



The Institute of
Internal Auditors
Malaysia

ANNUAL REPORT | **2025**

**Garnering Trust,
Guarding Integrity**



ANNUAL REPORT 2025



CONTENTS

| | |
|---|----|
| VISION, MISSION & OBJECTIVES | 02 |
| NOTICE OF ANNUAL GENERAL MEETING | 04 |
| PROFILE OF THE BOARD OF GOVERNORS 2025/2026 | 06 |
| MEETINGS AND ATTENDANCES | 14 |
| THE SECRETARIAT | 16 |
| PRESIDENT'S REPORT 2025/2026 | 17 |
| EXECUTIVE DIRECTOR'S REPORT 2025/2026 | 19 |
| CORPORATE GOVERNANCE STATEMENT | 20 |
| STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL | 25 |
| SUSTAINABILITY REPORT | 28 |
| AUDIT AND RISK MANAGEMENT COMMITTEE REPORT | 37 |
| REPORT ON MAIN COMMITTEES | 41 |
| HIGHLIGHTS OF INSTITUTE EVENTS AND ACTIVITIES | 59 |
| PAST PRESIDENTS, HONORARY & FELLOW MEMBERS | 74 |
| GOVERNORS' REPORT | 76 |
| STATEMENT BY GOVERNORS | 79 |
| STATUTORY DECLARATION | 79 |
| INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA | 80 |
| STATEMENT OF FINANCIAL POSITION | 82 |
| STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | 83 |
| STATEMENT OF CHANGES IN EQUITY | 84 |
| STATEMENT OF CASH FLOWS | 85 |
| NOTES TO THE FINANCIAL STATEMENTS | 86 |



Vision

Internal Audit professionals will be recognised as indispensable to effective governance, risk management and control.



Mission

To provide dynamic leadership for the global profession of internal auditing. Activities in support of this mission will include but will not be limited to:

- Advocating and promoting the value that internal audit professionals add to their organisations.
- Providing comprehensive professional educational and development opportunities, standards and other professional practice guidance, and certification programmes.
- Researching, disseminating, and promoting knowledge concerning internal auditing and its appropriate role in control, risk management, and governance to practitioners and stakeholders.
- Educating practitioners and other relevant audiences on best practices in internal auditing.
- Bringing together internal auditors to share information and experiences.




Objectives

- To be the recognised voice for the internal audit profession.
- To develop and sustain the internal audit profession in Malaysia through appropriate infrastructure, coordination, support and communication.
- To provide exceptional service to IIA Malaysia's members.

Values

 COLLABORATION


 COURAGE

 UNITY IN DIVERSITY


 NATIONAL AND REGIONAL MINDSET

 INNOVATION

 INTEGRITY

 SERVICE EXCELLENCE

 RESPECT

 PROFESSIONALISM





NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty-First (31st) Annual General Meeting (“AGM”) of The Institute of Internal Auditors Malaysia will be held at Pullman 1, Pullman Kuala Lumpur City Centre Hotel & Residences Jalan Conlay, 50450 Kuala Lumpur on **Saturday, 13 June 2026 at 10.00 a.m.** and virtually via electronic means through Vistra Share Registry and IPO (MY) portal (“the Vistra SRMY Portal”) at <https://srmy.vistra.com> to transact the following businesses:-

ORDINARY BUSINESS:-

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 of the Institute together with the Governors’ and Auditors’ Report thereon.
2. To elect members to the Board of Governors:-
 - a. The Governors who retire and are eligible for re-election pursuant to Clause 34 of the Institute’s Constitution:-
 - Afeiz bin Abdul Razak;
 - Aion binti Mahat;
 - Kho Chai Huat; and
 - Suhailah binti Mohamed Abdulla.

Afeiz bin Abdul Razak, Aion binti Mahat, Kho Chai Huat and Suhailah binti Mohamed Abdulla have offered themselves for re-election.
 - b. Elect new members to the Board of Governors for the year 2026/2027 subject to the approval of the Registrar of Companies.
3. To re-appoint UHY Malaysia PLT as Auditors of the Institute and to authorise the Board of Governors to fix their remuneration.
4. To transact any other business for which due notice has been given in accordance with the Companies Act 2016 and the Institute’s Constitution.

By Order of the Board

THAM YIN TONG (MAICSA 7049718)
(SSM PC NO. 202008001314)
FONG SEAH LIH (MAICSA 7062297)
(SSM PC NO. 202008000973)

Company Secretaries

Kuala Lumpur

22 May 2026



NOTES:-

1. The 31st Annual General Meeting (“AGM”) will be held in a hybrid format in accordance with the Clause 3(b) of the Company’s Constitution. This format allows Fellow Members and Professional Members of the Institute, Associate Members, Audit Committee Members, Honorary Members, Student Members and Nominees of Corporate Members to attend either in person or virtually.

For further details, please refer to the Administrative Guide for complete instructions on how to attend the 31st AGM.

2. Only Fellow Members and Professional Members of the Institute are entitled to vote at the Annual General Meeting. Associate Members, Audit Committee Members, Honorary Members, Student Members and Nominees of Corporate Members may attend the meeting but shall not have voting rights.
3. Any member/members wishing to bring before the Annual General Meeting of the Institute any business other than the ordinary shall give notice in writing thereof in accordance with Section 323 of the Companies Act 2016.
4. For physical attendance, please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - i. Identity card (NRIC) (Malaysian), or
 - ii. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - iii. Passport (Foreigner).

For virtual attendance, please refer to the Administrative Guide for complete instructions on how to attend the 31st AGM

Explanatory Notes on Ordinary Business

Audited Financial Statements for the financial year ended 31 December 2025

The Audited Financial Statements in Agenda 1 is meant for discussion only as the approval of the members is not required pursuant to the provisions of Sections 248(2) and 340(1) of the Companies Act 2016. Hence, this Agenda is not put forward for voting by members.



Profile of the Board of Governors

2025/2026



PRESIDENT

SUHAILAH BINTI MOHAMED ABDULLA *CIA, CMIIA, C.A.(M), CPA(M), CCSA, CFE*

Suhailah is the Chief Integrity & Assurance Officer of SD Guthrie Berhad (“SDG”) and in her current role, she oversees the integrity, governance and assurance functions of SDG across its operations in Asia Pacific, Europe and Africa. Suhailah joined SDG in 2018, after having led various audit, risk management and advisory engagements while serving at KPMG, Astro Malaysia, F&N Holdings and Themed Attractions Resorts & Hotels in her close to 30-year career.

Suhailah is a Certified Fraud Examiner, a Certified Integrity Officer, a Certified Internal Auditor by the Global Institute of Internal Auditors and holds a Certification in Control Self-Assessment conferred by the same Institute. She is a member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and Association of Certified Fraud Examiners. She is a Chartered Member of The Institute of Internal Auditors Malaysia and is serving her 2nd term as a member of its Board of Governors. She holds a Bachelor of Accounting (Hons) degree from the University of Lancaster, United Kingdom.

Suhailah was appointed as a member of the Board of Governors on 15 November 2023.



VICE PRESIDENT

DEREK LEE SIEW WENG *CIA, CMIIA, CRMA, CPA(M), C.A.(M)*

Derek Lee is a professional who has accumulated more than 33 years of experiences in the areas of strategic planning, governance, risk management, business resilience planning, internal controls, and financial management. Derek has served commercial organisations as the head of internal audit for PLC as well as leading corporate and financial functions for organisations in Malaysia and UK.

Derek has also managed professional & business advisory firm, advising and working with many businesses on various GRC (Governance, Risk & Control) application engagements. The advisory experiences with various business owners and corporate leaders have provided insights for Derek to better advocate the importance and relevance of GRC applications across businesses and industries.

Derek is committed to engage the GRC professionals, business community and stakeholders to promote and showcase The Institute’s roles and capabilities to support and create values for the business eco system.

Derek was appointed as a member of the Board of Governors on 18 December 2020.



VICE PRESIDENT

STEVEN KHO CHAI HUAT *CMIIA, C.A.(M), FCCA (UK)*

Steven Kho is a seasoned finance and audit leader with over 30 years of expertise spanning internal audit, financial and operational management, corporate finance, and business consulting. As the Head of Internal Audit at Sarawak Energy, he drives corporate governance, risk management, and compliance excellence, ensuring robust internal controls and strategic oversight.

Previously, Steven served as General Manager of Finance at Sarawak Energy and has held key leadership roles, including Chief Financial Officer at WTK Holdings Berhad and Senior Manager at Ernst & Young. His extensive industry experience covers energy utilities, auditing and consulting, construction, manufacturing, timber and plantations, and steel. He is highly proficient in regulatory frameworks, compliance, and industry best practices, leveraging his insights to enhance business resilience and strategic decision-making.

He is a Fellow of the Association of Chartered Certified Accountants (FCCA, UK), a member of the Malaysian Institute of Accountants (MIA), and a professional member of The Institute of Internal Auditors Malaysia (IIAM).

Steven Kho was appointed as a member of the Board of Governors on 15 November 2023.



HONORARY TREASURER

STEPHEN BYRNE *CMIIA, FCA*

Stephen is Group Chief Internal Audit Officer for IHH Healthcare Berhad (IHH). He brings over 30 years of international experience in corporate and site-based roles across various sectors, including manufacturing, resources, and healthcare. In his current role, he is responsible for leading the global internal audit program at IHH Healthcare. The role involves conducting comprehensive audits internationally across clinical, financial and operational areas, focusing on identifying gaps and opportunities for improvement to mitigate corporate risk and enhance business processes and internal control mechanisms.

Stephen's extensive expertise includes leading audit initiatives and implementing effective governance frameworks. Prior to joining IHH, he held several risk and assurance leadership positions in Europe and Australia, where he successfully managed internal audit programs, risk management frameworks and associated processes and policies.

He is a Fellow of the Institute of Chartered Accountants in England and Wales (FCA). Stephen is also proficient in process improvement, being a Lean Six Sigma Black Belt.

Stephen was appointed as a member of the Board of Governors on 24 May 2023.



Profile of the Board of Governors

2025/2026



HONORARY SECRETARY

AINON BINTI MAHAT *CIA, CMIIA, MBA*

Ainin Mahat is an internal audit leader with over 30 years of expertise in governance, risk, compliance, and IT. As General Manager of Internal Audit at Malaysia Airports Holdings Berhad (MAHB), she drives strategic oversight and operational resilience within the aviation sector.

Her regulatory influence includes contributing to the SORMIC Guide 2025 task force and representing IIAM as a panelist at the 2025 ASEAN Auditor Conference. Ainin holds an Executive MBA (Vice Chancellor's Award) from UiTM and a B.Sc. from the University of Arkansas, Fayetteville, USA. She is a Certified Internal Auditor (CIA) and a Chartered Member of IIA Malaysia (CMIIA), committed to elevating regional governance standards.

Ainin was appointed as a member of the Board of Governors on 15 November 2023.



GOVERNOR

DOMINIC CHEGNE HOW KOOI *CMIIA, MBA, CIMA*

Dominic leads the Risk Services (RS) business advisory practice in PricewaterhouseCoopers (PwC) Malaysia. His employment history spans over 28 years of work experience.

“Risk Services supports its business partners in a foray of subject matter from ESG, Cyber, Data, Governance, Internal Audit, Risk Management, Finance Transformation, Regulatory Compliance, Technology Enablement and AI deployment.”

Dominic has taken on several leadership roles during his tenure in PwC. He previously led the Risk & Governance Consulting practice and prior to that, Dominic led and grew the internal audit business for the Malaysian office.

Dominic was appointed as a member of the Board of Governors on 18 September 2018.



GOVERNOR

AFFEIZ BIN ABDUL RAZAK *CFSA, CMIIA, MBCI (UK), CBCI (UK), AICB, ICDM(F)*

Afeiz Abdul Razak is the Chief Executive Officer of GRC Consulting Services Sdn Bhd (GRCCS), specialising in Governance, Risk and Compliance (GRC), Internal Audit (IA), Business Continuity Management (BCM), Crisis Management Advisory and Integrated GRC Solutions.

With over 24 years of experience, he has held senior roles, including General Manager, Internal Audit at Kumpulan Perangsang Selangor Berhad (KPS), Chief Internal Auditor at Malaysian Technology Development Corporation (MTDC), and experience in Risk Advisory and Internal Audit Services at KPMG.

Afeiz is a Certified Financial Services Auditor (CFSA) and a Chartered Member of IIAM (CMIIA), and is accredited to perform Internal Quality Assessments and Validation for internal audit functions. He is also a Fellow of the Institute of Corporate Directors Malaysia, a Member of The Business Continuity Institute (UK), and an Associate Member of the Association of Certified Fraud Examiners (US), the Asian Institute of Chartered Bankers, and the Institute of Risk Management (UK).

Afeiz was appointed as a member of the Board of Governors on 18 September 2018.



GOVERNOR

PHILIP SATISH RAO *CIA, CMIIA, C.A.(M), CPA(M), CPA(Australia)*

Philip Satish Rao is a Partner with Ernst & Young Consulting Sdn. Bhd. (EY). With over 35 years of experience at EY, he has served various external and internal audits, risk management and corporate governance, and corporate finance engagements apart from the experience gained through secondments in Malaysia and abroad. Philip is the Program Director of the EY Entrepreneur of The Year (EOY) award in Malaysia. EOY is considered the world's most prestigious business award for entrepreneurs.

Philip has led numerous governances, internal audit and risk management engagements in various industries. Philip is a regular speaker on topics relating to governance, risk management and internal audit, locally and internationally. He also contributes articles on these topics.

Phillip was appointed as a member of the Board of Governors on 21 January 2022.



Profile of the Board of Governors

2025/2026



GOVERNOR

JIMMY TIUN BENG TECK *CIA, CMIIA, C.A.(M), FCCA, FCA, MBA*

Jimmy formerly served as Head of Internal Audit Department & Deputy Director at the Securities Commission Malaysia. Over a career spanning more than 30 years, largely within the regulatory environment, his experience extends beyond internal & external auditing to include the evaluation of corporate proposals such as IPO & RTO; administration of the Take-Overs Code; investigation of corporate misconducts & complaints; and mediation of disputes within the securities industry. Prior to joining the Commission in 1995, he had served as an accountant in a large public listed conglomerate in Malaysia and gained extensive experience in statutory audit and corporate finance with one of the big international accounting firms.

Jimmy is a Certified Internal Auditor (CIA) and a fellow of both The Association of Chartered Certified Accountants (ACCA) and The Institute of Chartered Accountants in England and Wales (ICAEW). He is also a member of the Malaysian Institute of Accountants (MIA). Jimmy is an alumnus of TAR University of Management & Technology and holds an MBA in Finance (Distinction) from University of Nottingham. He had completed the Mediation Skills Training Workshop by the Bar Council Malaysian Mediation Centre and the Program on Investment Appraisal and Management (Grade A) at Harvard University.

Jimmy was appointed as a member of the Board of Governors on 24 May 2023.



GOVERNOR

AMRAN BIN MOHAMAD *CMIIA, FCCA, C.A.(M), CBA*

Amran Mohamad is the Group Chief Internal Auditor of CIMB Group. He ensures that the Group Corporate Assurance Division supports the CIMB Group Holdings (“CIMBGH”) Audit Committee, Banking Group Audit Committee and other relevant Audit Committees of CIMBGH subsidiaries in discharging their responsibilities, as well as managing their respective governance, risk and control functions.

Amran has over 25 years of audit experience in the areas of capital market, corporate and retail banking gained working in Malaysia and the United Kingdom. He holds a Bachelor of Science (Hons) in Accountancy from the University of East Anglia, Norwich, United Kingdom.

Prior to joining CIMB, Amran was the Senior Vice President, Internal Audit with Royal Bank of Scotland in London. Amran had also previously worked with PwC, KPMG, UniCredit Bank, Barclays Capital.

Amran is a Fellow Member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants and Institute of Internal Auditors Malaysia.

Amran was appointed as a member of the Board of Governors on 15 October 2024.



GOVERNOR

LIZAH BINTI ABD WAHAB *CIA, CRMA, CMIIA*

Lizah Abd Wahab currently serves as the Chief Internal Auditor (CIA) for TNB. She joined the Group Internal Audit (GIA) department of TNB in 2004 and assumed the leadership role as the CIA of TNB in 2021. She brings over 20 years of experience in TNB's operations including a vast exposure of internal auditing at various areas and functions within TNB. She oversees the internal audit function, supporting the Board Audit Committee in ensuring effective governance and internal controls across the Group, while also providing advisory insights to enhance processes and practices.

Recognised for her leadership and integrity, she drives value through data-driven audit insights, collaborates with senior leadership to strengthen governance and manage risks, and is committed to developing future leaders while building high-performing audit teams.

She holds a Bachelor of Accounting and Finance degree from Manchester Metropolitan University, United Kingdom, a Master of Business Administration from Universiti Tenaga Nasional and Graduate Certificate in Management from the University of Melbourne. Additionally, she is also a Certified Internal Auditor and obtained a Certification of Risk Management Assurance from The Institute of Internal Auditors Malaysia.

Lizah was appointed as a member of the Board of Governors on 2 October 2025.



GOVERNOR

CHANG MING CHEW *CIA, CMIIA, FCCA, C.A (M), CRMA, CISA, CISM, CRISC, CGEIT*

Ming Chew is presently the Managing Director of Axcelasia Sdn Bhd and has over two decades of experience spanning pre-IPO internal control assessments, internal audit, risk management and governance advisory, cybersecurity advisory, operational risk and control reviews, management consulting, share registration and IPO processing, financial due diligence, IPO transaction reporting and statutory audit, among others. He serves a diverse clientele ranging from SMEs and public listed companies to multinational corporations, across a wide array of industries including financial services, property development, construction, plantation, manufacturing, oil & gas, healthcare, pharmaceuticals, logistics, retail, IT, HORECA, and NGOs.

He is an accredited trainer with the Human Resources Development Corporation, Malaysia and is actively involved in delivering corporate trainings on IT and cybersecurity audits, governance, enterprise risk management (ERM), business continuity, and corporate liability. A strong advocate for the internal audit profession, and was previously a board member of ISACA Malaysia Chapter.

In addition, Ming Chew is a member of the Institute of Corporate Directors Malaysia, reflecting his active engagement in advancing board effectiveness, corporate governance standards, and providing practitioner insights to support board-level decision-making.

Ming Chew was appointed as a member of the Board of Governors on 2 October 2025.



Profile of the Board of Governors

2025/2026



GOVERNOR

MOHAMAD YASIN BIN ABDULLAH *FCCA, FCMA, CPA (M), C.A.(M), CMIIA, CB*

Mohamad Yasin was appointed as Group Chief Executive Officer, Islamic Banking and Chief Executive Officer of Maybank Islamic Berhad on 1 October 2025.

He was previously Group Chief Audit Executive of Malayan Banking Berhad, where he spearheaded the development and launch of the Maybank Group Audit Strategic Plan 2023–2025, strengthening the Group Audit function through the adoption of global best practices.

With over 28 years of experience in banking and finance, Mohamad Yasin began his career with the Maybank Group in 1997 and re-joined in 2010 as Chief Financial Officer (CFO) of Maybank Investment Bank Berhad.

Since then, he has held key leadership positions within Maybank Investment Banking Group (MIBG), including CFO, Chief Operating Officer and Chief Executive Officer-International. In these roles, he played an active part in strengthening governance frameworks and internal controls across both front- and back-office operations, while also serving on multiple boards within the group.

Before joining Maybank's investment banking arm, he was CFO of Unicorn International Islamic Bank Malaysia Berhad and Suria Capital Holdings Berhad. Mohamad Yasin is a Chartered Banker with the Asian Institute of Chartered Bankers and a Fellow of The Association of Chartered Certified Accountants, The Chartered Institute of Management Accountants and the Certified Islamic Professional Accountant. He is also a member of The Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

He holds a Bachelor of Accounting (Honours) and an MBA in Finance from International Islamic University Malaysia.

He was appointed on 24 May 2023 and resigned on 9 July 2025.



GOVERNOR

TAY BOON HOCK *CIA, CMIIA, CISA, FCCA, C.A.(M)*

Boon Hock is currently the Regional Executive Director of Eco-Shop Marketing Bhd., the fast-growing neighbourhood ultra-affordable household retailer with more than 440 stores nationwide. Prior to this, he served as the Audit & Risk Director of Eco-Shop Marketing Bhd., overseeing both internal audit and risk management functions. Before joining Eco-Shop, he held the position of Head of Internal Audit for both private and public listed companies. Collectively, he has more than twenty-five years of working experience in internal and external audit, risk management and governance, accounting and finance, operations and security management, information system and process improvements, and project management.

Boon Hock is a Certified Internal Auditor (CIA), a Certified Information System Auditor (CISA), a Chartered Member of The Institute of Internal Audit Malaysia (IIAM), a professional member of Information Systems Audit and Control Association (ISACA), a fellow member of the ACCA, and a member of the Malaysia Institute of Accountants (MIA).

He was appointed on 5 September 2019 and resigned on 24 April 2026.



IMMEDIATE PAST PRESIDENT

MOHD KHAIDZIR BIN SHAHARI *CIA, CMIIA, CGMA, ACMA, C.A.(M)*

Mohd Khaidzir, a Certified Internal Auditor, was with KPMG Management and Risk Consulting Sdn Bhd from 2007 until March 2025 before assuming the role of Chief Executive Officer at Lembaga Zakat Selangor effective 7 April 2025.

He has been a member of The Institute Internal Auditors Malaysia since 1997 and held various chairmanship position in task forces and sub committees, i.e Research and Technical Advisory Committee, Guidance on Internal Audit Function V.2 and FAQ on Sustainability Assurance by Internal Auditor. He currently sits as a member of Islamic Finance Council, Malaysian Institute of Accountants.

In KPMG, he was providing governance, risk and controls advisory services to public listed companies, government-linked companies, multi-national corporations and large enterprises.

He was appointed on 5 September 2019 and resigned 24 April 2026.



Meetings and Attendances

BOARD OF GOVERNORS 2025/2026

1) The Board of Governors (BOG) attendance are as follows:

| | <u>Meeting Attendance</u> |
|---------------------------------------|---------------------------|
| BOG | |
| Suhailah Mohamed Abdulla – President | 7/7 |
| Derek Lee Siew Weng – Vice President | 7/7 |
| Steven Kho Chai Huat – Vice President | 7/7 |
| Stephen Byrne – Honorary Treasurer | 7/7 |
| Ainon Mahat – Honorary Secretary | 7/7 |
| Tay Boon Hock | 7/7 |
| Affeiz Abdul Razak | 7/7 |
| Jimmy Tium Beng Teck | 7/7 |
| Philip Satish Rao | 7/7 |
| Mohd Khaidzir Shahari | 6/7 |
| Amran Mohamad | 6/7 |
| Dominic Chegne How Kooi | 5/7 |
| Chang Ming Chew | 4/4 |
| Lizah Abd Wahab | 4/4 |
| Mohamad Yasin bin Abdullah | 2/2 |

2) The Executive Committee (EXCO) attendance are as follows:

| | |
|---------------------------------------|-----|
| Suhailah Mohamed Abdulla – President | 9/9 |
| Derek Lee Siew Weng – Vice President | 9/9 |
| Steven Kho Chai Huat – Vice President | 8/9 |
| Stephen Byrne – Honorary Treasurer | 9/9 |
| Ainon Mahat – Honorary Secretary | 8/9 |

COMMITTEE MEETINGS

3) The following members served on the various Committees of the Institute:

| | <u>Meeting Attendance</u> |
|---|---------------------------|
| Professional Development Committee (PDC) | |
| Stephen Byrne (Chairman) | 3/4 |
| Dominic Chegne How Kooi | 3/4 |
| Sharimala Devi Gunaseekarani | 3/4 |
| Amran Mohamad | 2/4 |
| Caroline Ling | 2/4 |



COMMITTEE MEETINGS (cont'd)

Meeting Attendance

Professional Services Committee (PSC)

| | |
|--------------------------------------|-----|
| Steven Kho Chai Huat (Chairman) | 3/3 |
| Affeiz Abdul Razak (Deputy Chairman) | 3/3 |
| Chang Ming Chew | 3/3 |
| Aaron Neville Chin Kok Weng | 3/3 |
| Shoba Ananthanarayan | 3/3 |
| Nik Nazifah Nik Ahmad | 2/3 |

Certification and Academic Relations Committee (CARC)

| | |
|--|-----|
| Ainon Mahat (Chairman) | 2/3 |
| Jimmy Tium Beng Teck (Deputy Chairman) | 3/3 |
| Joel Elizer A/L D.K Jeyaraj | 3/3 |
| Terence Tan Kian Meng | 3/3 |
| Muhammad Umair Abd Rahman | 3/3 |
| Nur Izatul Fitri Hussein | 3/3 |

Research & Technical Advisory Committee (RTAC)

| | |
|-----------------------------------|-----|
| Derek Lee Siew Weng (Chairman) | 4/4 |
| Lizah Abd Wahab (Deputy Chairman) | 4/4 |
| Dr Eddy Yap Tat Hiung | 4/4 |
| Professor Dr Susela Devi Suppiah | 4/4 |
| Shamita Atputharaja | 4/4 |

Internal Quality Assurance Committee (IQAC)

| | |
|--|-----|
| Tay Boon Hock (Chairman) | 4/5 |
| Jimmy Tium Beng Teck (Deputy Chairman) | 5/5 |
| Wong Ket Keong | 5/5 |



The Secretariat



Geetha Kanny
Executive Director



Alyssa Hew Li Min
Head, Technical &
Quality Assurance



Farida binti Md Ali
Head, Finance &
Corporate Services



Irwan Noor Hadi bin Dahili
Head, Professional
Development



**Nora Liza binti
Hassan Basri**
Manager, Professional
Development



Hong Kah Ann
Assistant Manager, Technical
& Quality Assurance



**Syamsuraida binti
Shamsudin**
Assistant Manager,
Finance



**Sharifah Samihah binti
Syed Ali**
Assistant Manager,
Membership



**Nurul Munira binti
Mohd Ali**
Senior Executive,
Professional Development



**Shahirah binti Kathir
Hasan Kathirasan**
Senior Executive,
Certification



**Durratul Ain binti
Mohd Fauzi**
Senior Executive,
Membership



**Haslizan binti
Mohd Zainal**
Senior Executive,
Corporate Services



Shobita A/P Manimaran
Executive,
Certification



**Wan Armann Zaffri bin
Wan Mohd Rozi**
Executive, Professional
Development



Josie Rebechi Omilda
Executive, Professional
Development



Nurnafisa binti Zulkaphly
Executive, Finance



**Ammar Hazeeq bin
Ahmad Kamal**
Executive, Technical
& Quality Assurance



**Muhammad Amirul Afif
bin Jamzaman**
Executive, Finance



**Hazirah Huda binti
Mohd Zuraini**
Executive, Professional
Development



**Hamdani bin Mohd
Sahit Mashud**
Despatch Cum Office
Assistant, Corporate Services



Dear Members,

As we close another financial year, 2025 stands as a period of **resilience, steady progress, and purposeful advancement** for The Institute of Internal Auditors Malaysia (“the Institute”). In an environment shaped by evolving professional demands and emerging risks, the Institute has remained focused on strengthening its foundations while continuing to deliver meaningful value to our members and stakeholders.

Financially, the Institute maintained a **stable and healthy performance**, recording revenue of approximately **RM9.0 million**, reflecting continued growth driven largely by strong participation in seminars, conferences, and professional programmes. While the surplus **after tax stood at RM0.9 million**, slightly lower than the previous year, it nonetheless reflects prudent financial management and the Institute’s ability to sustain its operations while investing in key strategic initiatives.

Beyond financial performance, the Institute continued to reinforce its role as a **trusted leader in governance and the internal audit profession**. Our governance framework remains anchored in accountability, transparency, and ethical conduct, with the Board and its committees actively overseeing strategic direction, risk management, and organisational performance. Throughout the year, we maintained a strong focus on strengthening governance, risk and control practices, including ongoing board effectiveness evaluations and ensuring clear oversight structures that support sound decision-making.

From an operational perspective, the Institute’s growth continues to be underpinned by strong demand for professional development. Our seminars, conferences, and learning programmes remain the primary drivers of revenue and engagement, reflecting the Institute’s continued relevance in supporting the profession. The Institute also hosted the ASIAN Confederations of the Internal Auditors (ACIIA) Conference in September 2025 which was attended by more than 1200 delegates and it was officiated by the Prime Minister of Malaysia, YAB Dato’ Seri Anwar bin Ibrahim. In expanding our influence beyond our immediate membership base, the Institute has maintained active advocacy and stakeholder engagement, some of which include Jabatan Audit Negara, Bursa Malaysia and the The Saudi Authority of Internal Auditors. This ongoing engagement focuses on potential knowledge-sharing initiatives, alignment with the Global Internal Audit Standards, and providing mentoring and coaching support for individuals in the public sector pursuing the Certified Internal Auditor (“CIA”) certification.

In 2025, the Institute further strengthened its position as a **national thought leader** by launching the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies (SORMIC Guide 2025) in October. The Institute also increased visibility across media and public discourse. We recorded **over 220 media mentions**, highlighting our growing role in shaping conversations around governance, risk, and sustainability. Our collaborations with regulators, academic institutions, and industry partners continue to enhance the profession’s development and reinforce our commitment to advancing internal auditing standards in Malaysia.

Sustainability remains an integral part of our journey. We have continued to embed environmental, social, and governance (ESG) considerations into our operations and decision-making processes. Encouragingly, the Institute recorded **zero incidents of corruption and no data breaches**, reflecting the strength of our ethical framework and governance culture. These efforts, while modest in scale, reflect our broader commitment to responsible and sustainable practices.

At the heart of the Institute’s success is our people. With a dedicated team supporting over 3,000 members nationwide, we continue to invest in capability development and employee well-being. Training and development remain a priority, with structured programmes designed to equip our team with the skills needed to navigate an increasingly complex environment. These efforts are complemented by a continued focus on fostering an inclusive, supportive, and high-performing workplace.



President Report

2025/2026

Looking ahead, we remain focused on building on this strong foundation. Our priorities will include sustaining financial stability, expanding our professional development offerings, deepening stakeholder engagement, and continuing to integrate sustainability into our strategy. We will continue to embrace digital transformation and innovation to enhance the member experience and strengthen our operational capabilities.

In closing, 2025 has been a year that reflects the Institute's **strength, stability, and forward momentum**. While challenges remain, we are confident in our ability to navigate the future with clarity and purpose.

On behalf of the Board, I would like to extend my sincere appreciation to our members, partners, and stakeholders for their continued trust and support. I would also like to thank our Management and staff for their dedication and commitment, which remain the driving force behind the Institute's achievements. Last but not least, my appreciation to our retiring Governors, Mohd Khaidzir Shahari and Tay Boon Hock, for their years of dedicated service during their tenure on the Board.

Together, we will continue to advance the profession and build a stronger, more resilient future for internal auditing in Malaysia.

SUHAILAH MOHAMED ABDULLA

President 2025/2026

The Institute of Internal Auditors Malaysia



Members of The Institute of Internal Auditors Malaysia,

It is with great pride that I present the Executive Director's Report for the financial year ended 31 December 2025 ("FYE2025") a year defined by strengthened impact, continued resilience, and purposeful progress for The Institute of Internal Auditors Malaysia ("the Institute"). Operating within an increasingly complex and evolving landscape, the Institute remained steadfast in delivering value to members, advancing the profession, and reinforcing its role as a trusted governance leader.

For FYE 2025, the Institute recorded revenue of RM9.0 million, representing a steady increase from RM8.5 million in the previous year. This growth was primarily driven by stronger performance in seminars and conferences, reflecting continued demand for professional development and thought leadership platforms. The Institute achieved a surplus before tax of RM1.36 million, and a net surplus of RM0.9 million for the year. While lower than the previous year, this reflects deliberate reinvestment into strategic initiatives, including advocacy, capability building, and large-scale regional engagements such as ACIIA 2025.

Overall, the Institute's financial position remains robust, underpinned by:

1. Healthy liquidity with RM7.85 million in fixed deposits
2. Continued prudent cost management and governance discipline

These results reinforce our commitment to sustainable financial stewardship while investing in long-term value creation. In 2025, the Institute significantly expanded its influence through strategic collaborations and advocacy efforts across public, private, and academic sectors.

Key highlights include:

1. Strengthened collaboration with the National Audit Department (NAD) and National Audit Academy in developing public sector audit capabilities
2. Ongoing engagement with the Ministry of Finance to support CIA certification pathways
3. Active promotion of Global Internal Audit Standards (GIAS) to drive alignment with international best practices
4. Strategic partnerships with universities and institutions to strengthen the audit talent pipeline
5. Hosting of CAE Roundtable and leadership forums, addressing emerging risks such as cybersecurity and Risk in Focus 2026

The Institute also enhanced its public visibility and advocacy through a structured Public Relations (PR) approach, achieving over 220 media mentions across major platforms, positioning the Institute as a national thought leader in governance, ESG, and risk management. In 2025, the Institute continued to strengthen its ESG journey, integrating sustainability into governance, operations, and stakeholder engagement. We remain guided by our core values of integrity, innovation, and inclusiveness, as we continue to elevate the internal audit profession as a cornerstone of governance, risk management, and sustainable organisational success.

A major milestone for the year was the successful hosting of the ACIIA 2025 Conference, attracting over 1,200 internal auditors from across the region. This event reinforced Malaysia's position as a regional hub for internal audit excellence and provided a critical platform for knowledge exchange, collaboration, and thought leadership.

I extend my sincere appreciation to the Board of Governors for their leadership and guidance, and to my dedicated team whose commitment continues to drive the Institute forward. To our members, partners, and stakeholders—thank you for your continued trust and collaboration.

Together, we will continue to shape a resilient, sustainable, and forward-looking internal audit profession.

Geetha Kanny

Executive Director

The Institute of Internal Auditors Malaysia



Corporate Governance Statement

The Corporate Governance Statement plays a pivotal role in articulating the Institute's commitment to sound governance practices. It provides stakeholders with transparency into our decision-making processes and the mechanisms in place to safeguard their interests. While adopting best practices, such as the Malaysian Code on Corporate Governance ("Code"), is essential, the Board of Governors ("the Board") believes that good governance is essential for building trust and confidence in our operations, and we are committed to upholding the highest standards in this area, beyond mere adherence to best practices.

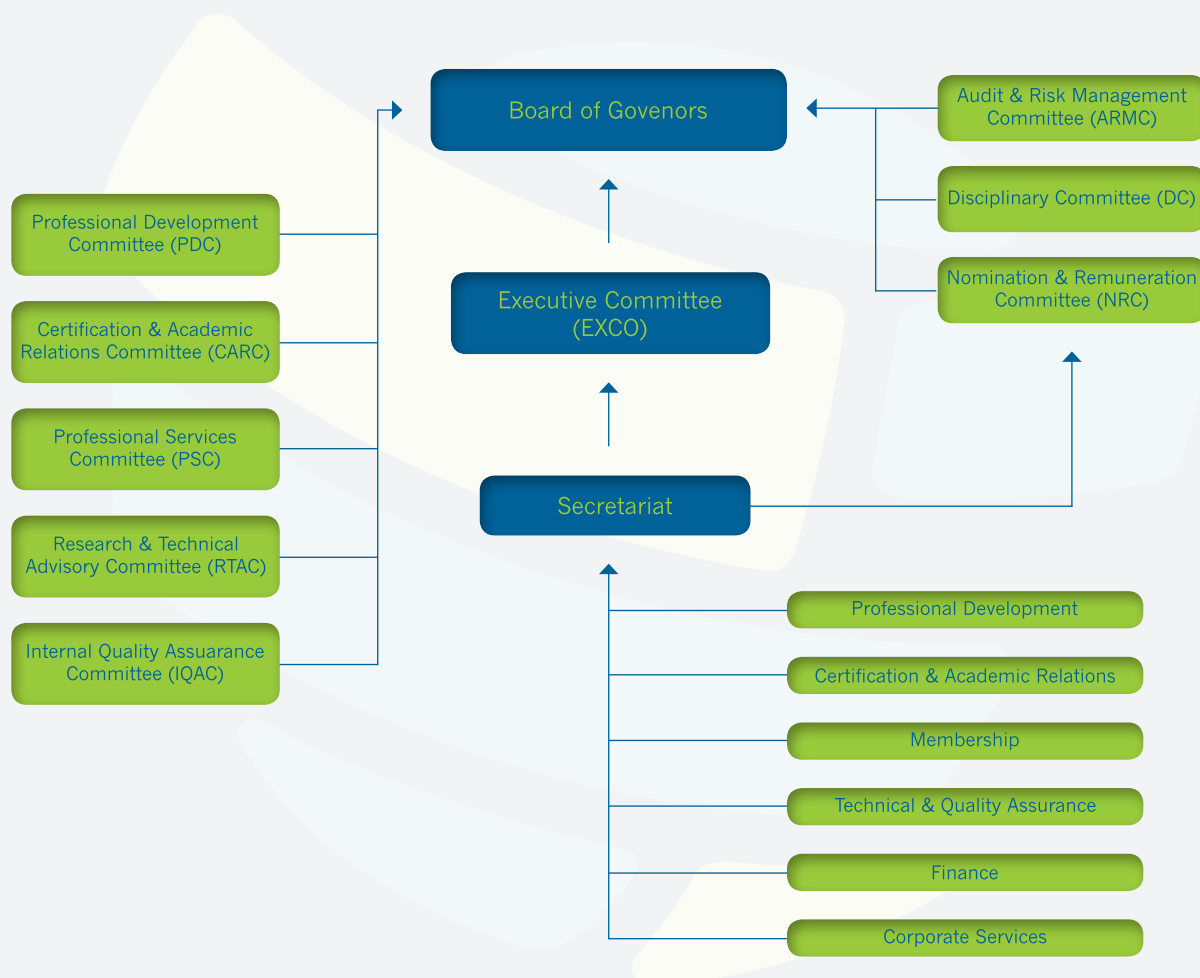
At the heart of our governance framework lies the Institute's approved Board Charter, which serves as the cornerstone in guiding the conduct and responsibilities of our Governors and outlines the fundamental principles, values, and standards that govern our governance practices, ensuring alignment with international best practices and fostering a culture of accountability and ethical behaviour.

To achieve this, we have implemented several policies and practices, including:

- Appointing Governors with a diverse range of skills and experience;
- Ensuring transparency and accountability through regular reporting and disclosure of relevant information to our stakeholders;
- Conducting regular risk assessments and implementing robust internal controls to mitigate potential risks;
- Leveraging on technology to improve efficiency; and
- Implementing sustainable business practices, including reducing waste, increasing energy efficiency, and supporting local communities.

We recognise that achieving and sustaining organisational sustainability is an ongoing journey, and we remain committed to continuous improvement.

GOVERNANCE FRAMEWORK





GUIDING PRINCIPLES OF CORPORATE GOVERNANCE

Principle A: Board Leadership and Effectiveness

The Board is the principal governing body responsible for the overall governance of the Institute. It assumes responsibility for the Institute's leadership, including oversight of its financial and organisational matters encompassing policies, business plans, budgets, and targets.

BOARD COMPOSITION

The Board currently comprises fourteen (14) Governors. The Board is not involved in the day-to-day activities of the Secretariat, save for the Executive Committee, comprising five (5) Board members, which has been formed to oversee the conduct of the Institute's activities, in line with its Constitution. The appointment of Board members is made at the Annual General Meeting ("the AGM") in accordance with the Constitution of the Institute. The term for each Governor serving on the Board of Governors shall be three (3) years, and each Governor is eligible to serve on the Board for a maximum of three (3) consecutive terms, provided that they are re-elected. At the AGM held on 21 June 2025, two (2) new Governors were elected, and they were apprised of their duties and responsibilities at a formal session.

The Board recognises that to be effective and relevant, Board members should be fit and proper based on the Institute's Fit and Proper Criteria, which include personal integrity, internal audit experience, professional standing with relevant expertise and technical knowledge, attending scheduled meetings of the Board and Board Committees, as well as supporting the Institute's activities. The Board members are drawn from diverse backgrounds and different skill sets gained from services in the private and public sectors. This brings depth and diversity in expertise and experience, facilitating Board meeting deliberation from a wider perspective.

In line with corporate governance best practices and pursuant to the recommendation of the NRC, the Board initiated a board effectiveness evaluation process, which was conducted in March 2026. The evaluation, focused on the performance of the Board, the Board Committees and individual Governors, aimed to establish an objective and structured review of effectiveness.

This internal evaluation, led by the NRC Chairman and supported by Board members, was deployed via survey to assess Board governance, structure, processes, and composition. The Board remains committed to undertaking this exercise annually to further strengthen its governance framework.

The profiles of the Governors are as detailed in this Annual Report.

BOARD RESPONSIBILITIES

During the financial year, the Board actively discharged its responsibilities through a range of key activities, including:

- Deliberated on and approved the Institute's strategic business plans and key initiatives,
- Reviewed financial statements and approving significant financial transactions to ensure prudent financial management,
- Reviewed governance practices and monitoring compliance with relevant policies, including the Anti-Bribery and Corruption Framework,
- Oversaw the effectiveness of the Institute's risk management and internal control framework,
- Participated in strategic engagements with regulators, professional bodies, and stakeholders to represent and advocate for the profession,
- Monitored the overall conduct of operations and succession planning of the Secretariat; and
- Facilitated nominations of suitable representatives to IIA Global and ACIIA Boards and their respective committees, ensuring continued international representation and collaboration.



BOARD STRUCTURE

As per the approved Board Charter, the Board is independent of the Secretariat and free from potential conflict of interests that could impair and materially affect the exercise of their independent judgment. Each Governor must disclose any matter which may affect his/her independence as soon as he/she becomes aware of it.

The Board is chaired by a President while the Executive Director (“ED”) is responsible for the management of the Institute. The roles of the President and ED are clearly defined, including separation of roles between them, allowing for better understanding and distribution of responsibilities and accountabilities, facilitating operational efficiency, and expediting decision-making.

The ED is primarily responsible for managing the day-to-day operations and is in charge of implementing operational decisions in line with the strategic and long-term initiatives of the Institute. Although the ED attends Board meetings and various Committee meetings, she is not a Board member and is not entitled to vote. The ED receives guidance and direction from the Board in achieving the Institute’s mission and objectives. The Board regularly reviews the progress of the annual plan, financial performance, advocacy initiatives towards the achievement of objectives with ED.

The Board has established an accountability matrix for the roles of the Board, President, and ED to promote good governance and instill a proper check and balance in deriving decisions at the strategic and operational level. The accountability matrix is subject to periodic review by the Board to ensure its continued relevance in line with the Institute’s evolving operational scale.

ETHICS

The Board is committed to fostering a culture of integrity, transparency, and accountability across the Institute. A formal Code of Business Ethics is in place, setting out the principles and standards expected of internal and external stakeholders in the discharge of their duties. This includes provisions on conflicts of interest, confidentiality, anti-bribery and corruption, and professional behaviour. The Institute has also established a Whistleblowing Policy and reporting channels to encourage the reporting of unethical practices, with assurances of confidentiality and protection against retaliation. Compliance with ethical standards is monitored on an ongoing basis, and periodic awareness and training initiatives are conducted to reinforce the importance of ethical conduct. Please refer to the Sustainability Report on pages 28 to 36 for details.

SUSTAINABILITY GOVERNANCE

The Board acknowledges the importance of sustainability in supporting the Institute’s long-term objectives and stakeholder interests. Sustainability considerations, including environmental, social, and governance (ESG) factors, are embedded within the Institute’s strategic planning and risk management framework. The Institute undertakes initiatives aimed at enhancing social impact, strengthening professional standards, and promoting responsible practices within the internal audit profession. Efforts are also made to optimise resource utilisation and minimise environmental impact where applicable. The Board, supported by Management, monitors sustainability-related initiatives and continuously seeks opportunities to enhance practices to ensure sustainable value creation over the long term. Please refer to the Sustainability Report on pages 28 to 36 for details.

BOARD COMMITTEES

While the Board has overall oversight responsibility on internal control and management of the Institute, it has delegated a range of its responsibilities to various committees. The committees operate within clearly defined terms of reference as follows:

1. Executive Committee (“EXCO”)

EXCO is entrusted with overseeing the day-to-day management and operational execution of the organisation’s strategic objectives. It ensures that decisions of the Board are effectively implemented, monitors organisational performance, and addresses operational matters within its delegated authority. EXCO also facilitates timely decision-making on business-critical issues while ensuring alignment with the organisation’s policies, risk parameters, and governance standards.



2. Audit and Risk Management Committee (“ARMC”)

The Audit and Risk Management Committee (ARMC) oversees the integrity of financial reporting, the effectiveness of the system of internal control, and the adequacy of the risk management framework. The Committee reviews audit findings, monitors compliance with regulatory and governance requirements, and ensures that significant risks are identified, assessed, and appropriately mitigated. It also maintains oversight of both internal and external audit functions. The Board is satisfied that the external auditor has maintained its independence throughout the financial year.

3. Disciplinary Committee (“DC”)

The Disciplinary Committee upholds professional and ethical standards by overseeing disciplinary matters involving members. It reviews cases of alleged misconduct, ensures due process is observed, and determines appropriate actions in accordance with established rules. No circumstances arose during the year that necessitated the convening of a meeting.

4. Nomination & Remuneration Committee (“NRC”)

The NRC oversees and reviews the overall composition and balance of the Board; oversees the annual board effectiveness evaluation process, review succession plans; recommends to the Board a compensation and remuneration package for the ED and staff, including reviewing policy matters relating to remuneration and performance management. The ED and staff of the Institute are given key performance indicators which form the basis of their annual performance appraisal.

Board and ARMC members do not receive any emolument, bonuses, or retirement benefits.

5. Certification & Academic Relations Committee (“CARC”)

CARC advances the profession of internal auditing through certification and academic engagement initiatives. It promotes the Certified Internal Auditor (CIA) designation as the global benchmark for professional excellence and supports specialty certifications to ensure practitioners remain at the forefront of evolving standards. By fostering strategic partnerships with institutions of higher learning to align academic curricula with industry needs, the CARC champions internal auditing as a preferred career pathway for graduates and ensures a talent pipeline that upholds the integrity and future of the profession in Malaysia.

6. Professional Development Committee (“PDC”)

PDC drives initiatives related to competency development, training, and continuous professional education. It oversees the design and delivery of learning programmes, ensures alignment with professional standards, and supports the development of members’ technical and leadership capabilities to meet evolving industry needs.

7. Professional Services Committee (“PSC”)

PSC enhances the relevance and value of the Institutes’ services to members. It promotes greater awareness of the Institute’s offerings and benefits, while driving initiatives to expand membership across individuals, corporate organisations, and audit committee members. Through these efforts, PSC supports the strengthening of the internal audit profession and the elevation of its standards.

8. Research & Technical Advisory Committee (“RTAC”)

RTAC provides technical guidance on matters relating to internal audit, corporate governance, risk management, and internal control. It supports the dissemination of timely technical updates and promotes thought leadership on emerging issues affecting the profession. It also oversees the planning and coordination of research initiatives, recommends research grants for the Board’s approval, and undertakes efforts to develop and sustain the Institute’s Research Fund.

9. Internal Quality Assurance Committee (“IQAC”)

IQAC oversees the quality and consistency of the Institute’s Quality Assessment Review (QAR) services in accordance with the Quality Assessment Manual. It reviews and reports key findings, recommendations, and matters relating to the appointment and performance of external assessors to the Board on an annual basis and approves policies and procedures relating to QAR, including the QA Plan and fee structure. These support the consistent delivery of high-quality QAR assignments and continuous improvement based on clients’ feedback.

Further details on the respective Committees are reported on pages 41 to 58.



Principle B: Effective Audit and Risk Management

The ARMC supports the Board in fulfilling its fiduciary responsibilities. Further details on the risk management and internal control systems of the Institute are provided in the Statement on Risk Management & Internal Control on pages 25 to 27 and ARMC on pages 37 to 40.

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

As per the Board Charter, the EXCO and the Board met the meeting frequency requirements where there were nine (9) EXCO and seven (7) Board meetings held. During these meetings, they were briefed on the financial status and activities of the Institute.

The Institute's Annual General Meeting was conducted on 21 June 2025, via a face-to-face platform. The proceedings of the 30th AGM included the ED's presentation of the Institute's operating and financial performance for 2024 and a Questions & Answers session during which the President invited the members to raise questions pertaining to the Institute's financial statements and other items for adoption at the meeting, before putting the resolutions to vote.

Advocacy and Engagement with Stakeholders

Throughout the year, the Institute has actively engaged with various stakeholders through numerous initiatives, particularly focusing on advocating for and raising awareness of the Institute's mission and vision and supporting our members in both the public and private sectors. Representatives from the Board of Governors, in collaboration with the Management Team, have undertaken engagements with the following stakeholders:

- The Institute collaborated with the Jabatan Audit Negara (JAN) to organise the Persidangan Juruaudit Asean 2025 at PICC on May 27 & 28, 2025. The Institute continues to work closely with JAN in providing support to its officers in the areas of knowledge sharing and training programmes in the auditing field.
- The Institute continued its commitment to collaborate with the Internal Audit Department of the Ministry of Finance. This ongoing engagement focuses on potential knowledge-sharing initiatives, alignment with the Global Internal Audit Standards, and providing mentoring and coaching support for individuals in the public sector pursuing the Certified Internal Auditor ("CIA") certification. Through the Mentor Mentee program, the Institute coached 4 JAN auditors to undertake the CIA exam. This is the first initiative that the Institute had with JAN with the objective of certifying the auditors.
- The Institute actively promoted the Global Internal Audit Standards (GIAS) to its members, reinforcing the importance of adhering to internationally recognised audit principles in alignment with global best practices. The Institute worked with Bursa Malaysia to conduct a talk to more than 50 Directors to raise awareness about GIAS on 21 October 2025.
- The Institute continued the structured advocacy approach in 2025 via engaging a public relations ("PR") firm and actively engaged with the media to enhance its visibility. This initiative aimed to raise the Institute's branding as well as raising public awareness of the critical role of the internal audit profession and its value to various stakeholders.
- The Institute organised three rounds of CAE Roundtable in 2025. The first was ACIIA CAE Roundtable 2025, followed by Risk in Focus 2026, chaired by Anthony J. Pugliese, President & CEO of The IIA Inc, and Unpacking the Cybersecurity Topical Requirement: A Practical 2025 Guide for CAEs conducted by Chang Ming Chew, Board member of the Institute.

Statement on Risk Management and Internal Control



This Statement on Risk Management and Internal Control (“SORMIC”) is made voluntarily to demonstrate the Institute’s commitment to leading governance, risk management and internal control practices, and is aligned with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies (SORMIC Guide 2025).

BOARD RESPONSIBILITY AND GOVERNANCE OVERSIGHT

The Institute’s governance structure is aligned with the IIA’s Three Lines Model.

The Board of Governors (“the Board”) acknowledges its overall responsibility for the governance of risk and the establishment and maintenance of a sound and effective system of risk management and internal control across the Institute. The Board provides strategic direction, sets the tone from the top, and ensures that risk considerations are embedded into strategic planning, decision-making and performance management.

The Management is responsible for owning and managing risks and implementing controls (first and second lines), while the outsourced internal audit function provides independent and objective assurance to the Board on the adequacy and effectiveness of governance, risk management and internal control processes (third line).

The Board is supported by the Audit and Risk Management Committee (“ARMC”), which assists the Board in overseeing the adequacy, design and operating effectiveness of the Institute’s risk management and internal control framework. Ultimate accountability for risk management and internal control remains with the Board.

RISK MANAGEMENT

Risk Management Framework

The Institute has adopted an Enterprise Risk Management (“ERM”) framework aligned with the COSO Enterprise Risk Management – Integrating with Strategy and Performance framework. The ERM framework provides a structured and disciplined approach to identifying, assessing, managing and monitoring strategic, operational, financial, compliance, technological and sustainability-related risks.

The Executive Director (“ED”) and Heads of Department (“HODs”) are responsible for identifying, assessing, and managing risks within their respective areas of responsibility. The ED holds overall accountability for enterprise-wide risk management and risk ownership across the Institute.

Management prepares departmental risk profiles and maintains a consolidated risk register, which is reviewed by the Executive Committee (“EXCO”) prior to submission to the ARMC. The ARMC reviews the adequacy of risk mitigation strategies and made suggestions to ED and EXCO for updated status and improvements in risk reporting.

While accountability for ERM rests with the ED and HODs, effective risk management is a shared responsibility among all employees, guided by the Institute’s policies, internal governance framework, and applicable legal and regulatory requirements.

Risk Identification, Assessment and Monitoring

Risk identification and assessment are integrated into business planning, budgeting and operational processes. Key risks are documented in a consolidated risk register, assigned to designated risk owners and evaluated based on likelihood and impact, taking into account existing controls.

The Board monitors the Institute’s key risks and overall risk profile on an annual basis and recognises that emerging risks, including cybersecurity threats, digital disruption and artificial intelligence, regulatory developments, and other sustainability risks, can materially affect the Institute’s ability to achieve its objectives. These are integrated into the Institute’s overall risk profile, in consideration of both short-term and long-term impacts and scenario analysis where appropriate, and alignment with relevant frameworks. In conducting its annual assessment, the Board considers changes in risk profiles, the effectiveness of risk responses and controls, significant control failings or weaknesses (if any), and the timeliness of remedial actions.

The ARMC reviews the Institute’s risk register and provides oversight to the Board to ensure that key risks are appropriately identified, mitigated, and aligned with the Institute’s strategic priorities. Key risks assessed include Membership Recruitment and Retention Risk, Advocacy Risk, Shortage of Subject Matter Experts, Talent Retention Risk, and Cybersecurity Risk.



Statement on Risk Management and Internal Control

INTERNAL CONTROL SYSTEM

The internal control system comprises policies, procedures, organisational structures, delegated authority limits and monitoring activities designed to provide reasonable, but not absolute, assurance regarding the achievement of operational objectives, reliability of reporting and compliance with applicable laws and regulations.

The Board and Management of the Institute have instituted key internal controls to support the achievement of the Institute's objectives and to ensure operational effectiveness. Regularly scheduled meetings of the Board, its committees, and the Management serve as platforms for strategic planning, performance monitoring, and operational review. In alignment with the Institute's strategic initiatives, clear lines of accountability and responsibility are established and communicated through organisational charts, strategic plans, annual budgets, and defined limits of discretionary authority.

The key components of the Institute's internal control system are as provided below:

Policies and Procedures

The Institute's internal control system comprises formalised and documented internal policies and procedures designed to ensure adequacy of internal controls, process effectiveness and adherence pertinent laws and regulations. This empowers all the departments to operate effectively and efficiently, proactively addressing potential business, operations, financial, compliance and other risks to achieve the Institute's goals and objectives. Policies and procedures are periodically reviewed and updated to ensure their relevance to the current operating environment and alignment with intended practices.

Whistleblowing

The Institute's Whistleblowing Policy provides a formal mechanism for Governors, committee members, Management, contractors, members, and members of the public to raise concerns about wrongdoings – including fraud, corruption, misuse of assets, gross mismanagement and safety breaches – when normal reporting channels are unavailable, emphasising transparency, integrity and accountability.

Code of Ethics

The Institute's Code of Business Ethics for internal and external stakeholders sets out the principles and standards expected of internal and external stakeholders in the discharge of their duties. Please refer to the Sustainability Report on pages 28 to 36 for details.

Anti-Bribery & Corruption

The Institute's Anti-Bribery and Corruption Policy ("Policy") sets out its expectations for internal and external parties working for and on behalf of the Institute in upholding the Institute's zero-tolerance stance against bribery and corruption. Please refer to the Sustainability Report on pages 28 to 36 for details.

Financial Reporting

The Institute maintains proper accounting records, maintaining adherence to appropriate accounting policies guided by sound judgment and prudent estimates. Additionally, it prepares financial statements in strict accordance with the provisions delineated in the Companies Act 2016, Malaysian Financial Reporting Standards ("MFRS"), and International Financial Reporting Standard in Malaysia.

Strategic Business Planning, Budgeting and Reporting

The Institute holds annual budget and strategy meetings to promote robust discussion and deliberation between Management and the Board on among others, strategic issues, risk and performance, and resource allocation. Upon approval by the Board, there is a periodic reporting to track significant variances against budgets and plans, ensuring proactive monitoring of performance during the EXCO and Board meetings.

Information Technology and Cybersecurity

The Institute recognises the importance of safeguarding its information assets, member data and digital infrastructure to ensure the confidentiality, integrity and availability of information. The Institute has established an Information Security Policy and Procedures (ISPP) aligned with good governance practices and the Personal Data Protection Act 2010 (PDPA), supported by documented Information Technology Standard Operating Procedures (SOPs) governing the issuance and monitoring of IT hardware, renewal and monitoring of software licensing, maintenance of IT infrastructure, granting editing and removal of access, backup process, and website update and maintenance.

Statement on Risk Management and Internal Control



Insurance and Physical Safeguards

The Institute maintains adequate insurance coverage and physical safeguards for its major assets to protect against liabilities that could result in significant damage, claims, or losses. An annual policy renewal exercise is conducted to evaluate coverage based on the current fixed asset register and prevailing market prices for similar items, as applicable.

People Development

To nurture the quality and competencies of employees, continuing education, training, seminar and development programmes are emphasised to enable employees to discharge their duties effectively. Employees' performance is measured according to key performance indicators aligned to their functions to support the attainment of the Institute's business objectives.

Sustainability

The Board recognises that sustainability considerations are integral to effective risk management and long-term value creation. Accordingly, sustainability-related risks and opportunities—encompassing environmental, social and governance (ESG) factors—are embedded within the Institute's risk management framework and internal control processes. This integrated approach ensures that sustainability objectives are aligned with the Institute's strategic priorities while maintaining a robust system of internal control to safeguard stakeholders' interests.

Assurance and Effectiveness Evaluation

The Board undertakes both ongoing and annual assessments of the effectiveness of the Institute's risk management and internal control systems. These assessments are supported by periodic reporting by the Management, internal audit reviews and external audit assurance.

- **Internal Audit**

The Institute engages an outsourced internal audit service provider, namely BDO Consulting Sdn. Bhd. to periodically review the business processes and the related policies and internal controls procedures. The internal auditors reviewed the adequacy, effectiveness and efficiency of the system of internal controls and reports directly to the ARMC for deliberation and follow up actions by the Management. For further details, refer to the ARMC report on pages 37 to 40.

- **External Audit**

As part of the assurance process, the Institute's financial statements are subject to independent external audit. The external auditor UHY Malaysia PLT provide an objective assessment of the Institute's financial reporting and internal control environment. No material weaknesses in internal controls were reported by the external auditors for the financial year under review.

CONCLUSION

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve objectives and can provide only reasonable, and not absolute, assurance against material misstatement, loss or fraud, due to inherent limitations such as human error, judgement and unforeseen external events.

The Board has received assurance from the Executive Director and the Head of Finance that the Institute's risk management and internal control systems are operating adequately and effectively in all material respects. For the financial year under review and based on the assessments and assurances received, the Board is satisfied that the Institute's risk management and internal control systems are adequate and have operated effectively in all material aspects, supporting the Institute's strategic objectives and long-term sustainability. In addition, there were no weaknesses in this system resulting in material loss to the Institute that requires a separate disclosure.

This statement is made in accordance with the resolution of the Board dated 24 April 2026.



Sustainability Report

1. Reporting Scope & Boundary

This Report presents the sustainability matters and performance of IIAM for the reporting period 1 January 2025 to 31 December 2025. It includes all operations and activities under the Group’s direct management and operational control, unless otherwise specified.

Where available, historical data from the past 2 Financial Years (“FY”) has been incorporated to allow for trend comparison.

2. Sustainability at the IIAM: Continuing the Momentum

IIAM is pleased to present our Sustainability Report, reflecting our continued commitment to transparency, accountability and sustainable development. This Report builds on the foundation established in our inaugural report and provides an update on how we continue to integrate environmental, social and governance (“ESG”) principles into our operations, strategy and stakeholder engagement.

Over the past year, we have continued to strengthen our approach to sustainability, guided by our role as a proponent of strong governance and ethical practices. We believe that internal auditors play a vital role in fostering integrity, accountability and organisational resilience, and we remain committed to upholding these principles within our own Institute.

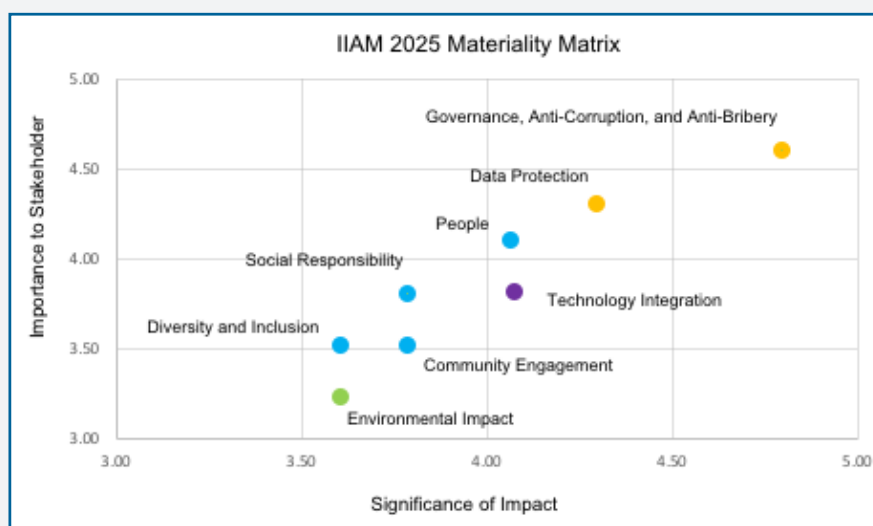
This Report outlines our key developments, focus areas and the steps we have taken to enhance our sustainability performance. It also reflects our growing understanding of ESG considerations as we continue to evolve as a responsible and forward-looking institution.

As we move ahead, we will continue to refine our sustainability approach and further integrate ESG principles into our core activities. We welcome ongoing dialogue and collaboration as we strive to create sustainable value for all our stakeholders.

3. Material Sustainability Matters: Review and Insights

For FYE 2025, the Institute continued to refine its understanding of material sustainability matters relevant to our operations and stakeholders. Building on the materiality assessment conducted in 2024 as a foundation, no new material matters were identified this period. However, we reviewed the previously identified topics to ensure their continued relevance in light of evolving stakeholder expectations and institutional priorities.

By reiterating the results of our materiality assessment presented in the Materiality Matrix below, the Institute reinforces its ongoing commitment to periodically review the material sustainability matters to maintain their relevance and ensure that our disclosures continue to provide meaningful information to stakeholders. The materiality matrix visually represents the prioritization of sustainability matters based on stakeholder influence and business impact. The x-axis represents Business Impact (%), while the y-axis represents Stakeholder Influence (%), both scaled to a maximum value of 100%.





4. Strengthening Stakeholder Engagement

In the current reporting period, the Institute has continued to strengthen its stakeholder engagement approach by enhancing communication channels and sustaining interactions with key stakeholder groups. Our engagement efforts encompass a range of formal and informal platforms, including open dialogues, strategic discussions and continuous collaborations. These initiatives enable us to capture diverse perspectives and ensure that stakeholder insights are integrated in our decision-making process.

As we progress, the Institute remains committed to fostering transparent, inclusive and constructive engagement with all stakeholders as per the diagramme below to leverage their insights to drive sustainable outcomes and reinforce our role as a responsible and forward-looking institute.



Engaging Our Wider Stakeholder Community

Throughout the year, the Institute continued to strengthen its relationships with a broad range of stakeholders, extending beyond its membership base to include the wider public and professional community with respect to the governance and social pillars. These engagements reflect our ongoing commitment to advancing the internal audit profession while contributing to stronger governance practices across sectors.

Through various outreach and engagement efforts, the Institute promotes capacity building, raises awareness of the value of internal auditing, and supports the principles of transparency, accountability and good governance within both public and private organisations.

Key engagement initiatives in 2025 included:-

Public Sector Collaboration

Building on the 2023 Memorandum of Understanding (MoU) with the National Audit Department (“NAD”), the Institute continued its partnership in 2025 by working closely with the National Audit Academy to co-develop internal audit training programmes. This collaboration fosters knowledge exchange and supports the ongoing upskilling of public sector auditors.

Strategic Media and Advocacy Outreach

In 2025, the Institute adopted a structured advocacy approach by engaging a public relations (“PR”) firm to enhance its visibility. Through active media engagement, we raised awareness about the importance of internal auditing and elevated the Institute’s public profile, highlighting its relevance and value to national governance and risk management efforts.

Academic Partnerships

To deepen engagement with the academic sector, the Institute signed multiple Memoranda of Understanding (“MOUs”) with government and non-government agencies. These partnerships support research and education in audit-related fields, strengthening the link between academic knowledge and industry practices.



4. Strengthening Stakeholder Engagement (cont'd)

Engaging Our Wider Stakeholder Community (cont'd)

Promotion of Global Standards

The Institute championed the adoption of the Global Internal Audit Standards (“GIAS”) among its members, advocating for consistent alignment with international best practices and reinforcing the role of internal audit in organisational resilience and governance.

Support for Public Sector Certification and Capacity Building

The Institute continued its collaboration with the Internal Audit Department of the Ministry of Finance to explore knowledge-sharing opportunities and to provide mentorship for public sector personnel pursuing the Certified Internal Auditor (“CIA”) qualification.

Leadership Forums and Knowledge Sharing

The Institute convened the ACIIA Chief Audit Executive (“CAE”) Roundtable on 8 September 2025, bringing together senior internal audit leaders for strategic discussions on emerging risks and professional developments.

The roundtable featured two sessions: Risk in Focus 2026 and Unpacking the Cybersecurity Topical Requirement: A Practical 2025 Guide for CAEs.

The forum above provided a valuable platform for thought leadership, peer exchange, and the advancement of the internal audit profession in response to evolving stakeholder expectations.

Media Coverage & Thought Leadership

In 2025, the Institute recorded 220 media mentions across print, online, television, and radio platforms. The year was marked by strong visibility in national governance discourse, particularly during the ACIIA 2025 Conference, alongside consistent thought leadership on internal audit, ESG, and risk management.

Our key media themes included:

| | |
|---------------------------------|--|
| ACIIA 2025 Conference | <ul style="list-style-type: none"> Numerous cluster of articles and TV/radio broadcasts featuring the Prime Minister and national governance issues. High-tier coverage from Astro Awani, Bernama, RTM, TV3, NST, The Star, Chinese dailies, and Newswav. |
| IIA Malaysia Thought Leadership | <ul style="list-style-type: none"> Suhailah Abdulla, Derek Lee, Wee Hock Kee, and Anthony Pugliese featured consistently across multiple platforms. Topics covered included internal audit capability gaps, ESG audits, internal audit relevance, and governance risk. |
| Risk in Focus 2026 | <ul style="list-style-type: none"> Coverage by Business Today, Smart Investor, and others. Elevated position of the Institute as a governance thought leader. |

Through our media engagement, the Institute has strengthened its role as a national thought leader in governance and internal audit, while elevating awareness of the Institute’s role in enhancing organisational resilience. These efforts have also contributed meaningfully to public discourse on ESG, risk management, and accountability, as well as supported capacity-building initiatives, particularly in advancing talent development within the internal audit profession.

Additionally, the Institute continued to expand its outreach and stakeholder engagement through eight (8) university talks, nine (9) career talks, four (4) career expos, and a total of twenty-one (21) corporate meetings, supporting talent development and raising awareness of the internal audit profession.



5. Integrating Governance with Sustainability

Embedding Sustainability in Governance

For FYE 2025, oversight of ESG-related matters continues to be under the purview of the Audit & Risk Management Committee (“ARMC”), supported by the Secretariat Team with periodic reporting to the Board. This ensures that sustainability considerations are embedded within the Institute’s governance processes. Further details can be found in the Institute’s Corporate Governance Statement.

Anti-Corruption

The Institute remains steadfast in upholding the highest standards of integrity, ethics and transparency. As an Institute committed to promoting good governance and internal audit excellence, we remain focused on preventing corruption in all its forms.

Recognising that corruption undermines trust and hinders sustainable development, the Institute has embedded anti-corruption principles into its values, operational processes and expectations of members. Our zero-tolerance policy applies to bribery, fraud and any form of corrupt practices, covering staff, members, partners and all individuals or entities acting on behalf of the Institute.

Some of our key measures in place to maintain our commitment includes the following:-

Code of Business Conducts & Ethics

All staff and members are bound by the Code of Business Conducts & Ethics, which includes strict standards on integrity, objectivity, confidentiality and professional behaviour.

Whistleblowing Policy

A formal mechanism is in place for confidential reporting of unethical behaviour, misconduct or suspected corruption, with assurance of protection against retaliation.

In 2025, the Institute continued to reinforce its anti-corruption measures among all employees, including onboarding for new joiners. Aligned with our zero-tolerance policy on bribery and corruption, we are pleased to report that, for the second consecutive year, there were no confirmed or reported incidents of corruption.

Building on our established Anti-Bribery and Corruption (“ABC”) framework, the Institute continues to promote awareness and compliance through ongoing communication and refresher training for all employees. These measures reinforce a culture of integrity and ensure that our zero-tolerance stance on bribery and corruption is consistently applied across the Institute.

Data Protection

Protecting stakeholder data is integral to sustainable business practices, supporting stakeholder confidence, regulatory integrity, and strong corporate governance within our ESG agenda.

In 2025, IIAM reinforced its cybersecurity measures, including strong authentication controls, regular data backups, and employee awareness programs to promote responsible digital behaviour. These measures support business continuity, ensure compliance with Malaysia’s Personal Data Protection (Amendment) Act 2024 (PDPA), and safeguard sensitive information.

We are pleased to disclose that there were no complaints or breaches of member privacy for the second consecutive year.



6. Environment

Responsible Energy Use

The Institute continues to promote responsible energy use as part of its commitment to minimising environmental impact. While the Institute's operations have a relatively low environmental footprint, we recognise the importance of encouraging sustainable practices. In line with this, most of our conference and training materials are delivered in a paperless format, reducing reliance on physical resources.

Our energy management efforts extend to office operations and event venues, where we aim to minimise energy consumption by promoting energy-saving practices, enhancing employee awareness, and adopting energy-efficient technologies where practicable. This includes encouraging simple measures such as switching off lighting during lunch breaks, after office hours, and in unoccupied areas. In addition, the Institute continues to maintain a hybrid work arrangement, which supports more efficient use of office space and contributes to optimising electricity consumption.

Given the relatively low environmental footprint of the Institute's operations, energy consumption is not currently a primary material focus area. As such, while we continue to monitor overall usage, detailed data collection and advanced tracking mechanisms are not prioritised at this stage.

The Institute remains committed to adopting a proportionate approach, focusing on practical energy-saving initiatives while progressively enhancing data monitoring capabilities as needed.

Emissions Management

As an Institute operating primarily in an office environment, our emissions footprint is relatively low, and we aim to continue maintaining low emissions through responsible practices, awareness-building and setting an example for our members and stakeholders.

While our emissions are estimated to be modest, we are taking steps to reduce our environmental impact through:-

- Energy-efficient lighting and appliances
- Hybrid work arrangements to reduce commuting emissions
- Digitisation of events and communications to reduce travel and printing

Sustainable Water Use

For this financial year, the Institute maintained its approach to responsible water management as part of its broader commitment to sustainability and resource efficiency.

Given the nature and scale of our operations, our water usage remains low, and we are committed to sustaining minimal water consumption through responsible practices. The Institute does not engage in water-intensive activities and does not discharge effluents into water bodies or environmentally sensitive areas. No water is withdrawn from protected sources or reused in operational processes. As a non-industrial entity, our effluent output is limited to standard office wastewater, which is managed through municipal sewage systems in compliance with applicable local regulations.

Waste Management

In line with the nature of our operations, overall waste generation remains minimal, and we aim to continue maintaining lower waste generation by ongoing resource efficiency measures. The majority of waste produced is non-hazardous and consists primarily of:-

- Office-related waste (e.g., paper, packaging, pantry waste)
- E-waste from obsolete Information Technology ("IT") equipment
- Event-related material (e.g., printed handouts, disposable items)



6. Environment (cont'd)

Waste Management (cont'd)

No hazardous waste is generated and we are fully compliant with the local waste disposal regulations.

On-going efforts to manage our waste includes:-

- Paper reduction via on-going efforts to digitise internal workflows, publications, member communications, training materials.
- Recycling of paper, plastics and other recyclables where possible through building management facilities.
- Minimising of event waste by shifting towards digital materials for training and conferences to reduce single-use items and printed materials.

At this stage, we do not measure total waste generated in quantitative terms, but we do acknowledge the importance of tracking waste to inform future sustainability targets.

7. Social

People and Workplace Well-being

At the Institute, we recognise that a strong workplace culture is fundamental to delivering value to our members and advancing the internal audit profession. We are committed to creating a workplace that promotes inclusivity, supports employee well-being and encourage continuous learning and professional growth.

As an Institute serving more than 3,000 members across Malaysia, the Institute relies on a committed team to deliver value across key areas such as member engagement, professional development, certification pathways, governance and stakeholder collaboration. Our people play a critical role in ensuring the organisation remains responsive and relevant in a rapidly evolving professional landscape.

Building on the progress made in the previous year, the Institute continued to emphasise on enhancing employee experience and organisational capability. We are strengthening initiatives that promote collaboration, learning and performance excellence, while fostering an environment where employees feel recognised and empowered. Our reward and compensation practices remain aligned with performance and merit-based principles, supporting fairness and motivation across the organisation.

The Institute will continue to monitor workforce trends and prioritise efforts to attract, develop and retain talent, ensuring a resilient and future-ready organisation. Through these efforts, we aim to sustain a positive workplace culture that supports both our people and our long-term mission.

At the Institute, a comprehensive benefits package is provided to the employees, which includes:-

- Medical support (i.e., Insurance, dental treatment claims, optical claims)
- Learning & development support (i.e. study leave)
- Paid leave entitlements
- Other incentives and variable bonuses

The Institute also recognises the importance of supporting employees through key life stages, including parenthood. We offer paid parental leave to all eligible employees, regardless of gender to ensure a healthy balance between professional responsibilities and family commitments.

Skills Development and Professional Advancement

At the Institute, strengthening capabilities across our workforce and the profession continues to be a key area of focus. In an increasingly dynamic environment, we recognise the importance of equipping our people with relevant skills and knowledge to remain effective and forward-looking in their roles.

Throughout the year, we maintained our emphasis on learning and development by providing employees with structured opportunities to build competencies, expand expertise and support the Institute.



7. Social (cont'd)

Skills Development and Professional Advancement (cont'd)

The Institute tracked training hours per employee, enabling a detailed, consistent, and transparent disclosure of employee development initiatives. The institute has set a target of a minimum of ten (10) hours of training per employee to encourage continuous learning and development.

| Total number of training hours by employee category | | |
|---|-----------------------------|----------------------|
| Unit | Employee Category | FYE 31 December 2025 |
| Number | Senior Management & ED | 44 |
| | Assistant Manager & Manager | 22 |
| | Senior Executive | 62 |
| | Executive & Officer | 11 |
| | TOTAL | 139 |

The following outlines the key training programmes attended by the employees in 2025:-

- Strategic Business Development & Communication Masteries
- Leading From The Edge Of The Unknown – Unlock A Masterclass In Navigating the Uncharted Unlock Your Promotion
- Everything You Need To Know About E-Invoicing 2025
- SST Scope Expansion 2025 – What You Must Know

As this reporting approach is newly introduced for this year, detailed hour totals for 2024 are not available, but it sets the foundation for more comprehensive reporting in the future.

Diversity & Inclusivity

At the Institute, fostering a workplace that values diversity, equity, and inclusion remain a key priority. We understand that embracing different perspectives and experiences enhances our capacity to serve the internal audit profession with integrity, professionalism, and excellence.

| Total number of training hours by employee category | | | | | |
|---|--------------|----------------------|-------------|----------------------|-------------|
| Unit | Gender | FYE 31 December 2024 | | FYE 31 December 2025 | |
| | | Number | % | Number | % |
| Number & % | Male | 12 | 80% | 11 | 79% |
| | Female | 3 | 20% | 3 | 21% |
| | TOTAL | 15 | 100% | 14 | 100% |

| Total number & percentage of employees by gender and employee category | | | | | | | | | |
|--|-----------------------------|----------------------|-----|--------|------|----------------------|-----|--------|------|
| Unit | Employee Category | FYE 31 December 2024 | | | | FYE 31 December 2025 | | | |
| | | Male | | Female | | Male | | Female | |
| Number & % | Senior Management & ED | 1 | 25% | 3 | 75% | 1 | 25% | 3 | 75% |
| | Assistant Manager & Manager | 0 | 0% | 2 | 100% | 1 | 50% | 1 | 50% |
| | Senior Executive | 0 | 0% | 6 | 100% | 0 | 0% | 6 | 100% |
| | Executive & Officer | 3 | 40% | 6 | 60% | 4 | 50% | 4 | 50% |
| | TOTAL | 21 | | | | 20 | | | |



7. Social (cont'd)

Diversity & Inclusivity (cont'd)

| Total number & percentage of employees by gender and employee category | | | | | | | | | |
|--|-----------------------------|----------------------|-----------|----------|-----------|----------------------|----------|----------|-----------|
| Unit | Employee Category | FYE 31 December 2024 | | | | FYE 31 December 2025 | | | |
| | | <30 | 30-50 | >50 | TOTAL | <30 | 30-50 | >50 | TOTAL |
| Number | Senior Management & ED | - | 2 | 2 | 4 | - | 1 | 3 | 4 |
| | Assistant Manager & Manager | - | 2 | - | 2 | 1 | 1 | - | 2 |
| | Senior Executive | 1 | 5 | - | 6 | - | 6 | - | 6 |
| | Executive & Officer | 6 | 1 | 2 | 9 | 6 | - | 2 | 8 |
| | TOTAL | 7 | 10 | 4 | 21 | 7 | 8 | 5 | 20 |
| % | Senior Management & ED | 0% | 50% | 50% | 100% | 0% | 25% | 75% | 100% |
| | Assistant Manager & Manager | 0% | 100% | 0% | 100% | 50% | 50% | 0% | 100% |
| | Senior Executive | 17% | 83% | 0% | 100% | 0% | 100% | 0% | 100% |
| | Executive & Officer | 67% | 11% | 22% | 100% | 75% | 0% | 25% | 100% |

Commitment to a Fair and Respectful Workplace

The Institute remains committed to fostering a workplace environment grounded in respect, fairness and inclusivity. We uphold a zero-tolerance approach towards all forms of discrimination and harassment, reinforcing a culture where all employees feel safe, valued and respected.

During the reporting period, the Institute recorded no incidents of discrimination. We remain committed to maintaining this standard and continuously promoting awareness and accountability across the organisation.

Engaging & Impacting Local Communities

As a professional membership body, we play a vital role not only in advancing the internal audit profession but also in contributing meaningfully to the wider community. We are committed to social responsibility and strive to create a positive impact through education, outreach, and collaborative initiatives.

During the reporting period, staff participated in a mangrove tree planting initiative in collaboration with Skytrek Adventure Langkawi, contributing to environmental conservation and sustainability efforts.

In addition, staff actively took part in various charity runs and walkathons supporting meaningful causes, including CODE LIFE Kidney Rush Fun Run, Run for Clean Sport 2025, Diabetes Fun Run 2025, and Walk A-Payung (World Lupus Day). These initiatives reflect our commitment to promoting healthier communities while contributing to important social causes.

Through such initiatives, we aim to deliver immediate benefits to communities while fostering long-term impact through awareness, active engagement, and partnerships with local organisations.



7. Social (cont'd)

Driving Value Through Member Engagement

The Institute recognises its members as key partners in driving the Institute's purpose and long-term relevance. Beyond our internal operations, member engagement remains central to how we support the growth of the internal audit profession and contribute to wider governance and sustainability efforts.

Through ongoing interaction and collaboration, we seek to better understand the needs of our members while providing platforms that encourage knowledge-sharing and professional exchange. These include learning programmes, industry dialogues, networking opportunities and collaborative initiatives designed to strengthen connections within the internal audit community.

In 2025, the Institute continued to enhance these engagement efforts by conducting a total of thirteen (13) events throughout the year, covering a diverse range of topics such as Strengthening Risk Culture: Understanding Risk Appetite, Tolerance and Capacity, Effectiveness Evaluation to Enhance Board Governance and Awareness on Internal Auditor as a Career/Profession with Unisel Student, and many others. These initiatives aim to support member development and foster closer collaboration within the professional community.

By enabling access to relevant resources, insights and leading practices, the Institute continues to support members in strengthening their capabilities as trusted advisors within their organisations, particularly in critical areas of internal auditing.

Moving forward, the Institute aims to further strengthen these efforts by enhancing member touchpoints, expanding learning opportunities and deepening strategic partnerships, while fostering a collaborative and inclusive professional community.

Certification and Membership Excellence

In 2025, the Institute continued to strengthen its certification outreach and talent development efforts through a series of targeted initiatives. The Certification Department actively engaged with leading governance, risk, and compliance ("GRC") organisations to foster collaboration and enhance awareness of the CIA qualification.

In parallel, the Institute carried out awareness campaigns and organisational outreach, including engagements with professional bodies and academic institutions to explore potential partnerships. These efforts also included promoting the CIA Challenge Exam and conducting career talks at universities, aimed at increasing awareness of the internal audit profession and positioning entry-level certifications as a pathway for aspiring professionals.

To further support the development of internal audit talent, the Institute initiated a strategic collaboration with Sarawak Centre of Performance Excellence (SCOPE) to promote the CIA Certification, culminating in the signing of a MoU early 2026. In addition, digital engagement efforts were strengthened through the sharing of CIA testimonials across social media platforms to encourage and inspire more candidates to pursue the certification.

On the membership front, the Institute remained focused on enhancing member experience and engagement. A membership satisfaction survey was conducted to gather feedback on the Institute's services, enabling continuous improvement in meeting member needs. The Institute also expanded its outreach through corporate engagement sessions, particularly strengthening connections in East Malaysia and the northern region.

Efforts to build early engagement with future professionals were further reinforced through the establishment of three student ambassador clubs in collaboration with universities. Additionally, the Institute enhanced its membership value proposition through the development of a Member Management System ("MMS"), aimed at improving service delivery and overall member experience.

Audit and Risk Management Committee Report



The Audit Committee was established by the Board of Governors (“Board”) in 1997 and was subsequently re-named as Audit and Risk Management Committee (ARMC) in 2022.

1. Composition

The ARMC comprises the following four (4) members, three (3) of whom are not Board members, in accordance with the Constitution, with the remaining one (1) who is a Board member of the Institute:

- Mr. Alan Chang Kong Chong, CFIIA, CIA, CFSA, FCPA (Aust.), Chartered Banker (AICB), Certified Bank Auditor (AICB), Certified Credit Professional (AICB), (Chairman & Non-Board Member) – appointed as Chairman on 21 June 2025
- Ms Christine Ong May Ee, CFIIA, CIA, CRMA, CA (M), FCA (ANZ), B. Acc (Hons) (Singapore) (Non-Board member);
- Puan Norchahya Ahmad, CMIIA, CIMA & AMBCI (Non-Board member);
- Mr Philip Satish Rao, CMIIA, CIA, CPA (Australia), CPA(M), CA(M), (Board member) appointed on 21 June 2025
- Mr. Wee Hock Kee, ICDM (fellow), CFIIA, CRMA CA(M), FCCA (UK), SID (M), (Chairman & Non-Board member)-retired on 21 June 2025; and
- En. Mohamad Yasin Abdullah, CMIIA, FCCA, FCMA, CPA (M), CA (M), Chartered Banker (AICB), (Board member), – resigned on 9 July 2025.

2. Attendance of the meetings

During the current term, the ARMC held seven (7) meetings, which were attended by all members as follows:

| PRESENT | | ATTENDANCE |
|---------------------|--|------------|
| ARMC members | | |
| Chairman | Wee Hock Kee | 2/2 |
| Member | Alan Chang Kong Chong | 7/7 |
| Member | Christine Ong May Ee | 7/7 |
| Member | Norchahya Ahmad | 7/7 |
| Member | Mohamad Yasin Abdullah | 1/2 |
| Member | Philip Satish Rao (appointed on 21 June 2025) | 5/5 |

The meetings were also attended by the President, Treasurer and the management team.

3. Terms of reference

a. Composition

The Board shall appoint a minimum of three (3) members to the ARMC, the majority of whom shall not be members of the Board. At least two (2) members of the ARMC shall be Fellow members of the Institute and who are not members of the Board.

The Board shall appoint the Chairman of the ARMC who is not a member of the Board.

b. Criteria for members

The criteria for the ARMC members include financial literacy, understanding of organisation risk and control and contemporary developments in financial reporting.

The term for each member is two (2) years, subject to re-appointment. The tenure of the ARMC members shall not exceed a cumulative period of nine (9) years whilst the position of the ARMC Chairman shall be rotated at least once every four (4) years.

The performance of the ARMC and its members shall be assessed annually on a self- and peer basis by members of the ARMC in accordance with its Terms of Reference for submission to the Board.



Audit and Risk Management Committee Report

3. Terms of reference (cont'd)

c. Objectives

The primary objectives of the ARMC are as follows:

- i) To assist the Board in fulfilling its fiduciary responsibilities, particularly relating to financial reporting, accounting policies and practices as well as system of internal controls;
- ii) To provide oversight on the audit function of external and internal auditors;
- iii) To provide an independent forum of communication for external auditors, internal auditors and Management;
- iv) To provide oversight on the compliance of the Institute's Anti-Bribery and Corruption ("ABC") and Enterprise Risk Management ("ERM") frameworks; and
- v) To provide oversight on the adequacy and effectiveness of risk management, internal audit control and governance systems implemented in the Institute.

d. Duties and Responsibilities

The duties and responsibilities of the ARMC are:

- i) To consider the appointment, resignation or dismissal of the external auditors and internal auditors, the audit fee and recommend to the Board for approval;
- ii) To discuss and approve external auditors's Audit Plan before the commencement of audit;
- iii) To review the draft annual financial statements and audit opinion with the external auditors before recommending to the Board for approval, focusing particularly on
 - Changes in or implementation of major accounting policies and practices;
 - Significant matters highlighted, including financial reporting issues, significant judgments made by Management, significant and unusual events or transactions, and how these matters are addressed;
 - Significant adjustments resulting from the audit; and
 - Compliance with financial reporting standards, regulatory and other legal requirements;
- iv) To discuss issues arising from the audits and any other matters raised by the auditors;
- v) To review and approve the internal audit plan, consider the major findings of internal audit, including investigations, if any, and Management's response and ensure, where deemed pragmatic, co-ordination between the internal and external auditors;
- vi) To review the adequacy of scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- vii) To review the adequacy and effectiveness of internal control systems based on feedback and reports from the internal and external auditors;
- viii) To review any related party transaction and conflict of interest situation that may arise within the Institute, including any transaction, procedure or course of conduct that raises questions of Management integrity;
- ix) To review the effectiveness of the Enterprise Risk Management and Anti-Bribery and Corruption frameworks and its implementation;
- x) To report to the Board on a periodic basis the activities and work done by the ARMC, including any recommendations to be made; and
- xi) To carry out such other functions as mandated by the Board.



3. Terms of reference (cont'd)

e. Authority

The ARMC is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee or Governor, and all employees and Governors concerned are required to cooperate with any request made by the ARMC to enable the ARMC to discharge its duties and responsibilities.

f. Meeting and Minutes

The ARMC shall hold not less than two (2) meetings a year. The quorum for each meeting shall be two (2) members either present in person or participating through a virtual platform. In the absence of the ARMC Chairman, the remaining members shall elect from amongst themselves to chair the meeting.

Representatives of the external auditors and/or the internal auditors shall attend meetings where matters relating to the audit of the statutory financial statements or internal control system are to be discussed following the audits. The President, Honorary Treasurer and Executive Director of the Institute shall be invited to attend the meetings to provide management input to the ARMC.

Minutes of each meeting shall be prepared and tabled for confirmation at every ensuing meeting and kept by the Secretariat after the minutes of meeting have been confirmed by the ARMC and signed by the ARMC Chairman.

g. Changes to the Terms of Reference

Changes, if any, to the ARMC's Terms of Reference shall not be valid unless they are approved by the Board.

4. Summary of Activities of the ARMC during the year and up to the date of this Report

The ARMC carried out its duties in accordance with its Terms of Reference.

- i. Evaluated and proposed the appointment of external auditor for the financial year ended 31 December 2025 and the audit fee;
- ii. Evaluated and recommended the appointment of an internal auditor, along with the proposed audit fees of RM75,000 for the following scope of work:
 - a) Assessment of Contract and Outsourcing Management practices;
 - b) Membership Management System (MMS) readiness review and
 - c) Vulnerability Assessment and Penetration testing.
- iii. Deliberated with the internal auditors on the three (3) Internal Audit Reports in the presence of the President, Treasurer and Management before recommending the same to the Board for approval;
- iv. Discussed and approved the audit planning memorandum presented by the external auditors;
- v. Reviewed the Corporate Governance, SORMIC and Sustainability Report before recommending the same to the Board for approval;
- vi. Deliberated with the external auditors on the draft financial statements for year ended 31 December 2025 in the presence of the President, Treasurer and Management of the Secretariat before recommending the same to the Board for approval;
- vii. Reviewed the financial position of the Institute, debtors' aging as well as its cash position and enquired into any inconsistencies or differences for explanations to be provided by the Management;
- viii. Appointed BDO to review the risk register of the Institute after ARMC provided their inputs into the risk management process and register.



Audit and Risk Management Committee Report

5. Internal Audit Function

The internal audit function was outsourced to an independent consulting firm, namely BDO CONSULTING SDN BHD (“BDO”), which was appointed by the Board of Governors. There were three (3) primary scopes of work that were undertaken.

The scope of work conducted is outlined as follows:

1. Review on Contract and outsourcing management

The review on contract and outsourcing management report has not identified any significant issues that may impact the operations of the Institute and has also recorded the various action plans that had been taken by Management to strengthen and enhance the controls and workflow of the areas audited.

2. Membership Management System (MMS) system readiness review

The review on MMS System Readiness Review was based on the components listed below, with the Security Commission’s Technology Risk Management Guidelines and industry cyber security best practices being used as the basis for the assessment:

1. Network Security
2. Infrastructure Resiliency
3. Backup and Restore Capability
4. User Authentication Capability
5. System Development Life Cycle
6. Data Migration and Integrity
7. Go Live Cutover Plan
8. Review of Incident Management Policy & Procedures and Service Level Agreement with Vendor
9. Performance Test
10. User Acceptance Testing Validation

3. Vulnerability Assessment and penetration testing

The review is to identify, test and evaluate security vulnerabilities of the system by utilising automated and manual testing analysis methods. The assessment results obtained, along with the recommendations provided, are to assist IIAM in strengthening its system security.

Prior to the scheduled launch of the MMS to the Institute’s members, the Institute conducted a system readiness review, vulnerability assessments, and penetration tests. All findings identified were duly rectified and subsequently verified by BDO. Apart from the findings, BDO also made recommendations aimed at strengthening the system and improving the overall user experience for both internal users and members. The Institute has implemented those recommendations.

Chang Kong Chong, Alan

Chairman

Audit and Risk Management Committee 2025/2026



CERTIFICATION AND ACADEMIC RELATIONS COMMITTEE

OBJECTIVES

The initiative aims to promote the CIA as the leading professional qualification for internal auditors, strengthen internal audit education partnerships with local institutions of higher learning, and enhance awareness of IIA specialty certification programmes, including CRMA for Risk Management Assurance and IAP for Internal Audit Practitioners, as recognised certifications for practitioners.

OVERVIEW

The Certification and Academic Relations Committee (CARC) serve as the dual engine of IIA Malaysia’s growth strategy—focusing on **validating current professional excellence and seeding future talent pipelines**.

In 2025, the Committee successfully navigated the transition to the IIA Global annual renewal policy, achieving a **11.9% increase** in the total certified base, now exceeding **1,000 active holders**. This professional growth was mirrored in the Academic Relations pillar, where we expanded our reach to over **13 major academic institutions and career expos**. By harmonising rigorous certification standards with aggressive university outreach, the CARC ensures that IIA Malaysia remains at the forefront of human capital development.

2025 PERFORMANCE SUMMARY

| PERFORMANCE METRIC | 2024 ACTUAL | 2025 ACTUAL | VARIANCE (%) |
|-----------------------------------|-------------|-------------|--------------|
| CIA Programme Completions | 65 | 90 | +38.5% |
| Total CIA Exam Registrations | 398 | 471 | +18.3% |
| Active CIA Holders (as at 31 Dec) | 757 | 847 | +11.9% |
| Total Active Certified Holders | 917 | 1,026 | +11.9% |
| Tuition Class Participants | 95 | 140 | +47.4% |
| Strategic Corporate Meetings | 28 | 21 | - |

PILLAR I: CERTIFICATION EXCELLENCE & PROFESSIONAL STANDARDS

1.1 Benchmark Achievements

We are pleased to report that **90 candidates** completed the CIA programme in 2025, a **38.5% increase** from the previous year. This success is underpinned by a strong pipeline of **471 exam registrations**:

| CERTIFICATION PROGRAMME (CIA) | NUMBER OF EXAMINATION REGISTRATION RECORDED IN 2025 |
|-------------------------------|---|
| Part 1 | 193 |
| Part 2 | 132 |
| Part 3 | 146 |
| TOTAL | 471 |



CERTIFICATION AND ACADEMIC RELATIONS COMMITTEE (cont'd)

2025 PERFORMANCE SUMMARY (cont'd)

PILLAR I: CERTIFICATION EXCELLENCE & PROFESSIONAL STANDARDS (cont'd)

1.2 Growing the Certified Community

As of 31 December 2025, active certified professionals in Malaysia surpassed the 1,000-mark. Notably, the **Internal Audit Practitioner (IAP)** designation saw a surge from **4 to 23 holders**, indicating growing interest among entry-level practitioners.

| TYPE OF CERTIFICATION | ACTIVE CERTIFICATION HOLDER AS AT 31 DECEMBER 2024 | CERTIFICATION HOLDER AS AT 31 DECEMBER 2025 |
|---|--|---|
| Certified Internal Auditor (CIA) | 757 | 847 |
| Certification in Risk Management Assurance (CRMA) | 112 | 115 |
| Internal Audit Practitioner | 4 | 23 |
| Total Certified Holders | 873 | 985 |

Strategic Impact & Future-Proofing: This growth is timely and critical given the **SSM Consultative Document (April 2026)**, which proposes mandatory sustainability reporting for large companies by 2028. By expanding our pool of **CIA and CRMA holders**, CARC is proactively preparing the Malaysian workforce to meet these upcoming statutory requirements, ensuring that internal auditors have the expertise to provide the mandatory assurance and ethical oversight required under the new ESG legal framework.

Candidate Support & Professional Development

To bolster exam success rates, the Institute provided the following technical and developmental support:

- **CIA Tuition:** In collaboration with Noesis Exed, participation increased by **47.4%** with **140 participants**.
- **Akademi Audit Negara (AAN) Mentorship:** A dedicated **Mentor-Mentee Introduction Session** was organised for four (4) AAN candidates. This programme fosters supportive relationships, providing practical insights and guidance for CIA exam preparation.
- **Specialised Training:** Organized one (1) in-house revision class specifically for AAN candidates.
- **Code of Ethics (COE):** Six (6) sessions were conducted. From mid-September 2025 onwards, these sessions were opened to **all members regardless of professional qualification** to promote broader ethics awareness.
- **CIA Briefings:** Seven (7) sessions were held to equip candidates with exam techniques.



CERTIFICATION AND ACADEMIC RELATIONS COMMITTEE (cont'd)

2025 PERFORMANCE SUMMARY (cont'd)

PILLAR II: ACADEMIC RELATIONS & FUTURE TALENT PIPELINE

2.1 Strategic University Engagements

The second pillar of the committee's mandate focuses on bridging the gap between academia and the profession. In 2025, the Academic Relations sub-committee intensified its "Career Awareness" roadmap to demystify the profession for the next generation and to ensure internal auditing is seen as a career of choice for Malaysia's top graduates.

In 2025, the Institute conducted nine (9) Career Talks and participated in four (4) Career Expos. These sessions invited industry experts to share insights on the evolving role of the internal auditor and the path to global certification:

| 2025 CAREER TALK | UNIVERSITY/COLLEGE | TOPIC | SPEAKER REPRESENTATIVE |
|-------------------|---|--|--|
| 11 March 2025 | Universiti Tenaga Nasional (UNITEN) | Exploring Careers in Internal Audit: Insights and the New IPPF | Ms Geetha Kanny & Ms Alyssa, Hew Li Min |
| 16 April 2025 | Universiti Kebangsaan Malaysia (UKM) | Career as an Internal Auditor | Ms Geetha Kanny |
| 18 April 2025 | Universiti Kuala Lumpur Business School (UNIKL) | Understanding Internal Audit's Role in Preventing Corporate Failures | Ms Geetha Kanny |
| 20 April 2025 | Universiti Utara Malaysia (UUM) | How Professional Certifications Influence Career Enhancement and Employability | En Zahran Tasliman |
| 26 May 2025 | Universiti Teknologi Mara Johor (UiTM) | Career as an Internal Auditor | Ms Geetha Kanny |
| 19 September 2025 | UCSI Sarawak | IAP, CIA Briefing Session & Career Talk as an Internal Auditor | Ms Geetha Kanny & Mr Joel Elizer |
| 25 September 2025 | Universiti Tun Abdul Razak (UNIRAZAK) | Career as an Internal Auditor | Ms Geetha Kanny & En Muhammad Umair Abd Rahman |
| 25 October 2025 | Universiti Sains Malaysia, Penang (USM) | Career Talk Roadshow (Cybersecurity, Audit & Governance) | En Zahran Tasliman |
| 28 October 2025 | Disted College, Penang | Career as an Internal Auditor | Ms Geetha Kanny |



Report on Main Committee

CERTIFICATION AND ACADEMIC RELATIONS COMMITTEE (cont'd)

2025 PERFORMANCE SUMMARY (cont'd)

PILLAR II: ACADEMIC RELATIONS & FUTURE TALENT PIPELINE (cont'd)

2.1 Strategic University Engagements (cont'd)

| 2025 CAREER EXPO | | |
|--------------------------|--|---|
| 21 -22 April 2025 | Universiti Kebangsaan Malaysia Bangi (UKM) | Career Week (Faculty of Economics & Management) |
| 20 May 2025 | Taylor's University | Industry Collaboration and Professional Growth Event at Taylor's University |
| 12 November 2025 | UiTM Puncak Alam | Internal Audit Awareness Week |
| 22 November 2025 | UiTM Puncak Alam | UiTM Accounting Conference |

2.2 Corporate-Academic Synergy

The Institute held **21 strategic meetings** with corporate clients, including **8 sessions in East Malaysia**. These meetings promoted the CIA designation as a critical **talent development strategy** and helped align organisational support for employee certification.

APPRECIATION

The CARC ensures that IIAM remains the authoritative voice for internal audit proficiency in Malaysia. I would like to record my heartfelt gratitude to the CARC members, our academic partners, and the IIAM Secretariat for their relentless dedication.

Ainon Mahat

Chairman

Certification and Academic Relations Committee 2025/2026



PROFESSIONAL DEVELOPMENT COMMITTEE (PDC) REPORT

OBJECTIVES

- To make IIA Malaysia as the preferred centre in Malaysia for providing quality internal audit programmes including seminars, workshops, talks and conferences in areas related to internal audit, risk management and corporate governance for internal auditors, management, directors, audit committee members and regulators.
- To facilitate participation of members and other interested parties in the internal audit profession in enhancing their knowledge and expertise through participation in activities organised by IIA Malaysia.
- To provide sustainable and reasonable source of income to IIA Malaysia.

OVERVIEW

Despite challenges in achieving the budgeted revenue, demand for public workshops and customised in-house programmes remained strong, providing a solid foundation for the Institute's professional development activities. The Institute's Professional Development Department, in close collaboration with the Professional Development Committee (PDC), continued to advance its mission of delivering high-impact learning and development initiatives that add meaningful, effective, agile, and future-ready value to the internal auditing profession. With the governance, risk, and control (GRC) landscape evolving rapidly, the Institute introduced targeted programmes designed to equip internal auditors with the insights, skills, and competencies needed to remain relevant and up to date.

The Institute also continued offering virtual training options, ensuring accessibility for diverse audiences and enabling the involvement of international trainers.

During the financial year, the Professional Development Department successfully delivered 75 programmes, comprising:

- 2 conferences
- 43 public workshops
- 7 webinars
- 23 in house training sessions

These programmes generated approximately RM6.5 million in revenue for the financial year ended 31 December 2025.

Key Training Programmes Conducted in 2025

The Institute curated a wide range of programmes focusing on core internal audit competencies, emerging risks, and specialised skills. Key topics included:

1. Tools for New Auditors
2. Developing Audit Findings
3. Performing An Effective Quality Assessment
4. ESG Certificate: Internal Auditing for Sustainable Organizations
5. Fundamentals of IT Auditing
6. Critical Thinking in Audit Process
7. Influencing Skills for Auditors
8. Financial Auditing for Internal Auditors
9. COSO Based Internal Auditing
10. Communication Skills for Auditors: Interviewing and Negotiating



Report on Main Committee

PROFESSIONAL DEVELOPMENT COMMITTEE (PDC) REPORT (cont'd)

CONFERENCE HIGHLIGHTS

2025 ACIIA Conference

The **ACIIA Conference 2025**, themed “**Internal Audit in a Polycrisis Era: Adapting, Assuring, and Advancing**,” convened more than **1,270 delegates** from **17 countries** across the Asia Pacific region. The event brought together internal audit leaders, regulators, governance experts, and industry practitioners to address increasing uncertainties driven by climate risks, geopolitical tensions, economic pressures, and technology shifts.

The conference was officiated by the **YAB Dato’ Seri Anwar Ibrahim, Prime Minister of Malaysia**, who emphasised national priorities around resilience, transparency, and sustainable governance.

Day 1 featured keynote presentations and panels on:

- The transformation of the internal audit landscape
- Strengthening governance frameworks
- Evolving responsibilities of internal auditors
- The launch of the Updated SORMIC Guide 2025
- Generative AI risks and opportunities

Day 2 offered 16 concurrent sessions across four thematic tracks:

- Governance & Leadership
- Sustainability & Resilience
- Risk & Crisis Management
- Technology & Innovation

Topics explored included ESG assurance practices, geopolitical risk governance, AI-enabled auditing, cybersecurity threats, fraud prevention, supply chain resilience, and talent related risk oversight.

The conference concluded by underscoring the profession’s need for agility, data driven approaches, and adaptive leadership to maintain strategic relevance. A Gala Dinner themed “**Colours of Asia: A Night in Kuala Lumpur**” provided a platform for regional networking and collaboration.

2025 Audit Committee Conference

Held on **29 September 2025**, the Audit Committee Conference gathered governance, audit, and finance professionals (*120 participants*) to explore regulatory developments, technological disruption, and the growing importance of ESG integration. Key focus areas included:

- Strengthening regulatory and oversight expectations
- Embedding ESG considerations into internal audit
- Enhancements introduced in the **SORMIC 2025 Guide**
- Cybersecurity and financial reporting integrity
- The role of internal audit and accounting functions in supporting board decision-making

Panel discussions provided participants with practical insights and forward-looking strategies to enhance organisational resilience in a fast-changing risk environment.

Strengthening Expertise Through Speaker and Trainer Networks

The Institute has significantly broadened its pool of subject-matter experts over the years, with more than 100 conference speakers and trainers contributing to its professional development ecosystem. In 2025, the PDC welcomed 22 new conference speakers and 2 new trainers to this growing network.

We extend our heartfelt appreciation to all speakers and trainers for their dedication and expertise, which continue to elevate the quality, relevance, and impact of our programmes.



PROFESSIONAL DEVELOPMENT COMMITTEE (PDC) REPORT (cont'd)

Acknowledgements

The Institute expresses its sincere gratitude to our:

- **Members and corporate partners**, for their continued trust in selecting IIA Malaysia as their preferred training provider
- Sponsors, whose generous support contributed significantly to the success of our 2025 conferences

Their collective support enables the Institute to deliver impactful and sustainable professional development offerings.

Continuing Our Commitment to the Profession

IIA Malaysia remains a vital driver of excellence within the internal auditing community. By embracing innovation, strengthening risk management practices, and supporting the evolving role of internal auditors as trusted advisors, the Institute ensures that its members stay aligned with global standards and emerging trends.

Our aspiration is to position IIA Malaysia as the **leading voice in governance** in the country—achievable through collaboration, innovation, and an unwavering commitment to advancing best practices.

APPRECIATION

On behalf of the Committee, I would like to express my sincere gratitude to all PDC members for their insights, contributions, and steadfast support throughout the year. Their commitment has been instrumental in advancing the Institute's mission of "**Elevating Impact.**"

Stephen Byrne

Chairman

Professional Development Committee 2025/2026



PROFESSIONAL SERVICES COMMITTEE (PSC) REPORT

OBJECTIVES

The objective of the committee is to ensure that the services accorded to members are relevant and promote towards increasing the standards of the internal audit profession as well as to create more awareness on the benefits and services of the Institute, to increase the number of individual, corporate and audit committee members.

OVERVIEW

Membership

1) Members Growth (2021 – 2025)



In 2025, the Institute maintained a strong membership base with 3,425 individual members and 267 corporate members. Out of the 3,425 individual members, 4 were Honorary, 30 Fellows, 1,062 Professional, 2,198 Associates, 98 Students, and 33 Audit Committee members. While individual membership saw a slight decline of 2% from 3,492 in 2024, corporate membership remained stable. This continued support reflects the Institute’s sustained relevance and engagement within the internal audit profession.

2) Members Activities

Throughout 2025, the Institute continued to organise various events and initiatives to strengthen member engagement and enhance overall satisfaction:

• [Internal Audit Reels Challenge](#)

As part of IIA Malaysia’s member engagement initiatives and in conjunction with Internal Audit Month, the **2025 Internal Audit Reels Challenge** invited members to share short, creative videos highlighting their audit experiences. Submissions were accepted via Instagram or LinkedIn from 15 May to 30 May 2025.

- **Themes:** A Day in the Life of an Auditor | Audit Myths vs. Reality | Biggest Audit Win / Red Flag Caught
- **Submissions received:** 10 reels
- **Number of winners:** 3
- **Prizes:** Gold coin, wireless earbuds, Harvey Norman gift card, and GIAS book



PROFESSIONAL SERVICES COMMITTEE (PSC) REPORT (cont'd)

Membership (cont'd)

2) Members Activities (cont'd)

To encourage participation and reward creativity, attractive prizes were awarded to the top entries. These prizes were carefully selected to align with IIA Malaysia's professional image and to provide meaningful tokens of recognition.

The top three winners were as follows:



1ST WINNER

OCBC BANK:
Thien Thau Khen
Nor Hakimah Nasrudin
Karishma Kaur Amar Singh



2ND RUNNER-UP

Nur Syafiqah Safrali
Nur Izzati Amani Azian
Alyia Hannan Mohd Ashari



3RD RUNNER-UP

Lim Guang Yeow
Sew Yin Yin
Nurdalilah Atikah Zakaria

IT'S TIME TO ANNOUNCE THE WINNERS OF 2025 IA REELS CHALLENGE

2ND

A Day in Our Life as Internal Auditor

Nur Syafiqah Safrali
Nur Izzati Amani Azian
Alyia Hannan Mohd Ashari

1ST

Audit is here to help
We listen to our

OCBC BANK:
Thien Thau Khen
Nor Hakimah Nasrudin
Karishma Kaur Amar Singh

3RD

Let's Bust Them

Lim Guang Yeow
Sew Yin Yin
Nurdalilah Atikah Zakaria

CONGRATULATIONS TO ALL OUR WINNERS

The Institute of Internal Auditors Malaysia



PROFESSIONAL SERVICES COMMITTEE (PSC) REPORT (cont'd)

Membership (cont'd)

2) Members Activities (cont'd)

- **Members' Networking Session**

In line with the Institute's commitment to fostering connections and knowledge sharing, 13 complimentary networking sessions **were conducted** throughout the year, benefiting 505 members. These sessions covered diverse topics as follows:

| 2025 Networking Session (Klang Valley) | | | |
|--|---|---|---------------------|
| DATE | TOPIC | SPEAKER | NO. OF PARTICIPANTS |
| 24 April | Strengthening Risk Culture: Understanding Risk Appetite, Tolerance and Capacity | Mr. Joe Lee Moore Risk Consulting | 36 |
| 25 June | Board & CAE Roundtable 2025 <ul style="list-style-type: none"> • <i>Session 1: How Internal Auditors Can Help Organisation Navigate Current Volatile Business Landscape?</i> • <i>Session 2: A Strategic Approach to Board Effectiveness Evaluation to Enhance Board Governance</i> • <i>Session 3: Updates on Global Internal Audit Standards (GIAS)</i> | <ul style="list-style-type: none"> • Mr Wee Hock Kee IIAM ARMC Committee • Mr Derek Lee Siew Weng Board of Governor, IIAM • Ms Alyssa Hew IIA Malaysia | 52 |
| 11 July | Awareness on Internal Auditor as a Career/ Profession with Unisel Student | Mr Zahran Tasliman Pr1ma Corporation Malaysia | 35 |
| 7 August | EXCLUSIVE CAE ROUNDTABLE - Navigating New IIA Global Standard (<i>JV IIA, Wolters Kluwer, Quaditix</i>) | Dr Nurmazilah Dato' Mahzan Member of the IFRS Foundation Integrated Reporting and Connectivity Council (IRCC) | 23 |
| 25 August | Audit Challenges We're Facing Today – and How We're Tackling Them | Pn Nik Nazifah Nik Ahmad IIAM PSC Committee | 30 |
| 8 September | ACIIA CAE Roundtable 2025 <ul style="list-style-type: none"> • <i>Session 1: Risk in Focus 2026</i> • <i>Session 2: Unpacking the Cybersecurity Topical Requirement: A Practical 2025 Guide for CAEs</i> | <ul style="list-style-type: none"> • Suhailah Mohamed Abdulla President, IIA Malaysia • Anthony Pugliese President and CEO, The IIA • Javier Faletto Executive VP - Global Strategy & Affiliate Relations • Chang Ming Chew Board of Governor, IIA Malaysia | 66 |



PROFESSIONAL SERVICES COMMITTEE (PSC) REPORT (cont'd)

Membership (cont'd)

2) Members Activities (cont'd)

- **Members' Networking Session (cont'd)**

| 2025 Networking Session (Klang Valley) | | | |
|---|---|---|---------------------|
| DATE | TOPIC | SPEAKER | NO. OF PARTICIPANTS |
| 10 October | Unlock Your Next Promotion - LinkedIn Secrets | Nina Sharil Khan LinkedIn Personal Branding & Thought Leadership Queen | 49 |
| 14 October | AI in GRC – Hype or Game-Changer? | Divakaren Sivagurunathan Head of Internal Audit ADA / Axiata Digital Labs | 45 |
| 23 October | Audit Challenges We're Facing Today – and How We're Tackling Them | Pn Nik Nazifah Nik Ahmad IIAM PSC Committee | 21 |
| 4 November | From Classroom to Audit Room: Real Talk with a Young Internal Auditor with UiTM students | Mr Muhammad Aslam Ab Rahaman Axcelasia Sdn Bhd | 60 |
| 20 November | Budget 2026: Post Budget Announcement (JV IIAM x EY) | Mr Elias Mohammad Ernst & Young Tax Consultants Sdn Bhd | 32 |
| 2025 Networking Session (East Malaysia) | | | |
| 20 May <i>(in Kuching)</i> | How Internal Auditors Can Help Organisation Navigate Current Volatile Business Landscape? | Mr Derek Lee Siew Weng Board of Governor, IIAM | 29 |
| 22 May <i>(in Miri)</i> | How Internal Auditors Can Help Organisation Navigate Current Volatile Business Landscape? | Mr Derek Lee Siew Weng Board of Governor, IIAM | 27 |

- **MoU Signing with the Saudi Authority of Internal Auditors (Saudi Arabia)**

On 15 August 2025, The Institute of Internal Auditors Malaysia (IIA Malaysia) signed a Memorandum of Understanding (MoU) with the Saudi Authority of Internal Auditors (SAIA) in Kuala Lumpur. The MoU aims to strengthen cooperation in the areas of internal auditing, governance, and compliance.

Through this collaboration, both organisations will explore opportunities for knowledge sharing, professional development initiatives, and the organisation of joint conferences, seminars, and training programmes. The partnership reflects a shared commitment to advancing the internal audit profession and strengthening international collaboration.



PROFESSIONAL SERVICES COMMITTEE (PSC) REPORT (cont'd)

Membership (cont'd)

2) Members Activities (cont'd)

- **IIA Malaysia Student Ambassador Programme**

The IIA Malaysia Student Ambassador Programme is a new initiative introduced to strengthen engagement with university students while promoting internal auditing as a rewarding and viable career path. The programme aims to cultivate leadership among undergraduates and bridge academic learning with real-world exposure to the internal audit profession.

In 2025, the Institute collaborated with three (3) universities, appointing a total of 15 student ambassadors:

1. Universiti Teknologi MARA (UiTM) – 5 student ambassadors
2. Universiti Selangor – 5 student ambassadors
3. International Islamic University Malaysia – 5 student ambassadors

This initiative supports the Institute's efforts to build future internal audit professionals and strengthen the talent pipeline for the profession.

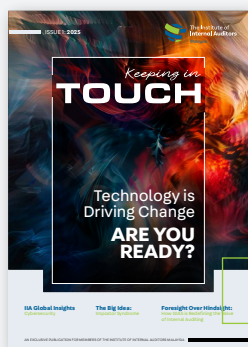
- **IIAM KL X-PLOHUNT – Train & Walk Hunt**

The IIAM KL X-PLOHUNT: Train & Walk Hunt was planned as a member engagement activity in 2025 to encourage networking and teamwork through an urban exploration challenge in Kuala Lumpur. However, the event originally scheduled for 29 November 2025 was postponed due to major train signalling upgrade works on the Kelana Jaya Line announced by Rapid KL.

To ensure a better experience for participants, the event was rescheduled and successfully held on 24 January 2026, attracting 24 teams with 90 participants and providing an engaging platform for members to interact, network, and collaborate.

3) Keeping In Touch (KIT)

On an annual basis the Institute publish two issues of the KIT newsletter to provide members with valuable insights into industry developments and Institute activities. The online versions are made available on The Institute's website (<https://iam.com.my/membership/member-activities/>).



Issue: 1st Issue



Issue: 2nd Issue



PROFESSIONAL SERVICES COMMITTEE (PSC) REPORT (cont'd)

Membership (cont'd)

The PSC continued its efforts to strengthen member engagement and broaden the Institute's reach by delivering meaningful initiatives and collaborative opportunities for the internal audit community. By leveraging strategic partnerships and digital platforms, the Committee strives to enhance professional connections and create greater value for members.

APPRECIATION

The Committee expresses its sincere appreciation to all members, partners, and stakeholders for their unwavering support and contributions, which continue to play an important role in advancing the Institute and the internal audit profession.

Steven Kho Chai Huat

Chairman

Professional Services Committee 2025/2026



RESEARCH AND TECHNICAL ADVISORY COMMITTEE (RTAC) REPORT

OBJECTIVES

The RTAC operates with the following objectives;

- 1) To provide technical advice on matters relating to internal audit, corporate governance, risk management, internal control and other internal audit related matters.
- 2) To provide periodic technical updates to members on recent issues relating to internal audit matters.
- 3) To promote thought leadership on internal audit matters.
- 4) To plan and coordinate the implementation of research projects for IIA Malaysia pertaining to internal audit related matters.
- 5) To recommend grants for internal audit related research projects for Board of Governor's approval.
- 6) To identify and initiate projects to build the Research Fund.

OVERVIEW

Publications

RTAC completed the revision of the Guidelines for Directors of Listed Issuers on Statement on Risk Management and Internal Control (SORMIC). The revised SORMIC was officially launched on 9 September 2025 in conjunction with the Asian Confederation of Institute of Internal Auditors (ACIIA) Conference. The SORMIC Guide 2025 provides practical guidance to assist boards of listed companies in establishing effective risk management and internal control systems, thereby enhancing governance, transparency, and stakeholder confidence. Reflecting evolving regulatory developments and the growing emphasis on corporate governance, the Guide incorporates current Bursa Malaysia Listing Requirements, Malaysian Code on Corporate Governance (MCCG) practices, and globally recognised standards, strengthening accountability, governance frameworks, and business resilience. To ensure broader outreach beyond the primary intended audience, Institute collaborated with Bursa Malaysia to conduct a physical SORMIC Awareness Session at Bursa Malaysia on 21 October 2025, which received strong participation and positive feedback.

To promote awareness and adoption of the Global Internal Audit Standards within Malaysia's public sector, RTAC approved the Bahasa Malaysia translation of the Standards, titled Standard Audit Dalam Global. Supported by targeted promotional strategies, including an accessible pricing approach and periodic online marketing efforts, the initiative received positive feedback from the intended audience, as reflected in encouraging sales volumes and favourable reviews.

RTAC carried out its technical advisory role by providing members with technical updates through the "Technical Newsletter", an electronic publication designed to keep members posted on the latest development on Governance, Risks and Controls and their impact on internal audit activities.

During the financial year, four (4) Technical Newsletters were issued, covering the following topics:

| TECHNICAL NEWSLETTER ISSUE NO. | ISSUANCE DATE | TOPICS |
|--------------------------------|-----------------|---|
| 1/2025 | 21 October 2025 | Cracking the Black Box: Unlocking the Power of Explainable AI In Internal Auditing |
| 2/2025 | 21 October 2025 | Practical Application of the 2025 Internal Auditing Competency Framework for Malaysian Internal Auditors and CAEs |
| 3/2025 | 7 November 2025 | Practical Application of the IIA Sustainability Questionnaire |
| 4/2025 | 2 December 2025 | The Value of External Quality Assessment Review (EQAR) for Internal Audit (IA) |



RESEARCH AND TECHNICAL ADVISORY COMMITTEE (RTAC) REPORT (cont'd)

OVERVIEW (cont'd)

Webinars

During the financial year, RTAC organised six (6) complimentary webinars for the members, and the topics presented were as follows: A total of 585 members attended the webinars organised by the Institute.

| DATE | TOPIC | SPEAKERS | NO OF PARTICIPANTS |
|-----------------|---|----------------------------------|--------------------|
| 23 April 2025 | Transforming Challenges into Opportunities: The Strategic Advisor's Role | Mr. Steven Kho Chai Huat | 106 |
| 23 April 2025 | Are You Ready? Unlocking COSO & GIAS 2024 for Audit Success | Pn. Ainon Mahat | 106 |
| 30 May 2025 | Global Internal Audit Standards: Burden or Empowerment? | Prof. Dr. Eddy Yap Tat Hiung | 115 |
| 30 May 2025 | Demystifying the Black Box: Harnessing xAI for Trust, Transparency, and Transformation in Internal Auditing | Prof. Dr. Susela Devi K. Suppiah | 115 |
| 26 June 2025 | Steeped in Data: My Journey in Analytics | Pn. Basheerah Syed Ahmad | 72 |
| 13 October 2025 | A Practical Approach to Auditing Culture | Mr. Sandro Boeri | 71 |

Technical Advisory

RTAC and Institute's Technical and Quality Assurance Department provide the following technical support services to members via remote approach:

- Facilitating technical inquiries on the Global Internal Audit Standards (GIAS), 2024 Edition and its application;
- Addressing inquiries on the latest publications from The IIA Global Bookstore; and
- Attending to inquiries on the Quality Assessment Manual 2024 Edition and its application.



Report on Main Committee

RESEARCH AND TECHNICAL ADVISORY COMMITTEE (RTAC) REPORT (cont'd)

EDUCATIONAL DEVELOPMENT PRODUCTS (EDP)

IIA Malaysia actively promotes and offers a range of publications on internal audit, corporate governance, risk management, internal control, and issues of interest to IIA Malaysia's community members. These resources have been organised by category and topic to cater for a wide range of members, including those who are just beginning to pursue a career in internal audit or those who need to develop and enhance their knowledge and technical skills in auditing techniques, tools or internal audit-related leadership required skills.

The publications are mainly sourced from The IIA Research Foundations, US, for which IIA Malaysia is the sole authorised distributor in Malaysia. In addition, reading materials published by Gleim and Becker (CIA exam publisher) are available for sale in both physical and online. Effective October 2025, IIA Malaysia will progressively phase out Gleim and focus exclusively on offering Becker study materials. This transition underscores IIA Malaysia's commitment to continuously enhancing the quality and relevance of its professional education offerings, as Becker works directly with The IIA to ensure full alignment with the latest CIA syllabus and to provide members with current, industry-recognised, and high-quality learning content.

The IIA Research Foundation publishes more than 100 titles based on the latest trend, such as data analytics, audit committee, governance, and control. IIA Malaysia actively promotes themed educational products to encourage members to expand their knowledge and enhance their professional development.

Research Grant

The RTAC identifies research topics in internal auditing for those interested in applying for research grants. The RTAC vets all grant applications, awards grants to successful applicants, monitors the progress of research projects, review the final research report, and approves the research report for publication. The outcome of the research is published on IIA Malaysia's website. All research projects must have outcomes that benefit members of the internal audit profession. The total research funds as of 31 December 2025 stands at RM 221,874 and the RTAC would like to encourage more members and educators to participate in internal audit-related research projects and thought leadership that propel the internal audit profession to the forefront in the realms of governance, risk management and controls.

Appreciation

The RTAC would also like to thank members, researchers and others who have contributed during the year under review, and the IIA Malaysia Secretariat, especially staff from the Technical and Quality Assurance Department, for their invaluable support to the Committee.

Derek Lee Siew Weng

Chairman

Research and Technical Advisory Committee 2025/2026



INTERNAL QUALITY ASSESSMENT COMMITTEE (IQAC) REPORT

OBJECTIVES

The IQAC operates with the following objectives:

1. To assess consistency on Quality Assessment Review (“QAR”) practices carried out by the QAR teams as per QA Manual. This is achieved by carrying out internal quality assessment (IQA) of at least 10% of the number of engagements or a minimum of five engagements to be selected by the IQAC of IIA Malaysia. The samples are selected based on the following considerations:
 - a) Client rating / feedback.
 - b) Type of QAR assignment performed.
 - c) Team Leader and Member.
 - d) Others, i.e. industry, company size and company’s reputation.
2. To review feedback from client organisations.
3. To report a summary of findings and recommendations, and appointment and performance of external assessors, on a bi-annual basis to the Board of Governors. In safeguarding client confidentiality and protecting sensitive commercial information, we adhere to a policy restricting the disclosure of specific names and absolute figures in our reports submitted to the BOG and would instead report on key insights and trends within the constraints of our confidentiality commitment.
4. To approve the appointment of a new external assessor based on the recommendation by the Head, Technical & Quality Assurance.
5. To approve procedures on QAR, Quality Assessment Plan and QAR Fees Structure.
6. To deliver added value by assessing the presence and efficacy of the review and monitoring processes for QAR assignments, ensuring the consistent delivery of high-quality services to our clients in alignment with established standards, including enhancements based on clients’ feedback.
7. To uphold the integrity and impartiality of the IQAC, participation in the committee must be free from any conflicts of interest. The IQAC is required to sign a Conflict-of-Interest Declaration annually as a part of our control measures.



INTERNAL QUALITY ASSESSMENT COMMITTEE (IQAC) REPORT (cont'd)

OVERVIEW

Activities in the Year 2025/2026

1. Reviewed and approved the Terms of Reference for IQAC for the current term.
2. Performed IQA reviews on six (6) jobs out of nine (9) engagements completed in 2025 by the QA Section. The assessment outcomes, including the identified areas for continuous improvement, were presented to the Board. The progress on the implementation of these improvements is reported to the IQAC periodically until all have been implemented/ completed.

The overall assessment affirmed the alignment of our practices with professional standards, reflecting our commitment to excellence and service integrity. As we progress, we continue to refine our processes to maintain the highest standards of quality and professionalism.

3. Provided valuable feedback to the QA Section for continuous improvement.
4. Deliberated and endorsed the Quality Assurance Strategy, Budget and Key Activities for 2026.
5. Reviewed and approved the appointment of one (1) new external assessor based on the recommendation by the Head, Technical & Quality Assurance.
6. Attended the QAR Public Training Programme held on 17-18 November 2025.

APPRECIATION

The IQAC extends its appreciation to all client organisations who have engaged IIA Malaysia to provide QAR services, committee members and the Secretariat. To uphold the standards of internal audit in Malaysia as per the GIAS, the IQAC would like to take this opportunity to encourage more corporate members and organisations to undertake the QAR exercises provided by IIA Malaysia, which will enhance the quality of their internal audit function and in turn improve their governance standards.

Tay Boon Hock

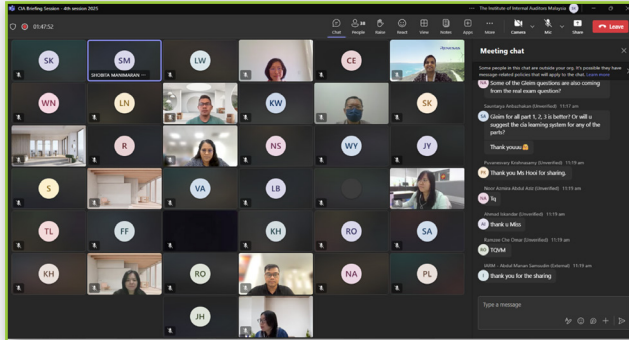
Chairman

Internal Quality Assurance Committee 2025/2026



CERTIFICATION AND ACADEMIC RELATIONS COMMITTEE

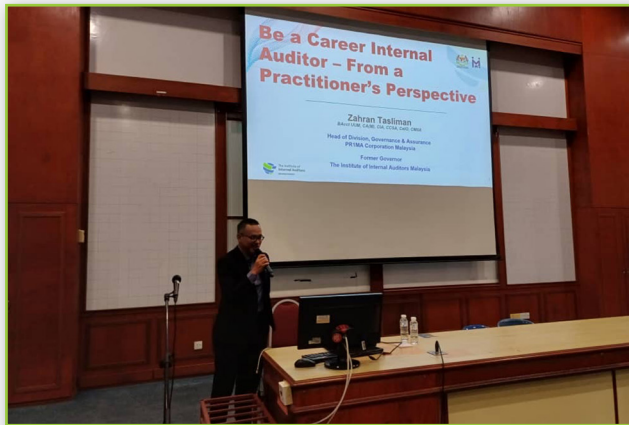
CIA Briefing Session | 4 June 2025



Study tips

- Step 1: Develop a technique to answer questions
- Step 2: Begin a daily habit of practising 10 to 20 questions (e.g. go to office one hour earlier in the morning or stay back in the office for one hour after work)
- Step 3: Identify weak areas and spend more time re-reading the textbook to strengthen knowledge in these areas

Career Talk | 25 October 2025



Career Expo | 12 November 2025





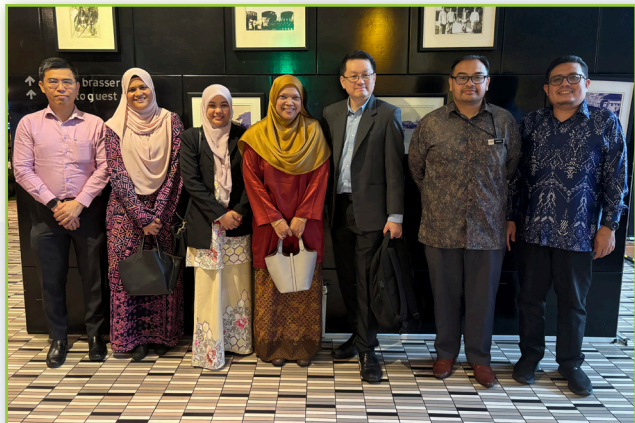
Highlights of Institute Events and Activities

CERTIFICATION AND ACADEMIC RELATIONS COMMITTEE (cont'd)

CIA Tuition Classes | 4, 11 & 25 October 2025



Mentor Mentee Introduction Session | 13 November 2025



CIA In House | 22 & 23 November, 7 & 14 December 2025



Highlights of Institute Events and Activities



CERTIFICATION AND ACADEMIC RELATIONS COMMITTEE (cont'd)

Code of Ethics | 15 April 2025

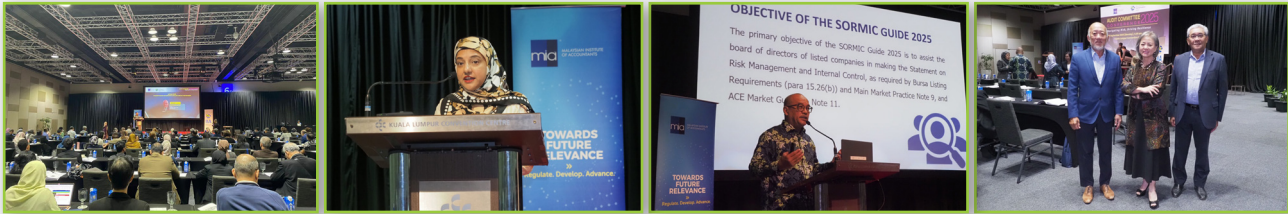




Highlights of Institute Events and Activities

PROFESSIONAL DEVELOPMENT COMMITTEE

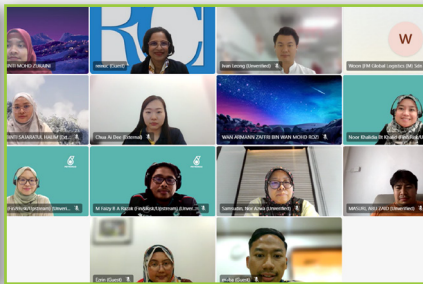
Audit Committee Conference | 29 September 2025



Public Trainings



Tools for New Auditors
13-15 Jan 2025



Anti-Bribery and Anti-Corruption (ABAC)
Program: Key Audit Considerations
24 April 2025



Comprehensive Risk Application Techniques
for Internal Auditors
7 & 8 May 2025



ESG Certificate: Internal Auditing for
Sustainable Organizations
2-3 July 2025



Fundamentals of Cybersecurity Auditing
2-3 July 2025



Developing Audit Findings
4 August 2025



Financial Auditing for Internal Auditors
29-30 September 2025



Fundamentals of IT Auditing
15 & 16 October 2025

Highlights of Institute Events and Activities



PROFESSIONAL DEVELOPMENT COMMITTEE (cont'd)

ACIIA Conference | 9 and 10 September 2025





Highlights of Institute Events and Activities

PROFESSIONAL SERVICES COMMITTEES ACTIVITIES

MoU Signing Arab Saudi | 15 August 2025



ACIIA CAE Roundtable | 8 September 2025



Student Ambassador | UiTM 10 June 2025, IIUM & UNISEL 19 November 2025



IIAM KL-XPLOHUNT | 24 January 2026





PROFESSIONAL SERVICES COMMITTEES ACTIVITIES (cont'd)

Networking Session UiTM | 4 November 2025

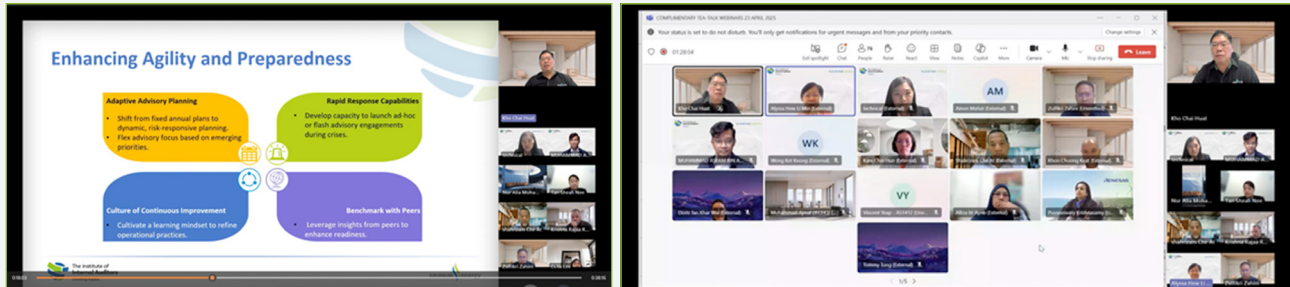




Highlights of Institute Events and Activities

RESEARCH AND TECHNICAL ADVISORY COMMITTEE (RTAC) REPORT

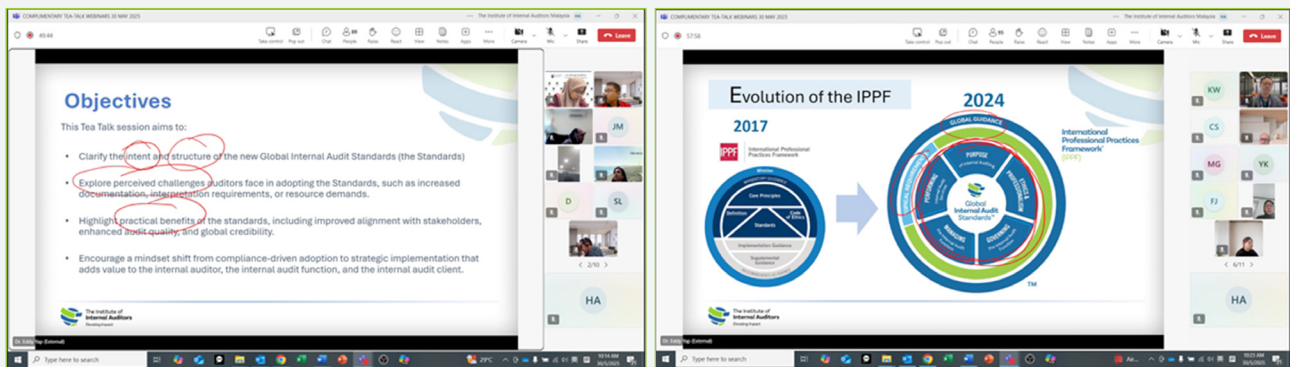
Tea Talk Webinar: Transforming Challenges into Opportunities: The Strategic Advisor's Role | 23 April 2025



Tea Talk Webinar: Are You Ready? Unlocking COSO & GIAS 2024 for Audit Success | 23 April 2025



Tea Talk Webinar: Global Internal Audit Standards: Burden or Empowerment? | 30 May 2025

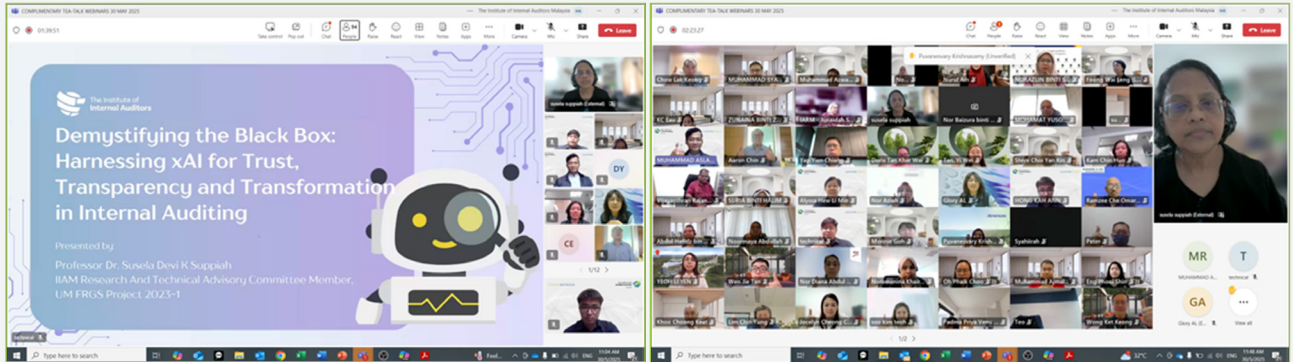


Highlights of Institute Events and Activities



RESEARCH AND TECHNICAL ADVISORY COMMITTEE (RTAC) REPORT (cont'd)

Tea Talk Webinar: Demystifying the Black Box: Harnessing xAI for Trust, Transparency and Transformation in Internal Auditing | 30 May 2025



Tea Talk Webinar: Steeped in Data: My Journey in Analytics | 26 June 2025



Webinar: A Practical Approach to Auditing Culture | 13 October 2025





Highlights of Institute Events and Activities

RESEARCH AND TECHNICAL ADVISORY COMMITTEE (RTAC) REPORT (cont'd)

1st SORMIC Meeting | 14 January 2025



GIAS Talk Jabatan Audit Negara | 8 July 2025



GIAS Talk MAS | 16 June 2025



SORMIC Awareness session | 21 October 2025

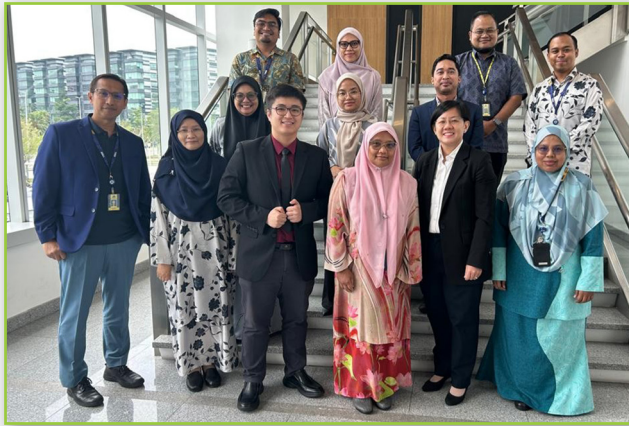


Highlights of Institute Events and Activities



INTERNAL QUALITY ASSURANCE COMMITTEE (IQAC) REPORT

Courtesy Visit (LHDN) | 29 May 2025



Board & CAE Roundtable | 25 June 2025



Courtesy Visit (KTMB) | 11 June 2025



Courtesy Visit (DBKL) | 01 July 2025





Highlights of Institute Events and Activities

INTERNAL QUALITY ASSUARANCE COMMITTEE (IQAC) REPORT (cont'd)

Courtesy Visit (MAIWP) | 31 July 2025



Courtesy Visit (Niro Ceramic) | 6 Nov 2025





CORPORATE SERVICES ACTIVITIES

ESG Participation and Wellness Initiatives





Highlights of Institute Events and Activities

CORPORATE SERVICES ACTIVITIES (cont'd)

30th AGM | 21 June 2025





CORPORATE SERVICES ACTIVITIES (cont'd)

Strategy Meeting | 31 October 2025



Team Building | 1 November 2025



Mangrove Plantation | 1 November 2025





Past Presidents, Honorary & Fellow Members

PAST PRESIDENTS

| | | | |
|-----------|--------------------------|-----------|--------------------------------|
| 1978/1979 | Peter Chieng Ing Mui | 1998/2000 | Wong Yew Sen |
| 1979/1980 | Louis Loh Kam Choon | 2000/2002 | Devanesan Evanson |
| 1980/1981 | Lum Seng Yip | 2002/2004 | Abd Razak Haron |
| 1981/1982 | Cheng See | 2004/2006 | Wee Hock Kee |
| 1982/1983 | Lee Siew Kuan | 2006/2008 | Fatimah Abu Bakar |
| 1983/1984 | Richard Chieng Ing Ku | 2008/2009 | Walter Sandosam |
| 1984/1985 | Rick Siew | 2009/2011 | Hashim Mohammed |
| 1985/1986 | Kay Yew Chye | 2013/2014 | Ranjit Singh Taram Singh |
| 1986/1987 | Margaret Chin Cheng Soon | 2014/2015 | Philip Satish Rao |
| 1987/1988 | Jeyaratnam Velupillai | 2015/2016 | Dato' Shabaruddin Ibrahim |
| 1988/1990 | Lynn T Kulasingham | 2016/2017 | Lucy Wong Kam Yang |
| 1990/1992 | Azhari Mohamed | 2017/2018 | Hazimi Kassim – until 23/05/18 |
| 1992/1993 | Abdul Razak Abu Bakar | 2018/2020 | Alan Chang Kong Chong |
| 1993/1994 | Stanley Yap Onn Nam | 2020/2022 | Zainal Akbar SK MD Abdul Kader |
| 1994/1996 | Lim Kien Chai | 2022/2024 | Dominic Chegne How Kooi |
| 1996/1997 | Vijayam Nadarajah | 2024/2025 | Mohd Khaidzir Shahari |
| 1997/1998 | Mathuraiveran Marimuthu | | |

HONORARY MEMBERS

1. Tan Sri Datuk Dr. Hadenan A. Jalil
2. Dato' Mohammed Azlan Hashim
3. Dato' Yusli Mohamed Yusoff
4. Tan Sri Dato' Setia Haji Ambrin Buang

FELLOW MEMBERS

1. Chang Kong Chong, Alan
2. Chieng Ing Mui, Peter
3. Chin Cheng Soon, Margaret
4. Dato' Shabaruddin Ibrahim
5. Devanesan Evanson
6. Farid Chia Abdullah
7. Fatimah Abu Bakar
8. Hasnah Haron
9. Jeyaratnam Velupillai
10. Kanason Pothiniker
11. Lee Min On
12. Lee Siew Cheng, Mary
13. Lee Siew Kuan
14. Lim Kien Chai
15. Lou Swee You
16. Low Ying Leong, Edmund
17. Nesarajah A/L Chelliah
18. Ong May Ee, Christine
19. Philip Satish Rao
20. Ranjit Singh A/L Taram Singh
21. Stanley Yap Onn Nam
22. Suresh Maria Alexander
23. Suresh N Kannan
24. Vijayam Nadarajah
25. Walter Sandosam
26. Wee Hock Kee
27. Wong Yew Sen
28. Wong Kam Yang, Lucy
29. Woo Yoke Meng
30. Young Tat Yong

CONTENTS

| | |
|---|----|
| GOVERNORS' REPORT | 76 |
| STATEMENT BY GOVERNORS | 79 |
| STATUTORY DECLARATION | 79 |
| INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA | 80 |
| STATEMENT OF FINANCIAL POSITION | 82 |
| STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | 83 |
| STATEMENT OF CHANGES IN EQUITY | 84 |
| STATEMENT OF CASH FLOWS | 85 |
| NOTES TO THE FINANCIAL STATEMENTS | 86 |

FINANCIAL REPORT 2025

The Governors have pleasure in submitting their report together with the audited financial statements of The Institute of Internal Auditors Malaysia (the "Institute") for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Institute are to promote and develop the practice of internal auditing in Malaysia and to provide training and development facilities to its members.

FINANCIAL RESULTS

| | RM |
|--------------------------------|----------------|
| Surplus for the financial year | <u>908,739</u> |

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIVIDENDS

In accordance with the Institute's Constitution, no dividend is payable to the members of the Institute.

GOVERNORS

The Governors in office since the beginning of the current financial year until the date of this report are as follows:

| | |
|--------------------------------------|---------------------------|
| Suhailah binti Mohamed Abdulla | |
| Lee Siew Weng | |
| Kho Chai Huat | |
| Stephen Byrne | |
| Ainon binti Mahat | |
| Affeiz bin Abdul Razak | |
| Amran bin Mohamad | |
| Dominic Chegne How Kooi | |
| Jimmy Tium Beng Teck @ Jimmy Teo B T | |
| Philip Satish Rao | |
| Chang Ming Chew | (appointed on 02.10.2025) |
| Lizah binti Abd Wahab | (appointed on 02.10.2025) |
| Santosh A/L P. Govindan Kutty Nair | (resigned on 15.06.2025) |
| Noorlida binti Mohd Khalid | (resigned on 21.06.2025) |
| Mohamad Yasin bin Abdullah | (resigned on 09.07.2025) |
| Mohd Khaidzir bin Shahari | (resigned on 24.04.2026) |
| Tay Boon Hock | (resigned on 24.04.2026) |

BOARD OF GOVERNORS' INTERESTS

The Institute is a company limited by guarantee and thus has no shares in which the Governors could have an interest. Similarly, the Institute has not issued any debentures.

BOARD OF GOVERNORS' BENEFITS

Since the end of the previous financial year, no Governor of the Institute has received or become entitled to receive a benefit by reason of a contract made by the Institute with the Governor or with a firm of which the Governor is a member, or with a company in which the Governor has a substantial financial interest, other than members' annual subscription paid by the Governors as disclosed in Note 20(b) to the financial statements.

Neither during nor at the end of the financial year, was the Institute a party to any arrangement whose object was to enable the Governors to acquire benefits by means of the acquisition of shares in, or debentures of, the Institute or any other body corporate.



INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Governors and certain officers of the Institute were RM3,000,000 and RM8,000 respectively. No indemnity was given to or insurance effected for auditors of the Institute.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Institute were prepared, the Governors took reasonable steps:

- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no bad debts to be written off and no allowance for doubtful debts was required; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business, including the value of current assets as shown in the accounting records of the Institute have been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Governors are not aware of any circumstances:

- (i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Institute; or
- (ii) which would render the values attributed to current assets in the financial statements of the Institute misleading; or
- (iii) not otherwise dealt with in this report or the financial statements of the Institute which would render any amount stated in the financial statements misleading; or
- (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Institute misleading or inappropriate.

(c) At the date of this report, there does not exist:

- (i) any charge on the assets of the Institute which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Institute which has arisen since the end of the financial year.

(d) In the opinion of the Governors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Institute to meet its obligations as and when they fall due;
- (ii) the results of the operations of the Institute during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Institute for the financial year in which this report is made.



AUDITORS' REMUNERATION

The auditors' remuneration of the Institute for the financial year ended 31 December 2025 is RM30,000.

AUDITORS

The Auditors, UHY Malaysia PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board of Governors in accordance with a resolution of the Governors dated 24 April 2026.

SUHAILAH BINTI MOHAMED ABDULLA

LEE SIEW WENG

KUALA LUMPUR



Statement By Governors

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Governors of the Institute, do hereby state that, in the opinion of the Governors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Institute as at 31 December 2025 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Governors in accordance with a resolution of the Governors dated 24 April 2026.

SUHAILAH BINTI MOHAMED ABDULLA

LEE SIEW WENG

KUALA LUMPUR

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Stephen Byrne, being the Governor primarily responsible for the financial management of The Institute of Internal Auditors Malaysia, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 24 April 2026)

STEPHEN BYRNE

Before me,



No. 59, Jalan Telawi
Bangsar Baru
59100 Kuala Lumpur

COMMISSIONER FOR OATHS



Independent Auditors' Report to the Members of The Institute of Internal Auditors Malaysia

[Registration No.: 199401024059 (309740-D)]

(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of The Institute of Internal Auditors Malaysia, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 82 to 106.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as at 31 December 2025, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

We are independent of the Institute in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Governors of the Institute are responsible for the other information. The other information comprises the information in the annual report, but does not include the financial statements of the Institute and our auditors' report thereon.

Our opinion on the financial statements of the Institute does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Institute, our responsibility is to read the annual report and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Institute or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE GOVERNORS FOR THE FINANCIAL STATEMENTS

The Governors of the Institute are responsible for the preparation of financial statements of the Institute that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Governors are also responsible for such internal control as the Governors determine is necessary to enable the preparation of financial statements of the Institute that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Institute, the Governors are responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Members of The Institute of Internal Auditors Malaysia



[Registration No.: 199401024059 (309740-D)]

(Incorporated in Malaysia)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Institute as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Institute, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governors.
- Conclude on the appropriateness of the Governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Institute or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Institute, including the disclosures, and whether the financial statements of the Institute represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Governors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the members of the Institute, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY Malaysia PLT

202406000040 (LLP0041391-LCA) & AF 1411
Chartered Accountants

KUALA LUMPUR
24 April 2026

YEOH AIK CHUAN

Approved Number: 02239/07/2026 J
Chartered Accountant



Statement of Financial Position

As at 31 December 2025

| | Note | 2025 RM | 2024 RM |
|-------------------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| Non-current asset | | | |
| Property, plant and equipment | 4 | 4,266,926 | 4,237,809 |
| Current assets | | | |
| Inventories | 5 | 46,936 | 59,144 |
| Trade receivables | 6 | 435,372 | 799,698 |
| Other receivables | 7 | 287,230 | 217,407 |
| Tax recoverable | | 30,036 | - |
| Fixed deposits with licensed banks | 8 | 7,850,000 | 6,700,000 |
| Cash and bank balances | 9 | 1,369,395 | 1,829,859 |
| | | <u>10,018,969</u> | <u>9,606,108</u> |
| Total assets | | <u>14,285,895</u> | <u>13,843,917</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Research fund | 10 | 221,874 | 238,767 |
| Accumulated funds | | 13,064,104 | 12,174,695 |
| Total equity | | <u>13,285,978</u> | <u>12,413,462</u> |
| Current liabilities | | | |
| Trade payables | 11 | 80,520 | 233,614 |
| Other payables | 12 | 919,397 | 907,191 |
| Tax payable | | - | 289,650 |
| Total liabilities | | <u>999,917</u> | <u>1,430,455</u> |
| Total equity and liabilities | | <u>14,285,895</u> | <u>13,843,917</u> |

The accompanying notes form an integral part of the financial statements.

Statement of Profit or Loss and Other Comprehensive Income



For the Financial Year Ended 31 December 2025

| | Note | 2025 RM | 2024 RM |
|--|------|-------------|-------------|
| Revenue | 13 | 8,993,596 | 8,496,056 |
| Direct costs | 14 | (3,850,700) | (3,423,273) |
| Gross surplus | | 5,142,896 | 5,072,783 |
| Other income | | 440,041 | 354,557 |
| Administrative expenses | | (4,220,442) | (3,612,853) |
| Surplus before tax | 15 | 1,362,495 | 1,814,487 |
| Taxation | 16 | (453,756) | (439,976) |
| Surplus for the financial year, representing total comprehensive income for the financial year | | 908,739 | 1,374,511 |

The accompanying notes form an integral part of the financial statements.



Statement of Changes in Equity

For the Financial Year Ended 31 December 2025

| | Note | Research Fund RM | Accumulated Funds RM | Total Equity RM |
|--|------|---------------------|-------------------------|--------------------|
| At 1 January 2024 | | 220,465 | 10,818,486 | 11,038,951 |
| Surplus for the financial year, representing total comprehensive income for the financial year | | - | 1,374,511 | 1,374,511 |
| Transfer from accumulated funds | 10 | 18,302 | (18,302) | - |
| At 31 December 2024 | | <u>238,767</u> | <u>12,174,695</u> | <u>12,413,462</u> |
| At 1 January 2025 | | 238,767 | 12,174,695 | 12,413,462 |
| Surplus for the financial year, representing total comprehensive income for the financial year | | - | 908,739 | 908,739 |
| Transfer from accumulated funds | 10 | 19,330 | (19,330) | - |
| Utilised during the financial year | 10 | (36,223) | - | (36,223) |
| At 31 December 2025 | | <u>221,874</u> | <u>13,064,104</u> | <u>13,285,978</u> |

The accompanying notes form an integral part of the financial statements.

Statement of Cash Flows

For the Financial Year Ended 31 December 2025



| | 2025 RM | 2024 RM |
|---|-------------|-------------|
| Operating Activities | | |
| Surplus before tax | 1,362,495 | 1,814,487 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 126,403 | 127,696 |
| Inventories written off | 15,247 | 4,288 |
| Interest income | (264,983) | (234,641) |
| Unrealised loss/(gain) on foreign exchange | 38,955 | (1,935) |
| Operating surplus before working capital changes | 1,278,117 | 1,709,895 |
| Change in working capital: | | |
| Inventories | (3,039) | 8,148 |
| Trade receivables | 357,235 | 1,996 |
| Other receivables | (69,823) | (35,994) |
| Trade payables | (152,859) | 154,628 |
| Other payables | 12,206 | (69,193) |
| | 143,720 | 59,635 |
| Cash generated from operations | 1,421,837 | 1,769,530 |
| Tax paid | (773,442) | (487,644) |
| Tax refund | - | 103,814 |
| Net cash from operating activities | 648,395 | 1,385,700 |
| Investing Activities | | |
| Purchase of property, plant and equipment | (155,520) | (180,549) |
| Interest received | 264,983 | 234,641 |
| Placement of fixed deposits not for short-term funding requirements | (1,150,000) | (1,600,000) |
| Research fund utilised | (36,223) | - |
| Net cash used in investing activities | (1,076,760) | (1,545,908) |
| Net decrease in cash and cash equivalents | (428,365) | (160,208) |
| Effects of exchange translation differences on cash and cash equivalents | (32,099) | (3,788) |
| Cash and cash equivalents at the beginning of the financial year | 1,829,859 | 1,993,855 |
| Cash and cash equivalents at the end of the financial year | 1,369,395 | 1,829,859 |
| Cash and cash equivalents at the end of the financial year comprises: | | |
| Fixed deposits with licensed banks | 7,850,000 | 6,700,000 |
| Cash and bank balances | 1,369,395 | 1,829,859 |
| | 9,219,395 | 8,529,859 |
| Less: Deposits not for short-term funding requirements | (7,850,000) | (6,700,000) |
| | 1,369,395 | 1,829,859 |

The accompanying notes form an integral part of the financial statements.



Notes to the Financial Statements

31 December 2025

1. Corporate Information

The Institute is a company limited by guarantee, incorporated and domiciled in Malaysia.

The principal activities of the Institute are to promote and develop the practice of internal auditing in Malaysia and to provide training and development facilities to its members.

The registered office and principal place of business of the Institute is located at 1-17-07, Menara Bangkok Bank, Berjaya Central Park, 105, Jalan Ampang, 50450 Kuala Lumpur.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Institute have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Institute have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

Adoption of amended standards

During the financial year, the Institute has adopted the following amendments to standards issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

Amendments to MFRS 121 Lack of Exchangeability

The adoption of the amendments to standards did not have any significant impact on the financial statements of the Institute.

Standards issued but not yet effective

The Institute has not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Institute:

| | | Effective dates for financial periods beginning on or after |
|--|--|---|
| Amendments to MFRS 9 and MFRS 7 | Amendments to Classification and Measurement of Financial Instruments | 1 January 2026 |
| Amendments to MFRS 9 and MFRS 7 | Contracts Referencing Nature - dependent Electricity | 1 January 2026 |
| Annual Improvements to MFRS Accounting Standards - Volume 11 | | 1 January 2026 |
| | | <ul style="list-style-type: none">• Amendments to MFRS 1• Amendments to MFRS 7• Amendments to MFRS 9• Amendments to MFRS 10• Amendments to MFRS 107 |
| MFRS 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 |
| MFRS 19 | Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |



2. Basis of Preparation (cont'd)

(a) Statement of compliance (cont'd)

Standards issued but not yet effective (cont'd)

| | | Effective dates for financial periods beginning on or after |
|---------------------------------------|--|--|
| Amendments to MFRS 19 | Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendments to MFRS 121 | Translation to a Hyperinflationary Presentation Currency | 1 January 2027 |
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred until further notice |

The Institute intends to adopt the above new standards and amendments to standards, if applicable, when they become effective.

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Institute except as disclosed below:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 will replace MFRS 101 *Presentation of Financial Statements*. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

MFRS 18 additional requirements are as follows:

- (i) **Statement of Profit or Loss and Other Comprehensive Income**
MFRS 18 introduces newly defined “operating profit or loss” and “profit or loss before financing and income tax” subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged. Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.
- (ii) **Statement of Cash Flows**
The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from “profit or loss” to “operating profit or loss”. It also provides guidance on classification of interest and dividend in statement of cash flows.
- (iii) **New disclosures of expenses by nature**
Institute is required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for Institute to assess and determine which approach is most appropriate based on the facts and circumstances.
- (iv) **Management-defined Performance Measures (MPMs)**
The standard requires disclosure of explanations of the Institute-specific measures that are related to the statements of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.
- (v) **Enhanced Guidance on Aggregation and Disaggregation**
MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

The potential impact of the new standard on the financial statements of the Institute has yet to be assessed.



2. Basis of Preparation (cont'd)

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (“RM”), which is the Institute’s functional currency.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Institute’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following is the judgement made by management in the process of applying the Institute’s accounting policies that has the most significant effect on the amounts recognised in the financial statements:

Satisfaction of performance obligations in relation to contracts with customers

The Institute is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Institute recognises revenue over time in the following circumstances:

- (i) the customer simultaneously receives and consumes the benefits provided by the Institute’s performance as the Institute performs;
- (ii) the Institute does not create an asset with an alternative use to the Institute and has an enforceable right to payment for performance completed to date; and
- (iii) the Institute’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Institute assesses each contract with customers to determine when the performance obligation of the Institute under the contract is satisfied.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Depreciation and useful lives of property, plant and equipment

The Institute reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Judgements are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised. The carrying amounts of the Institute’s property, plant and equipment is disclosed in Note 4.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unutilised capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of deferred tax assets are disclosed in Note 17.



2. Basis of Preparation (cont'd)

- (c) Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty (cont'd)

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Institute estimates the net realisable value of inventories based on an assessment of expected sales prices less estimated cost to sell. Demand level and pricing competition could change from time to time. If such factors result in an adverse effect on the Institute's products, the Institute might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 5.

Provision for expected credit loss of financial assets at amortised cost

The Institute uses a provision matrix to calculate expected credit loss for trade receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Institute's historical observed default rates. The Institute calibrates the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates and expected credit loss is a significant estimate. The Institute's historical credit loss experience may not be representative of customer's actual default in the future. Information about the expected credit loss on the Institute's trade receivables is disclosed in Note 6.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Institute recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

3. Material Accounting Policies

The Institute applies the material accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the Institute using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.



3. Material Accounting Policies (cont'd)

(b) Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

(ii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Capital work-in-progress are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

| | |
|------------------------|--------------|
| Freehold premises | 2% |
| Air conditioners | 20% |
| Computers and software | 20% - 33.33% |
| Furniture and fittings | 20% |
| Office equipment | 20% |
| Office renovation | 20% |

(c) Leases

As lessee

Short-term leases and leases of low-value assets

The Institute has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Institute recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(d) Financial assets

Recognition and initial measurement

Financial assets are recognised on the statement of financial position when, and only when, the Institute becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Institute measures a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.



3. Material Accounting Policies (cont'd)

(d) Financial assets (cont'd)

Financial asset categories and subsequent measurement

For the purpose of subsequent measurement, the Institute classifies its financial assets as financial assets at amortised cost.

The classification depends on the Institute's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless the Institute changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(e) Financial liabilities

Recognition and initial measurement

Financial liabilities are recognised in the statement of financial position when, and only when, the Institute becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Institute measures a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments.

Financial liability categories and subsequent measurement

For the purpose of subsequent measurement, the Institute classifies its financial liabilities as financial liabilities at amortised cost.

Financial liabilities at amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(f) Inventories

Inventories, which mainly comprise the publications and books from the Institute, are stated at the lower of cost and net realisable value.

Cost of publications and books comprises cost of purchase and other costs incurred in bringing them to their present location and condition is determined on a first-in, first-out basis.



3. Material Accounting Policies (cont'd)

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdraft and pledged deposits, if any.

(h) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial assets

The Institute recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Institute expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of default ("a lifetime ECL").

For trade and other receivables, the Institute applies a simplified approach in calculating ECLs. Therefore, the Institute does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Institute has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



3. Material Accounting Policies (cont'd)

(i) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period 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-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the national pension scheme, the Employees' Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Institute has no further payment obligations.

(j) Revenue and other income

(i) Revenue from contracts with customers

Revenue is recognised when the Institute satisfied a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Institute recognises revenue from the following major sources:

(1) Entrance fees and subscriptions

Entrance fees are recognised as revenue upon admission of the member. Membership subscription are recognised over the subscription period as the related services are provided. However, where the subscriptions are received in advance for the following year's subscription, a contract liability is recognised. The contract liability is recognised as revenue in the year of subscription.

(2) Seminar, conference income and quality assessment review fees

Revenue from seminars, conferences, workshops, Quality Assessment Review ("QAR") and certification income is recognised in the reporting period in which the services are performed.

(3) Examination fees

Revenue from examination fees is recognised when candidates registered and sat for the examination.

(ii) Sale of publications and books

Income from sale of publications and books is recognised when control of the publications and books are transferred, being at the point the customer purchases the publications and books.

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.



3. Material Accounting Policies (cont'd)

(k) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(l) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Institute uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1** : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Institute can access at the measurement date.
- Level 2** : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3** : unobservable inputs for the asset or liability.

The Institute recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.



4. Property, Plant and Equipment

| | Freehold premises RM | Air conditioners RM | Computers and software RM | Furniture and fittings RM | Office equipment RM | Office renovation RM | Capital work -in-progress RM | Total RM |
|-------------------------------------|-------------------------|---------------------------|---------------------------------|---------------------------------|---------------------------|----------------------------|------------------------------------|-------------|
| 2025 | | | | | | | | |
| Cost | | | | | | | | |
| At 1 January 2025 | 4,828,564 | 5,020 | 330,323 | 160,287 | 22,339 | 321,430 | 195,929 | 5,863,892 |
| Additions | - | - | 17,820 | - | - | - | 137,700 | 155,520 |
| At 31 December 2025 | 4,828,564 | 5,020 | 348,143 | 160,287 | 22,339 | 321,430 | 333,629 | 6,019,412 |
| Accumulated depreciation | | | | | | | | |
| At 1 January 2025 | 836,950 | 3,793 | 288,569 | 160,287 | 17,484 | 319,000 | - | 1,626,083 |
| Charge for the financial year | 96,573 | 320 | 27,049 | - | 1,381 | 1,080 | - | 126,403 |
| At 31 December 2025 | 933,523 | 4,113 | 315,618 | 160,287 | 18,865 | 320,080 | - | 1,752,486 |
| Carrying amount | | | | | | | | |
| At 31 December 2025 | 3,895,041 | 907 | 32,525 | - | 3,474 | 1,350 | 333,629 | 4,266,926 |
| 2024 | | | | | | | | |
| Cost | | | | | | | | |
| At 1 January 2024 | 4,828,564 | 5,020 | 287,203 | 160,287 | 17,239 | 321,430 | 63,600 | 5,683,343 |
| Additions | - | - | 43,120 | - | 5,100 | - | 132,329 | 180,549 |
| At 31 December 2024 | 4,828,564 | 5,020 | 330,323 | 160,287 | 22,339 | 321,430 | 195,929 | 5,863,892 |
| Accumulated depreciation | | | | | | | | |
| At 1 January 2024 | 740,379 | 3,473 | 260,139 | 160,287 | 16,189 | 317,920 | - | 1,498,387 |
| Charge for the financial year | 96,571 | 320 | 28,430 | - | 1,295 | 1,080 | - | 127,696 |
| At 31 December 2024 | 836,950 | 3,793 | 288,569 | 160,287 | 17,484 | 319,000 | - | 1,626,083 |
| Carrying amount | | | | | | | | |
| At 31 December 2024 | 3,991,614 | 1,227 | 41,754 | - | 4,855 | 2,430 | 195,929 | 4,237,809 |



Notes to the Financial Statements

31 December 2025

5. Inventories

| | 2025 RM | 2024 RM |
|--------------------------------------|------------|------------|
| Publications and books | 46,936 | 59,144 |
| Recognised in profit or loss: | | |
| Inventories written off | 15,247 | 4,288 |

6. Trade Receivables

| | 2025 RM | 2024 RM |
|-------------------------------------|------------|------------|
| Trade receivables | 436,972 | 801,298 |
| Less: Accumulated impairment losses | (1,600) | (1,600) |
| | 435,372 | 799,698 |

Generally, sales are on cash term save for approved customers who are given credit terms of 30 days (2024: 30 to 60 days). Trade receivables mainly comprise conference, seminar, training and other events fees. The Institute maintains an ageing analysis in respect of trade receivables only.

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Institute is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The ageing analysis of trade receivables at the end of the reporting period is as follows:

| | Gross amount RM | Loss allowance RM | Net amount RM |
|-------------------|-----------------------|-------------------------|---------------------|
| 2025 | | | |
| Not past due | 125,420 | (214) | 125,206 |
| Past due: | | | |
| 1 to 30 days | 186,797 | (633) | 186,164 |
| 31 to 60 days | 86,786 | (450) | 86,336 |
| More than 60 days | 37,969 | (303) | 37,666 |
| | 311,552 | (1,386) | 310,166 |
| | 436,972 | (1,600) | 435,372 |
| 2024 | | | |
| Not past due | 1,890 | (4) | 1,886 |
| Past due: | | | |
| 1 to 30 days | 475,903 | (950) | 474,953 |
| 31 to 60 days | 112,562 | (225) | 112,337 |
| More than 60 days | 210,943 | (421) | 210,522 |
| | 799,408 | (1,596) | 797,812 |
| | 801,298 | (1,600) | 799,698 |

Trade receivables that are neither past due nor individually impaired are creditworthy receivables with good payment records with the Institute.

As at 31 December 2025, gross trade receivables of RM311,552 (2024: RM799,408) were past due but not individually impaired. These relates to a number of participants with Human Resource Development Corporation (“HRDC”) claims, each of which involves a processing period of up to six months.



7. Other Receivables

| | Note | 2025 RM | 2024 RM |
|-------------------|------|----------------|----------------|
| Other receivables | (a) | 103,677 | 102,290 |
| Deposits | (b) | 25,503 | 24,548 |
| Prepayments | (c) | 158,050 | 90,569 |
| | | <u>287,230</u> | <u>217,407</u> |

(a) Other receivables comprise accrued interest income on fixed deposits and amounts due from profit-sharing arrangements under global agreements.

(b) Deposits represent amounts paid for utilities deposits.

(c) Prepayments comprise annual information technology ("IT") maintenance and cloud support for the Institute's IT infrastructure.

8. Fixed Deposits with Licensed Banks

| | 2025 RM | 2024 RM |
|---|------------------|------------------|
| Deposits with tenures of more than 3 months | <u>7,850,000</u> | <u>6,700,000</u> |

The weighted average interest rates and maturities of the fixed deposits with tenures of more than 3 months are 3.61% (2024: 3.89%) per annum and 180 days (2024: 180 days) respectively.

9. Cash and Bank Balances

In the previous financial year, included in cash and bank balances of the Institute is an amount of RM458,396 held in trust by the Institute on behalf of Asian Confederation of Institutes of Internal Auditors ("ACIIA"). The Institute was appointed as trustee to ACIIA for all financial related matters until the incorporation of the new governance structure in ACIIA in the Philippines.

10. Research Fund

| | 2025 RM | 2024 RM |
|------------------------------------|----------------|----------------|
| At 1 January | 238,767 | 220,465 |
| Transfer from accumulated funds | 19,330 | 18,302 |
| Utilised during the financial year | (36,223) | - |
| At 31 December | <u>221,874</u> | <u>238,767</u> |

The research fund is maintained to support research-related activities as follows:

- (i) To participate in research activities in the area of internal auditing with members, corporate bodies, the public, institutions of higher learning and other professional bodies;
- (ii) To avail to interested parties (members, the public, institutions of higher learning, etc.) resource materials for research at the IIA Secretariat. These resources can be in the form of journals, articles, audio-visual media, etc.; and
- (iii) To make available research grants or assistance to interested parties to carry out research to promote the internal audit profession.



Notes to the Financial Statements

31 December 2025

11. Trade Payables

The normal trade credit terms granted to the Institute is 30 days (2024: 60 days) depending on the terms of the contracts.

12. Other Payables

| | Note | 2025 RM | 2024 RM |
|--------------------------------|------|----------------|----------------|
| Other payables | (a) | 6,801 | 257,528 |
| Accruals | (b) | 636,843 | 396,566 |
| Contract liabilities | (c) | 195,131 | 166,069 |
| Sales and Services Tax payable | | 80,622 | 87,028 |
| | | <u>919,397</u> | <u>907,191</u> |

- (a) In the previous financial year, included in other payables is an amount due to ACIIA of RM245,365.
- (b) As at 31 December 2025, included in accruals of the Institute was accrual for bonus of RM586,158 (2024: RM341,869).
- (c) Contract liabilities represent advance subscription received from members and examination fees received from candidates registered for examination. The contract liability will be recognised as revenue in the year of subscription and when candidates sit for the examination respectively.

13. Revenue

| | 2025 RM | 2024 RM |
|--|------------------|------------------|
| Revenue from contracts with customers | | |
| Entrance fees and subscriptions | 1,308,379 | 1,397,944 |
| Seminar and conference income | 6,501,033 | 5,538,639 |
| Examination fees | 414,427 | 515,251 |
| Quality Assessment Review fees | 769,757 | 1,044,222 |
| Total revenue from contract with customers | <u>8,993,596</u> | <u>8,496,056</u> |
| Timing of revenue recognition | | |
| At a point in time | 6,969,663 | 6,172,855 |
| Over time | 2,023,933 | 2,323,201 |
| Total revenue from contract with customers | <u>8,993,596</u> | <u>8,496,056</u> |

14. Direct Costs

| | 2025 RM | 2024 RM |
|--------------------------------|------------------|------------------|
| Members' activities | 488,625 | 557,369 |
| Seminars and conferences | 3,147,722 | 2,274,289 |
| Examination | 64,863 | 178,232 |
| Quality Assessment Review Cost | 149,490 | 413,383 |
| | <u>3,850,700</u> | <u>3,423,273</u> |



15. Surplus before Tax

Surplus before tax is arrived at after charging/(crediting):

| | 2025 RM | 2024 RM |
|---|------------|------------|
| Auditors' remuneration | 30,000 | 30,000 |
| Depreciation of property, plant and equipment | 126,403 | 127,696 |
| Inventories written off | 15,247 | 4,288 |
| Lease expenses relating to low value assets | 13,975 | 14,388 |
| Loss/(Gain) on foreign exchange | | |
| - Realised | 72,414 | 12,107 |
| - Unrealised | 38,955 | (1,935) |
| Interest income from: | | |
| - Licensed banks | (264,028) | (234,641) |
| - Others | (955) | - |

16. Taxation

| | 2025 RM | 2024 RM |
|--|----------------|----------------|
| Tax expenses recognised in profit or loss | | |
| Malaysian income tax: | | |
| Current tax provision | 416,869 | 426,780 |
| Under provision in prior years | 36,887 | 13,196 |
| | <u>453,756</u> | <u>439,976</u> |

The Institute is considered 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 expenses applicable to surplus before tax at the statutory income tax rate to income tax expenses at the effective income tax rate of the Institute is as follows:

| | 2025 RM | 2024 RM |
|--|------------------|------------------|
| Surplus before tax | <u>1,362,495</u> | <u>1,814,487</u> |
| At Malaysian statutory tax rate of 24% (2024: 24%) | 326,999 | 435,477 |
| Tax effects on scale rates | 32,467 | 33,883 |
| Income not subject to tax | (88,581) | (92,352) |
| Expenses not deductible for tax purposes | 131,787 | 44,512 |
| Deferred tax assets not recognised | 14,197 | 5,260 |
| Under provision of income tax in prior years | 36,887 | 13,196 |
| Tax expenses for the financial year | <u>453,756</u> | <u>439,976</u> |

The Institute has unutilised capital allowances amounting to RM980 (2024: RMNil) available for offset against future taxable profits.



Notes to the Financial Statements

31 December 2025

17. Deferred Tax

The components and movements of the deferred tax liability and asset are as follows:

Deferred tax liability

| | 2025 RM | 2024 RM |
|---------------------------------------|------------|------------|
| Accelerated capital allowances | | |
| At 1 January | 2,460 | 12,668 |
| Recognised in profit or loss | (52) | 1,743 |
| Under/(Over) provision in prior years | 447 | (11,951) |
| At 31 December (before offsetting) | 2,855 | 2,460 |
| Offsetting | (2,855) | (2,460) |
| At 31 December (after offsetting) | - | - |

Deferred tax asset

| | 2025 RM | 2024 RM |
|---------------------------------------|------------|------------|
| Contract liabilities | | |
| At 1 January | (2,460) | (12,668) |
| Recognised in profit or loss | 52 | (1,743) |
| (Under)/Over provision in prior years | (447) | 11,951 |
| At 31 December (before offsetting) | (2,855) | (2,460) |
| Offsetting | 2,855 | 2,460 |
| At 31 December (after offsetting) | - | - |

Deferred tax assets have not been recognised in respect of the following items:

| | 2025 RM | 2024 RM |
|-------------------------------|------------|------------|
| Contract liabilities | 102,722 | 44,549 |
| Unutilised capital allowances | 980 | - |
| | 103,702 | 44,549 |

Deferred tax assets have not been recognised in respect of such temporary differences as the Institute is not reasonably certain of available future taxable profits against which the temporary differences can be utilised.

18. Staff Costs

| | 2025 RM | 2024 RM |
|--------------------------------------|------------|------------|
| Salaries, wages and other emoluments | 2,336,030 | 2,107,535 |
| Defined contribution plans | 288,085 | 260,108 |
| Social security contributions | 20,452 | 18,687 |
| Other benefits | 195,104 | 177,181 |
| | 2,839,671 | 2,563,511 |

The number of permanent staff at the end of financial year are 20 (2024: 21).



19. Capital Commitments

| | 2025 RM | 2024 RM |
|---|------------|------------|
| Approved and contracted for: | | |
| Purchase of property, plant and equipment | - | 37,800 |

20. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Institute if the Institute has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Institute and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Institute either directly or indirectly. The key management personnel comprise the Governors and management personnel of the Institute, having authority and responsibility for planning, directing and controlling the activities of the Institute directly and indirectly.

(b) Significant related party transactions

In addition to the related party balances disclosed elsewhere in the financial statements, the related party transactions of the Institute are as follows:

| | 2025 RM | 2024 RM |
|---|------------|------------|
| Members' annual subscription fees paid by Governors | 2,800 | 2,800 |

(c) Remuneration of key management are as follows:

| | 2025 RM | 2024 RM |
|-----------------------------------|------------------|------------------|
| Short-term employee benefits | 1,117,860 | 1,282,136 |
| Post-employment employee benefits | 119,363 | 129,802 |
| | <u>1,237,223</u> | <u>1,411,938</u> |

There is no remuneration received by the Governors during current and previous financial year.



Notes to the Financial Statements

31 December 2025

21. Financial Instruments

(a) Classification of financial instruments

The following table analyses the financial assets and liabilities in the statement of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis:

| | Carrying amount RM | Financial assets at amortised cost RM | Financial liabilities at amortised cost RM |
|------------------------------------|--------------------------|--|---|
| 2025 | | | |
| Financial assets | | | |
| Trade receivables | 435,372 | 435,372 | - |
| Other receivables * | 129,180 | 129,180 | - |
| Fixed deposits with licensed banks | 7,850,000 | 7,850,000 | - |
| Cash and bank balances | 1,369,395 | 1,369,395 | - |
| | 9,783,947 | 9,783,947 | - |
| Financial liabilities | | | |
| Trade payables | 80,520 | - | 80,520 |
| Other payables # | 643,644 | - | 643,644 |
| | 724,164 | - | 724,164 |
| 2024 | | | |
| Financial assets | | | |
| Trade receivables | 799,698 | 799,698 | - |
| Other receivables * | 126,838 | 126,838 | - |
| Fixed deposits with licensed banks | 6,700,000 | 6,700,000 | - |
| Cash and bank balances | 1,829,859 | 1,829,859 | - |
| | 9,456,395 | 9,456,395 | - |
| Financial liabilities | | | |
| Trade payables | 233,614 | - | 233,614 |
| Other payables # | 654,094 | - | 654,094 |
| | 887,708 | - | 887,708 |

* Exclude prepayments

Exclude contract liabilities and Sales and Services Tax payable



21. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies

The Institute's financial risk management policy is to ensure that adequate financial resources are available for the development of the Institute's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Institute operates within clearly defined guidelines that are approved by the Board and the Institute's policy is not to engage in speculative transactions.

The following sections provide details regarding the Institute's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Institute if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Institute's exposure to credit risk arises principally from trade and other receivables and deposits with licensed banks. There are no significant changes as compared to prior year.

The Institute has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with licensed banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action is taken for long outstanding debts.

At each reporting date, the Institute assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Institute determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statement of financial position at the end of the reporting period represent the Institute's maximum exposure to credit risk.

At the end of the reporting period, the Institute's credit exposure is concentrated mainly on 2 debtors (2024: 1 debtor), which accounted for 38% (2024: 11%) of the total gross trade receivables. The debtors subsequently remitted their payment after the financial year end.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Institute will encounter difficulty in meeting its financial obligations as they fall due. The Institute's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Institute's funding requirements and liquidity risk is managed with the objective of meeting business obligations on a timely basis. The Institute finances its liquidity through internally generated cash flows.

All financial liabilities of the Institute are assessed as current and correspondingly, no detailed maturity analysis is deemed necessary.



Notes to the Financial Statements

31 December 2025

21. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risks

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Institute is exposed to foreign currency risk on transactions that are denominated in currency other than the functional currency of the Institute. The currency giving rise to this risk is primarily United States Dollar ("USD").

The carrying amounts of the Institute's foreign currency denominated monetary assets and monetary liability at the end of the reporting period are as follows:

| | Denominated in USD | |
|---------------------------|--------------------|------------|
| | 2025 RM | 2024 RM |
| Monetary assets | | |
| Trade receivables | 14,137 | 323,376 |
| Cash and bank balances | 439,337 | 395,026 |
| Monetary liability | | |
| Trade payables | (6,454) | (40,147) |
| | 447,020 | 678,255 |

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Institute's surplus before tax for the financial year to a reasonably possible change in the USD exchange rate against RM, with all other variables held constant:

| | Effect on surplus before tax | |
|-----------------------------------|---------------------------------|------------|
| | 2025 RM | 2024 RM |
| Changes in currency rate | | |
| USD | | |
| - Strengthened by 10% (2024: 10%) | 44,702 | 67,826 |
| - Weakened by 10% (2024: 10%) | (44,702) | (67,826) |
| | | |



21. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risks (cont'd)

(b) Interest rate risk

The Institute's fixed rate deposits placed with licensed banks are exposed to a risk of change in their fair value due to changes in interest rates.

The Institute does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Institute's significant interest-bearing financial instruments, based on carrying amounts at the end of the reporting period was:

| | 2025 RM | 2024 RM |
|------------------------------------|------------|------------|
| Fixed rate instrument | | |
| Financial asset | | |
| Fixed deposits with licensed banks | 7,850,000 | 6,700,000 |

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables and cash and cash equivalents approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

As the financial assets and financial liabilities of the Institute are not carried at fair value by any valuation method, therefore the fair value hierarchy analysis is not presented.

22. Capital Management

The Institute regards the accumulated funds as capital. The objectives of the Institute in managing capital are:

- (i) To be the recognised voice for the internal audit profession;
- (ii) To develop and sustain the internal audit profession in Malaysia through appropriate development and enhancement of resources and content;
- (iii) To advocate and promote the value that internal audit professionals add to their organisations; and
- (iv) To render high service standards to its members.

The Institute regularly reviews and manages its capital to ensure adequacy for both operational and capital needs. All surpluses are transferred to the accumulated funds for future operational needs. For the purpose of capital disclosure, the Institute regards the accumulated funds as capital of the Institute.

There were no changes in the Institute's approach to capital management during the financial year.



Notes to the Financial Statements

31 December 2025

23. Comparative Figures

Certain comparatives were reclassified to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial year ended 31 December 2025.

| | As previously stated RM | Reclassification RM | As restated RM |
|--|-------------------------------|------------------------|----------------------|
| Statement of Financial Position | | | |
| Current Asset | | | |
| Other receivables | 186,129 | 31,278 | 217,407 |
| Current Liability | | | |
| Other payables | 875,913 | 31,278 | 907,191 |
| Statement of Cash Flows | | | |
| Operating activities | | | |
| Changes in working capital: | | | |
| Other receivables | (4,666) | (31,278) | (35,944) |
| Other payables | (100,471) | 31,278 | (69,193) |

24. Date of Authorisation for Issue of Financial Statements

The financial statements were authorised for issue by the Board of Governors in accordance with a resolution of the Governors on 24 April 2026.

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The Institute of
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