

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

Minutes of the 61st Annual General Meeting of the Institute held on Saturday, May 25, 2019 at 10:00 a.m. at Dillenia & Eugenia Rooms, Ground Floor, Sime Darby Convention Centre, Bukit Kiara, 60000 Kuala Lumpur.

PRESENT : Datuk Tan Theng Hooi
(President, in-the-chair)
Dr Veerinderjeet Singh
Dato' Abdul Rauf Rashid
Dato' Abdul Halim Mohyiddin
En Abdul Halim Md Lassim
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 Peter 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
Mr Pushpanathan a/s S A Kanagarayar
En Rozaini Mohd Sani
Mr Tang Seng Choon
Dr Teh Chee Ghee
Mr Stanley Teo Swee Chua
Mr Thong Foo Vung
Ms Yeoh Siew Ming
Datuk Robert Yong Kuen Loke
Mr Gary Yong Yoon Shing

16 other members as recorded in the attendance register

ABSENT WITH APOLOGIES : Mr Beh Tok Koay
Mr Venkatramanan Viswanathan

IN ATTENDANCE : Novie Tajuddin (Secretary)

AGM 1/19 QUORUM

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

AGM 2/19 APOLOGIES

Apologies received were noted.

AGM 3/19 NOTICE OF MEETING

The Chairman proposed that the notice of the meeting be taken as read. It was seconded by Mr Lee Tuck Heng and unanimously agreed by the meeting.

AGM 4/19 REPORT AND FINANCIAL STATEMENTS

4.1 The Chairman briefed members on the financial position of the Institute for the year ended December 31, 2018. He also highlighted the major activities undertaken by the Institute during the year.

(a) Key Highlights

The joint MICPA-CAANZ Programme offered by the Institute in collaboration with Chartered Accountants Australia and New Zealand (CA ANZ) continues to draw many candidates in. This year marks the 10th anniversary of this collaboration, and we look forward to commemorating it with a bang. We are hopeful that new initiatives introduced will collectively see a sharp increase in our student numbers, in particular Malaysian, Australian and New Zealand graduates who continue to choose a Programme well-suited for their future global careers.

A key change in the Programme since late 2018, is the ability to complete all but the final module on a full-time basis, i.e. before commencing full-time work. Candidates are also now allowed to complete 2 technical modules each term. Hence, it is now possible to complete 4 out of 5 modules within a 9-month period, over 2 terms, with the remaining Capstone module taken after at least 1 year of relevant work experience. The Malaysian market is very receptive to this arrangement, and as we work on expanding the number of tuition centres able to offer full-time tuition support for the modules, we hope to increase the number of candidates coming through our doors. This full-time study option is also available for those who wish to pursue the Programme on a self-study basis as all materials sufficient to prepare oneself for the examination are available online, in the learning portal. The final Capstone module would need to be done after completing at least 1 year of relevant work experience.

The Institute remained firm in its agenda to engage actively with students and lecturers from both public and private universities in Malaysia to promote the new initiatives and existing pathways that provide more flexibility for candidates. 2018 started off with the signing of a Memorandum of Understanding (MoU) with Universiti Utara Malaysia (UUM). During the year, a MoU was signed with TAR University College's (TARUC) upon completion of the accreditation of TARUC's accounting degree programme. A MoU was also signed with KYS Business School, who is one of our tuition providers offering full-time classes. Outreach and engagement continued Down Under, with information sessions held in Australia and New Zealand. We are pleased to see many graduates from these countries coming on board as candidates upon returning home to Malaysia.

Last year, the Institute appointed a new Chief Executive Officer, Mr Novie Tajuddin who joined us on April 2, 2018. He has played a key role in ensuring the Institute keeps up the momentum in its engagement with educational institutions, sponsorship bodies, employers and partners to identify opportunities that can take the Institute and its Programme further. We will continue to engage with regulators, Government bodies, academia, industry partners and our members to be seen as a leading voice in technical advisory, thought leadership and professional education. In August 2018, a MoU was signed with the Malaysian Institute of Accountants (MIA) to solidify and encourage more collaboration and partnerships for the benefit of both our members and the accounting fraternity at large.

It was also very encouraging to see many new registrations from the Accountant General's Department in 2018, through Institut Perakaunan Negara (IPN) who has been working closely with the Institute to ensure its employees are on track to obtaining professional qualifications. We are very pleased to be part of their professional education, and have worked closely to support IPN by structuring a tailored programme for their candidates to suit their workload and schedules.

(b) Finance

The Institute achieved a net operating surplus of RM489,199 for the year, a decrease of RM179,926 (26.9%) from RM669,125 in 2017.

Total income decreased by RM152,800 or 2.2%. This was mainly attributed to a drop in income from other activities namely Continuing Professional Development Programme, Quality Assessment Programme Review and the Yayasan Pengeraja PPAS-MICPA Programme. In addition, the Institute's annual Commemorative Lecture and Luncheon was not held in 2018.

The increase in total expenses of RM27,100 or 0.4% was less than the inflationary increase in operating expenses as it was partly offset by lower expenses incurred in non-operating activities in tandem with the drop in income from those activities.

The increase of RM323,200 or 5.9% in total assets was contributed by an increase in fixed deposits. Total liabilities reduced by RM141,500 or 7.6% purely due to a decrease in other payables and accruals.

The Institute had an accumulated fund of RM4,080,200 as at December 31, 2018 compared to an accumulated fund of RM3,615,600 in the preceding year.

(c) Membership

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 are Certified Public Accountants (CPA), Associate Certified Public Accountants (Associate CPAs), Provisional Members and Accounting Technicians. As of December 31, 2018, the membership of the Institute stood at 3,235.

(d) Student Enrolment

A total of 224 new students were registered in 2018, compared to 172 in 2017. The new intake predominantly comprised accounting graduates from local and Australian universities. A total of 834 students were recorded for the year 2018.

(e) Services to Members

The Institute organises 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 are tailored based on the needs of our members and take into consideration the current industry concerns. An annual income of RM599,000 was generated from conducting CPD training for the year 2018 compared to RM730,000 in 2017.

(f) Communication and Public Relations

The Institute adopts a multi-faceted approach to increasing its visibility and strengthening the brand name of the CPA qualification and the MICPA-CAANZ Programme.

MICPA continues to maintain its presence in print media through periodic advertorials in The Star's education supplements to promote the MICPACAANZ Programme as well as highlight its programmes and activities for students. The Institute was invited to provide input on key topics such as Budget 2019 on radio and print media such as TraxxFM and The New Straits Times. An advertisement depicting the benefits of and pathway into the MICPA-CAANZ Programme was placed in an MRT train which travels along the Sungai Buloh – Kajang route from December 2017 to April 2018.

On social media, MICPA has continued to be active on platforms such as Facebook,

Twitter and YouTube. Over 2018, the number of 'Likes' on the MICPA Facebook page has increased by over a thousand new followers from around 9,400 to 10,500. In 2018, the Institute also ventured into using Instagram.

(g) Acknowledgement

As I conclude my term, I would like to express my deepest thanks and appreciation to our members, fellow Council Members, Committee members and the Secretariat for their unending support and tireless efforts in ensuring the objectives of the Institute are achieved year on year. It has been a challenging, yet exciting term for me, and I take many good memories and strengthened relationships with me ahead, and look forward to continue the MICPA journey alongside my fellow Council and members beyond my Presidency.

4.2 The Chairman then invited comments from the floor on the report and financial statements of the Institute.

(a) Mr David Siew (Membership No. 1417) commended the President and Council for their efforts which have resulted in higher member and candidate numbers, as well as a stronger financial position this year. He highlighted that the annual report details the Committees' attendance, however for many Committees, it appears that members do not turn up for meetings. This does not reflect well on the Institute, and suggested that the Institute should institute and enforce a rule that Committee members should not be allowed to continue if they do not attend a certain number of meetings. The Vice President commented that there are 2 aspects to attendance of Committee meetings which is Council members and co-opted members. The Institute has implemented the need for co-opted members to maintain a healthy attendance, otherwise their term will not be renewed. As for Council member attendance, the Council is looking into this to ensure meetings achieve the required attendance.

(b) Mr Cheah Hoi Meng (Membership No. 428) commented that many years ago, MICPA was well-known because it was the main issuer of standards in Malaysia. He felt that the Institute is not doing much in the areas of technical standards, accounts review and regulation, and publicity for new members and new candidates. The President responded that the Institute has been looking to recruit a strong Technical Director, but in the meantime, there is a lot of reliance on Council members for technical matters. At the moment, MASB is the body issuing technical standards and MIA is the regulatory body. One of the biggest setbacks of the Institute is the lack of resources, both financial and talent. Once the Institute is able to increase its financial resources, it will be able to bring in more talent. With the new CEO, Novie Tajuddin coming on board since last year, the awareness has improved.

(c) Mr Lee Siew Kuan (Membership No. 1139) commented that despite being in existence for over 60 years, MICPA is not very well-known today, and more publicity is needed. He suggested that more technical articles should be published, and noted that there were a number of good tax-related articles published by MICPA after the national Budget announcement.

(d) Mr Ng Pyak Yeow (Membership No. 550) commented that the main aims of professional bodies should be to assist the small and medium

practitioners (SMPs) as they do not have the resources to do research. He noted there was an audit manual published by the Institute over 10 years ago, but did not feel it could be used and suggested working with other bodies who had one, such as Singapore. Another gap faced by SMPs is computerization and suggested the Institute could support them in this area as well. The President clarified that the Institute had in 2018 revised and launched the Audit Guide for Practitioners (AGP) along with the newly-developed Illustrative Audit Working Papers (IAWP). The Institute has also organised events and CPD programmes that focus on digital and technology areas. The Vice President elaborated that training on the AGP and IAWP has been rolled out jointly with MIA and has been received very well by many small and medium practitioners. A total of 48 workshops were organised across Malaysia with 1,886 participants comprising 659 audit practitioners attending, which was a very good achievement.

4.4 The Chairman proposed the resolution:

“That the Report of the Council and Financial Statements of the Institute for the year ended December 31, 2018 be and are hereby adopted.”

The resolution was seconded by Ms Yeoh Siew Ming, Mr Thong Foo Vung and Mr Khaw Hock Hoe and was put to the vote. It was unanimously carried.

AGM 5/19 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. Ab Halim bin Mohyiddin, Dato’
2. Abdul Rauf bin Rashid, Dato’
3. Beh Tok Koay
4. Fadzilah bte Saad, Datin
5. Johan bin Idris, Datuk
6. Lee Tuck Heng
7. Loh Lay Choon
8. Megat Iskandar Shah bin Mohamad Nor, Dato’
9. Mohammad Faiz bin Mohammad Azmi, Dato’
10. Ng Gan Hooi

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 6/19 APPOINTMENT OF AUDITORS

- 6.1 The Chairman announced that in accordance with bye-law 120, Mr Ng Eng Kiat 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 received for appointment as auditors of the Institute and in accordance with bye-law 121, Mr Ng Eng Kiat 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 Mr Ng Eng Kiat and Mr Leong Kok Tong be re-appointed as auditors of the Institute for the ensuing year.”

The resolution was seconded by both Dato’ Gan Ah Tee and Mr Lim Thiam Kee and was put to the vote. It was unanimously carried.

AGM 7/19 ANY OTHER BUSINESS

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

AGM 8/19 CLOSE

There being no further business, the meeting was closed at 10.50 a.m. with a vote of thanks to the chair.

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

CHAIRMAN