

BACKGROUND NOTE ON ACTION PLANS

Action Plans are developed by IFAC members and associates to address policy matters identified through their responses to the IFAC Compliance Self-Assessment Questionnaire. They form part of a continuous process within the IFAC Member Body Compliance Program to support the ongoing development and improvement of the accountancy profession around the world.

Action Plans are prepared by members and associates for their own use based on the national frameworks, priorities, processes and challenges specific to each jurisdiction. As such, they will vary in their objectives, content and level of detail, consistent with their differing national environments and stages of development, and will be subject to periodic review and update.

Refer to responses to the Part 1 Assessment of the Regulatory and Standard-Setting Framework Questionnaire and Part 2 SMO Self-Assessment Questionnaire provide background information on each member and associate their environment and existing processes. These responses may be viewed at: http://www.ifac.org/ComplianceAssessment/published_surveys.php

Use of Information

Please refer to the Disclaimer published on the Compliance Program website.

ACTION PLAN

IFAC Member/Associate:	Malaysian Institute of Accountants (MIA)
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GLOSSARY

AASB	Audit and Assurance Standards Board
AOB	Audit Oversight Board of Malaysia
CARE	Chartered Accountant's Relevant Experience
CEO	Chief Executive Officer
CG	Corporate Governance
CPD	Continuous Professional Development
CPE	Continuous Professional Education
ESB	Ethics Standards Board
ETP	Economic Transformation Programme
EXCO	Executive Committee of the MIA
FRS	Financial Reporting Standards
FRSIC	Financial Reporting Standards Implementation Committee
GASAC	Government Accounting Standards Advisory Committee
I&D	Investigation and Discipline
IAASB	International Auditing and Assurance Standards Board
IASB	International Accounting Standards Board
IES	International Education Standards
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing
ISQC	International Standards on Quality Control
IT	Information Technology
MASB	Malaysian Accounting Standards Board
MIA	Malaysian Institute of Accountants
MICPA	Malaysian Institute of Certified Public Accountants
MoU	Memorandum of Understanding
PAIB	Professional Accountants in Business
PDC	Malaysian Institute Accountants Professional Development Centre
QA	Quality Assurance
RPG	Recommended Practice Guide
SC	Securities Commission of Malaysia
SMP	Small and Medium Practices

Note:

The Committee to Strengthen the Accountancy Profession in Malaysia (CSAP)

CSAP was established as part of the country action plan to address issues raised in the Report on the Observance of Standards and Codes in Accounting and Auditing (ROSC AA) released by the World Bank in 2012. In addition to addressing the issues raised in the report, the CSAP considers this as the opportune juncture to identify ways to further strengthen the accountancy profession in Malaysia and enhance the contribution of the accountancy profession in nation building, given the changing economic landscape and the need for Malaysia to remain competitive as a nation.

The CSAP members comprising senior representatives of key regulators and stakeholders of the accountancy profession as below:

1. Securities Commission (also Chair)
2. Ministry of Finance
3. Bank Negara Malaysia (Central Bank)
4. Companies Commission of Malaysia
5. Accountant General Department
6. Malaysian Institute of Accountants

CSAP has released a consultative document and invited public feedback on the proposed recommendations to enhance the accountancy profession in Malaysia. The aims of the recommendations are to enhance the contribution of the accountancy profession in nation building, to ensure the economy is supplied with the requisite number of professional accountants and to reset the governance of the accountancy profession to ensure its effectiveness. The due date for the public feedback is 31 January 2015.

The Committee will table the final proposal to the Government. After approval by the Government, the Accountants Act (1967) will be revised for approval by the Parliament.

Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: To ensure that the Institute’s Practice Review Program is in Line with the Requirements of SMO 1

Background:

MIA’s practice review program was first established in 2004 pursuant to the requirements of SMO 1 with its primary objective being able to assess the compliance by its member firms with all applicable professional standards and statutes during the performance of their audit work. In addition, MIA has adopted and published quality control standards requiring firms to implement a system of quality control in accordance with International Standard on Quality Control 1 (ISQC 1). The practice review process can be found in section 550 of the By-Laws (On Professional Ethics, Conduct and Practice) of MIA (Issued January 2010) [MIA By-Laws]. Member firms whose quality of audit work has been found to be unsatisfactory will be subject to a follow- up review at a later date. Based on the overall response and feedback from past reviews, the implementation of MIA’s practice review program can be considered as satisfactory. A revised practice review framework was introduced on 1 January 2014 which adopted a risk based approach for selection of member firms for review purposes. The relevant provisions under the MIA By-Laws on the practice review program were accordingly revised to reflect the changes made to the framework.

A separate statutory body, the Audit Oversight Board (AOB) commenced operations on 1 April 2010. The AOB was established to oversee the auditors of Public Interest Entities (PIEs) and provide independent audit oversight for PIEs and to ensure Malaysia’s regulatory framework for auditors is at par with international standards. The establishment of the AOB is provided for under the Securities Commission Act (1993), which was passed by Parliament in December 2009. Based on MIA’s discussions with the AOB, the AOB’s QA review system is in line with SMO 1.

With regards to compliance with ISQC 1, MIA encourages Small and Medium Practices (SMPs) to refer to the Guide to Quality Control for Small and Medium-Sized Practices (3rd Edition, August 2011) to assist in their implementation of ISQC 1. In addition, MIA in collaboration with Commerce Clearing House (M) Sdn Bhd has jointly published a quality control manual which is designed as a guide to member firms in setting up or reviewing the quality control system of their firms to be in compliance with ISQC 1. In February 2014, MIA published its latest edition of Practice Review Report 2009-2013 which comprised a summary of the common findings from completed reviews together with the recommendations for improvement as part of its effort to assist member firms to raise the overall quality of their audit work. Road shows and dialogues with practitioners were also held to raise the level of compliance with applicable professional standards and statutes (including ISQC 1) among SMPs. ISQC 1 courses were held to educate practitioners on its requirements.

Further to Action Point 2 below, follow-up reviews are currently in progress on Type 3 firms (i.e. firms found to be unsatisfactory). To date, a total of 125 Type 3 firms have been notified for review of which 6 firms were exempted from review while another 7 firms had requested for deferral of review. MIA has completed the follow-up review of 78 firms to date.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>To Increase the Resources Available to the Practice Review Programme</i>					
1.	July 2014	Recruiting 2 practice review managers to strengthen the pool of talents.	Ongoing	Head of Practice Review Department	Funded from internal resources.
2.	September 2014	To date 125 member firms have been notified for follow up review. These firms have been classified as Type 3 during their first reviews.	Ongoing	Head of the Practice Review Department	Staff in the Practice Review Department
<i>To Enhance Awareness of the Practice Review Program and its Findings</i>					
3.	February 2014	Practice Review Report 2009-2013 on common findings were disseminated to member firms via post and e-mails and hosted on MIA's website.	February 2014 (Completed)	Head of Practice Review Department	Staff in the Practice Review Department
4.	Ongoing	Conduct regular seminars on audit quality enhancement as part of the audit enhancement program for member firms.	Ongoing	Head of the Practice Review Department	Head and manager in the Practice Review Department
<i>To Enhance the Practice Review Program</i>					
5.	Ongoing	Ongoing review of and improvement to the practice review program to ensure it is effective and adds value to member firms. Practice Review is primarily a regulatory function discharged by MIA in its capacity as the sole regulatory body for the accountancy profession in Malaysia. During the course of this regulatory exercise, MIA will also provide guidance to the practitioners on maintaining and improving their compliance with professional standards.	Ongoing	Head of the Practice Review Department jointly with the Practice Review Committee	Staff in the Practice Review Department

#	Start Date	Actions	Completion Date	Responsibility	Resource
6.	January 2012	In 2012, MIA initiated a revision to the practice review framework. The random approach was revised to the risk based approach. A risk profile questionnaire is sent to audit firms to gather relevant information about the risk factors of each firm. In addition, the MIA By-Laws pertaining to the practice review program has since been revised accordingly.	January 2014 (Completed)	Head of the Practice Review Department jointly with the Practice Review Committee	Staff in the Practice Review Department
<i>Maintaining Ongoing Processes</i>					
7.	Ongoing	Review the practice review program on a periodic basis to ensure that the program is operating effectively and continues to be in line with SMO 1 requirements.	Ongoing	Head of the Practice Review Department jointly with the Practice Review Committee	Staff in the Practice Review Department

Action Plan Subject: SMO 2–International Education Standards for Professional Accountants and Other Pronouncements issued by the IAESB
Action Plan Objective: To Develop and Implement the Competency Assessment Framework

Background:

Currently the routes to MIA's membership are as follows:

Pathways	Criteria	Notes
Part I of the First Schedule the Accountants Act 1967 (Act)	Passed final examinations of an accredited university and complete 3 years practical experience	Ref. Note (a)
Part II of the First Schedule to the Act	Fully qualified members of the following recognized professional bodies: <ul style="list-style-type: none"> • Malaysian Institute of Certified Public Accountants • Institute of Chartered Accountants of Scotland • Institute of Chartered Accountants In England & Wales • Institute of Chartered Accountants in Ireland • Association of Chartered Certified Accountants (United Kingdom) • Institute of Chartered Accountants in Australia • CPA Australia • New Zealand Institute of Chartered Accountants • Canadian Institute of Chartered Accountants • Institute of Chartered Accountants of India • Chartered Institute of Management Accountants (United Kingdom) 	Ref. Note (b)
MIA Qualifying Examination	Passed the MIA Qualification Examinations and complete 3 years practical experience	Ref. Note (c)

Notes:

a) Admission of members via Part I of the First Schedule to the Act

MIA has in place an accreditation process to ensure that the accredited accounting degree program (i.e. the curriculum and syllabus) offered by the recognized Institutes of Higher Learning (IHLs) continue to meet and comply with the required standards of quality as follows:

- Recommendation as per the IES issued by IFAC and
- The requirements as determined by the “Hala Tuju” Report (Assessment Report on Accounting Program at Public Universities of Malaysia) issued by the Ministry of Education (MOE).

The Accreditation process are detailed below:

The review exercise was conducted by Task Force members. They are nominated by MIA who are mainly stakeholders from the academic sector, practitioners and/or PAIB. Based on the framework developed by the MIA and referring to the “Hala Tuju” Report, the Task Force will assess the IHLs and

report to the Education Committee of MIA on the six key components as listed below. The Task Force will ascertain and provide findings on the Accounting Programmes offered by Public Institutions of Higher Learning in Malaysia if the required standards are maintained.

Components

- A Academic Curriculum and Examination
- B Students Admission and Development
- C Academic staff
- D Facilities
- E Quality Management Systems
- F Professional Assessment

The Committee had outlined three categories as the outcomes of the review exercise and the details are as follows:

No	Criteria	Outcomes
1	<ul style="list-style-type: none"> • At least 75% of total overall score; and • At least 60% for each component 	Compliance
2	<ul style="list-style-type: none"> • Between 50%-74% of total overall score; and • Between 50%-59% for academic curriculum and professional assessment components 	<ul style="list-style-type: none"> • Conditional Compliance – subject to a number of conditions to be rectified; and • Specified period (6 months – 1 year) will be given to rectify the areas highlighted for improvements.
3	Below 50% of total overall score	Non-compliance – accreditation declined/withdrawn.

b) Recognized Professional Bodies under Part II of the First Schedule to the Act

Candidates from professional bodies listed under Part II of the First Schedule to the Act would only be eligible for MIA membership if they comply and complete all requirements as fully qualified members of the these respective organizations.

Currently, candidates from this route are not subjected to any assessment prior to admitting them as MIA members. However, going forward the intent would require all candidates under this part to complete qualifying examinations on the local taxation and law before admission (except for candidates who have taken Malaysian variant papers of local taxation and law)

c) MIA Qualifying Examination (MQE)

Provision was made in the Act for MIA to consider candidates who are not eligible under the Part I or Part II of the First Schedule to the Act to attempt the MQE provided they fulfil the following requirements:

- Holders of a degree qualification relating to accounting, business and finance (subject content must be > 60% of the total qualification) recognized by the Public Services Department of Government or other qualifications approved by MIA Council.
- The qualification will be assessed by the Examination Committee to ensure the degree meets the required criteria.

Approved candidates must complete the MQE on following 4 subjects:-

- Business and Company Law
- Auditing and Assurance Services
- Taxation
- Advanced Financial Accounting and Reporting

Upon passing the MQE and completion of the CARE program (detailed below), candidates may apply for membership with MIA.

MIA Chartered Accountant's Relevant Experience (CARE)

CARE is a structured assessment program which is based on the mentor – mentee approach that monitors the practical experience of the mentees. Candidates from the Part I of the First Schedule to the Act and those who have completed the MQE would be required to fulfill the requirement of CARE for a minimum of 36 months. The program sets out a range of competencies that need to be attained before applying for MIA membership as a Chartered Accountant.

The CARE program supports IFAC's IES 5, Practical Experience Requirements. Hence, CARE is being reviewed for improvement and alignment to the program to meet the requirements as recommended in the revised IES 5.

The implementation of CARE is intended to ensure the practical experience gained by the mentees would allow them to demonstrate the competency in professional knowledge, skills, values, ethics and attitudes required for performing their work with professional competence and continue to grow throughout their careers.

Continuing Professional Education (CPE)

Section 410 of the MIA By-Laws on CPE promotes compliance with IES 7, whereby all members of MIA must undertake 60 CPE credit hours of structured and verifiable learning and 60 CPE credit hours of unstructured learning for each CPE cycle regardless of the category of membership or nature of their practice.

For more information regarding educational standards, please visit the MIA website (www.mia.org.my) or email mia@mia.org.my.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>To Revise the Competency Assessment Framework</i>					
8.	February 2015	Reviewing the framework on membership admission to be aligned to the proposal of CSAP report recommendations.	Based on approval of Accountants Act's revision	MOF/MIA/CSAP	MIA Education Committee, Working Group and staff in the Education Department

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
9.	Jan 2013	Review of 11 accountancy degree programs which are currently listed under Part I of the First Schedule to the Act. The review was carried out to certify that the accredited accounting degree programs continue to meet and comply with the required standards determined by MIA.	March 2014 (Completed)	Head of Education Department	Education Department, Universities, Ministry of Higher Education
	Apr 2014	Review two other accountancy degree programs (newly accredited IHLs) conducted based on the same criteria.	April 2015		
10.	Ongoing	CARE – Chartered Accountants Relevant Experience (Awareness) <ul style="list-style-type: none"> 8 awareness sessions in universities 	Sept 2014 - June 2015	Head of the Education Department	Manager in-charge for CARE, Information Technology (IT) Department and Membership Department. Close relationship with universities, MIA members for mentors
11.	Ongoing	CARE – Chartered Accountants Relevant Experience (CARE Mentoring) <ul style="list-style-type: none"> 10 sessions of CARE Mentoring 	Sept 2014 - June 2015	Head of the Education Department	Manager in-charge for CARE, Information Technology (IT) Department and Membership Department. Close relationship with universities, MIA members for mentors

#	Start Date	Actions	Completion Date	Responsibility	Resource
12.	July 2012	Upgrade CARE – Chartered Accountants Relevant Experience online system and related manual.	Dec 2014 (Completed)	Head of the Education Department and Head of Membership Department with a support from Head of IT Department	Manager in-charge for CARE, Information Technology (IT) Department and Membership Department. Close relationship with universities, MIA members for mentors
<i>Promotion of Lifelong Learning</i>					
13.	Ongoing	Produce various technical and non-technical CPE programs relevant to the accountancy profession in the form of Seminars, Workshops, Forums and Conferences. Regularly communicate with members about the CPE requirements and the CPE courses via the website, email campaigns, journals and other publications such as brochures.	Ongoing	Head of the MIA Professional Development Centre	Staff in the MIA Professional Development Centre, External Subject Matter Experts
<i>Access to Continuous Professional Development (CPD)</i>					
14.	Ongoing	Facilitate access to CPD opportunities and resources for professional accountants by organizing CPE programs throughout the country and offering E-Learning modules.	Ongoing	Head of the MIA Professional Development Centre	Staff in the MIA Professional Development Centre & Branches, E-learning vendor, IT Department

Action Plan Subject: SMO 3–International Standards and other Pronouncements Issued by the IAASB
Action Plan Objective: Continue to Support Ongoing Adoption and Implementation of IAASB Pronouncements

Background:					
<p>The Auditing and Assurance Standards Board (AASB) is a functionally independent standard-setting body designated by, and operating under the auspices of the MIA Council. Standards and technical pronouncement issued by the IAASB are reviewed by the AASB through its rigorous process on standard-setting. Information about AASB and its activities is published on the MIA website (www.mia.org.my).</p> <p>MIA adopts standards issued by the IAASB as Malaysian Approved Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements. The IAASB standards are adopted as drafted with minimal amendments to cater for laws and regulations in Malaysia in line with the modifications policy. Any modifications are highlighted in the foreword of the respective standards and technical pronouncements.</p> <p>The adoption of all ISAs under the Clarity Project was completed in April 2009. In Malaysia, the clarified ISAs are effective for audits of financial statements for periods beginning on or after January 1, 2010 and ISQC 1 is effective by January 1, 2010.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promulgating Adoption and Implementation of IAASB Pronouncements</i>					
15.	Ongoing	Continuously disseminate information to members on pronouncements issued by IAASB through MIA's <ul style="list-style-type: none"> • Website; and • Circulars. 	Ongoing	AASB, Head of the Professional Standards and Practices Department	Technical staff of Professional Standards and Practices (Auditing and Assurance – A&A)
16.	Ongoing	Review exposure drafts and other consultative documents issued by IAASB and submit comments thereon.	Ongoing	AASB, Head of the Professional Standards and Practices Department	Members of AASB with the assistance of technical staff of Professional Standards and Practices (A&A)
17.	Ongoing	Review AASB work program and update as appropriate on a periodic basis to be line with the IAASB work program, support convergence with IAASB's pronouncements and other activities where necessary.	Ongoing	AASB, Head of the Professional Standards and Practices Department	Members of AASB with the assistance of technical staff of Professional Standards & Practices (A&A)

#	Start Date	Actions	Completion Date	Responsibility	Resource
18.	Ongoing	Offer technical assistance to members by responding to technical enquiries from members.	Ongoing	Head of the Professional Standards and Practices Department	Technical staff of Professional Standards and Practices (A&A)
<i>Implementation Guidance</i>					
19.	Ongoing	Consider the need for implementation guidance and disseminating guidance in implementing the requirements of the pronouncements issued by IAASB through Recommended Practice Guides (RPG).	Ongoing	AASB, Head of the Professional Standards and Practices Department	Technical staff of Professional Standards and Practices (A&A)
20.	Ongoing	Develop templates for members' reference on a regular basis. The templates are placed in the Auditing and Assurance – Knowledge Base website.	Ongoing	Head of the Professional Standards and Practices Department	Technical staff of Professional Standards and Practices (A&A)
21.	Ongoing	Develop Staff Alert with the purpose to assist auditors in understanding practical-related issue surrounding their work.	Ongoing	Head of the Professional Standards and Practices Department	Technical staff of Professional Standards and Practices (A&A)
<i>Education and Training</i>					
22.	Ongoing	Organize courses focusing on the implementation of assurance and related services standards to enhance members' knowledge as part of MIA's CPE programs.	Ongoing	Head of the Professional Standards and Practices Department	Technical staff of Professional Standards and Practices (A&A) and Professional Development Department.

#	Start Date	Actions	Completion Date	Responsibility	Resource
23.	Ongoing	Organize regular member engagement sessions and seminars to keep members updated on matters relating to the accountancy profession.	Ongoing	Head of the Professional Standards and Practices Department	Staff of Professional Standards and Practices (Public Practice) and technical staff of Professional Standards and Practices (A&A).
24.	Ongoing	Organize technical group discussions on topical issues within the profession with the objective of understanding the industry's experience, identifying areas where further guidance is required and proposing actions.	Ongoing	Head of the Professional Standards and Practices Department	Members of AASB, staff of Professional Standards and Practices (Public Practice) and technical staff of the Professional Standards and Practices (A&A).
25.	Ongoing	Issue publications relevant to audit and assurance which are disseminated to members and relevant stakeholders. The aim of the publications is to improve awareness of the development in the auditing profession.	Ongoing	Head of the Professional Standards and Practices Department	Technical staff of Professional Standards and Practices (A&A).
26.	Ongoing	Maintain dialogue with local regulators and government ministries on auditor's role and responsibilities to reduce expectation gap.	Ongoing	AASB, Head of the Professional Standards and Practices Department	Members of AASB with the assistance of technical staff of the Professional Standards and Practices (A&A).
<i>Review of MIA's Compliance Information</i>					
27.	Ongoing	Perform periodic review of MIA's response to the IFAC Compliance Self-Assessment questionnaire and update sections relevant to SMO 3 as necessary. Once updated, the IFAC Compliance staff will be informed immediately to facilitate the publication of the updated information.	Ongoing	Head of the Professional Standards and Practices Department	Technical staff of Professional Standards and Practices (A&A)

Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants
Action Plan Objective: To Maintain Alignment with the IESBA Code of Ethics and Promote MIA’s Ethical Requirements to Members

Background:

The Ethics Standards Board (ESB) is a standard setting body designated by, and operating independently under the auspices of the MIA Council to promote adherence to high quality professional and ethical standards; and convergence with international standards. Information about ESB and its activities is published on the MIA website (www.mia.org.my).

The ESB adopted the IESBA Code of Ethics with some deletions and additions made to ensure consistency with the Malaysian regulatory or legislative framework and suit the Malaysian professional environment. The ESB continues to monitor the implementation of MIA’s By-Laws (Part I) by reviewing and commenting the IESBA’s exposure drafts on proposed changes to the IESBA Code of Ethics, as well as creating dialogue with members to discuss the issues of the application of MIA’s By-Laws (Part I). MIA By-Laws (Part I) is updated following the revisions to the IESBA Code with some modifications. Modifications made to the IESBA Code were done to suit the local environment and gone through the approved due process.

In 2014, ESB submitted its comments on the following exposure draft:

- Proposed Changes to Certain Provisions of the Code Addressing Non-Assurance Services for Audit Clients

ESB adopted the following ethics standards with some modifications:

- Those Charged With Governance

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adoption and Implementation</i>					
28.	Ongoing	Adopt the latest IESBA Code of Ethics with some modifications to ensure consistency with the local regulatory framework and suit the local professional environment. <ul style="list-style-type: none"> • Those Charged With Governance 	Ongoing May 2014 (Completed.)	Senior Manager, Ethics Unit, Professional Standards and Practices Department	Senior Manager and technical staff, Ethics Unit, Professional Standards and Practices Department

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
29.	Ongoing	<p>Continue to educate members and create awareness of the requirements of the MIA By-Laws through engagement with the members.</p> <p>Conducted the ESB outreach in Kuala Lumpur and Penang entitled "Ethical Challenges in Today's World".</p>	<p>April 2014, June 2014. (Completed)</p>	<p>Senior Manager, Ethics Unit, Professional Standards and Practices Department</p>	<p>Ethics Standards Board, Senior Manager and technical staff, Ethics Unit, Professional Standards and Practices Department</p>
30.	Ongoing	<p>Continue to educate members and create awareness of the requirements of the MIA By-Laws through engagement with the members.</p> <ul style="list-style-type: none"> Conducted Public Practice Program. 	<p>Ongoing</p> <p>November 2013, December 2013, May 2014, August 2014, September 2014, November 2014 (Completed)</p>	<p>Head of Professional Development Department</p>	<p>External speakers and Head of the Professional Standards and Practices</p>

#	Start Date	Actions	Completion Date	Responsibility	Resource
31.	May 2014	<p>Engage and solicit views and comments from stakeholders on the matters relating to the MIA By-Laws or the IESBA Code of Ethics.</p> <ul style="list-style-type: none"> Conducted a Roundtable with regulators in May 2014 with the objective of soliciting views and comments from the regulators on the topic "Non-compliance with Laws and Regulations". 	May 2014 (Completed.)	Senior Manager, Ethics Unit, Professional Standards and Practices Department	Ethics Standards Board and Senior Manager, and technical staff, Ethics Unit, Professional Standards and Practices Department
32.	Ongoing	Disseminate information to members on pronouncements issued by IESBA through the MIA's website, circulars and technical news bulletin.	Ongoing	Senior Manager, Ethics Unit, Professional Standards and Practices Department	Senior Manager and technical staff, Ethics Unit, Professional Standards and Practices Department
33.	Ongoing	Offer technical assistance to members by responding to members' technical enquiries.	Ongoing	Senior Manager, Ethics Unit, Professional Standards and Practices Department	Senior Manager and technical staff, Ethics Unit, Professional Standards and Practices Department
34.	Ongoing	Educate members on the requirements of the MIA By-Laws through e-learning.	Ongoing	Head of Professional Development Department	Staff of Professional Development

#	Start Date	Actions	Completion Date	Responsibility	Resource
35.	Ongoing	Review exposure drafts and other consultative documents issued by IESBA and submit comments thereon.	Ongoing	Senior Manager, Ethics Unit, Professional Standards and Practices Department	Ethics Standards Board and Senior Manager , Ethics Unit, Professional Standards and Practices Department
	May 2014	<ul style="list-style-type: none"> ESB reviewed and commented the IESBA's exposure draft on "Proposed Changes to Certain Provisions of the Code Addressing Non-Assurance Services for Audit Client". 	July 2014 (Completed)		
	October 2014	<ul style="list-style-type: none"> ESB reviewed and commented the IESBA's exposure draft on "Proposed Changes to Certain Provisions of the Code Addressing the Long Association of Personnel with an Audit or Assurance Client". 	(Completed)		
<i>Review of MIA's Compliance Information</i>					
36.	Ongoing	Perform periodic review of MIA's response to the IFAC Compliance Self-Assessment questionnaire and update sections relevant to SMO 4 as necessary. Once updated, the IFAC Compliance staff will be informed immediately to facilitate the publication of updated information.	Ongoing	Senior Manager, Ethics Unit, Professional Standards and Practices Department	Technical staff of the Professional Standards and Practices Department (Ethics)

Action Plan Subject: SMO 5—International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Continue to Use its Best Endeavors to Assist in the Implementation of IPSASs

Background:

The Accountant General's Department, which is entrusted with the accounting functions of both Federal and State governments in Malaysia, endeavors to comply with the requirement of IPSASs where possible. Whenever MIA receives any updates on IPSAS Guidelines, the information is communicated to the Accountant General's Department.

Whilst the Federal Government at present is in full compliance with cash-basis IPSAS, it intends to adopt full accrual accounting using accounting policies which are consistent in all material aspects with accrual-basis IPSAS, by January 2016. The implementation of full accrual accounting forms part of the Federal Government's policy measure in its public sector transformation initiatives of the New Economic Model. Accrual-based accounting using accounting policies which are identical to those to be adopted by the Federal Government will also be extended to all State Governments, local authorities, as well as statutory bodies.

Government Accounting Standards Advisory Committee ("GASAC") is a committee established under the Accountant General's Department to develop Malaysian Public Sector Accounting Standards (MPSAS). MPSAS have been adapted from IPSAS. MPSAS are endorsed by GASAC and approved by the Accrual Accounting Steering Committee (AASC). MIA's Senior Manager of Professional Standards and Practices Department has been appointed as a member of GASAC.

Datuk Wan Selamah Wan Sulaiman was appointed as an IPSASB member in January 2013, being nominated by MIA. Her term of appointment is from 2013 to 2015. She had retired as the Accountant General of Malaysia in December 2014.

MIA has also established Public Sector Accounting Committee (PSAC). In general, the terms of reference of the Committee are as follows:

- To review exposure drafts and other consultative documents issued by the International Public Sector Accounting Standards Board (IPSASB) and to submit comments thereon.
- To provide inputs on certain current projects to support Datuk Wan Selamah as an IPSASB member.
- To contribute (by sharing experience and expertise) towards the implementation of accrual accounting in public sector in Malaysia.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>To Provide Input to the Standard-Setting Process</i>					
37.	Ongoing	Involvement in the process of setting MPSAS through participation in GASAC.	Ongoing	Head of the Professional Standards and Practices Division	Technical staff of the Professional Standards and Practices (Public Sector)
38.	Ongoing	Review exposure drafts issued by GASAC and submit comments thereon.	Ongoing	Head of the Professional Standards and Practices Division	Technical staff of the Professional Standards and Practices (Public Sector)
39.	January 2013	Provide technical support to Datuk Wan Selamah as an IPSASB member.	December 2015	Head of the Professional Standards and Practices Division	Technical staff of the Professional Standards and Practices (Public Sector)
40.	Ongoing	Review exposure drafts issued by IPSASB and submit comments thereon.	Ongoing	Public Sector Accounting Committee and Head of the Professional Standards and Practices Division	Member of Public Sector Accounting Committee and technical staff of the Professional Standards and Practices (Public Sector)
<i>To Assist in Implementation of Accrual-based Accounting</i>					
41.	Ongoing	Regular engagement with the Accountant General's Office to provide support to migrate to accrual-based accounting through capacity building initiatives.	Ongoing	Heads of the Professional Standards and Practices Division	Technical staff of the Professional Standards and Practices (Public Sector)

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Education & Training</i>					
42.	Ongoing	Continuous professional developments initiatives on accrual accounting by organizing/speaking at accounting related training courses and roundtables.	Ongoing	Heads of the Professional Standards and Practices Division and Professional Development Department	Technical staff of the Professional Standards and Practices (Public Sector) and staff of Professional Development
<i>Review of MIA's Compliance Information</i>					
43.	Ongoing	Perform periodic review of MIA's response to the IFAC Compliance Self-Assessment questionnaire and update sections relevant to SMO 5 as necessary. Once updated, the IFAC Compliance staff will be informed immediately to facilitate the publication of the updated information.	Ongoing	Head of the Professional Standards and Practices Division	Technical staff of the Professional Standards and Practices (Public Sector)

Action Plan Subject: SMO 6–Investigation and Discipline
Action Plan Objective: To Enhance the Regulatory Function of the Institute

Background:

MIA via its investigation function considers and investigates formal complaints against members and cases of unprofessional conduct which are brought to the knowledge of the Investigation Committee and to refer any matter to the Disciplinary Committee, where appropriate, upon investigations. All cases referred by the Investigation Committee and those coming directly to the Disciplinary Committee are handled under this function of MIA. Disciplinary proceedings are carried out and decisions are made in accordance with the Malaysian Institute of Accountants (Disciplinary) Rules 2002 where it is found that a complaint has been proven against a member.

One of the principal strategic objectives for 2013-2014 and forth remains to clear the backlog of cases. In addition, new and revised standard operating procedures have been implemented to increase efficiency and effectiveness of the investigation and disciplinary processes. Towards this end, MIA continued to strengthen manpower through the recruitment of legally trained staff and those with accounting and auditing expertise. In October 2013, amidst the challenges posed by the tight employment market, MIA successfully recruited a director with many years of accounting & auditing experience to head the surveillance and enforcement division. At the same time, a manager with legal experience was also employed to handle disciplinary matters. In February and March 2014, an accounting manager and an assistant accounting manager were employed to further ease work load.

Between July 2013 and June 2014, 45 new complaints were lodged with the Registrar of MIA. At the 8 investigative meetings held during the financial year, the Investigation Committee dismissed 20 complaints, referred 39 complaints to the Disciplinary Committee while another 20 complaints are still under its deliberation.

Out of the new complaints lodged during the financial year, 11 of them were referrals (new referrals) from other regulators as well as internal departments of the MIA, i.e. the Practice Review Department and Financial Statements Review Department. Of the 16 referrals mentioned in this report last year, 6 complaints were dismissed by the Investigation Committee while 2 complaints have been referred to the Disciplinary Committee. 5 complaints are now before the Investigation Committee while 3 are pending the preparation of facts for deliberation at the investigating officer stage.

The system for investigation and discipline is mostly in line with SMO6 and MIA is currently looking into improvements on certain areas. For additional information regarding the Investigation and Discipline mechanisms of MIA please visit the website (www.mia.org.my).

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>To Review and Enhance the Investigation and Discipline Function and Process</i>					
44.	April 2015	CSAP to meet to discuss feedback on the CSAP report which was drawn up to formulate measures to strengthen the governance and enforcement framework of the profession in Malaysia.	Based on approval of Accountants Act's revision	MOF/MIA/ CSAP	MIA Management
45.	Oct 2013	Recruit 1 Manager with accounting and audit experience to help conduct the investigations. Recruitment of Manager occurred in April 2013. However, the position was again vacant with the recruit's resignation on 25 September 2013. The vacancy was subsequently filled in Feb 2014.	Feb 2014 (Completed)	Head of S&E	Human Resource Department and Enforcement Department
46.	April 2014	Recruited 1 Assistant Manager with accounting and audit experience to strengthen work force in March 2014.	March 2014 (Completed)	Head of S&E	Human Resource Department and Enforcement Department
47.	Feb 2014	Implemented control sheets, walk in complaint forms, investigation checklists, and conflict of interest declaration.	June 2014 (Completed)	Head of Investigation Unit Manager- Accounting	Manager- Accounting
48.	Feb 2015	To recruit an additional 1 manager with accounting and audit experience to help conduct investigations.	July/Aug 2015	Head of S&E	Human Resource Department and Enforcement Department
49.	Jan 2014	Developed and implemented a standard operating procedure for recovery of cost and fines imposed by the Disciplinary Committee and Disciplinary Appeal Board.	Feb 2014 (Completed)	Manager – Legal (DC & DAB)	Manager – Legal (DC & DAB)

#	Start Date	Actions	Completion Date	Responsibility	Resource
50.	Dec 2013/March 2014	Training on investigation procedures and rules and regulation to familiarize new council members and new investigating officers on their job.	Dec 2013 March 2014 (Completed)	Head of S&E Unit	Manager – Legal (IC and DC)
51.	Dec 2014	Training on investigation procedures and rules and regulation to familiarize new council members and new investigating officers on their job.	Dec 2014 (Completed)	Head of S&E Unit	Manager – Legal (IC and DC)
52.	Feb 2014	Changes to the Act, Disciplinary Rules and MIA By-Laws to increase MIA's regulatory powers and to improve efficiency of the regulatory processes.	Ongoing discussions. To be completed upon the recommendations from CSAP	Head of S&E Unit CEO	Staff in the Enforcement Department
<i>To Clear the Cases Currently Being Investigated by the Investigation Committee</i>					
53.	July 2013	<p>At the end of February 2015, of the 16 referrals which stood pending at August 2013, 10 have been disposed of by the Investigation Committee while 4 are being deliberated by the Investigating Committee. 2 are still undergoing investigations at the investigating officer stage i.e. pending the preparation of facts for deliberation.</p> <p>As at February 2015, of the 11 referrals processed during the last financial year (2013/14), 1 has been disposed of by the Investigation Committee, 3 are being deliberated by the Investigation Committee, 1 is still undergoing investigation at the investigating officer stage and 6 are awaiting evidence to substantiate the complaints.</p>	Complete investigation : Old referrals – June 2015 New (2013/2014) referrals- June 2015	Head of S&E	Staff in the Enforcement Department

Action Plan Subject: SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: To Play an Active Role in the Standard-Setting Process

Background:

The Malaysian Accounting Standards Board (MASB), an external body to MIA, is responsible to set the financial reporting standards for the entities registered with the Companies Commission of Malaysia. Effective from 1 January 2012, MFRS is fully converged with IFRS. Apart from the names of the various standards, the MFRSs are identical to the IFRSs. MFRSs are applicable to all entities other than private entities while FRSS are applicable to Transitioning Entities (i.e. entities within the scope of MFRS 141 “Agriculture” and/or IC Interpretation 15 “Agreements for the Construction of Real Estate”, including the parent, significant investor and venture of such Transitioning Entities). The Transitioning Entities are required to comply with MFRSs for annual periods beginning on or after 1 January 2017. For more information please refer to MASB website at: <http://www.masb.org.my>

In 2007, the Financial Reporting Standards Implementation Committee (FRSIC) was established to provide guidance on implementation issues related to financial reporting standards. For details of the consensus issued by FRSIC, please visit <http://www.frsic.my>

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>To Provide Input to the Standard-Setting Process by MASB</i>					
54.	Ongoing	Review exposure drafts and other consultative documents issued by MASB and IASB and submit comments thereon.	Ongoing	Head of the Professional Standards and Practices Department	Technical staff in the Professional Standards and Practices (Accounting)
55.	Ongoing	Involved in the standard-setting processes of MASB through participation in Working Groups and Task Forces.	Ongoing	Head of the Professional Standards and Practices Department	Technical staff in the Professional Standards and Practices (Accounting)

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>To Assist in Implementation of Financial Reporting Standards</i>					
56.	Ongoing	Provide implementation guidance on application of MFRS and financial reporting requirements set out by the regulators and stock exchange.	Ongoing	Head of the Professional Standards and Practices Department	Technical staff in the Professional Standards and Practices (Accounting)
57.	Ongoing	Continuously disseminating information to members on pronouncements issued by MASB and MIA through MIA's website and circulars.	Ongoing	Head of the Professional Standards and Practices Department	Technical staff in the Professional Standards and Practices (Accounting)
58.	Ongoing	Offer technical assistance to members by responding to technical enquiries from members.	Ongoing	Head of the Professional Standards and Practices Department	Technical staff in the Professional Standards and Practices (Accounting)
<i>Education and Training</i>					
59.	Ongoing	Issue technical publications to provide synopsis of new financial reporting standards, including brief discussions on the potential issues and challenges arising from the adoption of these new accounting standards.	Ongoing	Head of the Professional Standards and Practices Department	Technical staff in the Professional Standards and Practices (Accounting)

#	Start Date	Actions	Completion Date	Responsibility	Resource
60.	Ongoing	Continuous professional developments initiatives on financial reporting standards by organizing accounting related training courses and roundtables.	Ongoing	Heads of the Professional Standards and Practices Department and Professional Development Department	Technical staff of the Professional Standards and Practices (Accounting) and Professional Development Department
<i>Review of MIA's Compliance Information</i>					
61.	Ongoing	Perform periodic review of MIA's response to the IFAC Compliance Self-Assessment questionnaire and update sections relevant to SMO 7 as necessary. Once update, the IFAC Compliance staff will be informed immediately to facilitate the publication of the updated information.	Ongoing	Head of the Professional Standards and Practices Department	Professional Standards and Practices (Accounting)