of pedagogy 	<ul style="list-style-type: none"> Advocate for integration of digital technologies and innovation into accountancy education 	<ul style="list-style-type: none"> Academicians able to innovate and update their teaching methods and content befitting the digital economy 	 
<ul style="list-style-type: none"> Support for accountancy research and grants 	<ul style="list-style-type: none"> Collaborate with MAREF on accountancy research and grants scheme 	<ul style="list-style-type: none"> Facilitates applied research and industry linkages with academia to strengthen the accountancy profession's localised knowledge base 	 
Public			
<ul style="list-style-type: none"> Improve transparency on cases Protection of the public interest 	<ul style="list-style-type: none"> Enhance regulation and enforcement Embed ethical codes among members Educate public on scope and roles of accountants Warn public against bogus accountants and non-compliant accountancy services Registrar's Office is a channel for the public to lodge grievances Decisions on cases are gazetted and published Decisions on investigations to be communicated to complainants Market training programmes to the public at affordable fees Provide free access to MIA's accountancy-related online content via: <ul style="list-style-type: none"> e-AT Free downloads of MIA's Islamic finance textbook 	<ul style="list-style-type: none"> MIA's enforcement mechanisms and processes are more transparent Public better understands role of profession in providing assurance Profession is more trusted and relevant to business and public 	 
Global Associations and Standard-setters (IFAC, IIRC, IAASB, IPSASB, IAESB, AFA and others)			
<ul style="list-style-type: none"> Support and contribute to the global profession's development and advocacy agenda 	<ul style="list-style-type: none"> Member of IFAC and AFA Committees Contribute expert viewpoints and articles to IFAC Knowledge Gateway and AFA Connect Reciprocal publishing of content on e-AT Submissions of comments to global standard-setters Global accountancy leaders speak at MIA conferences and events Key MIA leaders contribute on IFAC Boards 	<ul style="list-style-type: none"> MIA recognised as the voice of the profession Supports the future relevance of the accountancy profession 	
<ul style="list-style-type: none"> Support continuing improvement and implementation of international frameworks and standards 	<ul style="list-style-type: none"> National <IR> advocate and IIRC certified trainer CEO is a Member of the VRF <IR> Framework Board Advocate for global profession's stance on ESG, climate governance and TCFD Advocate for profession's digital transformation Advocate for global tax reforms 	<ul style="list-style-type: none"> Helps drive the global sustainable development agenda in alignment with the profession's stance 	  

Stakeholder Engagement: Collaborating for Sustainability

Stakeholder Priorities	Our Engagement/Responses	Implications	Impacts
<p>MIA's Internal Talent (Staff)</p> <ul style="list-style-type: none"> • Career and competency development opportunities 	<ul style="list-style-type: none"> • Regular meetings, mentoring, and coaching • Quarterly reviews to assess performance against strategic objectives • Briefings and guidance on development and implementation of operational manuals • Secondment opportunities • Professional development pathways • Training and continuing professional education • Performance appraisals • Training on IT and data analytics to support MIA's implementation of more powerful IT systems and software • Staff Satisfaction Survey • Staff newsletter • Two-way feedback loop, with staff encouraged to write in to CEO • Benchmarking of remuneration and benefits to the market 	<ul style="list-style-type: none"> • Talent positioned as a strategic and operational enabler • Aligns Staff with MIA Strategic Objectives • Bridges competency gap which is a top risk to MIA's operational performance • Supports efficient work culture and improved operational performance • Strengthens staff morale, wellbeing, teamwork and collaborative work culture • Enhances talent recruitment and retention • Updates staff on MIA's latest developments 	  
<ul style="list-style-type: none"> • Healthy and safe workplace 	<ul style="list-style-type: none"> • COVID-19 protocols implemented at physical offices • Implement rotational schedules and/or work from home for SOP compliance 	<ul style="list-style-type: none"> • Enables business and operations continuity • Staff feel safe at work and supported during work from home periods • Enhances staff well-being 	  
<p>Accountancy Talent (Students at Secondary and Tertiary level, CARE Volunteers)</p> <ul style="list-style-type: none"> • High-skilled high value jobs • Future-proof careers with high potential and growth opportunities 	<ul style="list-style-type: none"> • Work with schools and universities to engage students • Appoint CARE coordinators and conduct more CARE sessions to share on accountancy programmes • Organise more virtual events including the annual Accounting Students Conference, the annual Best Accounting Student Awards, MIA Open Day, Career Fairs and CARE sessions 	<ul style="list-style-type: none"> • Accountancy positioned as career of choice • Reach larger numbers and more diverse student populations through virtual events • Attract future talents to strengthen accountancy talent pipeline 	<p>S04</p>   

Stakeholder Engagement: Collaborating for Sustainability

Stakeholder Priorities	Our Engagement/Responses	Implications	Impacts
<p>Media (Traditional and Social)</p> <ul style="list-style-type: none"> • Newsworthy content • Information and updates on high-profile cases 	<ul style="list-style-type: none"> • Media partnerships • Media training on roles and relevance of the profession • Virtual engagement with media agencies • Virtual or e-mail interviews with MIA President and/or CEO • Invitations to media to attend and cover virtual conferences and events • Dissemination of MIA corporate and strategic communications e.g. press releases and speeches • MIA unable to divulge confidential information on cases 	<ul style="list-style-type: none"> • Increased visibility and branding for MIA and the profession • Increase in social media followers • MIA established as voice of the profession • Media has a better understanding of the scope and roles of accountants and auditors • (-) Possible negative reporting on MIA and high-profile cases • Communicates MIA's nation building initiatives and agenda 	 
<p>Subject Matter Experts (Partners and Speakers)</p> <ul style="list-style-type: none"> • Opportunities to share expertise • Develop win-win partnerships 	<ul style="list-style-type: none"> • Valued Partnerships • Identify and invite experts to contribute as speakers and panellists at webinars • Create more opportunities for experts to share • Invite more top-tier global experts to share on virtual platforms • Opportunities to participate in MIA roundtable discussions, Committees and Task Forces 	<ul style="list-style-type: none"> • Use of webinars and virtual platforms enable MIA to reach out to a larger, diversified and globalised talent pool at economical costs • Subject matter experts able to reach a larger audience, including regional members, through MIA's virtual programmes 	
<p>Committees and Task Forces (MIA's external talent)</p> <ul style="list-style-type: none"> • Advocating for the profession's interests • Networking and CSR opportunities • Enhanced regulation and good governance 	<ul style="list-style-type: none"> • Devise and drive opportunities for collaboration • Nominate market leaders and subject matter experts for Committees and Task Forces • Engage with Committees and Task Forces on consultation papers, proposals and MIA's strategic and operational plans • Organise webinars and outreach programmes and issue articles, videos and publications related to their subject matter expertise • Investigation and disciplinary committees uphold enforcement and regulation 	<ul style="list-style-type: none"> • MIA can tap into diverse viewpoints to enrich intellectual capital • Leveraging on external talent helps to bridge the competency gap which is a top risk for the Institute • MIA recognised as regulator of the profession • MIA able to achieve its strategic and operational plans for nation building 	

Material Matters

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

We determine these matters through an inclusive materiality process that is aligned with the IIRC Integrated Reporting Framework.

Our Materiality Process

1 IDENTIFY

These relevant matters are identified from extensive stakeholder engagement across many channels and platforms, including:

- Surveys
- Townhalls
- Roundtables
- Meetings
- Conferences

 See pages 28 to 33 on Stakeholder Engagement

2 EVALUATE

We evaluate these relevant matters by mapping them to our Strategic Objectives, ensuring alignment with our short, medium and long-term value creation goals

 See pages 40 to 47 on Performance by Strategic Objectives

3 PRIORITISE

We prioritise these matters by mapping them to MIA's risk matrix

 See page 63 on Risk Management Framework

4 VALIDATE

The integrity of our process and disclosures are deliberated and validated by the Internal Audit Department (IAD), Oversight Committee (OC), Audit and Risk Management Committee (ARMC) and the Council

Material Matters

Impact of COVID-19 and the New Normal to the resilience of the profession and the Institute's Business Continuity

Our Response

- Regular and intensive reviews of scenario plans, enterprise risk management, operational plan, financial performance and budget, and business model
- Continuous monitoring and engagement with Government Ministries and regulators on the direction of COVID-19, related matters and SOPs affecting the profession
- Extended and extensive support for members via:
 - Updates on Government directives
 - Sharing of available resources
 - CPE and e-learning
 - Digital adoption via MIA Digital Technology Blueprint
 - Membership outreach
 - Liquidity and cashflow support schemes
 - Support for members' wellbeing
-  See pages 16 and 17 on Case Study 1: How MIA is Navigating the COVID-19 Crisis
- People management and support via:
 - Clear protocols for on premise working
 - Measures taken to promote a healthy work-life balance
 - Management monitoring of staff wellbeing and organisation's perception
 - Increased training around technology and skills training
 - Remote engagement, coaching and mentoring
- Strengthen financial sustainability via:
 - Pivoting to webinars and e-learning to generate income
 - Implementing various cost and budgetary measures
 - Investment placement to earn higher income

Strong Institutional Governance

- Continuing engagement with the MOF for reform of the Accountants Act 1967
- Ongoing efforts to strengthen leadership and strategic thinking among MIA's large and diverse Council, supported by the Council's Governance Charter
- Ensure diversity and inclusivity in the composition and appointment of the Council, Committees and key management
- MIA's collaborative leadership approach leverages on the collective knowledge and expertise of its diverse stakeholders to achieve its strategic objectives
- Implementation of intricate and extensive Enterprise Risk Management system

Institute's long-term sustainability and relevance

- Support CSAP implementation
- Advocate for Accountants Act reform
- Build internal competency and capacity
- Enhance digital readiness through the implementation of the 3-year IT Strategy Plan
- Optimise operations through business process reengineering and production and adoption of SOP manuals aligned with ISO9001 – 2015
- Bridge internal talent competency gaps and nurture teamwork
- Sustain a healthy self funding capability

Material Matters

Strategic Objectives/Capitals	Stakeholders	Opportunity or Risk	Priority
    	All	<ul style="list-style-type: none">  Potential for efficiency gains  Jeopardises business continuity 	Highest
 	Government, Regulators	<ul style="list-style-type: none">  Establish MIA as the voice of the profession  Risk of non-compliance 	Highest
    	Members	<ul style="list-style-type: none">  Supports the future relevance of the accountancy profession towards business sustainability and nation building  Affects the profession's business continuity and provision of services to businesses and the economy 	Highest
 	MIA's Internal Talent (staff)	<ul style="list-style-type: none">  Poor protocols and SOP compliance will jeopardise staff well-being when working from office  Protects occupational safety and health  Protects staff morale and strengthens trust in MIA 	High
    	All	<ul style="list-style-type: none">  Financial strength enables regulatory and development initiatives  Insufficient income to support the activities of the Institute 	High
    	All	<ul style="list-style-type: none">  Strengthens MIA's regulatory and enforcement powers for emerging and anticipated legislative and digital challenges  Affects MIA's regulatory and enforcement plans 	Highest
	All	<ul style="list-style-type: none">  Conflicts of interest and vested interests could affect leadership and strategic thinking 	Highest
   	All	<ul style="list-style-type: none">  MIA is able to tap into a large pool of eligible members from various sectors to enrich the quality of governance  Constraints of the Accountants Act 1967 prevent MIA from optimising diversity and inclusivity 	Highest
   	All	<ul style="list-style-type: none">  MIA is able to leverage on its large and diverse network of stakeholders to enhance its value creation  Collaboration must be enhanced to support the future relevance of the accountancy profession 	Highest
   	All	<ul style="list-style-type: none">  Enables effective identification, assessment and management of risk for an agile and resilient organisation  Poor risk assessment and management affect business continuity of the Institute 	Highest
    	All	<ul style="list-style-type: none">  MIA perceived as a progressive advocate for the profession's transformation and sustainable nation building  Could affect Institute's perception and ability to execute its mandate as regulator and developer of the accountancy profession 	High

Material Matters

Material Matters	Our Response	Strategic Objectives/Capitals	Stakeholders	Opportunity or Risk	Priority
Institute's Talent	<ul style="list-style-type: none"> Continuous development of staff via: <ul style="list-style-type: none"> - Technology training - Competency development - Encouragement of professional qualifications Promotion of home-grown talent Select hiring of highly-qualified professionals and executives with desired competencies and expertise via a rigorous process to identify and assess talent 		All	<ul style="list-style-type: none"> Develops institutional competencies to bridge gaps and strengthens talent bank Promotes talent retention and succession planning Competent staff enabled and committed to achieving profession's future relevance for sustainable nation building Competency gap disrupts MIA plans and operations Talent attrition affects succession planning and Institute operations 	High
Strong Stakeholder Relationships and Collaboration	<ul style="list-style-type: none"> Manage increased stakeholder expectations due to COVID-19 crisis and impact 		All	<ul style="list-style-type: none"> Strengthen MIA's brand, visibility and acceptance as voice of the profession Fall short of stakeholder expectations 	High
	<ul style="list-style-type: none"> Increase collaboration with global accountancy associations 		Global Associations	<ul style="list-style-type: none"> Strengthen MIA's strategic collaboration and advocacy efforts Not aligned with global developments in standards, regulations and best practices 	High
	<ul style="list-style-type: none"> Increase collaboration with local capacity-building agencies such as MDEC and MATRADE 		Government Members Member Firms	<ul style="list-style-type: none"> Advocate for regionalisation of accountancy services Malaysian profession misses out on regional opportunities Nation loses regional competitiveness in services 	High
	<ul style="list-style-type: none"> Pivot to virtual engagement 		Subject Matter Experts	<ul style="list-style-type: none"> MIA can tap a larger, more global and more diverse pool of speakers and subject matter experts for our competency development initiatives Increasing competition from borderless virtual training programmes 	High
	<ul style="list-style-type: none"> Engage students, academicians, and institutes of higher learning virtually 		Accountancy Talent Academicians	<ul style="list-style-type: none"> Articulate value and future potential of the profession Strengthen the talent pipeline for future needs Meet membership targets and address competency gap to support economic and business requirements Accountancy faces strong competition from other professions and vocations 	High

Material Matters

Material Matters	Our Response	Strategic Objectives/Capitals	Stakeholders	Opportunity or Risk	Priority
Government and Regulatory Support	<ul style="list-style-type: none"> Support the MOF and strengthen collaboration with other Government Ministries, agencies and regulators Support CSAP implementation 	 	Government, Regulators	<ul style="list-style-type: none"> Enables advocacy for ESG, tax governance and excellence in public sector financial management Facilitates regulation and development of the profession in the public interest Could affect progress of Accountancy Act reform Lack of inclusion in Government discussions and policy-making 	High
Digital Adoption	<ul style="list-style-type: none"> Accelerate digital transformation of the Institute via: <ul style="list-style-type: none"> Information systems and technology adoption Staff training on technology 	  	MIA's internal talent (staff)	<ul style="list-style-type: none"> Accelerates Institute readiness for digital economy MIA risks becoming irrelevant in the digital economy 	High
	<ul style="list-style-type: none"> Accelerate digital adoption of the profession in accordance with the MIA Digital Technology Blueprint Provide digital tools and platforms for members <ul style="list-style-type: none"> e-Library MPEs e-Book eConfirm.my 		Members Member Firms	<ul style="list-style-type: none"> Enables remote work and operations during lockdowns and MCOs Uninterrupted access to knowledge for professional and competency development Supports national aspirations towards digital connectivity and digital economy Profession risks becoming irrelevant and obsolete in the digital economy Weak adoption disrupts implementation of remote work protocols and hence affects business continuity of members and member firms during COVID-19 lockdowns 	High
Future Relevance of the Accountancy Profession (FRAP)	<ul style="list-style-type: none"> Upskill members to be future-relevant and able to support future business and nation building needs via: <ul style="list-style-type: none"> Implementation of various Competency Frameworks Implementation of digital adoption initiatives under the MIA Digital Technology Blueprint Emphasis on accountants as leaders for ESG and UN SDGs, focusing on core competencies in ESG and climate risks disclosure and assurance Implementing focused communications on FRAP 	    	All	<ul style="list-style-type: none"> Upskilling accountants for higher value-added roles incorporating digital and ESG Profession validated as global leader and progressive contributor to sustainable nation building and UN SDGs Competency gap 	High

Delivering On Our Strategy Through Our Value Creation Model

Our value creation model is structured to be agile and responsive to market drivers, key trends and key risks. This enables MIA to achieve its short, medium and long-term value creation agenda of protecting public interest and future relevance of the accountancy profession that helps drive sustainable nation building.



5 Key Risks Affecting Value Creation



Impact of COVID-19 to Business Continuity



Governance



Relevancy of the Institute and the Profession



Competency Gap



Succession Planning

Market Factors Affecting Our Value Creation

Economic

- COVID-19 resilience
- Projected economic recovery
- Business continuity

Legislative

- Accountants Act 1967
- CSAP
- MACC Act
- Companies Act
- Financial reporting, auditing and ethics standards
- Global tax reforms

Social

- COVID-19 norms affecting work and education
- Public interest
- Trust in the profession
- Talent competency gap

Technology

- e-Learning
- Rapid technology evolution

Sustainability

- Climate risks
- ESG momentum
- UN Sustainable Development Goals



Intellectual Capital

- MIA Digital Technology Blueprint
- COVID-19 resources
- SMP Roadmap
- Practice Review Programme
- Competency Frameworks
- CPE programmes
- e-Accountants Today (e-AT)
- Technical Standards and Guidance
- MPEs e-Book
- Circulars, Guidelines and Comment Letters
- Islamic Finance Accounting Textbook
- Various publications

Capitals are used to create value in accordance with MIA's Strategic Objectives and Core Activities and priorities, which link to our outcomes and output and creates sustainable value for future relevance of the accountancy profession and nation building.



Human Capital

- The Council
- Management and Staff
- Committees, Task Forces and Working Groups
- Subject Matter Experts and Speakers



Social and Relationship Capital

- Development of Members
- Ties with Ministries, Accountant General Office, Auditor General Office
- Collaboration with Business and Sustainability Associations
- Collaboration with Regulators, Global Accountancy Organisations, Professional Accountancy Organisations
- Collaboration with Schools and Institutes of Higher Learning



Manufactured Capital

- MIA IT Systems
- Office premises owned by MIA



Financial Capital

- Income from CPE
- Membership income
- Event sponsorship
- Valued partnerships
- Regulatory sanctions and fines
- Retained earnings



Natural Capital

- Energy, water, plastic and paper
- Tree planting for Carbon reduction



Strategic

S01

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

S04

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

Objectives

DELIVERING VALUE OVER THE SHORT, MEDIUM AND LONG-TERM

CORE ACTIVITIES

S02
Nurture professional values and ethics of members to uphold a strong accountancy profession

S03
Regulate and develop the practice of the accountancy profession consistent with global standards and best practices

Core Activities	Outputs/Outcomes	Value Created	Links to
Future Relevance and Sustainability			
Strengthening COVID-19 resilience and business continuity	<ul style="list-style-type: none"> 14 COVID-19 resources 	Business and economic agility and resilience	S01
Driving digital adoption	<ul style="list-style-type: none"> 749 sign-ups for eConfirm.my Launch of MPERS Interactive eBook Issuance of digital self-assessment tools Issuance of guidance and database 	Supports upskilling, business agility and resilience and digital economy	S01 S04
Advocating for ESG	<ul style="list-style-type: none"> 4 climate change educational sessions 	Supports climate governance and ESG	S04
Advocating for tax efficiency and education	<ul style="list-style-type: none"> 139 tax events (2020: 188) 	Enhances good governance	S01 S04
Collaboration and engagement	<ul style="list-style-type: none"> 14 collaborative partners (2020: 23) 	Enabling common goals of sustainability and good governance	S04
Enhancing MIA's brand and the profession's value proposition	<ul style="list-style-type: none"> 70,699 social media followers 156 media mentions (2020: 148) 189,085 e-AT page views (2020: 139,694) 7 Surveys 22,662 MIA Digital Membership Privilege Card downloads (2020: 20,666 downloads) and 94 Lifestyle Benefits (2020: 79 benefits) 38 speaking engagements (invited) (2020: 20) 	<ul style="list-style-type: none"> Enhances profession's visibility and reputation Positions Malaysia as an accountancy talent and services hub Attracts talent for economic growth 	S04
Funding and income generation	<ul style="list-style-type: none"> RM34.96 million (2020: RM41.19 million) 	Sustains MIA's statutory regulatory and development activities	S04
Effective Regulation			
Advocacy for CSAP and reform of the Accountants Act 1967	Ongoing advocacy	Strengthens regulation and oversight of the profession, enhances governance and deters misconduct	S03
Proactive surveillance and enforcement	<ul style="list-style-type: none"> 19 cases on proactive enforcement against members (2020: 59) 16 actions against bogus accountants (2020: 31) 		
Investigative and Disciplinary Processes	<ul style="list-style-type: none"> 82 cases resolved (2020: 81 cases) 		
Membership Registration and Issuance of Practising Certificate (PC)	<ul style="list-style-type: none"> 37,444 members (2020: 36,365) 4,193 PC Holders (2020: 3,999) 	Strengthens regulation and oversight of the profession, enhances compliance for good governance	S04
Talent Development			
Competency development and capacity building, including CPE and Outreach programmes	<ul style="list-style-type: none"> 823 CPE events (2020: 867 physical events, 80 webinars) 32,744 people trained (2020: 34,813) 46 outreach programmes (2020: 33) Phase 1 of the MIA Competency Framework (CFM) completed 	Produces competent and relevant talent for current and future business needs across all markets	S01 S04
Collaboration and engagement with schools, institutes of higher learning, academicians and students	<ul style="list-style-type: none"> 6,891 students reached (2020: 10,720) 206 academicians trained (2020: 202) 	Produces competent and relevant talent for current and future business needs across all markets	S01 S04
Regional capacity building	<ul style="list-style-type: none"> 1,307 ASEAN CPAs (2020: 1,063) 	Produces competent and relevant talent for current and future business needs across all markets	S01 S04
Developing Intellectual Heft			
Research and development, thought leadership and knowledge sharing	<ul style="list-style-type: none"> 40 technical and thought leadership publications/articles (2020: 37) 	Strengthens MIA's recognition and growing influence as voice of the profession	S01 S04
Guidance and implementation of standards, professional practices and ethical codes	<ul style="list-style-type: none"> 182 circulars (2020: 152) 41 comment letters (2020: 29) 	Supports compliance with regulations for good governance	S01 S02 S04

Performance by Strategic Objectives

To effectively navigate the COVID-19 new normal, MIA continues to embrace operational transformation and implement various action plans that are geared towards protecting public interest, achieving the future relevance of the accountancy profession and sustainable nation building.



The unprecedented impact of the COVID-19 crisis continue to affect organisations and businesses although the Government has rolled out and accelerated the nationwide immunisation programme along with other control measures.

Initially, MIA had set higher targets for the second half of our financial year, in anticipation of faster economic recovery. However, business conditions worsened in early to mid-2021 when the incidence of COVID-19 cases began to spike along with the spread of variants of concern.

MIA has responded by implementing operational transformation and various action plans that strengthen our resilience and agility, deliver results, propel our strategic objectives and enhance our long-term sustainability.

Overall, MIA exceeded its targets set for 13 KPIs and achieved 48 KPIs. However, 8 KPIs were below target and we will work towards achieving these KPIs in the coming year.

Performance by Strategic Objectives

Strategic Objective 1 (SO1)

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

Initiatives	Outputs and Outcomes	KPI Results	Value Created	Impacts
Implement MIA Competency framework to build member capabilities and competencies	Completed first phase of its implementation plans under the Education Board	Achieved	Defines baseline competencies required to become accountancy professionals in line with international standards Responds to CSAP recommendation on the setting of baseline competencies for accountancy professionals	
Develop and deliver CPE Programmes for continuous professional development	823 CPE events rolled out 32,744 people benefited from MIA CPE programmes 2,358 members benefited by earning CPE credit hours from 50 complimentary and subsidised events Based on participants' feedback <ul style="list-style-type: none"> • 91% satisfied with learning outcomes • 98% confident in applying knowledge gained • 93% satisfied with course material quality Topics focused on current issues, technical updates, emerging skills, and matters relating to the COVID-19 pandemic	Achieved	Continuous upskilling of accountants for current and future market relevance By converting to virtual CPE and e-learning, MIA is able to deliver CPE more economically Strengthens MIA's brand as a leading provider of professional accountancy CPE	
Respond in a timely manner to consultation documents on: <ul style="list-style-type: none"> • Ethics, auditing and accounting standards • <IR> • Public sector • Digital economy • Valuation • Capital market and • Taxation 	Issued 41 comment letters to Ministries, State Governments, authorities, regulators and standard setters	Achieved	MIA recognised as the voice of Malaysia's accountancy profession globally and locally	
<IR> Advocacy	<ul style="list-style-type: none"> • Work of MIA's Integrated Reporting Steering Committee (IRSC) featured in the SC's CG Monitor Report 2020 • IIRC acknowledged MIA's contribution on the IIRC IR Framework Revision (2021) project • 15 <IR> training workshops with 293 participants • 4 engagements with Public Interest Entities (PIEs) Government Linked Company (GLC) and Accountant General's Department 	Achieved	MIA recognised as regional and national advocate for <IR> and certified IIRC trainer Organisations embrace integrated thinking and increased application of IR Enhances the quality of disclosure and investor confidence	
COVID-19 engagement and initiatives benefiting members	Issued 14 letters to Government agencies relating to COVID-19 matters with 10 positive outcomes Submitted 4 appeals to the MOF and the IRB related to extension of time for submission of tax returns	Achieved Achieved	Permission given for MIA and MIA member firms to operate Extensions granted for compliance on regulatory deadlines The MOF has approved the extension of time for submitting tax returns	

Performance by Strategic Objectives

Initiatives	Outputs and Outcomes	KPI Results	Value Created	Impacts
Publish technical related articles, guidance and publications	40 articles , publications and guidance issued on auditing, ethics, <IR>, public practice, PAIB, financial reporting, digital economy, taxation and public sector	Exceeded	Enhances and updates members' technical knowledge to improve compliance and quality of services	
Conduct outreach, roundtables and engagement sessions	46 sessions in total	Exceeded	Update members on latest developments and practices through direct engagement	
Enhance audit quality and compliance through training and sharing of best practices	11% of CPE events focused on audit quality enhancement which benefited 3,271 participants	Achieved	Continuous improvement in competency of practitioners and member firms to raise the quality of audit services and strengthen market regulation	
Future-proof SMPs	Build SME capacity and competency as clients of SMPs: <ul style="list-style-type: none"> MIA collaborated with Agensi Kaunseling dan Pengurusan Kredit (AKPK), a BNM agency, on financial education for microentrepreneurs MIA e-booklet "Business Excellence Guide for SMEs" shared widely by Government agencies and various relevant bodies 	Achieved	Enhances financial literacy of SMEs and supports their business continuity Promotes accountants and accounting firms, specifically SMPs, as business advisors for SMEs	
	Internationalisation of SMPs for market diversification Collaborated with: <ul style="list-style-type: none"> Vietnam Association of Accountants and Auditors (VAA) and MATRADE on a complimentary webinar on IFRS adoption MATRADE on a webinar on accountancy firms' role in economic growth at MyAPEC 2020 	Achieved	Enhances capacity, capability and recognition of practising members to export services outside Malaysia Increases the potential export of accountancy services Supports the diversification and growth of the Malaysian economy and the ASEAN Economic Community (AEC)	
Enhance quality of financial reporting and disclosure	Published and circulated FSR Annual Report 2019/2020 to all members FSRC article published on e-AT	Achieved	Guidance for members on good financial reporting	
	Published Practice Review Annual Report 2019/2020 Published 4 Articles related to Practice Review Key Findings <ul style="list-style-type: none"> Plugging the Gap in the Audit of Biological Assets MIA Practice Review – Key Findings on Relevant Ethical Requirements Practice Review: Key Findings on "Leadership Responsibilities for Quality within the Audit Firm" Practice Review's Key Findings on Acceptance and Continuance of Client Relationships and Specific Engagements 	Achieved	Promote best practices and compliance based on the findings of FSR and PR	

Performance by Strategic Objectives

Initiatives	Outputs and Outcomes	KPI Results	Value Created	Impacts
Implementing the Competency Frameworks for CFOs and Finance Functions	4 CFO Circles Set up working groups to operationalise CFOs and Finance Functions Competency Frameworks	Achieved	Raise competency of professionals in commerce and industry to enhance business performance and economic development	
	Digital development of the profession Operationalise online bank confirmation platform eConfirm.my <ul style="list-style-type: none"> • 749 sign-ups • 9 new participating banks • Positive feedback on December audits 	Achieved	Secure and efficient bank confirmation process leads to better audit quality Improves digital adoption and productivity of member firms	
	Public Practice Programme e-learning	Achieved	Facilitates continuing development of practitioners	
	Completed MIA's first interactive e-Book, the Interactive e-Book of the MIA Illustrative MPERS Financial Statements, with Commentaries and Guidance Notes See pages 12 to 15 on Special Focus: Future-Proofing Accountants Through Digital Adoption	Achieved	Enhances the quality of financial reporting for entities adopting MPERS	
	Guidance on software and software vendor selection Software vendor database	Achieved	Assist members in selecting software and software vendors/ service providers that fit their needs	
	3 technology adoption Government funding schemes made available to SMPs See pages 12 to 15 on Special Focus: Future-Proofing Accountants Through Digital Adoption	Achieved	Facilitate and incentivise technology adoption for SMPs SMPs and members are able to assess their digital competency	
	Digital self-assessment tools for SMPs and members Self-assessment tool on data analytics and AI Roundtable on technology adoption for SMPs Concept paper on Digital Technology Adoption Award Sharing of videos on digital adoption	Achieved	Guides SMPs and members to the next level and develops their digital competencies	
	Develop a data governance video	Achieved	Increase awareness on data governance among members	
Initiatives related to Islamic finance	4 Shariah Audit Roundtables with Islamic financial institutions, Islamic Capital Market, Cooperatives and State Islamic Religious Councils	New initiative	Support capacity and competency building in Islamic finance, a key area for Malaysia's market differentiation and leadership	
	2 engagements with SC and IIAM on Shariah Audit Completed Module 2 of the Islamic Finance Mini Pupillage Programme 2020/2021	Achieved		

Performance by Strategic Objectives

Initiatives	Outputs and Outcomes	KPI Results	Value Created	Impacts
Collaborate for accountancy education transformation	Conducted 4 structured capacity building initiatives, including co-branded programmes with PAOs, benefiting 206 academicians from public and private Institutions of Higher Learning	Exceeded	Increase competency of accounting educators	
	Completed 2 sessions of Train the Trainer Workshops for Jabatan Pendidikan Politeknik	Achieved	Increase competency of accounting educators	
	Completed 5 engagements with MOHE	Exceeded	Strengthen and innovate the accountancy education ecosystem and fraternity to produce industry relevant graduates	
	Technology roundtable for academicians	Achieved	Prepare academicians for digital transformation	
	Completed a study on skillset of future accounting graduates	Achieved	Serves as input to the review of accounting programmes syllabus	

Strategic Objective 2 (SO2)

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

Initiatives	Outputs and Outcomes	KPI Results	Value Created	Impacts
NACRA, a collaborative effort of Bursa, MIA and MICPA	Hosted NACRA virtually with 200 participants <ul style="list-style-type: none"> • 48 organisations participated • 32 awards presented e-AT article on NACRA awards 2021	Achieved	Promotes excellence in corporate reporting Supports adoption of <IR> and sustainability reporting	
Inform members of MIA Enforcement processes	2 articles published in e-AT on “Rule 18(2) of the MIA (Disciplinary) Rules 2002” and “Brief Hearing Procedures in a Disciplinary Hearing”	Exceeded	Members are aware of MIA’s disciplinary proceedings and enforcement processes	
The MIA Ethics Standard Board (ESB) creates and raises awareness and understanding on the code of ethics in the MIA By-Laws	Conducted a complimentary webinar on “Applying Ethics during the Pandemic and Beyond” Presented on the implication of COVID-19 with regards to compliance with the professional ethics code in the By-Laws at 6 Townhall sessions Issued circulars on IESBA guidance materials regarding the application of ethics during the pandemic and on the IESBA Code Published an article entitled “Strengthened Provisions on Inducements” in e-AT	Exceeded	Members uphold the code of ethics for a trusted profession in the public interest	

Performance by Strategic Objectives

Strategic Objective 3 (SO3)

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

Initiatives	Outputs and Outcomes	KPI Results	Value Created	Impacts																				
Adoption of international standards by ESB and AASB (as per IFAC's workplan)	2 new pronouncements – Fees and Non-Assurance Services (NAS) were issued in April with an effective date of 15 December 2022	Achieved	Enhanced coverage and quality of technical standards and guidance Members use international best practices.	  																				
Monitor compliance with: ● Statutory requirements ● Approved accounting and auditing standards	<ul style="list-style-type: none"> Deliberated 30 Financial Statements Review (FSR) cases <ul style="list-style-type: none"> Category 1: 14 cases satisfactory Category 2: 14 cases reprimanded Dismissed - 2 cases 	Achieved Materially impacted by COVID-19	Higher quality financial statements support good governance and investor confidence	  																				
Monitor compliance with CPE requirements via CPE Compliance Audit and Review on members, particularly Audit Licence Holders and Practising Certificate (PC) Holders	CPE Compliance Audit on Audit Licence Holders <ul style="list-style-type: none"> 89% compliance out of 525 audited CPE Compliance Audit of PC Holders <ul style="list-style-type: none"> 96% complied out of 1048 reviewed 	Achieved	Stringent enforcement of CPE Compliance develops competent and trusted Audit Licence and PC Holders for an orderly and well-governed market CPE compliance raises the quality of audit and public practice services	  																				
Monitor compliance with regulatory requirements via Practice Review (PR)	37 PR reports finalised <ul style="list-style-type: none"> 23 first review reports 14 monitoring review reports <table border="1" data-bbox="411 1361 774 1505"> <thead> <tr> <th colspan="2">First Review Outcomes</th> </tr> </thead> <tbody> <tr> <td>Type 1</td> <td>0</td> </tr> <tr> <td>Type 2</td> <td>2</td> </tr> <tr> <td>Type 3</td> <td>4</td> </tr> <tr> <td>Type 4</td> <td>17</td> </tr> <tr> <td>Total</td> <td>23</td> </tr> </tbody> </table> <table border="1" data-bbox="411 1523 774 1617"> <thead> <tr> <th colspan="2">Monitoring Review Outcomes</th> </tr> </thead> <tbody> <tr> <td>Satisfactory</td> <td>7</td> </tr> <tr> <td>Unsatisfactory</td> <td>7</td> </tr> <tr> <td>Total</td> <td>14</td> </tr> </tbody> </table> <p>2019/2020 Practice Review annual report published</p> <p>Revised the PR framework</p> <p>Granted a Moratorium on PR for 6 months from July 2020 to December 2020 to identified firms with zero client base</p>	First Review Outcomes		Type 1	0	Type 2	2	Type 3	4	Type 4	17	Total	23	Monitoring Review Outcomes		Satisfactory	7	Unsatisfactory	7	Total	14	Below target Materially affected by COVID-19	Targets improvement in audit quality Supports firms affected by COVID-19 impact	 
First Review Outcomes																								
Type 1	0																							
Type 2	2																							
Type 3	4																							
Type 4	17																							
Total	23																							
Monitoring Review Outcomes																								
Satisfactory	7																							
Unsatisfactory	7																							
Total	14																							

Performance by Strategic Objectives

Initiatives	Outputs and Outcomes	KPI Results	Value Created	Impacts
Timely issuance of Notice of Complaints (NOC)	83 complaints lodged with the Registrar <ul style="list-style-type: none"> • 71 NOCs issued • 12 NOCs rejected for non-compliance 	Achieved	Members notified through NOCs in a timely manner Enhances trust in MIA's complaint mechanism	  
Timely disposal of cases against members	<ul style="list-style-type: none"> • 87 cases received for investigation from the Registrar (this includes NOCs issued in FY2019/2020) • 63 brought forward cases for investigation from FY2019/2020 • 82 cases disposed (61 referred to Disciplinary Committee (DC) for hearing and 21 dismissed) 	Achieved	Speedy disposal of cases ensures justice is manifested and enhances public confidence in MIA's enforcement and regulatory mechanisms	  
Timely disposal of cases before the DC	133 total cases referred to DC for hearing <ul style="list-style-type: none"> • 72 cases disposed (61 found guilty and 11 dismissed) 	Achieved	Enhances public confidence in MIA enforcement and regulatory mechanisms	  
Timely disposal of cases before the Disciplinary Appeal Board (DAB)	<ul style="list-style-type: none"> • 21 appeal cases with 1 high-profile case • 12 cases disposed (8 decisions confirmed and 4 decisions varied on penalty) 	Achieved	Speedy disposal of cases ensures justice is manifested	  

Strategic Objective 4 (SO4)

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

Initiatives	Outputs and Outcomes	KPI Results	Value Created	Impacts
Drive recruitment of members and member firms by advocating the value proposition of MIA membership	37,444 members (1,311 new members recruited) 60 engagement sessions with members conducted	Exceeded	Increases the number of accountancy professionals to support national economic growth Strengthen accountancy talent pipeline	  
Promote ASEAN CPA membership	1,307 ASEAN CPAs (244 new ASEAN CPAs registered)	Exceeded Materially impacted by COVID-19	Supports marketability and mobility of members who are ASEAN CPAs Strengthens the regional provision of services needed by the AEC, of which Malaysia is a key member	  

Performance by Strategic Objectives

Initiatives	Outputs and Outcomes	KPI Results	Value Created	Impacts
Outreach initiatives benefiting students	6,891 students benefited from 85 Outreach Sessions	Exceeded	Builds up the accountancy talent pipeline	
Expand the privileges and benefits of the MIA Digital Membership Privilege Card	23.68% growth in member benefits and privileges 22,662 downloads	Exceeded	Supports value proposition of the accountancy profession	
Media, branding and communication activities	156 media mentions 21 Press Releases/articles 70,699 increase in social media followers 189,085 pageviews for e-AT 29 Statements to Members issued	Achieved	Strengthen MIA brand visibility and recognition Communicate MIA advocacy to public and stakeholders	
Thought Leadership and Educational Videos	22 videos produced featuring local and global thought leaders and subject matter experts	Exceeded	Create awareness of developments and issues affecting the profession	
Initiatives promoting Future Relevance of the Accountancy Profession (FRAP)	Completed FRAP Playbook and Video Completed Trust & Brand Survey on MIA Implementing FRAP communications plan	Additional Achieved	Create awareness about the future relevance of the accountancy profession Educate stakeholders on the role of the profession in nation building	
Secure funding for members affected by COVID-19	Introduced Pembangunan Leasing Corporation (PLC) Professional Liquidity Scheme for MIA PC holders	Exceeded	Supports solvency and business continuity of member firms	

Our Capitals

MIA’s six capitals enable the execution of our operational plans and strategy towards protecting public interest, achieving the future relevance of the accountancy profession and supporting sustainable nation building. We seek to continually boost our capitals to fuel efficient and effective execution of our value creation processes, in line with our four strategic objectives.

The following are the key highlights of movements in our capitals during the year under review.

Intellectual Capital (IC)	Key Highlights	KPI Results	Movements in Capital	Implications	Addresses
The Institute’s collective knowledge and expertise, encompassing our extensive archive of publications, frameworks and blueprints, proprietary programmes, technical guidance and issuances, along with our intangible brand and reputation	Implementation of webinars and e-learning to manage COVID-19 prohibitions on in-person events	Achieved	Webinars and e-learning increase 	<ul style="list-style-type: none"> Enabled broader and deeper engagement with targeted participants Enabled MIA to deliver hundreds of CPE programmes for continuous development MIA able to leverage on international talent pools for speakers and subject matter experts Webinars organised at an economical cost for sustainable profit margins Webinars enabled enormous savings in use of paper, plastic files and plastic water bottles 	
	Implemented enhanced Enterprise Risk Management Framework and Policy	Achieved	Reduced risks will increase 	Embeds risk culture within the operations of the Institute	
	Finalised Operational Plan FY2021/2022	Achieved	Operational efficiency will increase 	Aligns MIA’s planned operations and activities with its strategic objectives and goals	
	Completed and rolled out MMIS Phase 2 enhancements	Achieved	Digital initiatives will decrease and increase 	<p>Increases operational effectiveness</p> <p>Enhances Staff productivity and digital literacy</p> <p>Raises member satisfaction with MIA member services</p> <p>Required investment in MMIS system improvements</p>	

Our Capitals

Intellectual Capital (IC)	Key Highlights	KPI Results	Movements in Capital	Implications	Addresses
	Development of new MIA website (work in progress)	Below target (Additional initiative)	Digital initiatives will decrease  and increase   	Proposed to enhance MIA branding and stakeholders communications	 
	Ongoing review and improvement of operations, business processes and systems, including production of 12 Operations Manuals	Achieved	Operational efficiency will increase      	MIA's operations are standardised, consistent and aligned with the ISO 9001 standard	
	Provided 11 legal opinions on issues related to the organisation Drafted 77 agreements and vetted 27 agreements	Achieved	Compliance increases  	Ensures MIA is in compliance with the applicable laws Ensures MIA's rights and liabilities are protected Strengthens and maintains MIA's status as a national regulator	

Social and Relationship Capital (SRC)	Key Development Highlights	Movement in Capitals
MIA collaborates strategically with extensive and expanding stakeholder networks to spearhead our common goals of future-proofing the accountancy profession and the nation	 See pages 28 to 33 on Stakeholder Engagement for a comprehensive review of our stakeholder engagements that boost our social and relationship capital	On the whole, stakeholder engagements will increase   

Human Capital (HC)	Key Highlights	KPI Results	Movements in Capital	Implications	Addresses
Refers to MIA's internal talent pool	95.49% Budgeted Manpower Fill-up Rate	Achieved	Talent initiatives will decrease  and increase   	Adequate manpower within budget with the right talent and skills to support MIA's plans and operations	

Our Capitals

Human Capital (HC)	Key Highlights	KPI Results	Movements in Capital	Implications	Addresses
<p>Mapped to MIA's key enabler of competent and dynamic talent, reinforcing high performance culture</p>	80% Staff Retention Rate	Below target	Talent initiatives will decrease 	Optimal retention supports the execution of operational plans and strategy	
	5% Staff Job Rotation Rate	Exceeded	and increase   	Mobilises talent for new roles	
	4.20 Training Days per staff	Achieved		Talent acquires necessary competencies to support MIA's objectives	
	21 Staff Engagement activities	Exceeded		Talent is aligned with MIA's strategic objectives	
	12 Virtual Monthly Staff Meetings	Achieved			
	Completed first phase of Psychographic Profile Exercise	Exceeded (Additional initiative)			

Manufactured Capital (MC)	Key Highlights	KPI Results	Movements in Capital	Implications	Addresses	
<p>Physical resources and assets that support the provision of the Institute's services, such as IT equipment and software, proprietary virtual platforms, buildings and other equipment</p>	Rolled out webinars	Achieved	Increase    and decrease 	Enables continuing delivery of CPE programmes and business continuity	 	
	Maintenance of office premises	Achieved	Decrease  and increase   	More conducive work place for staff and improve branding for MIA		
	Transformation of IT infrastructure whereby new IT systems have been rolled out	Achieved (Additional initiative)	Decrease  and increase   	Implements stable and enhanced IT infrastructure systems to support MIA operations		 

Our Capitals

Natural Capital (NC)	Key Highlights	KPI Results	Movements in Capital	Implications	Addresses
<p>The natural resources consumed and environmental impacts occurring in the course of the Institute's operations, namely energy, carbon emissions, single-use plastics, paper and water</p>	<p>Launched MIA energy savings campaign</p> <ul style="list-style-type: none"> created awareness among Staff replaced existing fixtures with motion sensing lights to save energy 	Exceeded	<p>An increase in  will increase </p>	<p>Greater energy savings due to reduced energy consumption patterns</p>	
	<p>Shift to webinars and e-learning</p> <p>Educated Staff and MIA Stakeholders on reducing single use plastic and paper</p> <p>Switched to biodegradable utensils in the office</p>	Exceeded		<p>Enabled MIA to reduce the use of single use plastic bottles, plastic files, paper, printing inks and paper towels</p>	



See [pages 54 and 55](#) for savings on sustainability measures - Sustainability Statement

Financial Capital (FC)	Key Highlights	KPI Results	Movements in Capital	Implications	Addresses
<p>The funds available to MIA that enable the provision of the Institute's services and our advocacy for sustainability and nation building</p>	<p>Generate revenue through CPE, customised e-learning programmes, sponsorship and membership</p> <p>Obtained approval from the Council to widen the investment portfolio within the limits of the Institute's investment policy to garner higher returns</p>	Achieved	<p>An increase in  will increase    </p>	<p>Strengthens MIA's financial sustainability</p> <p>Enables MIA to fund its operational activities for the future relevance of the accountancy profession and nation building</p>	 
	<p>A finance transformation plan has been developed and is being refined</p>	Below target	<p>Spending on transformation will decrease  initially and then increase    </p>	<p>Improve financial and operational efficiencies through transformation and integration of technology into MIA's finance function</p>	

Our Capitals

FUTURE GROWTH OF CAPITALS

Going forward, MIA intends to further develop these capitals through the following key value creation initiatives.

<p>Increased engagement and collaboration with our diverse stakeholders, FRAP initiatives, Digital initiatives, Advocacy for public sector excellence, ESG and climate change, tax reforms, IR, MIRS</p>	
<p>Talent development and support, Mitigation measures for Competency Gap Risk, Psychographic profiling</p>	
<p>Ongoing website development, Enhancement of e-Accountants Today digital platform, Ongoing implementation of business process reengineering and Quality Management Systems, Data analytics and reporting implementation and setup of Secondary Data Centre</p>	
<p>Adoption of metrics for resource conservation and reduction of carbon footprint</p>	
<p>Diversification of income streams, Focus on webinars and customised e-learning</p>	

Financial Summary

SUMMARY

MIA recorded a surplus before taxation of RM2.85 million for the financial year ended 30 June 2021 compared to RM2.01 million for the previous financial year notwithstanding the challenges of the COVID-19 pandemic. The Institute benefited from its ongoing digital transformation, which supports its strategic collaboration with stakeholders, to continue serving and engaging members. The increase in surplus before taxation mainly arose from sustained CPE income derived from webinars and virtual conferences coupled with robust cost control measures to optimise operational costs.

ACCUMULATED FUND

As at 30 June 2021, MIA remained in a healthy financial position, with accumulated fund amounting to RM49.59 million, an increase of 6% compared to the end of the previous financial year. This reflects positively on MIA's deployment of financial capital and utilisation of the other capitals in executing its operations. With the ongoing transformation initiatives and various plans aligned with its strategic objectives, MIA continues to enhance its agility and resilience, attaining financial sustainability for the achievement of our nation building purposes.

FIVE-YEAR SUMMARY OF FINANCIAL PERFORMANCE

(in RM Million)

	2021	2020	2019	2018	2017
Revenue from contracts with customers	32.93	39.80	43.56	44.10	39.61
Other income	2.03	1.39	1.65	9.56	1.44
Surplus before gain on disposal of land and building	2.85	2.01	0.37	1.31	0.71
Gain on disposal of land and building	-	-	-	7.48	-
Surplus before taxation	2.85	2.01	0.37	8.79	0.71
Taxation	-	(0.23)	0.04	(0.20)	0.26
Surplus after taxation	2.85	1.78	0.41	8.59	0.97
Accumulated fund	49.59	46.73	44.95	44.54	35.95
Property, plant and equipment	24.98	25.83	26.60	27.38	28.31
Intangible assets	1.78	1.02	1.16	0.49	0.42
Investment at amortised cost	2.00	-	-	-	-
Investment in unquoted shares	0.01	0.01	0.01	0.01	0.01
Deferred tax assets	-	-	0.23	0.19	0.29
Total non-current assets	28.77	26.86	28.00	28.07	29.03
Current assets	30.65	28.57	30.53	31.74	21.63
Current liabilities	9.70	8.48	13.46	15.27	14.71
Net current assets	20.95	20.09	17.07	16.47	6.92
Non-current liabilities	0.13	0.22	0.12	-	-
Net assets	49.59	46.73	44.95	44.54	35.95
Current ratio	3.16	3.37	2.27	2.08	1.47

During the financial year, the right-of-use assets arising from the rental of properties and office equipment have been reclassified to property, plant and equipment and combined with leasehold properties collectively as right-of-use assets. Corresponding amounts in the previous financial years have also been reclassified.



Sustainability Statement

OUR SUSTAINABILITY PRIORITIES

As the regulator and developer of the accountancy profession in Malaysia, MIA is entrusted with enhancing the value and the future relevance of the accountancy profession to help drive sustainable nation building.

Aligned and integrated with our strategic objectives, our sustainability efforts prioritise the long-term future proofing of the profession as a key economic sector and driver for growth. Our advocacy focuses on delivering value that connects to the core competencies of the accountancy profession as partners and advisors to business, and is congruent with IFAC’s stance on how the global profession can contribute to sustainable development.

The UN SDGs that are most relevant to how we create value for our stakeholders are:



Our Themes	Key Activities
Support Business Continuity for the Profession and the Institute	<ul style="list-style-type: none"> • COVID-19 support for the profession  See pages 16 and 17 on Case Study 1: How MIA is Navigating the COVID-19 Crisis • Enterprise risk management for the Institute • Agile and resilient crisis management • Institute’s accelerated digital transformation • Ongoing implementation and refining of business processes and protocols • Emphasis on revenue generation and diversifying income sources
Agile and Strong Regulation and Enforcement	<ul style="list-style-type: none"> • Registration and Licensing of practitioners • Surveillance and enforcement activities as prescribed under the Accountants Act 1967 • CPE Compliance • Inculcation of Ethics • Practice Review
Strategic collaboration with diverse stakeholders	<ul style="list-style-type: none"> • Support the MOF • Engage with Government Ministries, Agencies, and Regulators • Engage with global accountancy associations • Strong relations with media
Digital Adoption of the Profession	<ul style="list-style-type: none"> • Various initiatives in line with the MIA Digital Technology Blueprint
Talent Development	<ul style="list-style-type: none"> • CPE • Membership outreach and drives • Engagement with accountancy talent, academicians and institutes of higher learning • Encourage certification via professional pathways
Future Relevance of the Accountancy Profession	<ul style="list-style-type: none"> • Implement various Competency Frameworks aligned with global standards and best practices • Provision of CPE that is abreast of latest and projected developments • Drive digital adoption of the profession <i>(see Digital Adoption above)</i> • ESG and Climate-related CPE <i>(see ESG and Climate-related Advocacy below)</i>
ESG and Climate-related Advocacy	<ul style="list-style-type: none"> • Deliver CPE that upskills members on ESG implementation and climate change-related developments and impacts • Advocate for accountants who are board members to strengthen board leadership and tone from the top on ESG • Increased the number of plants in the office • Replaced disposable plastic plates and cutlery with biodegradable plates and cutlery • Staff receive training in ESG and managing environmental impacts • Sponsor tree planting efforts • Optimise MIA’s use of energy, paper and plastic in its operations.



13% saved from Electricity Savings Campaign



32,744 participants in Virtual CPE that has a smaller environmental footprint

Sustainability Statement

Value Created	Links with SOs, Capitals and SDGs
<ul style="list-style-type: none"> Strengthen the profession's resilience in the COVID-19 crisis Profession's resilience enables better support for businesses Prepare profession for the projected post-pandemic upswing Aligned with MIA's long-term strategic and operational plans for business sustainability Enable MIA to continue regulating and developing the profession Institute is better equipped to manage stakeholder expectations Improved operational efficiency and service quality Support Institute's financial stability and ability to implement its strategies and plans in the long-term 	<p>S01 S02 S03 S04</p> 
<ul style="list-style-type: none"> Informed compliance and ethical behaviour support good governance and a trusted profession Practitioners and members are up-to-date on regulations, standards and best practices which drives compliance and provision of high quality services Protect legitimate members and the public from bogus accountants 	<p>S02 S03</p> 
<ul style="list-style-type: none"> Articulate the profession's perspectives and interests Collaborate on strengthening public sector finance and regulation for good governance in the public interest MIA able to advocate for necessary reforms, including Accountants Act reform and tax governance reform MIA recognised as voice of the profession Build strong, inclusive and influential relationships 	<p>S04</p> 
<ul style="list-style-type: none"> Prepare the profession for the digital economy and IR4.0 as envisioned in the MyDigital and Malaysia Digital Blueprint 	<p>S01</p> 
<ul style="list-style-type: none"> Enrich capacity and competency of profession Build talent pipeline towards achieving goal of 60,000 accountants Portray accountancy as an agile, relevant and high-value profession Address competency gaps and mismatch of skills and employer expectations 	<p>S01 S04</p> 
<ul style="list-style-type: none"> Bridge competency gap to provide talent fitted for the digital economy Profession is future-proofed against obsolescence and disruption arising from anticipated risks 	<p>S01</p> 
<ul style="list-style-type: none"> Prioritise climate and ESG as catastrophic risks and simultaneous opportunities for the sustainability of businesses and the accountancy profession Support the future relevance of the accountancy profession by linking ESG and climate change issues to core competencies of advisory, measurement, reporting and assurance Accountants and members prepared for new higher value roles in areas including: <ul style="list-style-type: none"> Value reporting Sustainable finance Sustainability reporting Environmental management accounting (climate accounting) and TCFD (Task Force on Climate-Related Financial Disclosures) reporting of climate-related financial risks and information Better manage MIA's environmental footprint as a responsible corporate citizen 	<p>S01 S04</p> 



4,575,360 sheets
of A4 papers saved



28,134
plastic folders saved



30,404
plastic bottles saved



39% reduction in
paper towel usage
(after installation of hand dryer)

Our Key Risks

MIA continuously reviews the evolving risk landscape and identifies the key enterprise risks affecting the strategy and operations of the Institute. These key risks are evaluated against our strategic objectives and MIA adopts appropriate mitigation steps to manage the risks for the continuing relevance and sustainability of the Institute and the profession.

Top 5 Risks	Description	Mitigation Measures
Impact of COVID-19 to Business Continuity	<ul style="list-style-type: none"> The COVID-19 movement control orders, SOPs and norms have affected MIA's core revenue stream of training and professional development events MIA must prioritise the health and safety of members, staff, management, the Council and stakeholders to prevent disruption to operations 	<ul style="list-style-type: none"> MIA has switched to virtual events and training which entail lower costs and sustain profit margins despite reduced income Acceleration of the Institute's digital adoption, switch to virtual events, and deployment of remote operations and rotational work schedules enable MIA to continue our regulatory and development activities, while complying with COVID-19 norms and SOPs Close monitoring of actual performance against budget and revised forecasts whilst implementing cost cutting and cost rationalisation measures
Governance	<ul style="list-style-type: none"> As a national accountancy body that regulates and develops the profession in Malaysia, any regulations by the Institute in relation to the profession must be in the nation's interest. Therefore, it is critical that good governance is practised within MIA and this comes from the tone at the top Limitations to MIA in fulfilling its role in monitoring the profession due to the outdated Accountants Act 	<ul style="list-style-type: none"> Governance enhancement programme Continue to engage with the MOF to facilitate the enactment of the proposed new Accountants Act Strengthen regulatory and enforcement activities in the public interest

Our Key Risks

Top 5 Risks	Description	Mitigation Measures
<p>Relevance of Institute and the Profession</p>	<ul style="list-style-type: none"> • One of the main challenges faced by MIA is to remain relevant in developing and enhancing the competency of accountancy professionals in staying pertinent to business and market demands • The knowledge, skills and values of accountants enable the members of the accountancy profession to be involved in most economic sectors 	<ul style="list-style-type: none"> • Continue to advocate for competency development through implementation of various competency frameworks, extensive CPE, training and outreach programmes, as well as technical support and guidance • Drive digital adoption of the profession through the implementation of the MIA Digital Technology Blueprint • Articulate the core competencies and value of accountants
<p>Competency Gap</p>	<ul style="list-style-type: none"> • Competency gap refers to the differences between staff's existing skills, knowledge and/or experience compared to job expectations • Staff may not be able to execute their tasks effectively due to various factors, impacting productivity and possibly deterring the Institute from meeting its strategic objectives 	<ul style="list-style-type: none"> • Closely monitor developments impacting competency • Internal and external training • Quarterly KPIs • Performance review including training needs identification and analysis • Implement performance plans and policies • Staff Satisfaction Survey • Job rotation for learning purposes • Headhunting and recruitment services • Performance rewards • Disciplinary procedures in place for non-performers • Scale Competency Dictionary identifies staff competency levels • Succession planning is at the top of management's agenda • Review of salaries as benchmarked against prevailing market rates
<p>Succession Planning</p>	<ul style="list-style-type: none"> • The succession planning process is crucial to ensure continuity of leadership and operational management in the event of sudden departure or prolonged leave of senior management members or key staff in critical positions • Lack of succession planning could disrupt the organisation's activities and affect the strategic direction 	<ul style="list-style-type: none"> • Formalisation of the succession planning process • Mentoring programme to develop successors • Internal and external training programmes are provided to successors

Council Members: Enhancing Governance in the Public Interest

The Institute is governed by a highly experienced and multi-stakeholder Council that represents the diverse interests of MIA’s various stakeholders.

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

For the year under review, the Council focused extensively on strengthening MIA’s enterprise risk management and business continuity to better support the profession and its members who are substantially affected by the COVID-19 crisis and challenges.



For more information about the Council Members, please scan this QR Code to access our website

or log on to <https://www.mia.org.my/>

Council Members



Dr. Veerinderjeet Singh

President | Section 8(1)(c) - Appointed



Assoc. Prof. Dr. Zuraeda Ibrahim

Vice President | Section 8(1)(b) - Appointed



Andrew Heng

Member | Section 8(1)(g) - Elected



Assoc. Prof. Dr. Mazlina Mustapha

Member | Section 8(1)(b) - Appointed



Dato' Gan Ah Tee

Member | Section 8(1)(e) - Appointed



Dato' Mohamad Azmi Ali

Registrar



Foo Siak Chung, Kevin

Member | Section 8(1)(d) - Appointed



Jeremy Nasrulhaq

Member | Section 8(1)(f) - Appointed

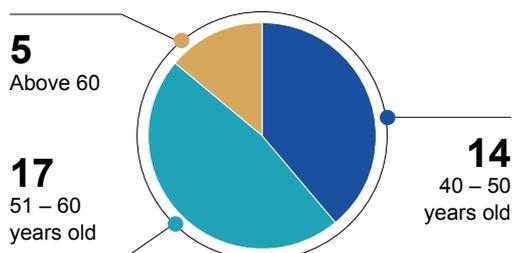
Council Members:
Enhancing Governance in the Public Interest

 <p>Datuk Dr. Yacob Mustafa <i>Accountant General Section 8(1)(a) - Appointed</i></p>	 <p>Mohd Redzuan Hasan <i>Member Section 8(1)(a) - Appointed</i></p>	 <p>Ahmad Zahirudin Abdul Rahim <i>Member Section 8(1)(f) - Appointed</i></p>
 <p>Assoc. Prof. Dr Zarina Zakaria <i>Member Section 8(1)(b) - Appointed</i></p>	 <p>Chan Kuan Chee, James <i>Member Section 8(1)(f) - Appointed</i></p>	 <p>Chong Dee Shiang, Teresa <i>Member Section 8(1)(g) - Elected</i></p>
 <p>Datuk Bazlan Osman <i>Member Section 8(1)(f) - Appointed</i></p>	 <p>Dr. Azrie Tamjis <i>Member Section 8(1)(f) - Appointed</i></p>	 <p>Dr. Zubir Azhar <i>Member Section 8(1)(g) - Elected</i></p>

GENDER DIVERSITY

70% Male
30% Female

INCLUSIVITY ACROSS GENERATIONS



Council Members:
Enhancing Governance in the Public Interest

MIA benefits from the highly diverse composition of its Council that is well balanced in terms of competencies and capabilities, demographics, qualifications, background and experience.

This diversity enables MIA to leverage on the Council's collective insights and mind to conceptualise and execute its strategic and operational plans effectively and innovatively. This in turn will enable MIA to achieve its long-term vision of becoming a transformative and progressive data-driven organisation that is able to help drive the sustainable growth of the digital economy.

Council Members



Leong Kah Mun

Member | Section 8(1)(g) - Elected



Lim Chee Mei, Gladys

Member | Section 8(1)(d) - Appointed



Nasran Omar

Member | Section 8(1)(f) - Appointed



Ong Chee Wai

Member | Section 8(1)(g) - Elected



Prof. Dr Nor Aziah Abd Manaf

Member | Section 8(1)(b) - Appointed



Tai Yoon Foo

Member | Section 8(1)(g) - Elected



Zarinah Othman

Member | Section 8(1)(f) - Appointed

Financial Reporting

Auditing and Assurance

Advisory

Education

Financial Management

Taxation

Council Members:
Enhancing Governance in the Public Interest



Lim Fen Nee

Member | Section 8(1)(d) - Appointed



Lim Thiam Kee, Peter

Member | Section 8(1)(g) - Elected



Mohamad Faisal Abdul Malik

Member | Section 8(1)(g) - Elected



Ong Ching Chuan

Member | Section 8(1)(g) - Elected



Ooi Thiam Poh, Alex

Member | Section 8(1)(f) - Appointed



Prof. Dato' Dr Norman Mohd Saleh

Member | Section 8(1)(b) - Appointed



Wan Ahmad Ikram Wan Ahmad Lotfi

Member | Section 8(1)(f) - Appointed



Yee Wing Peng

Member | Section 8(1)(g) - Elected



Zarina Abdul Samad

Member | Section 8(1)(f) - Appointed



Corporate Advisory and Recovery

Governance and Regulatory

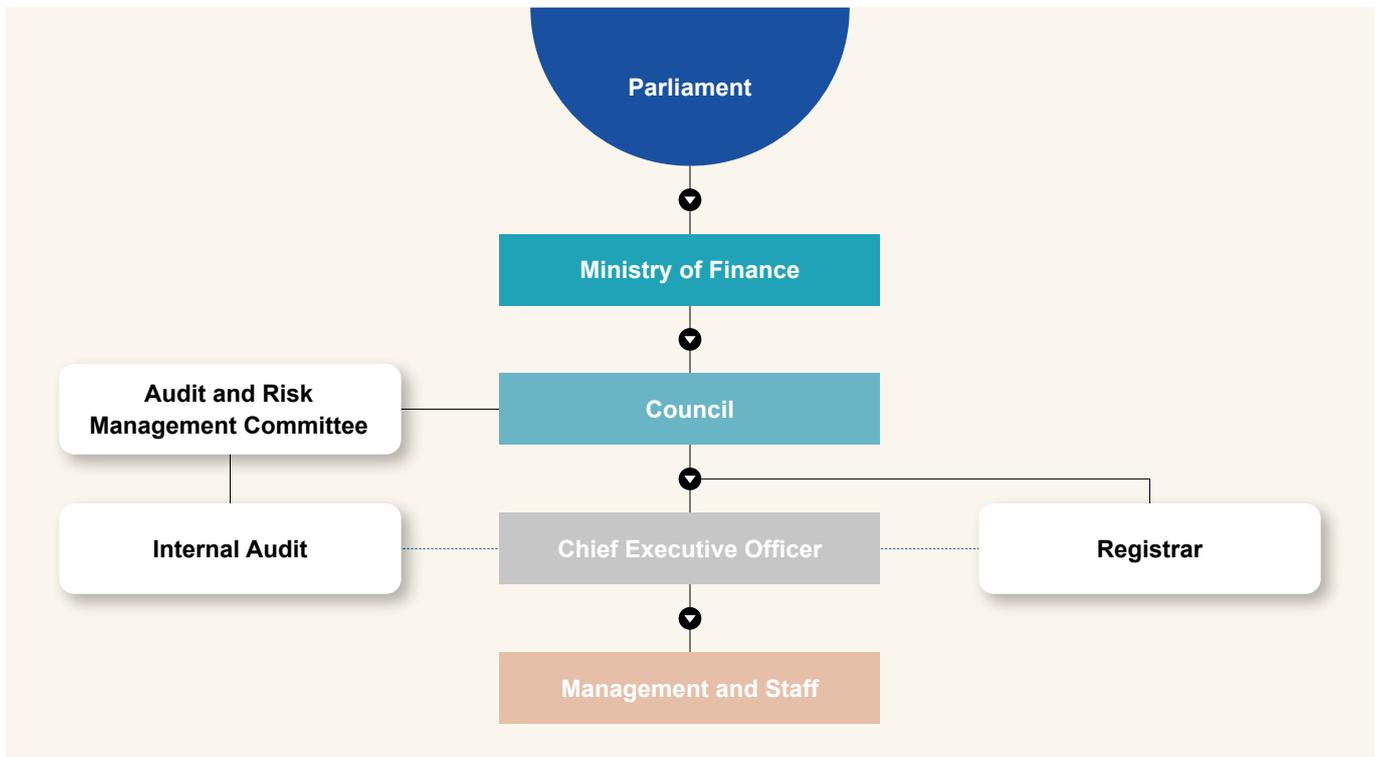
Information Technology

Leadership

Public Sector Accounting

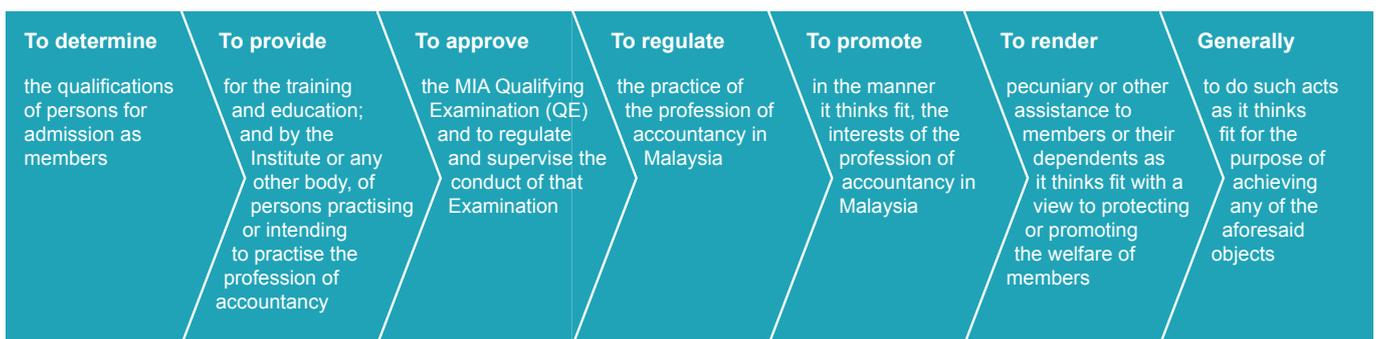
Risk Management

Governance Framework and Functions



INSTITUTE'S FUNCTIONS

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



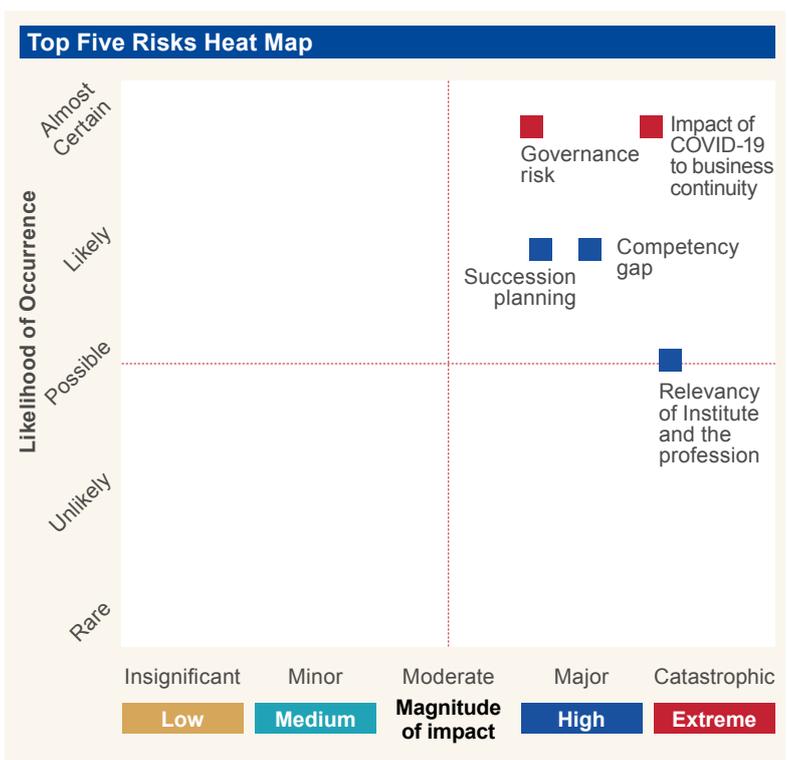
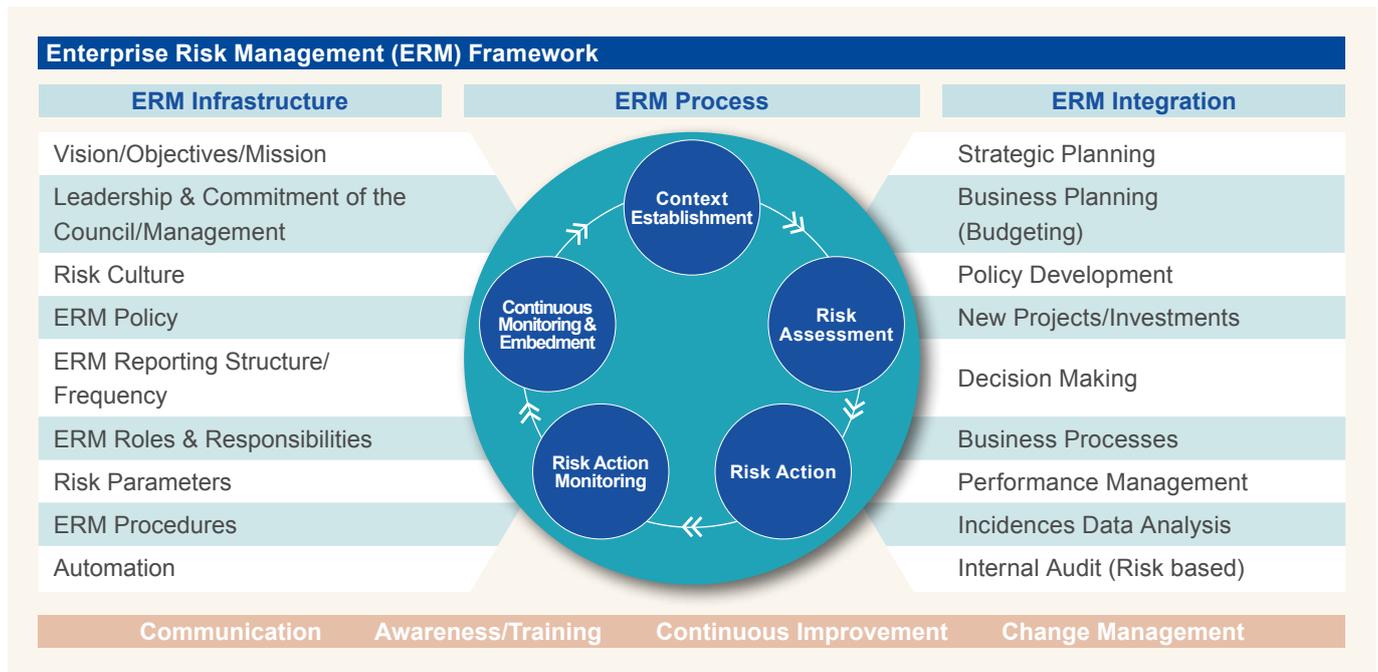
MIA COUNCIL CHARTER

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

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

Risk Management Framework

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



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.

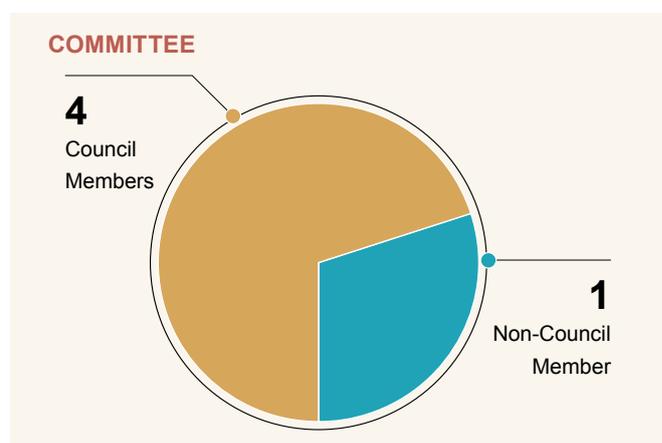
During the financial year, the Council conducted eleven (11) meetings. During these meetings, amongst others, the Council deliberated on the following matters:

• Applications for Membership and Other Applications Related to Membership.
• Approval of MIA Financial Statements for the Year Ended 30 June 2020
• Requirements of Audit of Financial Statements by the Auditor General
• Summary of Institute's Financial Performance
• MIA Risk Profile and Top 5 Risks
• Revised MIA Operational Plan – FY 2020/2021
• Year-End Operational Performance Review for FY2019/2020
• Various Collaborations with Other Professional Accountancy Organisations
• Approval of MIA Integrated Report 2020
• Recommendations from Boards/Committees.
• Publication of the Decisions of the Disciplinary Committee and Disciplinary Appeal Board
• Publication of the Practice Review Annual Report 2019/2020: Trust & Sustainability in the Audit Profession
• Publication of the Financial Statements Review Annual Report 2019/2020
• Update on the proposed new Accountants Act
• Industry-Wide Electronic Bank Confirmation Platform

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) of whom shall be Council members and who are not members of the Oversight Committee of the Institute, and one (1) who is a non-Council MIA member. The ARMC held four (4) meetings during the financial year and members' attendances are disclosed in the Report of the Council contained in this Integrated Report. In September 2020, the Committee Members also attended the exit conference meeting with Jabatan Audit Negara in relation to MIA Financial Statements for FY2020.



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 2021 and up to the date of this Report, the Committee discharged its functions and carried out its duties as set out in its Terms of Reference (TOR). The CEO and the Management Committee were invited to the ARMC meetings to provide explanations to the ARMC on specific topics or issues arising from the relevant reports. Among the key issues considered and deliberated by the ARMC were:

Financial Reporting

- Reviewed the annual unaudited financial statement of the Institute to ensure that the financial reporting and disclosure requirements were in compliance with the accounting standards, with special focus placed on the changes in accounting policy, as well as significant and unusual events or transactions.

Report of the Council

KEY ISSUES CONSIDERED BY THE ARMC (continued)

Financial Reporting (continued)

- To safeguard the integrity of information, the Director of Professional Practices & Technical, who is the officer primary 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 and IFRSs.
 - iii. Adequate processes and controls were in place for effective and efficient financial reporting and disclosures under MFRSs and IFRSs; 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

Reviewed with the external auditors:

- The Audit Planning Memorandum, focusing on the scope of work for the year which included new areas or new scope of audit emphasis such as changes in laws and regulations, changes in systems and audit timeline; and
- The results of the audit, the relevant audit report and Management Letter, together with Management responses and comments to the audit findings.

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 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 by, and input from, the ARMC in ensuring risks were 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 escalated to the Council for its notation or actions.

Annual Report of the ARMC

- Reviewed and approved the ARMC Report for incorporation in the Integrated Report for the financial year ended 30 June 2021.

The MIA Enterprise Risk Management (ERM) provides the necessary platform for the Management to evaluate the effects of COVID-19, including 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 impacts the way business operations are run, the Committee is apprised of the impact of changes in the control environment and ensures that any material issues are escalated to the Council.

Internal Audit Function

The mission of Internal Audit (IA) is to provide independent, objective assurance and consulting services designed to add value and improve the Institute's operations. IA helps MIA to accomplish its objectives by bringing in a systematic, disciplined approach to 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 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) years Internal Audit Plan (IAP) for FY2020/2021 and FY2021/2022.

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 compliance. The IA function also implements an adaptive auditing approach which provides the flexibility needed to respond to emerging and potential risks. As part of a continuous assessment of the quality and conformance of the internal audit process by the IA Department against the International Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors (IIA), the Institute engaged an independent external assessor to evaluate and make the relevant recommendations for improvements in respect of the gaps noted in the internal audit work process. The Quality Assessment Report was issued by the independent assessor and tabled to the ARMC, focusing on the areas that required improvements to bridge the gaps reported.

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. Where deemed pertinent, the control deficiencies, including lapses, together with recommended action plans, were escalated to the Council for deliberation. The IA follows up on the issues reported to ensure agreed-upon actions are implemented by Management.

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 compliance work. 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 OC was established by the Council as a medium between the 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 ten (10) meetings and deliberated, amongst others the following matters:

• Institute’s Performance Review for FY2020/2021
• MIA’s Operational Plan and Budget for 2020/2021
• Discussion on MIA’s Investment Policy
• MIA’s Member Satisfaction Survey 2020 Results
• Continuing Professional Education (CPE) Activity Report and Plan
• Industry-Wide Electronic Bank Confirmation Platform
• Appointment of Vendor for Tender: To Provide and Operate Virtual Platform for MIA Conference 2021
• Appointment of Vendor for Renewal of Microsoft Office 365
• Societies Act 1966 and Requirement for Audit

• Brand Messaging for the Future Relevance of the Accountancy Profession (FRAP)
• Renewal of Service Agreement between MIA and the Trustees of the Malaysian Accountancy Research and Education Foundation (MAREF)
• MIA Financial Statements for the Year Ended 30 June 2020
• Contract Renewal for Executive Director
• Renewal of Johor Regional Office’s Tenancy Agreement

REPORT OF THE NOMINATING COMMITTEE (NC)

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

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



During the financial year, the Committee conducted six (6) meetings during which the Committee deliberated and made recommendations to the Council on matters including:

• Appointments and reappointment of members to the Institute’s Committees and Boards
• MIA’s Representatives in the Approved Company Auditors Interview Panel 2021/2022
• Revision of Board/Committee’s Terms of Reference
• Performance Evaluation of MIA Chief Executive Officer for FY2019/2020
• Streamlining of Committees that manage Public Practice and SMPs Matters
• Appointment of Permanent Representative of MIA in the Accountant General’s Jawatankuasa Pengawas Juruaudit dan Penyelesai Syarikat di bawah Akta Syarikat 2016

Composition of the Council

Composition of the Council

No. of Meetings: 11

No.	Name	Designation	Section	Status	Attendance
1	Dr. Veerinderjeet Singh	President/ Chairman	8(1)(c)	Elected as President 26 September 2020	10/11
2	Assoc. Prof. Dr. Zuraeda Ibrahim	Past Vice President	8(1)(b)	Retired 15 July 2021	10/11
3	Ahmad Zahirudin Abdul Rahim	Member	8(1)(f)	Re-appointed 25 February 2021	7/10
4	Andrew Heng	Member	8(1)(g)	Elected 29 September 2018	10/11
5	Assoc. Prof. Dr. Mazlina Mustapha	Member	8(1)(b)	Appointed 1 August 2019	8/10
6	Assoc. Prof. Dr. Zarina Zakaria	Member	8(1)(b)	Re-appointed 25 February 2021	9/10
7	Chan Kuan Chee, James	Member	8(1)(f)	Appointed 17 February 2020	11/11
8	Chong Dee Shiang, Teresa	Member	8(1)(g)	Elected 26 September 2020	5/6
9	Dato' Gan Ah Tee	Member	8(1)(e)	Appointed 1 November 2020	5/5
10	Datuk Bazlan Osman	Member	8(1)(f)	Appointed 1 December 2019	10/10
11	Dr. Azrie Tamjis	Member	8(1)(f)	Re-appointed 15 January 2020	10/11
12	Dr. Zubir Azhar	Member	8(1)(g)	Elected 26 September 2020	6/6
13	Foo Siak Chung, Kevin	Member	8(1)(d)	Appointed 15 June 2021	NA
14	Huang Shze Jiun	Past President/ Chairman	8(1)(g)	Retired as President/Council member 26 September 2020	4/4
15	Irvin George Luis Menezes	Member	8(1)(d)	Retired 8 April 2021	9/10
16	Jeremy Nasrulhaq	Member	8(1)(f)	Re-appointed 1 July 2020	8/11
17	Khaw Hock Hoe, Alex	Member	8(1)(g)	Retired 26 September 2020	2/4
18	Leong Kah Mun	Member	8(1)(g)	Elected 29 September 2018	10/10
19	Lim Chee Mei, Gladys	Member	8(1)(d)	Appointed 15 March 2021	2/2
20	Lim Fen Nee	Member	8(1)(d)	Resigned 1 December 2019 Appointed 16 December 2019	11/11
21	Lim Thiam Kee, Peter	Member	8(1)(g)	Elected 29 September 2018	11/11
22	Mohamad Faisal Abdul Malik	Member	8(1)(g)	Elected 28 September 2019	9/11
23	Mohd Redzuan Hasan	Member	8(1)(a)	Appointed 11 November 2019	8/10
24	Nasran Omar	Member	8(1)(f)	Appointed 1 November 2019	9/10
25	Ong Chee Wai	Member	8(1)(g)	Elected 30 September 2017	7/10
26	Ong Ching Chuan	Member	8(1)(g)	Elected 26 September 2020	7/7
27	Ooi Thiam Poh, Alex	Member	8(1)(f)	Appointed 1 November 2019	7/10
28	Poon Yew Hoe	Member	8(1)(e)	Retired 30 October 2020	6/6
29	Prof. Dato' Dr. Norman Mohd Saleh	Member	8(1)(b)	Appointed 1 August 2019	8/10
30	Prof. Dr. Nor Aziah Abd Manaf	Member	8(1)(b)	Re-appointed 1 December 2019	9/10
31	Sharman Arumugam	Member	8(1)(d)	Retired 31 December 2020	8/8
32	Tai Yoon Foo	Member	8(1)(g)	Elected 28 September 2019	10/10
33	Wan Ahmad Ikram Wan Ahmad Lotfi	Member	8(1)(f)	Appointed 1 November 2019	8/10
34	Yee Wing Peng	Member	8(1)(g)	Elected 28 September 2019	6/10
35	Zarina Abdul Samad	Member	8(1)(f)	Resigned 22 December 2020	0/8
36	Zarinah Othman	Member	8(1)(f)	Appointed 15 March 2021	2/2

Composition of the Council

Nominating Committee

No. of Meetings: 6

No.	Name	Designation	Status	Attendance
1	Irvin George Luis Menezes	Past Chairman	Re-appointed 26 November 2020 Retired 8 April 2021	6/6
2	Ahmad Zahirudin Abdul Rahim	Member	Appointed 26 November 2020	2/2
3	Assoc. Prof. Dr. Zuraeda Ibrahim	Member	Retired 15 July 2021	5/6
4	Dr. Veerinderjeet Singh	Member	Elected as President 26 September 2020	4/4
5	Huang Shze Jiun	Member	Retired 26 September 2020	2/2
6	Jeremy Nasrulhaq	Member	Retired 26 November 2020	4/4
7	Lim Thiam Kee, Peter	Member	Re-appointed 26 November 2020	6/6
8	Mohd Redzuan Hasan	Member	Appointed 19 November 2019	5/6
9	Prof. Dato' Dr. Norman Mohd Saleh	Member	Re-appointed 26 November 2020	5/6

Oversight Committee

No. of Meetings: 10

No.	Name	Designation	Status	Attendance
1	Dr. Veerinderjeet Singh	Chairman	Elected as President 26 September 2020	9/10
2	Assoc. Prof. Dr. Zuraeda Ibrahim	Member	Retired 15 July 2021	9/10
3	Dato' Gan Ah Tee	Member	Appointed 27 January 2021	2/2
4	Datuk Bazlan Osman	Member	Retired 26 November 2020	6/6
5	Huang Shze Jiun	Past Chairman	Retired 26 September 2020	4/4
6	Jeremy Nasrulhaq	Member	Appointed 26 November 2020	3/4
7	Lim Fen Nee	Member	Re-appointed 26 November 2020	10/10
8	Mohd Redzuan Hasan	Member	Appointed as Accountant General's nominee 11 November 2019	8/10

Audit and Risk Management Committee (ARMC)

No. of Meetings: 4

No.	Name	Designation	Status	Attendance
1	Chong Dee Shiang, Teresa	Chairperson	Appointed as member 1 January 2021 Appointed as Chairperson 31 March 2021	1/1
2	Sharman Arumugam	Past Chairman	Retired 31 December 2020	2/3
3	Assoc. Prof. Dr. Zarina Zakaria	Member	Re-appointed 22 December 2020	2/4
4	Dr. Azrie Tamjis	Member	Re-appointed 22 December 2020	2/4
5	Lee Min On	Member	Re-appointed 22 December 2020	3/4
6	Ong Chee Wai	Member	Re-appointed 22 December 2020	4/4

Committees/Task Forces

Statutory

No.	Committee	Chairman	No of Members (including Observers)
1	Disciplinary Appeal Board	Datuk Bazlan Osman	4
2	Disciplinary Committee	Chan Kuan Chee, James	4
3	Examination Committee	Assoc. Prof. Dr. Zarina binti Zakaria	7
4	Investigation Committee	Ong Chee Wai	3

NON-STATUTORY

No.	Committee	Chairman	No of Members (including Observers)
1	ASEAN CPA Monitoring Committee	Dr. Veerinderjeet Singh	3
2	Audit & Risk Management Committee	Sharman Arumugam (Retired 31 December 2020) Chong Dee Hsiang, Teresa (Appointed 31 March 2021)	4
3	Auditing and Assurance Standards Board	Lee Tuck Heng	17
4	Capital Market Advisory Committee	Teoh Soo Hock	15
5	Digital Technology Implementation Committee	Lim Fen Nee	11
6	Education Board	Tan Sri Abdul Samad Haji Alias	13
7	Ethics Standards Board	Dr. Mohd Nizam Mohd Ali	10
8	Financial Statements Review Committee	Irvin Menezes	15
9	Insolvency Practice Committee	Dato' Gan Ah Tee	13
10	Integrated Reporting Steering Committee	Ong Chee Wai	14
11	Islamic Finance Committee	Mohd Muazzam Mohamed	11
12	MIA – MQA Joint Technical Committee	Jeremy Nasrulhaq	11
13	Nominating Committee	Vacant	7
14	Oversight Committee	Dr. Veerinderjeet Singh	6
15	Practice Review Committee	Lim Thiam Kee, Peter	7
16	Professional Accountants in Business Committee	Datuk Bazlan Osman	15
17	Public Practice Committee	Tai Yoon Foo	13
18	Public Sector Accounting Committee	Datuk Dr. Yacob Mustafa	9
19	Small and Medium Practice Committee	Andrew Heng	9
20.	Taxation Practice Committee	Yee Wing Peng	14
21	Valuation Committee	Dato' Wong Wing Seong	10
22	Young Professional Working Group (formerly known as Young Professionals Committee)	Norherienda Abdul Kadir (Appointed 13 April 2021)	4

For more information about the Committees, Task Forces and Working Groups, please visit <https://www.mia.org.my/v2/discover-mia/Committees.aspx>



Financial Statements

For the Financial Year Ended
30 June 2021

FINANCIALS

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**CERTIFICATE OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF
THE MALAYSIAN INSTITUTE OF ACCOUNTANTS
FOR THE YEAR ENDED 30 JUNE 2021**

Certificate on the Audit of the Financial Statements

Opinion

I have empowered a private audit firm to undertake an audit of the financial statements of the Malaysian Institute of Accountants. The financial statements comprise the Statement of Financial Position as at 30 June 2021 of the Malaysian Institute of Accountants and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Accumulated Fund and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 77 to 112.

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 2021, and of its financial performance and its cash flows for the year then ended in accordance with the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the requirement of the 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.

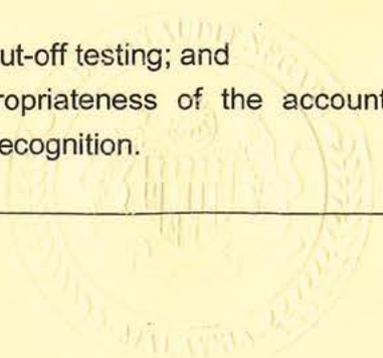
Independence and Other Ethical Responsibilities

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

Key Audit Matters

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</p> <p>Refer to:</p> <p>Note 2.4(j)(i)–Revenue; and Note 15 –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 RM28,519,396 for the financial year ended 30 June 2021 (2020:RM35,291,678).</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 the other information than the financial statements and Auditor's Certificate thereon and I do not express any form of assurance conclusion thereon.

Responsibilities of the Council for the Financial Statements

The Council is responsible for the preparation of Financial Statements of the Malaysian Institute of Accountants that give a true and fair view in accordance with the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the requirement of the 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 an Auditor's Certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards of Supreme Audit Institutions will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

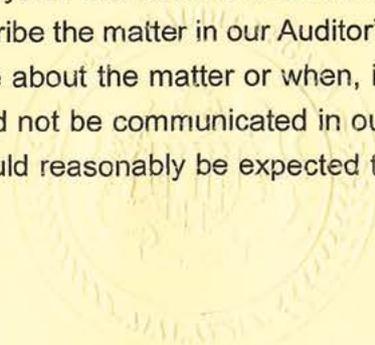
- a. Identify and assess the risks of material misstatement of the Financial Statements of the Malaysian Institute of Accountants, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis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

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

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



Other Matters

This certificate is made solely to the Council of the Malaysian Institute of Accountants in accordance with the requirement of 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.



(DATUK NOR SALWANI BINTI MUHAMMAD)
ON BEHALF OF AUDITOR GENERAL
MALAYSIA

PUTRAJAYA

17 SEPTEMBER 2021



Statement by the Council

We, Dr Veerinderjeet Singh and Chong Dee Shiang, being the President and a Council member, respectively, of the MALAYSIAN INSTITUTE OF ACCOUNTANTS, do hereby state that, in the opinion of the Council, the accompanying financial statements are properly drawn up in accordance with the provisions of the Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Institute as at 30 June 2021 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.



DR VEERINDERJEET SINGH
PRESIDENT



CHONG DEE SHIANG
COUNCIL MEMBER

13 August 2021
Kuala Lumpur

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.



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

Subscribed and solemnly declared by the above named
Dr. Nurmazilah Dato' Mahzan at Kuala Lumpur in Wilayah
Persekutuan on 13 August 2021

Before me,



Statement of Financial Position

as at 30 June 2021

	Note	2021 RM	2020 RM
Assets			
Non-current assets			
Property, plant and equipment	3	24,981,665	25,834,988
Intangible assets	4	1,775,905	1,018,306
Investment at amortised cost	5	2,000,000	-
Investment in unquoted shares	6	7,458	7,458
		28,765,028	26,860,752
Current assets			
Inventories	7	52,405	88,106
Receivables, deposits and prepayments	8	2,809,218	1,876,172
Subscription receivables	9	24,050	-
Current tax recoverable		120,000	240,000
Investment at amortised cost	5	5,000,000	-
Fixed deposits with licensed financial institutions	10	18,242,361	20,750,121
Cash and bank balances		4,399,969	5,616,266
		30,648,003	28,570,665
Total assets		59,413,031	55,431,417
Non-current liabilities			
Lease liabilities	11	125,473	221,621
Current liabilities			
Lease liabilities	11	159,814	159,659
Payables and accruals	12	7,263,481	6,417,281
Contract liabilities	13	2,013,156	1,442,413
Deferred income - government grants	14	265,269	458,464
		9,701,720	8,477,817
Total liabilities		9,827,193	8,699,438
Total net assets		49,585,838	46,731,979
Accumulated fund		49,585,838	46,731,979

Statement of Profit or Loss and Other Comprehensive Income

for the financial year ended 30 June 2021

	Note	2021 RM	2020 RM
Revenue from contracts with customers	15	32,928,150	39,802,082
Other income	16	2,028,210	1,392,590
Total income		34,956,360	41,194,672
Less:			
Depreciation of property, plant and equipment	3	(1,613,290)	(1,577,411)
Amortisation of intangible assets	4	(239,977)	(154,862)
Expenses for events and conferences (excluding employees benefits)	17	(4,914,276)	(11,261,341)
Employee benefits	18	(19,094,007)	(19,681,494)
Membership services		(1,156,418)	(1,115,737)
Net loss on impairment of receivables		(319,295)	(450,303)
Interest on lease liabilities		(15,177)	(14,488)
Other operating expenses	19	(4,750,061)	(4,932,162)
Total expenses		(32,102,501)	(39,187,798)
Surplus before tax		2,853,859	2,006,874
Taxation	21	-	(228,901)
Surplus for the financial year, representing total comprehensive income for the financial year		2,853,859	1,777,973

Statement of Changes in Accumulated Fund

for the financial year ended 30 June 2021

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

Statement of Cash Flows

for the financial year ended 30 June 2021

	Note	2021 RM	2020 RM
Cash flows from operating activities			
Receipts from members and non-members		34,553,088	39,980,848
Payments for expenditure		(30,259,665)	(40,699,427)
Cash generated from/(used in) operations		4,293,423	(718,579)
Management fees received		18,000	18,000
Tax paid		-	(72,000)
Tax refunded		120,000	-
Net cash flow generated from/(used in) operating activities		4,431,423	(772,579)
Cash flows from investing activities			
Withdrawals/(placements) of fixed deposits with licensed financial institutions maturing exceeding 3 months		6,165,881	(2,726,966)
Placements of investments at amortised cost		(7,000,000)	-
Purchase of property, plant and equipment and acquisition of intangible assets (Note A)		(1,603,363)	(573,404)
Interest received		653,227	803,797
Net cash flow used in investing activities		(1,784,255)	(2,496,573)
Cash flows from financing activities			
Interest on lease liabilities	11	(15,177)	(14,488)
Payments of lease liabilities	11	(190,167)	(190,856)
Net cash flow used in financing activities		(205,344)	(205,344)
Net increase/(decrease) in cash and cash equivalents		2,441,824	(3,474,496)
Cash and cash equivalents at beginning of financial year		7,616,266	11,090,762
Cash and cash equivalents at end of financial year		10,058,090	7,616,266
Analysis of cash and cash equivalents:			
Cash in hand		7,895	3,889
Bank balances		4,392,074	5,612,377
Fixed deposits with licensed financial institutions maturing not exceeding 3 months	10	5,658,121	2,000,000
		10,058,090	7,616,266
Note A: Purchase of property, plant and equipment and acquisition of intangible assets			
Purchase of property, plant and equipment during the financial year		625,704	534,262
Acquisition of intangible assets during the financial year		997,576	16,342
Add: Unpaid purchases as at previous financial year end		69,300	92,100
		1,692,580	642,704
Less: Unpaid purchases as at financial year end		(89,217)	(69,300)
		1,603,363	573,404

Notes to the Financial Statements

for the financial year ended 30 June 2021

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 13 August 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

2.2. NEW AND REVISED PRONOUNCEMENTS ADOPTED

The Institute has applied the following new and amended standards and interpretations for the first time for its annual reporting period commencing 1 July 2020:

Effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement*, MFRS 7 *Financial Instruments: Disclosures (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 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2. NEW AND REVISED PRONOUNCEMENTS ADOPTED (CONT'D)

Effective for annual periods beginning on or after 1 June 2020

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

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

2.3. NEW AND REVISED PRONOUNCEMENTS YET IN EFFECT

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

Effective for annual periods beginning on or after 1 January 2021

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

Effective for annual periods beginning on or after 1 April 2021

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

Effective for annual periods beginning on or after 1 January 2022

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

Effective for annual periods beginning on or after 1 January 2023

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

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

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Property, plant and equipment and depreciation

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

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

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

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:

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

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

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

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

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

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

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

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 was capitalised based on performance milestones subject to the satisfaction of the Institute.

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

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

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

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Inventories

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

(d) Receivables

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

(e) Cash and cash equivalents

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

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

(f) Financial instruments

(i) Recognition and initial measurement

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

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

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

- **Amortised cost**

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

- **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.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

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

Financial assets (cont'd)

- **Fair value through other comprehensive income (cont'd)**

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

Financial liabilities

The categories of financial liabilities are as follows:

- **Fair value through profit or loss**

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

- **Amortised cost**

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

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

(iii) Derecognition

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

A financial liability is derecognised when the obligation specified in the contract 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.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Impairment of receivables

Amount due from participants of events and conferences

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

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

Subscription receivables

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

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

(h) Contract liabilities

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

(i) Government grants

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

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

(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

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(i) Revenue (cont'd)

- 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

Interest income is recognised based on an effective yield basis.

(k) Taxation

(i) Current tax

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

(ii) Deferred tax

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

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

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Taxation (cont'd)

(ii) Deferred tax (cont'd)

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.

(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").

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(ii) Recognition, initial measurement and subsequent measurement

As a lessee

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

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

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Leases (cont'd)

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

As a lessee (cont'd)

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.

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.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Sources of estimation uncertainty

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

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

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

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

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

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

(ii) Income taxes and deferred tax

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

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.

Notes to the Financial Statements

for the financial year ended 30 June 2021

3. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets* RM	Leasehold properties RM	Computer equipment RM	Renovation RM	Furniture and fittings RM	Office equipment RM	Total RM
Cost							
At 1 July 2020 - as previously stated	-	22,797,454	1,528,629	3,173,687	1,886,350	2,888,303	32,274,423
Reclassification	23,544,324	(22,797,454)	-	-	-	-	746,870
At 1 July 2020 - as restated	23,544,324	-	1,528,629	3,173,687	1,886,350	2,888,303	33,021,293
Additions	94,174	-	551,067	35,000	2,830	36,807	719,878
Write-offs	-	-	(148,355)	-	-	(15,000)	(163,355)
At 30 June 2021	23,638,498	-	1,931,341	3,208,687	1,889,180	2,910,110	33,577,816
Accumulated depreciation							
At 1 July 2020 - as previously stated	-	2,404,085	1,318,095	1,234,429	714,371	1,142,191	6,813,171
Reclassification	2,777,219	(2,404,085)	-	-	-	-	373,134
At 1 July 2020 - as restated	2,777,219	-	1,318,095	1,234,429	714,371	1,142,191	7,186,305
Adjustment	-	-	(45,342)	-	-	-	(45,342)
Charge for the financial year	647,538	-	193,551	305,108	184,576	282,517	1,613,290
Write-offs	-	-	(148,304)	-	-	(9,798)	(158,102)
At 30 June 2021	3,424,757	-	1,318,000	1,539,537	898,947	1,414,910	8,596,151
Net carrying amount at 30 June 2021	20,213,741	-	613,341	1,669,150	990,233	1,495,200	24,981,665

Notes to the Financial Statements

for the financial year ended 30 June 2021

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

	Right-of-use assets* RM	Leasehold properties RM	Computer equipment RM	Renovation RM	Furniture and fittings RM	Office equipment RM	Total RM
Cost							
At 1 July 2019 - as previously stated	-	22,797,454	1,524,264	3,142,202	1,802,377	2,794,727	32,061,024
Reclassification	23,237,648	(22,797,454)	-	-	-	-	440,194
At 1 July 2019 - as restated	23,237,648	-	1,524,264	3,142,202	1,802,377	2,794,727	32,501,218
Additions	306,676	-	131,612	185,570	93,060	124,020	840,938
Write-offs	-	-	(127,247)	(154,085)	(9,087)	(30,444)	(320,863)
At 30 June 2020	23,544,324	-	1,528,629	3,173,687	1,886,350	2,888,303	33,021,293
Accumulated depreciation							
At 1 July 2019 - as previously stated	-	1,948,136	1,244,486	1,094,145	543,499	887,359	5,717,625
Reclassification	2,127,908	(1,948,136)	-	-	-	-	179,772
At 1 July 2019 - as restated	2,127,908	-	1,244,486	1,094,145	543,499	887,359	5,897,397
Charge for the financial year	649,311	-	175,469	294,363	179,889	278,379	1,577,411
Write-offs	-	-	(101,860)	(154,079)	(9,017)	(23,547)	(288,503)
At 30 June 2020	2,777,219	-	1,318,095	1,234,429	714,371	1,142,191	7,186,305
Net carrying amount at 30 June 2020	20,767,105	-	210,534	1,939,258	1,171,979	1,746,112	25,834,988

* During the financial year, the right-of-use assets arising from the rental of properties and office equipment have been reclassified to property, plant and equipment and combined with leasehold properties collectively as right-of-use assets. Corresponding amounts in the previous financial year have also been reclassified.

Notes to the Financial Statements

for the financial year ended 30 June 2021

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

Right-of-use assets

	Leasehold properties RM	Rented properties RM	Office equipment RM	Total RM
Cost				
At 1 July 2020 - as previously stated	-	531,775	215,095	746,870
Reclassification	22,797,454	-	-	22,797,454
At 1 July 2020 - as restated	22,797,454	531,775	215,095	23,544,324
Additions	-	94,174	-	94,174
At 30 June 2021	22,797,454	625,949	215,095	23,638,498
Accumulated depreciation				
At 1 July 2020 - as previously stated	-	254,040	119,094	373,134
Reclassification	2,404,085	-	-	2,404,085
At 1 July 2020 - as restated	2,404,085	254,040	119,094	2,777,219
Charge for the financial year	455,948	132,042	59,548	647,538
At 30 June 2021	2,860,033	386,082	178,642	3,424,757
Net carrying amount at 30 June 2021	19,937,421	239,867	36,453	20,213,741
Cost				
At 1 July 2019 - as previously stated	-	225,099	215,095	440,194
Reclassification	22,797,454	-	-	22,797,454
At 1 July 2019 - as restated	22,797,454	225,099	215,095	23,237,648
Additions	-	306,676	-	306,676
At 30 June 2020	22,797,454	531,775	215,095	23,544,324
Accumulated depreciation				
At 1 July 2019 - as previously stated	-	120,225	59,547	179,772
Reclassification	1,948,136	-	-	1,948,136
At 1 July 2019 - as restated	1,948,136	120,225	59,547	2,127,908
Charge for the financial year	455,949	133,815	59,547	649,311
At 30 June 2020	2,404,085	254,040	119,094	2,777,219
Net carrying amount at 30 June 2020	20,393,369	277,735	96,001	20,767,105

Reclassification has been made to depreciation charge in line with the reclassification of right-of-use assets to property, plant and equipment during the financial year:

	As previously stated RM	Reclassification RM	As restated RM
Financial year ended 30 June 2020:			
Depreciation of property, plant and equipment	1,384,049	193,362	1,577,411
Depreciation of right-of-use assets	193,362	(193,362)	-
	1,577,411	-	1,577,411

Notes to the Financial Statements

for the financial year ended 30 June 2021

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

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

Included in property, plant and equipment are fully depreciated assets which are still in use, with cost totalling RM1,300,031 (2020: RM1,250,700).

4. INTANGIBLE ASSETS

	2021 RM	2020 RM
Computer software		
Cost		
At beginning of the financial year	1,361,272	1,665,087
Additions during the financial year	997,576	16,342
Less: Write-off during the financial year	-	(320,157)
At end of the financial year	2,358,848	1,361,272
Accumulated amortisation		
At beginning of the financial year	783,419	948,699
Less: Write-off during the financial year	-	(320,142)
Amortisation for the financial year	195,932	154,862
At end of the financial year	979,351	783,419
Net carrying amount at end of financial year	1,379,497	577,853
Development expenditure		
Cost		
At beginning/end of the financial year	440,453	440,453
Accumulated amortisation		
At beginning of the financial year	-	-
Amortisation for the financial year	44,045	-
At end of the financial year	44,045	-
Net carrying amount at end of financial year	396,408	440,453
Total	1,775,905	1,018,306

Notes to the Financial Statements

for the financial year ended 30 June 2021

4. INTANGIBLE ASSETS (CONT'D)

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

5. INVESTMENTS AT AMORTISED COST

	2021 RM	2020 RM
Placements of funds in institutional trust accounts		
Current	5,000,000	-
Non-current	2,000,000	-
	7,000,000	-

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

6. INVESTMENT IN UNQUOTED SHARES

	2021 RM	2020 RM
At fair value through other comprehensive income		
Investment, unquoted	7,458	7,458

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

7. INVENTORIES

	2021 RM	2020 RM
At cost		
Publications	52,405	88,106

During the financial year, inventories recognised as an expense amounted to RM32,041 (2020: RM77,306).

Notes to the Financial Statements

for the financial year ended 30 June 2021

8. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2021 RM	2020 RM
Amounts due from participants of events and conferences	576,970	383,028
Other receivables	1,589,099	821,270
	2,166,069	1,204,298
Less: Allowance for expected credit losses	(133,522)	(145,627)
	2,032,547	1,058,671
Prepayments	649,699	690,098
Deposits	126,972	127,403
	776,671	817,501
	2,809,218	1,876,172

The credit period granted by the Institute is 30 days (2020: 30 days).

Included in other receivables are grant receivables from Capital Market Development Fund ("CMDF") amounting to RM997,150 (2020: RM287,100) and interest receivables amounting to RM190,168 (2020: RM254,341).

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

	2021 RM	2020 RM
At beginning of financial year	145,627	25,064
Expected credit losses recognised during the financial year	25,420	126,441
Reversal of impairment losses	(37,525)	(5,878)
At end of financial year	133,522	145,627

9. SUBSCRIPTION RECEIVABLES

	2021 RM	2020 RM
Subscription receivables	25,450	4,550
Less: Allowance for impairment losses	(1,400)	(4,550)
	24,050	-

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

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

Notes to the Financial Statements

for the financial year ended 30 June 2021

9. SUBSCRIPTION RECEIVABLES (CONT'D)

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

	2021 RM	2020 RM
At beginning of financial year	4,550	9,150
Impairment losses recognised during the financial year	332,450	331,340
Reversal of impairment losses	(1,050)	(1,600)
Written off	(334,550)	(334,340)
At end of financial year	1,400	4,550

10. FIXED DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The maturity profile of fixed deposits is presented as follows:

	2021 RM	2020 RM
Not exceeding 3 months	5,658,121	2,000,000
Exceeding 3 months	12,584,240	18,750,121
	18,242,361	20,750,121

The interest rates for the fixed deposits placed with licensed financial institutions range from 1.62% to 2.20% (2020: 2.35% to 4.38%) per annum.

11. LEASE LIABILITIES

	2021 RM	2020 RM
Lease liabilities included in the statement of financial position		
At beginning of financial year	381,280	265,460
Additions during the financial year	94,174	306,676
	475,454	572,136
Less:		
Payment of lease liabilities	(190,167)	(190,856)
At end of the financial year	285,287	381,280
Current	159,814	159,659
Non-current	125,473	221,621
	285,287	381,280
Maturity analysis - contractual undiscounted cash flows		
Less than one year	168,702	172,544
Between one and five years	129,785	232,898
Total undiscounted lease liabilities at 30 June	298,487	405,442
Amount recognised in profit or loss		
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	15,177	14,488
Payment of lease liabilities	190,167	190,856

Notes to the Financial Statements

for the financial year ended 30 June 2021

12. PAYABLES AND ACCRUALS

	2021 RM	2020 RM
Payables	1,848,793	2,364,755
Accruals - events and conferences expenses	986,513	397,034
Accruals - employee benefits costs	3,455,159	2,872,512
Accruals - education expenses	203,625	139,723
Accruals - others	671,091	543,557
Deposits	98,300	99,700
	7,263,481	6,417,281

The credit periods granted to the Institute for payables range from 14 to 30 days (2020: 14 to 30 days).

13. CONTRACT LIABILITIES

	2021 RM	2020 RM
Subscriptions in advance	446,400	601,270
Membership application fees	690,450	405,050
Practising certificate application fees	50,400	26,400
Readmission fees	20,100	5,900
Events and conferences	355,596	202,293
Qualifying examination (QE) and QE workshops	352,960	96,500
Accreditation activities	50,000	90,000
Others	47,250	15,000
	2,013,156	1,442,413

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 RM841,143 (2020: RM2,899,161) were realised as revenue within the same financial year. The total amount of subscriptions in advance at the beginning of the financial year of RM601,270 (2020: RM1,700,569) that was recognised as revenue during the financial year ended 30 June 2021 amounted to RM552,700 (2020: RM1,679,649).

14. DEFERRED INCOME - GOVERNMENT GRANT

	2021 RM	2020 RM
At beginning of the financial year	458,464	903,464
Additions during the financial year	710,050	-
Effect of the revised grant amount as per supplemental agreement	-	(307,900)
Deferred income realised to profit or loss (Note 16)	(903,245)	(137,100)
At end of the financial year	265,269	458,464

Notes to the Financial Statements

for the financial year ended 30 June 2021

14. DEFERRED INCOME - GOVERNMENT GRANT (CONT'D)

In the financial year ended 30 June 2015, the Capital Market Development Fund ("CMDF") approved a grant to the Institute for implementing and administering Financial Reporting Standards Implementation Committee ("FRSIC") and Capital Market Advisory Committee ("CMAC") projects. The grant was receivable annually over a period of 4 years from May 2015 to 31 December 2018 for a total sum of RM4.52 million, to be used for initiatives in capacity building of professional accountants through the provision of knowledge and skills upgrading courses and to achieve consistent application of the securities laws and rules of the stock exchange and accounting standards through the provision of guidance notes, clarification and consensuses. As the grant agreement expired in May 2019, a supplemental agreement was signed on 16 July 2019 with CMDF to further extend the term of the grant to 31 December 2020 with a revised total grant of RM3.95 million. A second supplemental agreement was signed on 24 November 2020 to extend the term of the grant to 30 June 2021. The total grant receivable/received to date amounted to RM3.73 million (2020: RM3.02 million).

15. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2021 RM	2020 RM
(i) Disaggregation of revenue from contracts with customers:		
Membership subscription fees	13,228,309	13,024,300
Membership admission fees	691,750	782,400
Practising certificate fees	2,625,600	2,530,800
Income from events and conferences (Note 17)	15,291,087	22,267,378
Education income	749,513	803,490
Income from joint activities with other professional bodies	71,456	60,000
Sale of technical materials/publications	55,027	104,914
Technical program fees	70,622	39,260
Miscellaneous income	144,786	189,540
	32,928,150	39,802,082
(ii) Timing of revenue recognition:		
- at a point in time	16,053,464	22,076,722
- over time	16,874,686	17,725,360
	32,928,150	39,802,082

Notes to the Financial Statements

for the financial year ended 30 June 2021

16. OTHER INCOME

	2021 RM	2020 RM
Enforcement penalties	183,500	69,000
Reimbursement of enforcement costs	340,253	156,721
Government grant recognised	903,245	137,100
Interest on fixed deposits and current accounts	522,511	900,739
Interest from investments at amortised cost	66,542	-
Others	12,159	129,030
	2,028,210	1,392,590

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

	2021 RM	2020 RM
Income (Note 15)	15,291,087	22,267,378
Direct expenses (excluding employee benefits)	(4,914,276)	(11,261,341)
	10,376,811	11,006,037

18. EMPLOYEE BENEFITS

	2021 RM	2020 RM
Salaries, overtime and bonus	15,765,376	15,728,490
Contributions to EPF	2,364,786	2,431,910
Social security contribution	116,440	122,665
Staff training	277,332	353,913
Staff welfare	75,094	127,519
Other staff benefits	494,979	916,997
	19,094,007	19,681,494

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

Notes to the Financial Statements

for the financial year ended 30 June 2021

19. OTHER OPERATING EXPENSES

	2021 RM	2020 RM
Assets written off	5,253	32,375
Auditors' remuneration	27,295	26,545
Bank charges	260,007	273,501
Education expenses	423,547	507,753
Enforcement expenses	499,182	343,340
Insurance expenses	36,219	62,666
International relations expenses	-	245,384
IFAC and AFA subscriptions*	474,783	466,326
IT licensing expenses	153,034	183,011
IT subscriptions	402,208	205,063
IT support and maintenance expenses	578,522	604,977
Legal consultancy and litigation fees	381,320	134,684
Local travelling expenses	60,718	81,438
Other consultancy fees	156,912	90,724
Printing, postage and stationery costs	161,905	218,442
Promotion and advertising costs	271,757	239,762
Technical programme expenses	115,331	293,210
Upkeep of office expenses	423,327	419,470
Upkeep of office equipment expenses	31,249	33,620
Utilities costs	206,542	275,437
Other expenses	80,950	194,434
	4,750,061	4,932,162

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

Reclassifications have been made to conform to the current financial year's presentation as follows:

Financial year ended 30 June 2020	As previously stated RM	Reclassification RM	As restated RM
IT support and maintenance expenses	-	604,977	604,977
IT subscriptions	-	205,063	205,063
Upkeep of office equipment expenses	738,436	(704,816)	33,620
Utilities costs	380,661	(105,224)	275,437
Total	1,119,097	-	1,119,097

Notes to the Financial Statements

for the financial year ended 30 June 2021

20. INCOME AND EXPENSES BY OPERATING SEGMENT

2021	Membership & Education RM	Professional Development RM	Professional Practices & Technical RM	Surveillance & Enforcement RM	Total RM
Revenue	16,545,659	15,291,087	-	-	31,836,746
Other income	897,809	692,650	344,203	571,899	2,506,561
Total income	17,443,468	15,983,737	344,203	571,899	34,343,307
Less:					
Direct expenses	(431,021)	(4,914,276)	(115,230)	(503,212)	(5,963,739)
Employee benefits	(1,961,876)	(2,554,672)	(1,560,369)	(3,173,774)	(9,250,691)
Overheads	(1,720,290)	(144,238)	(164,042)	(161,431)	(2,190,001)
	(4,113,187)	(7,613,186)	(1,839,641)	(3,838,417)	(17,404,431)
Surplus/(deficit) before allocated expenses*	13,330,281	8,370,551	(1,495,438)	(3,266,518)	16,938,876
Less:					
Employee benefits - allocated	(2,841,369)	(3,450,234)	(1,623,640)	(1,928,073)	(9,843,316)
Overheads - allocated	(1,401,373)	(1,701,667)	(800,784)	(950,930)	(4,854,754)
	(4,242,742)	(5,151,901)	(2,424,424)	(2,879,003)	(14,698,070)
Surplus/(deficit) at segment level	9,087,539	3,218,650	(3,919,862)	(6,145,521)	2,240,806
Interest income					589,053
Management income					24,000
Surplus before tax at Institute level					2,853,859

Notes to the Financial Statements

for the financial year ended 30 June 2021

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

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:

- The activities of Membership & Education include providing support to the Education Board, Examination Committee, MIA-MQA Joint Technical Committee, ASEAN CPA Monitoring Committee and Young Professionals Committee. During the financial year ended 30 June 2021, the Young Professionals Committee was converted into a Young Professionals Working Group.
- The activities of Professional Practices & Technical include providing support to the Auditing and Assurance Standards Board, Ethics Standards Board, Capital Market Advisory Committee, Integrated Reporting Steering Committee, Islamic Finance Committee, Professional Accountants In Business Committee, Public Sector Accounting Committee, SMP Committee, Insolvency Practice Committee, Valuation Committee, Public Practice Committee, Taxation Practice Committee and Digital Technology Implementation Committee.
- The activities of Surveillance & Enforcement include providing support to the Financial Statements Review Committee, Practice Review Committee, Investigation Committee, Disciplinary Committee and Disciplinary Appeal Board.

* The allocation is based on headcount.

Notes to the Financial Statements

for the financial year ended 30 June 2021

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

	2021 RM	2020 RM
Reconciliation of revenue and other income with Notes 15 and 16:		
Revenue of segments	31,836,746	38,604,878
Other income of segments	2,506,561	1,665,055
Interest income	589,053	900,739
Management income	24,000	24,000
Total income	34,956,360	41,194,672
Consists of:		
Revenue from contracts with customers (Note 15)	32,928,150	39,802,082
Other income (Note 16)	2,028,210	1,392,590
Total income	34,956,360	41,194,672

21. TAXATION

	2021 RM	2020 RM
Deferred tax assets		
- relating to origination and reversal of temporary differences	-	134,488
- derecognition of deferred tax assets	-	94,413
	-	228,901

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

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

	2021 RM	2020 RM
Surplus before tax	2,853,859	2,006,874
Taxation at the effective tax rate of 24% (2020: 24%)	684,926	481,650
Tax effects of:		
- expenses not deductible for tax purposes	235,740	223,391
- membership income not subject to tax	(1,396,671)	(1,018,317)
- other income not subject to tax	(216,779)	(32,904)
- unrecognised deferred tax assets	692,784	575,081
	-	228,901

Notes to the Financial Statements

for the financial year ended 30 June 2021

21. TAXATION (CONT'D)

Movement of deferred tax assets:

	2021 RM	2020 RM
At beginning of financial year	-	228,901
Recognised in profit or loss		
- Provisions, advance receipts and leases	-	(228,901)
At end of financial year	-	-

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 (2020: 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:

	2021 RM	2020 RM
Unabsorbed capital allowances	2,015,773	1,977,416
Unutilised tax losses	6,743,865	4,156,730
Other temporary differences	654,501	393,390
	9,414,139	6,527,536
Potential deferred tax assets not recognised at 24% (2020: 24%)	2,259,393	1,566,609

The unutilised tax loss for each year of assessment will expire within 7 consecutive years in accordance with Section 44(5F) of the Income Tax Act 1967 as follows:

	2021 RM	2020 RM
Year of assessment		
2025	1,898,588	1,898,588
2026	1,637,843	1,637,843
2027	1,682,599	620,299
2028	1,524,835	-
	6,743,865	4,156,730

Notes to the Financial Statements

for the financial year ended 30 June 2021

22. RELATED PARTY TRANSACTIONS

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

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

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

	2021 RM	2020 RM
(a) Fees and sponsorship income received from Council members and their related parties		
Members' annual subscription and practising certificate fees	199,300	198,750
Event and conference fees	78,103	22,633
Sponsorship and other income	177,468	175,400
(b) Fees paid to Council members and their related parties		
Speaker fees, QE examination and facilitator fees and contract Fees	39,488	176,785

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

(c) Key management's remuneration

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

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

	2021 RM	2020 RM
Salaries, bonus and contract fees	2,509,969	2,236,384
Contribution to EPF	366,641	319,513
Others	5,210	4,286
	2,881,820	2,560,183

Notes to the Financial Statements

for the financial year ended 30 June 2021

22. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Key management's remuneration (cont'd)

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

	2021	2020
Range of total remuneration (RM)	Number of persons	Number of persons
600,001 to 800,000	1	1
400,001 to 600,000	4	3
200,001 to 400,000	1	1

The year-end outstanding balance of RM548,683 (2020: RM464,964) in relation to compensation payable to key management personnel is included in payables and accruals.

23. FINANCIAL INSTRUMENTS

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

(a) Categories of financial instruments

	Financial assets at FV through OCI RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Carrying amount RM
As at 30 June 2021				
Financial assets:				
- Investment in unquoted shares	7,458	-	-	7,458
- Investments at amortised cost	-	7,000,000	-	7,000,000
- Receivables	-	2,032,547	-	2,032,547
- Fixed deposits with licensed financial institutions	-	18,242,361	-	18,242,361
- Cash and bank balances	-	4,399,969	-	4,399,969
Total financial assets	7,458	31,674,877	-	31,682,335
Financial liabilities:				
- Payables	-	-	1,848,793	1,848,793
- Accruals	-	-	5,316,388	5,316,388
Total financial liabilities	-	-	7,165,181	7,165,181

Notes to the Financial Statements

for the financial year ended 30 June 2021

23. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (cont'd)

	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 in unquoted shares	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
Total financial liabilities	-	-	6,317,581	6,317,581

(b) Net gains arising from financial instruments

	2021 RM	2020 RM
Income on fixed deposits and current accounts	522,511	900,739
Income from investments at amortised cost	66,542	-
Subscription receivables impaired	(331,400)	(329,740)
Trade receivables recovered/(impaired)	12,105	(120,563)
Net gains on loans and receivables	269,758	450,436

(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.

Notes to the Financial Statements

for the financial year ended 30 June 2021

23. FINANCIAL INSTRUMENTS (CONT'D)

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

(i) Credit risk

Receivables and transactions with financial and other institutions may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are licensed financial institutions and other organisations. It is the policy of the Institute to monitor the financial standing of these counter parties on an on-going basis to ensure that the Institute is exposed to minimal credit risk.

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

Other than as mentioned, the Institute has no significant concentration of credit risk. The maximum exposure to credit risk 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.

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
2021				
Payables and accruals	7,165,181	7,165,181	7,165,181	-
Lease liabilities	285,287	298,487	168,702	129,785
2020				
Payables and accruals	6,317,581	6,317,581	6,317,581	-
Lease liabilities	381,280	405,442	172,544	232,898

Notes to the Financial Statements

for the financial year ended 30 June 2021

23. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Interest rate risk

The Institute is exposed to interest rate risk in respect of its fixed deposits with licensed financial institutions and banks and placement of funds in institutional trust accounts. The Institute places fixed deposits and placements at competitive rates under the most favourable terms and conditions. As these deposits and placements are subject to fixed 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 amount of long-term investment at amortised cost approximated its fair value.

24. CAPITAL MANAGEMENT

The objectives of the Institute in managing capital are:

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

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

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

Notes to the Financial Statements

for the financial year ended 30 June 2021

25. COMMITMENTS

	2021 RM	2020 RM
Authorised capital expenditure not provided for in the financial statements:		
(a) Digital publishing and bookstore	-	35,510
(b) Improvement of Membership system	-	480,975
(c) Information technology (IT) infrastructure transformation	-	493,133
(d) Website development	170,000	-
(e) Computer equipment	47,760	-
	217,760	1,009,618
Including amount contracted but not provided for	47,760	1,009,618

26. 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 Government imposed the restriction of movement on 18 March 2020 with containment measures that significantly impacted businesses and the economy. The restriction of movement was subsequently tightened and relaxed according to the evolving situation of the pandemic in the country. Due to the recent surge in infected cases, a nationwide lockdown was implemented on 1 June 2021. Subsequently, the Government announced the National Recovery Plan with 4 Phases in mid-June 2021.

Since the start of the pandemic and during the financial year ended 30 June 2021, other than facilitating work from home, the Institute benefited from its ongoing digital transformation, which supports its strategic collaboration with stakeholders. The Institute was able to continue serving members with minimal disruption through the MIA Membership Information System (MMIS). The Institute was also able to continually engage members and other stakeholders in relation to technical and professional practice matters in Committees/Boards and working groups as well as conduct Continuing Professional Development (CPD) activities, outreaches, and education-related activities through online platforms. In relation to CPD, the Institute successfully harnessed online platform in the carrying out of Professional Development activities in supporting members' CPD needs and enabled the Institute to sustain income generation to support the Institute's various operations.

The Institute has performed assessments and carefully considered the impact of COVID-19 on the Institute's operations and financial position and will continue to monitor developments involving COVID-19. For the financial year ending 30 June 2022, while vaccination of the population continues to gain traction, COVID-19 is still expected to impact the revenue generated from events and conferences due to restriction in having physical training activities and the cost reduction measures by businesses and lower training budgets. Membership income is expected to grow marginally considering the challenging economic situation.

Accordingly, the Institute will continue its cost rationalisation measures to optimise operational costs while ensuring strategic objectives are achieved. At the point of reporting, the Institute has sufficient cash reserves to support the working capital needs and capital expenditure of the Institute for the financial year ending 30 June 2022 and in the near future.

Acronyms

1MDB	1Malaysia Development Berhad	ISAs	International Standards on Auditing
AEC	ASEAN Economic Community	KPI	Key Performance Indicator
AFA	ASEAN Federation of Accountants	MACC	Malaysian Anti-Corruption Commission
AMLA	Anti-Money Laundering Act	MAREF	Malaysian Accountancy Research & Education Foundation
AOB	Audit Oversight Board	MATRADE	Malaysia External Trade Development Corporation
ARMC	Audit Risk and Management Committee	MCCG	Malaysia Code of Corporate Governance 2018
ASEAN	Association of Southeast Asian Nations	MCO	Movement Control Order
BNM	Bank Negara Malaysia	MDEC	Malaysia Digital Economy Corporation
CARE	Chartered Accountant's Relevant Experience	MIA QE	MIA Qualifying Examination
CEO	Chief Executive Officer	MITI	Ministry of International Trade and Industry
CFM	MIA Competency Framework	MFRS	Malaysian Financial Reporting Standards
CFO	Chief Financial Officer	MICPA	Malaysian Institute of Certified Public Accountants
CFT	Counter Financing of Terrorism	MMIS	MIA Membership Information System
CPE	Continuing Professional Education	MOF	Ministry of Finance
CSAP	Committee to Strengthen the Accountancy Profession	MOSTI	Ministry of Science, Technology and Innovation
CSR	Corporate Social Responsibility	MOU	Memorandum of Understanding
DAB	Disciplinary Appeal Board	MPERS	Malaysian Private Entities Reporting Standard
DC	Disciplinary Committee	MPSAS	Malaysian Public Sector Accounting Standards
DTIC	Digital Technology Implementation Committee	MQA	Malaysian Qualifications Agency
E-AT	Electronic Accountants Today	MRMC	Management Risk Management Committee
EBC	Electronic Bank Confirmation	NACRA	National Annual Corporate Report Awards
ERM	Enterprise Risk Management	NC	Nominating Committee
ESB	Ethics Standards Board	NOC	Notice of Complaint
ESG	Environmental, Social and Governance	OC	Oversight Committee
FRAP	Future Relevance of the Accountancy Profession	PAIB	Professional Accountants in Business
FSR	Financial Statements Review	PAO	Professional Accountancy Organisation
FSRC	Financial Statements Review Committee	PC	Practising Certificate
GDP	Gross Domestic Product	PIEs	Public Interest Entities
IA	Internal Audit	PPP	Public Practice Programme
IAD	Internal Audit Department	PR	Practice Review
IAASB	International Auditing and Assurance Standards Board	QAP	Quality Assessment Programme
IC	Investigation Committee	SC	Securities Commission
IESBA	International Ethics Standards Board for Accountants	SMEs	Small and medium-sized enterprises
IFAC	International Federation of Accountants	SMPs	Small and medium practices
IFRS	International Financial Reporting Standards	SOPs	Standard Operating Procedures
IIRC	International Integrated Reporting Council	TCFD	Task Force on Climate-Related Financial Disclosures
IPSASB	International Public Sector Accounting Standards Board	TOR	Terms of Reference
IR	Integrated Reporting	UN SDGs	United Nations Sustainable Development Goals
IR4.0	Industrial Revolution 4.0	WFH	Work from home
IRB	Inland Revenue Board		



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