

THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
(INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA)

Minutes of the 51st Annual General Meeting of the Institute held on Saturday, June 20, 2009 at 10:00 a.m. at Bilik Bunga Raya, Level 3, Best Western Premier Seri Pacific Hotel, Jalan Putra, Kuala Lumpur.

PRESENT : Dato' Nordin Baharuddin (President, in the chair)
Dato' Ahmad Johan bin Mohammad Raslan (Vice President)
Dato' Abdul Halim bin Mohyiddin
En Beh Tok Koay
Datin Hajjah Fadzilah bte Saad
Dato' Gan Ah Tee
Ms Goh Lee Hwa
En Lee Tuck Heng
En Peter Lim Thiam Kee
En Lim Tian Huat
Ms Loh Lay Choon
Ms Loo Mi Li
Dato' Hj Maidin Syed Ali
En Pushpanathan a/l S A Kanagarayar
En Seow Yoo Lin
En Sukanta Dutt
En Robert Tan Bun Poo
En Tan Chin Hock

13 other members as recorded in the attendance register

ABSENT WITH APOLOGIES : En Abdul Halim Md Lassim
En Abdul Jabbar Abdul Majid
En Ahmad Mustapha Ghazali
En Mohamad Raslan Abdul Rahman
En Poon Yew Hoe
En Ng Kim Tuck
En See Huey Beng
Dr Veerinderjeet Singh
En Venkatramanan Viswanathan
Dato' Yeo How
Datuk Robert Yong Kuen Loke

IN ATTENDANCE : En Foo Yoke Pin (Secretary)

AGM 1/09 QUORUM

The Secretary confirmed that the quorum of 10 members was present.

AGM 2/09 APOLOGIES

Apologies received were noted.

AGM 3/09 NOTICE OF MEETING

The Chairman proposed that the notice of the meeting be taken as read. It was seconded by En Beh Tok Koay and unanimously agreed by the meeting.

AGM 4/09 REPORT AND FINANCIAL STATEMENTS

- 4.1 The Chairman briefed members on the financial position of the Institute for the year ended December 31, 2008. He also highlighted the major activities undertaken by the Institute during the year.

(a) Finance

The Institute's showed a net operating surplus of RM39,600 compared with a surplus of RM65,500 for the previous year.

Total income decreased by RM137,400 or 4%. This was due mainly to the decrease in income generated from MICPA-Bursa Malaysia Business Forum and continuing professional developments.

The decrease in income was partly compensated by the reduction of the Institute's staff costs of RM111,000 or 4%.

Total assets reduced by RM143,400 or 13%, due mainly to the amortisation of the development cost of study manuals amounting to RM30,000, depreciation of plant and equipment amounting to RM29,500, reduction in prepayments of RM31,500 and decreased in fixed deposits by RM58,000. Total liability reduced by RM182,900 or 19% resulting mainly from the repayment of term loan, which was obtained to finance the development cost of study manuals. The Institute had an accumulated fund of RM180,700 as at December 31, 2008 compared to an accumulated fund of RM141,130 in previous year.

The Council would continue to undertake fund raising activities to increase the Institute's financial resources in order to enable the Institute to invest in brand development and to promote the revised MICPA programme.

(b) Membership

A total of 63 new members were admitted. After taking into account members who resigned or were excluded from membership for failure to pay the annual subscriptions/practising certificate fees, a net decrease of 2 members was recorded. Currently, the Institute had a total membership of 3,092.

2008 was indeed an exhilarating year for the Institute as the Institute continued on the journey to forge global links and spread the Institute wings to further expand the CPA Malaysia brand. The Institute had signed a Memorandum of Understanding (MoU) with The Institute of Chartered Accountants in Australia on February 24, 2009. The MoU provided for recognition, examination and membership arrangements between the two Institutes. New entrants to the MICPA programme would be required to undertake common examinations and upon satisfactory completion, students would be eligible to admit as members of ICAA and MICPA.

With the introduction of the revised MICPA programme, the ability to attract new entrants to undertake the MICPA programme would be stronger which eventually would help to boost the membership of the Institute. The revised programme would facilitate and enhance the movement of younger members within a world wide alliance.

The Council had not forgotten the existing members, especially those who seek a foreign qualification. The Institute was in the process of discussion with ICAA and ICAEW to recognise the CPA qualification on a reciprocal basis and to provide a route for qualified members of either body to become a member of the other body, and to enjoy the benefits which both bodies can offer.

(c) Student Enrolment

The Institute registered a total of 87 new students comprising predominantly graduates with accounting degrees. As compared to previous year, the new student intake had increased by one fold. After taking into account students who were excluded from the register of students for non-payment of annual fees, students who terminated their registration and students who were admitted as members or provisional members, a net decrease of 17% in student population was recorded compared to 2007. Presently, the Institute had a total of 544 registered students.

Although the concerted efforts made by the Institute to promote the CPA qualification have resulted in an increase in student intake compared to the previous year, this had been counterbalanced by the drop-out of existing students. There was no doubt that the Institute needed to implement effective measures to promote the value of the CPA qualification, in particular the revised MICPA programme, to the target market. The Institute had embarked on an active programme to promote the revised MICPA programme to public and private universities and institutions of higher learning. Presentations had been made to the accounting faculties on the merits of the revised MICPA programme.

Some of these initiatives would take time to bear results. In the meanwhile, the support of members in implementing the revised MICPA programme within the members' organisations and in encouraging new recruits to pursue the CPA qualification was vital.

(d) Education And Training

Education and training were the core areas of the Institute's activities. As a professional body, it is the Institute's responsibility to provide effective education and training to its prospective members to develop their professional competence and inculcate in them ethical and professional values. The Institute met this responsibility by continually reviewing and improving the MICPA programme and the way the Institute prepared prospective members for admission to the profession. The Institute had also ensured that the system of education and training produced professionals who had a strong foundation of core accounting and business knowledge, who were capable of utilising their knowledge to provide high-value added services, who were proficient in using technology to enhance the delivery of the products and services; who were conversant with global business standards and practices; and most importantly, who were committed to perform the work with integrity and expertise.

As reported earlier, the Institute would introduce the revised MICPA programme this month and the first group of students sitting for the revised MICPA examination would be in December 2009. The revised MICPA programme that incorporates education modules of both bodies would consist of 5 modules namely Taxation, Financial Accounting & Reporting, Auditing & Assurance, Management Accounting & Analysis and Ethics & Business Applications. Students were required to obtain not less than 3 years of approved practical experience under the supervision of a member of MICPA or ICAA or approved professional body.

(e) Services to Members

An important task of the Council was to ensure that the Institute continued to provide relevant services that meet the needs of different segments of the membership.

This function was carried out with the help of committees and working groups formed by the Council to identify and serve the various professional needs of different segments of members in the performance of their work and services. Ad hoc task forces were also appointed to address emerging issues of concern. The Institute provided members with technical updates and guidance on all aspects of CPAs' work covering accounting, auditing and assurance, taxation, and insolvency practice.

The Institute continued to improve communications to members with e-circulars and alerts sent regularly to keep members updated on recent news about the Institute and profession. Members now know what was happening in the Institute and in the profession throughout the world.

The Council was keenly conscious that members work in a fast-changing environment. It constantly undertakes initiatives to improve the services provided to members to ensure that CPAs in any sector preserve their technical excellence.

(f) Participation in International Organisations

In recognition of the increasingly global nature of the accountancy profession, the Institute had sought opportunities to participate and contribute to the international accounting organisations. The Institute's involvement was focused on areas that were most relevant to the Malaysian environment. The Institute participated actively in the work of the International Auditing and Assurance Standards Board (IAASB) of IFAC.

In the area of the international co-operation, the Institute certainly welcomed the exchange of information between fellow accountancy bodies to strengthen professional relationship and understanding of the current developments in the accountancy profession and business environment in the various countries. During the year, the Institute had also received a number of visitors from professional bodies. These included the President of the Institute of Chartered Accountants in Australia, the delegations from the Institute of Chartered Accountants of India, the delegations from the Institute of Cost & Works Accountants of India and the Executive Director, Learning and Professional Development of The Institute of Chartered Accountants in England and Wales

(g) Acknowledgement

The Chairman thanked all members who had contributed their time, energy and expertise to the Institute's work and he look forward to their continued support, particularly the younger members. He also encouraged younger members to play an active role in the Institute's activities.

The Chairman also expressed his sincere gratitude to his fellow Council members for the full support and co-operation rendered to him during his tenure as President.

4.2 The Chairman then invited comments from the floor on the report and financial statements of the Institute. The following comments were noted:

(1) Venkiteswaran Sankar made the following comments:

(a) En Venkiteswaran Sankar commented that the Institute had incurred losses for organising annual dinner and commemorative lecture. The Institute should reconsider of organising such events.

The Chairman commented that both the events were important to the Institute. Despite the Institute making losses organising the events, both the events were platform for members, business leaders and Government officers to network and exchange of views or ideas. He also commented that the Institute would look into ways to minimise the losses of organising both the events.

- (b) En Venkiteswaran Sankar also commented that the financial statements of the MACPA Educational Trust Fund was not incorporated in the annual report of the Institute that was sent to members.

The Chairman commented that the MACPA Educational Trust Fund was administered and controlled by the appointed Trustees and not by the Council. It would be misleading if the financial statements of the MACPA Educational Trust Fund was incorporated in the annual report of the Institute because it appeared that the MACPA Educational Trust Fund was administered and controlled by the Council. It would have an implication on the tax exempt status of the MACPA Educational Trust Fund if it was perceived that the MACPA Educational Trust Fund was administered and controlled by the Council.

However, the Chairman commented that he would discuss with the Trustees to decide on how to disseminate the annual report of the MACPA Educational Trust Fund to members.

- (2) En Lin Yong Tong commented that the Institute should promote the MICPA programme to foreign students who were doing their undergraduate programme locally in order to increase the student number.

The Chairman commented that at the moment the main target market that the Institute was focusing were mainly Malaysian graduated from local universities and Australian universities. Foreign students who intend to do the MICPA programme would need to work in Malaysian accounting firms or ATOs and this would involved the work permit issue. However, in the future, the Institute would work together with the ICAA to promote the joint programme in developing countries.

The Secretary also commented that the ICAA would also assist the Institute in promoting the revised MICPA programme to Malaysian students who were studying in Australia. The Institute would also participate in the promotion in Australia at least once a year to promote the revised programme in Australia.

- (3) En Cheah Hoi Meng commented that the Institute should work towards making CPA qualification as the desirable qualification of the young Malaysians instead of just working on mutual recognition with other professional bodies. The Institute should also look into how to improve the brand of CPA.

The Chairman commented that the young Malaysians would prefer a qualification of internationally recognised. Hence, the Institute was working towards it through the memorandum of understanding signed with the ICAA whereby students would obtain two memberships upon completion of the joint examination. This effort should make CPA qualification as the desirable qualification.

En Sukanta Dutt commented that CPA qualification is a desirable qualification. But what we desire in life might not be easily attainable. We were a small market and with the influx of foreign qualifications make it more difficult for the Institute. Therefore, the needs to leverage on another Institute would make it more attractive, attainable and desirable as well as more marketable.

(4) En Chong Sai Sin commented the following:

(a) En Chong Sai Sin commented that there were only 24 lecturers joined the Certified Financial Accountant (CFiA) membership. The CFiA qualification was not attractive to the students.

The Chairman commented that the CFiA qualification was not attractive to the students because the qualification was not internationally recognised.

(b) En Chong Sai Sin highlighted that the plant and machinery amounting to RM205,268 were written off during the year. He would like to seek clarification on the reason of the write off.

The Chairman explained that the assets were not usable and would be costly to have it repaired.

(c) En Chong Sai Sin also highlighted that the subscriptions receivable had increased by almost RM100,000 during the year. He would like to know the recoverability of the amount.

The Secretary explained that the amount of RM100,000 was due from students from public universities who registered for the MICPA examination. There should be no concerned over the recoverability of the amount because the registrations were done through the universities and sponsored by various statutory bodies or government agencies such as JPA, MARA.

(d) En Chong Sai Sin proposed that the Institute should consider getting sponsors from various organisations to sponsor the Institute's annual dinner and commemorative lecture in order to reduce the losses from organising such events. The Institute should also look at the list of invited guests for the events.

The Chairman commented that the Institute would look at the proposal and also relook at the list of invited guests.

(5) En Lim Chu Guan commented that the Institute might want to consider using facebook to promote the MICPA programme to the younger generation.

The Chairman commented that the Council would consider the proposal and have it implemented if the Council deemed fit.

4.3 The Chairman proposed the resolution:

“That the Report of the Council and Financial Statements of the Institute for the year ended December 31, 2008 be and are hereby adopted.”

The resolution was seconded by En Tan Chin Hock and was put to the vote. It was unanimously carried.

AGM 5/09 ELECTION OF COUNCIL MEMBERS

5.1 The Chairman announced that there were 10 vacancies in the Council and 10 members had been nominated or deemed to be nominated for election to the Council.

5.2 The Chairman also announced that:

(a) In accordance with the Institute's bye-laws, the following Council members retired at this AGM and being eligible, offered themselves for re-election:

1. Abdul Halim bin Md Lassim
2. Goh Lee Hwa
3. Lim Tian Huat
4. Mohamed Raslan Abdul Rahman
5. Pushpanathan A/L S A Kanagarayar
6. See Huey Beng
7. Tan Chin Hock
8. Veerinderjeet Singh
9. Yeo How, Dato'
10. Robert Yong Kuen Loke, Datuk

(b) Accordingly, there were 10 members standing for election to the Council.

5.3 The Chairman announced that in accordance with bye-law 8, as the number of candidates for election to the Council was equal to the number of vacancies in the Council, that all the 10 candidates who were standing for election, whose names had been read out just now, be and were hereby declared elected to the Council.

5.4 The Chairman congratulated the candidates on their election to the Council and thanked them for their willingness to contribute to the work of the Institute, especially the newly elected members.

AGM 6/09 APPOINTMENT OF AUDITORS

6.1 The Chairman announced that in accordance with bye-law 120, En Ng Eng Kiat and En Ooi Chee Kun retired as auditors of the Institute at this AGM.

6.2 The Chairman also announced that no new nominations had been received for appointment as auditors and that in accordance with bye-law 121, En Ng Eng Kiat and En Ooi Chee Kun were deemed to be nominated for re-appointment as auditors of the Institute for the ensuing year.

6.3 The Chairman proposed the resolution:

“That En Ng Eng Kiat and En Ooi Chee Kun be re-appointed as auditors of the Institute for the ensuing year.”

The resolution was seconded by Dato’ Gan Ah Tee and was put to the vote. It was unanimously carried.

AGM 7/09 ANY OTHER BUSINESS

The Chairman announced that no notice of motion for consideration at this AGM had been received from members.

AGM 8/09 CLOSE

There being no further business, the meeting was closed at 10:55 a.m. with a vote of thanks to the chair.

The Chairman in turn thanked all members for attending the AGM.

CHAIRMAN