

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

Minutes of the 57th Annual General Meeting of the Institute held on Saturday, June 13, 2015 at 10:00 a.m. at Roof Garden Executive Lounge, RG Floor, Sime Darby Convention Centre, Bukit Kiara, 60000 Kuala Lumpur.

PRESENT : Dato' Abdul Rauf Rashid
(President, in-the-chair)
Mr Tan Theng Hooi
En Abdul Halim Md Lassim
Dato' Ahmad Fuaad bin Mohd Kenali
Mr Beh Tok Koay
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
Mr Patrick Ng Gan Hooi
Mr Pushpanathan a/s S A Kanagarayar
Mr Sukanta Dutt
Mr Tan Chin Hock
Mr Stanley Teo Swee Chua
Datuk Robert Yong Kuen Loke
Mr Gary Yong Yoon Shing
23 other members as recorded in the attendance register

ABSENT WITH APOLOGIES : Dato' Abdul Halim bin Mohyiddin
Dato' Mohammad Faiz bin Mohammad Azmi
Mr Ng Kim Tuck
Mr Poon Yew Hoe
Mr Thong Foo Vung
Dr Veerinderjeet Singh
Mr Venkatramanan Viswanathan

IN ATTENDANCE : Mr Foo Yoke Pin (Secretary)

AGM 1/15 QUORUM

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

AGM 2/15 APOLOGIES

Apologies received were noted.

AGM 3/15 NOTICE OF MEETING

The Chairman proposed that the notice of the meeting be taken as read. It was seconded by Dato' Gan Ah Tee and unanimously agreed by the meeting.

AGM 4/15 ELECTION OF COUNCIL MEMBERS

4.1 The Chairman announced that there were 11 vacancies in the Council and 12 members had been nominated for election to the Council.

4.2 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. Khaw Hock Hoe
2. Goh Lee Hwa
3. Ong Chee Wai
4. Pushpanathan A/L S A Kanagarayar
5. Tan Chin Hock
6. Veerinderjeet Singh, Dr
7. Robert Yong Kuen Loke, Datuk
8. Yong Yoon Shing

Dato' Yeo How also retired at this Annual General Meeting but he had signified to the Council that he does not wish to seek re-election.

(b) The following 2 members had resigned as a member of the Council on May 9, 2015:

1. Nurmazilah binti Mahzan, Dr
2. Tan Bun Poo

(c) 4 new nominations had been received for election to the Council:

1. Rozaini bin Mohd Sani
2. Tang Seng Choon
3. Teh Chee Ghee, Dr
4. Yeoh Siew Ming

Therefore, there were 12 members standing for election to the Council.

- 4.3 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.
- 4.4 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.
- 4.5 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.
- 4.6 The Chairman appointed Ms Sam Sow Ching as scrutineer to witness the counting of the votes and confirm the result for the election.
- 4.7 The Chairman put the election to the Council to vote by ballot.
- 4.8 The Chairman announced the close of voting in Council elections.
- 4.9 The Chairman announced the result of the election to the Council, which comprised the following members:
1. Khaw Hock Hoe
 2. Goh Lee Hwa
 3. Ong Chee Wai
 4. Pushpanathan A/L S A Kanagarayar
 5. Rozaini bin Mohd Sani
 6. Tang Seng Choon
 7. Teh Chee Ghee, Dr
 8. Veerinderjeet Singh, Dr
 9. Yeoh Siew Ming
 10. Robert Yong Kuen Loke, Datuk
 11. Yong Yoon Shing

The Chairman also announced that all the 11 candidates whose names had been read out, be and were hereby declared elected to the Council.

- 4.10 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 5/15 REPORT AND FINANCIAL STATEMENTS

5.1 The Chairman briefed members on the financial position of the Institute for the year ended December 31, 2014. He also highlighted the major activities undertaken by the Institute during the year.

(a) Finance

The Institute achieved a net operating surplus of RM271,700 for the year, a decrease of RM327,900 (54.7%) from RM599,600 in 2013.

Total income rose by RM198,200 or 3.8% due mainly to the increased income generated from conducting examinations under the MICPA-CAANZ programme and increase in new students' registration and exemption fees. The total income of the Institute increased marginally despite higher intake of new candidates because the financial impact of 106 new candidates registered in December 2014 was only beginning to be felt in 2015.

Total expenses increased by RM526,100 or 11.7% due mainly to expenses incurred to promote and to conduct examinations under the MICPA-CAANZ programme and higher staff costs. Additional staff were employed by the Institute to support the increase in activities organised by the Institute that benefit members and candidates and to promote the MICPA-CAANZ 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, 2014, the membership of the Institute stood at 3,128. The details breakdown of membership were available in the Annual Report.

Malaysia aimed to produce 60,000 professionally-qualified accountants as part of its goal to attain the status of a developed nation by the year 2020. The Committee to Strengthen the Accounting Profession (CSAP), in its report released in December 2014, outlined its recommendations in moving the profession forward in Malaysia. The Institute was proud to have been recognised in the Report as a key player, in particular, as the benchmark of professional qualification in Malaysia. The Institute was supportive of the Report recommendations and look forward to playing its role in helping implement the recommendations for the overall betterment of the profession in Malaysia.

The Institute was also in the pipeline to expand new pathways to promote inclusiveness within the accounting profession at various levels through the creation of different certification levels to recognise different categories of accountants.

Subject to the outcome of the EGM that would be held immediately after the AGM, the first pathway that would be launched this year was the accounting technician qualification. The accounting technician qualification is intended to allow persons who do not have full professional qualification to be admitted as a member of the Institute in order to have access to full range of services provided by the Institute and to upskill themselves in order to be able to better support the interests of the accountancy industry in particular the SMPs and SMEs. At the EGM members would be considering the resolution relating to the proposed amendments to the Institute's Articles of Association and Bye-laws, principally to provide for the admission of a new class of members, who shall be described as *Accounting Technician*. Members support was critical to the future development and progress of the Institute and the profession.

(c) Student Enrolment

A total of 222 new students were recorded as at December 31, 2014. The new intake comprised largely of accounting graduates from local universities and Australian universities. After taking into account 27 students who were excluded from the register of students for non-payment of annual fees, 33 students who terminated their registration, 35 students who were admitted as members and 33 students who were excluded for non-transfer of stream, the total number of students stood at 590 on December 31, 2014.

The Institute noted that the significant increase in the number of final year accounting students from local universities could be attributed to the MICPA-SSP Programme and MICPA-TalentCorp PAR Excellence Programme which had attracted students with good academic track records to enroll into the MICPA-CAANZ Programme. As at December 31, 2014, 49% of the new intake comprised SSP and PAR Excellence Programme registered candidates.

(d) Education and Training

Talent acquisition is an urgent priority due to the need for more accountants in our nation. The Institute had formulated a new pathway for graduates from other disciplines to join the profession through the Institute's flagship Conversion Programme. The first-of-its-kind programme would allow degree holders from non-accounting backgrounds to join the pool of candidates that could qualify as a Certified Public Accountant and Chartered Accountant. Launched in the last quarter of 2014, the Conversion Programme comprises eight core accounting and business-related subjects. Those subjects were foundational to equip candidates from non-accounting backgrounds with the fundamental keys to sit for the Advanced Stage Examinations that lead to the dual MICPA and CAANZ professional qualifications. The first university to partner with the Institute to pilot the programme was Universiti Sains Malaysia (USM)

(e) Services to Members

Operating in an environment of rapid change, it was essential for professional accountants to continuously update their technical and professional skills and knowledge based on the latest developments within the industry. To serve the best interests of the public, clients and employers, investing in a planned programme of continuing professional development was one of the best ways for MICPA members to update themselves.

To assist members in meeting their CPD requirements, the Institute organised a wide range of CPD programmes throughout the year. The areas covered were predominantly accounting-related topics that cover the understanding and application of newly issued or updated financial reporting standards as well as various taxation topics.

The Institute also conducted a series of in-house training programmes on specialised topics as these ad-hoc programmes were organised upon request by satisfied participants from the Institute's public training programmes.

(f) Communication and Public Relations

The Institute's consistent branding activities had continued to strengthen and build upon its current brand reputation. The Marketing and Public Relations team continued to reiterate the significance of MICPA's brand name – *CPA Malaysia*, with its focus on the professional opportunities and achievements associated with MICPA.

The Institute had always placed an emphasis on quality over quantity and continued to hold true to this. Much effort was taken to ensure the medium used for communications continue to appeal to candidates and potential candidates of MICPA, not only in terms of content but also aesthetically. The clean, clear and easy-to-understand information presented in the brochures were attractive to target readers with a simple understanding of the joint Programme.

The Institute had also capitalised on the strength of social media by tapping into Facebook, Twitter and YouTube with regular postings, videos and updates. In the past year, the Institute had seen strong growth in its social media outreach. Facebook page Likes increased by 45% which had translated to over 6,000 page Likes to-date. It gave an indication that the Institute's social media content was interesting and relevant to social media users.

Since the amalgamation of ICAA and NZICA to form CAANZ was finalised in January 2015, MICPA embarked on an exercise to update collaterals including communications content, materials and media that carried the ICAA name, qualification and logo. This was to ensure that everything was aligned to the changes undergone by the Institute's Programme partner.

The Institute also decided to utilise NST education supplement – Excellence in Education to advertise the joint Programme and activities on a monthly basis. The articles focus on the Institute, student activities and initiatives aimed to develop the accounting profession. Content featured has also evolved to feature more stories on successful candidates and members as it could help potential candidates better relate to the joint Programme and its benefits.

(g) Participation in International Organisations

The Institute participated in IFAC's 37th Council meeting and the 2014 World Congress of Accountants held in Rome, Italy on November 7, 2014 and November 10-13, 2014 respectively. The theme of the World Congress was "2020 Vision: Learning from the Past, Building the Future", reflecting the idea that professional accountants need to communicate and collaborate with one another, sharing past experiences and ideas for the future. The Congress' plenary sessions - focusing on businesses thriving in disruptive times, enhancing government transparency and accountability, and integrated thinking - provided information and expertise to help professional accountants find solutions to the challenges faced by them. Similarly, the concurrent sessions dealt with key issues in the accounting profession such as ethics, capacity building, education, financial reporting, assurance, and business advisory services.

On March 4, 2015, the Institute received representatives from the Ministry of Finance of Vietnam. During the visit, the Institute shared its roles and responsibilities in the Malaysian accounting and auditing profession. The visit provided an opportunity for the Institute to establish ties for future collaborations especially in the context of ASEAN.

On March 30, 2015, CIPFA, MIA and the Institute signed a Memorandum of Understanding (MoU) to strengthen public financial management through development of skills and increase capacity within Malaysia. The signing also paved way for the Institute's members to gain CIPFA membership.

(h) Acknowledgement

The Chairman thanked all his colleagues on the EXCO and Council for their continuous support, expertise and encouragement especially on a new financial year, the Chairman was confident to be motivated and inspired by the desire to adapt and innovate to ensure the success of the Institute.

The Chairman on behalf of the Council also extended their sincere appreciation and gratitude to all members and volunteers who had contributed their precious time, professional knowledge and ideas. Without their participation in the various committees and working groups of the Institute, the Institute would not be where it is today and had definitely benefitted from their input of advice and ideas on technical matters and professional insights.

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 1 year.

5.2 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 Siew Kah Toong (1417) commented that he was in favour of the CSAP recommendations and would appreciate that the Institute shared with its members by informing members of the Institute's response to the CSAP recommendations moving forward. The Chairman noted the comment and shared briefly with the members the Institute's response to the CSAP recommendations.

Mr Siew also commented that the Institute should look into the existing premises occupied by the Institute for branding purpose. In response, the Chairman commented that the EXCO is currently looking into it.

- (b) Mr Peter Lim Thiam Kee (655) commented that if the Institute had the intention to move out from the existing location, the Institute might want to consider the existing premises occupied by MIA since MIA would be moving to its new premises in Bangsar South. In response to the proposal, the Chairman commented that the Council will consider his recommendation.

He also commented that it is an uphill task to get another 28,000 professional accountants in Malaysia in the next few years. In response to the comment, the Chairman commented that the Institute also played a part in supporting the SC to achieve the target of 28,000 professional accountants by expanding its classes of membership and in attracting and promoting the accountancy profession to the younger generation.

He also commented that the NRB should only played the role of enforcement. In response, the Chairman commented that the final CSAP Report was not available yet and the regulatory functions would most properly be taken care by the NRB. It was not necessary that MIA would take over the role of NRB.

- (c) Mr Goh Kien Hoe (3140) commented that the timeframe allowed for comment on the CSAP Report was too short. A longer timeframe should be allowed given the important of the CSAP Report to the profession.

He also commented that the Institute should get the structure right and played a new game in the profession. Hence, the Institute needs to be strengthen and funding would be required to do it.

He further commented that the Institute's cashflow had improved and the total payables and accruals had also increased. The Institute should not hold creditors' payments in order to improved the Institute's cashflow. The Institute should paid creditors according to the agreed credit terms. In response to the comment, the Secretary explained that the Institute did not hold creditors payments in order to show an improvement in the cashflow. As at year end, the increase in total payables and accruals were mainly due to higher provision for staff year-end bonus and an increase in accrued technical fee to CAANZ.

- (d) Mr Lim Chu Guan (4432) commented that the Institute should revived the Young CPA Group to engage with younger CPA members and to look into the interest of the younger CPA members.

5.3 The Chairman proposed the resolution:

"That the Report of the Council and Financial Statements of the Institute for the year ended December 31, 2014 be and are hereby adopted."

The resolution was seconded by Mr Peter Lim Thiam Kee and was put to the vote. It was unanimously carried.

AGM 6/15 APPOINTMENT OF AUDITORS

6.1 The Chairman announced that in accordance with bye-law 120, Datin Khoo Pek Ling and Mr Leong Kok Tong retired as auditors of the Institute at this AGM.

6.2 The Chairman also announced that there were no new nominations had been received for appointment as auditors of the Institute and in accordance with bye-law 121, Datin Khoo Pek Ling and Mr Leong Kok Tong, 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 Datin Khoo Pek Ling and Mr Leong Kok Tong be re-appointed as auditors of the Institute for the ensuing year."

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

AGM 7/15 ANY OTHER BUSINESS

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

AGM 8/15 CLOSE

There being no further business, the meeting was closed at 11:20 a.m. with a vote of thanks to the chair.

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

CHAIRMAN

57th AGM Mins.2015