

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

Minutes of the 56<sup>th</sup> Annual General Meeting of the Institute held on Saturday, June 21, 2014 at 10:00 a.m. at Roof Garden Executive Lounge, RG 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)  
Dato' Abdul Halim bin Mohyiddin  
En Abdul Halim Md Lassim  
Dato' Abdul Rauf Rashid  
Datin Hajjah Fadzilah bte Saad  
Dato' Gan Ah Tee  
Ms Goh Lee Hwa  
Mr Khaw Hock Hoe  
Mr Lee Tuck Heng  
Mr Lim Thiam Kee  
Ms Loh Lay Choon  
Dato' Mohammad Faiz bin Mohammad Azmi  
Mr Patrick Ng Gan Hooi  
Mr Ng Kim Tuck  
Mr Ong Chee Wai  
Mr Poon Yew Hoe  
Mr Sukanta Dutt  
Mr Robert Tan Bun Poo  
Mr Tan Chin Hock  
Mr Tan Theng Hooi  
Mr Thong Foo Vung  
Dr Veerinderjeet Singh  
Mr Venkatramanan Viswanathan  
Mr Gary Yong Yoon Shing  
19 other members as recorded in the attendance register

ABSENT WITH APOLOGIES : En Ahmad Fuaad bin Mohd Kenali  
Mr Beh Tok Koay  
Dr Nurmazilah binti Mahzan  
Mr Stanley Teo Swee Chua  
Dato' Yeo How  
Datuk Robert Yong Kuen Loke

IN ATTENDANCE : Mr Foo Yoke Pin (Secretary)

AGM 1/14 QUORUM

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

AGM 2/14 APOLOGIES

Apologies received were noted.

AGM 3/14 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 4/14 CONFIRMATION OF APPOINTMENT  
TO FILL CASUAL VACANCY IN COUNCIL

4.1 The Chairman announced that the following member was appointed by the Council to fill a casual vacancy in the Council:

(a) Khaw Hock Hoe (Appointed on March 22, 2014)

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

4.2 Accordingly, the Chairman proposed the resolution:

“That the appointment of the above member to fill the casual vacancy in the Council be and is hereby confirmed.”

The resolution was supported by Mr Ong Chee Wai and was put to the vote. It was unanimously carried.

AGM 5/14 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. Abdul Halim bin Md Lassim
2. Gan Ah Tee, Dato’
3. Lim Thiam Kee
4. Ng Kim Tuck
5. Nurmazilah binti Mahzan, Dr

6. Poon Yew Hoe
7. Tan Bun Poo
8. Tan Theng Hooi
9. Teo Swee Chua
10. Venkatramanan Viswanathan

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

1. Venkiteswaran Sankar

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 fill the vacancies by election from amongst 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 have as many votes as there were vacancies to be filled but should not give more than one vote to any one candidate.
- 5.6 The Chairman appointed Ms Sam Sow Ching as scrutineer to witness the counting of the votes and confirm 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. Abdul Halim bin Md Lassim
  2. Gan Ah Tee, Dato'
  3. Lim Thiam Kee
  4. Ng Kim Tuck
  5. Nurmazilah binti Mahzan, Dr
  6. Poon Yew Hoe
  7. Tan Bun Poo
  8. Tan Theng Hooi
  9. Teo Swee Chua
  10. Venkatramanan Viswanathan

The Chairman also announced that all the 10 candidates whose names had been read out, 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.

AGM 6/14 REPORT AND FINANCIAL STATEMENTS

6.1 The Chairman briefed members on the financial position of the Institute for the year ended December 31, 2013. He also highlighted the major activities undertaken by the Institute during the year.

(a) Finance

The Institute achieved a net operating surplus of RM599,600 for the year, an increase of RM34,500 (6.1%) from RM565,100 in 2012.

Total income rose by RM304,600 or 6.4% due mainly to the increased income generated from conducting examinations under the MICPA-ICAA programme and revision in the members' annual fees.

Total expenses increased by RM270,100 or 6.4% due mainly to expenses incurred to promote and to conduct examinations under the joint MICPA-ICAA programme and higher staff costs.

Total assets increased by RM466,200 or 12.8%, due mainly to the substantial increase in fixed deposits and bank balances. Total liabilities decreased by RM133,400 or 6.6% resulting mainly from the recognition of the government grant as income. The Institute had an accumulated fund of RM2,219,700 as at December 31, 2013 compared to an accumulated fund of RM1,620,000 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 was able to organise more activities that would benefit members and students 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 were 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, 2013, the membership of the Institute stood at 3,144.

**Certified Public Accountants**

As at December 31, 2013, the total number of CPAs of the Institute was 3,045. After taking into account members who resigned or were excluded from membership for failure to pay the annual subscriptions or practising certificate fees, a net decrease of 5 members was recorded.

During the year, there was a total of 47 new admissions. Of the new admissions, 42 were admitted under Bye-law 34(1)(a) to (d) having completed the Institute's examinations and fulfilled the prescribed practical experience requirements. Another 5 members were admitted under Bye-law 34(1)(f) by virtue of being 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 2012. As at December 31, 2013, 41% of the members worked in public practice firms, of whom 13% were members holding practising certificates. A total of 48% of the members were employed in the business community and 1% in the public sector. Retired members accounted for the remaining 10% of the total CPA membership.

During the year, a total of 32 female members were admitted, constituting 68% of the total new admissions. At the end of 2013, the proportion of female members remained at 39%.

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

During the year, a total of 3 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 subscriptions, a net increase of 1 member was recorded. That brought the total CFiA membership to 66 members as at December 31, 2013.

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

### **Provisional Members**

There was no provisional member admitted for the financial year ended December 31, 2013. 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 183 new students were admitted during the year 2013. The new intake comprised predominantly accounting graduates from local universities and Australian universities. After taking into account 88 students who were excluded from the register of students for non-payment of annual fees, 49 students who terminated their registration and 40 students who were admitted as members or provisional members, the total number of students stood at 495 on December 31, 2013.

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 would be 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 participated at the GRADUAN career fair in Australia which was held in the first week of October 2013 where the Institute also organised a forum and networking session 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.

The Institute also would be signing a Memorandum of Understanding (MoU) with a well-known public university in Malaysia. The objective of the MoU was to launch a pilot programme for non-accounting graduates to pursue the joint Programme of the Institute.

(d) Education and Training

As part of the Institute's initiative in sustaining professionalism among accountants, various training and professional development programmes had been organised to meet the needs of members. The CPD programmes were mainly conducted to update members on their professional skills and technical knowledge which serves the best interest of the public including clients and employers. MICPA members were able to update themselves through planned CPD programmes.

During the year, the Institute organised a wide range of CPD programmes covering topics such as understanding and applying new-issued or updated financial reporting standards as well as various taxation topics.

In the fourth iteration of our joint audit forum with ICAA, the Institutes focused on the issue of quality control in practice. The Forum was designed to boost compliance benchmarks by Malaysian practitioners with ISQC 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*. Various pertinent topics were discussed such as the findings of quality control issues by the Audit Oversight Board, the strategic importance of quality control as well as the practical issues of implementing ISQC 1. At the Forum, MICPA and ICAA unveiled the joint publication, "*Quality Control Guide*", which incorporated the various elements of quality control set out in the ISQC 1 and provided guidelines in assisting audit practitioners to meet the ISQC 1 requirements.

The Institute continued to assist the Accountant General's Office in the transition of public sector accounting; from a cash accounting landscape to an accrual accounting landscape. The Accountant General's Office had rolled out the Malaysian Public Sector Accounting Standards (MPSAS). During the year, the Institute provided more than 1,500 civil servants with exposure to accrual accounting and selected public sector accounting standards.

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 its 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 IFRS convergence on financial statements for participants from the academic sector.

(e) Services to Members

As part of the Institute's initiative in maintaining the highest standards of professionalism and also in showing our support to the commitment of our members', the Institute conducted various training and professional development programmes to facilitate them in maintaining rigorous standards of technical and professional expertise and services. Those efforts by the Institute helped earn continuous respect and trust from regulators, the business community and the general public.

A variety of activities were carried out throughout the year to meet the interests and professional development needs of different segments of membership. Continuing professional development (CPD) courses on a broad scope of topics were organised throughout the year covering accounting, auditing and assurance, taxation and insolvency practice. 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.

(f) Communication and Public Relations

Since 2012, the Institute had initiated a rebranding exercise to create a fresh, contemporary and modern look that draws the attention of the younger generation, and had received encouraging feedback on the look and feel of its promotional collateral. The Institute's new brand message and the positive feedback received thus far had reinforced the Institute's aim of enhancing the MICPA brand. The more modern-day and '*clean look*' of the Institute's materials had strengthened its resolve and its connection to potential students. The new generation of accountants now share a closer affiliation to the Institute.

Apart from participating in career fairs, exhibitions and speaker sessions at the various universities, the Institute had also strengthened its foothold in the world of social networking. The Institute continued to build upon its position in online media. The Institute's website was now more user friendly and information was easily accessible to those interested to find out more about the Institute, its Programmes, training options and so much more. The Institute had a steady increase of activity on its Facebook, YouTube and Twitter accounts. Social media continued to be an important outreach and communication tool for the Institute and the Institute would continue to capitalise on it.

The Institute had a monthly advertising and news slot in Malaysia's leading English newspapers. Complementing the Institute's advertisement placements were news articles focusing on its Programmes, key student events and the achievements of the Institute's students. The write-ups continued to be an excellent communication tool with the masses, helping them understand the work and mission of the Institute as well as our Programme offerings.

(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.

In this dynamic environment, it was crucial that the Institute maintain 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.

In June 2013, the Institute participated in the 7th International Financial Reporting Standards (IFRS) Regional Forum which was held in Hong Kong. At the forum, it was announced that the first phase of an important initiative to assess the progress towards global adoption of IFRS had been completed with the publication of IFRS profiles for all G20 and other 46 jurisdictions that responded to a survey of national and regional bodies. The theme which read, “*A Journey to Better Financial Reporting*” examined a number of aspects on improving the usefulness and clarity of financial statements especially in producing high quality “true and fair” financial reports which were essential for a market-based economy, as stakeholders rely on them as a basis for valuation and decision making. It was also highlighted that timely and appropriate disclosure was a key to good corporate governance.

In November 2013, the Institute also participated in The International Federation of Accountants’ (IFAC’s) 36th Council Meeting held in Seoul, South Korea. As part of the meeting, IFAC held its annual seminar entitled “*Strengthening the Links of the Financial Reporting Supply Chain*”, focusing on elements considered relevant and necessary to support high-quality financial reporting including the drivers of audit quality and the importance of oversight and regulation. Two of the overarching challenges identified were understanding the interconnectedness of the components of the financial reporting supply chain and the importance of sufficient talent and capacity at every stage of the chain.

The President also informed the members that new graduates of the Institute’s joint Programme would qualify for the Global Accounting Alliance (GAA) Passport. The GAA was an alliance formed by 11 premier professional accounting bodies around the world. However, the 11 bodies would be reduced to 10 bodies after the merger of ICAA and ICANZ in the last quarter of 2014.

(h) Acknowledgement

The Chairman thanked all members who had contributed their time, energy and expertise to the Institute’s work and he looked forward to their continued support, particularly from 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 and the Executive Director as well as his dedicated team at MICPA for their co-operation and support rendered to him during his tenure as President over the past 2 years.

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

- (a) Mr Lee Siew Kuan (1139) commented that the Institute should be careful with the total number of members of the Institute because there is a marginal decrease in the membership number of the Institute for the year. The Institute would need to take note that the total number of members between 21 to 40 years of age was only 685 members and it indicates a lot of young talents were not joining the Institute. MICPA is a good qualification and teaming up with the CA Australia and New Zealand would made the qualification even stronger and hence the Institute would need to work on recruiting younger talents to become members of the Institute. It was also worrying because the total numbers of members above 51 years of age were high, around 1,000 members. The Institute would face problem if these active members retire and not enough of younger talents joining the Institute in the future.

Mr Lee also commented that young members of the Institute should be encouraged to take over the practice from the senior members. Practitioners are important to the accounting profession because various new ideas would come from the accounting profession. The Institute should work together with the practitioners to encourage and groom the younger generation to join the profession. Much more financial resources should be invested to build up the profession.

In response to Mr Lee's comments, the Chairman commented that for the past 2 years student population was showing an encouraging growth and approximately 60% to 70% of these students would complete the programme. Hence, moving forward at least 200 young talents would be admitted as members of the Institute annually to replace the retired members. It is an encouraging trend.

Dato Abdul Rauf Rashid further commented that the profession had been facing a lot of challenges for the past few years where young talents were not interested to join the profession especially with a lot more pressure from the regulators. The Institute too had to face fierce competition from larger foreign bodies that had more resources. However, there were some positive things happening in the profession such as the CSAP initiative and hence the Institute had to continue to evolve and continue to be relevant. The Institute also needs to be in the forefront of the accountancy profession.

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, 2013 be and are hereby adopted."

The resolution was seconded by Dato' Abdul Halim Mohyiddin and was put to the vote. It was unanimously carried.

AGM 7/14 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 and in conformity with their firm's policy on rotation had intimated that they do not wish to seek re-appointment.

7.2 The Chairman also announced that in accordance with bye-law 121, Datin Khoo Pek Ling and Mr Leong Kok Tong, were nominated by 2 members each, for 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 retire as auditors of the Institute at this AGM and Datin Khoo Pek Ling and Mr Leong Kok Tong, be and are hereby appointed as auditors of the Institute for the ensuing year.”

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

AGM 8/14 ANY OTHER BUSINESS

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

AGM 9/14 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