



MALAYSIAN INSTITUTE  
OF ACCOUNTANTS  
ACCOUNTANTS: MANAGERS OF VALUE

PROUD HOST:



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# Aspiring to International Acclaim



Annual Report  
**2010**

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# Notice of the 24<sup>th</sup> Annual General Meeting

Notice is hereby given that in accordance with Rule 10 of the Malaysian Institute of Accountants (Membership and Council) Rules 2001, the **Twenty Fourth Annual General Meeting** of the Malaysian Institute of Accountants will be held on **Saturday, 25 September 2010 at 2.00 p.m.** at Dewan Tun Hussein Onn, Pusat Dagangan Dunia Putra, 41 Jalan Tun Ismail, 50480 Kuala Lumpur

## AGENDA

1. To elect **three (3)** members of the Council for the ensuing year pursuant to the provisions of paragraph (g) of subsection (1) of section 8 of the Accountants Act, 1967.

The following members of Council have retired pursuant to sub-paragraph (1)(b) of paragraph 2B of the Second Schedule to the Accountants Act, 1967 and are not offering themselves for re-election at the forthcoming annual general meeting:

- Chen Voon Hann
- Lam Kee Soon
- Yeo Tek Ling

Nominations have been received for the following members for election to the Council:

- Khoo Siong Kee
- Dato' Narendra Kumar Jasani
- Sam Soh Siong Hoon
- Subramaniam A. V. Sankar

2. President's address.
3. To consider and accept the minutes of the Twenty Third Annual General Meeting held on 12 September 2009.
4. To receive the annual report of the Council.
5. To receive the financial statements of the Institute for the year ended 30 June 2010 and the report of the auditors thereon.
6. To approve the following Resolutions proposed by the Council:

### Resolution 1:

**IT IS HEREBY RESOLVED THAT** pursuant to Section 7 of the Accountants Act, 1967 and subject to the approval of the Minister of Finance, the annual membership subscription for chartered accountants for the time being in force be increased to RM300.00 and that the Schedule to the Institute's (Membership and Council) Rules, 2001 be amended accordingly, and shall come into effect on 1 July 2011.

### Resolution 2:

**IT IS HEREBY RESOLVED THAT** pursuant to Section 7 of the Accountants Act, 1967 and subject to the approval of the Minister of Finance, the annual membership

subscription for licensed accountants for the time being in force be increased to RM300.00 and that the Schedule to the Institute's (Membership and Council) Rules, 2001 be amended accordingly, and shall come into effect on 1 July 2011.

### Resolution 3:

**IT IS HEREBY RESOLVED THAT** pursuant to Section 7 of the Accountants Act, 1967 and subject to the approval of the Minister of Finance, the annual membership subscription for associate members for the time being in force be increased to RM200.00 and that the Schedule to the Institute's (Membership and Council) Rules, 2001 be amended accordingly, and shall come into effect on 1 July 2011.

### Resolution 4:

**IT IS HEREBY RESOLVED THAT** pursuant to Section 7 of the Accountants Act, 1967 and subject to the approval of the Minister of Finance, the annual practising certificate fee for the time being in force be increased to RM500.00 and that the Schedule to the Institute's (Membership and Council) Rules, 2001 be amended accordingly, and shall come into effect on 1 July 2011.

7. Any other business.

By Order of the Council



**ROSLI BIN ABDULLAH**

Registrar

1 September 2010

# The Council

1 July 2009 – 30 June 2010



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# MIA Council Members

## 1 July 2009 – 30 June 2010



**Dato' Mohd Salleh Mahmud**  
Accountant General  
*Appointed, Section 8(1) (a)*

Dato' Mohd Salleh Mahmud was appointed as the Accountant General Malaysia on 21 March 2005.



**Wan Selamah Wan Sulaiman**  
Deputy Accountant General  
*Appointee of the Accountant General*  
*Appointed, 5 January 2010, Section 8(1) (a)*

Wan Selamah Wan Sulaiman is the Deputy Accountant General (Corporate) at the Accountant General's Department of Malaysia.



**Abdul Rahim Abdul Hamid**  
President  
*Appointed, 16 July 2009, Section 8(1) (f)*  
*Elected as MIA President on 24 July 2009*

- Executive Committee Chairman
- Financial Reporting Standards Implementation Committee Chairman
- Practice Review Committee Chairman
- World Congress of Accountants (WCOA) 2010 Steering Committee Chairman

Abdul Rahim Abdul Hamid is the President of the ASEAN Federation of Accountants (AFA). Appointed on January 2010.



**Christina Constance Foo**  
Vice President  
*Appointed, 16 July 2009, Section 8(1) (f)*  
*Elected as MIA Vice President on 24 July 2009*

- Public Practice Committee Chairman
- Ethics Standard Board Chairman
- Executive Committee Member
- World Congress of Accountants (WCOA) 2010 Steering Committee Member

Christina Constance Foo is a member of the Board of Directors of CPA Australia Ltd. and Confederation of Asian and Pacific Accountants (CAPA)



**Professor Datin Dr. Hasnah Haji Haron**  
*Appointed, Section 8(1) (b)*

- Disciplinary Appeal Board Member
- Examination Committee Member
- Ethics Standards Board Member

Professor Datin Dr. Hasnah Haji Haron is the Dean, Graduate School of Business, Universiti Sains Malaysia (USM).



**Hajah Dr. Kalsom Salleh**  
*Appointed, Section 8(1) (b)*

- Public Sector Committee Chairman
- Disciplinary Committee Member
- Professional Accountants in Business Committee Member
- Education Committee Member
- Audit and Risk Management Committee Member

Hajah Dr. Kalsom Salleh is the Head of Strategic Planning and Academic Quality at the Institute of Graduate Studies, Universiti Teknologi MARA (UiTM).



**Associate Prof. Dr. Ku Nor Izah Ku Ismail**  
*Appointed, Section 8(1) (b)*

- Education Committee Member
- Financial Statements Review Committee Member
- Financial Reporting Standards Implementation Committee Member

Associate Prof. Dr. Ku Nor Izah Ku Ismail is currently attached to College of Business, Universiti Utara Malaysia (UUM).



**Associate Prof. Dr. Norman Mohd Saleh**  
*Appointed, Section 8(1) (b)*

- Education Committee Chairman
- Audit and Risk Management Committee Member

Associate Prof. Dr. Norman Mohd Saleh is currently attached to School of Accounting, Faculty of Economics and Business, Universiti Kebangsaan Malaysia (UKM).



**Associate Prof. Dr. Zulkarnian Muhamad Sori**

*Appointed, Section 8(1) (b)*

- Examination Committee Member
- Financial Statements Review Committee Member

Associate Prof. Dr. Zulkarnian Muhamad Sori is currently attached to the Department of Accounting and Finance, Faculty of Economics and Management, Universiti Putra Malaysia (UPM).



**Dato' Ahmad Johan Mohammad Raslan**

*Appointed, Section 8(1) (c)*

- Examination Committee Chairman
- Executive Committee Member
- Nominating Committee Member

Dato' Ahmad Johan Mohammad Raslan is the Executive Chairman of PwC Malaysia and also the President of the Malaysian Institute of Certified Public Accountants (MICPA).



**Allahyarham Dato' Nordin Baharuddin**

*Appointed, Section 8(1) (c)*

The late Dato' Nordin was the President of MICPA.



**Dato' Gan Ah Tee**

*Appointed, Section 8(1) (d)*

- Insolvency Practice Sub-Committee Chairman
- Disciplinary Committee Member
- Executive Committee Member
- Public Practice Committee Member

Dato' Gan Ah Tee is the Managing Partner of BDO Malaysia and is the Regional Senior Partner for BDO Asia Pacific.



**Datuk Mohd Nasir Ahmad**

*Appointed, Section 8(1) (d)*

- Investigation Committee Member

Datuk Mohd Nasir Ahmad is the President of ACCA Malaysia Advisory Committee and he is also the Chief Executive Officer of Perbadanan Usahawan Nasional Berhad (PUNB).



**Chandra Mohan Balasubramaniam**

*Appointed, Section 8(1) (d) - retired 22 May 2010*

- Disciplinary Appeal Board Member

Chandra Mohan Balasubramaniam is the Assistant General Manager of Business Banking Support for EON Bank Group and he was the Divisional President of CIMA Malaysia.



**Datuk Nur Jazlan Mohamed**

*Appointed, Section 8(1) (f)*

- Disciplinary Appeal Board Chairman

Datuk Nur Jazlan Mohamed is a member of Parliament for Pulai, Johor. In the corporate world, he serves as independent non-executive director and Audit Committee member in several public listed companies.



**Mohammad Faiz Mohammad Azmi**

*Appointed, Section 8(1) (f)*

- Islamic Finance Committee Member
- Financial Statements Review Committee Member
- Public Practice Committee Member

Mohammad Faiz Mohammad Azmi is the Chairman of the Malaysian Accounting Standards Board (MASB) and he is also the Partner, PwC Malaysia and PwC Global and Islamic Finance Leader.



**Dr. Lee Yee Chong @ YC Lee**

*Appointed, Section 8(1) (f)*

- World Congress of Accountants (WCOA) 2010 Organising Committee Chairman
- Disciplinary Committee Member

Dr. Lee Yee Chong is the Director, Group Information Technology and Systems of Chemical Company of Malaysia Berhad (CCM).



**Liew Kim Yuen**

*Appointed, Section 8(1) (f)*

- Practice Review Committee Member
- Financial Statement Review Committee Member

Liew Kim Yuen is the Head of Financial Reporting & Corporate Surveillance Department, Securities Commission.



**Mohamed Raslan Abdul Rahman**

*Appointed, Section 8(1) (f)*

- Disciplinary Committee Chairman
- Islamic Finance Committee Chairman
- Audit & Assurance Standards Board Member
- Financial Reporting Standards Implementation Committee Member

Mohamed Raslan Abdul Rahman is a partner with the Assurance practice of KPMG Malaysia.



**Seow Yoo Lin**

*Appointed, Section 8(1) (f)*

- Disciplinary Appeal Board Member
- Public Practice Committee Member

Seow Yoo Lin is the Managing Partner of KPMG Malaysia.



**Uthaya Kumar Vivekananda**

*Appointed, Section 8(1) (f)*

- Investigation Committee Member

Uthaya Kumar is a Senior Partner of PwC for South East Asia Peninsula.



**Dato' Liew Lee Leong @ Raymond Liew**

*Elected 12 September 2009, Section 8(1) (g)*

- Practice Review Committee Member
- Public Practice Committee Member

Dato' Raymond Liew Lee Leong is the President of McMillan Woods Global.



**Abraham Verghese**

*Elected, Section 8(1) (g)*

- Investigation Committee Member

Abraham Verghese is a Partner of Ernst & Young.



**Alex Ooi Thiam Poh**

*Elected, Section 8(1) (g)*

- Disciplinary Committee Member
- Financial Reporting Standards Implementation Committee Member
- Audit & Risk Management Committee Member

Alex Ooi Thiam Poh is a partner of BDO Malaysia and he is also the Deputy President of CPA Australia (Malaysia Division).



**Billy Kang Wei Geih**  
*Elected Section 8(1) (g)*

- Audit Practice Sub-Committee Chairman
- Investigation Committee Member
- Professional Accountants in Business Committee Member
- Public Practice Committee Member

Billy Kang Wei Geih is the founder of Billy Kang & Co.



**Chen Voon Hann**  
*Elected, Section 8(1) (g)*

- Public Practice Committee Member

Chen Voon Hann is the Managing Partner of CAS & Associates and CEO of CAS International.



**Heng Ji Keng**  
*Elected 12 September 2009, Section 8(1) (g)*

- Disciplinary Appeal Board Member
- Public Practice Committee Member
- Audit & Risk Management Committee Member

Heng Ji Keng is the co-founder of Baker Tilly Monteiro Heng and Ferrier Hodgson MH.



**Lam Kee Soon**  
*Elected, Section 8(1) (g)*

- Audit & Risk Management Committee Chairman
- Financial Statements Review Committee Member
- Ethics Standards Board Member

Lam Kee Soon is a Partner of KS Lam & Co.



**Stephen Oong Kee Leong**  
*Elected, Section 8(1) (g)*

- Financial Statements Review Committee Chairman
- Financial Reporting Standards Implementation Committee Member

Stephen Oong Kee Leong is a partner in the technical department of Ernst & Young Malaysia.



**Peter Lim Thiam Kee**  
*Elected 12 September 2009, Section 8(1) (g)*

- Tax Practice Sub-Committee Chairman
- Practice Review Committee Member
- Taxation Committee Member
- Public Practice Committee Member

Peter Lim Thiam Kee is the Chairman of The Institute of Chartered Accountants in Australia (ICAA) Malaysia Branch. He is also the Managing Partner of T K Lim & Associates.



**Yeo Tek Ling**  
*Elected, Section 8(1) (g)*

- Investigation Committee Chairman
- Professional Accountants in Business Committee Chairman
- Executive Committee Member
- Nominating Committee Member

Yeo Tek Ling is a Non-Independent Executive Finance Director of Advanced Packaging Technology (M) Bhd. He was MIA's representative in IFAC's PAIB committee.



**Tuan Haji Rosli Abdullah**  
*Registrar & Chief Executive Officer*

Tuan Haji Rosli Abdullah was appointed as Registrar on 1 December 2007.



# Statements



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# President's Statement



Dear members,

The Malaysian Institute of Accountants (MIA) carries an important duty in ensuring that accountants continue to remain relevant in today's society. The credibility of the profession and public perception of its ability to protect public interest are crucial aspects in ensuring our success. To achieve this we must uphold the highest standards of professionalism – accountants must be skilled, knowledgeable and subscribe to the highest ethical standards.

It cannot be denied that the role of accountants in the present corporate landscape has extended beyond that of the backroom number-cruncher. As sustainability takes centre stage in corporate discussions today, accountants have to take on the role of value creators and corporate strategists in aiding the leadership of organisations to steer companies through a myriad of business challenges. It is no longer just about cost-control and cost-cutting alone anymore. In the interest of sustainability, the ambit of our work extends into the three Ps – People, Profits and Planet.

As accountants, we cannot detach ourselves from this agenda. Society has conferred upon us its trust to ensure that initiatives undertaken in the task of economic progress and wealth creation are all accounted for. In the past, we were entrusted with ensuring financial integrity but this aspect is dependent upon many factors, and how companies obtain and use resources also affect an organisation's financials when the bigger picture comes together.

As evident with the global financial crisis of 2008 – 2009 market forces if left unchecked can lead to excesses and bubbles that break and leave a destructive imprint upon society. The crisis exposed inadequacies in the markets. In favour of creating a thriving market economy, regulations were seen to be lax and compliance took on a different meaning - one which had nothing to do with the protection of public interest, but rather a self-serving agenda.

Today, we know that the market is not ready for self-regulation, it needs regulatory mechanisms and market players cannot abandon values such as integrity and honesty. Today, we also need to look at sustainability with new fervour and approaches.

Closer to home our country stands at the crossroads of transition from being a middle income economy

to a high income one, through the New Economic Model (NEM). Accountants as key players in financial reporting chain must accept that we have an important contribution to make in achieving the country's aspiration.

**Indeed, we accountants must rise to these challenges!**

## THE EXPANDING ROLES OF ACCOUNTANTS

Under the NEM, the private sector has been given a mandate to lead economic growth for the nation, in line with a rising trend for public-private partnerships across the globe. A majority of MIA members – about 66% come from the professional accountants in business segment. Some of us are captains of businesses – big and small and the others are involved in the preparation of financial information for their organisations. As such, we must keep track of the latest developments in the profession to be at par with global best practices.

Financial reporting requirements continue to evolve with the needs of the present business landscape and as we move towards convergence with International Financial Reporting Standards (IFRS) in 2012, the onus is upon all of us to ensure that our organisations are capable of preparing a set of financial reports that meet not only both regulatory requirements but also public expectations.

Additionally, accountants are in areas where we can add value to our organisations by falling back on our training to provide guidance and counsel of our organisation's leadership on decisions-making endeavours. Accountants are indeed instrumental in that sense since we have access to all the information within a company and will be able to spot trends and patterns that could be advantageous or pose challenges for the company.

Increasingly, we are also seeing accountants being brought

in as independent and non-executive directors and audit committee members of listed companies. This is an encouraging development in enhancing the standards of corporate governance in Malaysia. In this role, members must always be true to our values and training as professionals.

Auditors continue to be in the limelight whenever a corporate scandal breaks due to the task of confirming the integrity of the financial information presented. MIA has in place mechanisms such as the Practice Review, to uphold high standards of audit quality. Against this backdrop, compliance with International Standards on Quality Control (ISQC) 1, which ensures we measure up with global expectations when it comes to audit quality, is absolutely crucial. From MIA's review, we have seen that is a lot of room for improvement among auditors in the area of ISQC 1 compliance, and MIA urges members in audit to look into areas that have been marked for improvement if you haven't already done so.



As sustainability takes centre stage in corporate discussions today, accountants have to take on the role of value creators and corporate strategists in aiding the leadership of organisations to steer companies through a myriad of business challenges. It is no longer just about cost-control and cost-cutting alone anymore. In the interest of sustainability, the ambit of our work extends into the three Ps—People, Profits and Planet.



The responsibility of public sector accountants does not much differ from those in business as you too are responsible to ensure integrity in the financial reporting chain, but accountants have the added impetus of setting an example for the market to follow. The Government Transformation Programme seeks to enhance the public delivery system, and as the stakeholders enabling this transformation, accountants must exercise professionalism in ensuring efficient usage of resources and close monitoring of project outcomes.

Accountants in academia have a formidable task ahead of them to mould young minds in preparation for their entrance into the profession. It is at this point that the basis for professionalism is formed – a lifelong openness towards learning and a commitment towards the practise of integrity and honesty in all they do. It is true that as a professional, there is no such thing as enough learning – it is a continuous process and you must inculcate this into the minds of your student. Furthermore, the dynamism of the market within which we operate dictates that change is the only constant.

## INITIATIVES TO SPEARHEAD DEVELOPMENT IN THE PROFESSION

MIA's three pronged regulatory approach entailing education and development, the promotion of professional standards and practices and surveillance and enforcement continued to be guiding principles in carrying out our role.

There is no lack of professional knowledge development for members of MIA. Our Continuing Professional Education (CPE) initiatives presented from in-house knowledge generation initiatives as well as cross industry collaboration put forward current information and issues for the profession. We continue to strive to get the best minds to share their knowledge with our members through various channels such as forums, seminars, workshops and conferences.

From 8-11 November this year, we are privileged to host the 18th World Congress of Accountants in Kuala Lumpur. Themed 'Accountants: Sustaining Value Creation', it will be a meeting of some of the most influential and expert minds in accounting and business, and it will make a good learning platform for all our members. The Congress is part of our effort to stimulate discussion on the sustainability agenda, and the role that accountants play therein.

MIA through the Financial Reporting Standards Implementation Committee (FRSIC) mechanism helps preparers with implementation issues and grey areas in the implementation of standards. We also engage very closely with the Malaysian Accounting Standards Board and facilitate discourses with the International Accounting Standards Board (IASB) to ensure holistic consideration in standard-setting.

Market players, who will be implementing these standards, must also engage MIA to convey feedback and issues in contentious areas during the consultation period. We want to facilitate a dynamic discourse with the industry at the right time so as to ensure that implementation of new regulations take into consideration stakeholders' perspectives.

In the year under review, FRSIC issued 2 consensuses. MIA had also set up a sub-committee to look into specific issues under this function namely the Property Development Industry Task Force (PDTF) to resolve the confusion in the IFRIC 15.

One of MIA's key initiatives in stepping up audit quality in Malaysia has been a series of nationwide seminars titled 'Implementing Quality Control – Incorporating International Standards on Quality Control (ISQC) 1 & Practice Review Findings' to educate auditors of the findings from MIA's practice review and heighten their understanding on ISQC 1 compliance.

In developing competency for members admitted into the Institute, we believe the Chartered Accountant's Relevant Experience (CARE) Programme - introduced in November last year will enable participants to gain adequate experience to help them develop professional knowledge, skills, values, ethics and attitudes required for performing their work with professionals to achieve sustainable career growth. Since its introduction, MIA has registered 827 graduates (as at 30 June 2010). I would like to urge graduates seeking to become chartered accountants to consider this programme for assurance of adequate level of competence.

MIA also works with various stakeholders within and outside the profession to ensure that its conversations continue to be aligned with the business landscape. We work with other professional accountancy bodies – local, regional and global to stay current with profession related development as well as maintain our global relevance. Through such involvements we are able to share the Malaysian accountant's perspective at the international arena and bring back global perspective to our local stakeholders.

## ENFORCEMENT

MIA's enforcement function is important in promoting effective compliance with MIA By-Laws, and highest standards of professional behaviour. During the review period, 3 cases out of 18 cases referred to the MIA Disciplinary Committee resulted in sanctions such as revocation of membership and reprimands upon the offenders. The nature of offences includes forgery, negligence and compromised independence and integrity during the execution of service.

Here MIA would like to stress the importance of integrity, honesty, objectivity and due care in carrying out one's work as this is the epitome of professional behaviour that will inspire trust and confidence in the profession.

That said, our enforcement process comes into action is based on the formal complaints which we receive from the members of the public and practitioners of the profession. The process is governed by a gazetted law which is the MIA (Disciplinary) Rules 2002, which states that all disciplinary proceedings are only initiated by a formal complaint.

Such is the expectation upon MIA by the public which requires our regulatory arm to carry out probes or investigations and to take action whenever an issue crops up in the media. Hence, we urge all members as guardians of the public interest, should you have any knowledge or information that detriments and disregards the virtue and integrity of the profession to come forward and lodge a formal complaint.

## MIA MEMBERSHIP GROWTH

The overall membership at MIA grew by 5% this year against last year to 26,250 members in total. The corporate sector still attracts the biggest number of accountants at 66%, followed by 26% from public practice, 6% from the public sector and the remaining 2% from academia. We are also seeing an increasing number of women entering the profession. This year women make up 48% of accountants as compared to only 22.7% in 1989.

## APPRECIATION

Overall, efforts at MIA continue to be aligned to ideals that will ultimately result in the profession being able to contribute to sustainable value creation. I am deeply honoured to have been bestowed the responsibility of leading MIA towards achieving these goals. However, these efforts cannot be possible without the contribution of our various stakeholders.

I would like to take this opportunity to thank the Prime Minister of Malaysia, who is also Minister of Finance, YAB Dato' Sri Mohd Najib Tun Abdul Razak for all his support extended to the accountancy profession and its growth. We are honoured and grateful that YAB Dato' Sri has consented to officiate WCOA 2010 in Kuala Lumpur.

I would also like to thank the Accountant General, YBhg Dato' Mohd Salleh Mahmud who has been a guiding figure for the advancement of the profession.

I would also like to thank the Vice President, Christina Constance Foo, all Council members and members of various Committees for their contributions to the Institute in shaping the direction of the accountancy profession in Malaysia.

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MIA's three pronged regulatory approach entailing education and development, the promotion of professional standards and practices and surveillance and enforcement continued to be guiding principles in carrying out our role.

”

I am also grateful to all MIA members who continue to support the Institute in its various initiatives and are committed to further growth of the profession in Malaysia.

The MIA management led by the Chief Executive Officer, Tuan Haji Rosli Abdullah, has worked hard to deliver projects set under the MIA's strategic direction as well as to ensure the success of the WCOA 2010. I would like to thank each and every one of you for your endeavours for MIA.

As the work of MIA is never done, I look forward to continue working with all of you to chart further growth for the profession in the future.

Thank you.



**Abdul Rahim Abdul Hamid**  
President

# Chief Executive Officer's Statement



Dear members,

The Malaysian Institute of Accountants (MIA) mission is to develop, support and monitor quality and expertise consistent with global best practice in the accountancy profession for the interest of its stakeholders.

In that respect, the MIA management function is to ensure that the strategies to develop the profession in Malaysia and maintain the credibility of the profession is implemented effectively and efficiently.

With the advent of the global economic crisis towards end 2008, and a financial deficit recorded by MIA for the last financial year ended 30 June 2009, we have had to take a hard look at some areas with the intention to identify new areas for revenue growth and embark on cost-control measures for the Institute. At the same time we also had to ensure that the cost-control was done in a way that does not inhibit the development of the profession.

During the period under review, the management strove hard to deliver much value to members and key stakeholders through our regulatory approaches comprising education and development, professional standard and practices research and development as well as surveillance and enforcement.

## FINANCIAL PERFORMANCE

During the financial year, MIA recorded a surplus before taxation of RM1.17 million as compared to a financial deficit of RM 0.62 million for last year. This signifies an increase of RM1.79 million or 290% due to higher contribution from CPE programmes of RM1.97 million during the financial year.

MIA recorded a total revenue of RM22.78 million as compared to last financial year of RM19.75 million, representing an increase of RM3.03 million or 15.34%. The revenue from CPE programmes increased by RM2.73 million or 28% from the last financial year of RM9.85 million to RM12.58 million in this financial year. This is attributable to special events held for certain industries which have a higher contribution margin as well as more seminars having been held for Small and Medium Enterprises.

The tuition courses under Qualifying Examination (QE) program to assist the students to excel in the examination and other education program have contributed a revenue of RM0.44

million, compared to last financial year of RM0.22 million; representing an increase of 100%.

Membership income for the year increased by RM0.26 million or 3% from RM7.90 million in last financial year to RM8.16 million this year.

From its cost-control measures, there are savings from membership services and other administrative expenses of about RM0.60 million. However, employees' benefit increased by RM1.22 million or 21% and MIA's allowance and write off also increased by RM0.10 million from allowance of doubtful debts and written off of obsolete stock.

## MANAGEMENT RESTRUCTURING AND CAPACITY BUILDING

Last year saw us filling in some key positions which enabled us this year, to achieve some successes including the development and implementation of technical programmes and publications which served as guidance materials for members in the profession. A technically sound and competent team of accounting professionals, supported by a committed team of support professionals have been essential to our rising prominence as a technical reference point for the industry.

To ensure that we continue to be relevant and are able to support the dynamic pace of the profession, we embarked on a management restructuring exercise to further increase efficiency and effectiveness of the teams that make up MIA's employees.

MIA management centre team leads also participated in the World Congress of Accountants (WCOA) 2010 retreat. It was meant to serve as a platform to familiarise them with matters related to the congress, their responsibilities and foster better

commitment and teamwork to ensure success of the event.

### ENABLING BETTER ACCESS TO KNOWLEDGE

In 2008, the MIA CPE function was designated as the MIA Professional Development Centre (MPDC) with the main aim of streamlining the way in which our knowledge initiatives are delivered. One year on, the streamlining seems to have worked in favour of the Institute as revenue generated through MIA's learning initiatives and CPE programmes grew significantly by 28%.

In addition, 2009 also saw MIA implementing the first phase of the e-learning initiative for members. Now, MIA members will be able to take the 'Induction course' online at their convenience. MIA hopes to expand on its e-learning offerings by eventually turning it into an alternative mode of delivery of CPE programmes.

Our conferences such as the National Accountants Conference 2009 in Kuala Lumpur, as well as our Regional Conference 2009 in Kuching, Sarawak were also well-received, achieving record-breaking participation.

Additionally this year, we had managed to secure financial grants from the Small and Medium Industry Development Corporation (SMECorp) to assist our members attending learning programmes under the MPDC ambit.

On the MIA QE front, thirty six (36) candidates successfully completed the examination and this has increased the total number of QE graduates to 126, an achievement attributed to the effort by MIA to offer tuition to students undertaking the exam.

We have introduced the Chartered Accountants Relevant Experience (CARE) program to register graduates with a recognised degree under the Accountants Act 1967 who would be future members after obtaining the required relevant experiences. The CARE program will monitor the experiences of the registered graduates with guidance by mentors in order to provide relevance to their experience and ease of certification when applying for membership to MIA.

In pursuit of improving the higher education in accounting, after having cooperated with the Ministry of Higher Education (MOHE) in the Halatuju 2, MIA collaborated with MOHE to develop Integrated Case Studies cases. A book of nine (9) case studies for the usage of accounting undergraduates has been produced. MOHE has given commitment to continue the collaboration in the coming years.

MIA has also received Government grants for competency program development and for upgrading of the information technology capacity to enhance our operating capabilities.

### ENHANCING GLOBAL ALLIANCES

MIA continued to participate actively in global and regional accountancy organisations such as the International Federation of Accountants (IFAC), the Asean Federation of Accountants (AFA) and the Confederation of Asia and Pacific Accountants (CAPA).

Additionally, MIA through our involvement in the Malaysian Accounting Standards Board (MASB) has also contributed feedback to the International Accounting Standards Board (IASB) on standard setting issues.

Through our involvements in these bodies, it is our aim to ensure that we have access to the latest developments and knowledge in the profession, so that we can bring these back home and share them with our members for their professional development needs. Additionally, being involved in at the global level also enables us to add the Malaysian perspective to these global organisations.

### WORLD CONGRESS OF ACCOUNTANTS (WCOA) 2010

The 18th World Congress of Accountants (WCOA) 2010 which will finally culminate from 8-11 November this year in Kuala Lumpur has also been an important platform in enhancing MIA's presence globally. As we conduct aggressive marketing initiatives all over the world, we have been able to establish closer working relationships with our counterparts in other countries. We view these new relationships as part of an important alliance that will not only help us achieve greater participation at WCOA 2010, but give us an added dimension to leverage on, as we steer the Malaysian accounting profession towards excellence.

### APPRECIATION

The various successes of MIA could not have been achieved without the close cooperation from our many different stakeholders.

I would like to take this opportunity to express my gratitude to the Prime Minister of Malaysia, who is also Minister of Finance, YAB Dato' Sri Mohd Najib Tun Abdul Razak, for standing behind us in support of taking the profession to greater heights. We are also most grateful for YAB Dato' Sri's consent to officiate WCOA 2010 in Kuala Lumpur.

I would also like to thank the Accountant General, YBhg Dato' Mohd Salleh Mahmud has also played a very important leadership role in shaping the accountancy profession today,

My appreciation also goes to MIA Council headed by MIA President, Abdul Rahim Abdul Hamid and Vice President, Christina Constance Foo for the leadership and guidance accorded to us in ensuring that MIA continues to act in the best interest of the nation and her public.

I would also like to thank the members of MIA for your support and cooperation to us all these years as well as our other stakeholders including co-regulators, professional accounting bodies and institutions of higher learning among others.

Last but not least, I would like to thank the MIA team for having worked tirelessly throughout the year to bring development for the profession.

I look forward to working with all of you in the next year in ensuring that MIA's mission is carried out as envisioned.

Thank you.



**Rosli Abdullah**  
Chief Executive Officer



# Report of the Council for 2010

Setting The Pace Forward  
for The Profession



MALAYSIAN INSTITUTE  
OF ACCOUNTANTS  
ACCOUNTANTS: MANAGERS OF VALUE

PROUD HOST:



World Congress  
of Accountants 2010

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# Introduction: MIA's Function & Governance Statement

## MIA FUNCTIONS:

Section 6 of the Accountants Act 1967 (the Act) stated that the functions of the Institute shall be:

- To determine the qualifications of persons for admission as members;
- To provide for the training and education; and by the Institute or any other body, of persons practising or intending to practise the profession of accountancy;
- To approve the MIA Qualifying Examination (QE) and to regulate and supervise the conduct of that Examination;
- To regulate the practice of the profession of accountancy in Malaysia;
- To promote, in manner it thinks fit, the interests of the profession of accountancy in Malaysia;
- To render pecuniary or other assistance to members or their dependents as it thinks fit with a view to protecting or promoting the welfare of members; and
- Generally to do such acts as it thinks fit for the purpose of achieving any of the aforesaid objects.

## MIA GOVERNANCE STATEMENT

### COUNCIL

Pursuant to Section 9 of the Act, the general power of the Council is to manage the Institute and its fund. Specifically, as per Section 10 of the Act, the Council shall have power to make by laws, to appoint staff, to take cognizance of anything affecting the Institute or professional conduct of its members, to communicate with other similar bodies and with members of the profession in other places, to establish branches and delegates in its absolute discretion any of its power, privileges and discretions, to appoint Committees of the Institute, to exercise all such powers, privileges and discretions which are not required to be exercised by members in general meeting and to use the official seal of the Institute.

The President of the Institute shall be the Chairman of the Council. The appointment and composition of the Council members were in accordance to Section 8(1) of the Act.

During the financial years, the Council has conducted 10 meetings and amongst the agenda of its meeting were:

1. Issuance of Audit & Assurance Standards and Financial Reporting Standard Implementation Committee (FRSIC) consensus
2. Review of Statutory Committees and Other Committees Progress and Activities
3. Appointment of Boards/Committees/Working Group/Task Force members as recommended by Nominating Committee

4. Review of WCOA 2010 progress report
5. Establishment of Institute's strategic programmes such as Chartered Accountant's Relevant Experience programme (CARE) , Competency Assessment programme etc
6. Approval of Institute Year End Financial Statement and Review of Monthly Financial Statement
7. Review of MIA involvement in International Bodies / Committees
8. Approval of Institute's membership applications
9. Approval of Employees remuneration
10. Approval of Institute yearly budget and any expenses based on Institute's Limit of Authority (LOA).

### EXECUTIVE COMMITTEE (EXCO)

The EXCO was established by the Council as an operating Committee which functions as a medium between Council and management to ensure that business strategies, daily operations and any operational issues are carried out effectively and efficiently and that the requirement of good corporate governance practices are observed.

The Terms of Reference of EXCO was approved by the Council. The Chairman of EXCO is the President of MIA and comprises 6 Council members and a Registrar. During the financial years, the EXCO has conducted 15 meetings and amongst the agenda of its meeting were:

1. Review of Institute Monthly / Year End Financial Statement
2. Review of WCOA 2010 progress report
3. Approval of Revised Institute organization structure and operation manuals
4. Review of Branches Activities
5. Review of implementation of new Financial Management System
6. Review of proposed employee remuneration
7. Approval of any expenses based on Institute's Limit of Authority (LOA).

### AUDIT & RISK MANAGEMENT COMMITTEE (ARMC)

The ARMC was established by the Council and the primary objectives of ARMC is to assist the Council in fulfilling its oversight responsibilities for the system of internal control, financial reporting, risk management process and governance of the Institute.

The Terms of Reference of ARMC was approved by the Council. ARMC comprises 5 Council members who are not members of the EXCO.

During the financial year, the Committee has conducted 4 meetings and amongst its activities were review of Institute's Year End Financial Statement / Monthly Management Accounts, review of six Internal Audit Reports, review of Half Yearly Report on MIA Key Risk Profiles, review of Interim & Final Audit process (by external auditor appointed by Auditor General) for



## Introduction: MIA's Function & Governance Statement

MIA Financial Statement and approval of 2 years Internal Audit plan. For the year end Financial Statement, an external auditor appointed by Auditor General was invited to the ARMC meeting to highlight any issues to the Committee.

### NOMINATING COMMITTEE (NC)

The NC was established by the Council and the primary objective is to establish a mechanism for the formal assessment of each candidate before he/she is recommended to the Council for appointment to the Committees of the Institute.

NC is consisted of the President, Vice President, 2 Council members and representative of Accountant General Office and the Committee shall meet as and when the Committee deems necessary.

During the financial year, the Committee has conducted 7 meetings to nominate various committee members to the Council for approval.

## INSTITUTE'S CONTROL ENVIRONMENT AND STRUCTURE

### A. MIA COMMITTEES

The Council is supported by a number of established Committees in the execution of its responsibilities. Each Committee has clearly defined terms of reference and divided to few types of Committees as follows:

1. Governance Committees
2. Statutory Committees
3. Technical Committees
4. Surveillance Committees
5. Representative of Membership
6. Operational/Administrative Committee

For committees under type 1 and 2, the details are stated in the table below and for other types of committees, the details are stated under the section of Other Committees in MIA.

### B. INSTITUTE'S MANAGEMENT

Responsibility for implementing the Institute strategies and daily operations are delegated to the Institute's Management. Clear lines of authority, responsibility and accountability have been established to enable the Institute's objectives to be achieved. The divisional structure enhances the ability of each division to focus on their assigned core of support functions within Institute. The Institute is headed by the CEO who is also the Registrar.

### C. INTERNAL AUDIT DEPARTMENT (IA)

IA reports directly to the ARMC and administratively to the CEO. The Internal Audit Charter was approved by Council to govern the authority of the IA in performing its responsibility. IA supports the oversight role of the ARMC, in that it provides an independent, objective assurance and consulting activity by evaluating and improves the effectiveness of risks management, control and governance process of the Institute.

The department undertook risk based approach in auditing and performed its review based on 2 years IA plan approved by ARMC. As risks are subjected to changes, IA is authorized by ARMC to response to the changes in carrying out its activities. The activities to support the above function are:

- i. Institute's Key Risks Profile – facilitated and advised Institute in Institute's Enterprise Risk Management activities. MIA Key Risks Matrix and Key Risks Register were presented to ARMC in December 2009/June 2010, EXCO in December 2009/July 2010 and Council in January 2010. Five Key risks were identified and necessary controls were put in place or in the process of implementation to ensure the objective of the Institute is achieved.
- ii. Regular review on business processes - performed risk based auditing on the key risk areas/Institute activities approved by ARMC. Six internal audit reports which contain principal risks of audited areas and significant issues noted as well as respond from the audited units were issued and deliberated in ARMC meetings. The areas for improvement were recommended and agreed by management. Where necessary, ARMC has also made recommendations to further improve the internal control, risk management and financial reporting process.
- iii. Continuous improvement to Institute's Governance Framework – performed review of three department's revised operation manuals, advised on the preparation of three MIA Committees TORs and recommended the process of interim audit and final audit of MIA financial statement. Auditor General Department (AG) has rated MIA with 3 Stars (Good) based on AG Accountability Index which was reported in their Annual Report issued in October 2009. IA will perform the Institute's Governance review and occupational, safety and health follow up review in the next financial year.

### D. RISK MANAGEMENT (RM)

Institute regards risk management as integral part of the Institute's control environment. The Institute risk management policy and process was established under Enterprise Risk Management manual which was approved by the Council. The Chief Operating Officer (COO) is the Risk Officer of the Institute and IA facilitated the process of the risk management activities. During the financial year, as stated above, the key risk registers were tabled to the ARMC/EXCO on half yearly basis and tabled to Council on yearly basis.

### E. FINANCIAL STATEMENT AUDIT

Pursuant to the Act, the MIA is established as a statutory body under the Ministry of Finance and audited by the Auditor General in accordance with the Audit Act 1957 via its appointed external auditor. The external auditor performed an interim and final audit of the Institute's financial statement and was invited to highlight any issues in two ARMC meetings. The Certificate on the Financial Statements of MIA was issued by Auditor General.

### F. INSTITUTE KEY PROCESSES, POLICIES AND PROCEDURES

In the financial year, the following key processes, policies and procedures were in place as part of our system of internal control:

- MIA Limit of Authority (LOA) set out the authorization limit for various levels from Council until staff level. The LOA will be reviewed as and when necessary.
- Institute's Operation manuals have been developed and implemented and some are still being revised or developed.
- A detailed budgeting and reporting process has been established. Comprehensive budgets are prepared by the operating units and presented to the EXCO and Council for review and approval respectively. The financial results are monitored and reported to the ARMC, EXCO and Council in every of its meeting.

- A standard employees' performance appraisal system has been implemented, which allows for the assessment of individual employee's performance against his/her KPIs.
- The Code of Conduct was established for Council members in year 2008. For MIA employees, the Code for Business Ethics and Conflict of Interest was established in the Employee Handbook.
- As IFAC member body, MIA reported its compliance with the Statement of Membership Obligations as required by IFAC Member Body Compliance Programme.

## COUNCIL/ GOVERNANCE COMMITTEES/ STATUTORY COMMITTEES

The composition of the Council/Governance Committees/Statutory Committees and the attendance of its members at the meeting are listed as follows:

### COUNCIL:

	Meeting Attendance
Abdul Rahim Abdul Hamid	9 of 10
Christina Constance Foo	7 of 10
Dato' Mohd Salleh Mahmud Nominee: Wan Selamah Wan Sulaiman ( <b>appointed 5 January 2010</b> ) Hajah Jamela Mohd Mohd Syed ( <b>retired 5 January 2010</b> )	7 of 10
Associate Prof. Dr. Zulkarnain Muhamad Sori	4 of 10
Associate Prof. Dr. Norman Mohd Saleh	4 of 10
Associate Prof. Dr. Ku Nor Izah Ku Ismail	6 of 10
Professor Datin Dr. Hasnah Haji Haron	7 of 10
Hajah Dr. Kalsom Salleh	7 of 10
Dato' Ahmad Johan Mohammad Raslan	6 of 10
Dato' Nordin Baharuddin	2 of 9
Dato' Gan Ah Tee	9 of 10
Datuk Mohd Nasir Ahmad	6 of 10
Chandra Mohan Balasubramaniam	5 of 8
Mohammad Faiz Mohammad Azmi	5 of 10
Dr. YC Lee	5 of 10
Liew Kim Yuen	6 of 10
Mohamed Raslan Abdul Rahman	7 of 10
Datuk Nur Jazlan Tan Sri Mohamed	2 of 10
Uthaya Kumar K. Vivekananda	3 of 10
Seow Yoo Lin	6 of 10
Nik Mohd Hasyudeen Yusoff ( <b>retired 15 July 2009</b> )	-
Datuk Dr. Abdul Samad Haji Alias ( <b>retired 15 July 2009</b> )	-
Chen Voon Hann	6 of 10
Yeo Tek Ling	8 of 10
Lam Kee Soon	6 of 10
Billy Kang Wei Geih	7 of 10
Abraham Verghese	7 of 10
Stephen Oong Kee Leong	7 of 10
Alex Ooi Thiam Poh	8 of 10
Heng Ji Keng	6 of 7

*Council (continued):*

	Meeting Attendance
Dato' Raymond Liew Lee Leong	7 of 7
Peter Lim Thiam Kee	6 of 7
Sam Soh Siong Hoon <b>(retired 12 September 2009)</b>	3 of 3
Abd. Halim Hussin <b>(retired 12 September 2009)</b>	2 of 3
Associate Prof. Dr. A. Thillaisudaram <b>(retired 12 September 2009)</b>	3 of 3

**GOVERNANCE COMMITTEES:**

**(i) EXECUTIVE COMMITTEE:**

	Meeting Attendance
Abdul Rahim Abdul Hamid - Chairman <b>(appointed 24 July 2009)</b>	12 of 14
Christina Constance Foo <b>(appointed 24 July 2009)</b>	13 of 14
Dato' Mohd Salleh Mahmud Nominee: Wan Selamah Wan Sulaiman <b>(appointed 5 January 2010)</b> Hajah Jamela Mohd Syed <b>(retired 5 January 2010)</b>	11 of 15
Dato' Ahmad Johan Mohammad Raslan	5 of 15
Yeo Tek Ling	15 of 15
Dato' Gan Ah Tee	11 of 15
Rosli Abdullah - <b>Registrar</b>	14 of 15
Nik Mohd Hasyudeen Yusoff <b>(retired 15 July 2009)</b>	1 of 1
Datuk Dr. Abdul Samad Haji Alias <b>(retired 15 July 2009)</b>	0 of 1
Sam Soh Siong Hoon <b>(retired 12 September 2009)</b>	3 of 3

**(ii) AUDIT & RISK MANAGEMENT COMMITTEE:**

	Meeting Attendance
Lam Kee Soon - Chairman <b>(appointed 30 October 2009)</b>	3 of 3
Heng Ji Keng <b>(appointed 30 October 2009)</b>	2 of 3
Alex Ooi Thiam Poh <b>(appointed 30 October 2009)</b>	3 of 3
Associate Prof. Dr. Norman Mohd Saleh	2 of 4
Hajah Dr. Kalsom Salleh <b>(appointed 30 October 2009)</b>	2 of 3
Dato' Nordin Baharuddin <b>(retired 29 October 2009)</b>	1 of 1
Dr. YC Lee <b>(retired 29 October 2009)</b>	1 of 1
Abd. Halim Husin <b>(retired 12 September 2009)</b>	1 of 1
Uthaya Kumar K. Vivekananda <b>(retired 29 October 2009)</b>	0 of 1

**(iii) NOMINATING COMMITTEE:**

	Meeting Attendance
Abdul Rahim Abdul Hamid - Chairman <b>(appointed 24 July 2009)</b>	5 of 6
Christina Constance Foo <b>(appointed 24 July 2009)</b>	6 of 6
Wan Selamah Wan Sulaiman <b>(appointed 5 January 2010)</b> Hajah Jamela Mohd Syed <b>(retired 5 January 2010)</b> <b>(represented by Er Beng Kiong)</b>	5 of 7
Dato' Ahmad Johan Mohammad Raslan	5 of 7
Yeo Tek Ling	7 of 7

**STATUTORY COMMITTEES:****(i) \*\*INVESTIGATION COMMITTEE (IC) – SECTION 19 (A) OF THE ACT:**

	Meeting Attendance
Yeo Tek Ling - <b>Chairman (appointed 12 September 2009)</b>	8 of 8
Uthaya Kumar K. Vivekananda	6 of 12
Abraham Verghese	9 of 12
Datuk Mohd Nasir Ahmad ( <b>appointed 30 October 2009</b> )	5 of 8
Billy Kang Wei Geih ( <b>appointed 30 October 2009</b> )	7 of 8
Associate Prof. Dr. A. Thillaisudaram ( <b>retired 12 September 2009</b> )	3 of 4
Chen Voon Hann ( <b>retired 12 September 2009</b> )	2 of 4
Sam Soh Siong Hoon ( <b>retired 12 September 2009</b> )	4 of 4

**(ii) \*\*DISCIPLINARY COMMITTEE (DC) - SECTION 19 (B) OF THE ACT:**

	Meeting Attendance
Mohamed Raslan Abdul Rahman - <b>Chairman (appointed 21 January 2010)</b>	6 of 6
Alex Ooi Thiam Poh	6 of 7
Dato' Gan Ah Tee	5 of 6
Hajah Dr. Kalsom Salleh ( <b>appointed 30 October 2009</b> )	5 of 5
Dr. Y C Lee ( <b>appointed 21 January 2010</b> )	3 of 4
Dato' Nordin Baharuddin ( <b>retired 21 January 2010</b> )	2 of 2
Abd. Halim Husin ( <b>retired 12 September 2009</b> )	1 of 2

**(iii) \*\*DISCIPLINARY APPEAL BOARD (DAB) - SECTION 19 (C) OF THE ACT:**

	Meeting Attendance
Datuk Nur Jazlan Tan Sri Mohamed - <b>Chairman</b>	1 of 3
Professor Datin Dr. Hasnah Haji Haron	1 of 3
Seow Yoo Lin ( <b>appointed 30 October 2009</b> )	3 of 3
Heng Ji Keng ( <b>appointed 21 January 2010</b> )	1 of 2
Chen Voon Hann ( <b>appointed 30 October 2009 and retired 21 January 2010</b> )	1 of 1
Chandra Mohan Balasubramaniam ( <b>retired 22 May 2010</b> )	2 of 3

*Note: \*\*- any member of these committees shall recuse or abstain from deliberation of matter in which they are or may be in conflict of interest.*

**(iv) EXAMINATION COMMITTEE – RULES 6 OF MIA QUALIFYING EXAMINATION RULES 2002:**

	Meeting Attendance
Dato' Ahmad Johan Mohammad Raslan - <b>Chairman (appointed 30 October 2009)</b>	4 of 6
Professor Datin Dr. Hasnah Haji Haron	3 of 6
Associate Prof. Dr. Zulkarnain Muhamad Sori ( <b>appointed 30 October 2009</b> )	3 of 5
Wan Selamah Wan Sulaiman ( <b>represented by Er Beng Kiong</b> )	3 of 3
Professor Dr. Ibrahim Kamal Abdul Rahman	4 of 6
Associate Prof. Norbijan Abu Bakar	6 of 6
Mohd Ali Jabar	3 of 6
Dr. Nor Aziah Abu Kasim ( <b>appointed 30 October 2009</b> )	4 of 5
Foo Yoke Pin	2 of 6
Associate Prof. Dr. A. Thillaisudaram ( <b>retired 12 September 2009</b> )	1 of 1

# Chapter 1: Membership Development in MIA

Among the functions of the Malaysian Institute of Accountants (MIA) specified in the Accountants Act, 1967 are regulating the profession, providing training and education and promoting the interest of the accountancy profession. No less important, is providing the appropriate services to members as membership services are an essential expectation as any member based organisation.

The provision of services to members' cuts across from assisting members with technical enquiries, assisting members on practice issues to interpretation of by-laws and guidelines and much more.

## OVERVIEW

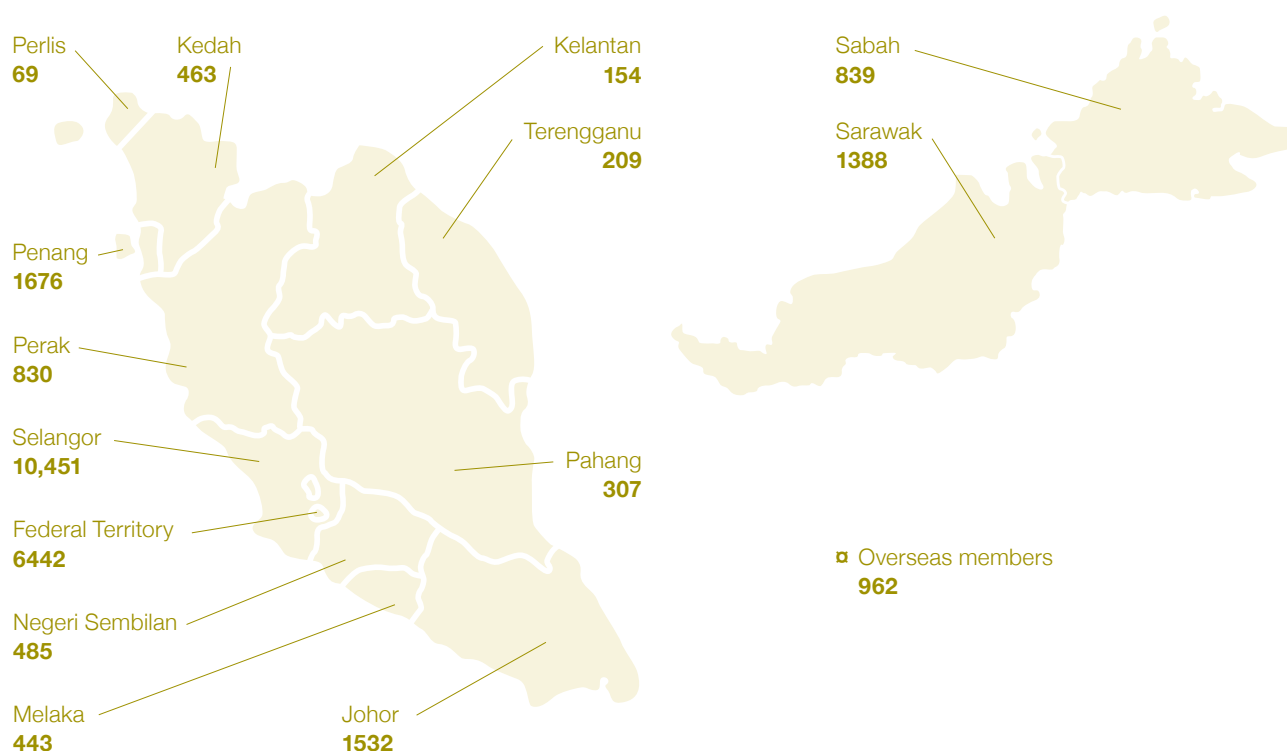
The membership stands at 26,250 comprising 26,098 Chartered Accountants, 143 Associate Members and 9 Licensed Accountants. During the 2009/2010 financial year, MIA admitted 1,266 qualified individuals, namely 1,215 Chartered Accountants and 51 Associate members. MIA recorded a higher registration of Associate Members which comprise academicians in the accounting field as compared to the previous year which was only 12 Associate members. MIA is hopeful that this trend will increase as MIA values the contributions of accounting academicians who are educators of future accountants. One member reclassified from a Licensed Accountant to a Chartered Accountant as he acquired the required qualifications.

There were also 159 applicants who reinstated their membership during the same year.

Pursuant to Rule 7(1) of MIA's (Membership and Council) Rules 2001, the Registrar, as authorised by the Council removed 690 members from the Register of Members for failing to settle their annual subscriptions within the stipulated time frame. A total of 96 members resigned and 21 members passed away during the year.

As at 30 June 2010, the total membership stood at 26,250 with the geographic distribution of members as follows: –

## GEOGRAPHIC DISTRIBUTION OF MEMBERS (AS AT 30 JUNE 2010)



STATE	CA	LA	AM	TOTAL
Perlis	47		22	69
Kedah	449	1	13	463
Penang	1,672	1	3	1,676
Perak	825	3	2	830
Selangor	10,417	1	33	10,451
Federal Territory*	6,426	1	15	6,442
Negeri Sembilan	483		2	485
Malacca	436		7	443
Johor	1,524	2	6	1,532
Pahang	288		19	307
Terengganu	203		6	209
Kelantan	152		2	154
Sarawak	1,382		6	1,388
Sabah	837		2	839
Overseas	957		5	962
<b>TOTAL</b>	<b>26,098</b>	<b>9</b>	<b>143</b>	<b>26,250</b>

### PRACTISING CERTIFICATES ISSUANCE

A total of 116 members were issued with practising certificates, of which 13 were reapplications. The Institute cancelled 84 practising certificates whereby 17 certificates were cancelled due to non-payment of practising certificate fee while 59 practising certificates were cancelled as the holders could not commence practice within 6 months from the date of issuance or they have ceased to practice. In addition, 8 practising certificates were automatically cancelled as the holders had passed away.

During the year under review, 29 audit firms were registered with the Institute while 25 audit firms were deregistered as they have ceased operations. The Institute had also registered 48 non-audit firms and deregistered 19 non-audit firms during the year. As at 30 June 2010, there were 1,356 audit firms and 680 non-audit firms registered with the Institute, compared to 1,352 audit firms and 651 non-audit firms in the preceding year.

Category	Total No. as at 30/6/2009	New	*Deleted	Total No. as at 30/06/2010
Audit Firm	1352	+29	-25	1356
Non-audit	651	+48	-19	680
<b>Total</b>	<b>2003</b>	<b>+77</b>	<b>-44</b>	<b>2036</b>

The following table shows the distribution of member firms (audit and non-audit firms) registered with the Institute

### NO. OF MEMBER FIRMS BY STATE

(as at 30 June 2009 and 30 June 2010)

STATE	AS AT 30 JUNE 2009			AS AT 30 JUNE 2010		
	Audit Firms	Non-Audit Firms	Total	Audit Firms	Non-Audit Firms	Total
Perlis	1	1	2	1	1	2
Kedah	27	15	42	27	18	45
Penang	106	36	142	109	38	147
Perak	53	47	100	54	48	102
Selangor	277	188	465	278	189	467
Federal Territory*	506	189	695	504	201	705
Negeri Sembilan	19	14	33	19	15	34
Malacca	30	15	45	31	15	46
Johor	124	75	199	124	82	206
Pahang	23	7	30	24	8	32
Terengganu	11	2	13	10	1	11
Kelantan	11	4	15	11	5	16
Sarawak	80	28	108	80	28	108
Sabah	84	30	114	84	31	115
<b>TOTAL</b>	<b>1352</b>	<b>651</b>	<b>2003</b>	<b>1356</b>	<b>680</b>	<b>2036</b>

\*Including F.T. Labuan

### MIA MEMBERSHIP AT A GLANCE:

Continued growth in membership (Table 1)

MIA membership has registered a 67% growth in membership compared to ten years ago with 15,678 members, which shows that there is sustained interest in the profession.

Overall the membership at MIA grew by about 5% this year against last year to **26,250 members in total**.

MIA continues to carry out membership recruitment drives, and awareness and promotion campaigns through various channels to ensure that these numbers continue to grow.

### CORPORATE SECTOR STILL ATTRACTS A HUGE NUMBER OF ACCOUNTANTS

A majority of members are professional accountants in business. They form 66% of the membership, while public practice follows behind at 26%. The public sector and academia attract 6% and 2% respectively.

TABLE 1: MEMBERSHIP GROWTH SINCE 1996

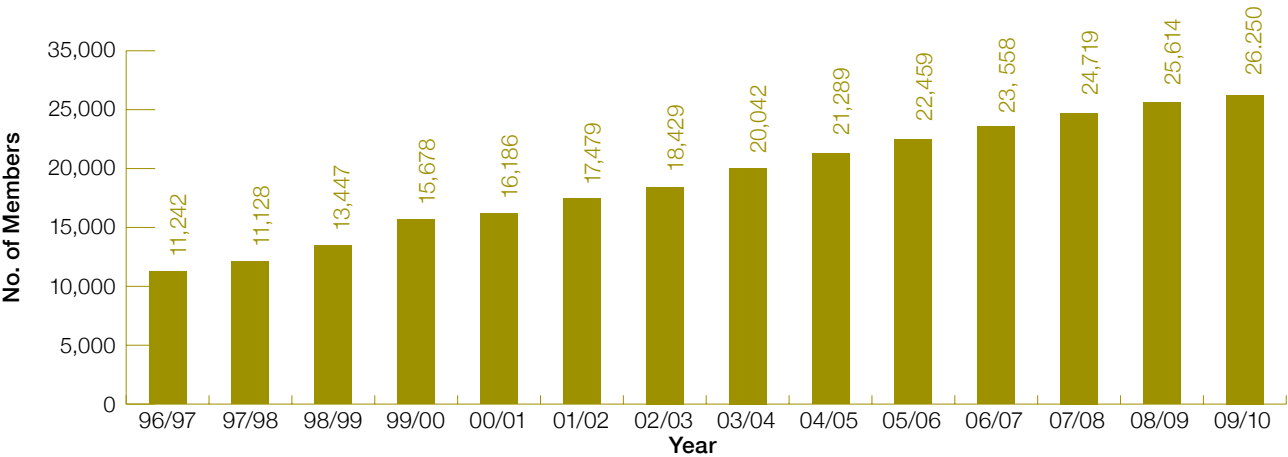


TABLE 2: MEMBERSHIP BY AGE GROUP

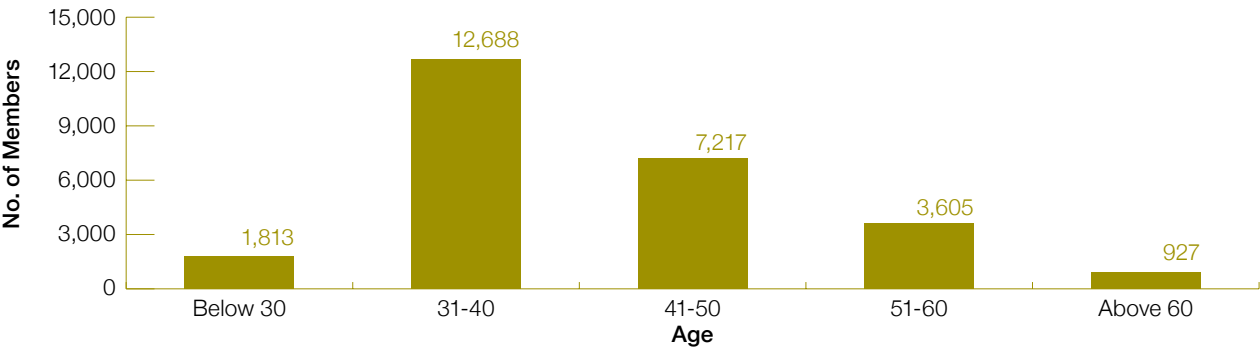
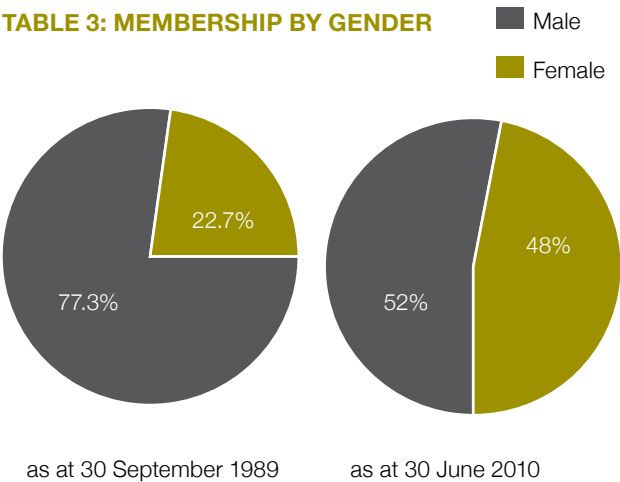


TABLE 3: MEMBERSHIP BY GENDER



MARKETING AND PROMOTION INITIATIVES FOR THE ACCOUNTANCY PROFESSION

MIA continues to communicate with the public through various means to ensure that the credibility of accountants is maintained while at the same time generating more interest in the profession.

MIA facilitates partnerships, through collaborations with recognised professional accounting bodies in initiatives such as education exhibitions, career talks, forums and road shows to enhance the Institute's professional image. The objectives of these partnerships are to create awareness of the profession, generate additional sources of income and facilitate a steady increase in membership over the long term.

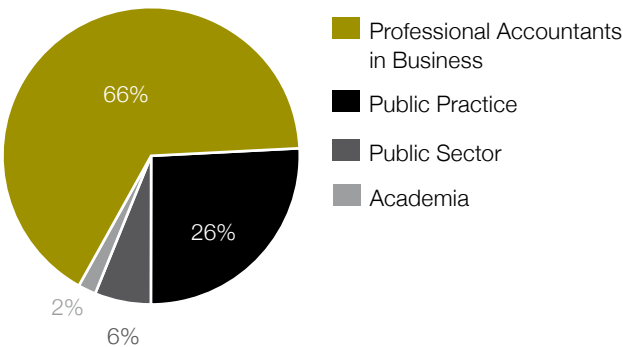
MIA also creates strategic alliances with third parties to provide leading edge products and services to existing members and aims to support the Institute with revenue generating events through development and promotional activities to increase the Institute's revenue base.

In addition to these collaborations, MIA keeps members informed and aware of existing resources and support.

During the year under review, a number of marketing and promotional activities were undertaken:

1. To promote MIA membership among corporate entities and academicians at the institutes of higher learning (IHL) recruitment drives' exhibitions and presentations were held at the following organisations:

TABLE 4: MEMBERSHIP BY EMPLOYMENT





- Kumpulan Naga, Kuala Lumpur
- Polytechnic Kuching, Sarawak
- Polytechnic Merlimau, Melaka
- Polytechnic Seberang Perai, Pulau Pinang
- Polytechnic Sultan Idris Shah, Sg Lang, Selangor
- Polytechnic Tuanku Sultanah Bahiyah, Kulim, Kedah
- Universiti Kebangsaan Malaysia
- Universiti Putra Malaysia, Selangor
- Universiti Science Malaysia, Pulau Pinang
- Universiti Teknologi Mara (UiTM) Arau, Perlis
- Universiti Teknologi Mara (UiTM) Jengka, Pahang
- Universiti Teknologi Mara (UiTM) Kampus Bandaraya Melaka
- Universiti Teknologi Mara (UiTM), Kota Samarahan, Sarawak
- Universiti Utara Malaysia, Sintok, Kedah

2. The Accountancy Career & Education Fair was held between 16 and 18 April 2010 to profile the accountancy profession prominently to potential accounting students, jobseekers and provide a platform for career opportunities. The event saw a turnout of over 120,000 visitors comprising 1,200 students. It also received the support of the Ministry of Higher Education, The Association of Chartered Certified Accountants Malaysia, Institute of Chartered Accountants in England and Wales Malaysia and The Malaysian Institute of Certified Public Accountants.

3. In promoting the accountancy profession at all levels, MIA conducted career and educational talks at IHLs and schools. The sessions focused on educating and creating interest amongst students of these institutions to consider accountancy as a future career option. Students were exposed to the route to become qualified accountants and the importance of registering as a member. Apart from having sessions on introduction of the profession and the MIA's roles, to maximise the impact of these sessions, MIA members were invited to deliver talks to these audiences on their knowledge and experience in the accountancy profession.

#### NO. OF CAREER TALKS (JULY 2009 – JUNE 2010)

CATEGORY	SESSION
Secondary Schools	4
Public Institutions of Higher Learning	11
Private Institutions of Higher Learning	9
<b>TOTAL</b>	<b>24</b>

4. The 17 candidates who successfully passed the MIA QE in the September 2009 sitting were honoured at a graduation ceremony. Nine candidates were also awarded Certificates of Achievement for having passed various papers with Distinction.

This initiative is in line with MIA's efforts to recognise well-performing students and at the same time encourage more interest in the QE programme and was held for the first time this year.

## ENHANCING MEMBERSHIP SERVICES

### 1. The MIA Service Charter

To maintain the standards of service that a member can expect, the Institute's continues to update the Institute's MIA Service Charter. The Charter outlines MIA's commitment to deliver the expected level of service and at the same time provides guidance to members on how the Institute can help members better. It may be viewed at <http://mia.org.my/new/downloads/about/MIAServiceCharter/new.pdf>.

### 2. Online feedback

The MIA E-Feedback form which is accessible via the MIA website <http://mia.org.my/new/feedback/>. is a dedicated page on the website for members and members of the public to submit their feedback to the Institute. More members are utilising this channel to post enquiries, complaints, suggestions and compliments to MIA. To date, MIA has received more than 1,000 feedbacks posted via its e-feedback form.

### 3. Compilation of important news

Access to news that concerns the accountancy profession can help provide more insight and perspective for members as they carry out their duties.

The Resource Centre of MIA introduced a current awareness service to members that provides a digital press clipping service which members may access via the MIA website ([http://mia.org.my/new/circularandresources\\_resource\\_general\\_newspaper.asp](http://mia.org.my/new/circularandresources_resource_general_newspaper.asp)). Members will be alerted on the important information published in the local newspapers via this service. Newspaper clippings are uploaded every Wednesdays, which contains useful information for the past one week. Members may also request for the article to be emailed to them.

### 4. Ensuring greater reach to members across Malaysia

Appreciating the geographical distribution of members, four branches managed by MIA staff in Johor, Penang, Sabah and Sarawak were established to provide the necessary services to members at these locations. In other states such as Kedah, Perlis, Perak, Negeri Sembilan, Melaka, Pahang, Terengganu and Kelantan, support services are also provided by the Chairmen of the said states.



# Chapter 2:

## Ensuring Competence Through Education and Accreditation

Malaysian Institute of Accountants supports and promotes the development of accounting education in this country. MIA is also responsible for ensuring that both existing and future professional accountants are able to face global challenges and remain relevant to the needs of society.

In order to achieve this, MIA acts as a catalyst in bridging stakeholders' expectations and providing a convenient conduit for them to stay updated on developments in accounting education.

1. Determining the eligibility of MIA Qualifying Examination (QE) applications and supervising the conduct of the MIA QE
2. Carrying out accreditation reviews for the purpose of admission of members.
3. Reviewing the standard of the curriculum and syllabus of professional accountancy bodies and universities.

MIA also assists and participates in activities carried out by the International Accounting Education Standards Board (IAESB) Committees of the International Federation of Accountants (IFAC) in ensuring that its accounting education standard meets with global standards.

The following initiatives carried out by MIA to ensure competence of members:

### MIA QUALIFYING EXAMINATION (MIA QE)

The MIA QE is geared towards increasing the number of Chartered Accountants in Malaysia and was introduced in 2002.

The thirteenth and fourteenth sittings of the MIA QE were successfully conducted on 29-30 September 2009 and 24-25 March 2010 respectively at five centres, namely, UiTM Shah Alam and MIA's Branch Offices in Penang, Kuching, Kota Kinabalu and Johor Bahru. A total of 267 and 287 candidates registered to sit for the examinations respectively.

The results for the September 2009 sitting were satisfactory with improvements in the Taxation, Business and Company Law and Auditing and Assurance Services papers as compared to the March 2009 sitting. Nine candidates scored distinction for Taxation, Business and Company Law and Auditing and Assurance Services respectively.

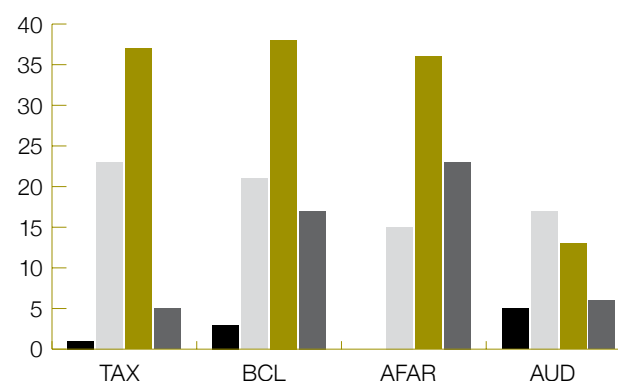
For the March 2010 examination, the results were not as satisfactory as compared to the September 2009 examination, with relatively lower passing rates. However, ten candidates scored distinction for Business and Company Law and Auditing and Assurance Services respectively. 36 candidates successfully completed the examination and this has increased the number of graduates to 126 overall.

### SEPTEMBER 2009

#### QUALIFYING EXAMINATION RESULTS

GRADE	TAX	BCL	AFAR	AUD
Pass with Distinction	1	3	0	5
Pass	23	21	15	17
Fail	37	38	36	23
Absent	14	15	13	6
<b>TOTAL</b>	<b>75</b>	<b>77</b>	<b>64</b>	<b>51</b>

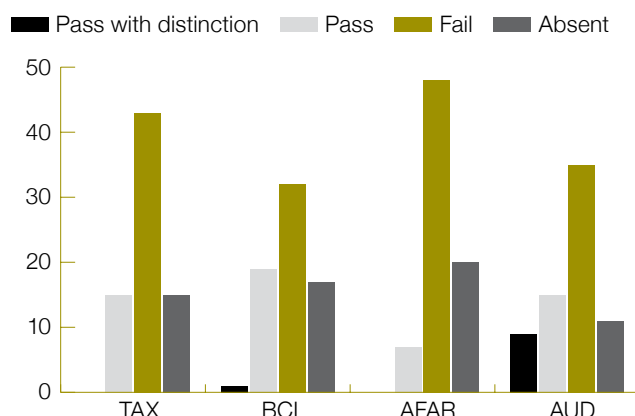
■ Pass with distinction ■ Pass ■ Fail ■ Absent



LEGEND	
TAX	Taxation
BCL	Business and Company Law
AFAR	Advanced Financial Accounting and Reporting
AUD	Auditing and Assurance Services

### MARCH 2010 QUALIFYING EXAMINATION RESULTS

GRADE	TAX	BCL	AFAR	AUD
Pass with Distinction	0	1	0	9
Pass	15	19	7	15
Fail	43	32	48	35
Absent	15	17	20	11
<b>TOTAL</b>	<b>73</b>	<b>69</b>	<b>75</b>	<b>70</b>



### MIA QE TUITION PROGRAMME

For the first time, MIA implemented the MIA QE tuition programme from November 2009 till March 2010 for candidates taking the March 2010 examination. A total of 133 candidates participated in the tuition programme which was held at MIA's Resource Centre in Kuala Lumpur, with facilitators from the academia as well as in public practice assisting the candidates.

The objective of the MIA Qualifying Examination (QE) Tuition Programme is to guide candidates to have a better understanding of the QE subjects and examination techniques through a systematic and thorough approach. Based on the analysis of results of candidates who attended the first QE Tuition Programme, many of the candidates performed well in the September 2009 examination, particularly for the Auditing and Assurance Services paper. Out of 21 candidates who registered for Audit tuition classes, four of them obtained distinction and another ten passed.

The second QE Tuition Programme was conducted from November 2009 until March 2010 for candidates who will sit for the March 2010 examination. A total of 133 candidates enrolled for the programme.

### ACCREDITATION

Accreditation is done to ensure institutions seeking accreditation demonstrate that their qualifications meet the requirements of MIA for the purpose of admission as members of MIA. Key areas looked at include human and material resources, course orientation and teaching processes should be appropriate to the achievement of outcomes which meet the changing demands placed on those entering the accountancy profession.

Universiti Industri Selangor (UNISEL) submitted documents on the improvement of the Bachelor of Accountancy (Honours) Degree programme on 6 April 2010 for reconsideration after their application for recognition was deferred by MIA last year. After reviewing the documents, the Task Force Committee was satisfied with all effort done by UNISEL to improve the programme. The Education Committee, subject to the approval by the Council and members of MIA, recommends that recognition be given to the Bachelor of Accountancy (Honours) of UNISEL.

MIA is in the process of reviewing the application for accreditation from Universiti Sains Islam Malaysia (USIM) and Universiti Sultan Zainal Abidin (UniSZA) in respect of their accounting programme. A Task Force Committee has been formed to undertake the accreditation exercise in order to ensure the programmes offered by the universities meet with MIA's requirements for the purpose to be listed under Part I of the First Schedule to the Accountants Act 1967.

### INTRODUCTION OF THE CHARTERED ACCOUNTANT'S RELEVANT EXPERIENCE (CARE) PROGRAMME

To assess the entry level of competency required for admission as a Chartered Accountant (CA) of MIA, an assessment programme known as Chartered Accountant's Relevant Experience (CARE) programme was introduced on 1 November 2009. Since its inception, CARE programme has registered 827 graduates. Their experience will be assessed by the Mentors every 6 months.

With the implementation of CARE programme, the experience gained by the participants should be over a longer period and adequately intensive to permit them to demonstrate that they have gained the professional knowledge, skills, values, ethics and attitudes required for performing their work with professional competence to achieve sustainable career growth.

### INTEGRATED CASE STUDY DEVELOPMENT

This on-going activity is conducted with participation from practitioners and academicians. The main objective is to develop cases to be used by universities under newly introduced course namely Integrated Case Study (ICS). The Ministry of Higher Education Malaysia (MOHE) agreed to fund the ICS development project amounting to RM125, 000. Subsequently 3 workshops and a few meetings were carried out with relevant stakeholders to develop the 9 cases.

In June 2010 the first volume of nine (9) cases was published and the Minister of Higher Education launched the first ICS book on 20 July 2010. The written cases developed were based on real cases which covered various aspects and issues such as corporate governance, tax and financial accounting.

The first workshop was successfully held from 23 to 25 April 2010 with 15 participants. The second round of ICS to develop the new cases has been initiated and a second volume is targeted to be printed by February 2011.

### DEVELOPMENT OF A BRIDGING COURSE FOR WORKING ADULTS TO BECOME CHARTERED ACCOUNTANTS

MIA hopes to implement a bridging course to increase the number of Chartered Accountants in the country. The development of a curriculum structure and syllabus content of the programme is ongoing. A workshop was held from 9 - 11 April 2010 at the Hotel Equatorial Bangi, Selangor with 20 participants to kickstart the development of the curriculum.

### COMMUNICATING WITH KEY STAKEHOLDERS

MIA would like to envisage itself as a platform that brings the profession to ensure clear communication with its key stakeholders. It is important to engage these stakeholders especially on issues that can be crucial to the development of the profession.

On 10 July 2010, a Roundtable Discussion was held with members of the academia on Malaysian Auditing Standards in the Audits of Small- and Medium-sized Entities (SMEs). Through this session MIA hoped to create industry linkages where academicians are able to discuss any development and/or issues together with practitioners and the outcome can then be shared with students.

# Chapter 3:

## Nurturing Globally Competent, Skilled and Credible Professionals

Globalisation, the adoption of international professional standards and new regulatory requirements, higher expectation of clients, greater audit risk, changing attitudes and demographics of new recruits and an increasingly complex and competitive business environment. These are some of the challenges that accountants face in ensuring that the relevance of the profession is maintain.

Additionally, the recent global financial crisis acted as a major catalyst in bringing the accountant's role to the limelight. The need for robust risk mitigation, stronger audit functions and compliance with regulatory requirements only amplifies the role of the accountant.

As the market continues to evolve rapidly, MIA has a role to play in ensuring that members are able to survive this onslaught of new developments and challenges, and maintain their professionalism at all times.

To do this, MIA carries out two important functions:-

1. Knowledge generation and gathering of information through units such as professional standards and practices, professional accountants in business and public practice. MIA also participates in regional and global accountancy bodies such as the International Federation of Accountants (IFAC), Asean Federation of Accountants (AFA) and Confederation of Asia Pacific Accountants. It also engages with relevant stakeholders to gain more knowledge and understand profession related issues and developments.
2. Knowledge dissemination to the profession via the MIA Professional Development Centre, exclusive briefing sessions and e-learning.

Additionally, MIA through its By-laws promotes the adherence to professional standards and practices to ensure conduct of its member gain public confidence and trust. Professional values and practices are promoted in line with global requirements in the following areas:

- Accounting and Financial Reporting Standards Implementation Committee (FRSIC)
- Audit and Assurance
- Ethics
- Regulatory Guidelines
- Taxation

Initiatives undertaken by MIA under this function are as follows:

### INTERNATIONAL AND REGIONAL ENGAGEMENT

MIA continuously promotes the interests of the profession in Malaysia by actively engaging in dialogues and enhancing co-operation through collaboration with various accounting bodies at international and regional levels. It closely monitors global trends and developments affecting the local accountancy profession brought about by the pace of globalisation and liberalisation of trade in services at regional, multilateral, and bilateral levels. Through its international and regional engagements, MIA strives to bring the global perspective back to benefit Malaysian accountants.

The following are updates of MIA's participation in the international arena during the year under review:

#### 1. Globalisation and Liberalisation

In this matter, close cooperation prevailed between MIA and the Ministry of International Trade and Industry (MITI) with regard to negotiations in multilateral trade negotiations on trade in services for the Accounting, Auditing and Bookkeeping Services (CPC 862) sector under the:

- General Agreement in Trade in Services (GATS),
- ASEAN Framework Agreement on Services (AFAS) sectors, and
- other Free Trade Agreements (FTAs) Malaysia is currently negotiating either individually or as part of ASEAN

MIA will continue to monitor the developments of all these negotiations to ensure that the position and interests of members and member firms are not compromised in the face of external pressures arising from the liberalisation of trade in services. MIA's views have also been sought on various issues concerning liberalisation of trade in services

and the national economy as a whole, in line with the government's initiative in coming up with the New Economic Model.

During the year, MIA has also provided its feedback to a proposal from Australia on the Accounting Services Initiative under the Asia Pacific Economic Cooperation (APEC). Malaysia as a member of APEC has agreed to be a co-sponsor of the proposal in APEC.

The Institute was also involved with the Malaysia-India Comprehensive Economic Cooperation Agreement (CECA) talks. The talks are nearing conclusion and the Agreement is expected to be signed in November 2010 which coincides with an official visit by Indian Prime Minister Manmohan Singh's visit to Malaysia.

## 2. Participation in regional organisations

### (a) ASEAN Federation of Accountants (AFA)

MIA continued to play an active and leading role in the AFA Council. At the 99th AFA Council Meeting, held in Brunei Darussalam in December 2009, MIA President, Abdul Rahim Abdul Hamid, was entrusted with the responsibility of heading the organisation as AFA President for the next two years.

In his capacity as AFA President, the MIA President was invited to attend and brief the ASEAN Coordinating Committee on Services (CCS) on the implementation of the ASEAN Framework Agreement on Mutual Recognition Agreement (MRA) to the ASEAN negotiators.

Together with Rahim, MIA CEO Rosli Abdullah was appointed as the Secretary General of AFA thus empowering MIA to manage the Secretariat function of AFA. Aside from that, MIA continued in its role as the AFA Project Coordinator for the projects identified in the 2008-2011 AFA Strategic and Operational Plans.

MIA continues to discharge its responsibilities as a Project Coordinator in the day-to-day maintenance of the AFA website. MIA also played a leading role in efforts to put out the 2009 AFA Annual Report; which chronicles the initiatives AFA undertook in accordance with its Strategic and Operational Plan throughout 2009; as well as in coordinating with the ACCA in publishing the AFA-ACCA 'Easy Guide to Setting Up Accountancy Practices in ASEAN Countries'.

During the review period, three AFA Council meetings were held. MIA also contributed to the biennial 16th AFA Conference, held in Brunei Darussalam from 8 – 9 December 2009, by providing speakers and promoting the Conference to our members.

### (b) Confederation of Asian and Pacific Accountants (CAPA)

MIA is an active member of CAPA, a regional body which has a membership of 31 national accountancy organisations in 21 countries. The primary objective of CAPA is to provide leadership in the development, enhancement and coordination of the accountancy profession in the Asia-Pacific region.

MIA is currently a member of the CAPA Board and is also involved with the Strategic and Finance Committee, which involves setting the strategies of CAPA, overseeing its successful implementation and overseeing CAPA's operations and finances to achieve CAPA's objectives, among other things.

## COLLABORATIONS AND ENGAGEMENT WITH STAKEHOLDERS ON TECHNICAL MATTERS

1. MIA's Insolvency Practice Working Group (IPWG) and the MICPA Insolvency Practice Committee (IPC) participated in a joint courtesy visit to Jabatan Insolvensi Malaysia (JIM) on 11 August 2009. Among others, the visit was meant to provide an introduction on MIA (IPWG) and MICPA (IPC) members, share progress on new and updated Insolvency Guidance Notes (IGNs) to be issued to members, find out more about the proposed "Insolvency Association of Malaysia" and liquidator's license.
2. MIA participated in the Corporate Practice Consultative Forum of the SSM to present feedback on areas involving practicability and implementation issues relating to corporation law.
3. A dialogue with Ministry of Finance and Inland Revenue Board together with MASB was held on 22 June 2010 at Ministry of Finance, Putrajaya to discuss issues raised in Discussion Papers on tax implications related to the implementation of Financial Reporting Standards (FRS) 2, 5, 121 and 139. FRS 121 and FRS 139 were presented by JTWG-FRS team members at the dialogue. Further discussion will be held on a date to be confirmed by the MOF.
4. With reference to the REHDA arguments on the implementation of IFRIC 15, various discussion between MIA Property Development TaskForce and REHDA to review and deliberate views on the matter so as an official direction can be determined. Discussions are still ongoing.
5. In reviewing the Companies Act 1965 and providing input to align the corporation law requirement with the financial reporting standards, MIA participated at the Accounting Issues Consultative Committee established by SSM.
6. MIA held a dialogue with the Audit Oversight Board in relation to standard-setting, education and sharing of information. A Memorandum of Understanding is expected to be signed between MIA and AOB.
7. To assist Bursa Malaysia in the preparation of a guide on determination of realised and unrealised profits or losses, a 'Taskforce on the Determination of Realised and Unrealised Profits and Losses' was established. Composition of members includes regulators, accounting practitioners and FRSIC members and the first meeting was held and attended by Task Force members to discuss the authority and scope of the document.
8. A briefing was held for the Ministry of Housing and Local Government on 25 March 2010 to discuss on improvements on the Housing Development (Control and Licensing) Act 1966 and Regulation of the Housing Development (Housing Development Account) Regulations 1991. The briefing was presented by MIA's Professional Standards and Practices audit team of the Professional Standards and Practices Department to 25 employees of the Ministry.
9. A meeting was held with the Malaysian Communications and Multimedia Commission to provide an understanding of the auditing framework and to identify expectation gap in relation to the type of auditor's report issued pursuant to the requirements of Regulation 29 of the Communication and

Multimedia (Universal Service Provision) Regulation 2002.

10. A dialogue was held with the Foreign Exchange Administration Department of the Bank Negara Malaysia to discuss reporting by auditors pursuant to Money Changing Act 1998.
11. A dialogue was held with the Ministry of International Trade and Industry to discuss reporting by auditors in relation to application of Pioneer Certificate, Research and Development and Extension of Tax Relief Period under the PIA 1986.

### FACILITATING FRS IMPLEMENTATION ISSUES

1. To facilitate tackling and addressing FRS implementation issues, in particular issues which are specific to property development, MIA established the Property Development Industry Task Force (PDTF) and Financial Services Task Force (FSRF) approved by FRSIC Committee. Its composition of members includes industry players, regulators, accounting practitioners and solicitors. The Task Forces conducted their inaugural meeting to streamline issues and concerns pertaining to financial services and property development industry arising from convergence. Both Task Forces started research to resolve confusion in the application of financial reporting standards, particularly, FRS 139 on financial instruments and IFRIC15 on property sale and purchase agreement under Housing Development (Control and Licensing) Act 1966. The FRSIC Secretariat has also written to Bursa Malaysia Securities Bhd (Bursa Malaysia), Companies Commission of Malaysia (SSM), Securities Commission (SC) and Joint Tax Working Group (JTWG) to alert the impact of IFRIC 15 to property developers in Malaysia.
2. MIA participated in the Malaysian Accounting Standards Board (MASB) working group to review consultation documents issued by the International Accounting Standards Board.
3. The issuance of eight (8) Discussion Papers (DP) were approved on "Tax Implications Related to the Implementation of Financial Reporting Standards (FRS)" for members' information. The Discussion Papers are as follows:
  - a) FRS 2 : Share based payment
  - b) FRS 5 : Non-current Assets Held for Sale and Discontinued Operations
  - c) FRS 102 : Inventories
  - d) FRS 116 : Property, Plant and Equipment
  - e) FRS 117 : Leases
  - f) FRS 121 : The Effects of Changes in Foreign Exchange Rates
  - g) FRS 139 : Financial Instruments – Recognition and Measurement
  - h) FRS 140 : Investment Properties

The JTWG on FRS comprising MIA, The Malaysian Institute of Certified Public Accountants (MICPA) and the Chartered Tax Institute of Malaysia (CTIM) met up regularly to review, revise and finalise the Financial Reporting Standard (FRS). The draft DP had been circulated in 4 stage to members for comments. A copy of the DP had been sent to the Tax Authorities (Ministry of Finance - Tax Analysis Division, Tax Panel Review and Inland Revenue Board) on 27 January 2010 to seek to have dialogues with them for discussion

of the tax issues involved. The DPs were circulated on 27 January 2010 and available for download by members from the MIA website.

### KNOWLEDGE INITIATIVES TO ENCOURAGE TECHNICAL COMPETENCE FOR ACCOUNTANTS

1. To highlight developments in the areas of Accounting Standards, Auditing Standards, Ethics and Corporate Governance, Tax Regulations and Budget 2010 Highlights, a two-day seminar for Professional Accountants in Commerce and Industry and Practice was held from 15-16 December 2009. The seminar was presented by the Professional Standards and Practices Department and supported by senior practitioners. There were 21 participants in total.
2. A forum titled "Profit Maximisation as the Future Way to do Business - A Myth or Reality" was held in Impiana KLCC Hotel & Spa on 4 November 2009 to discuss the role of the accounting profession in the 3P's – Profits, People and Planet when doing businesses. Participants came mainly from key accounting professionals of public interest entities.
3. A one day Forum on "The Audit Oversight Board & Ethical Dimensions – credibility of accountants" was held on 3 March 2010 at SC to involve Ethics Standard Board (ESB) members in creating awareness amongst participants via a session on Code of Ethics for the Accounting Profession and a panel discussion on Ethics.
4. MIA sought to highlight and create awareness on the MIA By-Laws via a session on "The Role of Professional Ethics in SME & SMI Business Excellence in the 21st Century" at a half day forum organised by Malaysian Integrity Institute (IIM) and SSM entitled "Corporate Responsibility & Corporate Integrity Forum: Beyond Compliance - Towards SMI & SME Excellence in the 21st Century" on 18 March 2010 at IIM, Kuala Lumpur.
5. MIA held a half-day briefing for Real Estate and Housing Developers Association (REHDA) members on IFRIC 15 on 31 March 2010 to educate and elaborate principles of IFRIC 15, its application and impact on real estate industry. There were 82 participants.
6. An executive talk was held for 200 employees of the Auditor General (AG) ' office in Putrajaya to highlight convergence and impact on auditors on 13 January 2010. It was presented by MIA's Technical Director of the Professional Standards and Practices Department.
7. MIA provided training for officers of the Judicial and Legal Training Institute (ILKAP) on accounting essentials relevant to insolvency matters on 13 January 2010 in Bandar Baru Bangi, Selangor.
8. MIA in collaboration with the Malaysian Accounting Standards Board (MASB) organized a roadshow entitled International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) in 7 locations nationwide to gather feedback and seek consultation from the accounting profession and fraternity on the document.

### DEVELOPMENT FOR PROFESSIONAL ACCOUNTANTS IN BUSINESS

MIA continues to carry out projects to develop and support members who are professional accountants in business in the country. Through this function, MIA strives to provide a platform to facilitate the exchange of information regarding current developments and emerging issues that shape the profession and to promote global best practices for the enhancement of the profession.



Ultimately through this platform, MIA hopes to provide thought leadership to stakeholders and excellent services to members by maintaining and enhancing the reputation and status of the Institute and its members in technical areas. To support these objectives, MIA carried out the following activities:

1. To produce case studies from successful SME companies that have benefited from the services or consultancy provided by accountants in managing their company. Data was collected via interviews with SME respondents based on a previous survey. Interviews with 5 SME companies have been conducted by an appointed research team to produce individual cases studies for these companies by the third quarter of 2010.

2. The organising of MIA Articles of Merit Award on PAIB 2009 to recognise the authors of outstanding articles that are judged to make a distinct and valuable contribution to the development of the roles and domain of the professional accountants in business.

A prize giving ceremony was held on 28 June 2010 to honour the winning authors. A special presentation was also made to one of the co-authors of the article selected by IFAC PAIB for inclusion in the IFAC PAIB Articles of Merit Award 2009 publication. An e-book of the winning articles was produced and has been uploaded on the website.

3. The National Award for Management Accounting (NAfMA) 2009 that MIA co-organised with the Chartered Institute of Management Accountants (CIMA) Malaysia Division was to recognise and promote the use of best practices in management accounting towards world-class business performance amongst organisations in Malaysia as well as highlight the role of professional accountants in business in the performance of successful businesses. The awards were presented to the winners at a dinner ceremony in December 2009.

#### DEVELOPMENT INITIATIVES FOR MEMBERS IN PUBLIC PRACTICE

MIA's ultimate aim from its outreach to members in Public Practice is to enhance the professional performance and promote capacity building among the professional accountants in public practice in Malaysia. MIA is committed to increasing the members' values and to supporting members as professional accountants in public practice. We hope you will find the enhanced webpage useful both as a source of information and as a point of reference. Some of the projects carried out towards this end are as follows:

1. As part of MIA's strategy to shape future practice trends, a Public Practice Forum was held on 11 November 2009 followed by a Limited Liability Partnership seminar on 4 November 2009. It drew the participation of 60 attendees and 56 members respectively. Although, there were requests for MIA to repeat such event in other states, we are unable to do so in view of the resource constraints and speakers' availability.
2. The highlight programme for the year is the Audit Oversight Board & Ethical Dimensions seminar. It was held on 3 March 2010 and attracted 248 persons with attendees coming from other regulatory agency such as SC, Bursa Malaysia and also SSM and even the Minority Shareholder Watchdog Group (MSWG).

3. MIA has embarked upon the subsequent phase of the Benchmarking project in collaboration with the Malaysian Productivity Council (MPC). A combined total of 57 firms were involved in the project for the Klang Valley as well as Johor Bahru with the intention to bring this programme to Penang at the 2nd half of 2010. Many firms involved in the project have been able to gain better insight in managing their own practices much more efficiently.
4. Twenty practising members attended the annual IFAC Small and Medium Practices (SMP) Forum in Beijing to keep abreast with the latest global developments in public practice. Half of the expenses incurred for the trip was funded by the Malaysian External Trade Development Corporation (Matrade). Matrade's Office in Beijing arranged a short briefing for the attendees with the Malaysian business community in Beijing about doing business in China.
5. During the year, MIA Revised the Recommended Practice Guide (RPG) number 7 that deals with the statutory audit fees after a 16 year interval.
6. MIA obtained a RM127,760 grant from the Government to subsidise MIA's efforts to acquaint our practising members on International Standards on Quality Control (ISQC) 1 compliance as well as to share the findings of the Practice Review programme. Training was held in the various states in Peninsular and East Malaysia. The grant amount that was used up for this purpose is as follows:

	Location	Grant amount (RM)
1.	26 & 27 Aug 09 Puteri Pacific Hotel JB	20,640
2.	9 & 10 Sept 09 Traders Hotel Penang	10,400
3.	9 & 10 Nov 09 Hyatt Regency Kota Kinabalu	14,200
4.	8 & 9 Dec 09 Grand Paragon Hotel JB	20,400
5.	1 & 2 Dec 09 Star City Hotel Alor Setar	13,720
6.	7 & 8 Dec 09 Vistana Hotel Kuantan	14,200
7.	22 & 23 Apr 10 Traders Hotel Penang	22,640
8.	28 & 29 Apr 10 Mutiara JB	11,560
	<b>Total</b>	<b>127,760</b>

*Event: Implementing Quality Control – Incorporating ISQC1 & Practice Review Findings*

7. Following the Revised form M1 (A)'s implementation about 20 practising members were cautioned on their non compliance of the ISQC1 requirement. They will eventually be required to show proof that they will be implementing the measures to overcome the deficiencies in ISQC1 compliance before their next renewal is due.

#### ENSURING ACCESS TO KNOWLEDGE WITH THE MIA PROFESSIONAL DEVELOPMENT CENTRE (MPDC)

MPDC complements MIA's overall strategic aim of maintaining the credibility of the accountancy profession to uphold the public interest as well as to provide a platform for continuous education for stakeholders of the accounting profession.

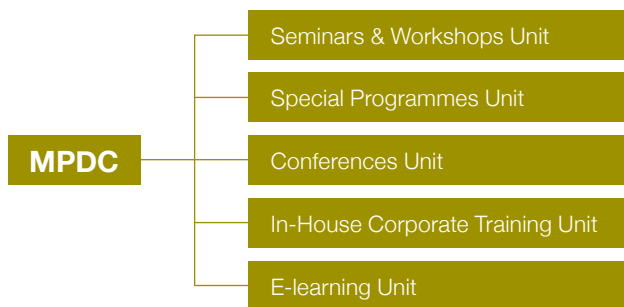
The ultimate goal is to ensure that a sufficient pool of competent and skilled accounting and finance professionals will be created to maintain the integrity of the financial reporting chain, which will in turn deliver high-quality financial information

to stakeholders and build assurance and market confidence. MPDC programmes are open to both professional accountants and non-members who support the profession.

As a strategic business arm of MIA, the specific functions of MPDC are:

- To maintain the professional competencies of MIA members in terms of knowledge and skills through continuing professional education (CPE) training programmes, seminars, courses, forums and conferences.
- To develop the knowledge and skills of non-members who work within and support the accountancy profession through training programmes, seminars and courses.
- To generate income for MIA to provide funding for its other core support functions, namely the professional standard & practices and surveillance & enforcement which are carried out to protect public interest.

MIA, via MPDC, currently offers a broad range of CPE programmes throughout the country. MPDC's customer base consists of about 60% MIA members and 40% non-members, who are serviced by five strategic business units within MPDC:



### MPDC PERFORMANCE

MPDC's core business is to carry out general research work on training needs and topics for the accountancy profession, formulate CPE programmes, source facilitators/speakers or subject matter experts and securing partners, handle marketing and promotions, and present CPE programmes in various locations within the country.

In addition to regular training programmes and seminars, MIA via MPDC also organises MIA's flagship events – the National Accountants Conference (NAC) and Regional Conference (RC) - and industry- focused special events that are relevant to the accountancy profession. MIA has also expanded its CPE role by offering customized in-house training programmes to corporate especially the IFRS related topics. E-learning has kicked off with the MIA Induction Course offered for the benefit of newly-admitted members. Currently, MIA is exploring other suitable programmes that can be offered under the e-learning platform.

For the financial year ended 30 June 2010, MIA successfully produced and delivered 607 educational programmes, which include 95 new titles. During the year, 126 industry specialists served as facilitators and speakers for MIA's programmes, including 63 new speakers, attesting to MIA's growing reputation as a leading provider of accountancy and professional continuing education. During the financial year under review, MIA delivered CPE programmes in these categories:

Categories	No. of Events	%
FRS & Financial Accounting	150	25%
Audit & Assurance	45	7%
Taxation	81	13%
Management Accounting	95	16%
Legal & Corporate Governance	24	4%
Banking & Finance	21	3%
Public Practice & Consultancy	22	4%
IT Application	147	24%
Soft Skills	19	3%
Others	3	1%
<b>TOTAL</b>	<b>607</b>	<b>100%</b>

MIA achieved about 222,000 training hours in total of which about 60% (133,000 hours) was dedicated to MIA members, thus serving their CPE needs. The balance of about 40% (89,000 hours) was taken up by non-members.

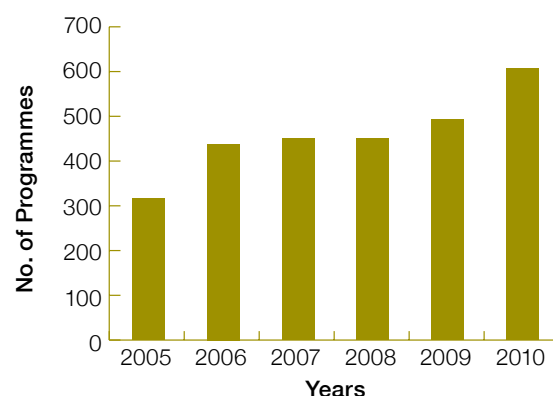
Professional development activities housed under MPDC generated revenue and contribution of RM12,582,880 and RM6,147,857 respectively for the financial year.

To meet the CPE needs of MIA members based in various parts of the country, CPE programmes are organised both in the Klang Valley and other states. The following are the locations and number of programmes organised during the financial year:

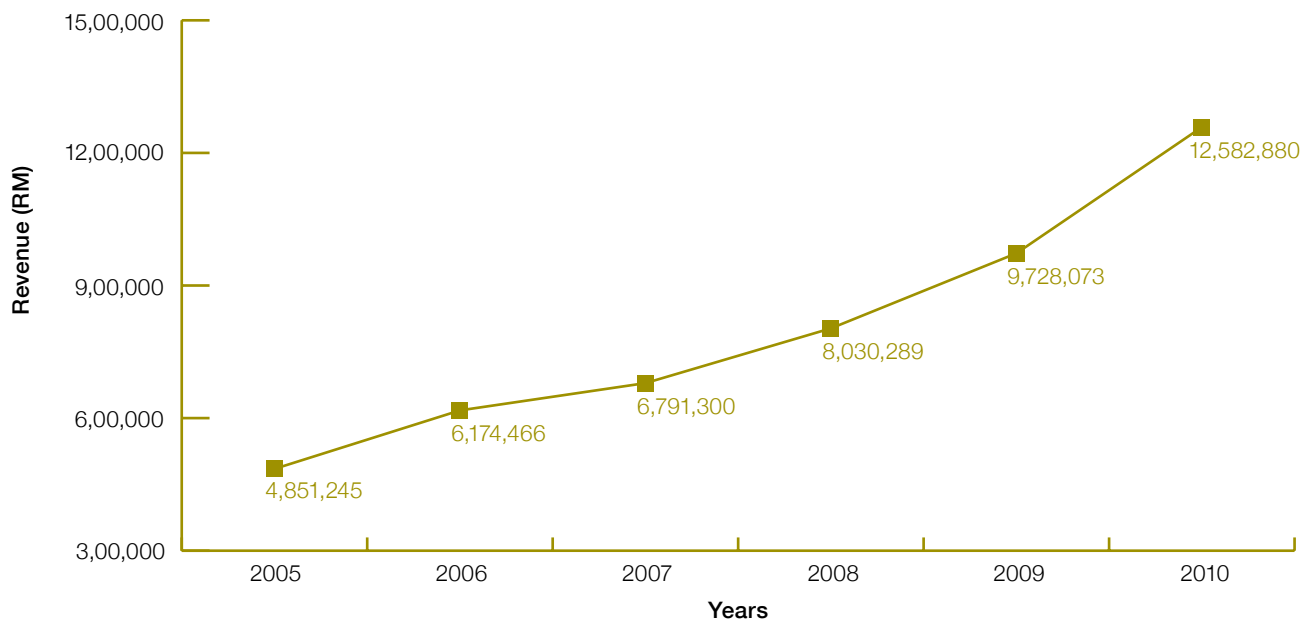
Location	No. of Programmes	%
Klang Valley	411	67%
Penang	43	7%
Johor	62	10%
Sarawak	28	5%
Sabah	28	5%
Others	35	6%
<b>TOTAL</b>	<b>607</b>	<b>100%</b>

MIA has achieved continuous growth in terms of the number of CPE programmes delivered and income generated. The growth statistics for the last six (6) years are as follow:

No. of programmes delivered from 2005 to 2010 – **Achieved 14% average growth**



Revenue generated from 2005 to 2010 – Achieved 21% average growth



Collaborations with external organizations are a key factor in the growing success of MIA's professional development services. MIA has established excellent working relationships with leading accounting firms, professional bodies and regulatory bodies. During the year under review, MIA jointly organised special CPE programmes with the following partners:

No.	Collaborating Organisation	No. of Events
1.	Ernst & Young Malaysia	2
2.	Deloitte Malaysia	1
3.	BDO Malaysia	1
4.	Pricewaterhouse Coopers Malaysia	1
5.	Lee Hishammuddin Allen & Gledhill	1
6.	KPMG Malaysia	4
7.	INCEIF	2
8.	Persatuan Akauntan Percukaian Malaysia (MATA)	1
9.	Suruhanjaya Syarikat Malaysia (SSM)	2
10.	ACCA	1
11.	CPA Australia	1
12.	MAREF	1
13.	Universiti Teknologi MARA	1
14.	BURSA Malaysia	1
15.	SIDC	1

#### FINANCIAL GRANTS SECURED FOR MIA CPE PROGRAMMES

MIA secured financial grants from SME Corporation Malaysia (SMECorp) and Sarawak Convention Bureau (SCB) for the sum of RM1,139,800 and RM124,395 respectively. The grant, in the form of training subsidy from SMECorp was utilised as financial support for SMEs participants as well as Small Medium Practitioners (SMPs) and their staff attending MIA training programmes. The grant enabled the provision of 80% subsidy on training fees payable by SMEs and SMPs and trained more than 1,700 participants. The funding from SCB was utilised for the purpose marketing and promotional activities for MIA's Regional Conference 2009 in Kuching.

MIA would like to thank SMECorp and SCB for extending generous financial grants during the year under review to support its CPE activities.

#### ACHIEVING COST SAVINGS AND EFFICIENCY THROUGH INNOVATIVE MARKETING

To be more user-friendly, cost-effective and embrace environmentally-friendly practices in our marketing approach, MIA introduced a new full-colour CPE Series Catalogue in April 2010 which replaces the single-sheet (one-colour) individual programme flyers for MPDC courses. To conserve paper, MIA encourages users to download the catalogue from our website.



# Chapter 4:

## Monitoring the Profession to Ensure Compliance

Members must comply with MIA By-Laws to ensure that the integrity of the financial reporting chain remains intact and public confidence in accountants and the work they perform is not compromised. In monitoring MIA members' compliance, MIA has put in place four mechanisms, namely:

1. Financial Statements Review
2. Surveillance through media monitoring
3. Practice Review
4. CPE Audit

In promoting excellence in financial reporting, MIA also participates in initiatives such as the National Annual Corporate Report Awards (NACRA).

### FINANCIAL STATEMENTS REVIEW

MIA's Financial Statements Review (FSR) function strives towards high quality financial information that is presented within the financial reporting meets with required standards.

Under this function, MIA monitors compliance with statutory and other requirements, approved accounting standards and approved auditing standards in Malaysia in relation to financial reporting and shares with members financial reporting best practices based on common findings identified during the review process.

FSR is carried out by MIA's Financial Statements Review Committee (FSRC) which monitors quality of financial statements through review process, where samples are selected on random basis or referred by other regulators.

During the financial year ended 30 June 2010, FSRC reviewed 19 new financial statements of listed companies and 7 cases of public interest. In total, 48 replies to queries raised by the Committee were deliberated during the financial year.

	Random selection	Public interest	Total
Cases b/f from previous financial year	11	-	11
Cases initiated/referred to FSRC	19	7	26
Cases closed during the financial year	(21)	(7)	(28)
Cases c/f to next financial year	9	-	9

### Summary of cases reviewed by FSRC

During the year of review, the FSRC referred two cases to the Investigation Committee (IC); and has categorised four cases as Category 2 of the penalty tariff, whereby a warning letter was issued to the respective preparer/auditor for substantial number of non-compliances with the requirements of Financial Reporting Standards.

From the reviews conducted by the FSRC from July 2008 to June 2009, various common financial reporting issues have been compiled, and shared through the following two articles published in Accountants Today:

- (i) Lessons from Deficient Disclosures (AT November 2009)
- (ii) Financial Reporting: Concerned over Going Concern (AT December 2009)

The publication could also be downloaded from the Institute's website at [www.mia.org.my](http://www.mia.org.my) under Surveillance and Enforcement/ Financial Statements Review/Reference Materials link.

	Preliminary investigation required	Further action not required	Total
Cases b/f from previous financial year	5	-	5
Cases initiated/referred to FSRC	8	8	16
Cases closed during the financial year	(9)	(8)	(17)
Cases c/f to next financial year	4	-	4

#### Cases prompted by media reports or referrals

#### PRACTICE REVIEW

Practice Review is an obligatory program set up by the MIA to meet one of the statements of membership obligation (SMO) of the International Federation of Accountants (IFAC). It applies to firms registered with MIA (member firms) which are engaged in public practice in Malaysia.

The Practice Review framework is structured to provide guidance to member firms by promoting quality assurance principles pursuant to International Standards on Quality Control (ISQC) 1 and to assist them in meeting compliance requirements of relevant accounting and auditing standards, as well as legal and regulatory requirements in the course of their professional practice. In addition, the program also makes relevant recommendations for improvement on issues such as risk management where appropriate.

During the year, practice review entered its sixth year of implementation of the program since field work began in 2004, the program having been launched a year earlier in 2003.

As at 30 June 2010, 137 notifications of review, including 40 follow-up cases, were issued to audit firms thereby bringing the cumulative number of audit firms reviewed to 592 in 2010 (455 in 2009). As at 30 June 2010, MIA has performed first time reviews on 429 (370 in 2009) audit firms or approximately 31.07% of the 1352 audit firms registered with MIA.

Of the 429 firms, 299 reports (excluding follow-up cases) were signed off and subsequently final reports were sent to the firms after the approval of the practice review committee. The balance of 121 cases are in progress.

The results of the 299 reports showed that approximately 8.70% are Type 1, 42.14% are Type 2 and 49.16% are Type 3. Type 1 and Type 2 cases signify a pass while Type 3 cases will be subject to a second review as these firms had not passed the test of practice review.

Those that do not pass the review should take proper steps to remedy any shortcomings in their practices by following the suggested recommendations for improvement as set out in the review report. Recommendations would typically cover matters such as breaches of professional standards, internal controls in the firm, risk management, documentation, audit procedures required under the standards and others which are beneficial to the practitioners.

Seminars on practice reviews and ISQC 1 were conducted in Kuala Lumpur, Johor Bahru, Penang, Kuching and Kota Kinabalu.

#### CONTINUING PROFESSIONAL EDUCATION (CPE) AUDIT

CPE audit is carried out to ensure that the basic tenets of ethical and professional conduct are adhered to by all members in carrying out professional work with due regard for the technical and professional standards expected of them as members of MIA.

In this regard, members have a responsibility to themselves, their employers, their clients and other stakeholders to ensure that they keep abreast with the current developments that affect their current and future professional work.

To maintain professional competence and to ensure the exercise of due care at all times, a professional accountant is required to participate in CPE learning activities that are relevant to his current and future work and professional responsibilities.

MIA continues to conduct the annual CPE audit. For the audit cycle, 2007 – 2009, a total of 1238 members were audited.

For the next CPE audit cycle 2008 – 2010 a total selection of 1491 members will be audited. The CPE audit notification email will be sent to the selected members in August 2010 and members are to reply by updating their CPE records at the Institute's web portal.

At the end of the financial year, in respect of the 2007 – 2009 cycle 36% have complied with the CPE requirements and 63% had insufficient number of credit hours required whereas 1% were granted exemptions due to health reasons.

#### NATIONAL ANNUAL CORPORATE REPORT AWARDS

The Institute jointly organised the National Annual Corporate Report Awards (NACRA) with Bursa Malaysia and The Malaysian Institute of Certified Public Accountants (MICPA). NACRA is aimed at promoting greater and more effective communication of financial and business information through the publication of timely, informative, factual and reader friendly annual reports.

# Chapter 5:

## Ensuring Checks and Balances in the Profession

As the national regulatory body for the accountancy profession in Malaysia, MIA has a pivotal responsibility to ensure that credibility of the profession is maintained and public interest continues to be upheld. MIA, through its enforcement mechanism, has used the statutory powers given to it to impose effective sanctions in an effort to further raise the standards of professional conduct of members.

### INVESTIGATION

The Investigation Committee (the IC) is a statutory committee established under s.19(a) of the Accountants Act 1967 to consider and investigate complaints against members of MIA and to refer them to the Disciplinary Committee ("the DC"), where appropriate.

### CREATING AN EFFICIENT INVESTIGATION FRAMEWORK

Previously, the Registrar had issued notice of complaint on each complaint to the alleged errant member, and then referred all the complaints to the IC for investigations.

As the increasing number of cases have largely contributed to a backlog in investigations, the Council during the financial year has directed the Registrar to screen complaints upon their lodgment, to determine whether or not they are capable of being investigated and to reject them if found to be frivolous or outside of the scope or jurisdiction of the IC.

This is to be done prior to issuing the notices of complaint, such that only credible complaints will be followed by the issuance of notices of complaint, and be referred to the IC for investigation. This had resulted in the rejection and closure by the Registrar of 17 cases during the financial year.

During the financial year also, 34 new cases were lodged with the Registrar on various forms of alleged misconduct.

A total of 12 investigative meetings of the IC had been held throughout the period, resulting from which 20 cases were dismissed and 25 complaints were decided to be referred to the DC. Of the number of complaints decided to be referred, 17 complaints were actually submitted to the DC upon IC's full reports, and the balance of 8 cases were pending the finalisation of IC reports.

### STATISTICS OF INVESTIGATION FROM 1 JULY 2009 TO 30 JUNE 2010

New cases received during the period	34
Cases rejected by Registrar during the period	17
Cases Dismissed by Committee during the period	20
Cases Decided to be Referred (pending submission of Report to Disciplinary Committee)	8
Cases Referred (Report Submitted to Disciplinary Committee)	17

The cases above are in respect of various types of alleged misconducts as narrated below.

Types of misconduct	New cases received during the period	Cases rejected by Registrar during the period	Cases Dismissed by Committee during the period	Cases Decided to be Referred (pending submission of Report to Disciplinary Committee)	Cases Referred (Report Submitted to Disciplinary Committee)
Accounting & auditing failures	11	2	8	7	4
Breach of Companies Act provisions on auditors	1	-	-	-	8
Liquidators' failures	1	2	2	-	2

Types of misconduct	New cases received during the period	Cases rejected by Registrar during the period	Cases Dismissed by Committee during the period	Cases Decided to be Referred (pending submission of Report to Disciplinary Committee)	Cases Referred (Report Submitted to Disciplinary Committee)
Company secretary's failures	13	1	-	1	-
Breach of other provisions of Companies Act	1	-	-		-
Discourteous acts	4	4	3		1
Other misconducts	3	8	7		2
<b>Total</b>	<b>34</b>	<b>17</b>	<b>20</b>	<b>8</b>	<b>17</b>

The IC wishes and continues to expedite the investigation of cases as best possible, despite the composition of the committee being limited by law to a single panel of 5 members but against the yearly increase in the number of cases lodged.

### DISCIPLINARY ACTION

The Disciplinary Committee (DC) is empowered under the Act to consider all cases referred by the Investigation Committee and those coming directly to it under Rule 18(2) of the MIA (Disciplinary) Rules, 2002. The DC, shall where it thinks fit, exercise disciplinary powers conferred upon it by the Disciplinary Rules.

### DISCIPLINARY CASES FROM 1 JULY 2009 TO 30 JUNE 2010

No. of Cases		18 (includes one case that was directly referred to the DC pursuant to Rule 18(2) of the MIA (Disciplinary) Rules, 2002)
No. of Cases Resulting in Punishment		3
No. of Cases Dismissed by the Disciplinary Committee		1
No. of Cases Withdrawn by Investigation Committee at Hearing stage		8
Hearing Done, Pending Decision		2
Pending Hearing		4
Complainant	Individual / Others	10
	Regulators	8
Cases Involving :	Auditors	13
	-Directors	5
	-Liquidators	
	-Others	

### APPEALS

Any member aggrieved by the decision of the Disciplinary Committee may, within a specified period, appeal to the Disciplinary Appeal Board (DAB). The DAB is empowered under the Act to consider appeals by members, and may confirm, reverse or vary the Disciplinary Committee.

The DAB received six (6) appeals and made its decision on two (2) cases. One (1) case is currently under consideration and the other three (3) cases will be duly considered.

# Chapter 6:

## Gearing Up for WCOA 2010

During the year under review, the Malaysian Institute of Accountants, has chalked up good progress in planning and execution in the run-up to the congress with initiatives being spearheaded by the World Congress of Accountants (WCOA) 2010 Organising Committee.

As the 18th WCOA 2010 draws near, everything is now falling into place to ensure that this will be the best Congress yet. What started off as an idea that was mooted in 2005 for MIA to host the World Congress is coming to fruition and the event will finally be unveiled on 8 November 2010 at the Kuala Lumpur Convention Centre.

Anchored on a highly relevant theme, "Accountants: Sustaining Value Creation", there will be four plenary sessions and five concurrent sessions grouped into seven different spectrums of interest.

### TECHNICAL PROGRAMMES

The plenary sessions will be delivered by distinguished speakers in the following areas:

#### Plenary Session 1:

Accountants: Sustaining Value Creation in the Borderless Economy

#### Plenary Session 2:

Islamic Finance : Strengthen the Global Financial Market

#### Plenary Session 3:

Accounting for Sustainability: The Connected Reporting Framework

#### Plenary Session 4:

Accountants in the Next Decade – Embracing Change and Seizing Opportunities

### NOTABLE PROGRESS AND STRATEGIC ACTIONS

- Prime Minister YAB Dato' Sri Mohd Najib Tun Abdul Razak will officiate the opening ceremony of the WCOA 2010 and deliver the keynote address at the Congress, attesting to the international significance and relevance of this event;
- A special video message by the Prime Minister welcoming all speakers and delegates to the WCOA 2010 was produced, circulated and presented worldwide;
- The Congress has secured the most influential and innovative minds in business, finance, policy and standard-setting from all over the globe;
- China's Vice Minister of Finance, Wang Jun; Chairman of the International Public Interest Oversight Board, Stavros Thomadakis; Chairman of the International Accounting Standards Board, Sir David Tweedie; Chairman of the International Valuation Standards Council, Michel Prada; Bank Negara Malaysia Governor, Tan Sri Dato' Sri Dr. Zeti Akhtar Aziz; Securities Commission Chairman, Tan Sri Zarinah Anwar and SME Corp Malaysia CEO; Dato' Hafsah Hashim will be among the 140 speakers who will be sharing their insights on various strategic issues affecting today's dynamic business world;
- MIA targets to attract a total of 6,000 participants from over 124 countries for WCOA and as of 31 July 2010, WCOA 2010 has recorded over 3,000 registrations;
- A strategic tie-up has been secured with Malaysia International Islamic Financial Centre (MIFC) to promote Islamic Finance in line with its growing importance globally and in keeping with Malaysia's stature as its hub during WCOA 2010;
- MIA's effort in securing stakeholders to support the congress has resulted in commitment received from various governmental agencies and corporations such as the Ministry of Finance, Accountant General's Office, Ministry of Tourism Malaysia, Ministry of Information, Communications, and Culture, Ministry of Foreign Affairs, Ministry of Home Affairs, Ministry of Health, Royal Malaysian Customs Department, Immigration Department, Bank Negara Malaysia, Securities Commission, Malaysia Airlines, Malaysia Airports Holdings Berhad, Malaysia External Trade Development Corporation, Pembangunan Sumber Manusia Berhad, Polis Diraja Malaysia, Malaysia Convention and Exhibition Bureau, Radio Televisyen Malaysia, Malaysian National News Agency and Kuala Lumpur City Hall. Professional and regional accountancy bodies, Foreign Missions in Malaysia and the Foreign Trade and Development Agencies also extend their support in ensuring a smooth Congress in Kuala Lumpur;
- WCOA 2010 Online Registration was launched on 18 November 2009, during IFAC's Global Accounting Leaders meeting in Washington D.C., United States of America (USA);
- WCOA 2010 Technical Programme was presented at IFAC's Chief Executives Strategic Forum in New York, USA on 22 February 2010;
- A targeted public relations and promotion initiatives were carried out globally and locally with the support from IFAC member bodies and its associates; as well as with the WCOA 2010 Gold Sponsors namely the Association of Chartered and Certified Accountants (ACCA), The Chartered Institute of Management Accountants (CIMA) and CPA Australia. These efforts have culminated in the broadcasting of key messages on WCOA 2010 and created awareness on the Congress;
- MIA intensified its global marketing and promotion campaigns covering South East Asia, the Far East, Oceania, South Asia, Central Asia, Middle East, Africa, North and South America, Europe and Russia;
- WCOA 2010 received recognition from the Human Resource Development Fund, hence eligible employers keen on sending their employees to participate in WCOA 2010 can apply for HRDF training grant under Skim Bantuan Latihan (SBL);
- Apart from benefiting from the above incentive, members of the Malaysian Institute of Accountants will be able to earn 20 MIA CPE Credit Hours;
- WCOA 2010 value added packages and incentives were introduced for local and international delegates.

# Audited Financial Statements

For the Year Ended 30 June 2010



MALAYSIAN INSTITUTE  
OF ACCOUNTANTS  
ACCOUNTANTS: MANAGERS OF VALUE

PROUD HOST:



World Congress  
of Accountants 2010

[www.wcoa2010kualalumpur.com](http://www.wcoa2010kualalumpur.com)

# Certificate of the Auditor General

## on the Financial Statements



### **CERTIFICATE OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE MALAYSIAN INSTITUTE OF ACCOUNTANTS FOR THE YEAR ENDED 30 JUNE 2010**

The financial statements of Malaysian Institute Of Accountants for the year ended 30 June 2010 have been audited by my representative. These financial statements are the responsibility of the management. My responsibility is to express an opinion on these financial statements based on the audit.

The audit has been carried out in accordance with the Audit Act 1957 and in conformity with approved standards on auditing. Those standards require an audit be planned and performed to obtain reasonable assurance that the financial statements are free of material misstatement or omission. The audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessment of the accounting principles used, significant estimates made by the management as well as evaluating the overall presentation of the financial statements. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the financial statements give a true and fair view of the financial position of the Malaysian Institute Of Accountants as at 30 June 2010 and of the results of its operations and its cash flows for the year ended in accordance with the approved accounting standards.

A handwritten signature in black ink.

(BOON JON LIN)  
for AUDITOR GENERAL  
MALAYSIA

PUTRAJAYA  
25 AUGUST 2010






# Statement by the Council

We, ABDUL RAHIM BIN ABDUL HAMID and CHRISTINA CONSTANCE FOO, being the President and Vice President, respectively, of the MALAYSIAN INSTITUTE OF ACCOUNTANTS, do hereby state that, in the opinion of the Council, the accompanying financial statements together with the notes attached thereto, are properly drawn up so as to give a true and fair view of the financial position of the MALAYSIAN INSTITUTE OF ACCOUNTANTS as at 30 June 2010 and of its results and cash flows for the year then ended.

Signed on behalf of the Council in accordance with a resolution by the Council



**ABDUL RAHIM BIN ABDUL HAMID**  
**PRESIDENT**



**CHRISTINA CONSTANCE FOO**  
**VICE PRESIDENT**

Dated : 29 July 2010  
Kuala Lumpur

## Declaration by the Officer

### Primarily Responsible for the Financial Management of the Institute

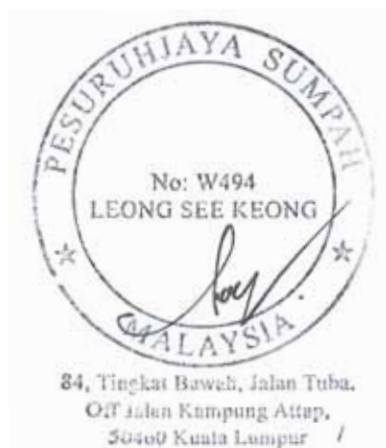
I, ROSLI BIN ABDULLAH, the Officer primarily responsible for the financial management of the MALAYSIAN INSTITUTE OF ACCOUNTANTS, do solemnly and sincerely declare that the accompanying financial statements together with the notes attached thereto, are to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed ROSLI BIN ABDULLAH at Kuala Lumpur in Wilayah Persekutuan on 29 July 2010



**ROSLI BIN ABDULLAH**

Before me,





# Balance Sheet

as at 30 June 2010

	Note	2010 RM	2009 RM
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	3,499,198	3,514,395
Intangible assets	6	79,333	-
Investment	7	7,458	7,458
Deferred tax assets	8	107,163	190,053
<b>Total non-current assets</b>		3,693,152	3,711,906
<b>Current assets</b>			
Inventories	9	55,402	146,236
Receivables, deposits and prepayments	10	1,243,251	1,071,583
Subscriptions in arrears	11	-	-
Tax recoverable		-	54,199
World Congress of Accountants ("WCOA 2010") Account	12	13,676,181	10,802,866
Institutional trust account	13	6,474,793	6,214,096
Fixed deposits with licensed financial institutions	14	3,323,136	107,074
Cash and bank balances		1,820,226	1,365,299
		26,592,989	19,761,353
<b>TOTAL ASSETS</b>		<b>30,286,141</b>	<b>23,473,259</b>
<b>Current liabilities</b>			
Subscription in advance		2,093,700	748,900
Sundry payables and accruals	15	3,183,856	1,833,297
World Congress of Accountants ("WCOA 2010") Account	12	6,456,510	5,724
Deferred income	16	860,842	417,316
Deferred income - Government grants	17	6,829,495	-
Provision for taxation		147,332	-
		19,571,735	3,005,237
<b>Non-current liabilities</b>			
Deferred income - Sponsorship ("WCOA 2010") Account	12	-	1,538,772
Deferred income - Government grants	17	-	8,914,394
		-	10,453,166
<b>TOTAL LIABILITIES</b>		<b>19,571,735</b>	<b>13,458,403</b>
<b>TOTAL NET ASSETS</b>		<b>10,714,406</b>	<b>10,014,856</b>
<b>ACCUMULATED FUND</b>			
Balance as at 1 July		10,014,856	10,527,204
Net surplus/(deficit) for the financial year		699,550	(512,348)
Balance as at 30 June		<b>10,714,406</b>	<b>10,014,856</b>

The accompanying notes form an integral part of these financial statements

# Income Statement

## for the Financial Year Ended 30 June 2010

	Note	2010 RM	2009 RM
<b>Membership Income</b>			
Members' annual subscription		6,821,900	6,600,450
Members' admission fees		701,850	680,100
Practising certificate fees		639,250	619,250
		<u>8,163,000</u>	<u>7,899,800</u>
<b>Other activities</b>			
Income from other activities		14,612,664	11,851,640
Employees' benefits	21	(2,649,519)	(2,685,558)
Direct expenses		(7,367,929)	(6,910,987)
<b>Net income from other activities</b>	18	4,595,216	2,255,095
Other income	19	374,217	432,228
		<u>13,132,433</u>	<u>10,587,123</u>
<b>Expenditures</b>			
Depreciation of property, plant and equipment	5	396,546	500,868
Amortisation of intangible asset	6	39,667	-
Allowances and write-offs	20	258,161	104,922
Employees' benefits	21	7,101,391	5,876,536
International relations	22	435,080	486,695
Membership services	23	1,741,288	1,906,985
Other expenses	24	1,987,860	2,328,936
		<u>11,959,993</u>	<u>11,204,942</u>
<b>Surplus/(deficit) before taxation</b>		<u>1,172,440</u>	<u>(617,819)</u>
Taxation	25	(472,890)	105,471
<b>Net surplus/(deficit) for the financial year</b>		<u>699,550</u>	<u>(512,348)</u>

The accompanying notes form an integral part of these financial statements

# Statement Of Recognised Gains And Losses

for the Financial Year Ended 30 June 2010

	2010 RM	2009 RM
Net surplus/(deficit) for the financial year	<u>699,550</u>	<u>(512,348)</u>

*The accompanying notes form an integral part of these financial statements*

# Cash Flow Statement

## for the Financial Year Ended 30 June 2010

	2010 RM	Restated 2009 RM
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Receipts from members and non-members	32,753,826	23,849,232
Payment for expenditures	(29,639,546)	(26,637,011)
Receipts for WCOA 2010	2,673,147	616,633
Payments for WCOA 2010	(2,558,351)	(959,518)
Cash generated from/(utilised in) operations	3,229,076	(3,130,664)
Government grant received	1,090,400	400,000
Rental income	30,200	43,000
Management fee	5,000	9,000
Tax paid	(188,469)	(138,860)
<b>Net Operating Cash Flow</b>	4,166,207	(2,817,524)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible asset (Note A)	(442,599)	(124,779)
Dividend received from institutional trust account	622,559	710,697
Interest received from fixed deposits	74,628	110,287
<b>Net Investing Cash Flow</b>	254,588	696,205
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR</b>	4,420,795	(2,121,319)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	17,562,853	19,684,172
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	21,983,648	17,562,853
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS:-</b>		
Cash in hand	6,045	4,735
Bank balances	1,814,181	1,360,564
Fixed deposits with licensed financial institutions	3,323,136	107,074
Institutional trust account	6,474,793	6,214,096
<b>WCOA 2010 account (Note 12):</b>		
- Bank balances	1,584,402	130,188
- Fixed deposits with licensed financial institutions	1,190,881	420,000
- Institutional trust account	7,590,210	9,326,196
	21,983,648	17,562,853

The accompanying notes form an integral part of these financial statements

Cash Flow Statement for the Financial Year Ended 30 June 2010 (continued)

	2010 RM	Restated 2009 RM
<b>Note A: Purchase of property, plant and equipment and intangible asset</b>		
Purchases of property, plant and equipment during the financial year	404,554	106,071
Purchases of intangible asset during the financial year	119,000	-
Add : Unpaid purchases as at previous financial year	-	18,708
	523,554	124,779
Less : Unpaid purchases as at financial year end	(80,955)	-
Per cash flow statement	442,599	124,779

The accompanying notes form an integral part of these financial statements

# Notes to the Financial Statements

30 June 2010

## 1. PRINCIPAL OBJECTIVES/ACTIVITIES

The Institute is established under the Accountants Act, 1967 and domiciled in Malaysia. The principal objectives/activities of the Institute under the Act are:

- a) to determine the qualifications of persons for admission as members;
- b) to provide for the training and education by the Institute or any other body, of persons practicing or intending to practice the profession of accountancy;
- c) to approve the Malaysian Institute of Accountants Qualifying Examination and to regulate and supervise the conduct of that Examination;
- d) to regulate the practice of the profession of accountancy in Malaysia;
- e) to promote, in any manner it thinks fit, the interests of the profession of accountancy in Malaysia;
- f) to render pecuniary or other assistance to members or their dependents as it thinks fit with a view to protecting or promoting the welfare of members; and
- g) generally to do such acts as it thinks fit for the purpose of achieving any of the aforesaid objectives.

There have been no significant changes in the nature of the objectives/activities of the Institute during the financial year.

The registered address of the Institute is at Dewan Akauntan, No. 2, Jalan Tun Sambanthan 3, Brickfields, 50470 Kuala Lumpur.

## 2. DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the Council in accordance with a resolution of the Council on 29 July 2010.

## 3. RISK MANAGEMENT OBJECTIVES AND POLICIES

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Institute's financial risk management objectives are to ensure that the Institute creates value and maximises returns to the Institute and its members at large. The Institute's financial risk management policies seek to ensure that adequate financial and non-financial resources are available for the smooth implementation of its operations. The Institute has been financing its operations from internally generated funds and, therefore, is not exposed to interest rate risk arising from bank borrowings. The Institute does not invest in quoted shares and is, therefore, not exposed to market risk arising from the risk of the financial instruments fluctuating due to changes in market prices.

#### a) Credit Risk

Receivables and transactions with banking institutions

may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are licensed banking institutions and organizations. It is the policy of the Institute to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Institute is exposed to minimal credit risk. The Institute has also exercised strict control in removing members in arrears of more than 6 months as provided under the Malaysian Institute of Accountants (Membership and Council) Rules 2001.

Other than as mentioned, the Institute has no significant concentration of credit risk. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the balance sheet.

#### b) Liquidity Risk

Liquidity or funding risk is the risk of the inability to meet commitments associated with financial instruments.

The Institute practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient levels of cash or cash equivalents to meet its requirements of working capital.

#### c) Interest Rate Risk

The Institute is also exposed to interest rate in respect of its fixed deposits with licensed financial institutions.

The Institute ensure that it places fixed deposits at competitive rates under the most favourable terms and conditions.

## 4. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year other than the accounting policy for Intangible Assets stated under Note 4.3(d) and which was adopted to account for the treatment of computer software acquired during the year and as disclosed in Note 6.

### 4.1 BASIS OF PREPARATION

The financial statements of the Institute are prepared under the historical cost convention, unless otherwise stated in the individual policy statements set out below, and comply with the Financial Reporting Standards ("FRS"s). The preparation of financial statements requires the Council to make certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and reported amounts of income and expenses during the reported financial year. It also requires Council to exercise their judgements in the process of applying the accounting policies. Although these estimates and judgements are based on the Council best knowledge of current events and actions, actual results may differ.



**4.2 NEW AND REVISED FRSs, AMENDMENTS TO FRSS AND THE ISSUES COMMITTEE ("IC") INTERPRETATIONS**

The new and Revised FRS issued by the MASB that is effective beginning on 1 July 2009 but which is not applicable to the Institute's operations is FRS 8 - Operating Segments.

The Institute has not early adopted the new or Revised FRSs, amendments to FRSs and the IC Interpretations which have been issued by the MASB as described hereunder :-

New and Revised FRSs and Interpretations		Effective for financial period beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards (Revised)	1 July 2010
FRS 3	Business Combinations (Revised)	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 101	Presentation of Financial Statements (Revised)	1 January 2010
FRS 123	Borrowing Costs (Revised)	1 January 2010
FRS 127	Consolidated and Separate Financial Statements (Revised)	1 July 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
IC Interpretation 4	Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions *	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010

Amendments to FRSs and Interpretations		Effective for financial period beginning on or after
IC Interpretation 17	Distribution of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2010
	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters (Amendment to FRS 1)	1 January 2011
	Additional Exemptions for First-time Adopters	1 January 2011
FRS 2	Share-based Payment - Vesting Conditions and Cancellations	1 January 2010
	Group Cash-settled Share-based Payment Transactions *	1 January 2011
FRS 5	Non-current Assets Held for Sale and Discontinued Operations - Plan to sell the controlling interest in a subsidiary	1 July 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
	Improving Disclosures about Financial Instruments (Amendments to FRS 7)	1 January 2011
FRS 127	Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010

Amendments to FRSs and Interpretations		Effective for financial period beginning on or after
FRS 132	Financial Instruments : Presentation	1 January 2010
	- Puttable Financial Instruments and Obligations Arising on Liquidation	
	- Classification of Rights Issues	1 March 2010
	- Component Part Classification for a Compound Financial Instrument	1 January 2010
FRS 138	Intangible Assets - Additional consequential amendments arising from Revised FRS 3	1 July 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives - Scope of IC Interpretation 9 and Revised FRS 3	1 July 2010

\* Pursuant to subsection 7(1) of the Financial Reporting Act 1997 (Act 558) and regulation 3 of the Financial Reporting (Publication of Approved Accounting Standards) Regulations 1999, MASB has given a notice that IC Interpretations 8 and 11 shall be withdrawn on application of Group Cash-settled Sharebased Payment Transactions (Amendments to FRS 2).

Amendments to FRSs Classified as "Improvement to FRSs (2009)"		Effective for financial period beginning on or after
FRS 2	Share-based Payment : Scope of FRS 2 and Revised FRS 3	1 July 2010
FRS 5	Non-current Assets Held for Sale and Discontinued Operations - Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations	1 January 2010
FRS 7	Financial Instruments : Disclosures - Presentation of finance costs	1 January 2010
FRS 8	Operating Segments - Disclosure of information about segment assets	1 January 2010
FRS 107	Statement of Cash Flows - Classification of expenditures on unrecognised assets	1 January 2010
FRS 108	Accounting Policies, Changes in Accounting Estimates or Errors - Status of implementation guidance	1 January 2010
FRS 110	Events After the Reporting Period - Dividends declared after the end of the reporting period	1 January 2010
FRS 116	Property, Plant and Equipment - Recoverable amount; and sale of assets held for rental	1 January 2010
FRS 117	Leases - Classification of leases of land and buildings	1 January 2010
FRS 118	Revenue - Costs of originating a loan; and determining whether an entity is acting as a principal or as an agent	1 January 2010
FRS 119	Employee Benefits: - Curtailment and negative past service cost; - Plan administration costs; - Replacement of term 'fall due'; and - Guidance on contingent liabilities	1 January 2010
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance : - Government loans with a below market rate of interest; and - Consistency of terminology with other FRSs	1 January 2010
FRS 123	Borrowing Costs - Components of borrowing costs	1 January 2010
FRS 127	Consolidated and Separate Financial Statements - Measurement of subsidiary held for sale in separate financial statements	1 January 2010
FRS 128	Investments in Associates : - Required disclosures when investments in associates are accounted for at fair value through profit or loss; and - Impairment of investment in associate	1 January 2010

Amendments to FRSs Classified as "Improvement to FRSs (2009)"		Effective for financial period beginning on or after
FRS 129	Financial Reporting in Hyperinflationary Economies : - Description of measurement basis in financial statements; and - Consistency of terminology with other FRSs	1 January 2010
FRS 131	Interests in Joint Ventures - Required disclosures when interests in jointly controlled entities are accounted for at fair value through profit or loss	1 January 2010
FRS 134	Interim Financial Reporting - Earnings per share disclosures in interim financial reports	1 January 2010
FRS 136	Impairment of Assets : - Disclosure of estimates used to determine recoverable amount; and - Unit of accounting for goodwill impairment test	1 January 2010
FRS 138	Intangible Assets : - Advertising and promotional activities; - Unit of production method of amortisation; and - Measuring the fair value of an intangible asset acquired in a business combination	1 January 2010
FRS 140	Investment Property : - Property under construction or development for future use as investment property; - Consistency of terminology with FRS 108; and - Investment property held under lease	1 January 2010

The Institute will adopt the above FRSs, amendments to FRSs and interpretations, where applicable, when they become effective and they are expected not to have any significant impact on the financial statements of the Institute upon their initial application other than FRS 7 and FRS 139.

The impact of applying FRS 7 and FRS 139 on the financial statements upon their first adoption is not disclosed by virtue of the exemptions provided in the respective FRSs.

### 4.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Income Recognition

- (i) Membership subscription is payable annually at the beginning of the financial year. Only subscription which is attributable to the current financial year is recognised as income. Subscription relating to periods beyond the current financial year is recognised as Subscription in advance in deferred income under current liabilities in the balance sheet.
- (ii) Membership admission is recognised upon approval by Council. Membership subscription and admission fees for applicants approved after the end of the financial year but received during the financial year are taken up as deferred income under current liabilities in the balance sheet.
- (iii) Income from Seminars and Conferences is recognised in the period the services are provided. Advanced payments received from Seminars and Conferences are recognised as deferred income under current liabilities in the balance sheet.
- (iv) Income from sale of Technical materials/publications is recognised when physical control of the goods passes to the purchasers.
- (v) Income from advertisements placed in the Institute's journal is recognised over the advertisement period. Income received for such advertisements that take place before the said period is taken up as deferred income. Sponsorship

income is deferred until the activities are rolled out.

- (vi) Processing fee on registration as a candidate for the Qualifying Examination is recognised upon receipt but the candidacy fee is only recognised upon the approval by the Examination Committee. Examination fees are recognised twice every calendar year when the examination is held. Tuition fees are recognised over the tuition term.
- (vii) Practice review income is recognised upon completion of practice review.
- (viii) Dividend income is recognised when the right to receive payment is established.
- (ix) Interest income is recognised based on an effective yield basis.
- (x) Rental income is recognised on an accrual basis.

#### b) Impairment of Assets

The carrying values of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amounts, the asset is considered impaired and is written down to its recoverable amount. Impairment losses

recognised in respect of a CGU is allocated to reduce the carrying amount of the assets in the unit or group of units on a pro-rate basis.

An impairment loss is recognised in income statements in the period in which it arises.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the assets in prior years. A reversal of impairment loss for an asset is recognised in income statement.

#### c) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Property, plant and equipment are written down to their recoverable amounts. Cost includes expenditure that is directly attributable to the acquisition of the items.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Institute and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Freehold land is not depreciated as it has an infinite life. Freehold and leasehold buildings are amortised at the rate of 2% per annum. Depreciation of other property, plant and equipment is provided on a straight-line basis calculated to write off the cost of each asset to its residual value over its estimated useful life. The assets' residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

The annual rates used are as follows:-

Office equipment	10%
Furniture and fittings	10%
Computer equipment	33 $\frac{1}{3}$ %
Renovation	10%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the income statement.

#### d) Intangible Assets - Computer Software

The costs of computer software licences acquired are capitalised as an intangible asset. Costs include their purchase prices and any directly attributable costs of preparing the assets for their intended use. These costs are amortised on the straight line basis over the period the assets are expected to generate economic benefits.

#### e) Subscriptions in Arrears

Subscriptions in arrears of six (6) months and above due from members who were removed from the Register of Members and where, in the opinion of the Council, these debts are no longer recoverable are written off to the income statement. An estimate is made for doubtful debts based on a review of all subscription in arrears at the balance sheet date. Subsequent recovery is taken up on a cash basis. Members who have ongoing investigation and disciplinary proceedings instituted against them and who are in arrears of more than six (6) months will not be removed from the Register of Members.

#### f) Investments

Investments are stated at cost and an allowance for diminution in value is made where, in the opinion of the Council, there is a decline other than temporary in the value of such investments. Such a decline is recognised as an expense in the income statement.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

#### g) Inventories

Publications, souvenirs and merchandise items are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

#### h) Income Tax

Income tax on profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the "liability" method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits are available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or expense and included in the income statement for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

#### i) Government Grants

Government grants are recognised initially at their fair values in the balance sheet as deferred income where there is reasonable assurance that the grants will be received and all attaching conditions will be complied.

Grants related to property, plant and equipment are set up as deferred income and recognised as income on a systematic basis over the estimated lives of the assets. Grants that compensate the Institute for expenses incurred are recognised as income over the periods to match the cost that the grant is intended to compensate. These are shown as a net effect in the Income Statement.

**j) Employees' Benefits**

**Short Term Benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Institute. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulated compensated absences such as sick leave are recognised when the absences occur.

**Defined Contributions Plans**

The Institute makes contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the Income Statement as incurred. Once the contributions have been paid, the Institute has no further payment obligations.

**k) Foreign Currency Transactions and Balances**

Transactions in foreign currencies are translated into Ringgit Malaysia, which is also the Institute functional currency at the exchange rates prevailing at the transaction dates or, where settlement has not yet taken place at the end of the financial year, at the approximate exchange rates prevailing at that date. All exchange gains and losses are taken up in the Income Statement.

**l) Receivables**

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

**m) Payables**

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

**n) Provisions**

Provisions are recognised when the Institute has a present legal and constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the amount of a provision due to passage of time is recognised as finance cost.

**o) Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, bank balances, deposits with licensed banks and highly liquid

investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The statement of cash flows is prepared using the direct method.

**p) Financial Instruments**

Financial instruments are recognised in the balance sheet when the Institute has become a party to the contractual provisions of the instruments.

Financial instruments are offset when the Institute has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

The particular recognition methods adopted in respect of each class of financial instruments are disclosed in the individual accounting policy statements associated with each item.

**4.4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

**a) Critical judgements made in applying accounting policies**

There are no critical judgements made by Council in the process of applying the Institute's accounting policies that have significant effect on the amounts recognised in the financial statements.

**b) Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as stated below:-

**(i) Depreciation of property, plant and equipment**

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The Council estimates that the useful lives of the property, plant and equipment to be within 3 years to 50 years. The carrying amount of the Institute's property, plant and equipment as at 30 June 2010 was RM3,499,198 (2009: RM3,514,395). Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the property, plant and equipment. Therefore, the future depreciation charge could be revised.

**(ii) Recoverability of receivables**

The Institute makes an allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. In assessing the extent of irrecoverable debts, the Council has given due consideration to all pertinent information relating to the ability of the debtors to settle debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables. The carrying amounts of the receivables and the cumulative allowance for doubtful debts are disclosed in Note 10 and Note 11.

**(iii) Income Tax and Deferred Tax**

Significant judgement is required in determining the applicable tax rate and provision for income tax. There are

transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Institute recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions, where applicable, in the periods in which such determination is made.

Deferred tax assets are recognized for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilized. Significant management judgement is required to determine the amount of deferred assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

## 5. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land RM	Buildings RM	Computer Equipment RM	Renovation RM	Furniture & Fittings RM	Office Equipment RM	Total RM
<b>COST</b>							
At 1 July 2009	580,160	2,426,239	1,637,971	1,271,811	461,773	732,187	7,110,141
Additions	-	-	200,702	50,537	58,705	94,610	404,554
Disposals/Write-offs	-	-	(139,008)	-	-	(3,020)	(142,028)
At 30 June 2010	580,160	2,426,239	1,699,665	1,322,348	520,478	823,777	7,372,667
<b>ACCUMULATED DEPRECIATION</b>							
At 1 July 2009	-	789,069	1,430,917	686,623	295,037	394,100	3,595,746
Charge for the year	-	48,644	177,057	101,584	28,583	62,676	418,544
Eliminated on disposals/write-offs	-	-	(138,969)	-	-	(1,852)	(140,821)
At 30 June 2010	-	837,713	1,469,005	788,207	323,620	454,924	3,873,469
<b>NET BOOK VALUE AT 30 JUNE 2010</b>	<b>580,160</b>	<b>1,588,526</b>	<b>230,660</b>	<b>534,141</b>	<b>196,858</b>	<b>368,853</b>	<b>3,499,198</b>
<b>COST</b>							
At 1 July 2008	580,160	2,426,239	1,609,053	1,285,188	451,316	717,000	7,068,956
Additions	-	-	64,171	-	11,195	30,705	106,071
Disposals/Write-offs	-	-	(35,253)	(13,377)	(738)	(15,518)	(64,886)
At 30 June 2009	580,160	2,426,239	1,637,971	1,271,811	461,773	732,187	7,110,141
<b>ACCUMULATED DEPRECIATION</b>							
At 1 July 2008	-	740,425	1,219,313	576,280	270,493	347,473	3,153,984
Charge for the year	-	48,644	245,864	123,188	24,711	58,461	500,868
Eliminated on disposals/write-offs	-	-	(34,260)	(12,845)	(167)	(11,834)	(59,106)
At 30 June 2009	-	789,069	1,430,917	686,623	295,037	394,100	3,595,746
<b>NET BOOK VALUE AT 30 JUNE 2009</b>	<b>580,160</b>	<b>1,637,170</b>	<b>207,054</b>	<b>585,188</b>	<b>166,736</b>	<b>338,087</b>	<b>3,514,395</b>

As at the end of the financial year, the Institute has yet to receive the strata title for a leasehold shop lot in Sabah acquired in financial year ended 30 June 2000 with a net book value of RM310,160 (2009: RM318,060).

Included in property, plant and equipment are fully depreciated assets which are still in use, with costs totalling RM2,099,783 (2009: RM1,635,608).



## 6. INTANGIBLE ASSETS

	2010 RM	2009 RM
<b>Computer software</b>		
<b>Cost</b>		
At beginning of financial year	-	-
Addition during the financial year	119,000	-
At end of financial year	119,000	-
<b>Accumulated amortisation</b>		
At beginning of financial year	-	-
Amortisation for the financial year	39,667	-
At end of financial year	39,667	-
<b>Net carrying amount at end of financial year</b>	79,333	-

The computer software represents the costs of software acquired. The costs of software acquired, including all directly attributable costs of preparing the assets for their intended use, are amortised on the straight line basis over the estimated useful life of 3 years.

## 7. INVESTMENT

	2010 RM	2009 RM
<b>At Cost:-</b>		
Unquoted shares	3,000	3,000
Add : Advances	4,458	4,458
	7,458	7,458

The Institute has acquired 9.09% share in the issued and paid-up share capital of Ultimate Professional Centre (Sarawak) Sdn Bhd ("UPC") in the financial year ended 30 June 1996. The advance by the Institute is unsecured, interest free and is repayable upon withdrawal of the Institute as shareholder of UPC.

## 8. DEFERRED TAXATION

	2010 RM	2009 RM
Deferred tax assets	121,371	190,053
Deferred tax Liabilities	(14,208)	-
	107,163	190,053
<b>At beginning of financial year</b>	190,053	(142,211)
Charged/(Credited) to Income Statement		
- property, plant and equipment	(64,901)	192,904
- provisions	4,901	65,623
- tax losses	(22,890)	73,737
	(82,890)	332,264
<b>At end of financial year</b>	107,163	190,053

	2010 RM	2009 RM
<b>At end of financial year</b>		
Deferred tax assets (before offsetting)		
- property, plant and equipment	-	50,693
- provisions	70,524	65,623
- tax losses	50,847	73,737
	121,371	190,053
Offsetting	(14,208)	-
Deferred tax assets (after offsetting)	107,163	190,053
Deferred tax liabilities (before offsetting)		
- property, plant and equipment	(14,208)	-
Offsetting	14,208	-
Deferred tax liabilities (after offsetting)	-	-

The Institute is strategically planning more education activities in the coming years and the Institute is confident that it will generate sufficient taxable income to offset the brought forward losses and capital allowances.

## 9. INVENTORIES

	2010 RM	2009 RM
<b>At cost :-</b>		
Publications, souvenirs and merchandise items	55,402	146,236

## 10. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2010 RM	2009 RM
Amount due from seminars and conferences participants	513,812	104,475
Sundry receivables	208,892	297,638
	722,704	402,113
Less : Allowance for doubtful debts	(55,529)	(27,804)
	667,175	374,309
Prepayments	531,248	658,501
Sundry deposits	44,828	38,773
	576,076	697,274
	1,243,251	1,071,583

The credit period granted to receivables ranges from 30 days to 60 days (2009: 30 days to 60 days).

## 11. SUBSCRIPTIONS IN ARREARS

In accordance with the (Membership and Council) Rules 2001, Part II, para 7(1), the Council may require the Registrar to remove from the register the name of any member who is in arrears for 6 months or more in the payment of any fees. Members who have ongoing investigation and disciplinary proceedings instituted against them and who are in arrears of more than six (6) months will not be removed from the Register of Members. An estimate is made for doubtful debts based on a review of all subscriptions in arrears at the balance sheet date.

	2010 RM	2009 RM
Subscriptions in arrears	5,000	7,000
Less : Allowance for doubtful debts	(5,000)	(7,000)
	<u>-</u>	<u>-</u>

## 12. WORLD CONGRESS OF ACCOUNTANTS ("WCOA 2010") ACCOUNT

The Institute will be hosting the 18th World Congress of Accountants which will be held in Kuala Lumpur, Malaysia from 8 to 11 November 2010. The WCOA 2010 account is represented by the following :-

	Note	RM	RM
<b>CURRENT ASSETS</b>			
Exhibitors receivables		106,509	-
Delegates receivables	12(a)	3,204,179	-
Sponsorship receivables		-	924,480
Accrued interest		-	2,002
Institutional trust account		7,590,210	9,326,196
Fixed deposit with licensed financial institutions		1,190,881	420,000
Bank balances	12(b)	1,584,402	130,188
		<u>13,676,181</u>	<u>10,802,866</u>
<b>CURRENT LIABILITIES</b>			
Sundry payables and accruals		330,523	5,724
Deferred Income - Delegate fee, sponsorship and exhibition income	12(c)	6,125,987	-
		<u>6,456,510</u>	<u>5,724</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred Income - Sponsorship	12(c)	-	1,538,772

### (a) The currency exposure profile of delegates receivables is as follows:-

	2010 RM	2009 RM
Ringgit Malaysia	1,061,400	-
United States Dollar	2,142,779	-
	<u>3,204,179</u>	<u>-</u>

The credit period granted to delegate receivables ranges from 30 days to 60 days.

### (b) The currency exposure profile of cash and bank balances is as follows:-

	2010 RM	2009 RM
Ringgit Malaysia	516,945	130,188
United States Dollar	1,067,457	-
	<u>1,584,402</u>	<u>130,188</u>

(c) Delegates fees, sponsorship and exhibition income received and receivable during the financial year are recognised as deferred income as follows:

	2010 RM	2009 RM
Delegates fees	4,171,400	-
Income from Sponsors	1,562,962	1,538,772
Exhibition Income	391,625	-
	<u>6,125,987</u>	<u>1,538,772</u>

The deferred income for delegates fees, sponsorship and exhibition income will be recognised as income upon completion of the WCOA 2010 in November 2010.

(d) The dividend and interest rates and tenure of placement for the funds placed in an institutional trust account and fixed deposits are disclosed in Notes 13 and 14.

### 13. INSTITUTIONAL TRUST ACCOUNT

The Institute had placed funds in an institutional trust account maintained with Amanah Raya Berhad, a public limited liability company domiciled in Malaysia. The gross dividend rate receivable by the Institute is 4.25% per annum (2009: 4.25% per annum).

### 14. FIXED DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The effective interest rate receivable for the fixed deposits placed with licensed financial institutions are between 2.00% to 3.00% (2009: 2.90% to 3.70%) per annum. The tenure of the fixed deposits is between 30 days to 1 year (2009: 30 days to 1 year).

### 15. SUNDRY PAYABLES AND ACCRUALS

	2010 RM	2009 RM
Sundry payables	666,573	559,754
Accruals - Seminars and conferences expenses	458,024	377,362
Accruals - Employees benefit	1,635,980	613,474
Accruals - Others	423,279	282,707
	<u>3,183,856</u>	<u>1,833,297</u>

The credit periods granted by sundry payables to the Institute ranges from 14 days to 60 days (2009: 14 days to 60 days).

### 16. DEFERRED INCOME

	2010 RM	2009 RM
Membership admission pending Council's approval	257,867	189,202
Practising certificate holders pending Council's approval	3,250	4,000
Deferred Income - Existing Members	22,000	4,250
Deferred Income - Seminars and Conferences	547,575	152,694
Deferred Income - Others	30,150	67,170
	<u>860,842</u>	<u>417,316</u>

## 17. DEFERRED INCOME - GOVERNMENT GRANTS

	WCOA 2010 RM	FRSIC RM	ICS RM	SSCDF RM	Total RM
<b>30 June 2010</b>					
Grants received	10,000,000	1,300,000	125,000	565,400	11,990,400
Income derived from placement of grant	1,328,021	-	-	-	1,328,021
Deferred income released	(5,337,655)	(1,104,602)	(15,902)	(30,767)	(6,488,926)
	<u>5,990,366</u>	<u>195,398</u>	<u>109,098</u>	<u>534,633</u>	<u>6,829,495</u>

**30 June 2009**

Grants received	10,000,000	900,000	-	-	10,900,000
Income derived from placement of grant	954,546	-	-	-	954,546
Deferred income released	(2,196,453)	(743,699)	-	-	(2,940,152)
	<u>8,758,093</u>	<u>156,301</u>	<u>-</u>	<u>-</u>	<u>8,914,394</u>

**(a) WCOA 2010**

RM10 million was awarded by the Ministry of Finance ("MOF") during the financial year ended 30 June 2007 for the WCOA 2010 project.

A bank account was opened in the name of "Kongres Akauntan Sedunia 2010" which was administered by a Special Committee comprising of representatives from the Treasury, MOF and Accountant General Department. A report on the expenses is submitted to them on a quarterly basis.

Detailed below is the movement of WCOA 2010 account during the financial year:

	2010 RM	2009 RM
<b>(i) Income derived from placement of grant</b>		
At beginning of financial year	954,546	514,425
Dividend from institutional trust account	353,434	426,601
Fixed deposit interest	18,879	11,180
Interest income from current account	1,162	2,340
	<u>373,475</u>	<u>440,121</u>
At end of financial year	<u>1,328,021</u>	<u>954,546</u>
<b>(ii) Deferred income released to compensate the related expenditure incurred</b>		
At beginning of financial year	2,196,453	912,024
Administration *	1,408,143	621,996
Acceptance fee	-	12,916
Auditors' remuneration - prior year	-	1,500
Auditors' remuneration	6,000	6,000

	2010 RM	2009 RM
Bank charges	3,538	30
Exhibition expenses	6,343	-
Mailing/Distribution	174,287	7,841
Meetings	-	64,565
Miscellaneous expenses	4,000	6,534
Marketing and promotion	351,487	231,184
Professional Congress Organiser fee	720,000	180,000
Printing	-	78,719
Risk Management	105,364	-
Service tax	36,000	9,646
Sponsorship activities expenses	-	63,498
Venue rental - deposit	326,040	-
	<u>3,141,202</u>	<u>1,284,429</u>
At end of financial year	<u>5,337,655</u>	<u>2,196,453</u>

\* Included in the administration expenses are employees' benefits and depreciation amounting to RM990,646 and RM21,998 (2009: RM496,816 and RM Nil) respectively.

**(b) FRSIC**

The Institute was offered a grant from the Capital Market Development Fund ("CMDF") during the financial year ended 30 June 2008. This grant is for the establishment and operation of a dedicated secretariat to manage the implementation of Financial Reporting Standards Implementation Committee ("FRSIC"); it is payable yearly over a period of 5 years from 1 October 2007 to 30 September 2012 totalling RM2,000,000. RM 400,000 was received during the financial year (2009 : RM400,000).

Detailed below is the movement of FRSIC account during the financial year:

	2010 RM	2009 RM
<b>(i) Grant received</b>		
At beginning of financial year	900,000	500,000
Grant received during the financial year	<u>400,000</u>	<u>400,000</u>
At end of financial year	<u>1,300,000</u>	<u>900,000</u>
<b>(ii) Deferred income released to compensate the related expenditure incurred</b>		
At beginning of financial year	743,699	500,000
Advisory	<u>33,000</u>	<u>27,000</u>
Administration	<u>853</u>	<u>1,982</u>
Meeting	<u>1,188</u>	<u>17,436</u>
Salaries	<u>325,862</u>	<u>234,175</u>
	<u>360,903</u>	<u>280,593</u>
Surplus from FRSIC roadshow	<u>-</u>	<u>(36,894)</u>
At end of financial year	<u>1,104,602</u>	<u>743,699</u>



**(c) ICS**

This represents grant from the Ministry of Higher Education Malaysia of RM125,000 for the Institute to develop integrated cases to be used by universities under newly introduced course, namely Integrated Case Study ("ICS").

Detailed below is the movement of ICS account during the financial year:

	2010 RM	2009 RM
<b>(i) Grant received</b>		
At beginning of financial year	-	-
Grant received during the financial year	125,000	-
At end of financial year	<u>125,000</u>	<u>-</u>
<b>(ii) Deferred income released to compensate the related expenditure incurred</b>		
At beginning of financial year	-	-
Meeting and workshop	15,028	-
Travelling	874	-
At end of financial year	<u>15,902</u>	<u>-</u>

**(d) SSCDF**

RM1.1308 million was approved under the Malaysian Industrial Development Authority ("MIDA") Service Sector Capacity Development Fund ("SSCDF") with RM630,800 for Upgrading and Modernisation Programme and RM500,000 for Training/ Outreach Programme. 50% of the grant amounting to RM 565,400 was received by the Institute during the financial year and the balance will be claimable upon completion. The Institute has to implement the said programmes before 31 December 2011 as required by MIDA.

Detailed below is the movement of ICS account during the financial year:

	2010	
	Upgrading & Modernisation RM	Training / Outreach RM
<b>(i) Grant received</b>		
At beginning of financial year	-	-
Grant received during the financial year	<u>315,400</u>	<u>250,000</u>
At end of financial year	<u>315,400</u>	<u>250,000</u>

Deferred income released to compensate the related expenditure incurred during the financial year amounted to RM30,767 which consist of site visits and travelling.

## 18. INCOME AND EXPENSES FROM/(FOR) OTHER ACTIVITIES

	2010				2009			
	Income RM	Employees' Benefit RM	Direct Expenses RM	RM	Income RM	Employees' Benefit RM	Direct Expenses RM	RM
MIA Professional Development Centre - MPDC	12,582,880	(931,150)	(6,435,023)	5,216,707	9,851,410	(808,424)	(5,800,214)	3,242,772
Marketing and promotion	1,073,527	(278,789)	(434,195)	360,543	1,356,328	(302,258)	(725,715)	328,355
Education	435,920	(318,004)	(216,905)	(98,989)	222,850	(283,030)	(149,280)	(209,460)
Branch annual dinner	223,292	-	(204,815)	18,477	52,417	-	(51,698)	719
Practice review	206,497	(1,121,576)	(30,973)	(946,052)	241,836	(1,291,846)	(39,121)	(1,089,131)
Other membership income/(deficit)	30,573	-	(1,682)	28,891	12,654	-	(24,575)	(11,921)
	<u>14,552,689</u>	<u>(2,649,519)</u>	<u>(7,323,593)</u>	<u>4,579,577</u>	<u>11,737,495</u>	<u>(2,685,558)</u>	<u>(6,790,603)</u>	<u>2,261,334</u>
<b>Joint activities with other professional bodies :-</b>								
Budget commentary	59,975	-	(34,333)	25,642	114,145	-	(97,186)	16,959
NACRA expenses	-	-	(1,500)	(1,500)	-	-	(1,005)	(1,005)
NAFMA expenses	-	-	(8,503)	(8,503)	-	-	(12,450)	(12,450)
BIAPA expenses	-	-	-	-	-	-	(9,743)	(9,743)
	<u>59,975</u>	<u>-</u>	<u>(44,336)</u>	<u>15,639</u>	<u>114,145</u>	<u>-</u>	<u>(120,384)</u>	<u>(6,239)</u>
<b>Total</b>	<u>14,612,664</u>	<u>(2,649,519)</u>	<u>(7,367,929)</u>	<u>4,595,216</u>	<u>11,851,640</u>	<u>(2,685,558)</u>	<u>(6,910,987)</u>	<u>2,255,095</u>
	Note 21				Note 21			

Included in direct expenses are as follows:

	2010 RM	2009 RM
Hotel expenses	3,110,703	2,323,467
Speaker fees	1,911,121	1,985,709
Sponsorship activities expenses	261,981	590,754
Members induction expenses	88,026	118,075
In-house training event expenses	31,700	-
Database rental/E-mail broadcast expenses	29,287	16,341
Qualifying Examination expenses	116,646	79,690
Tuition expenses	<u>71,909</u>	<u>14,222</u>

## 19. OTHER INCOME

	2010 RM	2009 RM
Dividend from institutional trust accounts	269,125	284,096
Hibah income on current account	18,996	31,002
Interest on fixed deposit	34,778	62,415
Management fee	6,000	9,000
Miscellaneous income	14,118	20,915
Rental income	31,200	24,800
	<u>374,217</u>	<u>432,228</u>

## 20. ALLOWANCE AND WRITE-OFFS

	2010 RM	2009 RM
Allowance/(recovery) for doubtful debts	32,095	(8,753)
Property, plant and equipment written and expensed off	6,032	10,975
Slow moving and obsolete inventories written off	41,834	-
Subscription in arrears written off	178,200	102,700
	<u>258,161</u>	<u>104,922</u>

## 21. EMPLOYEES' BENEFITS

As at 30 June 2010, the Institute has a staff force of 140 (2009:132).

	2010 RM	2009 RM
Salaries, overtime and bonus	7,944,152	6,783,883
Contributions to EPF	1,207,843	1,079,544
Other staff benefits	344,835	278,120
Social security contribution	66,450	63,842
Staff training	170,044	242,586
Staff Welfare	17,586	114,119
	<u>9,750,910</u>	<u>8,562,094</u>
Less: Employees' benefits charged to Other Activities (Note 18)	<u>(2,649,519)</u>	<u>(2,685,558)</u>
	<u>7,101,391</u>	<u>5,876,536</u>

## 22. INTERNATIONAL RELATIONS

	2010 RM	2009 RM
Subscription to international accountancy bodies	241,351	198,477
Meetings of council, technical and advisory committees of international accountancy bodies	193,729	288,218
	<u>435,080</u>	<u>486,695</u>

**23. MEMBERSHIP SERVICES**

	<b>2010</b>	<b>2009</b>
	<b>RM</b>	<b>RM</b>
Annual general meeting	94,687	154,782
Council, committee and other meetings	148,502	214,060
Gazette	20,155	19,420
Institute's journal - Accountants Today	1,322,223	1,281,162
Library	56,362	76,969
Membership recruitment drive	23,441	43,535
Technical, printed materials and postage	75,918	117,057
	<b>1,741,288</b>	<b>1,906,985</b>

**24. OTHER EXPENSES**

	<b>2010</b>	<b>2009</b>
	<b>RM</b>	<b>RM</b>
Advertisement - staff recruitment	38,422	242,203
Auditors' remuneration	13,660	13,400
Bank charges and commissions	122,399	116,072
Branch administrative expenses	63,750	62,400
Donation and contribution	5,530	-
Establishment expenses	505,021	474,839
General expenses	73,025	40,504
Gifts, mementos and tokens	6,965	7,543
Honorarium to registrar	60,000	60,000
Insurance	67,037	61,324
Office rental	307,962	299,523
Professional fees	107,429	149,503
Promotional expenses	55,974	261,790
Public relations expenses	52	1,694
Repair and maintenance	148,311	115,113
Subscription to other professional bodies	2,985	2,520
Travelling and accommodation	60,624	60,044
Utilities	348,714	360,464
	<b>1,987,860</b>	<b>2,328,936</b>

**25. TAXATION**

	<b>2010</b>	<b>2009</b>
	<b>RM</b>	<b>RM</b>
Income tax		
- current year	390,000	39,466
- prior year	-	187,327
	<b>390,000</b>	<b>226,793</b>
Deferred tax (Note 8)	82,890	(332,264)
	<b>472,890</b>	<b>(105,471)</b>

For tax purposes, the Institute is treated as a "Trade Association" under section 53(3) of the Income Tax Act 1967 under which its income is taxed at scale rates.

A reconciliation of income tax expense/(income) applicable to surplus/(deficit) before tax at the statutory income tax rate to income tax expense/(income) at the effective income tax rate of the Institute is as follows:

	2010 RM	2009 RM
Surplus/(deficit) before taxation	1,172,440	(617,819)
Taxation at applicable statutory tax rate of 26% (2009: 23%)	304,834	(142,098)
Tax effects of:		
- expenses not deductible for tax purposes	52,084	69,031
- previously unrecognised tax losses	-	(36,869)
- previously unrecognised deferred tax assets	-	(126,094)
- Unabsorbed capital allowances for the current year disregarded under Addendum to Public Ruling No. 6/2005	62,722	-
- overprovision of deferred tax assets in prior year	78,040	-
- income not subject to tax	-	(53,975)
- under provision in prior year	-	187,327
- change in tax rate	(24,790)	(2,793)
	472,890	(105,471)

## 26. COMMITMENTS

	2010 RM	2009 RM
Capital expenditures :- Purchase order raised in respect of intangible asset	-	100,000

## 27. RELATED PARTY DISCLOSURES

The transactions carried out with related parties during the financial year were as follows:-

### (a) Fees paid by Council members

	2010 RM	2009 RM
Members' annual fees	7,500	7,500
Practising certificate fees	4,250	4,250
	11,750	11,750

### (b) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institute either directly or indirectly. The key management personnel of the Institute are the Chief Executive Officer, Executive Director and Chief Operating Officer and their remunerations for the financial year are as follows:

	2010 RM	2009 RM
Salaries	773,386	649,404
Contribution to EPF	110,808	89,204
Social security contribution	620	620
	884,814	739,228

The year-end outstanding balance of RM100,960 (2009: RM73,570) in relation to compensation payable to key management personnel is included in payables and accruals.

## 28. FINANCIAL INSTRUMENTS - FAIR VALUES

The carrying amounts of cash and cash equivalents, subscriptions in arrears, receivables and payables approximate their fair values due to the relatively short term nature of these financial instruments.

## 29. COMPARATIVES

Certain comparative figures have been amended or reclassified to conform with current year's presentation.

### (i) Income Statement

	As previously stated RM	Reclassification RM	As restated RM
<b>Other activities</b>			
Expenses for other activities	(6,910,987)	6,910,987	-
Employees' benefits	-	(2,685,558)	(2,685,558)
Direct expenses	-	(6,910,987)	(6,910,987)
<b>Expenditures</b>			
Employees' benefits	<u>(8,562,094)</u>	<u>2,685,558</u>	<u>(5,876,536)</u>



**(ii) Cash Flow Statement**

Certain comparatives in the cash flow statement have been amended to include the cash flows relating to the Institutional trust account of the Institute and the WCOA 2010 Account:

	As previously stated RM	Reclassification /Adjustment RM	As restated RM
<b>CASH FLOWS FROM/(USED IN)</b>			
<b>OPERATING ACTIVITIES</b>			
Payment for expenditures	(26,627,674)	(9,337)	(26,637,011)
Receipts for WCOA 2010 account	-	616,633	616,633
Payments for WCOA 2010 account	-	(959,518)	(959,518)
Government grant received	-	400,000	400,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividend received from institutional trust account	-	710,697	710,697
Interest received from fixed deposits	99,514	10,773	110,287
Government grant received	400,000	(400,000)	-
<b>DECREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR</b>	(2,490,567)	369,248	(2,121,319)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	3,962,940	15,721,232	19,684,172
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	1,472,373	16,090,480	17,562,853
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS:-</b>			
Institutional trust account	-	6,214,096	6,214,096
WCOA 2010 account (Note 12):			
- Bank balances	-	130,188	130,188
- Fixed deposits with licensed financial institutions	-	420,000	420,000
- Institutional trust account	-	9,326,196	9,326,196

**(iii) Others**

Comparatives are introduced for the presentation of direct expenses and related party transactions as disclosed in Note 18 and Note 27 respectively.

# Other Committees



MALAYSIAN INSTITUTE  
OF ACCOUNTANTS  
ACCOUNTANTS: MANAGERS OF VALUE

PROUD HOST:



World Congress  
*of Accountants* 2010

[www.wcoa2010kualalumpur.com](http://www.wcoa2010kualalumpur.com)

## AUDIT AND ASSURANCE STANDARDS BOARD

No.	Member	Meeting Attendance
1.	Ken Pushpanathan – <b>Chairman (resigned 14 June 2010)</b>	5 of 5
2.	Ahmad Shahrul Mohamed	4 of 5
3.	Lock Peng Kuan	4 of 5
4.	Hooi Kok Mun	4 of 5
5.	Jospehine Phan	4 of 5
6.	Lee Tuck Heng	4 of 5
7.	Mohamed Raslan Abdul Rahman	4 of 5
8.	Norazman Hashim	1 of 1
9.	Professor Takiah Mohd Iskandar	5 of 5
10.	Quay Chew Soon	5 of 5
11.	Robert Tan Bun Poo	5 of 5
12.	Sukanta Kumar Dutt	5 of 5
13.	Tang Seng Choon	3 of 5
14.	Thong Foo Vung	5 of 5
15.	Walter Sandosam	4 of 5

*No. of meetings held: Five (5)*

## ETHICS STANDARDS BOARD

No.	Member	Meeting Attendance
1.	Dato' Nordin Baharuddin – <b>Chairman (resigned 21 January 2010)</b>	1 of 2
2.	Christina Constance Foo – <b>Chairman (appointed 21 January 2010)</b>	3 of 3
3.	Haji Mustafar Haji Ali ( <b>resigned 8 March 2010</b> )	2 of 2
4.	Dr. A. Bakar Sarpon ( <b>appointed 25 May 2010</b> )	1 of 1
5.	Lam Kee Soon	4 of 5
6.	Professor Dr. Hasnah Haji Haron	4 of 5
7.	Ravindran Navaratnam	5 of 5
8.	Rita Benoy Bushon	5 of 5
9.	Sharifah Khadijah Syed Agil	4 of 5
10.	Tan Soo Yan	4 of 5
11.	Shalet Marian	5 of 5
	<b>Observers:</b>	
1.	Hajah Zainun Taib	-
2.	Muhammad Ibrahim	-
3.	Selvarany Rasiah	-

*No. of meetings held: Five (5)*

## EDUCATION COMMITTEE

No.	Member	Meeting Attendance
1.	Associate Prof. Dr. Norman Mohd Saleh – <b>Chairman</b>	4 of 4
2.	Associate Prof. Dr. Ku Nor Izah Ku Ismail	4 of 4

*Education Committee (continued)*

No.	Member	Meeting Attendance
3.	Associate Prof. Dr. Nafsiah Mohamed	1 of 2
4.	Associate Prof. Hashanah Ismail	1 of 2
5.	Aznam Abdullah	1 of 2
6.	Hajah Dr. Kalsom Salleh	4 of 4
7.	Wan Selamah Wan Sulaiman	3 of 4

*No. of meetings held: Four (4)*

## FINANCIAL REPORTING STANDARDS IMPLEMENTATION COMMITTEE

No.	Member	Meeting Attendance
1.	Abdul Rahim Abdul Hamid – <b>Chairman</b>	4 of 4
2.	Nik Mohd Hasyudeen Yusoff ( <b>resigned 1 April 2010</b> )	2 of 3
3.	Stephen Oong Kee Leong	5 of 5
4.	Jennifer Lopez ( <b>retired 10 December 2009</b> ) ( <b>replaced by Ng Keen Kok</b> )	5 of 5
5.	Dato' Nordin Baharuddin ( <b>resigned 30 October 2009</b> )	0 of 2
6.	Mohamed Raslan Abdul Rahman ( <b>appointed 30 October 2009</b> )	3 of 3
7.	Associate Prof. Dr. Ku Nor Izah Ku Ismail ( <b>appointed 30 October 2009</b> )	0 of 3
8.	Thong Foo Vung ( <b>appointed 30 October 2009</b> )	2 of 3
9.	Ng Mi Li ( <b>appointed 30 October 2009</b> )	3 of 3
10.	Ng Kim Tuck	4 of 5
11.	Alex Ooi Thiam Poh	3 of 5
12.	Tan Liong Tong - <b>Technical Advisor</b> ( <b>resigned 31 May 2010</b> )	
	<b>Observers:</b>	
1.	Liew Kim Yuen	-
2.	Toh Ying Ying	-
3.	Wong Kay Yong	-
4.	Mohammad Faiz Mohammad Azmi ( <b>appointed 15 October 2009</b> )	-

*No. of meetings held: Five (5)*

## TAXATION COMMITTEE

No.	Member	Meeting Attendance
1.	Beh Tok Koay – <b>Chairman</b>	2 of 2
2.	Peter Lim Thiam Kee	1 of 2
3.	Sam Soh Siong Hoon	0 of 2
4.	Pauline Tam Poh Lin	1 of 2
5.	Frances Po Yih Ming	2 of 2
6.	Kenneth Lim Tiong Beng	0 of 2
7.	Mohd Noor Abu Bakar	1 of 2
8.	Ng Kim Lian	2 of 2
9.	Associate Prof. Dr. Choong Kwai Fatt	0 of 2
10.	Woon Yoke Lee	2 of 2
11.	Chan Kee Hoong	1 of 1

*No. of meetings held: Two (2)*

## FINANCIAL STATEMENTS REVIEW COMMITTEE

No.	Member	Meeting Attendance
1.	Stephen Oong Kee Leong – <b>Chairman</b>	12 of 12
2.	Lam Kee Soon	12 of 12
3.	Asna Atqa Abdullah	6 of 12
4.	Cheong Thoong Farn	7 of 12
5.	Khairudin Ibrahim	9 of 12
6.	Associate Prof. Dr. Ku Nor Izah Ku Ismail ( <b>appointed 30 October 2009</b> )	1 of 8
7.	Lee Teck Leong	1 of 12
8.	Liew Kim Yuen	11 of 12
9.	Mohammad Faiz Mohammad Azmi ( <b>appointed 30 October 2009</b> )	1 of 8
10.	Ng Mi Li	11 of 12
11.	Ow Peng Li	9 of 12
12.	Raymond Cheong Chye Hin	10 of 12
13.	Dato' Raymond Liew Lee Leong ( <b>appointed 2 December 2009</b> )	3 of 6
14.	Soon Teck Thong	7 of 12
15.	Stephen Khoo Siong Kee	2 of 12
16.	Tan Poh Ling	9 of 12
17.	Tang Seng Choon	12 of 12
18.	Wong Kay Yong	9 of 12
19.	Associate Prof. Dr. Zulkarnain Muhamad Sori	0 of 12

*No. of meetings held: Twelve (12)*

## PRACTICE REVIEW COMMITTEE

No.	Member
1.	Datuk Dr. Abdul Samad Haji Alias – <b>Chairman (retired 15 July 2009)</b>
2.	Abdul Rahim Abdul Hamid – <b>Chairman</b>
3.	Ooi Chee Kun
4.	Eric Ooi Lip Aun
5.	David Siew Kah Toong
6.	Peter Ho Kok Wai
7.	Liew Kim Yuen
8.	Dato' Raymond Liew Lee Leong
9.	Peter Lim Thiam Kee
10.	Lee Kok Wai ( <b>retired 12 September 2009</b> )
11.	Loh Kok Leong ( <b>retired 12 September 2009</b> )
12.	Seow Yoo Lin ( <b>retired 12 September 2009</b> )

# 03 | Representative of Membership

Membership & Attendance from 01 July 2009 to 30 June 2010

## PUBLIC PRACTICE COMMITTEE

No.	Member	Meeting Attendance
1.	Christina Constance Foo – <b>Chairman</b>	3 of 3
2.	Billy Kang Wei Geih	3 of 3
3.	Chen Voon Hann	2 of 3
4.	Dato' Gan Ah Tee	2 of 3
5.	Heng Ji Keng	3 of 3
6.	Mohammad Faiz Mohammad Azmi	1 of 3
7.	Peter Lim Thiam Kee	3 of 3
8.	Dato' Raymond Liew Lee Leong	3 of 3
9.	Seow Yoo Lin	0 of 3

No. of meetings held: Three (3)

## SUB-COMMITTEES UNDER PUBLIC PRACTICE

Attendance from 01 January 2010 to 30 June 2010

### PUBLIC PRACTICE SUB-COMMITTEE: AUDIT PRACTICE \*

No.	Member	Meeting Attendance
1.	Billy Kang Wei Geih - <b>Chairman</b>	3 of 3
2.	Chen Voon Hann	2 of 3
3.	Mohammad Faiz Mohammad Azmi	0 of 3
4.	Seow Yoo Lin	2 of 3
5.	Abd. Halim Husin	2 of 3
6.	Anna Wong Lai Ching ( <b>appointed 18 March 2010</b> )	1 of 2
7.	Alex Chan Ying Wah	2 of 3
8.	Chin Chee Kong	0 of 3
9.	Goh Chee San	1 of 3
10.	Jason Sia Sze Wan	3 of 3
11.	Mohd Afrizan Husain	3 of 3
12.	Mohd Noor Abu Bakar	2 of 3
13.	Ooi Chee Kun	2 of 3
14.	Rejeesh Balasubramaniam	3 of 3
15.	Robart @ Robert M. Seenivasan	3 of 3
16.	Steven Lim Hoo Teck	2 of 3
17.	Michael Tan Cheng Hooi	3 of 3
18.	Wang Ing Min ( <b>appointed 18 March 2010</b> )	2 of 2

No. of meetings held: Three (3)

### PUBLIC PRACTICE SUB-COMMITTEE: TAX PRACTICE \*

No.	Member	Meeting Attendance
1.	Peter Lim Thiam Kee - <b>Chairman</b>	1 of 1
2.	C. Ananthan Chelliah	1 of 1
3.	Beh Tok Koay	1 of 1
4.	David Lai Shin Fah	1 of 1

### 03. Representative of Membership

#### Public Practice Sub-Committee: Tax Practice\* (continued)

No.	Member	Meeting Attendance
5.	Frances Poh Yi Ming	1 of 1
6.	Goh Kean Hoe	1 of 1
7.	Dato' Haji Muhamad Sahir Haji Sanawi	0 of 1
8.	Ong Chow Pheng	1 of 1
9.	Phoon Sow Cheng	1 of 1
10.	Tan Hock Kim	1 of 1
11.	Wong Yok Chin	1 of 1

No. of meetings held: One (1)

#### PUBLIC PRACTICE SUB-COMMITTEE: INSOLVENCY PRACTICE \*

No.	Member	Meeting Attendance
1.	Dato' Gan Ah Tee - <b>Chairman</b>	2 of 2
2.	Dato' Raymond Liew Lee Leong	2 of 2
3.	Heng Ji Keng	2 of 2
4.	Amy Lim Swee Geok	2 of 2
5.	Gabriel Teo Chun	2 of 2
6.	Geoffrey Foo Lai-Don	2 of 2
7.	Kumar Kanagasingam	2 of 2
8.	Lim San Peen	2 of 2
9.	Lim Tian Huat	2 of 2
10.	Mea Fatt Leong	1 of 2
11.	Mok Chew Yin	2 of 2
12.	Datuk Ng Seing Liong	2 of 2
13.	Ong Hock An	2 of 2
14.	Subramaniam Sankar	2 of 2
15.	Stephen Duar Tuan Kiat ( <b>appointed 22 April 2010</b> )	1 of 1
16.	Wong Chee Lin	2 of 2

No. of meetings held: Two (2)

\* Audit Practice, Tax Practice and Insolvency Practice Sub – Committees were formed on 21 January 2010

#### PROFESSIONAL ACCOUNTANTS IN BUSINESS COMMITTEE

No.	Member	Meeting Attendance
1.	Yeo Tek Ling - <b>Chairman</b>	3 of 3
2.	Associate Prof. Dr. A. Thillaisundaram	2 of 3
3.	Billy Kang Wei Geih	0 of 3
4.	Ahmad Fuaad Mohd Kenali	1 of 3
5.	Alexandra Thien ( <b>retired 15 January 2010</b> )	1 of 3
6.	Gazali Jaafar	2 of 3
7.	Professor Dr. Ibrahim Kamal Abd. Rahman	0 of 3
8.	Hajah Dr. Kalsom Salleh	0 of 3
9.	Lee Hin Kan	1 of 3
10.	Professor Dr. Maliah Sulaiman	0 of 3
11.	Dr. Muslim Har Sani Mohamad	1 of 3
12.	Mustapa Kamal Mohd Razali	3 of 3



*Professional Accountants in Business Committee (continued)*

No.	Member	Meeting Attendance
13.	N. Chanthiran Nagappan	1 of 3
14.	Saat Esa	2 of 3
15.	Dr. Steven Liew Woon Choy	0 of 3
16.	Tan Seow Heng	0 of 3
17.	Wan Selamah Wan Sulaiman (retired 15 January 2010)	0 of 1

*No. of meetings held: Three (3)*

## 04 | Operational /Administrative

Membership & Attendance from 1 July 2009 to 30 June 2010

**WCOA 2010 STEERING COMMITTEE**

No.	Member	Meeting Attendance
1.	Abdul Rahim Abdul Hamid - <b>Chairman</b>	12 of 12
2.	Dr. Y C Lee	12 of 12
3.	Christina Constance Foo	9 of 12
4.	Ho Foong Moi	11 of 12
5.	Dato' Professor Dr. Daing Mohd Nasir	0 of 12
6.	Er Beng Kiong	8 of 12
7.	Rosli Abdullah	9 of 12

*No. of meetings held: Twelve (12)***MIA BRANCH COMMITTEES 1 JULY 2009 - 30 JUNE 2010****PERAK BRANCH**

No.	Member	Meeting Attendance
1.	Lam Weng Keat – <b>Chairman</b>	5 of 5
2.	Eugene Chow Jan Liang	3 of 5
3.	Lau Tong Khuan	5 of 5
4.	Leong Ee Meng	5 of 5
5.	Loo Thin Tuck	2 of 5
6.	Looi Eng Meng	2 of 5
7.	Murugan Alimuthu	5 of 5
8.	Soo Yuit Weng	5 of 5
9.	Wan Arman Wan Omar	5 of 5
10.	Agnes Wong Lai Hoong	3 of 5
11.	Wong Wai Leng	1 of 5

*No. of meetings held: Five (5)*

#### 04. Operational /Administrative

##### SABAH BRANCH

No.	Member	Meeting Attendance
1.	Goh Chee San – <b>Chairman</b>	4 of 4
2.	Alexandra Thien	4 of 4
3.	Azrul Ahmad	2 of 4
4.	Alex Chan Chau Yau	4 of 4
5.	Winson Chong Kan Hiung	4 of 4
6.	Chong Ket Vui @ Dusun	3 of 4
7.	Peggy Lee Pui Kee	4 of 4
8.	Modesta Siambun	3 of 4
9.	Nellie Sikodol	1 of 4
10.	Ng Kiat Min	3 of 4
11.	Poon Chong Phui	4 of 4
12.	Tham Vui Vun	4 of 4
13.	Wong Chen Feng @ Dennis	4 of 4
14.	Zallifah Shadan	2 of 4

*No. of meetings held: Four (4)*

##### SARAWAK BRANCH

No.	Member	Meeting Attendance
1.	Chin Chee Kong – <b>Chairman</b>	3 of 3
2.	Dayang Rostylawati Awang Ehsan	2 of 3
3.	Kenny Chong Thian Poh	2 of 3
4.	Farehan Hussin	3 of 3
5.	Grace Hii Hui Hing	2 of 3
6.	Lau Hin Siang	2 of 3
7.	Philip Lim Su Sing	3 of 3
8.	Loh Wei Boon	2 of 3
9.	David Tiang Kung Seng	3 of 3
10.	Matthew Wong Chie Bin	1 of 3
11.	Zahrah Haji Sirat	3 of 3

*No. of meetings held: Three (3)*

##### PAHANG BRANCH

No.	Member	Meeting Attendance
1.	Yau Hun Ling – <b>Chairman</b>	1 of 1
2.	Chew Chin Teck	0 of 1
3.	Kong Seng Poh	1 of 1
4.	Norila Haji Yahya	1 of 1
5.	Ooi Boon Seng	1 of 1
6.	Teh Foo Hock	1 of 1

*No. of meetings held: One (1)*

**TERENGGANU BRANCH**

No.	Member	Meeting Attendance
1.	Tuan Haji Mohd Ali Abas – <b>Chairman</b>	1 of 1
2.	Abdul Halim Abdul Rahman	1 of 1
3.	Abdullah Ibrahim	1 of 1
4.	Su Lim	1 of 1
5.	Yeo Chin Meng	1 of 1
6.	Zulkifli Mohamed	1 of 1

*No. of meetings held: One (1)*

**KEDAH/PERLIS BRANCH**

No.	Member	Meeting Attendance
1.	Yong See Sing – <b>Chairman</b>	3 of 3
2.	Baqir Hussain Hatim Ali	3 of 3
3.	Chan Boon Jiunn	3 of 3
4.	Cheah Sook Sean	2 of 3
5.	Choo Yow Hock	2 of 3
6.	Andrew Lim Hwa Eng	3 of 3
7.	Ng Sin Lee	2 of 3
8.	Ooi Soo Kok	0 of 3
9.	Yap Boon Loong	1 of 3
10.	Yow Thong Cheong	3 of 3

*No. of meetings held: Three (3)*

**PENANG BRANCH**

No.	Member	Meeting Attendance
1.	Ooi Kok Seng – <b>Chairman</b>	5 of 5
2.	Adeline Chan Su Lynn	5 of 5
3.	Gwendolyn Lau Ee Lin	3 of 5
4.	Dr. Adeline Lau Hooi Ping	4 of 5
5.	Lim Huck Khiam	4 of 5
6.	Andrew Loh Swee Man	5 of 5
7.	Amanda Thum Sook Fun	5 of 5
8.	Yeoh Soo Hock	4 of 5

*No. of meetings held: Five (5)*

**NEGERI SEMBILAN BRANCH**

No.	Member	Meeting Attendance
1.	Koh Kea Yam – <b>Chairman</b>	9 of 9
2.	Ananth Gopal	8 of 9
3.	Angeline Chang Siow Ling	7 of 9
4.	Chong Foo Sin	7 of 9
5.	Chong Fui Ming	8 of 9
6.	Caryn Chong Kwai Hoong	3 of 9
7.	Siti Nurdini Haji Mohamad Yasir	5 of 9
8.	Camy Tee Kam Mee	9 of 9

#### 04. Operational /Administrative

##### *Negeri Sembilan Branch (continued)*

No.	Member	Meeting Attendance
9.	Too Shaw Warn	7 of 9
10.	Vasanthi Sinnathamby	6 of 9

*No. of meetings held: Nine (9)*

##### **JOHOR BRANCH**

No.	Member	Meeting Attendance
1.	Steven Choong Shiau Yoon – <b>Chairman</b>	4 of 4
2.	Gregory Lui Poh Sek	2 of 4
3.	Huang Shze Jiun	3 of 4
4.	Kerk Su Sin	2 of 4
5.	Lee Ming Li	2 of 4
6.	Dennis Lye Ghee Kang	4 of 4
7.	Murali Samy	2 of 4
8.	Norafiza Abdul Rahman	2 of 4
9.	Alvin Ong Seng Piow	4 of 4
10.	Phang Kok Kwen	4 of 4
11.	Se Kuo Shen	4 of 4
12.	Tan Lay Beng	4 of 4
13.	V. Venkatachalam	3 of 4
14.	Wang Ing Min	3 of 4
15.	Wee Beng Chuan	3 of 4

*No. of meetings held: Four (4)*

##### **KELANTAN BRANCH**

No.	Member
1.	Leong Cheok Hoo – <b>Chairman</b>
2.	Ahmad Saifudin Abdullah
3.	Chu Eng Chiau
4.	Foo Sek Ken
5.	Hassan Hussin
6.	Kwek Siew Leng
7.	Ramli Mohamed
8.	Zulkifli Amim Ismail

##### **MELAKA BRANCH**

No.	Member
1.	Mohd Hisham Tambi Ahmad – <b>Chairman</b>

# Event Highlights

1 July 2009 – 30 June 2010



MALAYSIAN INSTITUTE  
OF ACCOUNTANTS  
ACCOUNTANTS: MANAGERS OF VALUE

PROUD HOST:



World Congress  
*of Accountants* 2010

[www.wcoa2010kualalumpur.com](http://www.wcoa2010kualalumpur.com)

**02 July 2009**

**Corporate Governance Guide – Towards Boardroom Excellence Nationwide July 2009 to June 2010**

Supported by Bursa Malaysia Berhad these workshops were designed to create awareness on the “Corporate Governance Guide” launched by Bursa Malaysia Berhad. It was designed to find balance between a prescriptive governance framework and a non-prescriptive approach based on voluntary compliance while educating boards of directors to achieve the level and quality of oversight necessary to secure the public’s trust in their company’s financial reporting and ultimately, to safeguard the capital market. Selvarany Rasiah, the Chief Regulatory Officer of Bursa Malaysia Berhad gave the opening address on the first session.



**06 July 2009**

**Breakfast Talk: Gain Strategic Advantage in the Emerging Global Market: Governance & Control at Kuala Lumpur Convention Centre**

The talk was presented by Fayezeul Choudhury, Controller and Vice President, Strategic Resource Management of The World Bank who stressed on the global market competition and on the corporate governance matter. While the second speaker was John Zinkin, Chief Executive Officer, Securities Industry Development Corporation shared his view on the Malaysia’s journey on the corporate governance. The event talk was supported by Securities Industry Development Corporation (SIDC).



**18 July 2009**

**MIA Sabah Sunset Charity Run 2009**

Sabah branch organised an event for the members to take a break from their busy and hectic routine life to participate in the 7K Sunset Charity Run 2009 at Sutera Harbour.

**10-11 August 2009**

**Regional Conference 2009 explore issues of sustainability and opportunities in Sarawak**

Close to 250 delegates attended the 2 day conference which was held at the Four Points by Sheraton in Kuching. The event was officiated by Sarawak’s Minister of Finance II and Minister of Environment and Public Health, Dato’ Sri Wong Soon Koh.

**19 September 2009**  
**MIA AGM 2009**

MIA held the 23rd Annual General Meeting at Matrade in Kuala Lumpur. An estimated 500 members turned up for the event.



**09 October 2009**  
**A Charitable Endeavour from MIA**

Close to RM23,000 was collected during the MIA Johor Branch's Annual Dinner which also held a charity drive. Proceeds went to three charity organisations: Johore Cheshire Home, Persatuan Kebajikan Orang-orang Istimewa, and Handicapped and Mentally Disabled Children Association Johor Bahru. The dinner was attended by about 380 guests. The guest of honour for the night was YB Datuk Nur Jazlan Tan Sri Mohamed, Member of Parliament for Pulai, Johor. Also present was MIA President Abdul Rahim Abdul Hamid and MIA Johor Branch Chairman Steven Choong Shiau Yoon.



**13-14 October 2009**  
**National Accountants Conference (NAC) 2009**

The Malaysian Institute of Accountants' flagship event National Accountants Conference (NAC) 2009 was held on 13 & 14 October at the Kuala Lumpur Convention Centre, Kuala Lumpur with the theme "The New Economic Model: Value Chain Transformation". The conference was attended by close to 2000 participants.



**25 October 2009**  
**MIA Sarawak Branch**  
**- Inter-Professional Games 2009**

Ultimate Professional Centre (Sarawak) Sdn Bhd (UPC) organised the biennial Inter-Professional Games (IPG) 2009. Other participating professional bodies were the Sarawak branches and chapters of Advocates Association of Sarawak, Malaysian Institute of Chemistry, Malaysian Medical Association, The Institute of Engineers Malaysia, Malaysian Institute of Planners, Sarawak Pharmaceutical Society, Sarawak Institute of Agricultural Scientists, Sarawak Veterinary Association and Malaysian Institute of Architects.



**28 October 2009 - 04 November 2009**  
**2010 Budget Seminar Nationwide**

The Malaysian Institute of Accountants and Malaysian Association of Tax Accountants (MATA) jointly organised the 2010 Budget Seminar roadshows from 28 October till 4 November 2009 attracting close to 1,500 participants throughout Malaysia. The seminar was delivered by a panel of prominent speakers from Ministry of Finance, LHDNM and private companies.



**04 November 2009**  
**Championing Human Governance**

A forum titled Profit Maximisation as the Future Way to do Business - A Myth or Reality was held at Impiana KLCC Hotel & Spa on 4 November 2009. The event was attended by 80 key financial leaders and executives from the public and private sectors. The panel of speakers, moderated by Nik Mohd Hasyudeen Yusoff, the then CEO of Inovastra Sdn Bhd, also comprised two other prominent speakers: Datuk Dr. Abdul Samad Haji Alias, Chairman of Bank Pembangunan and Professor Dato' Aziuddin Ahmad, Professor of Risk Management at the Graduate School of Management, Universiti Putra Malaysia.



**10 November 2009**  
**Penang Branch - Tax & Economic Conference 2009**

The event of the year for Penang Branch was the Tax & Economic Conference 2009. Themed Building Resilience, Revitalizing Growth, the event held on 28 October 2009 at E&O Hotel was officiated by YAB Tuan Lim Guan Eng, the Chief Minister of Penang. The conference attracted 290 participants. In conjunction with the conference, MIA Penang held its Annual Dinner themed A Nostalgic Evening at Cheong Fatt Tze Mansion. The guest of honour was YB Tuan Haji Abdul Malik Kassim, Penang State Executive Councillor for Religious Affairs, Domestic Trade & Consumer Affairs.

**14-15 November 2009**  
**6th Penang Career & Postgraduate Expo 2009**

The MIA Penang Branch participated in the 6th Penang Career & Postgraduate Expo 2009 on 14-15 November 2009 at Penang International Sports Arena (PISA).

## 01 December 2009

### NACRA 2009

Public Bank Berhad received the Platinum award for the Most Outstanding Annual Report at the National Annual Corporate Report Awards (NACRA) 2009. Certificates of Merit were also presented to 11 shortlisted companies. YB Dato' Sri Ismail Sabri Yaakob Minister of Domestic Trade, Co-operatives And Consumerism presented the awards at the ceremony.



## 08-09 December 2009

### The 16th AFA Conference

ASEAN Federation of Accountants (AFA) held their 16th Conference. The event was hosted by the Brunei Darussalam Institute of Certified Public Accountants (BICPA).

## 08 December 2009

### NAfMA Awards 2009

YB Dato' Seri Ahmad Husni Hanadzlah, Minister of Finance II was the guest of honour at the National Award for Management Accounting (NAfMA) 2009 dinner ceremony held at the One World Hotel in Petaling Jaya. Alliance Financial Group Berhad emerged as the Excellence Award winner.



## 12 December 2009

### MIA Sabah 42nd Annual Dinner

Sabah Branch celebrated its MIA 42nd Sabah Branch Annual Dinner 2009 in Shangri-La's Tanjung Aru Resort & Spa. The dinner was graced by YB Datuk Yee Moh Chai, Minister of Resource Development & Information Technology and MIA President Abdul Rahim Abdul Hamid. More than 500 guests attended the event.



**15 December 2009**  
**MIA QE Graduation Ceremony**

The Malaysian Institute of Accountants hosted a graduation ceremony in honour of 17 candidates who successfully passed the MIA Qualifying Examination (MIA QE) in the September 2009 sitting. Nine candidates were also awarded Certificates of Achievement for having passed various papers with Distinction. Held at the Royale Chulan Kuala Lumpur, the QE graduation ceremony was the first of its kind organised by MIA.



**29 December 2009**  
**Integrated Case Studies (ICS)  
Case Contributors Honoured**

Academic experts involved in the ICS project were given their due honor by Prof. Dato' Ir. Radin Umar, Director General of the Department of Higher Learning at the Ministry of Higher Education.



**05 January 2010**  
**Visit to Prime Minister Office**

The Malaysian Institute of Accountants, led by its President, Abdul Rahim Abdul Hamid, recently paid a courtesy visit to the Prime Minister of Malaysia, Prime Minister YAB Dato' Sri Mohd Najib Tun Abdul Razak, at his office. The visit, MIA's first since the Prime Minister took up office, was aimed at briefing Dato' Sri Najib, who is also the Finance Minister, on some of the proactive steps and measures initiated by MIA in its efforts to stay abreast of national and international developments affecting the accountancy profession as well as the present business landscape.

**14 January 2010**  
**MIA'S WCOA 2010 Team Holds Briefing & Networking  
Session with Strategic Partners**

Dubbed as the WCOA 2010 Coordinating & Supporting Working Group, the briefing was held to garner support, assistance and active participation from various ministries, government bodies and agencies to facilitate the various logistics involved, protocol measures, health and safety issues and other administrative requirements in relation to WCOA 2010.

### 13-14 January 2010

#### Budget 2010 and Tax Planning Hotel at Istana Kuala Lumpur

This specialised and industry-focused seminar equipped participants with tax planning tools and techniques, to assist them in their tax planning. The sessions were focused on the tax changes announced in the Budget, but also practical considerations and various opportunities available from the Budget Statement. The seminar was delivered by Khodijah Abdullah, Deputy Under Secretary Tax Analysis Division, Ministry of Finance, Yeo Eng Ping, Partner of Ernst & Young Tax Consultants Sdn Bhd and Chow Chee Yen, Executive Director of Advent Tax Consultants Sdn Bhd.



### 02 February 2010

#### WCOA Courtesy Visit from Gold Sponsor ACCA

World Congress of Accountants (WCOA) 2010 Gold Sponsor partner from the Association of Chartered Certified Accountants (ACCA) paid a courtesy visit to MIA. The ACCA delegates included Executive Director – Brand ACCA, Neil Stevenson, Malaysia Country Head, Jennifer Lopez, Malaysia Head of Operations / Customer Services Janice Wong and the newly appointed Asia Pacific Director, May Law. They were greeted by MIA President, Abdul Rahim Abdul Hamid and Executive Director, Ho Foong Moi.



### 07 February 2010

#### WCOA Golf Tournament

The MIA WCOA 2010 Golf Challenge was held at the Impian Golf & Country Club, Kajang. 30 participants comprising delegates from MIA, CIMA, ACCA, CPA Malaysia and several Government representatives turned out to participate in this event with the objective of fostering closer networking and work relationship towards making WCOA 2010 a success.

### 03 March 2010

#### Audit Oversight Board & Ethical Dimensions

About 250 participants attended a one-day forum titled 'The Audit Oversight Board & Ethical Dimensions - Credibility of Accountants' at the Securities Commission today. The forum was organised by MIA, Universiti Teknologi Mara (UiTM) and Malaysian Accountancy Research and Education Foundation (MAREF).

**25-26 March 2010**

**IFRSs/ FRSs and Convergence for Academia Cititel Mid Valley Kuala Lumpur**

The event was tailored for the academia on the latest developments in order to keep accounting syllabuses updated so as to converge with the new and revised IFRSs/ FRSs. The panel of experts included Mohammad Faiz Mohammad Azmi, Chairman of Malaysian Accounting Standard Board (MASB), Dr. S. Susela Devi, Associate Professor of Accounting, Faculty of Business and Accountancy of University of Malaya, Tan Liong Tong, Technical Consultant of Mazars Malaysia and Woon Chin Chan, Trainer in IFRS and Financial Consultant of Dart Consultancy.



**30 March 2010**

**Private Finance Initiative (PFI): Uncover the Critical Success Factors Kuala Lumpur Convention Centre**

The list of speakers consisted of Andrew Chan Yik Hong, Executive Director, Corporate Finance of PricewaterhouseCoopers Capital Sdn Bhd, Ann Wan Tee, Executive Director, Corporate Finance of PriceWaterhouseCoopers Capital Sdn Bhd, Tay Weng Hwee, Partner of Lee Hishammuddin Allen & Gledhill, Mukesh Kapoor, Technical Adviser of MMS (Insurance Brokers) Sdn Bhd, Ahmad Mochtar Hashim, Vice President and Head of Credit Analysis of Bank Pembangunan Malaysia Bhd and Nik Nasir Majid, Advisor, Public Private Partnership Unit of Prime Minister Department, Putrajaya.



**16-18 April 2010**

**Accountancy Career and Education Fair (ACEF) 2010**

About 120,000 visitors turned out at the Accountancy Career and Education Fair (ACEF) 2010 which was held from 16 to 18 April 2010. Organised jointly with Jobstreet.com's Malaysia's Career & Training Fair (MCTF) 2010 and Post Graduate Education Fair 2010, the event was officiated by YB Dato' Wira Chor Chee Heung, Deputy Minister of Finance, and international developments affecting the accountancy profession as well as the present business landscape.

**26 April 2010**

**Women in Leadership**

About 100 participants attended this event aimed at celebrating the women of Malaysia and their various roles in nation-building. Speakers featured were Suseela Menon, Executive Director, UMW Corporation; Anne Abraham, Managing Director of Cisco Malaysia; Professor Dr. Adeeba Kamarulzaman, President, Malaysian AIDS Council; YM Tengku Rozidar Tengku Zainal Abidin, Co-Founder and Executive Chairman, 1901 Hot Dog; and Datuk Yasmin Yusuff.



**12 May 2010**

**CFO Symposium (12/05/2010)**

Close to 100 CFOs attended the symposium, which was aimed at exploring the role transformation of CFOs. Speakers included YM Tengku Dato' Azmil Zahrudin Raja Abdul Aziz, Managing Director and CEO of Malaysia Airlines, Marc Seiler, Executive Director Finance & Control of Nestle (M) Bhd; Dr. Dominic Lau, Director of Applied Research Centre of Blue Ocean Strategy; Dr. Chen Sau Soon, Senior General Manager of SIRIM Malaysia; T. Jeyaratnam, Head Advisor, Investment Banking of KAF Investment Bank Berhad.



**20-21 May 2010**

**The 19th CAPA Board Meeting**

MIA Vice President, Christina Constance Foo, represented MIA at the 19th Confederation of Asian and Pacific Accountants (CAPA) Board Meeting in Wellington, New Zealand.



**17-18 June 2010**

**Tapping the Malaysian Bond Market Prince Hotel & Residence Kuala Lumpur**

This programme was conducted in partnership with Danajamin and Cagamas. The speakers were Lim Hou Hock Director (Finance, Danajamin Nasional Berhad), Angus Salim Amran (Vice President and Head, Treasury and Capital Markets, Cagamas Berhad) and trainer and consultant David Meow.

**28 June 2010**

**Winners of MIA PAIB Articles of Merit 2009 Honoured**

Winners of the Articles of Merit 2009 for Professional Accountants in Business (PAIB) were honoured in a prize giving ceremony on 28 June 2010 at MIA. Representing MIA President Abdul Rahim Abdul Hamid to officiate the event was Vice President, Christina Constance Foo.