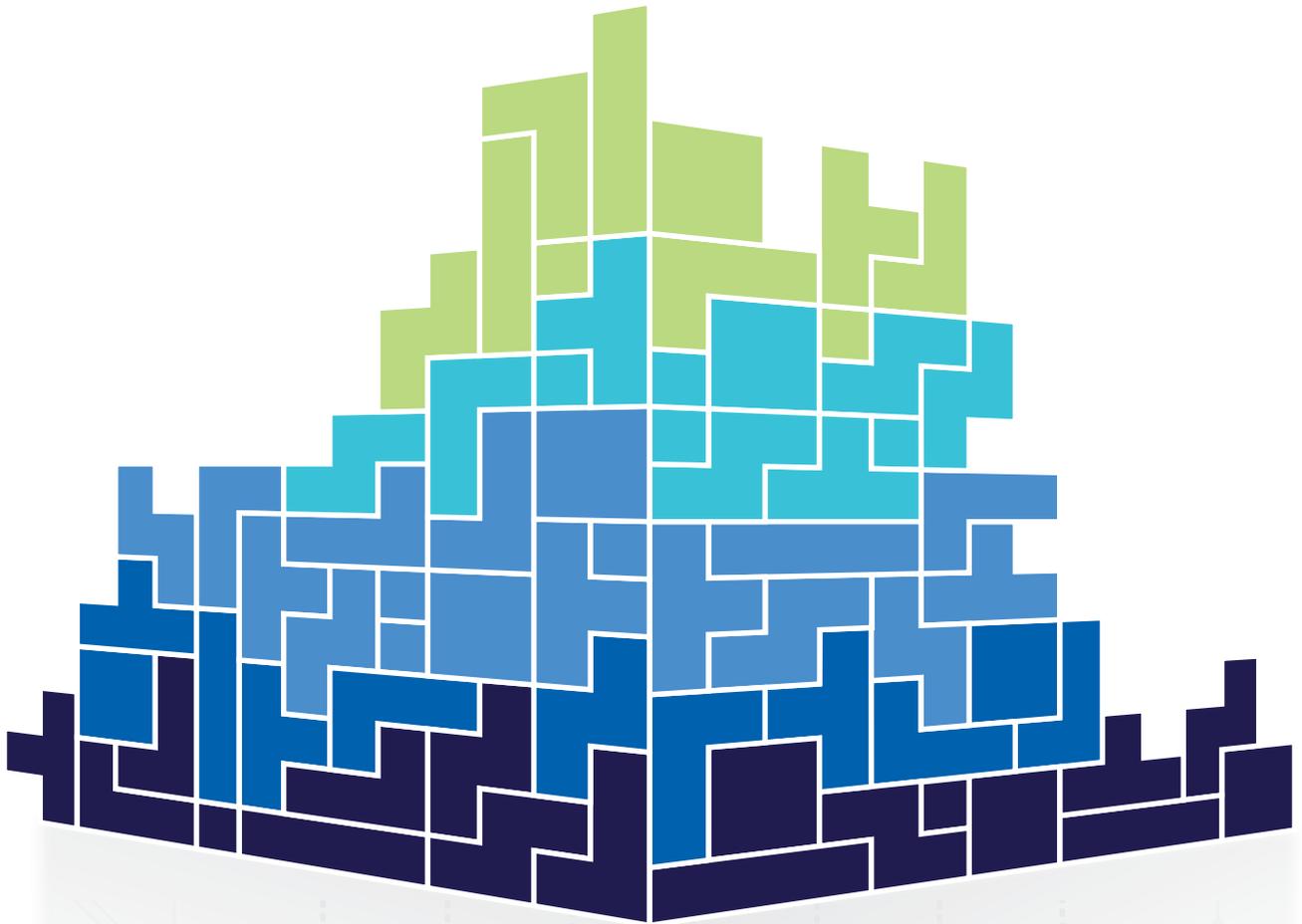




MALAYSIAN INSTITUTE OF ACCOUNTANTS

#NATION BUILDING



FUTURE FIT PROFESSION FOR A BETTER TOMORROW

INTEGRATED ANNUAL REPORT 2023

#NATION BUILDING
FUTURE FIT PROFESSION
 FOR A BETTER TOMORROW



Drawing inspiration from the intricate and versatile structures found in Tetris, the cover concept effectively communicates both the Order & Organisation of MIA, as well as the Adaptability & Flexibility inherent in the accountancy profession. The carefully chosen diverse colors vividly capture MIA's strong commitment to sustainability and ESG. These colors also symbolise how MIA is poised to lead the accountancy profession towards future readiness. The incorporation of digital elements further signifies the profession's ongoing digital transformation.

POSITIVELY IMPACTING THE EVOLUTION OF THE ACCOUNTANCY PROFESSION AND PROFESSIONALS

REGULATE

the profession to empower integrity and excellence

MIA regulates the profession and embeds ethics to uphold trust, protect the public interest, and strengthen the profession's reputation

DEVELOP

the profession to progress and grow

MIA develops the accountancy profession and professionals by enhancing capacity and competency to support sustainable businesses and society

ADVANCE

to future-proof the profession

MIA strongly advocates for digital transformation and sustainability to ensure the profession and accountants are future fit

WHAT'S INSIDE THIS REPORT

OVERVIEW

MIA at a Glance	2
-----------------	---

REFLECTIONS FROM THE TOP

Message from the President	4
Message from the CEO	6
Senior Management Insights	8

IN FOCUS

Sustainability Agenda	10
Case Study: Advocating Ethics in the Public Interest	13

VALUE CREATION

Our Talent	16
Our Value Creation Model	18
Stakeholder Engagement	20
Market Outlook and Key Trends	30
Our Material Issues	32
Our Risk Management Framework	36
Our Key Risks	37
Performance by Strategic Objectives	38
Our Capitals	44
Financial Summary	46

GOVERNANCE

Governance Framework and Functions	47
Council Members	48
Report of the Council	52
Composition of the Council	56
Boards/Committees	58

FINANCIALS

Financial Statements	59
----------------------	----

APPENDIX

Acronyms	102
----------	-----

ABOUT THIS REPORT

This report provides a concise evaluation of our value creation activities across the short, medium and long term for the 2022/2023 financial year, prepared in accordance with the International Integrated Reporting Framework of the IFRS Foundation.

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 future relevance of the industry. Throughout this report, we have demonstrated our integrated thinking and value creation process that is mapped to our sustainability impacts.

We produced and published our Integrated Annual Report in both print and virtual formats to provide material information that explains our:

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

We have included significant events after 30 June 2023 and up to the Council's approval date of 30 August 2023. We continuously review our strategic and operational plans in response to the top risks to the Institute and profession. We have also endeavoured to address the feedback raised by the IFRS Foundation in their gap analysis review of MIA's sixth Integrated Annual Report in order to enhance disclosures.

Through this Integrated Annual Report, readers will understand MIA's purpose, strategy, operational targets and expected value creation outcomes for the short, medium and long-term which are primarily non-financial in nature.

The Council acknowledges its responsibility to ensure the integrity of the information contained in the integrated annual report and the MIA Internal Audit Department has checked this report for accuracy based on the reported information provided by the respective Divisions. The Audit and Risk Management Committee was instrumental in providing guidance and oversight for the financial statements in the report. The Council is of the opinion that this integrated annual report is presented in accordance with the International Integrated Reporting Framework.

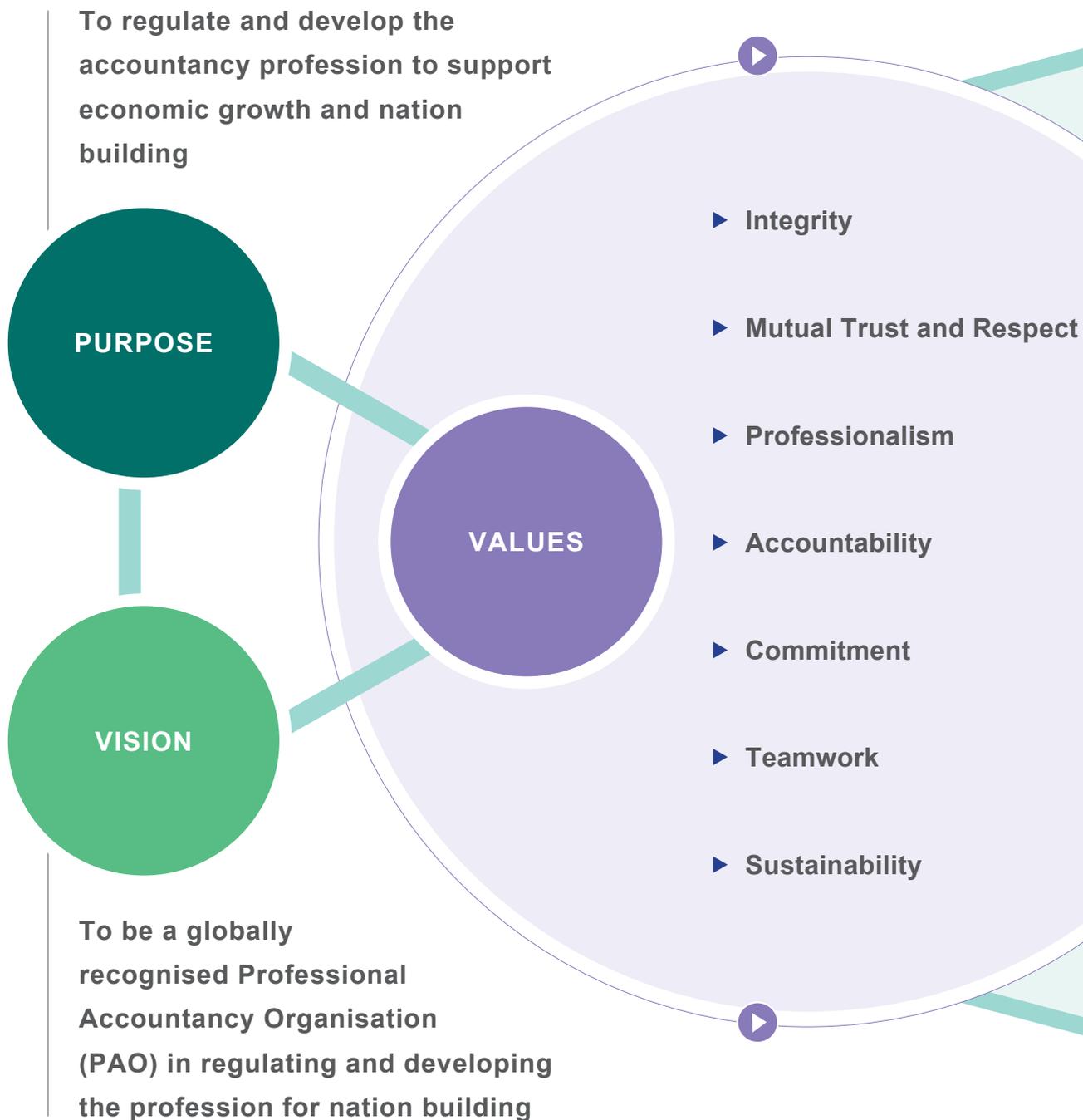


For more information about the MIA, please scan this QR Code to access our website.



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 in the public interest.



Our regulatory and development activities drive a future fit and ethical profession to strengthen governance and support sustainable nation building for a better tomorrow.

SO1

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

SO2

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

OUR STRATEGIC OBJECTIVES

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



See pages 38 to 43 on *Our Performance by Strategic Objectives*

SO3

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

SO4

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

I

INTELLECTUAL

The Institute's collective knowledge and expertise; publications, frameworks and blueprints, proprietary programmes, and intangible brand and reputation

SR

SOCIAL AND RELATIONSHIP

Our extensive and expanding connections and strategic collaborations with a diverse web of stakeholders

H

HUMAN

The collective competencies, capabilities and experience available to the Institute

M

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 office equipment

F

FINANCIAL

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

N

NATURAL

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

OUR 6 CAPITALS

MESSAGE FROM THE PRESIDENT

As the regulator and developer of the profession, MIA is committed to enabling a future-fit profession that will be resilient and relevant within any scenario.

DATUK BAZLAN OSMAN
President

TOWARDS A BETTER TOMORROW

In an increasingly complex and uncertain world, it is critical for accountants to become more agile and adaptable in order to survive and thrive.

At the same time, we want to ensure that all accountants in Malaysia uphold the profession's public interest mandate and are empowered to contribute to sustainable development and nation building.

MIA works to achieve these aspirations through our advocacy and initiatives that are aligned with our strategic objectives and executed under our operational plan.

One, strong governance is the foundation of a future-fit profession. To strengthen MIA's regulatory powers, MIA engages vigorously with the Ministry of Finance (MOF) on the repeal of the Accountants Act 1967 (the Act). In the meantime, MIA will continue to collaborate with fellow regulators to boost our surveillance and enforcement powers.

As part of the changes to the governance structure, the gazettelement of the (Membership and Council) (Amendment) Rules 2023 which came into operation on 1 May 2023 now enables e-balloting, which facilitates digital transformation and makes it easier and more convenient for members to exercise their right to vote.

Two, competency development is essential to forging a future fit profession. In line with emerging trends in professional education and to improve accessibility, MIA has made available on-demand, hybrid, physical and customised learning programmes catering for our four membership sectors and different market segments. MIA also reached out to members via 52 engagement activities during the year under review and organised 35 complimentary events as part of our Corporate Social Responsibility (CSR).

Three, enhancing the value proposition of the profession is critical to strengthening the accountancy talent pipeline. The Government has set a long term vision of achieving 60,000 accountancy professionals to support economic and social growth. This will improve the current accountant-per-population ratio in Malaysia of 1:862, whereby about 38,500 members are serving Malaysia's current population of 33.4 million.

Our proactive efforts to enhance membership value and the Future Relevance of the Profession (FRP) have contributed to the achievement of 4.33% growth in new membership admission and 98.67% membership retention as of 30 June 2023. Members received additional value from the MIA Digital Membership Privilege Card which offered 107 benefits in total as at 30 June 2023.

Attracting and retaining the next generation of accountants will be equally critical to achieving a stronger and more sustainable accountancy profession. For the 2022/2023 financial year, MIA reached out to more than 6,300 students via 56 engagement activities.

The repeal of the Act will be a game changer in diversifying and attracting new talents. Under the restrictions of the present Act, only one membership level is recognised i.e. Chartered Accountant. The operationalisation of the new Act will allow for the introduction of three new membership levels based on the different proficiency statements required for accountancy professionals at various levels, as delineated in the MIA Competency Framework which is developed based on the International Education Standards of the International Federation of Accountants (IFAC).



MIA deems it equally important to collaborate and diversify talent to supplement the Institute's human capital. Importantly, we will continue to work towards widening the composition of the MIA Council, Committees, Task Forces and Leadership to ensure diversity, inclusivity, representation, and recognition of multiple perspectives affecting the profession. Our move towards e-balloting will support the broadening and deepening of the Council and Committees leadership and talent.

Four, strategic collaboration is at the heart of MIA's value creation efforts and empowers everything that we do. Globally, we actively engage and align our initiatives with the profession's agenda. On the local front, MIA collaborates with diverse stakeholders across the public and private sectors to advocate for the profession.



See pages 20 to 29 on Stakeholder Engagement

By leveraging on strategic collaboration, MIA is recognised as the voice of the profession both internationally and locally through key engagements such as:

- ▶ involvement and thought leadership at IFAC and ASEAN Federation of Accountants (AFA)
- ▶ provision of support to the Malaysian board member of International Public Sector Accounting Standards Board (IPSASB)
- ▶ Malaysia-Indonesia mutual cooperation to explore the regional accountancy services market and support ASEAN services liberalisation
- ▶ participation in the development of the new MQA Programme Standards of Accounting
- ▶ collaboration with Bank Negara Malaysia (BNM) on Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA) initiatives
- ▶ collaboration with the Malaysian Institute of Certified Public Accountants (MICPA) on the International Standard on Quality Management (ISQM) implementation for enhancing audit quality and practice management.

Our flagship MIA International Accountants Conference (MIAC) 2023 exemplifies the best aspects of our stakeholder collaboration, whereby close to 3,500 accountants from various sectors were in attendance to hear from 71 expert speakers, including a special address on accountants and sustainability by IFAC President Asmâa Resmouki.

Five, MIA continues to advocate for a more business-friendly and enabling environment to build economic resilience and support business continuity especially among SMPs and SMEs. A key initiative by MIA is supporting the Companies Commission of Malaysia's (SSM) proposal to increase the threshold of the audit exemption qualifying criteria to assist smaller companies in complying with the Companies Act 2016, which will benefit SMEs.

Six, as sustainability risks take centre stage and investors and stakeholders demand an urgent transition to low carbon business models, it is especially important to address the profession's sustainability agenda holistically in order to ensure the future relevance of accountancy professionals and the Institute.

Hence, in December 2022, the MIA Council approved the Sustainability Agenda concept paper which outlines MIA's strategy to advocate sustainability for the accountancy profession and to implement the environment, social and governance (ESG) agenda systematically at the Institute level.

Seven, MIA continues to drive digital transformation of the profession to enable business resilience and sustainability in the digital economy. A key milestone was our launch of the MIA Digital Technology Adoption Awards (DTAA) which recognises remarkable achievements in technology application by the accountancy profession in commerce and industry, public practice and public sector.

Acknowledgements

To future proof the profession, MIA is highly reliant on the contributions and collaboration of our diverse stakeholders.

On behalf of the Council, I wish to thank the MOF, the Offices of the Accountant General and the Auditor General, Ministries as well as the public sector and private sector organisations with whom we collaborate for supporting our efforts.

I also wish to thank my fellow Council members for their oversight and contributions. Many thanks are also due to the MIA Boards/Committees/Working Groups who play a major role in steering and enabling MIA's initiatives.

The Council would also like to express its appreciation to the management and staff of MIA for their professionalism and diligence in executing MIA's regulatory and development initiatives.

Last but not least, the Council would like to thank all our members for your continuing support and commitment to MIA and the profession. MIA is committed to continuously engaging with members to better appreciate your issues and challenges, and we will seek opportunities to contribute to members via more CSR activities.

Even as the profession evolves, we trust that members will steadfastly adhere to the professional standards, ethics code and the MIA By-Laws that are the cornerstone of the profession's public interest mandate.

As a purpose-driven profession, we have an invaluable opportunity to contribute to nation building. By working together to achieve a future-fit profession, we can build a better tomorrow.

MESSAGE FROM THE CEO



On behalf of MIA and the management team, I am pleased to report that in terms of our overall performance, 68% of our targets set within the Key Strategic Focus Areas were exceeded, 29% were achieved while 3% were partially met.

**DR. WAN AHMAD
RUDIRMAN WAN RAZAK**
Chief Executive Officer

ENABLING A FUTURE-FIT PROFESSION

Ensuring the business resilience and agility of the Malaysian Institute of Accountants (MIA) is crucial to enabling a future fit profession. For FY2022/2023, MIA concentrated on twelve Key Strategic Focus Areas to further our purpose of regulation and development of the profession in the public interest.

On behalf of MIA and the management team, I am pleased to report that in terms of our overall performance, 68% of our targets set within these Key Strategic Focus Areas were exceeded, 29% were achieved while 3% were partially met.

The following are some key highlights of our performance for the year within these areas.

GOVERNANCE

The repeal of the Accountants Act 1967 is a material matter for MIA that affects our regulatory and developmental performance. To this end, MIA continues to engage with the MOF and assist in the formalisation of the draft bill of the Accountants Act which, once passed, will directly strengthen the Institute's governance structure and our regulatory impacts.

PROFESSION'S TALENT

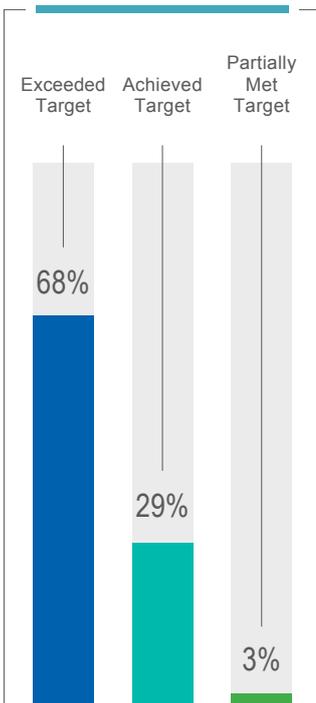
MIA is committed to producing diversified accountancy talents at various certification levels in addition to the CA (M) designation to meet the needs of business and the economy. For FY2022/2023, we have also carried out the implementation activities of the MIA Competency Framework to meet this goal.

COMPETENCY AND COMPLIANCE

For FY2022/2023, MIA successfully organised 938 CPE events that benefited 35,401 members and non-members. The pinnacle of our CPE was the MIA International Accountants Conference 2023, our first hybrid conference which drew our largest ever contingent of 3,478 delegates and strengthened our valued relationships with 52 international and local sponsors and partners.

We carefully designed our CPE to integrate MIA's advocacy and thought leadership in ethics, accounting, auditing, ESG, IR and sustainability as well as CFO and finance function transformation, in order to benefit all our members in the four segments of PAIB, public practice, public sector and academic.

CPE training on ISQM was a key focus for FY2022/2023 in order to prepare audit practitioners to respond and adapt to changes in auditing standards and emerging challenges, with the goal of delivering high-quality audits in the public interest.



PROFESSION AND INTERNAL DIGITAL TRANSFORMATION

For FY2022/2023, MIA continued to prioritise the digital transformation of the profession in Malaysia. Important milestones for FY2022/2023 include organising the MIA Digital Month 2023 and the launch of the MIA DTAA.

Equally critical is implementing internal digital adoption to build the infrastructure, services and culture needed to drive the profession's future relevance. As part of the Institute's digital transformation exercise, MIA is migrating to cloud-based services namely Amazon Web Services (AWS) to serve our stakeholders better. MIA is also in the process of setting up a secondary data centre to improve IT security and better manage cybersecurity threats.

INTERNAL REFORMS AND TALENT OPTIMISATION

The profession's future relevance is enabled by MIA's ongoing internal improvements, which include optimising our governance structure, our talents, our manuals and SOPs to steer and enhance performance.

Talent is highly critical as MIA has identified a competency gap and talent sufficiency as key challenges in our regulation and development activities. For FY2022/2023, we continued to improve our internal talent management and development processes and maintained our remote working arrangements to heighten productivity and staff satisfaction.



See pages 16 and 17 for a discussion on Our Talent

RECOGNISED VOICE OF THE PROFESSION

Brand building and strategic communications are essential to strengthen MIA's market recognition and acceptance as the voice of the profession, and to create awareness of MIA's regulatory and enforcement activities. For FY2022/2023, MIA continued to reinforce public perception of itself as the regulator and voice of the profession through an uptick in media and stakeholder engagements, as well as the roll out of the new MIA corporate website and enhanced e-Accountants Today (e-AT) digital magazine.

SUSTAINABILITY AND ESG

Sustainability and ESG is gaining momentum as climate and sustainability risks threaten business continuity and the well-being of people and planet. In FY2022/2023, MIA established the new Sustainability Department under the auspices of the Sustainability, Digital Economy and Reporting (SDER) Division to manage its ESG agenda. Under the oversight of the MIA Council's new Sustainability Blueprint Task Force, the primary role of this department is to develop and implement the Sustainability Blueprint for the accountancy profession, as well as the sustainability frameworks and targets for the Institute.

FINANCIAL SUSTAINABILITY

As a self-sustaining organisation, MIA relies on a dynamic funding mechanism that enables us to finance our regulatory and development plans in the public interest.

FY2023/2024 PROSPECTS

For the year ahead, MIA is committed to strengthening its regulatory and development activities and impacts in order to facilitate the future relevance of the profession, in the public interest.

Steered by the MIA FY2023/2024 Operational Plan, MIA will devote our efforts to achieving our key strategic focus areas. These are:

- ▶ new members' admission and recruitment, supported by the ongoing implementation of the MIA Competency Framework.
- ▶ continuing to enhance MIA's governance structure and pursue the formalisation of the draft bill of the new Accountants Act.
- ▶ development of new CPE courses that leverage on emerging trends of Virtual, On-Demand, Hybrid and Physical programmes, events and conferences.
- ▶ advocacy for digital transformation and communication of FRP.
- ▶ upskilling audit practitioners on compliance to the ISQM.
- ▶ advancing advocacy and thought leadership in the core areas of ethics, accounting, auditing, taxation and corporate reporting.
- ▶ expediting MIA's institutional transformation including establishing a new procurement policy and procedures, and developing the MIA Sustainability Blueprint and Framework to drive our sustainability agenda.

Acknowledgements

The accountancy profession is charging ahead into an exhilarating yet challenging phase of growth in the post-pandemic economy. As the regulator and developer, MIA is determined to execute our strategic and business continuity plans, in order to strengthen our capacity and capabilities to steer the profession towards future relevance.

Strategic collaboration, robust leadership and strong stakeholder support are vital to drive the transformation of MIA and the profession. On behalf of the MIA management team,

I would like to thank the MIA Council for their leadership and oversight. I would also like to convey our appreciation to all members, representatives and members of all MIA Boards/ Committees, stakeholders, partners, collaborators and staff for your contributions and staunch support.

In this complex and uncertain landscape, MIA is committed to prioritising and strengthening our regulatory and development activities to forge a future-fit profession that upholds the public interest and our nation building purpose.

SENIOR MANAGEMENT INSIGHTS

INTEGRATED
ANNUAL REPORT
2023

DATO' MUHAMMAD REDZUAN ABDULLAH

Executive Director, Surveillance & Enforcement

Total years of experience: 40

Industry Experience: ● ● ●

Key Responsibilities:

Surveillance and Enforcement, Practice Review, Financial Statements Review & CPE, Legal



As the regulator of the profession, protecting the public interest is paramount.

As MIA seeks to expedite the repeal of the Accountants Act 1967 that will grant greater powers of enforcement and regulation, we continued to enhance our regulatory functions and collaborate on proactive enforcement to crack down on bogus practitioners and the members colluding with them. To facilitate proactive enforcement, we provided referrals to other regulators like SSM, IRB, MCMC, MACC, and PDRM. We published notices in the media to alert the public against engaging with unqualified practitioners and bogus audit practitioners. We also collaborated with MCMC to take down most of the websites offering these public practice services.

To improve the quality of public practice which is fundamental to build trust, MIA has revised its Practice Review framework that builds in three new mechanisms. One, firms under review now have 24 months to produce a remedial action plan annually. Two, firms can undertake peer review to assess their standing within those 24 months. Three, within that 24-month period, practitioners rated as Type 3B are required to attend a Quality Assessment Program facilitated by MIA and MICPA to understand the standards of quality management and the control mechanisms required under the ISQM towards enhancing audit quality. The framework is currently in the process of development, to be followed by a public consultation and a trial run before being implemented with effect from 1 July 2024.

Although we face the challenge of limited resources, MIA recorded a higher rate of cases disposed at the Investigation Committee, the Disciplinary Committee and the Disciplinary Appeal Board. For FY2022/2023, more complaints were lodged by proactive enforcement whereas we received more complaints from the public in the past, attesting to the effectiveness of the proactive enforcement approach.

G. SHANMUGAM

Executive Director, Strategy & Development

Total years of experience: 35

Industry Experience: ● ● ●

Key Responsibilities:

Strategic Planning, Strategic Collaboration, Professional Development, Strategic Communications & Branding



MIA places a high priority on enhancing the Institute's business resilience, strategic collaborations and professional development programmes towards developing the profession.

In FY2022/2023, we accomplished our FY2023/2024 business planning exercise and reviewed and updated the internal SOPs which will steer the Institute's near-term direction and activities to improve its business processes for higher efficiency.

We also rolled out the MIA new corporate website and the enhanced e-AT digital magazine to improve our communications and engagement effectiveness. For FY2023/2024, we expect to further enhance our communications strategies and forge better working relationships with stakeholders, including international stakeholders, to drive our strategic collaborations.

To upskill accountancy professionals, we achieved our targets in delivering 938 CPE programmes on various technical and non-technical topics that are current and future relevant, which benefited 35,401 accountancy professionals. The apex of our CPE calendar was the MIA International Accountants Conference 2023, our first hybrid Conference that drew the largest ever contingent of 3,478 Malaysian and international delegates.

In fulfilling the growing demand for on-demand CPE courses, we successfully designed and produced six on-demand courses in FY2022/2023 that accountancy professionals can access at their convenience.

CPE is a development tool for future relevance of the profession and at the same time it is an indispensable income stream for the Institute. MIA always endeavours to balance affordable pricing with optimum cost management in members' best interest.

For FY2023/2024, MIA intends to produce more proprietary on-demand and industry-focused certification courses to support the accountancy professionals.

SENIOR MANAGEMENT INSIGHTS

Overview

Reflections from the Top

In Focus

Value Creation

Governance

Financials

Appendix

Diversity of Experience



SIMON TAY PIT EU

Executive Director, Professional Practices & Technical	
Total years of experience: 28	Industry Experience: ● ● ●
Key Responsibilities: Auditing and Assurance, Ethics, Capital Market, PAIB, Public Practice, SMPs, Insolvency, Integrated Reporting, Islamic Finance	



Aside from ethics, significant efforts were channelled into key areas involving audit quality, sustainability, insolvency and Islamic finance during the financial year.

Enhancing and maintaining audit quality is central to engendering trust in the auditing profession and ensuring its continued relevance. MIA prioritised ISQM initiatives aimed at enhancing the quality management of audit firms in Malaysia. For FY2022/2023, we organised ISQM webinars, continued to update our dedicated website on Quality Management and created video clips on implementation. In addition, the online bank confirmation platform initiated by the Institute through collaboration with a vendor has reached significant traction whereby almost all auditors are reaping the benefits of having a more secure and efficient bank confirmation process.

MIA participated in the global sustainability agenda through the submission of comment letters on the exposure drafts by the International Sustainability Standards Board (ISSB) on general sustainability and climate-related disclosures. We also engaged CFOs on navigating ESG priorities and the enhanced sustainability disclosures in the listing requirements of the stock exchange. A Working Group was set up to deliberate on and develop guidance on sustainability assurance, an important emerging area in the country. We will continue to focus on upskilling members on the adoption of IFRS S1 and IFRS S2 and the practice of sustainability assurance.

In the areas of insolvency, we enhanced the guidance materials for practitioners by revising the existing Insolvency Guides and further including 3 new areas involving corporate rescue mechanism. As for Islamic finance, we issued a white paper on Shariah audit and will continue with the development of a Shariah audit roadmap and its operationalisation. We also showcased Malaysia's leadership in Islamic finance by collaborating with IFAC in publishing a series of articles on facilitating SDGs with Islamic finance and are preparing for an international roundtable with IFAC and the World Bank.

RASMIMI RAMLI

Executive Director, Sustainability, Digital Economy & Reporting	
Total years of experience: 22	Industry Experience: ● ● ●
Key Responsibilities: Sustainability, Digital Economy, Financial Reporting, Tax and Public Sector Research, Corporate Reporting, Risk Management and Customised Learning	



In our advocacy role, we produced more than 30 contents in the form of comment letters (to authorities, regulators and standard setters), articles guidance, publications and videos, and conducted 64 engagements with stakeholders throughout the year. In providing technical support and building capacity of the profession, we responded to more than 100 technical queries and organised 46 webinars and customised trainings during the year.

Our highlights included conceptualising MIA's strategic direction on sustainability at both the profession and Institute's levels through the Sustainability Agenda Concept Paper during the year. We are currently developing a sustainability blueprint and framework with the aim to issue it in FY2023/2024 and subsequently embark on its implementation.

To seamlessly drive digital transformation, MIA focused on implementing our two-year digital economy operational plan. The main highlight of FY2022/2023 was undoubtedly the MIA Digital Technology Adoption Awards (DTAA) launched in March 2023. The awards presentation will be in FY 2023/2024 followed by showcasing the winning success stories to catalyse further digital adoption by the profession through our contents and webinars. We will also continue our efforts on supporting our small and medium practitioners in their technology adoption effort.

We articulated our global voice and Malaysia's interests through our role as a technical advisor to the Malaysian member of the International Public Sector Accounting Standards Board and our advocacy efforts. This will continue until 2025.

SUSTAINABILITY AGENDA



“As professional accountants, we are the enablers of sustainability. We are at the center of information flows and decision making. We can integrate financial and non-financial information. Wherever we are in the value chain - as preparers, as senior management, as board and Audit Committee members or in firms - we have the skills to transform high quality standards into high quality information.”

ASMÂA RESMOUKI

IFAC President



“As the regulator and developer of the profession, MIA has identified climate change and ESG issues as game changers that will reset the global business ecosystem. As Malaysia pursues its pathway to a low-carbon economy, accountants are ideally positioned to be a strategic partner for companies' transition towards a more sustainable future.”

DATUK BAZLAN OSMAN

MIA President

The call for sustainability is gaining momentum as stakeholders demand organisations' transparency on environmental and social impacts towards managing severe global risks. According to the World Economic Forum's Global Risks Report 2023 highlighting the top ten risks over a 2-year period and 10-year period, eight of these relate to environmental and societal risks.

As partners to business and organisation, the global accountancy profession has likewise identified the sustainability agenda as an imperative to ensuring business resilience while protecting the well-being of environment and society. In Malaysia, MIA has committed to advocating for ESG and sustainability to ensure the future relevance of the profession and drive sustainable nation building in the public interest.

The MIA sustainability agenda is a two-pronged approach that advocates sustainability for the accountancy profession and the Institute in order to be future relevant by enhancing the profession's competency, protecting public interest and supporting sustainable nation building.

Among the areas the MIA sustainability agenda will focus on are governance, accounting, people, reporting, process, assurance, systems, regulation and guidance. These are fundamental areas relevant to the accountancy profession and the Institute whereby the sustainability agenda needs to be mapped and addressed.

To steer the way forward, MIA has established the new Sustainability Department to manage the MIA sustainability agenda. The new Sustainability Department is now a core part of the Sustainability, Digital Economy and Reporting (SDER) Division, which was renamed from the Digital Economy, Reporting and Risk Division as of January 2023 to better align with MIA's heightened thrusts on sustainability and digital.

Under the oversight of the new Sustainability Blueprint Task Force established by the MIA Council, MIA is in the midst of developing the MIA Sustainability Blueprint for the accountancy Profession (the Blueprint). The Blueprint focuses on advocating sustainability for the accountancy profession. Simultaneously, the MIA Sustainability Framework and Targets (the Framework) are being developed which outlines the sustainability agenda for the Institute.

Whilst developing the Blueprint and Framework, MIA will continue its advocacy and capability building efforts on sustainability for the accountancy profession in Malaysia. MIA will also continue to implement its own low-carbon initiatives at the Institute level while awaiting the release of the Framework.

ADVOCACY FOR THE PROFESSION'S SUSTAINABILITY

As sustainability and ESG gain traction, organisations are turning to their accountants to help navigate a pathway to being future fit. As a result, accountants need to adapt and assume new roles and functions in sustainability for them to continue adding value to the organisation. Accountants should also advocate for smart sustainability-related policymaking and regulation, helping organisations comply with industry best practices and evolving regulatory requirements.

Sustainability-Related Disclosure

- ▶ With the issuance and future implementation of IFRS S1 and S2, accountants are expected to lead climate reporting and other material disclosures on environmental, social and governance (ESG) matters.
- ▶ As sustainability starts with companies, businesses and organisations (including public sector), accountants should call for the adoption of an integrated mindset that breaks down information silos within organisation and promotes interconnection for sustainable decision-making.

Assurance of Sustainability Disclosures

- ▶ The International Auditing and Assurance Standards Board (IAASB) has proposed a new standard for sustainability assurance, the International Standard on Sustainability Assurance (ISSA) 5000.
- ▶ Accountants will have to be upskilled on the ISSA 5000 which will be a standalone, overarching standard suitable for both limited and reasonable assurance of information reported across any sustainability topics.



For more information about the CPE programmes, please scan this QR Code to access our website.
<https://pd.mia.org.my>



MIA has designed and organised the relevant CPE programmes to ensure that accountants are prepared for the new standards on sustainability-related disclosures and assurance of sustainability disclosures.

FACILITATING SDGs WITH ISLAMIC FINANCE

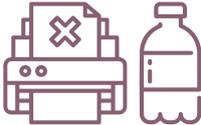
Malaysia leads globally in Islamic finance, which is rapidly emerging as a key sector that can play a large role in supporting the goals of the UNSDGs. The Islamic finance industry promotes socially responsible developments and links economic growth to social welfare.

MIA has collaborated strategically with IFAC on a series of initiatives linking Islamic finance and the UNSDGs. These include:

- 1 Organising 2 joint focus group discussions.
- 2 Issuing 3 articles on facilitating SDGs with Islamic finance that have been published on IFAC Knowledge Gateway and the MIA e-AT digital magazine, and republished by other media.
- 3 An upcoming roundtable organised among IFAC, MIA and the World Bank to be held in Kuala Lumpur by end of 2023 on the topic of utilising Islamic finance tools and concepts to achieve SDGs.

INSTITUTIONAL ESG EFFORTS

While awaiting the issuance and operationalisation of the institutional ESG framework and targets, MIA continues to green our activities. To reduce our carbon footprint, MIA:

<p>Continuously works towards implementing an energy saving programme</p> 	<p>Offers more CPE programmes virtually or on hybrid basis. Saved 6,570,720 sheets of paper (70 gsm)</p> 	<p>No longer provides printed materials or plastic water bottles at the MIA International Accountants Conference</p> 
<p>Committed to plant trees on behalf of speakers at the MIA International Accountants Conference 2023 in lieu of a token</p> 	<p>Provided virtual speaking opportunities for overseas speakers at the Conference instead of flying them in physically</p> 	<p>Promotes remote working arrangements</p> 

Talent will be a primary catalyst for successful ESG adoption. We are looking into how the MIA workforce can embrace a rigorous ESG culture to demonstrate credibility, enhance trust and negate greenwashing risks. Key to this will be the provision of sustainability-related awareness programmes and trainings to ensure that our talents are equipped to facilitate ESG implementation.

CASE STUDY: ADVOCATING ETHICS IN THE PUBLIC INTEREST

Overview
Reflections from the Top
In Focus
Value Creation
Governance
Financials
Appendix

In line with its mandate to uphold the public interest as intended by the Accountants Act 1967, the MIA is accelerating its ethics advocacy and education to ensure that members adhere to the highest professional and ethical standards of conduct.



DR. VEERINDERJEET SINGH
Chairman of the MIA Ethics Standards Board

“In serving the public interest, it is crucial to set ethics (including independence) standards as a cornerstone for ethical behavior in business and organisations. Upholding ethics is also essential to ensure public trust in financial and non-financial information that is fundamental to the proper functioning and sustainability of organisations, financial markets and economies worldwide.”

Ethics is fundamental to public trust in the conduct of professional accountants and it must always be the basis of their judgments, decisions, and actions when performing professional activities or services.

Indeed, ethics has become even more crucial as the business landscape becomes more complex, challenging and uncertain. The conduct of professional accountants is naturally subject to scrutiny given the profession’s leading role as financial advisors and custodians. Reports of financial misconduct in major jurisdictions as well as in Malaysia have led many stakeholders including regulators and the public to question whether the conduct of accountants is trustworthy, honest, free from conflicts of interest, in accordance with confidentiality requirements, or in the public interest.

To narrow the trust deficit, it is essential for accountants to behave ethically in compliance with professional standards and practices. As the regulator of the profession, MIA emphasises the importance of ethical behaviour and enforces compliance with the MIA By-Laws (On Professional Ethics, Conduct and Practice) of which Part A is substantially based on the International Code of Ethics for Professional Accountants established by the International Ethics Standards Board for Accountants (IESBA).

INTERNATIONAL CODE OF ETHICS FOR PROFESSIONAL ACCOUNTANTS

Among all professions, the global accountancy profession stands apart in having a comprehensive and robust code of ethics in the IESBA International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) that it must apply. This Code is globally accepted as evidenced by its adoption or use in over 130 jurisdictions including Malaysia, and adoption by the 34 largest international networks of accounting firms for transnational audits.

The high-quality ethics standards in the Code are a cornerstone to ethical behaviour in business and organisations, and they underpin the accountancy profession’s longstanding good reputation. It is therefore crucial that all accountants fully understand and comply with all their ethical obligations under the Code.

The fundamental principles clearly establish the standard of behaviour expected of all professional accountants. The Code also sets a clear expectation for professional accountants, especially those in leadership or managerial roles, to promote an ethical culture within their organisations.

Upholding the fundamental principles and complying with the specific requirements of the Code enable professional accountants to meet their responsibility to act in the public interest. Non-compliance with ethical requirements not only creates a risk of adverse consequences for accountants from a professional or regulatory standpoint, but also may result in profound negative consequences for firms, employing organisations, clients, other stakeholders, and the public at large. Ethical failures can also damage the profession’s reputation.

**CASE STUDY:
ADVOCATING ETHICS IN THE PUBLIC INTEREST****MIA'S ETHICS ADVOCACY****Strengthening Public
Confidence in the
Accountancy Profession**

High quality professional and ethics standards that are benchmarked against international practices will enhance the quality and consistency of services provided by professional accountants in Malaysia. This will in turn strengthen public confidence in the accountancy profession.

The inculcation of professional ethics, conduct and practices among MIA members comes under the oversight of the MIA Ethics Standards Board (ESB), a standard setting body under the auspices of the MIA Council. The ESB's main objective is to promote adherence to high quality professional and ethics standards and convergence with international ethics standards.

To ensure that the MIA is heard and recognised as the voice of the profession, the ESB also reviews exposure drafts issued by the IESBA and submits comments thereon. The ESB's role also entails taking into consideration any final pronouncements issued by the IESBA to be adopted in Malaysia and issuing guidance or clarification to assist the implementation of Sections 100 to 990 of Part A of the By-Laws (On Professional Ethics, Conduct and Practice) of the Institute.

MIA efforts to inculcate sound ethical conduct among members is guided by Strategic Objective 2 (SO2) - Nurture professional values and ethics of members to uphold a strong accountancy profession.

Accordingly, MIA has embarked on various initiatives to strengthen the ethical culture of the Malaysian accountancy profession. These include:

1 Creating written and media content and organising outreach activities to provide awareness on the MIA code of ethics

2 e-AT articles

**Changes to the Ethics Code:
Revisions to the Definitions of
Listed Entity and Public Interest Entity**

published on 23 June 2023

**Dialogue with the Chairman
of the MIA Ethics Standards Board**

published on 27 June 2023

3 Integrating ethics contents into various **MIA Programmes** such as the Public Practice Programme, Townhall, SMP members engagements, collaboration with PPT and regulators such as AOB, SSM, JANM, SPRM, SKM and BNM

4 Organising a panel session on Ethical Leadership in a Digital Era at the MIA Digital Month 2023

5 Releasing a non-authoritative guidance on ethical conduct for accountants in public practice on using technology

**Ethical Guidelines on Technology
Usage for Public Practitioners**

published on 30 June 2023

6 Organising Ethics Webinars and Quizzes for Members

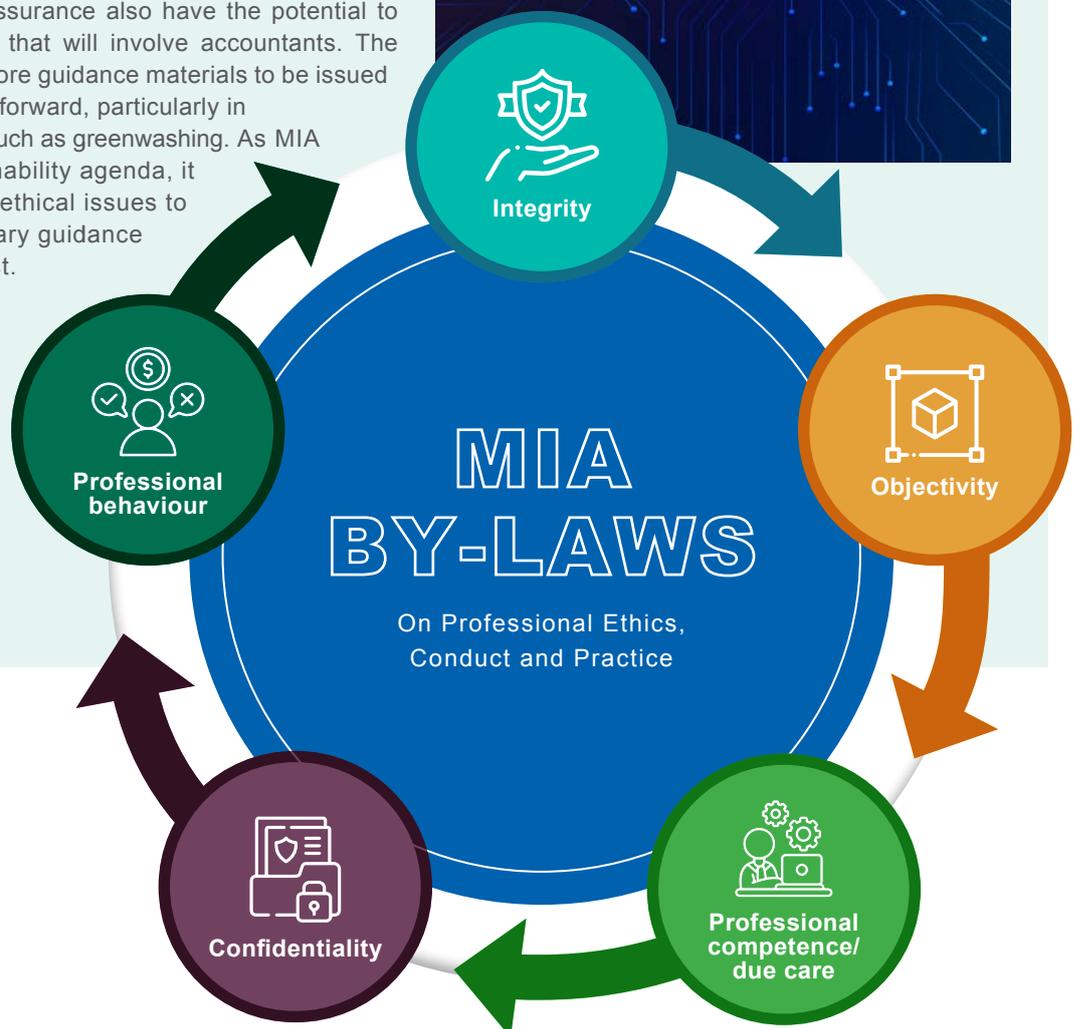
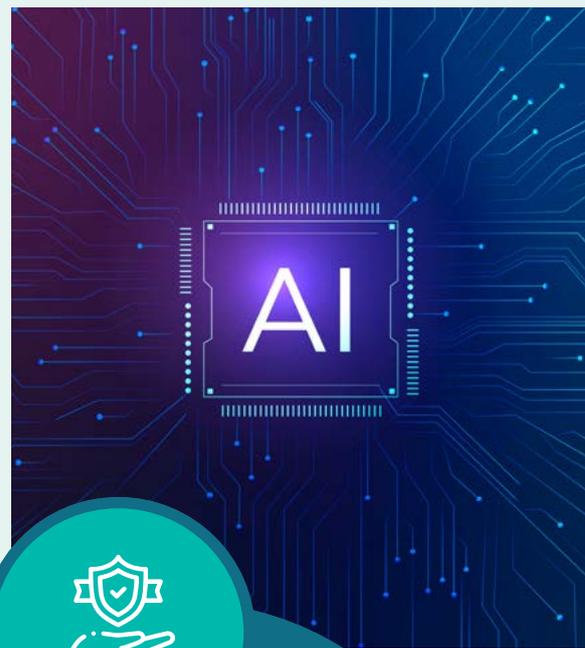
7 Organising outreach activities with universities

EMERGING ETHICAL RISKS

Accountants have to be mindful of ethical and governance considerations emerging in the digital and sustainability space in order to continue upholding the public interest.

As technology is constantly evolving, most recently in the realm of artificial intelligence programs like ChatGPT, revisions to codes of ethics are necessary to guide accountants on the use of any technology, including possible future technologies. Technological innovation is also transforming how work is performed and how professional services are delivered as well as enabling new services in ways never before imagined. It is crucial and in the public interest that MIA members comply with strong, clear and principles-based standards to equip themselves in navigating the ethical risks and challenges brought on by technology.

Similarly, the pressure to adopt ESG for sustainability and the emerging areas of sustainability-related disclosures and sustainability assurance also have the potential to raise ethical issues that will involve accountants. The ESB also expects more guidance materials to be issued by the IESBA going forward, particularly in dealing with issues such as greenwashing. As MIA develops its sustainability agenda, it will track emerging ethical issues to provide the necessary guidance in the public interest.



OUR TALENT

MIA prioritises capacity and competency building, integrated thinking and a collaborative culture to fuel our regulatory and development purpose.

As the authority and point of reference for the accountancy sector in Malaysia, it is critical for MIA to enhance internal talent and strengthen institutional competency and capacity to effectively regulate and develop the profession.

For the year under review, MIA continued to practise a hybrid working model - combining remote and physical work arrangements - that reduces our carbon footprint while elevating the productivity and satisfaction of staff as they adapt to new workplace norms. MIA also continued to leverage on digital technologies, including a shift to cloud systems and services that will raise staff productivity and our service quality to stakeholders.

To build capacity, MIA has to vigorously attract and retain talents in a highly competitive war for talent. Currently, MIA relies on a lean and productive workforce of 160 talents, comprising professionals with legal, audit, accounting and judicial qualifications and experience complemented by talent in other strategic and supporting roles. MIA is in the process of conducting a market benchmarking study and review of employees' compensation and benefits to assess where it stands vis-a-vis other employers.

The competency gap remains as a top risk to MIA's business resilience. To address the shortfall between staff's existing skills, knowledge and experience compared to job roles and expectations, MIA continued to invest in competency building. Key strategies include:

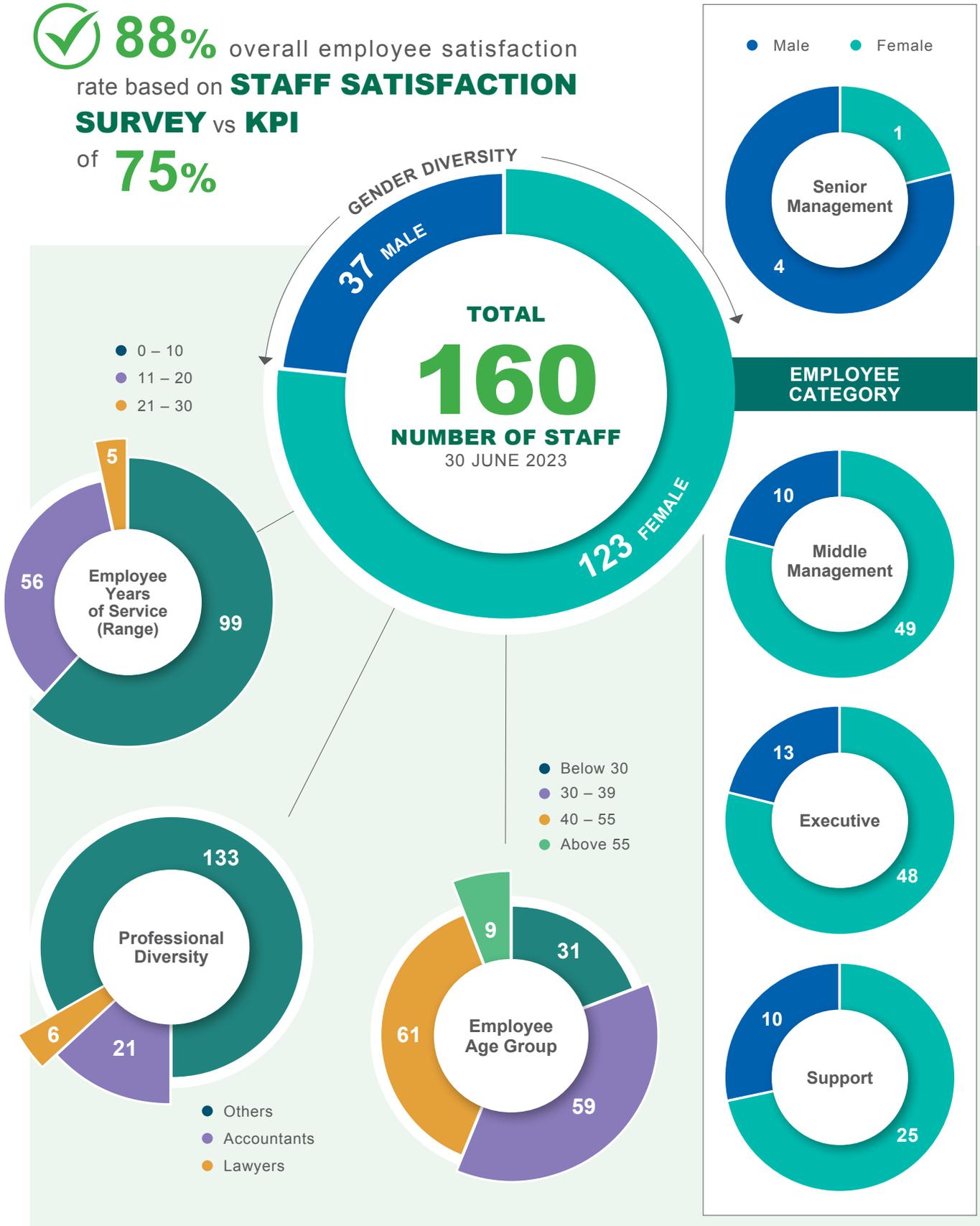
- 1 **Enrolling talents in internal and external training programmes** that familiarise them with new norms of online learning and professional development prevalent at MIA e.g. hybrid/virtual/physical workshops, seminars and conferences and e-learning modules.
- 2 **Providing training in various areas** e.g. technical, soft skills, risk management, digital technology and transformation, and soft skills.
- 3 **Repositioning and retraining staff to embrace a culture of integrated thinking and collaboration** for greater effectiveness and outcomes.

As part of our internal transformation exercise to align our talents wholeheartedly with MIA's purpose for future relevance of the profession and nation building, MIA continues to review HR policies and implement better systems for HR processes.

In alignment with MIA's adoption of the sustainability agenda, staff will also require new additional training on adopting a sustainability-oriented culture that is enabled by digital tools and technologies.

Going forward, MIA aspires that all our talents will be able to internalise the MIA core values of IMPACTS in order to achieve our shared deliverables and take the Institute to the next step in our journey of advocating for a future-fit profession.


88% overall employee satisfaction rate based on **STAFF SATISFACTION SURVEY** vs **KPI** of **75%**



OUR VALUE CREATION MODEL

INTEGRATED ANNUAL REPORT 2023

Depicts how MIA deploys its capitals as steered by its Strategic Objectives to achieve an agile, resilient and future fit profession that protects the public interest and enables sustainable nation building.



OUR VALUE CREATION MODEL

- Overview
- Reflections from the Top
- In Focus
- Value Creation**
- Governance
- Financials
- Appendix

YEAR 2023	YEAR 2022
938	895
35,401	31,007
1 st International Hybrid Conference	2 nd Virtual Conference
3,478	2,630
52	30
35	33
44	44
96%	93%
2 ESB reports, 2 webinars & quizzes, 2 articles, 1 publication, 2 speaking engagements for universities	2 webinars, 2 quizzes, 1 video, 3 updates, 1 article
13	14
Phase 3 in progress	Phase 2 completed
2.55% members growth (38,460)	0.16% members growth (37,503)
6 standards	7 standards
Review of ISQM Manual, 2 videos, Incorporated ISQM 1 in PPP, 42 events (inclusive of 4 complimentary events)	Created a dedicated Quality Management Standards webpage, 15 events (inclusive of 1 complimentary event)
74	75
FSRC 32 cases reviewed, PRD 31 reports reviewed	FSRC 35 cases reviewed, PRD 30 reports reviewed
NOC completed within 4-5 working days, 83 complaints referred for Investigation	Notice of Complaints – 75 complaints referred for Investigation
52 engagement sessions, 3 Town Halls	49 engagement sessions, 3 Town Halls
Participated in the IFAC & AFA Council Meetings and WCOA 2022, Technical Advisory support, Chair of AFA's Working Committee	Participated in the IFAC & AFA Council Meetings, Technical Advisory support
28	35
107 active partners offering benefits & privileges	86 active partners offering benefits & privileges
83.4% of respondents to the MIA Member Satisfaction Survey are satisfied with MIA	-
Implementation of Digital Economy operational plan, MIA Digital Month 2023, Launch of DTAA	Created Digital Economy page on MIA website
Sustainability Department and Blueprint Taskforce established, 6 articles published, 19 events conducted	20 ESG programmes, 6 articles published
168	143
RM46.01 million	RM36.43 million

VALUE CREATED

- ▶ **Competency Building** towards a future fit profession
- ▶ **Develops competency** and supports compliance
- ▶ **Inculcates professionalism** and ethical conduct
- ▶ **Creates awareness** of MIA's regulatory and development activities
- ▶ **Diversifying talent** for different market needs
- ▶ **Builds capacity** of the profession
- ▶ **Convergence with global standards**
- ▶ **Enhances audit quality**
- ▶ **Strengthens regulation**
- ▶ **Strengthens compliance** and governance
- ▶ **Strengthens compliance** and protects the public interest
- ▶ **Upskill members** for future relevance
- ▶ **Voice of the profession**
- ▶ **Enhances MIA's recognition** as voice of the profession
- ▶ **Enhances profession's value proposition**
- ▶ **Enhances member retention**
- ▶ **Supports future relevance** of the profession
- ▶ **Prepares accountancy professionals** for ESG adoption
- ▶ **Strengthens visibility** and recognition of MIA as voice of the profession
- ▶ **Sustains MIA's regulation** and development activities

STAKEHOLDER ENGAGEMENT

MIA harnesses strategic collaboration to engage and partner with our stakeholders, benefiting from one of the largest networks of stakeholders in the industry. Through our extensive stakeholder engagement efforts, MIA derives actionable insights for value creation.

Here we evaluate MIA’s diverse stakeholder relationships and their current and potential impact on MIA’s ability to achieve a future fit profession and support our nation building purpose.

GOVERNMENT

Their Interests

- Strong regulation
- Robust accountancy profession

How We Engage

- Work closely with MOF, the Offices of the Accountant General and Auditor General, other key Ministries and Government agencies
- Advocate with MOF for the repeal of the Accountants Act
- Collaborated with Bank Negara Malaysia (BNM) and Malaysian Anti-Corruption Commission (MACC) on strengthening governance
- Revisited audit licence application criteria (effective 1 April 2023)
- MIA Statutory Committees to discharge their functions and inform Government of disciplinary outcomes
- Advocate for public sector financial management reforms, ESG and tax governance
- Participate in Government working group panels, Ministerial meetings and roundtables
- Make submissions to authorities

Implications

- Government supports the repeal of the Accountants Act to empower MIA as a regulator
- Public sector financial management narrows the trust deficit
- Accountancy prioritised as essential services sector, critical occupation, and key regional export service
- The profession’s viewpoints are integrated into national development plans

Impacts

Capitals:



Strategic Objectives:



UNSDG:



Their Interests

- Economic and Social well-being

How We Engage

- Support Government’s tax, digital economy and sustainability goals

Implications

- Supports business continuity and economic resilience

Impacts

Capitals:



Strategic Objectives:



UNSDG:



REGULATORS

Their Interests

- Strong market regulation
- Feedback on standards and regulations

How We Engage

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

Implications

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

Impacts

Capitals:

SR

Strategic Objectives:

SO3

SO4

UNSDG:

**Their Interests**

- Improved compliance and audit quality

How We Engage

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

Implications

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

Impacts

Capitals:

I

SR

Strategic Objectives:

SO2

SO3

UNSDG:

**Their Interests**

- Excellence in financial and corporate reporting

How We Engage

- Collaborate on NACRA awards (with Bursa Malaysia)
- Collaborate with Bursa Malaysia on adoption of sustainability reporting

Implications

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

Impacts

Capitals:

SR

Strategic Objectives:

SO4

UNSDG:



MEMBERS	
<p>Their Interests</p> <ul style="list-style-type: none"> Ease of statutory approvals Strict enforcement of the Accountants Act 1967 Updates on investigation decisions 	<p>How We Engage</p> <ul style="list-style-type: none"> Membership registration, facilitate and support member related applications Proactive enforcement Advocacy for the repeal of the Accountants Act Provide avenue for complaints on non-compliance of members with relevant Act and MIA by-Laws Investigation decisions published in e-AT Continuous ethical advocacy <p>Implications</p> <ul style="list-style-type: none"> Facilitates membership processes Strengthens investigation and disciplinary processes Improves member and public perception of accountancy profession
<p>Impacts</p> <p>Capitals: SR</p>	<p>Strategic Objectives: SO3 SO4</p> <p>UNSDG: </p>
<p>Their Interests</p> <ul style="list-style-type: none"> Business continuity and well-being support 	<p>How We Engage</p> <ul style="list-style-type: none"> CPE programmes integrating ESG and digital adoption for future relevance MIA digital technology resources, including the launch of the Digital Technology Adoption Awards Outreach activities, CPE programmes and technical resources supporting the implementation of ISQM <p>Implications</p> <ul style="list-style-type: none"> Supports members' resilience and future relevance
<p>Impacts</p> <p>Capitals: I SR</p>	<p>Strategic Objectives: SO1 SO2</p> <p>UNSDG:  </p>
<p>Their Interests</p> <ul style="list-style-type: none"> Enhanced membership services and privileges 	<p>How We Engage</p> <ul style="list-style-type: none"> MIA Membership Information System MIA Digital Membership Privilege Card and Lifestyle Benefits New corporate website and enhanced e-AT digital magazine MIA Member Satisfaction Survey <p>Implications</p> <ul style="list-style-type: none"> Strengthens value proposition of the accountancy profession Attracts and retains accountancy talent
<p>Impacts</p> <p>Capitals: I M SR</p>	<p>Strategic Objectives: SO4</p>

STAKEHOLDER ENGAGEMENT

Overview
Reflections from the Top
In Focus
Value Creation
Governance
Financials
Appendix

MEMBERS

Their Interests

- Future Relevance of the Profession

How We Engage

- MIA Competency Framework
- Engagement activities and townhall sessions
- CPE
- Technical support and updates
- Special discounts on selected professional development courses
- MIA Sustainability Agenda Concept Paper

Implications

- Address members' risks of obsolescence
- Upskill members to be future fit

Impacts

Capitals:



Strategic Objectives:

SO1

UNSDG:



COMPANIES

Their Interests

- Professional development
- Business continuity support

How We Engage

- Customised in-house learning programmes for companies
- Published an enhanced Insolvency Guidance
- CFO Circle events
- Education, networking and knowledge sharing sessions
- Advocacy for ESG, tax governance, sustainability reporting, board governance
- AKPK webinars to enhance financial literacy of SMEs

Implications

- Companies benefit from MIA's customised training
- Upskill professional accountants in business
- Companies integrate sustainability agenda into strategy and operations
- Strengthens business performance for economic resilience

Impacts

Capitals:



Strategic Objectives:

SO1

UNSDG:



PROFESSIONAL ACCOUNTANCY ORGANISATIONS (PAOS)		
<p>Their Interests</p> <ul style="list-style-type: none"> Capacity and competency building Strong and well-regulated local accountancy services market 	<p>How We Engage</p> <ul style="list-style-type: none"> Collaboration on professional development activities, MoUs, co-branded programmes, special pathways Joint memoranda on proposals to authorities NACRA (with MICPA) Support PAO events, including participation as expert speakers Complimentary capacity building initiatives for academicians Feedback on PAO consultation papers Win-win partnerships Publication of DC decisions affecting PAO members <p>Implications</p> <ul style="list-style-type: none"> Develops the Malaysian accountancy profession and accountancy services market Malaysia's perspectives incorporated into consultation documents 	
<p>Impacts</p>		
Capitals: I H SR	Strategic Objectives: SO4	UNSDG:   

PROFESSIONAL SERVICES FIRMS		
<p>Their Interests</p> <ul style="list-style-type: none"> Support for registration and licensing processes Guidance and support for practice management 	<p>How We Engage</p> <ul style="list-style-type: none"> Facilitate firm related applications, and support the application/renewal of auditor and liquidator licenses Channel necessary information to MOF Provide support and address queries Public Practice Programme Practice Review Act as intermediary between firms, Government, regulators, financial institutions and other relevant parties Facilitate the establishment, practice management and continuing operations of professional services firm Implementation of ISQM <p>Implications</p> <ul style="list-style-type: none"> Supports regulatory compliance and good governance Improves quality of public practice services in the public interest 	
<p>Impacts</p>		
Capitals: SR	Strategic Objectives: SO4	UNSDG: 

<p>Their Interests</p> <ul style="list-style-type: none"> Business resilience 	<p>How We Engage</p> <ul style="list-style-type: none"> Advocacy and resources for ESG implementation and digital adoption <p>Implications</p> <ul style="list-style-type: none"> Member firms are future fit 	
<p>Impacts</p>		
Capitals: SR	Strategic Objectives: SO1	UNSDG: 

STAKEHOLDER ENGAGEMENT

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	

ACADEMICIANS

Their Interests

- Competency Development

How We Engage

- Complimentary capacity building programmes with other PAOs
- Complimentary workshops
- Updates on latest developments related to the profession
- Develop video recordings for Train the Trainer sessions

Implications

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

Impacts

Capitals:



UNSDG:

**Their Interests**

- Represent their interests

How We Engage

- Engage Government on matters relating to accountancy education via representation in core committees in MOHE
- Regular engagement with Council of Deans and Universities

Implications

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

Impacts

Capitals:



UNSDG:

**Their Interests**

- Research support

How We Engage

- Collaborate with MAREF on accountancy research and grants scheme

Implications

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

Impacts

Capitals:



UNSDG:



PUBLIC	
<p>Their Interests</p> <ul style="list-style-type: none"> Protection of the public interest 	<p>How We Engage</p> <ul style="list-style-type: none"> Strengthen regulation and enforcement Uphold ethical conduct Educate public on scope and roles of accountants Warn public against unauthorised accountancy service providers Inform public that grievances can be lodged with Registrar’s Office Decisions on cases are gazetted and published Decisions on investigations communicated to complainants CPE open to non-members Information available on website, e-AT and through media reports <p>Implications</p> <ul style="list-style-type: none"> More information on profession available in public sphere Public steers clear of unauthorised public practice services Public better understands role of profession Profession is trusted and relevant
<p>Impacts</p> <p>Strategic Objectives: SO3 SO4 UNSDG: </p>	

GLOBAL ASSOCIATIONS AND STANDARD-SETTERS (IFAC, IASB, ISSB, IAASB, IPSASB, IAESB, IESBA, AFA)	
<p>Their Interests</p> <ul style="list-style-type: none"> Collaboration on the global profession’s development agenda 	<p>How We Engage</p> <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 IFAC content on e-AT Submissions of comments to global standard-setters Support global advocacy initiatives Global accountancy leaders speak at MIA conferences and events Adoption of international standards Technical Advisor of the IPSASB <p>Implications</p> <ul style="list-style-type: none"> MIA recognised as the voice of the profession Supports the future relevance of the profession
<p>Impacts</p> <p>Capitals: SR Strategic Objectives: SO4 UNSDG: </p>	

STAKEHOLDER ENGAGEMENT

Overview
Reflections from the Top
In Focus
Value Creation
Governance
Financials
Appendix

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

Their Interests

- Support continuing improvement and implementation of international frameworks and standards

Impacts

Capitals:



Strategic Objectives:



UNSDG:

**How We Engage**

- National Integrated Reporting advocate and trainer certified by IFRS Foundation
- Comment letters and feedback

Implications

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

EMPLOYEES (MIA'S INTERNAL TALENT)

Their Interests

- Career and competency development opportunities

Impacts

Capitals:



UNSDG:

**How We Engage**

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

Implications

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

Their Interests

- Employee well-being

Impacts

Capitals:



UNSDG:

**How We Engage**

- Healthy and safe workplace
- Flexi work-from-home
- Numerous employee benefits and privileges

Implications

- Supports better work-life balance
- Improves employee satisfaction

ACCOUNTANCY TALENT (STUDENTS AT SECONDARY AND TERTIARY LEVEL, CARE COORDINATORS)		
<p>Their Interests</p> <ul style="list-style-type: none"> • High-skilled high value jobs • Future-proof career pathways 	<p>How We Engage</p> <ul style="list-style-type: none"> • Collaborate with schools and universities to engage students • Accounting Students Conference (ASC) • National Accounting Student Excellence Awards (NASEA) • MIA Information Day • Career Talk Sessions, Career Fairs, Career Guidance/Pathway Webinars • CARE Awareness Programmes • MIA Accounting Quiz <p>Implications</p> <ul style="list-style-type: none"> • Communicate on the pathway and prospects of accountancy careers • Address concerns on the impact of technology on accountancy profession • Attract and retain future talents in accountancy profession 	
<p>Impacts</p> <p>Capitals: SR Strategic Objectives: SO4 UNSDG:   </p>		

MEDIA (TRADITIONAL AND SOCIAL)		
<p>Their Interests</p> <ul style="list-style-type: none"> • Newsworthy content 	<p>How We Engage</p> <ul style="list-style-type: none"> • Social and traditional media channels • e-AT digital magazine • Media partnerships • Media training on roles and relevance of the profession • Media engagements, invitations and interview opportunities • MIA corporate and strategic communications e.g. press releases and speeches <p>Implications</p> <ul style="list-style-type: none"> • Increased visibility and branding for MIA and the profession • Increased social media presence • MIA recognised as accountancy regulator and voice of the profession • Communicates MIA's advocacy and nation building purpose • (-) MIA unable to divulge confidential information about cases • (-) Possible negative reporting about MIA 	
<p>Impacts</p> <p>Capitals: SR Strategic Objectives: SO4 UNSDG: </p>		

STAKEHOLDER ENGAGEMENT

Overview
Reflections from the Top
In Focus
Value Creation
Governance
Financials
Appendix

SUBJECT MATTER EXPERTS (PARTNERS AND SPEAKERS)

Their Interests

- Opportunities to share expertise
- Win-win partnerships

How We Engage

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

Implications

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

Impacts

Capitals:



Strategic Objectives:

SO4

UNSDG:



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

Their Interests

- Advocating for the profession's interests
- Networking and opportunities for social contributions

How We Engage

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

Implications

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

Impacts

Capitals:



Strategic Objectives:

SO4

UNSDG:



MARKET OUTLOOK AND KEY TRENDS

These are the external developments and key trends that are expected to impact our operations and strategic value creation activities in the short, medium and long term.

We derive this information from our market monitoring, research and stakeholder engagements. Guided by our strategic objectives, MIA takes action to drive the future relevance of the profession and support sustainable nation building.

ECONOMY

- (-) Challenging conditions due to sustainability risks, interest rate, inflation and cost of living concerns, talent shortage, geopolitical concerns, and supply chain disruptions.
- (+) BNM forecasts GDP growth of 4% to 5% for 2023

How We Respond

- Regularly revisit and revise the Institute’s scenario plans and risk controls to support business continuity
- Focus on enterprise risk management, capacity and competency building to improve the Institute’s performance
- Strengthen Future Relevance of the Profession
- The profession can meet growing challenges and expectations by further demonstrating its ability to master cross-border technical, and cultural issues to work for greater global consistency
- The profession can increase efforts and in enhancing government transparency, reporting and accountability, financial, tax, and risk management including ethics and public sector accounting standards

Impacts

Capitals:



Strategic Objectives:



UNSDG:



REGULATIONS AND STANDARDS

- (-) Delay in the repeal of the Accountants Act 1967
- (+) Local legislation that impacts the accountancy profession: AMLA, Section 17A MACC, Code of Corporate Governance by SC, Companies Act 2016, Sustainability Reporting Guide
- (+) Global standards that impact the accountancy profession: IFRS S1 & S2, Quality Management Standards, ISA 600, Implementation of ISA 315 Identifying and Assessing the Risks of Material Misstatement, BEPS Pillars 1 & 2
- (-) Global regulatory inconsistency
- (-) Trust deficit has raised issues around governance

How We Respond

- To expedite the repeal of the Accountants Act 1967
- Consult and collaborate with Government, regulators, standard-setters and international bodies to articulate the profession’s perspectives and interests
- Organise CPE outreach programmes to upskill accountancy professionals on global and local standards, regulations, and developments
- Develop the profession to address cross-border, technical, and cultural issues for greater global consistency
- The profession can focus on governance, value creation, and the audit function to address trust issues

Impacts

Capitals:



Strategic Objectives:



UNSDG:



MARKET OUTLOOK AND KEY TRENDS

Overview
Reflections from the Top
In Focus
Value Creation
Governance
Financials
Appendix

SOCIAL

- (-) Economic and social pressures affect mental and psychological well-being of members
- (+) Demand for flexible working arrangements post COVID-19
- (-) Organisations face intense competition for talent, a widening gap between available skills and employers' needs

How We Respond

- Provide support through MIA Member Assistance Programme (MMAP)
- MIA enables remote working
- Accountancy professionals can meet organisations' growing needs for skilled talents on business management and advisory roles

Impacts

Capitals:



Strategic Objectives:



UNSDG:



TECHNOLOGY

- (+) Malaysia's transition to digital economy requires continuing digital transformation for future relevance
- (+) Growing demand for eLearning and on-demand learning
- (-) Risk of job obsolescence from AI

How We Respond

- The profession can offer a digital work environment for both current professional accountants and next generation talent
- MIA organises digital initiatives including Digital Month and DTAA
- Monitor technologies and developments that impact the profession, including artificial intelligence, cybersecurity, crypto currencies, digital ethics and cyber governance
- Integrate digital competency requirements and upskilling into CPE and learning events
- Create and disseminate extensive digital resources and implement the MIA Digital Technology Blueprint initiatives
- On-going implementation of the MIA IT Strategy Plan including a shift to cloud and construction of a secondary data centre

Impacts

Capitals:



Strategic Objectives:



UNSDG:



SUSTAINABILITY

- (-) The UN Global Risk Report 2023 identifies climate change as the top long term risk
- (+) Malaysia has committed to achieving net zero emissions by 2050 and transition to low carbon economy
- (-) Businesses continue to face mounting pressure to implement ESG and sustainability
- (+) Better and more affordable access to green technologies enables businesses to go green and improve resource efficiency

How We Respond

- MIA to lead and advocate ESG and sustainability in alignment with IFAC
- Professional accountants can play a key role in enhancing Sustainability Reporting and sustainability assurance
- Prioritise virtual programmes and events to manage our carbon footprint

Impacts

Capitals:



Strategic Objectives:



UNSDG:

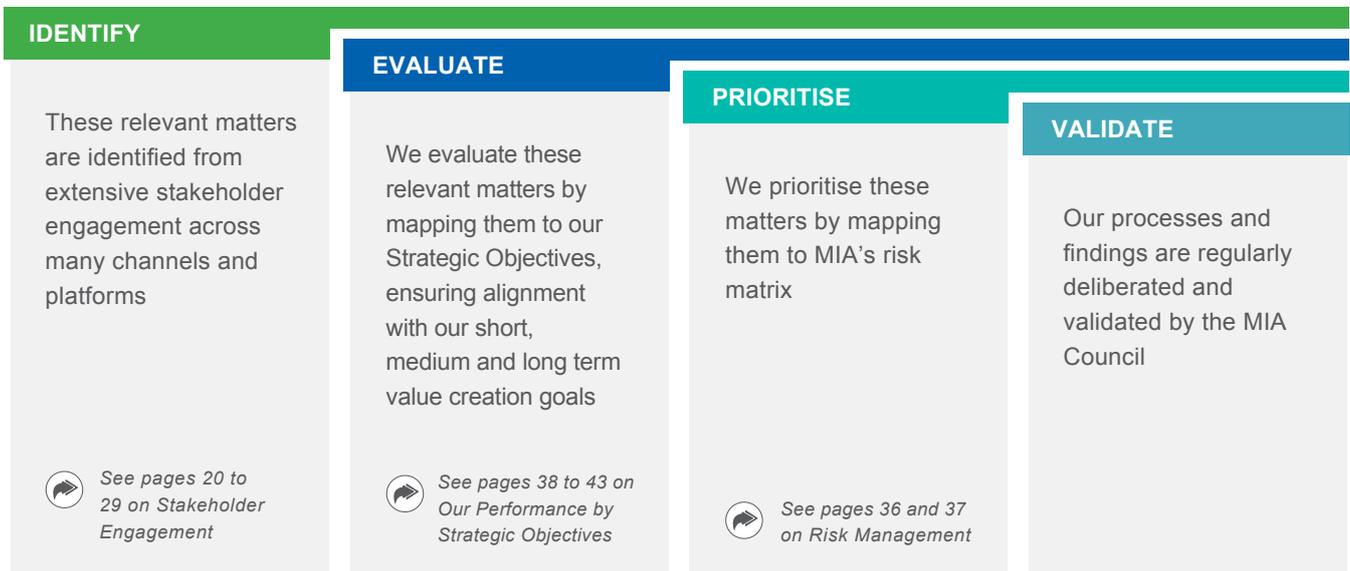


OUR MATERIAL ISSUES

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

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

OUR MATERIALITY PROCESS



● Opportunity ● Risk

ACCOUNTANTS ACT 1967		
Strategic Objectives/Capital	Stakeholders	Priority
<p>SO1 SO2 SO3 SO4</p> <p>SR</p>	All	Extreme
<p>Our Strategy</p> <ul style="list-style-type: none"> Continuing engagement with MOF for repeal of the Accountants Act 1967 	<p>Risk or Opportunity</p> <ul style="list-style-type: none"> ● Strengthen MIA’s regulatory and enforcement powers ● Affects MIA’s regulatory plans 	

OUR MATERIAL ISSUES

- Overview
- Reflections from the Top
- In Focus
- Value Creation**
- Governance
- Financials
- Appendix

INSTITUTE'S BUSINESS CONTINUITY

Strategic Objectives/Capital

SO1 SO2 SO3 SO4 SR H M F

Stakeholders

All

Priority

Extreme

Our Strategy

- Regularly review enterprise risk management, operation plan and business model
- Strengthen capacity and competency
- Improve Institute's operations and processes
- Enhance digital technologies and systems
- Develop Sustainability framework
- Strengthen financial resilience
- Closely monitor market developments and outlook

Risk or Opportunity

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

ROBUST INSTITUTIONAL GOVERNANCE

Strategic Objectives/Capital

SO1 SO2 SO3 SO4 I SR

Stakeholders

All

Priority

Extreme

Our Strategy

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

Risk or Opportunity

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

GOVERNMENT AND REGULATORY SUPPORT

Strategic Objectives/Capital

SO1 SO2 SO3 SO4

SR

Stakeholders

Government, Regulators

Priority

High

Our Strategy

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

Risk or Opportunity

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

STRATEGIC COLLABORATION AND LEADERSHIP

Strategic Objectives/Capital

SO1 SO2 SO3 SO4

I H SR

Stakeholders

All

Priority

High

Our Strategy

- Engage and collaborate with MIA's diverse stakeholders



See pages 20 to 29 on Stakeholder Engagement

Risk or Opportunity

- Misaligned with stakeholder expectations and international developments
- Achieve future relevance of the profession (strengthen valued partnerships)

INSTITUTIONAL TALENT

Strategic Objectives/Capital

I H

Stakeholders

Internal talent

Priority

High

Our Strategy

- Fortify internal talent capacity and competency
- Accommodate flexible work arrangements
- Leverage on external talent who are part of MIA's Boards, Committees and Task Forces (Collaborate with external experts)



See pages 16 and 17 on Our Talent

Risk or Opportunity

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

OUR MATERIAL ISSUES

Overview
Reflections from the Top
In Focus
Value Creation
Governance
Financials
Appendix

INSTITUTIONAL TECHNOLOGICAL CAPACITY AND COMPETENCY

Strategic Objectives/Capital

H

Stakeholders

Internal talent

Priority

High

Our Strategy

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

Risk or Opportunity

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

FUTURE RELEVANCE OF THE PROFESSION

Strategic Objectives/Capital

SO1

SO2

SO3

SO4

I

SR

Stakeholders

All

Priority

High

Our Strategy

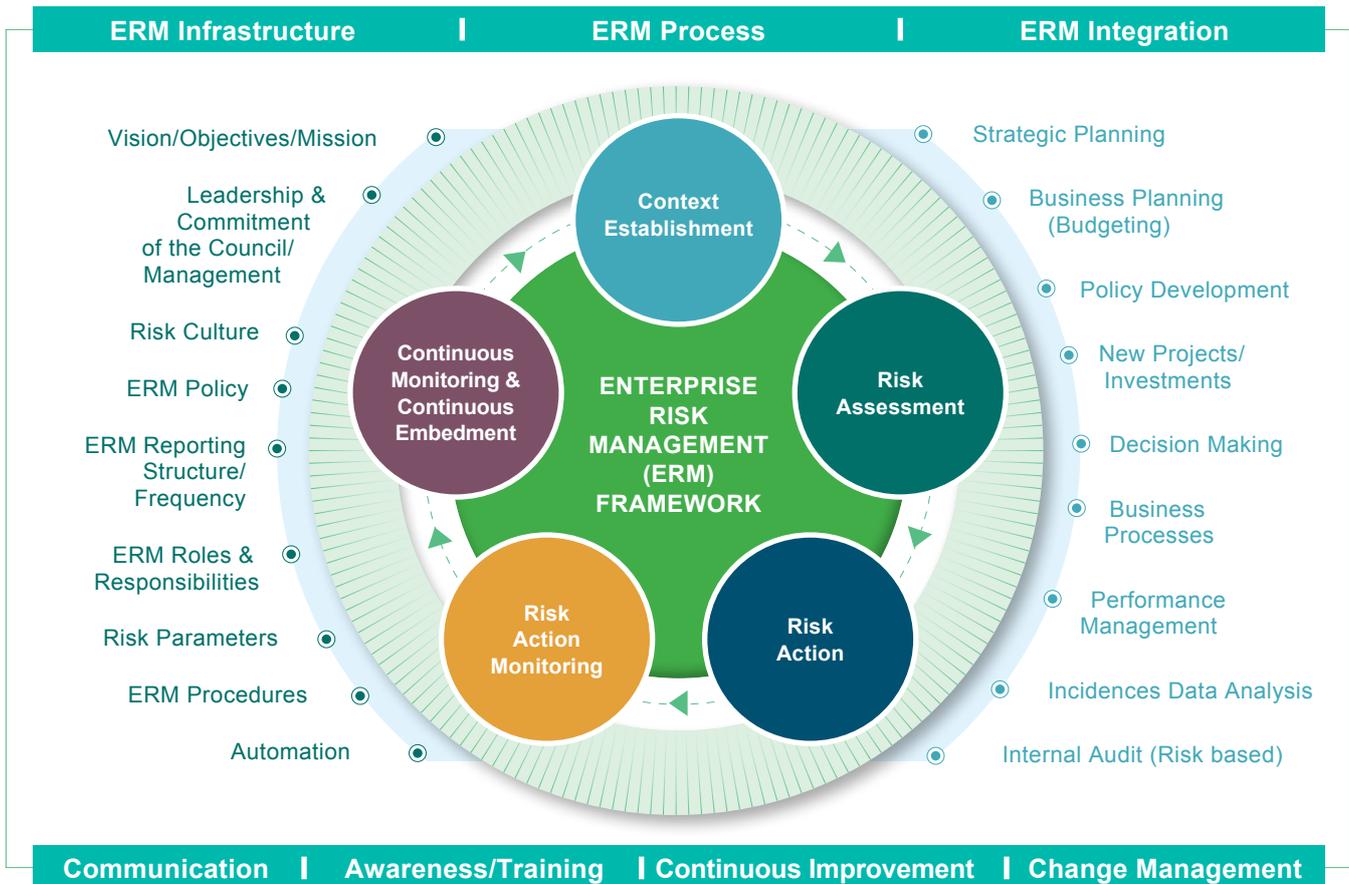
- Upskilling and future-proofing of members through CPE and continuous professional development
- Strengthen members' capacity and competency
- Competency Framework Implementation
- Support members' business continuity
- Advocacy for digital adoption of the profession, tax governance and Sustainability
- Provide extensive digital resources for members
- Enable eLearning, on-demand learning and customised learning

Risk or Opportunity

- Risk of job obsolescence, competency gaps and irrelevance to employers and stakeholders
- Upskilling accountants for higher value-added roles
- Accountants equipped to lead digital economy and sustainable development agenda
- Profession remains relevant to business and drives economic development
- Enable convenient self-learning that aligns with current market trends

OUR RISK MANAGEMENT FRAMEWORK

MIA's Enterprise Risk Management (ERM) framework is compliant with ISO 31000:2009 and provides adequate control environment through the implementation of appropriate systems and risk assessment processes.



ERM REPORTING STRUCTURE



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

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

OUR KEY RISKS

Overview
Reflections from the Top
In Focus
Value Creation
Governance
Financials
Appendix

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.

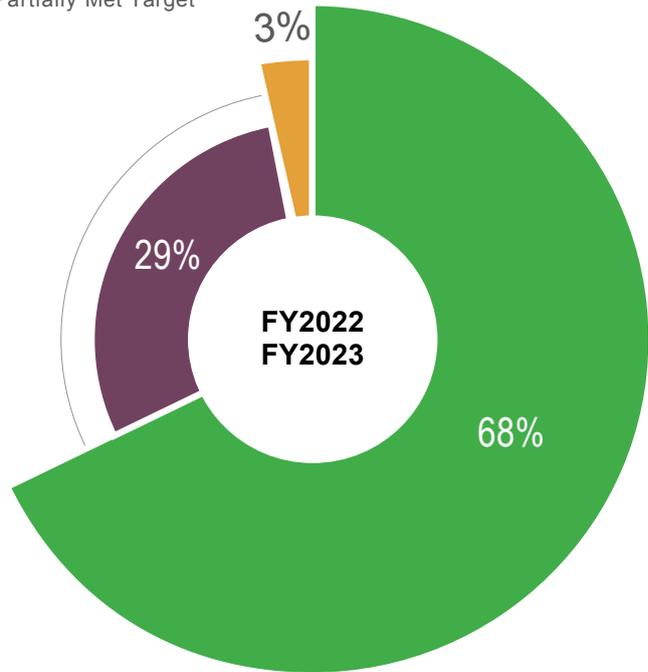
	Description	Mitigation Measures
CYBERSECURITY RISK	<ul style="list-style-type: none"> Electronic data that contains confidential information is exposed to offensive and unauthorised system/network access by third parties which could result in potential exposure or loss of information, service disruption of information technology infrastructure as well as jeopardise the reputation of the Institute. 	<ul style="list-style-type: none"> Continue and enhance cybersecurity measures Provide trainings to staff on cybersecurity Develop data governance policy
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 MOF to facilitate the enactment of the proposed new Accountants Act Strengthen regulatory and enforcement activities in the public interest
RELEVANCE OF INSTITUTE AND THE PROFESSION	<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 and extensive CPE, training and outreach programmes Set out the MIA Sustainability Agenda Drive digital adoption of the profession through the implementation of the MIA Digital Technology Blueprint Articulate the core competencies and value of accountants
COMPETENCY GAP	<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 trainings based on training needs identification and analysis KPIs and performance reviews Staff Satisfaction Survey Job rotation for learning purposes Performance rewards Disciplinary procedures in place for non-performers Scale Competency Dictionary identifies staff competency levels
SUCCESSION PLANNING	<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 Market benchmarking and review of employees' compensation and benefits

Note: The order in which these risks appear does not necessarily reflect the likelihood of their occurrence or the relative magnitude of their potential material adverse impact on the Institute.

PERFORMANCE BY STRATEGIC OBJECTIVES

MIA’s value creation activities in the short, medium and long term are steered by our four strategic objectives. Collectively, all of the Institute’s value creation initiatives and activities for FY2022/2023 were carried out as per the Institute’s Operational Plan. The performance of MIA’s key deliverables is in line with the overall social and economic recovery of the nation as illustrated in the chart.

- Exceeded Target
- Achieved Target
- Partially Met Target



STRATEGIC OBJECTIVE 1

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

PROFESSIONAL DEVELOPMENT

Key Deliverables

- Organised **938 CPE events**, benefiting **35,401 members** and **non-members**
- Organised **35 complimentary events**
- MIA International Accountants Conference 2023 – **1st hybrid** conference achieving **3,478 delegates**, and **52 international** and **local sponsors** and **partners**

Value Created

- Continuously upskill accountants in line with international standards and market trends to drive future relevance of profession
- Meets market demand for accountancy professionals
- Generate income for MIA’s financial sustainability

Impacts

Capitals:



UNSDG:



Target:

EXCEEDED

SUPPORT AND TECHNICAL GUIDANCE

<p>Key Deliverables</p> <ul style="list-style-type: none"> 44 contents written/published 96% of queries answered within 10 working days 	<p>Value Created</p> <ul style="list-style-type: none"> Members are kept abreast of the latest technical developments and practices, and technology trends 						
<p>Impacts</p> <table style="width: 100%; border: none;"> <tr> <td style="border: none;">Capitals:</td> <td style="border: none; text-align: center;"> <div style="display: flex; gap: 5px;"> <div style="border: 1px solid green; padding: 2px 5px;">I</div> <div style="border: 1px solid orange; padding: 2px 5px;">H</div> <div style="border: 1px solid red; padding: 2px 5px;">SR</div> </div> </td> <td style="border: none; text-align: center;">UNSDG:</td> <td style="border: none; text-align: center;"> <div style="display: flex; gap: 5px;"> </div> </td> <td style="border: none;">Target:</td> <td style="border: none; text-align: center; color: green; font-weight: bold; font-size: 1.2em;">EXCEEDED</td> </tr> </table>		Capitals:	<div style="display: flex; gap: 5px;"> <div style="border: 1px solid green; padding: 2px 5px;">I</div> <div style="border: 1px solid orange; padding: 2px 5px;">H</div> <div style="border: 1px solid red; padding: 2px 5px;">SR</div> </div>	UNSDG:	<div style="display: flex; gap: 5px;"> </div>	Target:	EXCEEDED
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STRATEGIC OBJECTIVE 2

Nurture Professional Values and Ethics of Members to Uphold a Strong Accountancy Profession

ETHICS ADVOCACY

<p>Key Deliverables</p> <ul style="list-style-type: none"> 2 ESB Reports on the activities and initiatives of the ESB 2 e-AT articles 1 publication on <i>Ethical Guidelines on Technology Usage for Public Practitioners</i> 2 outreach activities for members (Ethics Webinars and Quizzes) 2 outreach activities for universities (Speaking engagements) 	<p>Value Created</p> <ul style="list-style-type: none"> Educate members on ethics Inculcate ethical conduct for good governance Increase awareness, understanding and application of professional ethics among members and students 						
<p>Impacts</p> <table style="width: 100%; border: none;"> <tr> <td style="border: none;">Capitals:</td> <td style="border: none; text-align: center;"> <div style="display: flex; gap: 5px;"> <div style="border: 1px solid green; padding: 2px 5px;">I</div> <div style="border: 1px solid orange; padding: 2px 5px;">H</div> <div style="border: 1px solid red; padding: 2px 5px;">SR</div> </div> </td> <td style="border: none; text-align: center;">UNSDG:</td> <td style="border: none; text-align: center;"> <div style="display: flex; gap: 5px;"> </div> </td> <td style="border: none;">Target:</td> <td style="border: none; text-align: center; color: green; font-weight: bold; font-size: 1.2em;">EXCEEDED</td> </tr> </table>		Capitals:	<div style="display: flex; gap: 5px;"> <div style="border: 1px solid green; padding: 2px 5px;">I</div> <div style="border: 1px solid orange; padding: 2px 5px;">H</div> <div style="border: 1px solid red; padding: 2px 5px;">SR</div> </div>	UNSDG:	<div style="display: flex; gap: 5px;"> </div>	Target:	EXCEEDED
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AWARENESS PROGRAMMES

<p>Key Deliverables</p> <ul style="list-style-type: none"> Conducted 13 awareness and continuous development programmes for members and practitioners e.g. PPP, Townhall, SMP members engagements, collaboration with regulators 	<p>Value Created</p> <ul style="list-style-type: none"> Increased awareness for potential / existing practitioners on their duties & responsibilities 						
<p>Impacts</p> <table style="width: 100%; border: none;"> <tr> <td style="border: none;">Capitals:</td> <td style="border: none; text-align: center;"> <div style="display: flex; gap: 5px;"> <div style="border: 1px solid green; padding: 2px 5px;">I</div> <div style="border: 1px solid orange; padding: 2px 5px;">H</div> <div style="border: 1px solid red; padding: 2px 5px;">SR</div> </div> </td> <td style="border: none; text-align: center;">UNSDG:</td> <td style="border: none; text-align: center;"> <div style="display: flex; gap: 5px;"> </div> </td> <td style="border: none;">Target:</td> <td style="border: none; text-align: center; color: green; font-weight: bold; font-size: 1.2em;">EXCEEDED</td> </tr> </table>		Capitals:	<div style="display: flex; gap: 5px;"> <div style="border: 1px solid green; padding: 2px 5px;">I</div> <div style="border: 1px solid orange; padding: 2px 5px;">H</div> <div style="border: 1px solid red; padding: 2px 5px;">SR</div> </div>	UNSDG:	<div style="display: flex; gap: 5px;"> </div>	Target:	EXCEEDED
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STRATEGIC OBJECTIVE 3

Regulate and Develop the Practice of the Accountancy Profession Consistent with Global Standards and Best Practices

MIA COMPETENCY FRAMEWORK IMPLEMENTATION PLAN

Key Deliverables

- Held **9 sub-group meetings** of the Education Board to develop the new Relevant Practical Experience (RPE) which was endorsed and approved in May 2022
- Met with Subject Matter Expert to ensure consistency of document content with IFAC format
- Held **3 additional** roundtable discussions with academicians and practitioners on the latest competencies required by employers

Value Created

- Define the baseline competencies required to become accountancy professionals in line with international standards

Impacts

Capitals:  | UNSDG:  | Target: **ACHIEVED**

MEMBERS REGISTRATION

Key Deliverables

- **2.55% growth** in new members' admission
- **1,608** new Chartered Accountants (CA)

Value Created

- Increase number of accountancy professionals to support national growth

Impacts

Capitals:  | UNSDG:  | Target: **EXCEEDED**

ADOPTION OF INTERNATIONAL STANDARDS ON AUDITING AND ETHICS BY THE AASB AND ESB

Key Deliverables

- **ISA 600 (Revised) Special Considerations** – Audits of Group Financial Statements (**Including the Work of Component Auditors**)
- Updated Malaysian Approved Standards on Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements
- Revision to the Code Addressing the Objectivity of an Engagement Quality Reviewer and Other Appropriate Reviewers
- Revisions to the Non-Assurance Services Provisions of the Code
- Revisions to the Fee-related Provisions of the Code
- Quality Management-related Conforming Amendments to the Code

Value Created

- Timely and proper adoption of internationally recognised standards and best practices

Impacts

Capitals:  | UNSDG:  | Target: **ACHIEVED**

Performance By Strategic Objectives

Overview
Reflections from the Top
In Focus
Value Creation
Governance
Financials
Appendix

IMPLEMENTATION OF ISQM INITIATIVES

Key Deliverables

- A review of the ISQM Manual with MICPA
- Completed **2 videos** on ISQM implementation
- Incorporated ISQM 1 in the PPP
- **42 CPE** awareness events on ISQM (**including 4 complimentary events**)

Value Created

- Continuous improvement in audit quality among audit firms in Malaysia
- Enhance competency of members

Impacts

Capitals:  | UNSDG:   | Target: **ACHIEVED**

DISPOSAL OF COMPLAINTS/CASES

Key Deliverables

- **74 cases** were investigated and disposed by MIA's Investigation Committee

Value Created

- Speedy disposal of cases ensures justice is manifested

Impacts

Capitals:  | UNSDG:  | Target: **EXCEEDED**

MONITOR COMPLIANCE WITH STATUTORY REQUIREMENTS, APPROVED ACCOUNTING & AUDITING STANDARDS AND CPE REQUIREMENTS

Key Deliverables

- **32 FSRC cases** reviewed (**Exceeded Target**)
- CPE Compliance Audit 2022 closure report issued on 30 June 2023 (**Achieved Target**)
 - CPE Audit 2022 – **300 members** by random selection
 - Complied – **159 members**
 - Non-compliant – **135 members**
- Review compliance of audit license holders (*Compliance reviews completed within 3 working days upon renewal of audit license*) (**Achieved Target**)
- **31 reports** reviewed and finalised by PRD (**Exceeded Target**)

Value Created

- Creating more awareness and enhancing compliance among preparers in preparation of financial statements
- Enhancing the audit quality among the audit practitioners by a reduction in the Type 3/ Type 4 rating
- Enforcing CPE requirement stringently

Impacts

Capitals:  | UNSDG:  | Target: **EXCEEDED/ACHIEVED**

NOTICES OF COMPLAINTS (NOC)

Key Deliverables

- Drafting/Issuance of quality NOC completed within 4-5 working days
- **83 complaints** referred to IC for investigation

Value Created

- MIA's complaint mechanism perceived as effective
- MIA recognised as the regulator of the profession

Impacts

Capitals:  | UNSDG:  | Target: **ACHIEVED**

STRATEGIC OBJECTIVE 4

Promote the Value Proposition of the Accountancy Profession and Continuously Uplift Global Recognition

MEMBERS, MEMBER FIRMS' AND RELEVANT STAKEHOLDER ENGAGEMENTS

Key Deliverables

- 52 engagement session with members conducted nationwide
- 3 townhall sessions held

Value Created

- Members updated on the accountancy profession
- Advocate value proposition of MIA membership to relevant stakeholders

Impacts

Capitals:  | UNSDG:  | Target: EXCEEDED

GLOBAL AND REGIONAL COLLABORATION

Key Deliverables

- Collaboration with regional and international PAOs e.g. IFAC, AFA, IPSASB
 - Participation at the IFAC & AFA Council Meetings and WCOA 2022
 - Technical Advisory support to the IFAC SMP Advisory Group and the Malaysian Representative of IPSASB
 - Chair of AFA's Working Committees

Value Created

- MIA recognised globally as the voice of the profession

Impacts

Capitals:   | UNSDG:   | Target: ACHIEVED

COMMENT LETTERS SUBMITTED ON A TIMELY BASIS

Key Deliverables

- 28 comment letters on consultative documents to regulatory bodies such as Bursa, AG, MITI, SSM, IPSASB, ISSB, IAASB, IESBA, IASB, IRB, SC, RMCD, MOF
- Comments taken up for the finalised consultation documents exceeded the target

Value Created

- Malaysia recognised as the voice of the accountancy profession in the global and local arena
- Malaysia's opinions accepted on high priority consultation documents

Impacts

Capitals:   | UNSDG:   | Target: EXCEEDED

Performance By Strategic Objectives

Overview
Reflections from the Top
In Focus
Value Creation
Governance
Financials
Appendix

QUALITY SERVICES TO MEMBERS

Key Deliverables

- **107 active partners** offering benefits and privileges
- **83.4%** of the respondents to the MIA Member Satisfaction Survey are **satisfied with MIA**

Value Created

- Strengthen value proposition of the accountancy profession

Impacts

Capitals:



UNSDG:



Target:

EXCEEDED

FUTURE RELEVANCE OF THE PROFESSION (FRP)

Key Deliverables

- **Digital Economy Operational Plan** approved and implementation commenced
- **MIA Digital Month**
- **Digital Technology Adoption Awards** launched
- Recommendations in the MIA Report have been incorporated into **HalaTuju 4**
- **Digital transformation programme** for SMPs
 - Webinar attended by **565 members**
 - **297 members** completed the SMP competency assessment tool
- **13 postings** on social media based on FRP
- Special Focus on FRP based on IAR 2022
- FRP Bite size videos
- Published **6 articles** on ESG and Sustainability
- MIA Sustainability Agenda Concept Paper
- Established Sustainability Department and Sustainability Blueprint Task Force
- **19 webinar/courses** conducted on ESG and Sustainability

Value Created

- Enhance digitalisation of the accountancy profession
- Create awareness on ESG and Sustainability among accountancy professionals

Impacts

Capitals:



UNSDG:



Target:

ACHIEVED

MIA BRANDING & STRATEGIC COMMUNICATIONS

Key Deliverables

- **14** thought leadership and educational videos
- **4** media engagements
- **168** media mentions
- **135, 448** page views for e-AT

Value Created

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

Impacts

Capitals:



UNSDG:



Target:

EXCEEDED

MIA relies on six capitals that are specific and relevant to the Institute and the profession in the process of value creation.

I

INTELLECTUAL CAPITAL

This refers to MIA’s collective professional knowledge and technical expertise, such as MIA Corporate Website, CPE Programmes, e-AT digital magazine, Technical Standards and Guidance Circulars, Guidelines and Comment Letters, Competency Frameworks, Practice Review Programme, Reports and Publications and Digital Technology, ESG, Islamic Finance and SMP resources.

Our intellectual capital fortifies MIA’s brand as an authority for the profession and business.

For the year ahead, the MIA will focus on developing and strengthening our CPE offerings which are a mix of hybrid, online, physical, on-demand learning and customised e-learning programmes. The MIA is developing its new sustainability blueprint and framework to drive sustainability advocacy.

Movements In Capital

- The production of **I** depletes **F** and utilises **H** and **SR**. The additional **I** then enhances **H** and **SR**.
- With the exception of CPE as the Institute’s key source of revenue, increases in **I** decrease **F**.

SR

SOCIAL AND RELATIONSHIP CAPITAL

The MIA manifests its strategic collaboration and leadership approach to advance regulation and development of the profession. We derive significant social and relationship capital from our continuing stakeholder engagements and collaboration efforts.



See pages 20 to 29 on Stakeholder Engagement

Movements In Capital

- The production of **SR** depletes **F** and utilises **H**.
- Exceptions are our valued partnerships, sponsorships and membership which increase **F**.
- The contributions of our Boards, Committees and Task Forces increase **H** and **I** as well.

H

HUMAN CAPITAL

This refers to MIA’s internal talent pool of employees. The Institute will continue to improve and prioritise internal talent retention and competency building to effectively regulate and develop the profession. As the regulator for the profession, MIA must elevate its internal competency to deliver enhanced services and fulfil industry expectations on all matters related to the regulation and development of the profession.



See pages 16 and 17 on Our Talent

Movements In Capital

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

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

F**FINANCIAL CAPITAL**

This refers to the funds available that enable MIA to finance our regulation and development activities. CPE, Membership, and grants contribute to financial capital. MIA plans to continue diversifying income streams e.g. on-demand learning and customised e-learning while optimising cost to strengthen financial capital.

Movements In Capital

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

M**MANUFACTURED CAPITAL**

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

MIA is currently building a secondary data centre for data protection and continues to digitise processes and functions to drive productivity improvements.

Movements In Capital

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

N**NATURAL CAPITAL**

This refers to the natural resources consumed and environmental impacts occurring in the course of the Institute's operations, namely energy, carbon emissions, single-use plastics, paper and water.

MIA is committed to optimising its energy consumption and carbon emissions footprint through the adoption of strategies such as remote working, e-learning and digitalisation.



See pages 10 to 12 for a comprehensive discussion on the Sustainability Agenda

Movements In Capital

- Commitment to sustainability preserves **N**.
- **N** savings increase **F**.

FINANCIAL SUMMARY

INTEGRATED
ANNUAL REPORT
2023

SUMMARY

MIA recorded a surplus before taxation of RM4.89 million for the financial year ended 30 June 2023 as compared to RM2.37 million for the previous financial year, marking the Institute's consistency and ability to maintain its financial sustainability. The increase in surplus before taxation arose mainly from the increase in revenue generated from events and conferences, membership subscriptions and interest income.

ACCUMULATED FUND

As at 30 June 2023, MIA remained in a healthy financial position, with accumulated fund amounting to RM56.48 million, an increase of 9% as compared to the end of the previous financial year. This reflects positively on MIA's deployment of financial and other capitals in executing its operations towards financial sustainability for the achievement of its nation building aspiration. MIA continues to enhance its agility and adaptability through the ongoing and future digital and operational transformation initiatives and various other plans aligned with its strategic objectives including the anticipated implementation of the new Accountants Act.

INCOME

RM46.01 million

2022: RM36.43 million

SURPLUS BEFORE TAXATION

RM4.89 million

2022: RM2.37 million

ACCUMULATED FUND

RM56.48 million

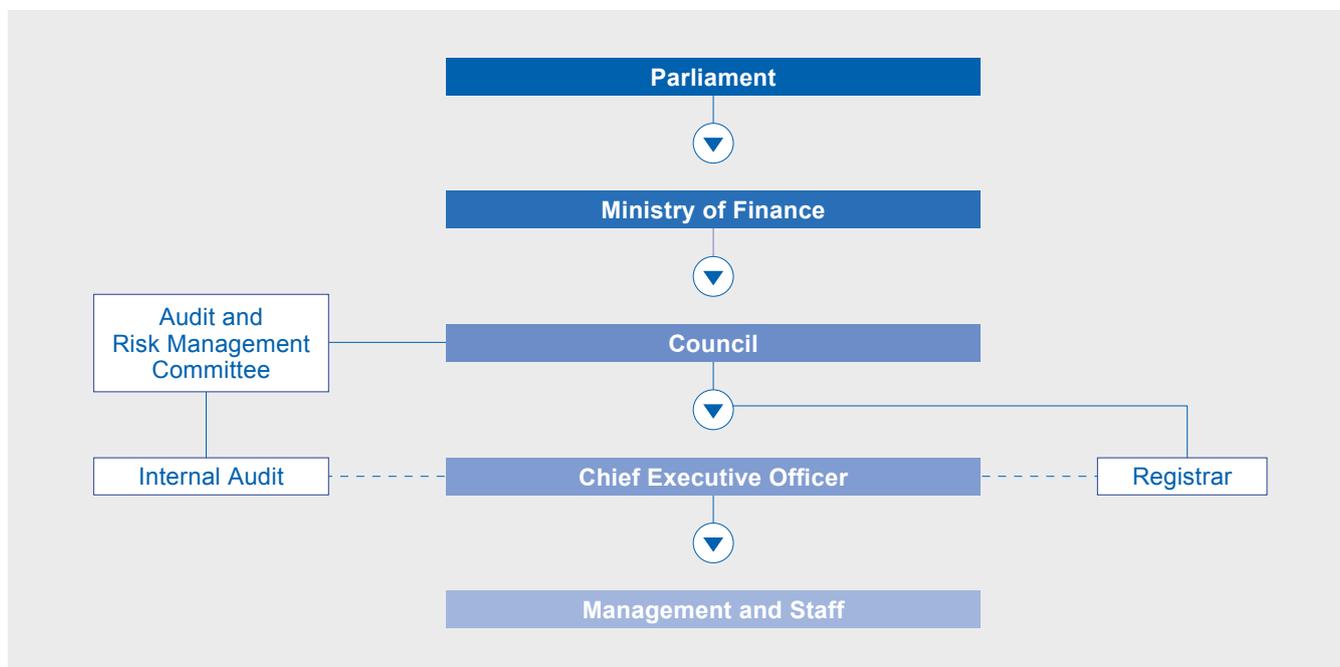
2022: RM51.80 million

FIVE-YEAR SUMMARY OF FINANCIAL PERFORMANCE (in RM Million)

	2023	2022	2021	2020	2019
Revenue from contracts with customers	43.78	35.04	32.93	39.80	43.56
Other income	2.23	1.39	2.03	1.39	1.65
Surplus before taxation	4.89	2.37	2.85	2.01	0.37
Taxation	(0.21)	(0.16)	-	(0.23)	0.04
Surplus after taxation	4.68	2.21	2.85	1.78	0.41
Accumulated fund	56.48	51.80	49.59	46.73	44.95
Property, plant and equipment	22.75	23.71	24.98	25.83	26.60
Intangible assets	1.31	1.57	1.78	1.02	1.16
Investments at amortised cost	-	6.50	2.00	-	-
Investment in unquoted shares	0.01	0.01	0.01	0.01	0.01
Deferred tax assets	-	-	-	-	0.23
Total non-current assets	24.07	31.79	28.77	26.86	28.00
Current assets	49.97	33.44	30.65	28.57	30.53
Current liabilities	17.35	13.39	9.70	8.48	13.46
Net current assets	32.62	20.05	20.95	20.09	17.07
Non-current liabilities	0.21	0.04	0.22	0.22	0.12
Net assets	56.48	51.80	49.59	46.73	44.95
Current ratio	2.88	2.50	3.16	3.37	2.27

GOVERNANCE FRAMEWORK AND FUNCTIONS

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	



INSTITUTE'S FUNCTIONS

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

To determine	the qualifications of persons for admission as members;
To provide	for the training and education; and by the Institute or any other body, of persons practising or intending to practise the profession of accountancy;
To approve	the MIA Qualifying Examination (QE) and to regulate and supervise the conduct of that Examination;
To regulate	the practice of the profession of accountancy in Malaysia;
To promote	in the manner it thinks fit, the interests of the profession of accountancy in Malaysia;
To render	pecuniary or other assistance to members or their dependents as it thinks fit with a view to protecting or promoting the welfare of members; and
Generally	to do such acts as it thinks fit for the purpose of achieving any of the aforesaid objects.

MIA COUNCIL CHARTER

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

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

INSTITUTE'S GOVERNANCE AND INTERNAL CONTROL STATEMENT

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

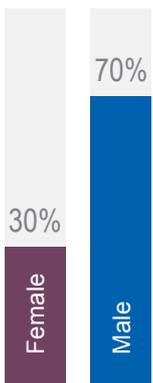
COUNCIL MEMBERS

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

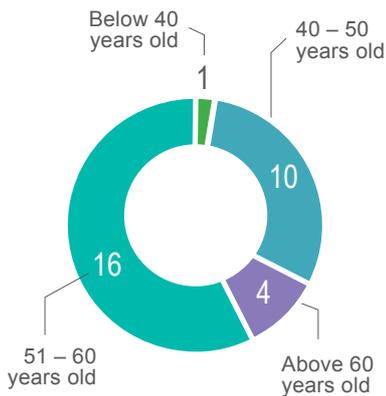
To enhance their governance of the Institute and enable MIA to develop and regulate the accountancy profession in the public interest, the Council provides oversight as per the Accountants Act 1967.

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

Gender Diversity



Inclusivity Across Generation



Diversity of Experience

Audit and Accounting
Assurance
Advisory
Academia
Corporate Finance
Corporate Advisory & Recovery
Governance
Information Technology
Leadership
Risk Management
Regulatory
Public Sector Accounting
Taxation



DATUK BAZLAN OSMAN
President
8(1)(d) / Appointed



MOHAMAD FAISAL ABDUL MALIK
Vice President
8(1)(g) / Elected



DATUK DR YACOB MUSTAFA
Accountant General



ASSOC. PROF. DR. MAZLINA MUSTAPHA
Member
8(1)(b) / Appointed



ASSOC. PROF. DR. ROSLI MOHAMAD
Member
8(1)(b) / Appointed

COUNCIL MEMBERS

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	



**CHAN KUAN CHEE,
JAMES**
Member
8(1)(f) / Appointed



**DATO' SERI PROF.
DR. MOHAMAD ZABIDI
AHMAD**
Member
8(1)(f) / Appointed



**CHONG DEE SHIANG,
TERESA**
Member
8(1)(g) / Elected



**DATUK WONG KAY
YONG**
Member
8(1)(f) / Appointed



DR. KAMISAH ISMAIL
Member
8(1)(b) / Appointed



**DATO' ABD RAZAK
NAZAH DIN**
Member
8(1)(f) / Appointed



DR. ZUBIR AZHAR
Member
8(1)(g) / Elected



DATO' GAN AH TEE
Member
8(1)(c) / Appointed



MOK WAN KONG
Member
8(1)(g) / Elected

COUNCIL MEMBERS

**NORHAFIZAH MD
SHARIFF**Member
8(1)(f) / Appointed**PROF. DATO'
DR. NORMAN MOHD
SALEH**Member
8(1)(b) / Appointed**NURUL A'IN ABDUL
LATIF**Member
8(1)(g) / Elected**R. SIVAM S.
RAJAGOPAL**Member
8(1)(f) / Appointed**ONG CHING CHUAN**Member
8(1)(g) / Elected**SANIZA SAID**Member
8(1)(g) / Elected**OOI THIAM POH, ALEX**Member
8(1)(f) / Appointed**PROF. DATIN
DR. SUZANA SULAIMAN**Member
8(1)(b) / Appointed**SARIMAH HUSAIN**Member
8(1)(a) / Appointed

COUNCIL MEMBERS

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	



**SOO HOO KHOON
YEAN**

Member
8(1)(e) / Appointed



**THAM HSUEH YUN,
BONNIE**

Member
8(1)(d) / Appointed



**SURIN SEGAR
GNANASEGARAM**

Member
8(1)(d) / Appointed



**TUAN HAJI
NASRAN OMAR**

Member
8(1)(f) / Appointed



TAN AIK WIN, EDWIN

Member
8(1)(g) / Elected



**WAN AHMAD IKRAM
WAN AHMAD LOTFI**

Member
8(1)(f) / Appointed



TANG SENG CHOON

Member
8(1)(g) / Elected



REGISTRAR

**DATO' MOHAMAD
AZMI ALI**



**TAN SHIUM JYE,
TERENCE**

Member
8(1)(g) / Elected

COUNCIL

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

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

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

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

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

During the financial year, the Council conducted eight (8) meetings. During these meetings, amongst others, the Council deliberated on the following matters:

- ▶ Applications for Membership and Other Applications Related to Membership
- ▶ Update on the Proposed New Accountants Act
- ▶ Budget for FY 2023/2024
- ▶ MIA Financial Statements for the Year Ended 30 June 2022
- ▶ MIA Operational Performance Report 2022/2023
- ▶ Monthly Management Report

- ▶ Changes to the Audit Licence Renewal Procedures Pertaining to Non-Compliance of ISQM and Related Documents
- ▶ Concept Paper on MIA Sustainability Agenda
- ▶ MIA Top Five Risks and Risk Action Plans
- ▶ Updates to the MIA By-Laws to Reflect the Latest Revisions of the Code
- ▶ MIA Integrated Annual Report 2022
- ▶ Recommendations from Boards/Committees
- ▶ Appointment of an Examination Body for MIA Qualifying Examination
- ▶ Publication of the Financial Statements Review & Practice Review Annual Reports 2021/2022
- ▶ Tender for Private Cloud Services and Disaster Recovery Site
- ▶ Reporting from MIA's Committees
- ▶ Special Initiative to Support Members on Continuing Professional Education (CPE)
- ▶ Updates on Malaysian Accountancy Research and Education Foundation (MAREF)

OVERSIGHT COMMITTEE (OC)

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

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

During the financial year the OC conducted eight (8) meetings and deliberated, amongst others the following matters:

- ▶ MIA Operational Plan and Budget for 2023/2024
- ▶ MIA Operational Performance Report 2022/2023
- ▶ MIA Financial Statements for the Year Ended 30 June 2022
- ▶ Monthly Management Report

- ▶ Appointment of Vendors and Service Providers
- ▶ Continuing Professional Education (CPE) Activity Report
- ▶ Concept Paper on MIA Sustainability and ESG Agenda
- ▶ Closing of Dormant Bank Accounts
- ▶ Review of MIA Committees
- ▶ Change in TOR and Term of MIA-MICPA Agreement on Quality Assessment Programme
- ▶ Updates on Regional Offices
- ▶ Staff Matters
- ▶ Feedback on the Action Plans Taken in Relation to MIA Annual General Meeting Motion 1
- ▶ Change of Cheque Signatories
- ▶ AWS Migration Approach
- ▶ Amendments to Employment Act 1955 - Impact to Malaysian Institute of Accountants' Employees

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.

NOMINATING COMMITTEE

President

Vice President

Council Members

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 seven (7) meetings during which the Committee deliberated and made recommendations to the Council on matters including:

- ▶ Appointment and Reappointment of Chairs & Members to the Institute's Committees and Boards
- ▶ Revision of Board/Committee's Terms of Reference
- ▶ Performance Review for MIA CEO
- ▶ Confirmation of Executive Directors Performance Rating
- ▶ Approved Company Liquidators Interview Panel: Appointment & Reappointment for Term 2023 - 2025
- ▶ Approved Company Auditors Interview Panel: Appointment & Reappointment for Term 2023 - 2025

AUDIT AND RISK MANAGEMENT COMMITTEE (ARMC)

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

AUTHORITY

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

KEY RESPONSIBILITIES

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

MEETINGS

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

The ARMC held four (4) meetings during the financial year, and members' attendances are disclosed below. The CEO and the Management Committee were invited to the ARMC meetings to provide explanations and insights to the ARMC on specific topics or issues arising from the relevant reports. A special ARMC meeting was also held on 4 August 2023 for the committee to review the financial statement of the Institute and to provide recommendations to the council for appraisal.

On 11 September 2022 the Committee members attended the exit conference meeting with Jabatan Audit Negara in relation to MIA Financial Statements for FY2022/2023 and the key audit matters.

SUMMARY OF ACTIVITIES

The activities of the ARMC during the Financial Year ended 30 June 2023 and up to the date of this Report comprised the following:

Financial Reporting

- Reviewed the half-yearly and annual financial statements of the Institute to ensure that the annual financial statements and disclosure requirements complied with the accounting standards, with special focus placed on the changes in accounting policies and significant and unusual events or transactions; and
- To safeguard the integrity of information, Mr Simon Tay Pit Eu (Executive Director, Professional Practices & Technical), who is the officer primarily responsible for the financial managements of the Institute, had given assurance to the ARMC that:
 - i. Appropriate accounting policies were adopted and applied consistently;
 - ii. Prudent judgment and reasonable estimates were made in accordance with the requirements set out in the MFRSs and IFRSs;

- iii. Adequate processes and controls were in place to enable 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 the Audit Planning Memorandum, which focused on the scope of work for the year including new areas or new scope of audit emphases such as changes in laws and regulations, changes in systems, and audit timeline;
- Reviewed the results of the audit, the relevant audit report, and the Management Letter, together with Management's responses and comments to the audit findings; and
- Held a private discussion with Jabatan Audit Negara without the presence of the Management.

Risks and Controls

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

- Assessed the effectiveness of the Institute's policies and procedures regarding internal control systems by reviewing the work of the Internal Audit Department and external auditor, and regular reports from Management on risk management. The outcome of this assessment enabled the Council to determine if the Institute has adopted the necessary control mechanisms to monitor and comply with the Accountants Act 1967 and other regulatory requirements;

- The Institute's principal risks, risk profile, and remedial actions were reported to and deliberated by the ARMC on a half-yearly basis, a summary of which was reported to the Council for further comments or notation;
- Robust engagement with Management on the enterprise risk assessment process implemented, the risk profile as compiled, especially the top five (5) risks faced by the Institute;
- Relevant inputs and comments to ensure business risks were appropriately identified, evaluated in terms of risk rating and that pertinent remedial measures were deployed by Management to mitigate the risks to acceptable levels; and
- Internal control and risk-related matters which warranted the council's attention were recommended by the ARMC to the Council for its approval, whilst matters or decisions made within the ARMC's purview were escalated to the Council for its notation or actions, as the case may be.

Report of the ARMC

- Reviewed and approved the ARMC Report for incorporation in the Integrated Report of the Institute for the financial year ended 30 June 2023.

MIA Enterprise Risk Management (ERM)

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

Internal Audit Function

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

The IA reports functionally to the ARMC and administratively to the CEO. To ensure that the responsibility of IA is fully discharged according to its Charter and the International Professional Practices Framework for Internal Audit, the ARMC reviewed the adequacy of the scope and resources of the IA function as well as the competency and experience of the internal auditors. The IA is not involved in the development or implementation of policy procedures or systems, while personnel in the IA department are independent of the activities they audit. The ARMC also approves the Internal Audit Plan on an annual basis.

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

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

During the financial year, the IA Department has engaged an independent external team to perform a cybersecurity audit on the Institute to evaluate and make relevant recommendations for improvements. The findings from the audit were shared with the ARMC, and the IA Department is continuously following up on the progress of the actions taken by Management in addressing the gaps from the report.

COMPOSITION OF THE COUNCIL

INTEGRATED
ANNUAL REPORT
2023

COMPOSITION OF COUNCIL				No. of Meetings:	8
NO. COUNCIL MEMBERS	DESIGNATION	SECTION	STATUS	ATTENDANCE	
1.	Datuk Bazlan Osman	President/ Chairman	8(1)(d)		8/8
2.	Mohamad Faisal Abdul Malik	Vice President	8(1)(g)		8/8
3.	Ahmad Zahirudin Abdul Rahim	Member	8(1)(f)	Retired on 24 February 2023	5/6
4.	Assoc. Prof. Dr. Mazlina Mustapha	Member	8(1)(b)		7/8
5.	Assoc. Prof. Dr. Rosli Mohamad	Member	8(1)(b)		6/8
6.	Assoc. Prof. Dr. Zarina Zakaria	Member	8(1)(b)	Retired on 24 February 2023	2/6
7.	Chan Kuan Chee, James	Member	8(1)(f)		7/8
8.	Chong Dee Shiang, Teresa	Member	8(1)(g)		4/8
9.	Dato' Abd Razak Nazahdin	Member	8(1)(f)	Appointed on 1 April 2023	1/1
10.	Dato' Gan Ah Tee	Member	8(1)(c)		6/8
11.	Dato' Seri Prof. Dr. Mohamad Zabidi Ahmad	Member	8(1)(f)	Appointed on 15 December 2022	3/4
12.	Datuk Wong Kay Yong	Member	8(1)(f)		8/8
13.	Dr. Kamisah Ismail	Member	8(1)(b)	Appointed on 1 April 2023	1/1
14.	Dr. Zubir Azhar	Member	8(1)(g)		6/8
15.	Foo Siak Chung, Kevin	Member	8(1)(d)	Retired on 7 December 2022	3/4
16.	Lim Chee Mei, Gladys	Member	8(1)(d)	Retired on 31 December 2022	4/4
17.	Lim Thiam Kee, Peter	Member	8(1)(g)	Retired on 24 September 2022	2/2
18.	Mok Wan Kong	Member	8(1)(g)	Elected on 24 September 2022	6/6
19.	Norhafizah Md Shariff	Member	8(1)(f)		1/8
20.	Nurul A'in Abdul Latif	Member	8(1)(g)		6/8
21.	Ong Ching Chuan	Member	8(1)(g)		7/8
22.	Ooi Thiam Poh, Alex	Member	8(1)(f)		6/8
23.	Prof. Datin Dr. Suzana Sulaiman	Member	8(1)(b)		5/8
24.	Prof. Dato' Dr. Norman Mohd Saleh	Member	8(1)(b)		5/8
25.	R. Sivam S. Rajagopal	Member	8(1)(f)	Appointed on 15 May 2023	0/0
26.	Saniza Said	Member	8(1)(g)	Elected on 24 September 2022	6/6
27.	Sarimah Husain	Member	8(1)(a)	Appointed on 10 February 2023	3/3
28.	Soo Hoo Khoon Yean	Member	8(1)(e)		5/8
29.	Surin Segar Gnanasegaram	Member	8(1)(d)	Appointed on 1 April 2023	0/1
30.	Tai Yoon Foo	Member	8(1)(g)	Retired on 24 September 2022	1/2
31.	Tan Aik Win, Edwin	Member	8(1)(g)	Elected on 24 September 2022	6/6
32.	Tang Seng Choon	Member	8(1)(g)		8/8
33.	Tan Shium Jye, Terence	Member	8(1)(g)		8/8
34.	Tham Hsueh Yun, Bonnie	Member	8(1)(d)	Appointed on 1 April 2023	1/1
35.	Tuan Haji Nasran Omar	Member	8(1)(f)		7/8
36.	Tuan Haji Rozaimi Idris	Member	8(1)(a)	Retired on 10 February 2023	0/5
37.	Wan Ahmad Ikram Wan Ahmad Lotfi	Member	8(1)(f)		5/8
38.	Yee Wing Peng	Member	8(1)(g)	Retired on 24 September 2022	2/2
39.	Zarinah Othman	Member	8(1)(f)	Retired on 14 March 2023	4/6

COMPOSITION OF THE COUNCIL

Overview
Reflections from the Top
In Focus
Value Creation
Governance
Financials
Appendix

NOMINATING COMMITTEE

No. of Meetings:

7

NO. COUNCIL MEMBERS	DESIGNATION	STATUS	ATTENDANCE
1. Ooi Thiam Poh, Alex	Chairman	Appointed as Chair on 25 February 2023	6/7
2. Datuk Bazlan Osman	President		6/7
3. Mohamad Faisal Abdul Malik	Vice President		7/7
4. Ahmad Zahirudin Abdul Rahim	Past Chairman	Retired on 24 February 2023	5/5
5. Lim Thiam Kee, Peter	Member	Retired on 24 September 2022	2/2
6. Prof. Dato' Dr. Norman Mohd Saleh	Member		7/7
7. Sarimah Husain	Member	Appointed on 28 March 2023	0/1
8. Tuan Haji Rozaimi Idris	Member	Retired on 10 February 2023	0/5
9. Nurul A'in Abdul Latif	Member	Appointed on 27 October 2022	2/4

OVERSIGHT COMMITTEE

No. of Meetings:

8

NO. COUNCIL MEMBERS	DESIGNATION	STATUS	ATTENDANCE
1. Datuk Bazlan Osman	Chairman/ President		8/8
2. Mohamad Faisal Abdul Malik	Vice President		8/8
3. Dato' Gan Ah Tee	Member		7/8
4. Datuk Wong Kay Yong		Appointed on 27 October 2022	4/4
5. Prof. Datin Dr. Suzana Sulaiman	Member	Appointed on 29 July 2022	5/7
6. Sarimah Husain	Member	Appointed as OC member on 10 February 2023 by virtue of appointment as the Accountant General's nominee on the MIA Council	0/2
7. Tuan Haji Rozaimi Idris	Member	Retired on 10 February 2023	0/6

AUDIT AND RISK MANAGEMENT COMMITTEE

No. of Meetings:

4

NO. COUNCIL MEMBERS	DESIGNATION	STATUS	ATTENDANCE
1. Chong Dee Shiang, Teresa	Chairperson	Re-appointed as Chairman on 22/12/2022	4/4
2. Lee Min On	Member	Re-appointed as a member on 22/12/2022	3/4
3. Dato' Seri Prof. Dr. Mohamad Zabidi Ahmad	Member	Appointed as a member on 27/1/2022	2/2
4. Ong Ching Chuan	Member	Re-appointed as a member on 22/12/2022	1/4
5. Tan Aik Win, Edwin	Member	Re-appointed as a member on 22/12/2022	3/3
6. Lim Chee Mei, Gladys	Member	Retired as a member on 31/12/2022	2/2
7. Dr. Zarina Zakaria	Member	Retired as a member on 27/10/2022	0/1

BOARDS/ COMMITTEES

INTEGRATED
ANNUAL REPORT
2023

NO. COMMITTEE	CHAIRMAN	NO OF MEMBERS (INCLUDING OBSERVERS)	NO OF MEETINGS
STATUTORY			
1. Disciplinary Appeal Board	Prof. Dato' Dr. Norman Mohd Salleh	3	7
2. Disciplinary Committee	Chan Kuan Chee, James	3	16
3. Examination Committee	Dr. Zubir Azhar	4	3
4. Investigation Committee	Tang Seng Choon	3	10
NON-STATUTORY			
1. *ASEAN CPA Monitoring Committee	Datuk Bazlan Osman	5	0*
2. Audit & Risk Management Committee	Chong Dee Shiang, Teresa	5	4
3. Auditing and Assurance Standards Board	Teoh Soo Hock	18	3
4. Capital Market Advisory Committee	Teoh Soo Hock	17	3
5. Digital Technology Implementation Committee	Lim Fen Nee	17	4
6. Education Board	Datuk Zaiton Mohd Hassan	14	1
7. Ethics Standards Board	Dr Veerinderjeet Singh	12	2
8. Financial Statements Review Committee	Irvin Menezes	15	7
9. Insolvency Practice Committee	Dato' Gan Ah Tee	12	1
10. Integrated Reporting Steering Committee	Wan Ahmad Ikram Wan Lotfi	14	3
11. Islamic Finance Committee	Mohd Muazzam Mohamed	9	3
12. Nominating Committee	Ooi Thiam Poh, Alex	5	7
13. Oversight Committee	Datuk Bazlan Osman	5	8
14. Practice Review Committee	Soo Hoo Khoo Yean	7	7
15. Professional Accountants in Business Committee	Wan Ahmad Ikram Wan Lotfi	15	2
16. Public Practice Committee	Ong Ching Chuan	14	4
17. Public Sector Accounting Committee	Sarimah Husain	12	3
18. Small and Medium Practice Committee	Mohamad Faisal Abdul Malik	10	2
19. **Taxation Practice Committee	Tai Lai Kok	17	0*
20. Valuation Committee	Dato' Wong Wing Seong	11	1
21. Johor Regional Committee	Manohar Benjamin Johnson	7	4
22. Northern Regional Committee	Lim Huck Khiam	6	3
23. Sabah Regional Committee	Chong Ket Vui, Dusun	7	4
24. Sarawak Regional Committee	Lim Zune Shing, Jackson	7	4

* No meetings held during the financial year. Matters are circulated and approved via email circulation

** No meetings held during the financial year. Submitted 8 comment letters to MOF/IRB/Customs and actively involved in meetings with CTIM/MICPA/MAICSA on various tax initiatives.

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Certificate of the Auditor General 60

Statement by the Council 65

Statutory Declaration 65

FINANCIAL STATEMENTS

▶ Statement of Financial Position 66

▶ Statement of Profit or Loss and Other Comprehensive Income 67

▶ Statement of Changes in Accumulated Fund 68

▶ Statement of Cash Flows 69

▶ Notes to the Financial Statements 70

APPENDIX

▶ Acronyms 102

Certificate of the Auditor General

STATEMENT BY THE COUNCIL

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	

We, Datuk Bazlan bin Osman and Chong Dee Shiang, being the President and a Council member, respectively, of the MALAYSIAN INSTITUTE OF ACCOUNTANTS, do hereby state that, in the opinion of the Council, the accompanying financial statements are properly drawn up in accordance with the provisions of the Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Institute as at 30 June 2023 and of its results and cash flows for the financial year then ended.

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



DATUK BAZLAN BIN OSMAN
President



CHONG DEE SHIANG
Council Member

8 August 2023
Kuala Lumpur

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

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



TAY PIT EU
C.A. (M) 14358

Subscribed and solemnly declared by the above named
Tay Pit Eu at Kuala Lumpur in Wilayah Persekutuan
on 8 August 2023

Before me,



No. 2-8, 2nd Floor Wisma Karwa
No 40 & 42, Jalan Tun Parak
(Labuh Ampang)
50050 Kuala Lumpur

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2023 RM	2022 RM
Assets			
Non-current assets			
Property, plant and equipment	3	22,753,356	23,713,080
Intangible assets	4	1,314,854	1,567,670
Investments at amortised cost	5	-	6,500,000
Investment in unquoted shares	6	7,458	7,458
		24,075,668	31,788,208
Current assets			
Inventories	7	76,429	59,824
Receivables, deposits and prepayments	8	7,326,335	2,181,334
Subscription receivables	9	-	-
Investments at amortised cost	5	12,000,000	5,000,000
Fixed deposits with licensed financial institutions	10	24,920,611	18,920,611
Cash and bank balances		5,643,337	7,280,051
		49,966,712	33,441,820
Total assets		74,042,380	65,230,028
Non-current liabilities			
Lease liabilities	11	214,223	39,527
Current liabilities			
Lease liabilities	11	138,414	85,975
Payables and accruals	12	13,066,617	9,049,777
Contract liabilities	13	3,884,539	3,831,872
Deferred income - government grants	14	-	265,269
Current tax payable		260,486	161,000
		17,350,056	13,393,893
Total liabilities		17,564,279	13,433,420
Total net assets		56,478,101	51,796,608
Accumulated fund		56,478,101	51,796,608

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	

	Note	2023 RM	2022 RM
Revenue from contracts with customers	15	43,777,275	35,033,773
Other income	16	2,236,982	1,392,395
Total income		46,014,257	36,426,168
Less:			
Depreciation of property, plant and equipment	3	(1,739,120)	(1,651,476)
Amortisation of intangible assets	4	(426,469)	(390,237)
Expenses for events and conferences (excluding employee benefits)	17	(9,080,324)	(5,234,435)
Employee benefits	18	(22,658,412)	(20,923,188)
Membership services		(1,318,887)	(881,382)
Net loss on impairment of receivables		(117,693)	(223,336)
Interest on lease liabilities		(11,452)	(8,926)
Other operating expenses	19	(5,770,407)	(4,741,418)
Total expenses		(41,122,764)	(34,054,398)
Surplus before tax		4,891,493	2,371,770
Taxation	21	(210,000)	(161,000)
Surplus for the financial year, representing total comprehensive income for the financial year		4,681,493	2,210,770

STATEMENT OF CHANGES IN ACCUMULATED FUND

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	RM
At 1 July 2021	49,585,838
Surplus for the financial year, representing total comprehensive income for the financial year	2,210,770
At 30 June 2022/1 July 2022	51,796,608
Surplus for the financial year, representing total comprehensive income for the financial year	4,681,493
At 30 June 2023	56,478,101

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Overview
Reflections from the Top
In Focus
Value Creation
Governance
Financials
Appendix

	Note	2023 RM	2022 RM
Cash flows from operating activities			
Receipts from members and non-members		37,354,013	38,018,557
Payments for expenditure		(31,824,141)	(31,197,216)
Cash generated from operations		5,529,872	6,821,341
Government grant (refunded)/received		(265,269)	1,140,750
Management fees received		28,000	28,000
Tax (paid)/refunded		(110,514)	120,000
Net cash flow generated from operating activities		5,182,089	8,110,091
Cash flows from investing activities			
Placements of fixed deposits with licensed financial institutions maturing exceeding 3 months		(6,000,000)	(6,336,371)
Placements of investments at amortised cost		(500,000)	(4,500,000)
Purchase of property, plant and equipment and additions of intangible assets (Note A)		(986,923)	(555,139)
Interest received		859,578	672,091
Net cash flow used in investing activities		(6,627,345)	(10,719,419)
Cash flows from financing activities			
Interest on lease liabilities	11	(11,452)	(8,926)
Payments of lease liabilities	11	(180,006)	(159,785)
Net cash flow used in financing activities		(191,458)	(168,711)
Net decrease in cash and cash equivalents		(1,636,714)	(2,778,039)
Cash and cash equivalents at beginning of financial year		7,280,051	10,058,090
Cash and cash equivalents at end of financial year		5,643,337	7,280,051
Analysis of cash and cash equivalents:			
Cash in hand		8,734	10,631
Bank balances		5,634,603	7,269,420
		5,643,337	7,280,051
Note A: Purchase of property, plant and equipment and acquisition of intangible assets			
Purchase of property, plant and equipment during the financial year		783,352	382,976
Additions of intangible assets during the financial year		173,653	182,002
Add: Unpaid purchases as at previous financial year end		99,056	89,217
		1,056,061	654,195
Less: Unpaid purchases as at financial year end		(69,138)	(99,056)
		986,923	555,139

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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 8 August 2023.

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 2022:

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)*

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 NEW AND REVISED PRONOUNCEMENTS ADOPTED (CONT'D)

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 2023

- 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 *Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)*

Effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 101 *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current (2020 amendments) and Non-current Liabilities with Covenants (2022 amendments))*
- Amendments to MFRS 16 *Leases (Lease Liability in a Sale and Leaseback)*

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Property, plant and equipment and depreciation

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

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

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

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

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

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

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

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

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

(b) Intangible assets**(i) Computer software**

Computer software is measured initially at cost. Following initial acquisition or development, 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Intangible assets (cont'd)

(ii) Development expenditure

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

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

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

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

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

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

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

(iii) Work-in-progress

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

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	

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 liabilities

The categories of financial liabilities are as follows:

- **Fair value through profit or loss**
The Institute does not hold any financial liabilities measured at fair value through profit or loss.
- **Amortised cost**
Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

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

(iii) Derecognition

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

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

(iv) Offsetting

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

(g) Impairment of receivables

Amount due from participants of events and conferences

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(g) Impairment of receivables (cont'd)**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; or
- The Institute's performance does not create an asset with an alternative use and the Institute has an enforceable right to payment for performance completed to date.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	

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)

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. Accreditation income is recognised based on the status of the accreditation. Any amounts received but not recognised as revenue will be recognised as contract liabilities in the statement of financial position.

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

(ii) Other income

Interest income is recognised based on an effective yield basis.

Income relating to e-confirmation platform is derived from the contractual arrangement with the platform vendor for governing the functionality and performance of the platform and the design and operating effectiveness of the controls over the platform as well as for promoting the platform to audit firms and financial institutions. Income is recognised when it is earned based on entitlement as per the contractual arrangement with the platform vendor.

(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.

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 contributions are made to the Employees Provident Fund ("EPF").

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	

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, 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.

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 below RM20,000. The Institute recognises the lease payments associated with these leases as an expense on the straight-line basis over the lease term.

(o) 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 2023**

Overview	█
Reflections from the Top	█
In Focus	█
Value Creation	█
Governance	█
Financials	█
Appendix	█

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 life of leasehold properties

Property, plant and equipment are depreciated on the straight-line basis over their estimated useful lives. The Council estimates that the useful life of leasehold properties to be 50 years. Changes in the expected level of usage and technological developments could impact the economic useful life and residual values of the leasehold properties. Therefore, the future depreciation charge could be revised. The carrying amount of leasehold properties at the reporting date and their useful lives are disclosed in Note 3.

(ii) Income taxes and deferred tax

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

While the Institute's estimates on the realisation and settlement of temporary differences and the realisation of unutilised tax losses are based on the available information at the reporting date, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount is recognised in profit or loss in the period in which actual realisation and settlement occurs. The amount of deferred tax assets not recognised in the financial statements are disclosed in Note 21.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023****3. PROPERTY, PLANT AND EQUIPMENT**

	Right-of-use assets RM	Computer equipment RM	Renovation RM	Furniture and fittings RM	Office equipment RM	Total RM
Cost						
At 1 July 2022	23,638,498	1,386,822	3,208,687	1,889,180	2,909,810	33,032,997
Additions	407,141	252,345	59,584	30,604	33,678	783,352
Write-offs	-	(242,309)	-	(11,087)	(9,086)	(262,482)
At 30 June 2023	24,045,639	1,396,858	3,268,271	1,908,697	2,934,402	33,553,867
Accumulated depreciation						
At 1 July 2022	4,038,095	654,019	1,846,687	1,083,318	1,697,798	9,319,917
Charge for the financial year	635,510	327,153	307,150	185,137	284,170	1,739,120
Write-offs	-	(242,140)	-	(8,156)	(8,230)	(258,526)
At 30 June 2023	4,673,605	739,032	2,153,837	1,260,299	1,973,738	10,800,511
Net carrying amount at 30 June 2023	19,372,034	657,826	1,114,434	648,398	960,664	22,753,356
Cost						
At 1 July 2021	23,638,498	1,931,341	3,208,687	1,889,180	2,910,110	33,577,816
Additions	-	382,976	-	-	-	382,976
Write-offs	-	(927,495)	-	-	(300)	(927,795)
At 30 June 2022	23,638,498	1,386,822	3,208,687	1,889,180	2,909,810	33,032,997
Accumulated depreciation						
At 1 July 2021	3,424,757	1,318,000	1,539,537	898,947	1,414,910	8,596,151
Charge for the financial year	613,338	263,430	307,150	184,371	283,187	1,651,476
Write-offs	-	(927,411)	-	-	(299)	(927,710)
At 30 June 2022	4,038,095	654,019	1,846,687	1,083,318	1,697,798	9,319,917
Net carrying amount at 30 June 2022	19,600,403	732,803	1,362,000	805,862	1,212,012	23,713,080

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Overview
Reflections from the Top
In Focus
Value Creation
Governance
Financials
Appendix

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 2022	22,797,454	625,949	215,095	23,638,498
Addition	-	234,838	172,303	407,141
At 30 June 2023	22,797,454	860,787	387,398	24,045,639
Accumulated depreciation				
At 1 July 2022	3,315,981	518,125	203,989	4,038,095
Charge for the financial year	455,950	133,993	45,567	635,510
At 30 June 2023	3,771,931	652,118	249,556	4,673,605
Net carrying amount at 30 June 2023	19,025,523	208,669	137,842	19,372,034

Cost				
At 1 July 2021 / 30 June 2022	22,797,454	625,949	215,095	23,638,498
Accumulated depreciation				
At 1 July 2021	2,860,033	386,082	178,642	3,424,757
Charge for the financial year	455,948	132,043	25,347	613,338
At 30 June 2022	3,315,981	518,125	203,989	4,038,095
Net carrying amount at 30 June 2022	19,481,473	107,824	11,106	19,600,403

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 RM459,147 (2022: RM612,897).

4. INTANGIBLE ASSETS

	2023 RM	2022 RM
Computer software		
Cost		
At beginning of the financial year	2,358,848	2,358,848
Additions during the financial year	137,270	-
At end of the financial year	2,496,118	2,358,848
Accumulated amortisation		
At beginning of the financial year	1,325,543	979,351
Amortisation for the financial year	382,424	346,192
At end of the financial year	1,707,967	1,325,543
Net carrying amount at end of financial year	788,151	1,033,305
Development expenditure		
Cost		
At beginning/end of the financial year	440,453	440,453
Accumulated amortisation		
At beginning of the financial year	88,090	44,045
Amortisation for the financial year	44,045	44,045
At end of the financial year	132,135	88,090
Net carrying amount at end of financial year	308,318	352,363
Work-in-progress		
Cost		
At beginning of the financial year	182,002	-
Additions during the financial year	173,653	182,002
Transfer to computer software	(137,270)	-
At end of the financial year	218,385	182,002
Net carrying amount at end of financial year	218,385	182,002
Total	1,314,854	1,567,670

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

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

As at 30 June 2023, work-in-progress consists of costs relating to data analytics projects as compared to last year that consists of website development and data analytics projects.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	

5. INVESTMENTS AT AMORTISED COST

	2023 RM	2022 RM
Placements of funds in institutional trust accounts		
Current	12,000,000	5,000,000
Non-current	-	6,500,000
	12,000,000	11,500,000

The Institute placed funds in institutional trust accounts maintained with a Malaysian trustee company wholly-owned by the Government of Malaysia. The trustee acts as a fiduciary agent on behalf of the Institute for the purpose of administration and management of assets specifically cash which will be invested for the benefit of trustor as established in the Trust Deed. The placements are capital guaranteed. Placements have been made for a duration between 12 and 36 months (2022: 12 and 36 months) and the net interest rate after management fee ranges from 2.75% to 4.60% (2022: 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

	2023 RM	2022 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

	2023 RM	2022 RM
At cost		
Publications	76,429	59,824

During the financial year, inventories recognised as an expense amounted to RM45,934 (2022: RM38,744).

8. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023 RM	2022 RM
Amounts due from participants of events and conferences	4,871,096	646,566
Other receivables	1,332,599	796,682
	6,203,695	1,443,248
Less: Allowance for expected credit losses	(24,346)	(113,603)
	6,179,349	1,329,645
Prepayments	1,025,083	725,004
Deposits	121,903	126,685
	1,146,986	851,689
	7,326,335	2,181,334

The credit period granted by the Institute is 30 days (2022: 30 days).

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

	2023 RM	2022 RM
At beginning of financial year	113,603	133,522
Expected credit losses recognised during the financial year	7,580	51,151
Reversal of impairment losses	(89,387)	(51,065)
Write-offs	(7,450)	(20,005)
At end of financial year	24,346	113,603

9. SUBSCRIPTION RECEIVABLES

	2023 RM	2022 RM
Subscription receivables	2,800	2,100
Less: Allowance for impairment losses	(2,800)	(2,100)
	-	-

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 2023**

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	

9. SUBSCRIPTION RECEIVABLES (CONT'D)

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

	2023 RM	2022 RM
At beginning of financial year	2,100	1,400
Impairment losses recognised during the financial year	200,200	224,650
Reversal of impairment losses	(700)	(1,400)
Write-offs	(198,800)	(222,550)
At end of financial year	2,800	2,100

10. FIXED DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The maturity profile of fixed deposits is presented as follows:

	2023 RM	2022 RM
Exceeding 3 months	24,920,611	18,920,611

The interest rates for the fixed deposits placed with licensed financial institutions range from 3.25% to 4.20% (2022: 1.62% to 2.60%) per annum.

11. LEASE LIABILITIES

	2023 RM	2022 RM
Lease liabilities included in the statement of financial position		
At beginning of financial year	125,502	285,287
Additions during the financial year	407,141	-
	532,643	285,287
Less:		
Payment of lease liabilities	(180,006)	(159,785)
At end of the financial year	352,637	125,502
Current	138,414	85,975
Non-current	214,223	39,527
	352,637	125,502
Maturity analysis - contractual undiscounted cash flows		
Less than one year	147,497	88,985
Between one and five years	224,391	40,800
Total undiscounted lease liabilities at 30 June	371,888	129,785
Amount disclosed in the statement of cash flows		
Interest on lease liabilities	11,452	8,926
Payment of lease liabilities	180,006	159,785

12. PAYABLES AND ACCRUALS

	2023 RM	2022 RM
Payables	3,244,873	2,390,491
Accruals - events and conferences expenses	3,322,126	627,826
Accruals - employee benefits costs	5,644,779	5,050,136
Accruals - education expenses	345,070	192,718
Accruals - others	463,851	700,306
Deposits	45,918	88,300
	13,066,617	9,049,777

The credit periods granted to the Institute for payables range from 14 to 30 days (2022: 14 to 30 days).

13. CONTRACT LIABILITIES

	2023 RM	2022 RM
Subscriptions in advance	1,699,300	1,630,110
Membership application fees	688,500	691,650
Practising certificate application fees	30,600	57,600
Readmission application	82,900	130,300
Events and conferences	519,939	366,102
Qualifying examination (QE) and QE workshops	450,950	433,110
Accreditation activities	364,750	463,000
Others	47,600	60,000
	3,884,539	3,831,872

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.

The majority of the contract liabilities are expected to be realised as revenue within a year. With the exception of subscriptions in advance, all other contract liabilities at the beginning of the financial year amounting to RM2,201,762 (2022: RM1,566,756) were realised as revenue within the same financial year. The total amount of subscriptions in advance at the beginning of the financial year of RM1,630,110 (2022: RM446,400) that was recognised as revenue during the financial year ended 30 June 2023 amounted to RM1,584,200 (2022: RM411,700).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	

14. DEFERRED INCOME - GOVERNMENT GRANT

	2023 RM	2022 RM
At beginning of the financial year	265,269	265,269
Additions during the financial year	-	143,600
Deferred income realised to profit or loss (Note 16)	-	(143,600)
Refunded to CMDF	(265,269)	-
At end of the financial year	-	265,269

In the financial year ended 30 June 2015, the Capital Market Development Fund (“CMDF”) approved a grant amounting to RM4.52 million to the Institute for initiatives on the capacity building and technical guidance for companies and accounting firms in relation to accounting and capital market. These initiatives were facilitated by providing training programmes and developing guidance notes, clarification and consensuses. The grant was revised on 31 December 2020 to RM3.95 million and the term was extended up to 31 December 2021. During the financial year, the Institute refunded the unutilised grant amount previously received of RM265,269 to the CMDF as the grant term had expired.

During the financial year, the CMDF approved a new grant to the Institute amounting to RM2.89 million for initiatives on the capacity building and technical guidance for companies and accounting firms in relation to accounting, capital market and sustainability. The grant period is from 1 July 2023 to 30 June 2027. The grant will be progressively disbursed upon completion of the approved activities.

15. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2023 RM	2022 RM
(i) Disaggregation of revenue from contracts with customers:		
Membership subscription fees	13,882,692	13,378,667
Membership admission fees	853,000	801,000
Practising certificate fees	2,916,600	2,718,000
Income from events and conferences (Note 17)	24,471,765	16,719,526
Education income	1,193,177	1,059,650
Income from joint activities with other professional bodies	65,797	99,808
Sale of technical materials/publications	95,418	63,706
Technical program fees	60,000	18,800
Other income	238,826	174,616
	43,777,275	35,033,773
(ii) Timing of revenue recognition:		
- at a point in time	25,931,243	17,709,605
- over time	17,846,032	17,324,168
	43,777,275	35,033,773

16. OTHER INCOME

	2023 RM	2022 RM
Enforcement penalties	208,500	287,000
Reimbursement of enforcement costs	492,788	245,320
Government grant recognised (Note 14)	-	143,600
Interest on fixed deposits and current accounts	772,774	402,120
Interest from investments at amortised cost	365,373	305,526
Income relating to e-confirmation platform	390,157	-
Miscellaneous income	7,390	8,829
	2,236,982	1,392,395

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

	2023 RM	2022 RM
Income (Note 15)	24,471,765	16,719,526
Direct expenses (excluding employee benefits)	(9,080,324)	(5,234,435)
	15,391,441	11,485,091

18. EMPLOYEE BENEFITS

	2023 RM	2022 RM
Salaries, overtime and bonus	18,768,121	17,184,416
Contributions to EPF	2,813,011	2,612,294
Social security contribution	137,752	104,087
Staff training	195,169	279,722
Medical and staff insurance	620,767	586,360
Other staff welfare and benefits	123,592	156,309
	22,658,412	20,923,188

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 2023

Overview	█
Reflections from the Top	█
In Focus	█
Value Creation	█
Governance	█
Financials	█
Appendix	█

19. OTHER OPERATING EXPENSES

	2023 RM	2022 RM
Assets written off	3,956	85
Auditors' remuneration	35,619	35,266
Bank charges	388,456	258,977
Education expenses	562,551	329,480
Enforcement expenses	565,276	569,081
Insurance expenses	81,092	89,730
IFAC and AFA subscriptions*	476,358	430,428
IT licensing expenses	225,979	117,654
IT subscriptions	425,771	436,610
IT support and maintenance expenses	688,186	626,265
Legal consultancy and litigation fees	618,295	212,377
Local travelling expenses	68,484	51,301
Other consultancy fees	117,713	201,422
Printing, postage and stationery costs	96,674	131,072
Promotion and advertising costs	244,076	209,271
Technical programme expenses	116,267	122,490
Upkeep of office expenses	495,987	442,966
Upkeep of office equipment expenses	59,104	29,476
Utilities costs	210,713	207,405
Other expenses	289,850	240,062
	5,770,407	4,741,418

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

20. INCOME AND EXPENSES BY OPERATING SEGMENT

2023	Membership & Education RM	Professional Development RM	Professional Practices & Technical RM	Surveillance & Enforcement RM	Total RM
Revenue	18,845,469	24,471,765	-	-	43,317,234
Other income	184,967	85,895	451,609	812,405	1,534,876
Total income	19,030,436	24,557,660	451,609	812,405	44,852,110
Less:					
Direct expenses	(566,320)	(9,080,324)	(116,781)	(569,473)	(10,332,898)
Employee benefits	(2,740,761)	(3,422,834)	(2,374,945)	(3,917,181)	(12,455,721)
Overheads	(1,539,276)	(93,896)	(301,900)	(101,100)	(2,036,172)
	(4,846,357)	(12,597,054)	(2,793,626)	(4,587,754)	(24,824,791)
Surplus/(deficit) before allocated expenses	14,184,079	11,960,606	(2,342,017)	(3,775,349)	20,027,319
Less:					
Employee benefits - allocated	(3,205,069)	(3,808,430)	(1,465,304)	(1,723,888)	(10,202,691)
Overheads - allocated	(1,809,768)	(2,143,879)	(1,016,296)	(1,215,339)	(6,095,282)
	(5,014,837)	(5,952,309)	(2,481,600)	(2,849,227)	(16,297,973)
Surplus/(deficit) at segment level	9,169,242	6,008,297	(4,823,617)	(6,624,576)	3,729,346
Interest income					1,138,147
Management income					24,000
Surplus before tax at Institute level					4,891,493

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	

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

	Membership & Education RM	Professional Development RM	Professional Practices & Technical RM	Surveillance & Enforcement RM	Total RM
2022					
Revenue	17,957,317	16,719,526	-	-	34,676,843
Other income	152,969	71,400	170,504	622,806	1,017,679
Total income	18,110,286	16,790,926	170,504	622,806	35,694,522
Less:					
Direct expenses	(329,480)	(5,234,435)	(122,490)	(569,081)	(6,255,486)
Employee benefits *	(2,362,999)	(3,248,289)	(1,885,392)	(3,640,697)	(11,137,377)
Overheads *	(1,326,347)	(156,910)	(298,747)	(91,123)	(1,873,127)
	(4,018,826)	(8,639,634)	(2,306,629)	(4,300,901)	(19,265,990)
Surplus/(deficit) before allocated expenses *	14,091,460	8,151,292	(2,136,125)	(3,678,095)	16,428,532
Less:					
Employee benefits - allocated *	(3,007,310)	(3,827,134)	(1,311,720)	(1,639,647)	(9,785,811)
Overheads - allocated *	(1,556,945)	(1,918,979)	(705,241)	(821,432)	(5,002,597)
	(4,564,255)	(5,746,113)	(2,016,961)	(2,461,079)	(14,788,408)
Surplus/(deficit) at segment level *	9,527,205	2,405,179	(4,153,086)	(6,139,174)	1,640,124
Interest income					707,646
Management income					24,000
Surplus before tax at Institute level					2,371,770

Notes:

1. The activities of Membership & Education include providing support to the Education Board, Examination Committee, MIA-MQA Joint Technical Committee, ASEAN CPA Monitoring Committee and Young Professionals Working Group.
2. The activities of Professional Practices & Technical include providing support to the Auditing and Assurance Standards Board, Ethics Standards Board, Capital Market Advisory Committee, Integrated Reporting Steering Committee, Islamic Finance Committee, Professional Accountants In Business Committee, Public Sector Accounting Committee, SMP Committee, Insolvency Practice Committee, Valuation Committee, Public Practice Committee, Taxation Practice Committee and Digital Technology Implementation Committee.
3. The activities of Surveillance & Enforcement include providing support to the Financial Statements Review Committee, Practice Review Committee, Investigation Committee, Disciplinary Committee and Disciplinary Appeal Board.
4. The allocation of employee benefits and overheads of regional offices is based on the proportion of time spent between membership and Professional Development activities whereas the allocation of other common expenses is based on headcount.

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

* The comparative figures, which are for the financial year ended 30 June 2022, have been reclassified to conform with the current financial year's presentation as follows:

	Membership & Education RM	Professional Development RM	Professional, Practices & Technical RM	Surveillance & Enforcement RM	Total RM
Directly attributable to segments:					
Employee benefits					
- As previously stated	(1,969,076)	(2,743,386)	(1,562,085)	(3,080,526)	(9,355,073)
- Reclassifications	(393,923)	(504,903)	(323,307)	(560,171)	(1,782,304)
- As restated	(2,362,999)	(3,248,289)	(1,885,392)	(3,640,697)	(11,137,377)
Overheads					
- As previously stated	(1,326,347)	(1,067,090)	(298,747)	(91,123)	(2,783,307)
- Reclassification	-	910,180	-	-	910,180
- As restated	(1,326,347)	(156,910)	(298,747)	(91,123)	(1,873,127)
Surplus/(deficit) before allocated expenses					
- As previously stated	14,485,383	7,746,015	(1,812,818)	(3,117,924)	17,300,656
- Reclassifications	(393,923)	405,277	(323,307)	(560,171)	(872,124)
- As restated	14,091,460	8,151,292	(2,136,125)	(3,678,095)	16,428,532
Allocated to segments:					
Employee benefits - allocated					
- As previously stated	(3,467,930)	(4,474,941)	(1,611,220)	(2,014,024)	(11,568,115)
- Reclassifications	460,620	647,807	299,500	374,377	1,782,304
- As restated	(3,007,310)	(3,827,134)	(1,311,720)	(1,639,647)	(9,785,811)
Overheads - allocated					
- As previously stated	(1,303,145)	(1,586,412)	(556,462)	(646,398)	(4,092,417)
- Reclassifications	(253,800)	(332,567)	(148,779)	(175,034)	(910,180)
- As restated	(1,556,945)	(1,918,979)	(705,241)	(821,432)	(5,002,597)
Surplus/(deficit) at segment level					
- As previously stated	9,714,308	1,684,662	(3,980,500)	(5,778,346)	1,640,124
- Reclassifications	(187,103)	720,517	(172,586)	(360,828)	-
- As restated	9,527,205	2,405,179	(4,153,086)	(6,139,174)	1,640,124

The reclassifications in respect of employee benefits were made to better reflect those costs that are directly attributable to the segments instead of being generally apportioned previously.

The reclassification in respect of overheads was made to reallocate costs previously directly attributable to the professional development segment to generally allocated costs to better reflect the nature of these costs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	

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

	2023 RM	2022 RM
Reconciliation of revenue and other income with Notes 15 and 16:		
Revenue of segments	43,317,234	34,676,843
Other income of segments	1,534,876	1,017,679
Interest income	1,138,147	707,646
Management income	24,000	24,000
Total income	46,014,257	36,426,168
Consists of:		
Revenue from contracts with customers (Note 15)	43,777,275	35,033,773
Other income (Note 16)	2,236,982	1,392,395
Total income	46,014,257	36,426,168

21. TAXATION

	2023 RM	2022 RM
Income tax:		
- current year	210,000	161,000

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

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

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

	2023 RM	2022 RM
Surplus before tax	4,891,493	2,371,770
Taxation at the effective tax rate of 24% (2022: 23%)	1,173,958	545,507
Tax effects of:		
- expenses not deductible for tax purposes	244,468	186,177
- membership income not subject to tax	(1,028,879)	(775,424)
- other income not subject to tax	-	(33,028)
- unrecognised deferred tax assets	-	143,627
- utilisation of unrecognised deferred tax assets	(75,068)	-
- others	(104,479)	94,141
	210,000	161,000

21. TAXATION (CONT'D)**Unrecognised deferred tax assets**

With effect from the year of assessment 2009, based on Addendum to Public Ruling No 6/2005 issued on 1 July 2009, capital allowances and losses from membership activities if unutilised, cannot be carried forward to a future year of assessment. As at the reporting date, the Institute has a balance of unabsorbed capital allowances and unutilised losses totalling RM542,137 (2022: 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 which have not been recognised at the reporting date are as follows:

	2023 RM	2022 RM
Unabsorbed capital allowances	1,698,057	2,504,647
Unutilised tax losses	6,743,865	6,743,865
Other temporary differences	1,257,879	1,199,399
	9,699,801	10,447,911
Potential deferred tax assets not recognised at 24% (2022: 23%)	2,327,952	2,403,020

The deferred tax assets are not recognised as the utilisation of the tax benefits arising from future taxable profits is assessed as not probable.

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

	2023 RM	2022 RM
Year of assessment		
2028	1,898,588	1,898,588
2029	1,637,843	1,637,843
2030	1,682,599	1,682,599
2031	1,524,835	1,524,835
	6,743,865	6,743,865

22. RELATED PARTY TRANSACTIONS

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	

22. RELATED PARTY TRANSACTIONS (CONT'D)

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

(a) Fees and sponsorship income received from Council members and their related parties

	2023 RM	2022 RM
Members' annual subscription and practising certificate fees	140,150	199,600
Event and conference fees	165,672	54,680
Sponsorship and other income	80,500	171,484

(b) Fees paid to Council members and their related parties

Speaker fees and contract fees	257,267	242,486
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These transactions are transacted in the normal course of business under normal commercial terms.

(c) Key management's remuneration

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

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

	2023 RM	2022 RM
Salaries, bonus and contract fees	2,950,181	2,762,394
Contribution to EPF	410,646	395,306
Others	5,445	5,083
	3,366,272	3,162,783

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

	2023 Number of persons	2022 Number of persons
Range of total remuneration (RM)		
500,001 to 750,000	4	3
250,001 to 500,000	2	3
Up to 250,000	-	1

The year-end outstanding balance of RM773,163 (2022: RM668,373) in relation to employee benefits 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 2023				
Financial assets:				
- Investment in unquoted shares	7,458	-	-	7,458
- Investments at amortised cost	-	12,000,000	-	12,000,000
- Receivables and deposits	-	6,301,252	-	6,301,252
- Fixed deposits with licensed financial institutions	-	24,920,611	-	24,920,611
- Cash and bank balances	-	5,643,337	-	5,643,337
Total financial assets	7,458	48,865,200	-	48,872,658
Financial liabilities:				
- Payables	-	-	3,290,791	3,290,791
- Accruals	-	-	9,775,826	9,775,826
Total financial liabilities	-	-	13,066,617	13,066,617
As at 30 June 2022				
Financial assets:				
- Investment in unquoted shares	7,458	-	-	7,458
- Investments at amortised cost	-	11,500,000	-	11,500,000
- Receivables and deposits	-	1,456,330	-	1,456,330
- Fixed deposits with licensed financial institutions	-	18,920,611	-	18,920,611
- Cash and bank balances	-	7,280,051	-	7,280,051
Total financial assets	7,458	39,156,992	-	39,164,450
Financial liabilities:				
- Payables	-	-	2,478,791	2,478,791
- Accruals	-	-	6,570,986	6,570,986
Total financial liabilities	-	-	9,049,777	9,049,777

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	

23. FINANCIAL INSTRUMENTS (CONT'D)

(b) Net gains arising from financial instruments

	2023	2022
	RM	RM
Income on fixed deposits and current accounts	772,774	402,120
Income from investments at amortised cost	365,373	305,526
Subscription receivables impaired (net)	(199,500)	(223,250)
Receivables recovered/(impaired) (net)	81,807	(86)
	1,020,454	484,310

(c) Financial risk management objectives and policies

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

(i) Credit risk

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

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

Investments in fixed deposits are placed with financial institutions with good credit rating and no history of default. Investments at amortised cost are placed with a Malaysian trustee company wholly-owned by the Government of Malaysia where the capital is guaranteed and the credit risk is assessed to be insignificant.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023****23. FINANCIAL INSTRUMENTS (CONT'D)****(c) Financial risk management objectives and policies (cont'd)****(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 flows RM	Not more than 1 year RM	1-5 years RM
2023				
Payables and accruals	13,066,617	13,066,617	13,066,617	-
Lease liabilities	352,637	371,888	147,497	224,391
2022				
Payables and accruals	9,049,777	9,049,777	9,049,777	-
Lease liabilities	125,502	129,785	88,985	40,800

(iii) Interest rate risk

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

(d) Fair value

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Overview	
Reflections from the Top	
In Focus	
Value Creation	
Governance	
Financials	
Appendix	

24. CAPITAL MANAGEMENT

The objectives of the Institute in managing capital are:

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

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

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

25. COMMITMENTS

	2023 RM	2022 RM
Authorised capital expenditure not provided for in the financial statements:		
(a) Website development	-	21,730
(b) Data analytics tools	18,312	108,438
(c) Computer equipment	-	33,496
(d) Award adjudication platform	39,591	-
	57,903	163,664
Including amount contracted but not provided for	57,903	163,664

AFA	ASEAN Federation of Accountants
AI	Artificial Intelligence
AKPK	Agensi Kaunseling & Pengurusan Kredit
AMLA	Anti-Money Laundering Act
AOB	Audit Oversight Board
ARMC	Audit Risk and Management Committee
ASC	Accounting Students Conference
ASEAN	Association of Southeast Asian Nations
BNM	Bank Negara Malaysia
CA (M)	Chartered Accountant (Malaysia)
CARE	Chartered Accountant's Relevant Experience
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CPE	Continuing Professional Education
CSAP	Committee to Strengthen the Accountancy Profession
CSR	Corporate Social Responsibility
DC	Disciplinary Committee
DTAA	Digital Technology Adoption Awards
e-AT	Electronic Accountants Today
ERM	Enterprise Risk Management
ESB	Ethics Standards Board
ESG	Environmental, Social and Governance
FRP	Future Relevance of the Profession
FSR	Financial Statements Review
FSRC	Financial Statements Review Committee
GDP	Gross Domestic Product
GLC	Government Linked Companies
HR	Human Resources
IA	Internal Audit
IAASB	International Auditing and Assurance Standards Board
IAR	Integrated Annual Report
IASB	International Accounting Standards Board
IC	Investigation Committee
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IPSASB	International Public Sector Accounting Standards Board
IR	Integrated Reporting
IRB	Inland Revenue Board
ISA	International Standards on Auditing
ISQM	International Standard on Quality Management
ISSA	International Standard on Sustainability Assurance
ISSB	International Sustainability Standards Board

IT	Information Technology
KPI	Key Performance Indicator
MACC	Malaysian Anti-Corruption Commission
MAREF	Malaysian Accountancy Research & Education Foundation
MCMC	Malaysian Communications and Multimedia Commission
MIAC	MIA International Accountants Conference
MITI	Ministry of Investment, Trade and Industry
MFRS	Malaysian Financial Reporting Standards
MICPA	Malaysian Institute of Certified Public Accountants
MMAP	MIA Member Assistance Programme
MNC	Multinational Companies
MOF	Ministry of Finance
MOHE	Ministry of Higher Education
MOU	Memorandum of Understanding
MQA	Malaysian Qualifications Agency
MRMC	Management Risk Management Committee
NACRA	National Annual Corporate Report Awards
NASEA	National Accounting Student Excellence Awards
NC	Nominating Committee
NOC	Notice of Complaint
OC	Oversight Committee
PAIB	Professional Accountants in Business
PAO	Professional Accountancy Organisation
PDRM	Polis Diraja Malaysia
PPP	Public Practice Programme
PR	Practice Review
PRD	Practice Review Department
QE	Qualifying Examination
RMCD	Royal Malaysian Customs Department
RPE	Relevant Practical Experience
SC	Securities Commission
SDER	Sustainability, Digital Economy and Reporting
SDGs	Sustainable Development Goals
SMEs	Small and Medium-sized Enterprises
SMPs	Small and Medium Practices
SSM	Companies Commission of Malaysia
SOPs	Standard Operating Procedures
TOR	Terms of Reference
UNSDGs	United Nations Sustainable Development Goals
WCOA	World Congress of Accountants

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