

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

Minutes of the 59<sup>th</sup> Annual General Meeting of the Institute held on Saturday, June 17, 2017 at 10:00 a.m. at Roof Garden Lounge, RG Floor, Sime Darby Convention Centre, Bukit Kiara, 60000 Kuala Lumpur.

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PRESENT : Dato' Abdul Rauf Rashid  
(President, in-the-chair)  
Mr Tan Theng Hooi  
Dato' Abdul Halim Mohyiddin  
En Abdul Halim Md Lassim  
Mr Beh Tok Koay  
Datin Hajjah Fadzilah bte Saad  
Dato' Gan Ah Tee  
Ms Goh Lee Hwa  
Datuk Johan Idris  
Mr Khaw Hock Hoe  
Mr Lee Tuck Heng  
Mr Lim Thiam Kee  
Ms Loh Lay Choon  
Dato' Megat Iskandar Shah  
Dato' Mohammad Faiz bin Mohammad Azmi  
Mr Patrick Ng Gan Hooi  
Mr Ng Kim Tuck  
Mr Ong Chee Wai  
Mr Poon Yew Hoe  
En Rozaini Mohd Sani  
Mr Tang Seng Choon  
Dr Teh Chee Ghee  
Mr Stanley Teo Swee Chua  
Mr Thong Foo Vung  
Dr Veerinderjeet Singh  
Mr Venkatramanan Viswanathan  
Ms Yeoh Siew Ming  
Mr Gary Yong Yoon Shing

11 other members as recorded in the attendance register

ABSENT WITH APOLOGIES : Mr Pushpanathan a/s S A Kanagarayar  
Datuk Robert Yong Kuen Loke

IN ATTENDANCE : Mr Foo Yoke Pin (Secretary)

AGM 1/17 QUORUM

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

AGM 2/17 APOLOGIES

Apologies received were noted.

AGM 3/17 NOTICE OF MEETING

The Chairman proposed that the notice of the meeting be taken as read. It was seconded by Mr Beh Tok Koay and unanimously agreed by the meeting.

AGM 4/17 REPORT AND FINANCIAL STATEMENTS

- 4.1 The Chairman briefed members on the financial position of the Institute for the year ended December 31, 2016. He also highlighted the major activities undertaken by the Institute during the year.

(a) Key Highlights

The Institute collaboration with Chartered Accountants Australia and New Zealand (CAANZ) which started in 2009, had been renewed in 2016, allowing the Institute to continue conducting the MICPA-CAANZ Programme. The Institute also look forward to seeing further growth in the number of candidates coming into the Programme in the years to come and to continue to engage the target segments.

As the the involvement in CSAP, the Chairman was privileged to be appointed to sit in the CSAP Implementation Committee alongside representatives from MIA, Securities Commission, Bank Negara Malaysia, SSM, Accountant General's Department and the Ministry of Higher Education. The Chairman had ensured and continue to ensure that the Institute views were heard for the betterment of the profession in the Institute's beloved nation.

In effort to remain aligned with the CSAP recommendations, the past year had seen the Institute further strengthening its relationships with local public universities by developing strategies to assist them in their journey to embrace the changes articulated within CSAP. As the only local professional accounting Institute in Malaysia, the Institute had a key role to play in ensuring the continuous pipeline of accountants in the country. In line with the Government's call for more professionally-trained accountants in Malaysia, we had created a new pathway into membership with the Institute. In July last year, the Institute launched a new membership class called Accounting Technician. Differentiating itself from our flagship Certified Public Accountant, or CPA membership and Associate CPA membership, those new designation was designed specifically for Diploma in Accounting holders from accredited institutions who formed a vital link in the provision of accounting support to businesses, the public sector and public practice. The Institute hoped to see many Diploma holders taking up the opportunity moving forward.

The Institute had also been actively involved with the Accountant General Department (AGD), to look into special provisions for the admission of Senior Accountants from the public sector into MICPA membership under the Associate CPA membership class. Candidates who had met the required educational and work experience could undergo a 60 hours workshop before being admitted as an Associate CPA. The Institute conducted briefing sessions for the Senior Accountants of AGD in 2016 to create awareness on that special provision. For the next phase, the Institute would be working with the AGD to target public sector accountants holding qualifications required for the MICPA-CAANZ Programme which granted them full CPA membership, as well as membership with CAANZ.

(b) Finance

The Institute achieved a net operating surplus of RM255,600 for the year, an increase of RM56,200 (28.2%) from RM199,400 in 2015.

Total income rose marginally by RM131,100 or 2.2% as compared to RM561,800 or 10.6% in 2015, due mainly to the increase in income generated from students' registration, exemption and annual fees for the MICPA-CAANZ Programme. The total income of the Institute increased marginally despite the new students' intake being higher because the effects on financials from the 69 new students registered in December 2016 were only beginning to be felt in 2017.

Total expenses increased marginally by RM57,700 or 1.0% due mainly to higher staff costs resulting from the annual salary review. In 2015, the total expenses were increased by RM634,100 or 12.6%.

Total assets increased by RM869,900 or 18.0%, compared to RM340,100 or 7.6% increase in 2015, due mainly to the amount owing by 2 government agencies (TalentCorp & Peneraju) for sponsoring students for the MICPA-CAANZ Programme. The total liability increased by RM614,200 or 28.7% resulting mainly from Term 1, 2017 examination fees received in advance from students.

The Institute had an accumulated fund of RM2,946,500 as at December 31, 2016 compared to an accumulated fund of RM2,690,800 in the previous year.

(c) Membership

The membership of the Institute consisted of four classes of members who were admitted in accordance with the Institute's Articles of Association and Bye-laws. The classes are Certified Public Accountants (CPA), Associate Certified Public Accountants (Associate CPA), Provisional Members and Accounting Technicians. As at December 31, 2016, the membership of the Institute stood at 3,171 an increase of 32 from 3,139 in 2015.

The total number of CPA and Associate CPA members of the Institute were 3,082 and 60 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 net increased of 34 CPA and a decreased of 3 Associate CPA members respective were recorded. There was no change in the provisional member as compared to 2015. In 2015, the total number of CPA was 3,048, Provisional Members, 29 and Associate CPA members, 62.

There was no significant change in the membership profile as compared to 2015. As at December 31, 2016, 35% of the members worked in public practice firms, of whom 12% were members holding practising certificates. A total of 50% 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.

During the year, a total of 49 female members were admitted, constituting 64% of the total new admissions. At the end of 2016, the proportion of female members remained at 40%.

(d) Student Enrolment

A total of 282 new students were recorded during the year. The new intake comprised largely of accounting graduates from local universities and Australian universities. A total of 829 students were recorded for the year 2016 taking into account the exclusion of 12 students from the register of students for non-payment of annual fees, and 46 students who terminated their registration and 75 students who were admitted as members. In 2015, a total of 680 students were recorded.

(e) Education and Training

The Institute organised a range of Continuing Professional Development (CPD) programmes annually to enable members to keep up-to-date on new developments and pertinent topics relevant to the profession. The programmes were tailored based on the needs of the members and took into consideration the current industry concerned. An annual income of RM570,000 was generated from conducting CPD training for the year 2016 compared to RM387,000 in 2015.

MICPA and CAANZ held the annual jointly-organised CAANZ-MICPA Audit Forum at Sime Darby Convention Centre on October 18, 2016. That year's Audit Forum explained how data analytics applied to financial statement audits and why it could represent a game changer in how audits were conducted, and was aptly entitled "*Transforming Audit through Big Data and Analysis*".

The Forum was well-attended by invited members and partners of the Institute who found the topic interesting and relevant.

The Companies Bill 2016 was passed by the Parliament on April, 2016. It replaced the existing Companies Act 1965, and set out the modern legal framework governing the formation, operation, termination and regulation of companies in Malaysia.

During the year, the Institute organised training to cover the Companies Bill 2016 and the recently-gazetted new Companies Act 2016. The Seminar highlighted and emphasized the major changes and new compliance procedures required under the new Companies Act 2016 to better equip participants to adapt the new and unique requirements of the Companies Act 2016. It also provided an overview of new provisions relating to capital management and restructuring options affecting corporate governance from a secretarial perspective.

(f) 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.

Under the leadership of Dato Megat Iskandar Shah bin Mohamad Nor, the Young CPA Committee would be coming up with a host of activities focusing on the younger CPA in order to get the younger CPA to be more involved in the Institute's activities and Committees.

(g) 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 print media through monthly advertorials in The Star's education supplements to promote the MICPA-CAANZ Programme as well as highlighted its programmes and activities for students.

The Institute was invited to provide input on key topics such as the new auditor reporting standards and Budget 2017 on television, radio and print media such as Astro Awani, TraxxFM and Bernama and other niche publications such as Focus Malaysia and The Edge Financial Daily.

On the social media, the Institute had continued to be actively on platforms such as Facebook, Twitter and YouTube. Since the previous year, the number of 'Likes' on the Institute's Facebook page had increased by about a thousand new followers from around 7,800 to close 9,000.

Every year, the Institute organises a number of programmes and activities for students such as the MICPA Accountant's Dash, MICPA-CAANZ Investment Challenge, a conference for Diploma in Accounting students and MICPA-CAANZ Accountancy Week. Apart from promoting the qualification, those activities were also intended to promote the growth of the profession by educating students about the accounting industry and the career possibilities it provided.

The Institute's marketing and promotion activities play a significant role in attracting potential candidates for MICPA membership. The Institute employed a wide range of outreach activities including career talks, networking events, seminars, workshops and orientation sessions in accounting firms to reach out to potential candidates. Over the last year, the Institute had engaged with over 4,000 students from institutions of higher learning across Malaysia to share the benefits and details of the MICPA-CAANZ qualification.

Over the past 2 years, the Institute had stepped up efforts to reach out to Malaysian students studying in Australia and New Zealand as the joint MICPA-CAANZ Programme allowed them to pursue the highly-regarded Chartered Accountants Programme in Malaysia through MICPA. The Institute had seen growing numbers of Australian and New Zealand graduates taking up the Programme upon returning to Malaysia each year.

The Institute held a MICPA-CAANZ Investment Challenge in Melbourne for the first time in 2016, similar to the annual event held in Monash University Malaysia, and held a second one in April 2017. The annual event had seen many Malaysian participants from several universities across Melbourne learn something new about investment and the world of business, and managed to pique their interest in the MICPA-CAANZ Programme.

In October 2016, the Institute continued its annual participation in the Graduan Recruitment Drive in Australia which had helped to increase the awareness and reception of the MICPA-CAANZ Programme among returning graduates. The Institute also held information sessions for Malaysian students in New Zealand in March 2017 and in Australia in April 2017. Students were eager to learn about the joint Programme and their future careers in Malaysia.

(h) Participation in International Organisations

The Institute maintained an active relationship with international accounting organisations and fellow professional bodies around the world. Keeping abreast with significant international developments in accounting, auditing, education and other professional standards was crucial when operating in a global environment.

The Institute continued to contribute to and support the work of IFAC by actively promulgating convergence with international auditing standards issued by the IAASB of IFAC. The Institute continued to review and provide feedback on exposure drafts and discussion documents issued by the IAASB.

Discussions surrounded implementation issues for the new Standards; IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*; understanding IFRS Standards and the judgements required; nonfinancial institutions implementing the financial instruments Standards (IFRS 7, 9 and IAS 32); and implementing IFRS 10, 11 and 12 in consolidations and joint arrangements.

The Institute had active participation in the ASEAN Federation of Accountants (AFA) since it was officially appointed as an Associate Member in August 2015. The Institute were involved in three (3) AFA Council Meetings throughout 2016 – the 121<sup>st</sup> AFA Council Meeting held in Vientiane, Laos in February; the 122<sup>nd</sup> AFA Council Meeting held in Singapore in June; and the 123<sup>rd</sup> AFA Council Meeting held in Bangkok, Thailand in October. The Institute regularly provides updates to the AFA who keeps its members abreast of the latest happenings in the accountancy profession throughout ASEAN.

(i) Acknowledgement

The Chairman announced that it was his third and final year as MICPA's President. It had been a privilege to serve alongside his fellow Council. The Chairman hoped to continue in his role as a Council member going forward, so long as his contribution is needed by the Institute and the profession. The Chairman also thanked his fellow Council members for their unceasing support, continuous contribution, expertise and encouragement necessary for the development of the profession and the Institute. He would also like to extend his sincere appreciation and gratitude to all our members and volunteers who had contributed their time, professional knowledge and ideas to the success of the Institute through their active participation in the various committees and working groups of the Institute.

4.2 The Chairman then invited comments from the floor on the report and financial statements of the Institute. There were no comments raised by the members on the report and financial statements of the Institute except that Mr Chong Sai Sin (2947) had requested the auditors to share with the members if there were any issues or difficulties faced by them while conducting their audit. In response, Datin Khoo Pek Ling commented that there were no issues or difficulties faced by them in performing their audit.

4.3 The Chairman proposed the resolution:

“That the Report of the Council and Financial Statements of the Institute for the year ended December 31, 2016 be and are hereby adopted.”

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

AGM 5/17      ELECTION OF COUNCIL MEMBERS

- 5.1      The Chairman announced that there were 10 vacancies in the Council and no new nominations had been received for election to the Council.
- 5.2      The Chairman also announced that:
- (a)      In accordance with the Institute's bye-laws, the following Council members retired at this AGM and being eligible, offered themselves for re-election:
1.      Abdul Halim bin Lassim
  2.      Gan Ah Tee, Dato'
  3.      Lim Thiam Kee
  4.      Ng Kim Tuck
  5.      Poon Yew Hoe
  6.      Tan Theng Hooi
  7.      Teh Chee Ghee, Dr
  8.      Teo Swee Chua
  9.      Venkatramanan Viswanathan
  10.     Yeoh Siew Ming

Accordingly, 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 6/17      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 in accordance with bye-law 121, Mr Leong Kok Tong deemed to be nominated for re-appointment as auditor for the ensuing year.
- 6.3      The Chairman announced that Datin Khoo Pek Ling had intimated that she does not wish to seek for re-appointment. She would be retiring from the firm by the end of the year 2017.
- 6.4      The Chairman also announced that in accordance with bye-law 121, Mr Ng Eng Kiat had been nominated for appointment as auditor of the Institute for the ensuing year.

6.5 The Chairman proposed the resolution:

“That Mr Leong Kok Tong be re-appointed and Mr Ng Eng Kiat be appointed as auditors of the Institute for the ensuing year.”

The resolution was seconded by Dato’ Gan Ah Tee and was put to the vote. It was unanimously carried.

AGM 7/17 ANY OTHER BUSINESS

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

AGM 8/17 CLOSE

There being no further business, the meeting was closed at 10:40 a.m. with a vote of thanks to the chair.

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

CHAIRMAN