

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

Minutes of the 54<sup>th</sup> Annual General Meeting of the Institute held on Saturday, June 23, 2012 at 10:00 a.m. at FR Dillieria, Ground Floor, Sime Darby Convention Centre, Bukit Kiara, Kuala Lumpur.

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- PRESENT :
- Dato' Seri Ahmad Johan Mohammad Raslan  
(President, in-the-chair)
  - Mr Pushpanathan a/l S A Kanagarayar
  - Dato' Abdul Halim bin Mohyiddin
  - En Abdul Halim Md Lassim
  - En Abdul Rauf Rashid
  - Mr Beh Tok Koay
  - Datin Hajjah Fadzilah bte Saad
  - Dato' Gan Ah Tee
  - Ms Goh Lee Hwa
  - Mr Lee Tuck Heng
  - Mr Peter Lim Thiam Kee
  - Ms Loh Lay Choon
  - Dato' Hj Maidin Syed Ali
  - En Mohamed Raslan Abdul Rahman
  - Mr Patrick Ng Gan Hooi
  - Mr Ng Kim Tuck
  - Mr Ong Chee Wai
  - Mr Poon Yew Hoe
  - Dato' Syed Faisal Albar bin Syed A R Albar
  - Mr Robert Tan Bun Poo
  - Mr Tan Theng Hooi
  - Mr Stanley Teo Swee Chua
  - Mr Thong Foo Vung
  - Dr Veerinderjeet Singh
  - Mr Venkatramanan Viswanathan
  - Dato' Yeo How
- 13 other members as recorded in the attendance register
- ABSENT WITH APOLOGIES :
- Mr Sukanta Dutt
  - Mr Tan Chin Hock
  - Mr Gary Yong Yoon Shing
  - Datuk Robert Yong Kuen Loke
- IN ATTENDANCE :
- Mr Foo Yoke Pin (Secretary)

AGM 1/12 QUORUM

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

AGM 2/12 APOLOGIES

Apologies received were noted.

AGM 3/12 NOTICE OF MEETING

The Chairman proposed that the notice of the meeting be taken as read. It was seconded by Ms Loh Lay Choon and unanimously agreed by the meeting.

AGM 4/12 REPORT AND FINANCIAL STATEMENTS

4.1 The Chairman briefed members on the financial position of the Institute for the year ended December 31, 2011. He also highlighted the major activities undertaken by the Institute during the year.

(a) Finance

The Institute achieved a net operating surplus of RM473,000 for the year, an increase of RM246,500 (108.8%) from RM226,500 in 2010.

Total income rose by RM647,500 or 19.0% due mainly to the increased in income generated from conducting examinations under the revised MICPA programme and continuing professional development, NACRA competition and waiver of advances for study manual.

Total expenses increased by RM401,100 or 12.6% due mainly to expenses incurred to promote and to conduct examinations under the revised MICPA programme and higher staff costs.

Total assets increased by RM1,072,800 or 59.7%, due mainly to the substantial increase in fixed deposits and bank balances and computer software acquired. Total liability increased by RM599,800 or 49.4% resulting mainly from the increase in expenses accrued for conducting examinations under the revised MICPA programme and members' fees received in advance.

The Institute had an accumulated fund of RM1,054,900 as at December 31, 2011 compared to an accumulated fund of RM581,900 in the previous year.

The financial position of the Institute had strengthened over the years through prudent and careful stewardship of resources. As the financial position of the Institute continued to improve, the Institute is able to embark on projects to improve the information technology system to better support members and intensify the publicity and communications programme in promoting the revised MICPA programme.

(b) Membership

The membership of the Institute consists of four classes of members who are admitted in accordance with the Institute's Articles of Association and Bye-laws. The classes were Certified Public Accountants (CPA), Provisional Member, Certified Financial Accountants (CFiA) and Associate Members. As at December 31, 2011, the membership of the Institute stood at 3,138.

As at December 31, 2011, the total number of CPA of the Institute was 3,064. 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 26 members was recorded.

During the year, there was a total of 28 new admissions. Of the new admissions, 25 were admitted under Bye-law 34(1)(a) to (d) having completed the Institute's examinations and fulfilled the prescribed practical experience requirements. Another 3 members were admitted under Bye-law 34(1)(f) who were full members of approved overseas accountancy bodies and had been granted exemption from the examination on the basis that they have had adequate working experience in the relevant fields in Malaysia after qualifying as an accountant.

There was no significant change in the membership profile as compared to year 2010. As at December 31, 2011, 43% of members worked in public practice firms, of whom 3% were members holding practising certificates. A total of 49% of the members were employed in the business community and 1% in the public sector. Retired members accounted for 7% of the total CPA membership.

During the year, a total of 23 female members were admitted, constituting 82% of the total new admissions. At the end of 2011, the proportion of female members continued to increase marginally by 1% to 39%.

(c) Student Enrolment

There had been an increased in student enrolment during the year. A total of 159 new students were admitted showing a significant increase of 65% compared to the previous year. The new intake comprised predominantly accounting graduates from local universities and Australian universities. After taking into account 90 students who were excluded from the register of students for non-payment of annual fees, 29 students who terminated their registration and 25 students who were admitted as members or provisional members, the total number of students stood at 510 on December 31, 2011.

It was reported last year that the Institute had introduced the Students Sponsorship Programme (MICPA-SSP) in February 2011. MICPA-SSP had attracted an encouraging number of final year accountancy students from local universities with good academic records to enroll in the revised MICPA programme. This was evidenced from the new student intake whereby 55% of the new recruits were students in the final year of the Bachelor of Accountancy degree. The Students Sponsorship Programme was recognised by the TalentCorp as a Structured Internship Programme for the Accountancy Sector where eligible approved training employers enjoy double tax deductions on cash allowances for interns and internship training-related expenses.

(d) Education And Training

The Education and Training Committee was preoccupied with two major tasks – evaluation of degree courses conducted by both Malaysian and Australian public and private institutions of higher learning as entry qualifications to the revised MICPA programme and delivering CPD programmes for members.

The Committee continued to undertake the evaluation of degree courses conducted by both Malaysian and Australian public and private institutions of higher learning as entry qualifications to the revised MICPA programme. The outcome of the evaluation would also form the basis for determining the extent of exemption that might be granted from the Professional Stage Examination.

The Committee was also responsible for the planning and organising CPD programmes for members. The Institute continued to organise CPD programmes in the form of seminars, workshops and forums, covering a wide range of topic, throughout the year for the benefit of members.

(e) Services to Members

The Council was keenly conscious that members work in a fast-changing environment. An important task of the Council was to constantly undertake initiatives to improve the services provided to members of different segments of the membership to ensure that CPAs in any sector preserve their technical excellence.

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. Continuing professional development (CPD) courses on a broad scope of topics were organised to assist members keep abreast of current changes in the work environment.

During the year, the Institute had actively engaged with the Audit Oversight Board (AOB) into discussion in key aspects observations and other matters related to their oversight activities. The discussion would assist the Institute in setting the right tone and establish baseline quality in auditing across the board through the enforcement of professional standards which had been adopted by the Institute. The Institute also held regular dialogues and discussions with the AOB on issues and challenges faced by the auditing industry, such as pressure on audit fees and availability of competent talent.

In the last year report, it was reported that the Institute had obtained a grant under the Services Sector Capacity Development Fund from the Malaysian Industrial Development Authority for the purposed of upgrading the Institute's IT. Upon completion of upgrading the IT, new functionalities and interactive features would be added to improve the method of information delivery and communication between the Institute and members. The IT upgrading project was completed in April 2012 and would be officially launched at the Institute's Annual Dinner in September 2012.

(f) Participation in International Organisations

The Institute maintained active relationships with the international accounting organisations and fellow professional bodies around the world. It was also important that the Institute keep abreast of significant international development in accounting, auditing, education and other professional standards.

The Institute continued to contribute and support the work of IFAC. The Institute had actively promulgated convergence with international auditing standards issued by the International Auditing and Assurance Standards Board (IAASB) of IFAC. The Institute continued to review and provide feedback on exposure drafts and discussion documents issued by the IAASB of IFAC.

During the year, the Institute visited the Institute of Chartered Accountants in Australia. The visit provided an opportunity for the exchange of information on the latest developments in the profession and sharing of information on the conduct of examination.

The delegations from The Accountant and Appraiser Supervisory Center of the Ministry of Finance, Republic of Indonesia had visited the Institute during the year. The visit provided an opportunity for the Institute to share with the delegations the Institute's processed in regulating and monitoring members.

During the year, representatives from The World Bank had also visited the Institute. The Institute had shared with the representatives the Institute's roles and responsibility in the Malaysia's accounting and auditing professions to facilitate them in the preparation of the Report on the Observance of Standards and Codes (ROSC) for Malaysia that focused on accounting and auditing.

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 President of The Institute of Chartered Accountants in England and Wales, and the delegations from the Institute of Cost & Works Accountants of India.

The Institute maintained on-going professional relationships with fellow professional bodies around the world to keep abreast of significant national developments in the profession and to share and exchange technical resources.

(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.

4.2 The Chairman then invited comments from the floor on the report and financial statements of the Institute. There were no comments raised by the members on the annual report and financial statements of the Institute.

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, 2011 be and are hereby adopted."

The resolution was seconded by Dr Veerinderjeet Singh and Datin Hajjah Fadzilah bte Saad and was put to the vote. It was unanimously carried.

AGM 5/12 ELECTION OF COUNCIL MEMBERS

5.1 The Chairman announced that there were 10 vacancies in the Council and no new nominations have been received 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 Rauf Rashid
2. Goh Lee Hwa
3. Mohamed Raslan Abdul Rahman
4. Ong Chee Wai
5. Pushpanathan a/l S A Kanagarayar
6. Tan Chin Hock
7. Veerinderjeet Singh, Dr
8. Yeo How, Dato'
9. Robert Yong Kuen Loke
10. Yong Yoon Shing

(b) Accordingly, there were no 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 6/12 CONFIRMATION OF APPOINTMENT  
TO FILL CASUAL VACANCY IN COUNCIL

- 6.1 The Chairman announced that the following members were appointed by the Council to fill casual vacancies in the Council:
- (a) Abdul Rauf Rashid on August 20, 2011
  - (b) Ng Gan Hooi on January 14, 2012
  - (c) Ong Chee Wai on May 12, 2012
  - (d) Thong Foo Vung on January 14, 2012

and that in accordance with bye-law 13, such appointment should be subject confirmation at the next succeeding annual general meeting.

- 6.2 Accordingly, the Chairman proposed the resolution:

“That the appointment of the above members to fill the vacancies in the Council be and are hereby confirmed.”

The resolution was supported by Ms Loh Lay Choon and was put to the vote. It was unanimously carried.

AGM 7/12 APPOINTMENT OF AUDITORS

- 7.1 The Chairman announced that in accordance with bye-law 120, Mr Ng Eng Kiat and Mr Ooi Chee Kun retired as auditors of the Institute at this AGM.
- 7.2 The Chairman also announced that no new nominations had been received for appointment as auditors and that in accordance with bye-law 121, Mr Ng Eng Kiat and Mr Ooi Chee Kun were deemed to be nominated for re-appointment as auditors of the Institute for the ensuing year.
- 7.3 The Chairman proposed the resolution:

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

The resolution was seconded by Mr Lee Tuck Heng and was put to the vote. It was unanimously carried.

AGM 8/12 ANY OTHER BUSINESS

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

AGM 9/12 CLOSE

There being no further business, the meeting was closed at 10:25 a.m. with a vote of thanks to the chair.

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

CHAIRMAN