

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

Minutes of the 55<sup>th</sup> Annual General Meeting of the Institute held on Saturday, June 22, 2013 at 10:00 a.m. at FR Banyan, Ground Floor, Sime Darby Convention Centre, Bukit Kiara, Kuala Lumpur.

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PRESENT : Mr Pushpanathan a/s S A Kanagarayar  
(President, in-the-chair)  
En Mohamed Raslan Abdul Rahman  
Dato' Abdul Halim bin Mohyiddin  
En Abdul Halim Md Lassim  
En Abdul Rauf Rashid  
En Ahmad Fuaad bin Mohd Kenali  
Mr Beh Tok Koay  
Datin Hajjah Fadzilah bte Saad  
Dato' Gan Ah Tee  
Ms Goh Lee Hwa  
Mr Lim Thiam Kee  
Ms Loh Lay Choon  
En Mohammad Faiz bin Mohammad Azmi  
Mr Patrick Ng Gan Hooi  
Mr Ng Kim Tuck  
Dr Nurmazilah binti Mahzan  
Mr Ong Chee Wai  
Mr Poon Yew Hoe  
Mr Robert Tan Bun Poo  
Mr Tan Chin Hock  
Mr Tan Theng Hooi  
Mr Stanley Teo Swee Chua  
Mr Thong Foo Vung  
Dr Veerinderjeet Singh  
Dato' Yeo How  
Mr Gary Yong Yoon Shing  
19 other members as recorded in the attendance register

ABSENT WITH  
APOLOGIES : Mr Lee Tuck Heng  
Mr Sukanta Dutt  
Mr Venkatramanan Viswanathan  
Datuk Robert Yong Kuen Loke

IN ATTENDANCE : Mr Foo Yoke Pin (Secretary)

AGM 1/13 QUORUM

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

AGM 2/13 APOLOGIES

Apologies received were noted.

AGM 3/13 NOTICE OF MEETING

The Chairman proposed that the notice of the meeting be taken as read. It was seconded by Mr Lim Thiam Kee and unanimously agreed by the meeting.

AGM 4/13 CONFIRMATION OF APPOINTMENT  
TO FILL CASUAL VACANCY IN COUNCIL

4.1 The Chairman announced that the following members were appointed by the Council to fill casual vacancies in the Council:

- (a) Ahmad Fuaad bin Mohd Kenali (Appointed on May 11, 2013)
- (b) Mohammad Faiz bin Mohammad Azmi (Appointed on August 11, 2012)
- (c) Dr. Nurmazilah binti Mahzan (Appointed on March 16, 2013)

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

4.2 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 Datin Fadzilah bte Saad and was put to the vote. It was unanimously carried.

4.3 Mr Venkiteswaran Sankar requested for an explanation why the above members appointed by the Council to fill casual vacancies were not subject to retirement at the annual general meeting.

The Chairman responded that in accordance with bye-law 13, member appointed by the Council to fill casual vacancy shall hold office during the time the member of the Council whose place he is appointed would have been entitled to hold office. Hence, the above members would only be retiring when the members of the Council whose place they were appointed were due for retirement.

AGM 5/13 ELECTION OF COUNCIL MEMBERS

5.1 The Chairman announced that there were 10 vacancies in the Council and 11 members had been 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. Ab Halim bin Mohyiddin, Dato'
2. Ahmad Fuaad bin Mohd Kenali
3. Beh Tok Koay
4. Fadzilah bte Saad, Datin
5. Lee Tuck Heng
6. Loh Lay Choon
7. Mohammad Faiz bin Mohammad Azmi
8. Ng Gan Hooi
9. Sukanta K Dutt
10. Thong Foo Vung

(b) One new nomination had been received for election to the Council:

1. Ng Wing Hoong

Therefore, there were 11 members standing for election to the Council.

5.3 The Chairman announced that in accordance with bye-law 8, as the number of candidates nominated for election to the Council was more than the number of vacancies to be filled, the members of the Institute entitled to vote shall at the Annual General Meeting filled the vacancies by election from the said candidates.

5.4 The Chairman also announced that in accordance with bye-law 9(1), the election of members of the Council shall be put to vote by ballot of those present and entitled to vote.

5.5 The Chairman also announced that each member present and entitled to vote at the meeting should had as many votes as there were vacancies to be filled but should not give more than one vote to only one candidate.

5.6 The Chairman appointed Mr Ooi Chee Kun and Ms Sam Sow Ching as scrutineers to witness the counting of the votes and confirmed the result for the election.

5.7 The Chairman put the election to the Council to vote by ballot.

5.8 The Chairman announced the result of the election to the Council, which comprised the following members:

1. Ab Halim bin Mohyiddin, Dato'
2. Ahmad Fuaad bin Mohd Kenali
3. Beh Tok Koay
4. Fadzilah bte Saad, Datin
5. Lee Tuck Heng
6. Loh Lay Choon
7. Mohammad Faiz bin Mohammad Azmi
8. Ng Gan Hooi
9. Sukanta K Dutt
10. Thong Foo Vung

The Chairman also announced that all the 10 candidates whose names had been read out just now, be and were hereby declared elected to the Council.

5.9 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 6/13 REPORT AND FINANCIAL STATEMENTS

6.1 The Chairman briefed members on the financial position of the Institute for the year ended December 31, 2012. He also highlighted the major activities undertaken by the Institute during the year.

(a) Finance

The Institute achieved a net operating surplus of RM565,000 for the year, an increase of RM92,000 (19.5%) from RM473,000 in 2011.

Total income rose by RM721,900 or 17.8% due mainly to the increased in income generated from conducting examinations under the MICPA-ICAA programme, surplus generated from the MICPA-Bursa Malaysia Business Forum and grant income.

Total expenses increased by RM629,800 or 17.6% due mainly to expenses incurred to promote and to conduct examinations under the MICPA-ICAA programme, higher staff costs and amortisation of intangible asset – computer software.

Total assets increased by RM772,500 or 26.9%, due mainly to the substantial increase in fixed deposits and bank balances and computer software acquired. Total liability increased by RM207,400 or 11.4% resulting mainly from the increase in expenses accrued for conducting examinations under the MICPA-ICAA Programme and recognising of government grant as deferred income.

The Institute has an accumulated fund of RM1,620,000 as at December 31, 2012 compared to an accumulated fund of RM1,054,900 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 MICPA-ICAA 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, 2012, the membership of the Institute stood at 3,151.

**Certified Public Accountants**

As at December 31, 2012, the total number of CPA of the Institute was 3,050. 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 14 members was recorded.

During the year, there was a total of 48 new admissions. Of the new admissions, 34 were admitted under Bye-law 34(1)(a) to (d) having completed the Institute's examinations and fulfilled the prescribed practical experience requirements. Another 11 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 2011. As at December 31, 2012, 43% of members worked in public practice firms, of whom 13% 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 19 female members were admitted, constituting 42% of the total new admissions. At the end of 2012, the proportion of female members remained at 39%.

## **Certified Financial Accountant (CFiA)**

During the year, a total of 35 new members were admitted as Certified Financial Accountants (CFiA). After taking into account CFiA members who were excluded from membership for failure to pay their annual subscription, a net increase of 31 members was recorded. That brought the total CFiA membership to 65 members as at December 31, 2012.

The CFiA members were mainly senior lecturers from the accounting faculties of the local private and public universities. They were admitted under the Institute's special provisions for admission as CFiA.

## **Provisional Members**

There were 36 provisional members as at December 31, 2012. Provisional members were graduate members who had completed the Institute's examinations but had not fulfilled the practical experience requirement for admission as full members.

### (c) Student Enrolment

A total of 160 new students were admitted during the year 2012. The new intake comprised predominantly accounting graduates from local universities and Australian universities. After taking into account 118 students who were excluded from the register of students for non-payment of annual fees, 30 students who terminated their registration and 33 students who were admitted as members or provisional members, the total number of students stood at 489 on December 31, 2012.

The MICPA-SSP had attracted an encouraging number of final year accounting students from local universities with good academic records to enroll in the MICPA-ICAA Programme. The new student intake during the year comprised 35% of SSP-registered students. SSP was launched by the Institute in 2011 where approved training employers sponsored students who were interested to pursue 2 out of the 5 modules of the Advanced Stage Examination of the Institute in the final year of their degree programme. The students would also be offered an internship placement and job opportunities.

The Institute actively participated in programme talks, networking dinners, exhibitions and career fairs in universities as well as in orientation sessions in accounting firms. The Institute also participated at the accounting and finance sector-focused career fairs organised by TalentCorp.

Beyond the shores of Malaysia, the Institute worked together with ICAA in reaching out to Malaysian nationals studying in Australian universities. The Institute had also participated in the GRADUAN career fair in Australia which was held in the first week of October 2012 where the Institute also organised a breakfast networking session with Malaysian students at the ICAA office in Melbourne.

In addition to promoting the MICPA-ICAA Programme, the Institute made a concerted effort to educate university students about accountancy career options after university and the accounting industry in general. The Institute also conducted guest lectures and case study workshops at various universities such as Universiti Utara Malaysia, Universiti Sains Malaysia, and Universiti Putra Malaysia.

(d) Education and Training

The accountancy profession operated in an environment of rapid change, making it essential for professional accountants to continuously seek to update their technical and professional skills and knowledge based on the latest developments, in order to serve the best interests of the public, including clients and employers. Investment in a planned programme of continuing professional development is one of the major ways in which MICPA members update themselves.

To assist members in meeting their CPD requirements, the Institute organised a wide range of CPD programmes during the year. The areas covered were pre-dominantly on accounting related topics such as understanding and applying newly-issued or updated financial reporting standards and various taxation topics. The Institute also conducted the *Practical Guide to Audit* workshops which use the Institute's *Audit Guide for Practitioners* manual as a comprehensive resource to train participants on the various stages of conducting an audit.

During the year, the Institute organised a third joint audit forum with ICAA. This year's forum focused on the role of audit committee members at insurance companies in pursuing a leading edge in the practice of corporate governance within their organisations. The Assistant Governor of Bank Negara Malaysia, Ms Jessica Chew, who officiated the Forum, had her teams participated and spoken in the Forum.

The International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) jointly with the Institute of Chartered Accountants Australia (ICAA), The Malaysian Institute of Certified Public Accountants (MICPA) and The Malaysian Institute of Accountants (MIA) hosted a roundtable on *Improving the Auditor's Report* in Kuala Lumpur for the Asia-Pacific region. This roundtable was one of only 3 such roundtables held globally by IAASB in 2012. The KL roundtable, which was held on October 8, 2012 at the Grand Millennium Hotel saw the largest participation by representatives from a broad range of stakeholder groups from the Asia Pacific region who shared their perspectives on the IAASB's suggested improvements to the auditor's report. Regulators and standard-setters in attendance included representatives from Bank Negara Malaysia, the Malaysian Audit Oversight Board, China Auditing Standards Board, External Reporting Board of New Zealand, Financial Reporting Council of Hong Kong, Accounting & Corporate Regulatory Authority of Singapore and the International Organisation of Securities Commissions. Professional bodies and professional services firms from Malaysia, China, Indonesia, Hong Kong and Singapore participated in the panel discussions to ensure that the views of Asia-Pacific practitioners are considered in the drafting of this important standard.

The Institute continued to conduct in-house training programmes on specialised topics. These ad-hoc programmes were mainly organised upon requests by certain satisfied participants from the Institute's public training programmes.

The Institute demonstrated our commitment towards the development of the accountancy profession by conducting a complimentary seminar for academicians on the Malaysian Financial Reporting Standards and the impact of convergence with IFRS on financial statements.

The Institute of Chartered Accountants Australia had rolled out a new Chartered Accountants Programme from 2013 which incorporated contemporary learning design and delivery. Consistent with the new Chartered Accountants Programme, the Institute had introduced the new MICPA-ICAA Programme from 2013. Candidates would complete five modules – ie. the four technical modules and the final Capstone module, and acquire three years of supervised practical experience in an approved training organisation under the new MICPA-ICAA Programme.

The new MICPA-ICAA Programme allowed for greater breadth and depth of content delivered through a blended learning approach, which was designed to accommodate different learning styles and provide greater flexibility to candidates. That included a new online learning space called *myLearning*. Candidates would have the option to access the learning support and resources that were most effective for them, including face-to-face lecture forums and virtual classrooms in the four technical modules. In addition, three full-day face-to-face workshops were mandatory in the Capstone module to ensure candidates integrate their technical knowledge with professional development skills based on complex real-life case studies, giving them a well-rounded professional accounting education.

(e) Services to Members

Every CPA member of the Institute committed to the highest standards of professionalism. Because of such commitment, they had earned the respect and trust from the regulators, business community and the public at large. In order to support the members', the Institute is committed in helping members to develop and maintain rigorous standards of technical and professional expertise and service.

A variety of activities were carried out throughout the year to meet the interests and professional development needs of different categories of the members. 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 throughout the year. Many of these activities were supported by a network of committees made up of members and a large number of volunteers from different fields of specialisation. Ad hoc task forces were also appointed to address emerging issues of concern. It cannot be overstated that the active involvement of members is essential to the continuing development and success of the Institute.



The IT upgrading project, as stated in last year's report, which was funded through a grant under the Services Sector Capacity Development Fund from the Malaysian Industrial Development Authority was completed in April 2012 and was officially launched at the Institute's Annual Dinner held in September 2012. With the upgraded members and students portals, new functionalities and interactive features were added to improve the method of information delivery and communication between the Institute and members.

(f) Communication and Public Relations

With the aim of further enhancing the CPA Malaysia brand, the Institute's brand communication was evolved to better reflect the professional attributes and broadening of the skillsets of today's Certified Public Accountants. The brand message focused on the opportunities for professional achievement as a Certified Public Accountant. The look and feel of the Institute materials and communications had been upgraded to be in line with the enhanced brand. Refreshing the brand and sharpening the competitive value of Certified Public Accountants puts the Institute on a stronger footing for the future, as we consider the growth of the Institute in light of the evolution of the global accounting profession.

The target audience that were attracted into the MICPA-ICAA Programme continued to be the discerning, passionate and talented people. In order to continuously engage with them, we had taken efforts to ensure that the medium with which we reach out will appeal to them – not just in terms of content but also aesthetically.

With an increasingly connected generation, online media was a major component of the Institute's outreach. The Institute launched the new look of its website at the annual dinner in September 2012 which showcased a more contemporary and modern, yet professional feel. The Institute also improved on the user-friendliness of the site, which had proven to be a worthy exercise that drew in a significant increase in web visitors. The Institute also revived its social media channels - Facebook, Twitter and YouTube in order to engage its target group with more online social interaction. These had also shown a continuous increased in the number of fans and followers each month.

The Institute had also refreshed its MICPA-ICAA Programme brochures and banners, giving them a more vibrant and contemporary theme. The Institute organised a photo shoot featuring its very own students who were now the faces and ambassadors of the Institute. Their pictures were also used on the website, social media channels, and other marketing materials produced by the Institute.

In terms of print media, the Institute continued to place advertorials in The Star newspaper's Education Guide supplement on a monthly basis. The Institute also produced a write-up in the same supplement to publicised the Institute's key student activities and share the achievements of the candidates. The write-ups were an excellent way to provide more details into the types of activities the Institute participates in, and were also able to feature successful partnerships and collaborations in reaching out to potential candidates.

(g) Participation in International Organisations

The world we live in is changing rapidly - shifting workforce trends, complex socio-economic changes, increasing in business complexity, on-going technical advancements and globalisation.

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 also attended the IFAC Council meeting held at Cape Town, South Africa. As part of the meeting, IFAC held its annual seminar, which focused on integrated reporting. The seminar, *A Fundamental Shift in Corporate Reporting*, focused on drawing upon the experiences and perspectives of integrated reporting in practical terms – the South African experience, how to implement integrated reporting, and how to address the challenges and opportunities for small- and medium-sized entities and accountancy practices. Apart from the annual seminar, concurrent workshops covering current issues such as public sector financial management and governance, capacity building, ethics: illegal acts, assurance for SMEs – serving the public interest and auditor reporting were also organised.

The IFAC jointly with the Global Public Policy Committee (GPPC) and supported by the Institute of Certified Public Accountants of Singapore (ICPAS), US-ASEAN Business Council (USABC), and Asian Corporate Governance Association (ACGA) organised the symposium on *ASEAN Capital Markets – The Importance of a Strong Financial Reporting Environment* in Singapore in May 2013. The objective of the Symposium was to discuss strategies for building investor confidence through a strong financial reporting infrastructure that supported the integrity of the ASEAN capital markets. The President of the Institute was invited to participate as one of the panelists in the session on Corporate Governance in the ASEAN Region.

(h) 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.

6.2 The Chairman then invited comments from the floor on the report and financial statements of the Institute. The followings were comments raised by the members on the annual report and financial statements of the Institute:

- (a) Mr Venkiteswaran Sankar seek clarification on the popularity of the CPA programme.

In response, the Chairman commented that the MICPA-ICAA programme had gained positive response from the market as demonstrated by the increase in intake of students. The ICAA and the Institute were also considering to expand the programme into other Asean market, in particular Indonesia. The Institute had offered to assist the Accountant General's Office to upskill its staff to become professional accountants either through the CPA or CFiA route.

- (b) Mr Venkiteswaran Sankar also commented that the Institute should be the voice of the practitioners to promote the interest of the profession.

In response, the Chairman commented that the Institute had always promote and advance the interest of the profession by participating in various dialogues organised by the regulators. The Institute also submitted its feedbacks and views on the various consultation papers issued by the regulators. There were also members of the Institute represented in MIA Council and various Government working committees to promote the interest of the profession.

- (c) Mr Poon Yew Hoe commented that the Institute should plan for a thought leadership programme whereby articles related to the Institute and the profession would be published either online or hardcopy. Articles should also be published in the vernacular papers.

The Chairman responded that the EXCO had deliberated on the possibility of working out a scheme whereby the larger accounting firms would work together with the Institute in coming out with various articles of interest for publication.

- (d) Dr Nurmazilah bt Mahzan commented that the Institute should consider allowing university students to subscribe for the study manuals of the Institute.

The Chairman commented that the study manuals of the Institute was meant for those candidates doing the MICPA-ICAA programme only. Furthermore, most of the study manuals with the exception of study manual for the Taxation module were developed by the ICAA. It would involve intellectual property issue and the Institute would need to consult the ICAA accordingly.

- (e) Mr Chong Sai Sin requested for an explanation of the nature and recoverability of the amount for budget commentary, other receivables and deposits. Mr Chong Sai Sin also requested for an explanation in the reduction of practising certificate fee income comparing to an increase in members in practice.

The Chairman had explained the nature of the amount for budget commentary, other receivables and deposits and commented that the amount were fully recoverable. In response to the practicing certificate fee income, the Chairman would need to revert back to him as he does not have an immediate answer.

- (f) YBhg Dato' Raymond Liew had requested the Editorial Board of the Malaysian Accountant to relook at the design and content of the magazine. As it is, the magazine was boring.

Mr Harold Kong commented that technical articles should be the main consideration for publication in the Institute journal and the journal should not have too many advertisements.

The Chairman had taken note of their comments on the Institute's journal.

6.3 The Chairman proposed the resolution:

"That the Report of the Council and Financial Statements of the Institute for the year ended December 31, 2012 be and are hereby adopted."

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

AGM 7/13 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 Lim Thiam Kee and was put to the vote. It was unanimously carried.

7.4 Mr Chong Sai Sin asked whether there was a need for rotation of auditors.

In response, the Chairman explained that the Institute was looking at the rotation of auditors requirement. The Institute was seeking legal opinion as to whether the Institute was covered under the definition of “public interest entities”.

AGM 8/13 ANY OTHER BUSINESS

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

AGM 9/13 CLOSE

There being no further business, the meeting was closed at 11:55 a.m. with a vote of thanks to the chair.

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

CHAIRMAN