

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

Minutes of the 58th Annual General Meeting of the Institute held on Saturday, June 25, 2016 at 10:00 a.m. at Roof Garden 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
 - 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
 - En Megat Iskandar Shah
 - Mr Patrick Ng Gan Hooi
 - Mr Ng Kim Tuck
 - Mr Ong Chee Wai
 - Mr Poon Yew Hoe
 - Mr Pushpanathan a/s S A Kanagarayar
 - En Rozaini Mohd Sani
 - Mr Tang Seng Choon
 - Dr Teh Chee Ghee
 - Mr Stanley Teo Swee Chua
 - Dr Veerinderjeet Singh
 - Mr Venkatramanan Viswanathan
 - Ms Yeoh Siew Ming
 - Mr Gary Yong Yoon Shing
- 17 other members as recorded in the attendance register
- ABSENT WITH APOLOGIES :
- Dato' Abdul Halim bin Mohyiddin
 - Dato' Mohammad Faiz bin Mohammad Azmi
 - Mr Thong Foo Vung
 - Datuk Robert Yong Kuen Loke
- IN ATTENDANCE :
- Mr Foo Yoke Pin (Secretary)

AGM 1/16 QUORUM

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

AGM 2/16 APOLOGIES

Apologies received were noted.

AGM 3/16 NOTICE OF MEETING

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

AGM 4/16 REPORT AND FINANCIAL STATEMENTS

4.1 The Chairman briefed members on the financial position of the Institute for the year ended December 31, 2015. He also highlighted the major activities undertaken by the Institute during the year.

(a) Finance

The Institute achieved a net operating surplus of RM199,400 for the year, a decrease of RM72,300 (26.6%) from RM271,700 in 2014.

Total income rose by RM561,800 or 10.6% as compared to RM198,200 or 3.8% in 2014 due mainly to the increased in income generated from conducting examinations under the MICPA-CAANZ programme.

Total expenses increased by RM634,100 or 12.6% due mainly to expenses incurred to promote and to conduct examinations and student's workshops for the MICPA-CAANZ Programme and higher staff costs. Additional staff were employed by the Institute to promote the MICPA-CAANZ programme. In 2014, the total expenses were increased by RM526,100 or 1.0%.

Total assets increased by RM340,000 or 7.6%, compared to a RM385,700 or 9.4% increase in 2014, due mainly to the increased in fixed deposits and bank balances. Moving forward, the Institute does have some plan to utilise the fund. Total liabilities increased by RM140,600 or 7.0% resulting mainly from higher technical fee payable to the Chartered Accountants Australia and New Zealand. In 2014, the total liabilities were increased by RM114,200 or 6%. The Institute had an accumulated fund of RM2,690,800 as at December 31, 2015 compared to an accumulated fund of RM2,492,400 in the previous year.

(b) Membership

As members were aware, total number of members is a continuous challenge to the Institute because of the competitive environment from foreign professional bodies who have more resources in promoting their programme. As at December 31, 2015, the membership of the Institute stood at 3,139, compared to 3,128 in 2014.

The total number of CPA and Associate CPA members of the Institute were 3,048 and 62 respectively, after taking into account members who resigned or were excluded from membership for failure to pay the annual subscriptions or practising certificate fees, a new increased of 16 CPA and a decreased of 1 Associate CPA members respective were recorded. There was a decreased of 4 provisional member as compared to 2014. In 2014, the total number of CPAs was 3,032, Provisional Members, 33 and Associate CPA members, 63.

There was no significant change in the membership profile as compared to 2014. As at December 31, 2015, 33% of the members worked in public practice firms, of whom 12% were members holding practising certificates. A total of 53% of the members were employed in the business community and 1% in the public sector. Retired members accounted for the remaining 13% of the total CPA membership.

(c) Student Enrolment

A total of 205 new students were recorded as at December 31, 2015. The new intake comprised largely of accounting graduates from local universities and Australian universities. A total of 680 students were recorded for the year 2015 taking into account the exclusion of 9 students from the register of students for non-payment of annual fees, and 6 students who were barred from taking their exams as they had exceeded the allocated timeframe to enrol for the exam, 39 students who terminated their registration, 47 students were admitted as members and 14 students excluded for non-transfer of stream. In 2014, there was a total of 590 students.

(d) Education and Training

The Institute continued to conduct CPD training for members and an annual income of RM387,000 was generated from conducting CPD training for the year 2015. Moving forward, the Institute would continue helping members in keeping abreast of the latest updates and changes in regulations and standards by conducting seminars and training.

The annual Audit Forum by CAANZ-MICPA was held at Connexion@Nexus, Bangsar South on October 26, 2015. The main topic of the forum was *'The Future of Auditor Reporting – The Practical Impact'*, a hot button issue amongst the audit and accounting community. The Audit Forum was intended to assist practitioners in the adoption of the new and revised Auditor Reporting standards and the crafting of a sound communications strategy to ensure that the impact of the changes are understood by key stakeholders. This year, Forum attendees had the opportunity to hear from Mr Lee White, CEO of CAANZ, Mr Ong Chee Wai, Audit Partner at EY Malaysia and Mr Stanley Teo, Audit Partner at Deloitte Malaysia. Mr Ong and Mr Teo are also MICPA Council Members. The three gentlemen spoke on different aspects of the new Auditor Reporting standards.

(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.

With the improved financial position of the Institute, the Institute would be able to organise more and improved membership activities especially in engaging the young CPA. The Institute would also be engaging the senior members and also recognising senior members by awarding them the lifetime membership at the annual dinner of the Institute.

(f) Communication and Public Relations

The Institute's adopted a multi-faceted approach to increasing its visibility and strengthening the brand name of the CPA qualification. The Institute communicated the professional opportunities and advantages it offered to the wider public by highlighting them through various channels.

Through traditional media, the Institute continued to maintain its presence in the New Sunday Times special supplement called Excellence in Education where the Institute advertised the MICPA-CAANZ Programme as well as highlighted its programmes and activities for students. In the last year, the Institute also gained media mention in other mainstream newspapers such as The Star Online and Sin Chew online, as well as in niche publications like The Edge Financial Daily.

On the social media front, the Institute had sustained its activities on Facebook, Twitter and YouTube. Since the previous year, the number of 'Likes' on the Institute's Facebook page had increased by almost two thousand from approximately 6,000 to close to 8,000.

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 continued 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.

Every year, the Institute organises a number of programmes and activities for students such as the annual Accountancy Week. In 2016, the Institute has set up the Council for Accountancy Students and MICPA is the patron for the Council. The Accountancy Club of the various IPTAs would be represented in the Council for Accountancy Students. It was hoped that with this, MICPA would be able to continuously engage with the IPTAs students and to promote the MICPA-CAANZ programme.

(g) Participation in International Organisations

The Institute continued to participate in international events organised by various international organisations.

The Institute participated in IFAC's 38th Council Meeting held in Singapore in November 2015, followed by the Singapore Accountancy Convention 2015 with the theme *Leading Change, the Asian Way*.

The Institute paved new ground in the ASEAN region through its admission into the ASEAN Federation of Accountants (AFA) in August 2015 as an Associate Member.

The Institute also participated in the UNCTAD's 32nd Session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) held at the Palais des Nations in Geneva in November 2015.

The two main agenda items of the 32nd Session of ISAR addressed:

- Key foundations of high-quality reporting: International audit and assurance requirements and good practices on their implementation; and
- Review of good practices on enhancing the role of corporate reporting in attaining sustainable development goals.

(h) Acknowledgement

The Chairman announced that the Institute were now making it a tradition to acknowledge the contributions of Life Members. At last year's Annual Dinner, we paid tribute to 189 Life Members who have been with MICPA for 30 years or more. The Chairman felt that this is a fitting move given that the Institute are closing in on its sixth decade in operation. The longevity and continued relevance of this Institute is testament to MICPA members, especially those who have stood by the Institute over the long haul.

The Chairman also expressed his sincere gratitude to his fellow Council members and the Secretariat for their co-operation and support rendered to him during his tenure as President over the past 1 year. The Chairman encouraged more members to share their invaluable experience and ideas in the Institute's various Committees and outreach activities.

The Chairman also shared with the members that he has been appointed as a member of the Implementation Committee of the CSAP. He hoped that he would be able to contribute by making MICPA continues to remain relevant in the accountancy profession and to share the Institute's expertise especially in the area of education to the profession.

MICPA has certainly come a long way and this Institute's stature is now well established in the accounting industry, but not be complacent. The Institute must strive to constantly preserve and earn its good standing. The Institute do this by upholding the standards of the accounting profession and by performing its duties responsibly. This not only protects the integrity of this profession, it will also solidify MICPA's good reputation and hopefully inspire more candidates to join MICPA in contributing to the progress of the accounting industry in Malaysia.

4.2 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 report and financial statements of the Institute:

- (a) Mr Lee Siew Kuan (1139) thanked the Council for awarding him the life membership and also for remembering him by extending a copy of the notice of the AGM and the Annual Report which was very details and informative.

He commented that he had concerned with the Institute's membership profile. Members who are 56 years of age and above made up of 29% of the Institute's membership whereas those who are 21 to 30 years of age made up of only 4%. It was worrying because the total number of younger members was insufficient to replace the soon be retiring members. Hence, the Institute would need to groom more younger members.

He also highlighted a printing error on the chart of the CPA Membership Statistics in page 23 of the Annual Report. The legends for members in practice and for members not in practice should be interchanged.

The Chairman replied that Council also shared the same concern. He commented that there are 600 students in the pipeline being groomed as a CPA, which is not a big number but the Institute was looking at ways to increase the students number. The Institute had been working on a few projects such as sponsorship by TalentCorporation and Yayasan Peneraju and also working with organisations such as KYS in promoting the MICPA-CAANZ to Malaysian studying in Australia and New Zealand.

The Chairman noted and apologised for the printing error.

- (b) Mr Siew Kah Toong (1417) commented that the Institute should continue to made itself to be relevant and recognised in the profession. He felt that the Institute should improved its facilities for the staff and students. The Secretariat had been working within the limited resources and space available. He noted that some progress had been made. However, it was not enough. The Institute should have a plan for improvement and move ahead with the plan.

In response, the Chairman commented that, in 2015, the EXCO had discussed about relocating the Institute and a paper was prepared for the relocation. However, the EXCO had decided to defer the plan until the outcome of the various recommendations in the CSAP Report was clearer. The Institute had set up a CSAP Task Force looking into it.

- (c) Mr Subramaniam s/o A V Sankar (787) enquired if the Institute had requested for members feedback on the CSAP Report and had also disseminated information relevant to CSAP. He also enquired if the Institute had shared with the members the Institute's feedback on the CSAP. He also felt that there were no statement being made by the Institute to protect the members interest.

The Chairman replied that the Secretariat had circulated to members requesting members to provide feedback on CSAP. However, there were no feedback provided by the members. The Chairman also commented that the Institute's feedback on the CSAP was shared with members of the Institute at the last AGM. The Chairman further commented that the Institute had issued statement to protect the members interest, where required. An example would be an article that was recently published in The Edge newspaper where the Institute's commented on the impact of key audit matters.

- 4.3 Dr Veerinderjeet Singh informed the members the presence of Tan Sri Lim Leong Seng (537) , who is 99 years old, at the Institute's AGM.
- 4.4 En Megat Iskandar Shah bin Mohamad Nor, who was appointed to the Council on May 14, 2016 introduced himself to the members present at the AGM. He is a Partner in EY, in charge of financial services and had been participating in some of the Institute's Committee and Working Group even before being appointed to the Council.
- 4.5 The Chairman proposed the resolution:

"That the Report of the Council and Financial Statements of the Institute for the year ended December 31, 2015 be and are hereby adopted."

The resolution was seconded by Dr Veerinderjeet Singh and was put to the vote. It was unanimously carried.

AGM 5/16 ELECTION OF COUNCIL MEMBERS

- 5.1 The Chairman announced that there were 10 vacancies in 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. Abdul Rauf bin Rashid
 3. Beh Tok Koay
 4. Fadzilah bte Saad, Datin
 5. Lee Tuck Heng
 6. Loh Lay Choon
 7. Mohammad Faiz bin Mohammad Azmi, Dato'
 8. Ng Gan Hooi
- Dato' Ahmad Fuaad bin Mohd Kenali also retired at this Annual General Meeting but he had signified to the Council that he does not wish to seek re-election. He was recently appointed as the CEO of Proton Holdings Berhad. The Chairman would therefore like to put on record the Council's appreciation and thanks for his contribution to the Institute.
- (b) 1 new nomination had been received for election to the Council:
1. Johan bin Idris, Datuk
- (c) 1 member was appointed during the year to fill casual vacancy in the Council shall also retired at this Annual General Meeting:
1. Megat Iskandar Shah bin Mohamad Nor
(Appointed on May 14, 2016)

Therefore, 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 nominated for election to the Council was equal to the number of vacancies to be filled, that all the 10 candidates who were standing for election, whose names had been read out, 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.

AGM 6/16 CONFIRMATION OF APPOINTMENT
TO FILL CASUAL VACANCY IN COUNCIL

6.1 The Chairman announced that the En Megat Iskandar Shah bin Mohamad Nor was appointed by the Council on May 14, 2016 to fill casual vacancy in the Council. And that in accordance with bye-law 13, such appointment should be subject to confirmation at the next succeeding annual general meeting.

6.2 Accordingly, the Chairman proposed the resolution:

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

The resolution was supported by all members and was put to the vote. It was unanimously carried.

AGM 7/16 APPOINTMENT OF AUDITORS

7.1 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.

7.2 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.

7.3 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 Lim Thiam Kee and was put to the vote. It was unanimously carried.

AGM 8/16 ANY OTHER BUSINESS

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

AGM 9/16 CLOSE

There being no further business, the meeting was closed at 11:00 a.m. with a vote of thanks to the chair.

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

CHAIRMAN