

CPA Australia professional standards regime

Report to the Parliamentary
Joint Committee on
Corporations and Financial
Services

Disclosure

This report is provided to the Parliamentary Joint Committee on Corporations and Financial Services pursuant to subsection 243(a) of the *Australian Securities and Investments Commission Act 2001* through its ongoing inquiry into Oversight of ASIC, the Takeovers Panel and the Corporations Legislation.

CPA Australia operates professional standards as a self-regulatory regime and is required to report annually on the operation of those standards to the committee and appear before the committee to provide oversight on the operation of the relevant standard. This follows recommendation 10 of the Senate Finance and Public Administration Committee's report titled *Management and Assurance of Integrity by Consulting Services*.

This report does not include any confidential or other commercially sensitive information that would prevent the publication of the report on the committee's website.

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1. Introduction

In response to the request of the Parliamentary Joint Committee on Corporations and Financial Services (the committee) regarding the committee's oversight of professional standards regimes, CPA Australia provides this report of the professional standards regime administered by CPA Australia.

As per the committee's request, we provide:

- a. the information in the annual professional standards report required to be submitted to the Professional Standards Council as set out in sections A to E of the Guidance on Annual Professional Standards Reports that has been redacted to exclude any confidential or other commercially sensitive information that would prevent the publication of the report on the committee's website.
- b. A breakdown of CPA Australia's membership including:
 - i. membership categories and fees for each category (including to what extent these vary for partners, senior executives, and other staff)
 - ii. how many members are in each category of membership
 - iii. how many accountants in total, and how many accountants that are members of the professional accounting bodies, are employees of any the following top six firms (by level such as partner, senior executives and other staff):
 1. PwC
 2. KPMG
 3. EY
 4. Deloitte
 5. BDO, and
 6. Grant Thornton.
- c. data on the number of complaints, investigations and sanctions issued, broken down by firm.

Attached to this report (**Appendix A**) is our most recent report to the Professional Standards Councils (PSC), our Annual Professional Standards Report (APSR), submitted on 18 March 2024. The APSR outlines our activities for the period 1 January to 31 December 2023. We have redacted portions of this report where information reported by us to the PSC is considered confidential or commercially sensitive.

The basis of reporting to the PSC is to report changes and updates to our established policies and processes related to the administration of our professional standards scheme. The Professional Standards Authority (PSA) provides a template alongside their guidance document to facilitate consistent year on year reporting by all associations with approved schemes. CPA Australia prepares its annual report in line with the template and supporting guidance.

To ensure the committee has all relevant information, we provide an overview and background at section 3 of this report in addition to the redacted APSR to give context to our scheme administration across sections A to E of the APSR.

2. Our professional standards

CPA Australia's Professional Standards team is responsible for three core functions:

- CPA Australia Best Practice Program
- Continuing Professional Development (CPD) review, and
- Regulatory Compliance.

These activities are central to the operation of our professional standard scheme. The Professional Standards team through these activities also plays a key part in supporting members in public practice and delivering on additional content, tools, and resources to continually add value to our public practice members.

CPA Australia Best Practice Program (Program)

The Program was revised in 2020 and 2021 from our previous Quality Review Program and is the mechanism we use to both support and monitor our members in public practice. The Program assesses members providing [public accounting services](#) to support their ongoing compliance with their professional and ethical requirements and that we meet our obligation as a member of the International Federation of Accountants (IFAC) to undertake quality assurance reviews over our members who perform audit reviews, other assurance, and related service engagements. A sample of members is selected each year to participate in an assessment. Selection frequency is dependent on the nature of the services being provided.

Assessments include consideration of the members firm level policies and procedures for systems of quality management, risk management, engaging with their clients, as well as the application of these at the engagement level in accordance with the relevant [Accounting Professional Ethical Standards](#) (APES) requirements and, where appropriate, accounting and auditing standards. The assessment also confirms members' compliance with their obligations as a CPA Australia Public Practice Certificate (PPC) holder, including appropriate levels of professional indemnity insurance (PII), CPD, and practice branding.

CPD Review

Each year we select a sample of members to be included in a CPD Review. Selected members are requested to provide evidence of the CPD they have undertaken and this is assessed for compliance in line with CPD obligations as set out in the CPA Australia By-Laws.

CPA Australia communicates its CPD requirements of members within its By-Laws, part 4. These included:

- Requirement for members in each triennium to undertake at least 120 hours of CPD, of which at least 20 hours must be undertaken in each year of the triennium.
- Within the 120 hours of CPD in each triennium, members must undertake at least 10 hours of ethics and professional responsibility, of which at least 2 hours must be undertaken in each year of the triennium.

Within the categories of CPD activity some caps apply, for example, members can claim a maximum of 10 hours for reading, listening to podcasts or watching videos.

Regulatory Compliance

The Regulatory Compliance team manages our professional standards scheme compliance activities and reporting, and all other regulatory related activities and reporting for CPA Australia's public practice membership. These include the Tax Practitioners Board (TPB), Financial Reporting Council (FRC), New Zealand Financial Markets Authority (FMA) and International Federation of Accountants (IFAC).

This team also manages:

- our public accounting services risk management
- professional indemnity insurance member monitoring and insurer partnership agreement
- public practice member support, tools, and resources
- public practice program content, and
- CPA Australia's Public Practice Advisory Committee.

3. Overview and background to the CPA Australia APSR

A. Highlights

Within the highlights section of the APSR we summarise our top highlights for improving occupational standards, increasing consumer protection, and operating a professional standards scheme. These highlights are specific to the reporting year and in our 2023 APSR we reported:

- Improving occupational standards through the introduction of compulsory ethics CPD requirements for members and the continued operation of the CPA Australia Best Practice Program.
- Increasing consumer protection through our annual CPD review with a focus on members in public practice.
- Operating our professional standards scheme with updates to our corporate IT systems and changes to our Professional Indemnity Insurance (PII) partnership.

APSR Section 2 Highlighting the year

Pages 2-4

Background

The specific highlights vary each year depending on our activities. We have consistently reported efforts to improve occupational standards by providing members with tailored and specific tools and resources to assist them to maintain compliance with changing standards and legislation; as well as efforts to protect consumers by introducing root cause analysis (RCA) to our member monitoring activities and analysis of professional PI claims; matured risk management approach to identify, monitor and respond to risks of consumer harm.

B. Informing members and consumers

In this part we report any changes made during the year to how we communicate with our members and consumers and raise awareness of our scheme. For the 2023 reporting period we reported no change in our communication approaches.

APSR Section 3 Informing members and consumers

Page 5

Background

CPA Australia's website provides members and consumers with scheme information and resources (see [Professional standards scheme | CPA Australia](#)). The webpage content is in the public practice section of the website with links to other professional and legal obligations such as insurance, risk management, and quality management. Members are directed to the Scheme Guidance Tool providing information relating to eligibility for the scheme, insurance requirements, compliance requirements and what to do in the event of a claim.

To obtain a CPA Australia Public Practice Certificate (PPC) a member must complete the Public Practice Program. Within this program PPC obligations, including the professional standards scheme's operation and associated obligations are outlined to members.

Applications for a PPC are managed by the Public Practice Operations team who before approving a PPC confirm the member has the appropriate disclosure statements templated in all required locations. It is the obligation of our members to ensure their clients, as consumers of their public accounting services, are informed that they are part of a limited liability professional standards scheme.

We monitor our members' compliance with the disclosure requirement through the Public Practice Operations team and the CPA Australia Best Practice team.

CPA Australia Best Practice Program assessments include a review of all the member's/firm's promotional materials and client-facing documentation to ensure inclusion of the limited liability statement as required by the legislation.

In addition to the Public Practice Operations checks before approving a PPC, spot checks of compliance occur when the Public Practice Operations team respond to member queries or requests. The results of these monitoring activities are disclosed in part E.

C. Protecting consumers

In this part we report on changes to our compliance and risk management plans, risk management tools and risk analysis during the reporting period. In our 2023 APSR we provided an update to risks where we had made changes from those previously reported. Below we have included a summary of all risks for the committee's information.

APSR Section 4 Protecting consumers

Pages 6-11

Background

The CPA designation is recognised and respected across the globe. It signifies financial, accounting and business advisory professionals of the highest training and expertise. A CPA Australia PPC holder

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is a member who has undertaken additional training and has additional membership obligations that permits them to provide public accounting services. Our reputation and the value of our brand relies on our members providing the highest possible standard of public accounting services.

We seek to ensure consumers are protected from financial loss, inappropriate advice, data breaches, legal or regulatory actions because of a PPC holder who does not:

- apply all mandatory statutory and regulatory requirements applicable to the Public Accounting Services they provide under the approved practice entities.
- apply all technical and professional standards and/or codes applicable to the Public Accounting Services they provide under the approved practice entities.
- ensure technical knowledge keeps pace with rapidly changing business environment in which Public Accounting Services are provided.
- maintain adequate professional competence or continue to meet the fit and proper requirements (By-law 3.16) to perform their role.
- comply with scheme requirements and obligations to effectively limit their liability.
- maintain adequate professional indemnity insurance to cover Public Accounting Services provided and the minimum requirements set out in the CPA Australia By-Laws.
- adequately maintain cyber security obligations to mitigate potential harm to their clients.
- adequately maintain privacy and confidentiality obligations to mitigate harm to client.
- hold the appropriate licenses and registrations for areas of specialisation.

Our Professional Ethical Standards Management Committee (PESMC) reviews these risks and treatment plans annually, considering the results of our monitoring activities and risk management strategies throughout the year. This review is used to confirm the relevance of risks and their ratings, and the appropriateness of our planned responses. We report any changes in risks to the PSC as part of our APSR.

CPA Australia has adopted RCA as a key risk management tool. The use of RCA was introduced as part of the revision of our previous Quality Review Program to the CPA Australia Best Practice Program. All CPA Australia Best Practice Program assessments include RCA for any identified findings within a member's assessment. The root cause is used to provide the member with a corrective action recommendation that will ensure any findings are not recurring.

Analysis of Program assessment findings enables us to view issues raised with members by areas of required compliance and the underlying root cause. This enhances our ability to provide tools and resources to members to promote ongoing compliance but also deepens our insight into possible risks of our members causing harm to the public.

D. Responding to consumer complaints and claims

In this part we report on our complaints data and systems, disciplinary systems and actions and professional indemnity claims.

APSR Section 5 Responding to consumer complaints

Pages 12-17

APSR Section 6 Responding to professional indemnity claims

Pages 18-23

Background

Complaints & Disciplinary action

CPA Australia is committed to ensuring our members maintain the highest professional standards of conduct. To ensure all members uphold these standards, CPA Australia has a formal process that enables complaints about its members to be heard, evaluated and, where appropriate, disciplinary action taken. Investigations and disciplinary processes are guided by the principles of procedural fairness, confidentiality, independence, and the right to appeal. CPA Australia has undertaken to act in the public interest and has an obligation to ensure that complaints about members are investigated thoroughly in an impartial, timely manner; striving to preserve the rights of members while acknowledging the public interest of complainants.

Detailed information is available on our website (see [Member conduct and discipline | CPA Australia](#) regarding the complaints that can be investigated by CPA Australia and how to lodge a complaint against a member. Further information is provided for both complainants and members, regarding the investigative and disciplinary process and the possible outcomes of such proceedings. The majority of disciplinary outcomes are published on our website in addition to annual statistics regarding the complaints received or initiated by CPA Australia and the outcomes of those complaints.

Claims

We monitor insurance claims and overall insurance market trends to inform our professional standards risk management activities, and our insights framework so we can reduce claims and in turn insurance premiums. Members are required to annually confirm the currency and the appropriateness of their PII to our PII By-Law requirements within our PII Portal. They are also required to inform us through the portal of any claims as per the By-Law requirements. We also meet with our PII partner to assess common claims data, identifying root causes and the support or information we could provide our members to avoid ongoing claims of the same nature.

Additional information on our insurance standards, PII portal and claims is available on our website (see [Professional indemnity insurance | CPA Australia](#)).

E. Scheme administration

Within part seven to the APSR we report on our administration of the scheme. We report changes made during the reporting period to our governance arrangements, activities to monitor member compliance, scheme membership and coverage, scheme exemptions and any discretionary higher caps.

APSR Section 7 Administering the scheme

Pages 24-30

Background

CPA Australia's governance arrangements are made publicly available on our website and are also reported on in our [2023 Integrated Report](#).

- Constitution - [Our Constitution | CPA Australia](#)
- By-Laws - [Our By-Laws | CPA Australia](#)
- Mission or goals - [Our strategy 2022-2027 | CPA Australia](#)
- Code of ethics - [APES 110 code of ethics for professional accountants | CPA Australia](#)
- Membership requirements – as per part 3 of our By-Laws
- Member classes - [About the CPA Program | CPA Australia](#) & [Completing the CPA Program | CPA Australia](#)
- Board and Committee structures - [CPA Board of Directors | CPA Australia](#)

4. CPA Australia membership

A. Membership categories and fees for each category

We have three categories of membership:

- ASA – Associate
- CPA/FCPA – Fully qualified member
- Retired – greater than 55 years old and no longer engaged in full-time gainful employment

Within the fully qualified and retired categories we have the additional class of member, those holding our Public Practice Certificate (PPC). There is no variation in fee if the member's employment status is partner, senior executive, or other staff.

Table 1: CPA Australia membership categories and fees for 2025

Membership category	Price (AUD)
Associate	\$389.50
Associate (on full rate)	\$866.50
CPA or FCPA	\$866.50
Retired	\$173
Reduced (on application only)	\$433.25
Late fee: Applies to payments received from 4 February onwards (not applicable to retired or reduced membership)	\$75
Public Practice Certificate	\$554
Limited Practice Certificate	\$131

Source: [Member Service Fees Australia | CPA Australia](#)

B. Number of members in each category of membership

CPA Australia has more than 173,000 members working in over 100 jurisdictions and regions around the world. The table below reports the number of members in each category of membership inside and outside of Australia.

Table 2: Number of members by membership category

	ASA	FQ	Retired	Total
Australia	18,937	86,193	12,743	117,873
Outside Australia	14,928	38,696	2,216	55,840
Total	33,865	124,889	14,959	173,713

Source: CPA Australia Customer Engagement database 28 October 2024

Public Practice Certificate Holders:

Within our membership we have a class of member who holds our PPC as well as being a CPA. As of October 2024, we had 7,347, of which 7,206 are Australian members. Our professional standards scheme only applies to our Australian public practice members.

C. Membership by firm

The table below shows how many members of CPA Australia by membership category of associate or fully qualified have included in their membership profile that are currently employed at one of the top six firms and by senior role in the firm. We have also included the number that hold our PPC.

Table 3: Membership by firm

	PwC	KPMG	EY	Deloitte	BDO	Grant Thornton
Australia	357	405	341	399	162	82
<i>CEO, CFO or Managing director</i>	3	4	0	0	3	1
<i>Partner or Director</i>	8	13	9	32	16	11
<i>General Manager</i>	5	5	4	5	0	0
Outside Australia	1839	1130	1394	1164	568	320
<i>CEO, CFO or Managing director</i>	5	8	10	16	6	7
<i>Partner or Director</i>	54	53	90	67	17	23
<i>General Manager</i>	5	4	4	2	5	1
Total by firm	2196	1535	1735	1563	730	402
<i>PPC Holder</i>	4	2	0	9	8	8

Source: CPA Australia Customer Engagement database 11 November 2024

Note: CPA Australia does not validate the membership details provided as to a member's current employer or job title and not all members disclose this information in their membership profiles. Therefore we cannot confirm that this information is up to date or complete and accurate.

5. Complaints, investigations and sanctions by firm

CPA Australia's By-Law 5 outlines the process to be followed for the initiation, investigation, and Determination of a Complaint against a Member. CPA Australia only investigates complaints against individual members, not firms. Where a complaint is received against a CPA branded firm, and an individual Member cannot be identified, all the directors (Members) of the firm are investigated and held accountable for any sanction.

For the year 1 January to 31 December 2023, four (4) complaints were received against individual members of CPA Australia, whose records indicate they were employed by one of the six (6) firms listed above. An overview of these complaints and the outcome of each matter is documented in the table below.

Table 4: Complaints received by firm - 1 January to 31 December 2023

Firm Name	No. of complaints received	Alleged breach of the CPA Australia Constitution	Outcome
BDO	1	Failed to observe a proper standard of professional care, skill or competence	Complaint closed as no supporting evidence was provided to investigate the matter formally.
Deloitte	1	Conduct derogatory	Complaint was withdrawn by the complainant as the complaint related to a personal issue and it was resolved.
KPMG	1	Breach of APES 110	Matter was brought to the Member's attention and it was immediately remedied, no sanction was applied.
PwC	1	Conduct derogatory	Matter was investigated, however there was insufficient evidence to reach a conclusion that a breach of the Constitution had occurred.

Source: CPA Australia Customer Engagement complaints database

Appendix A

CPA Australia's Annual
Professional Standards
Report 2023

Redacted for commercial in-
confidence or confidential
information



CPA Australia

Annual Professional Standards Report

2023

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1. Signing your report

This part of the report will need to be completed last, once the report is complete and the signatories are ready to approve it.

 See page 3 in the guidance for more information on this part.

1.1 Declaration and signature

I am authorised to declare on behalf of the association that, to the best of its knowledge and having made reasonable enquiries, the information in this report is complete and accurate.

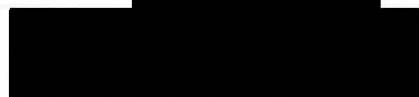

On behalf of the association, I acknowledge that:

- The Councils may verify the information in this report and check it for missing information.
- If there is missing information, the Authority (on behalf of the Councils) will follow up with the association.
- Once the report is complete, the Authority (on behalf of the Councils) will accept the report.

I confirm that the association's governing body has reviewed and approved this report.


I agree that the association will report to the Councils as soon as practicable if either of the following occurs after the report is submitted:

- any significant event (as described in the guidance for Table 4.2)
- any change or development that affects the scheme
- any notification or claim against scheme participants for an amount above the liability limit set by your scheme.

	CEO	Other authority
Signature		
Full name	Andrew Hunter	John Curtin Distinguished Professor Dale Pinto
Capacity	CEO	President and Chair of the Board
Date	18 th MARCH 2024	18 th MARCH 2024
Attach evidence of report approval from your governing body (including Board minutes or resolutions)		Attachment 1

2. Highlighting the year

Part 2 asks about your association’s highlights for the reporting year.

 See page 3 in the guidance.

2.1 Top highlights

Please detail your association’s top highlights during the year in these 3 areas:

1. Improving occupational standards

Introduction of compulsory ethics CPD requirement:

As part of CPA Australia’s commitment to ensuring our members maintain the highest professional standards in ethics and integrity the Board approved the introduction of mandatory ethics CPD requirements. From 1 October 2023, all members (except those exempt from the requirement as set out in By-Law 4.1 (c)), are required to complete a minimum of two (2) hours of CPD hours per year on Ethics and Professional Responsibility, and 10 hours every three years (per triennium).

To support our members in meeting these requirements we offer complimentary ethics resources.

CPA Australia Best Practice Program (Program):

There were two completed cycles of assessments during the reporting period. There were 272 firms and 363 members assessed.



CPA Australia Best Practice Team operating model revision

During 2023 CPA Australia undertook an organisational wide operating model review. As part of this process the CPA Australia Best Practice team has been restructured into two teams of assessors. Reporting to the Head of Professional Standards each team is led by a manager. The division into two teams allows for the dedication of assessment skill and experience of assessors for members providing audit and assurance services and those providing non-assurance services. These changes will also allow for a detailed revision of assessment methodology in both cohorts and the further streamlining of assessment approach tailored to risk of services provided.

2. Increasing consumer protection

Annual CPD review focussed on members in public practice:

The 2023 Continued Professional Development (CPD) Review was limited to PPC holders selected for a Program assessment in 2023. The sample of PPCs holders selected for Program assessment was done by the Best Practice team in accordance with the Program’s policy and methodology.

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	<p>In addition to determining whether the selected member had met their CPD requirements as set out by the CPA Australia By-Laws, because the review was undertaken in respect of members undergoing a Program assessment the CPD review was more focussed. The relevance of the CPD undertaken was assessed against the professional accounting services provided by the member using predominant licenses held as guidance.</p> <p>Members providing audit services are of particular risk so compliance with International Educational Standard 8 – Audit Engagement Partner Competence (IES 8) was assessed for audit engagement partners by the CPD team by conducting quality checks for each member’s CPD activity against the technical competencies outlined in IES 8 and concluding on relevance in accordance with International Federation of Accountants (IFAC) guidance.</p> <p>Such members, where appropriate were subsequently provided with proactive support in meeting their CPD obligations before their triennium end date.</p>
<p>3. Operating your professional standards scheme</p>	<p>Member Management and Finance system</p> <p>CPA Australia’s Member Management and Finance (MMF) project went live in July 2023. This project represented a major technology transformation to upgrade our technology to meet the demands of the digital age. The project has delivered a more personalised and consistent experience to CPA Australia members, replaced outdated systems, and increased cybersecurity providing additional safeguards for member data.</p> <p>[REDACTED]</p> <p>Professional Indemnity Insurance</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>

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3. Informing members and consumers

Part 3 asks you to report on any changes you made during the reporting year to how you communicate with your members and consumers and raise awareness about your scheme.


 See page 4 in the guidance.

3.1 Improved awareness and understanding



1. Have you changed or reviewed how you tell members about their scheme obligations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No → Go to Question 2
If yes, please tell us about it. Include how you are monitoring the effects of any changes.	NA
2. Have you changed or reviewed your communications to improve how well the following groups understand the scheme? <ul style="list-style-type: none"> • members • members' clients • the public 	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No → Go to Table 4.1
If yes, please tell us about it. Include how you are monitoring the effects of any changes.	NA
3. Any additional information (optional).	NA

4. Protecting consumers

Part 4 asks you to report on changes to your Scheme Compliance Plan, Professional Risks and Related Treatment Plan, risk management tools and risk analysis during the reporting year.

 See page 4 in the guidance.

4.1 Compliance and risk management plans

<p>1. Have you changed your association's Scheme Compliance Plan?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No → Go to Question 2</p>
<p>If yes, please:</p> <ul style="list-style-type: none"> • attach a marked-up version • tell us about the changes. 	<p>Attachment 2</p> 
<p>2. Have you changed or reviewed your association's Professional Risks and Related Treatment Plans (formerly the Risk Management Plan)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No → Go to Table 4.2</p>
<p>If yes, please:</p> <ul style="list-style-type: none"> • attach a marked-up version • tell us about the changes or review. 	<p>Attachment 3</p> <p>The professional risks register, which was substantially revised in 2022, was further refined in 2023. As noted previously, these risks are not CPA Australia risks, but risks where we can influence and reduce the risk that a PPC holder may cause harm to the public. This in turn helps to protect the reputation of CPA Australia as a professional body and the accounting profession more broadly.</p> 

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3. Any additional information (optional).

- [REDACTED]
- [REDACTED]
- [REDACTED]

4.2 Risk analysis

1. Did you add any new or emerging risks to your Professional Risks and Related Treatment Plans?

- Yes
 No → Go to Table 4.3

If yes, please complete questions (a)–(c) in the table below for each new or emerging risk that you added relating to:

- professional or occupational standards
- scheme compliance
- practitioner-client relationship
- consumer protection
- significant events.

We have provided space for 3 new risks. Please add or delete table rows as needed.

Below are the new and revised risk from the refinement workshop held in 2023. Risks 4, 5 and 6 from the Risks set out in the 2022 APSR remain.

Risk 1	PPC holder does not apply all mandatory statutory and regulatory requirements applicable to the Public Accounting Services they provide under the approved practice entities.
(a) Risk rating	<input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low
(b) What professional risk management strategies did you develop in response?	<ul style="list-style-type: none"> • Technical training included in the CPA Australia Public Practice Program which is required to be completed before being issued a PPC. • CPA Australia Peer Consultation for new PPC holders. • CPA Australia Best Practice Program. • Ongoing member education resources that support members to maintain awareness and comply with all statutory, regulatory, technical, professional and ethical standards including: <ul style="list-style-type: none"> ○ webinars ○ website content ○ professional development content ○ tools (e.g., System of Quality Management tool - ASQM 1) ○ articles (e.g., articles in InPractice concerning cyber-security). • CPD requirements established in the CPA Australia By-Laws. • Provision of a member queries function.

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<p>(c) How are you monitoring the strategies' effects?</p>	<ul style="list-style-type: none"> • Analysis of CPA Australia Best Practice Program outcomes informs both support plans specifically for members who are at risk of not applying mandatory statutory and regulatory requirements and targeted member education resources • CPD Review outcomes • Monthly PII claims data and root cause analysis • Complaints against members analysis • Member queries data analysis • Professional Conduct matters data analysis
<p>Risk 2</p>	<p>PPC holder does not apply all technical and professional standards and/or codes applicable to the Public Accounting Services they provide under the approved practice entities.</p>
<p>(a) Risk rating</p>	<p><input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low</p>
<p>(b) What professional risk management strategies did you develop in response?</p>	<ul style="list-style-type: none"> • Technical training included in the CPA Australia Public Practice Program which is required to be completed before being issued a PPC. • CPA Australia Peer Consultation for new PPC holders. • CPA Australia Best Practice Program. • Ongoing member education resources that support members to maintain awareness and comply with all statutory, regulatory, technical, professional and ethical standards including: <ul style="list-style-type: none"> ○ webinars ○ website content ○ tools (e.g., System of Quality Management tool - ASQM 1) ○ articles (e.g., articles in InPractice concerning cyber-security). • CPD requirements established in the CPA Australia By-Laws. • Provision of a member queries function.
<p>(c) How are you monitoring the strategies' effects?</p>	<ul style="list-style-type: none"> • Analysis of CPA Australia Best Practice Program outcomes informs both support plans specifically for members who are at risk of not applying mandatory statutory and regulatory requirements and targeted member education resources. • CPD Review outcomes, specifically in the 2024 CPD Review, the new requirement for a member to complete a minimum of two (2) verifiable CPD hours per year on ethics-related topics. • Monthly PII claims data and root cause analysis. • Complaints against members analysis. • Member queries data analysis. • Professional Conduct matters data analysis.
<p>Risk 3</p>	<p>PPC holder's technical knowledge does not keep pace with rapidly changing business environment in which Public Accounting Services are provided.</p>
<p>(a) Risk rating</p>	<p><input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low</p>

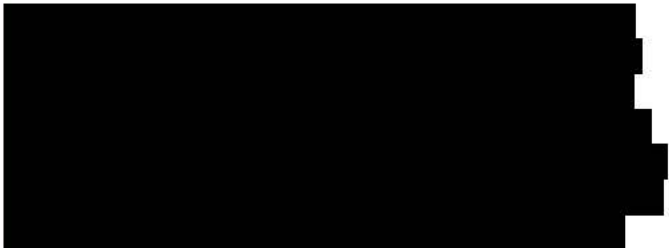
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<p>(b) What professional risk management strategies did you develop in response?</p>	<ul style="list-style-type: none"> • Member education including tailored public practice content for changes impacting the provision of public accounting services and operating a practice, in part informed by root cause analysis industry knowledge sharing. • Media coverage of policy and advocacy work. • CPA Australia Best Practice Program. • Provision of a member queries function.
<p>(c) How are you monitoring the strategies' effects?</p>	<ul style="list-style-type: none"> • CPA Australia Best Practice Program assessments results analysis. • Monthly PII claim data and root cause analysis. • Complaints against members analysis. • Member feedback analysis. • Member queries data analysis. • CPD Review outcomes. • Member education uptake analysis.
<p>Risk 4 PPC holder does not maintain adequate professional competence or continue to meet the fit and proper requirements (By-law 3.16) to perform their role.</p>	
<p>(a) Risk rating</p>	<p><input type="checkbox"/> High <input type="checkbox"/> Medium <input checked="" type="checkbox"/> Low</p>
<p>(b) What professional risk management strategies did you develop in response?</p>	<ul style="list-style-type: none"> • CPD requirements established in the CPA Australia By-Laws. • Provision of a member queries function. • Promotion and access to CPD products through career and professional development tools (both free and fee-based offers), including the introduction of mandatory ethics CPD requirements. • From 1 October 2023, all members (except those exempted under By-Law 4.1 (c)) are required to complete a minimum of two (2) CPD hours per year on Ethics and Professional Responsibility, and 10 hours every three years (per triennium). • Annual member declaration of compliance with CPA Australia By-Laws as well as give notice to the General Manager of Professional Conduct within 7 days of becoming aware of or having participated in or been involved with an Adverse Event. • Review of member licenses with other regulators. • CPA Australia Best Practice Program.
<p>(c) How are you monitoring the strategies' effects?</p>	<ul style="list-style-type: none"> • CPA Australia Best Practice Program assessments results analysis. • CPD Review outcomes, specifically in the 2024 CPD Review, the new requirement for a member to complete a minimum of two (2) CPD hours on Ethics and Professional Responsibility per year. • Monthly PII claims data and root cause analysis. • Adhoc PPC holder stationery reviews, outside of Program assessments.
<p>Risk 5 PPC holder does not adequately maintain cyber security obligations to mitigate harm to client.</p>	
<p>(a) Risk rating</p>	<p><input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low</p>

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(b) What professional risk management strategies did you develop in response?	<ul style="list-style-type: none"> • Member education and awareness campaigns (e.g., Cyber security webinars and toolkit resources). • PII cyber security policy promoted. • Cyber security member support hub.
(c) How are you monitoring the strategies' effects?	<ul style="list-style-type: none"> • CPA Australia Best Practice Program assessments results analysis. • Monthly PII claims data and root cause analysis.
Risk 6	PPC holder does not hold the appropriate licenses and registrations for areas of specialisation.
(a) Risk rating	<input type="checkbox"/> High <input type="checkbox"/> Medium <input checked="" type="checkbox"/> Low
(b) What professional risk management strategies did you develop in response?	<ul style="list-style-type: none"> • CPA Australia Best Practice Program. • Ongoing member education campaigns (e.g., PII webinars, Public Practice Policy update webinars, Discussion Group videos).
(c) How are you monitoring the strategies' effects?	<ul style="list-style-type: none"> • CPA Australia Best Practice Program assessments results analysis. • Comparative data analysis with publicly available membership data, for example Tax Practitioners Board.

4.3 Risk management tools

<p>1. Did you use any of the following tools:</p> <ul style="list-style-type: none"> • root cause analysis • behavioural insights • other tools presented by Councils' forums. 	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No → Go to Table 5.1
<p>If yes, describe who used these tools and the actions they took.</p>	<p>The use of root cause analysis (RCA) has continued to be two-fold in 2023. All CPA Australia Best Practice Program assessments include RCA for any identified findings within a member's assessment. The root cause is used to provide the member with a corrective action recommendation that will ensure the finding is not recurring. Analysis of Program assessment findings now enables us to view issues raised with members by areas of required compliance and root cause. This enhances our ability to provide tools and resources to members to ensure ongoing compliance but also deepens our insight into possible risks of our members causing harm to the public.</p> 


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	<p>[REDACTED]</p> <p>We have continued to formalise an Insights Framework. Insights from Program assessments, including areas of non-compliance and root cause enable us to provide direction to marketing, education, member services, professional conduct, and the CPA Australia Best Practice team concerning the needs of members and areas of concern or weakness.</p>
<p>If yes, outline your analysis, note 3 key findings, the risk management strategies and how you are monitoring if the findings have been addressed.</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
<p>2. Any additional information (optional).</p>	

5. Responding to consumer complaints

Part 5 asks you to report on your association's:

- complaints data and systems
- disciplinary systems and actions

 See page 5 in the guidance.

5.1 Complaints data	
Answer questions 1–9. Do not leave any cells blank. If any of these actions are not applicable to your members, please note this in your response.	2023
1. Formal complaints received Include referrals from statutory regulators	294 complaints were received in 2023 (excluding enquiries).
2. Enquiries received Include enquiries that did not escalate to a formal complaint. If your association does not collect this information, add 'n/a'.	45 enquiries were received in 2023 (not logged as formal complaints).
3. Unresolved complaints carried over from past years	91 complaints remained under investigation as of 1 January 2023, that were carried over from previous years, 74 of those were closed in 2023.
4. Complaints investigated	<p>215 relevant complaints were investigated in 2023 (excluding complaints deemed unviable and the 91 complaints from previous years).</p> <p>Only relevant complaints as defined in the By-Laws are formally investigated by CPA Australia. Of the 294 complaints received in 2023, 215 were deemed relevant complaints and were investigated, the remaining 74 complaints were deemed unviable as per the By-Laws. 5 complaints remained in the assessment stage as of 31 December 2023 whilst awaiting evidence from the complainant. These figures exclude the 91 unresolved complaints carried forward from previous years.</p> <p>The source of the 215 relevant complaints investigated was:</p> <ul style="list-style-type: none"> • 134 complaints initiated internally: <ul style="list-style-type: none"> ○ 3 criminal adverse findings ○ 25 adverse regulatory findings ○ 7 adverse professional findings ○ 13 APES breaches ○ 29 By-Law breaches of CPD ○ 5 By-Law breaches of PPC ○ 24 By-Law breach of practice review (CPA Australia Best Practice Program)

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	<ul style="list-style-type: none"> ○ 21 academic misconduct ○ 2 conduct derogatory - dishonesty ○ 4 insolvent ○ 1 obtain admission by false declaration. • 81 complaints received from the public via complaint form <ul style="list-style-type: none"> ○ 55 professional care ○ 16 APES 110 ○ 7 conduct derogatory ○ 2 breach of applicable regulations ○ 1 dishonesty in civil proceedings. <p>Of the 25 adverse findings from regulatory authorities:</p> <ul style="list-style-type: none"> ○ 8 were referred by the Tax Practitioners Board (TPB) ○ 13 were based on media releases from ASIC ○ 4 were from overseas statutory bodies.
<p>5. Complaints dismissed Include complaints that are frivolous, vexatious, or lacking in substance</p>	<p>Of the 294 complaints received in 2023, 218 were closed after being investigated and/or disciplinary action taken. Of the closed 218 complaints, 74 were deemed unviable as per the By-Laws, (fee disputes, over 5 years old, not a member, unsupportable of the available evidence), 82 had insufficient evidence to pursue/investigate further. The remaining 62 complaints were closed after the disciplinary process was completed.</p>
<p>6. Complaints referred to statutory regulator Include resulting action/s if known</p>	<p>2 members were referred to the TPB as a result of their disciplinary outcome.</p>
<p>7. Complaints resolved by conciliation or mediation</p>	<p>N/A</p>
<p>8. Complaints resolved by remedial or disciplinary action Provide details</p>	<p>Of the 215 complaints (relevant) received in 2023 and investigated, 20 complaints were resolved by Disciplinary Tribunal and 42 received internally issued reprimands, cautions and undertakings.</p> <p>There were 45 total complaints (2023 year plus previous years) heard at a Disciplinary Tribunal in 2023.</p> <p>42 members appeared before a Disciplinary Tribunal for the hearing of 45 separate complaints (3 members had two formal complaints initiated against them). 24 Complaints heard by the Disciplinary Tribunal contained multiple allegations per complaint.</p> <p>42 complaints from 2023 resulted in an internal reprimand or caution being issued to the member. A record is retained of those members who are reprimanded, cautioned or who sign an undertaking, to be used as a 'prior' should the member appear before a future Disciplinary Tribunal (13</p>

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	complaints from previous years also resulted in an internal disciplinary outcome).
<p>9. Complaints that were the subject of a hearing Include the hearing outcome(s), for example:</p> <ul style="list-style-type: none"> • complaint dismissed as unsubstantiated • member cautioned or reprimanded • conditions imposed on member • member required to do course or training, or seek advice from qualified person • additional reporting imposed on member • membership terminated. 	<p>45 complaints proceeded to a Disciplinary Tribunal for hearing, including complaints initiated in years prior to 2023.</p> <p>The breakdown of allegations heard at a Disciplinary Tribunal are as follows:</p> <ul style="list-style-type: none"> • 1 adverse professional • 11 adverse regulatory • 3 adverse criminal • 20 breaches of the By-Laws (9 - no evidence of CPD, 1 failure to hold PPC, 10 - failure to respond to a request by CPA Australia) • 11 breaches of APES 110 • 19 conduct dishonourable / derogatory (14 for academic misconduct) • 3 insolvent. <p>The penalties imposed for the allegations sustained resulted in:</p> <ul style="list-style-type: none"> • 29 penalties of forfeiture, leading to 25 members forfeited • 5 suspension of membership • 32 severe reprimands issued • 1 admonishment issued • 29 fines imposed, primarily for not responding to CPA Australia correspondence • 7 members required to complete a CPA Australia Practice Review (CPA Australia Best Practice Program) • 6 members required to undertake education • 2 lowering of designation • 1 cancellation of PPC. <p>Conditions were imposed for any applications for re-admission – primarily Practice Reviews and education.</p>

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5.2 Causes for complaints

List the main causes for complaints about scheme participants. Only list those that make up 10% or more of the total complaints. Group all remaining causes as 'Other'.

Add or delete table rows as needed.

Causes for complaints	Number of complaints in 2023
Professional Care	55 complaints
Adverse findings by regulatory authorities	25 complaints
Complaints relating to the successful outcome of Practice Reviews	24 complaints
Other	111 complaints
Total	215

5.3 Complaint resolution

Use this table to report how long your organisation takes to resolve complaints. A complaint is considered resolved if:

- it is dismissed as frivolous, vexatious or lacking in substance
- it is referred to a statutory regulator
- conciliation or mediation is successful
- disciplinary action is taken
- a hearing has concluded.

Does your association have a policy about the timeframe to resolve complaints?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, did your association resolve complaints within this timeframe?	N/A
If not, why?	N/A

Use the section below to show the number of complaints resolved in the last reporting year by time.

Time taken	2023
██████████	█
██████████	██
██████████	█
██████████	█
██████████	█

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Any additional information (optional).	[Redacted]
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5.4 Complaints systems

1. Have you changed your complaints system?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please tell us about it. Include how you are monitoring the effects of any changes.	[Redacted]
2. Any additional information (optional).	[Redacted]

5.5 Disciplinary action

1. Have you changed your member discipline system?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, please tell us about it. Include how you are monitoring the effects of any changes.	NA
2. What were the top 3 reasons for disciplinary action against members?	Adverse findings from statutory authorities Breaches of APES 110 Not responding to member body
3. How many disciplinary actions were taken against members?	108 disciplinary actions were taken against 86 members by a Disciplinary Tribunal and 43 administrative sanctions were applied against members.
4. Have you considered the top reasons in your Professional Risks and Related Treatment Plans?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No [Redacted]


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If yes, please attach your plan and reference the relevant section.	NA
5. Any additional information (optional).	

6. Responding to professional indemnity claims

Part 6 asks you to report on your association's:

- claims data and systems
- professional indemnity insurance
- risk management for complaints and claims.

 See page 6 in the guidance. Note that Tables 6.2, 6.3 and 6.5 are optional.














6.1 Claims data collection

1. Have you changed how your association collects member professional indemnity insurance claims data?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No → Go to Table 6.2
If yes, please tell us about it.	Add your response here
2. Any additional information (optional).	

6.2 Optional – Notifications, claims and settlement data

 This table is optional.

Enter the total number and value of professional indemnity insurance notifications, claims and settlements in the reporting year.

6.3 Optional – Claims monitoring committee

 This table is optional.

1. Does your association have a committee for monitoring and analysing claims against your members?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No → Go to Table 6.4
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<p>If yes, what guidance has the committee issued (if any)?</p>	<p>The PII Performance and Risk Committee receives substantial data monthly from [REDACTED]. Data includes details of claims, amounts, causes and progress and the results of root cause analysis. Insights from this data are used by Professional Standards to inform and enhance the assessment approach of CPA Australia Best Practice Program, as well as identify member needs for education and tools and resources provided through our professional development offerings.</p> <p>From these insights during 2023, guidance was provided to members concerning:</p> <ul style="list-style-type: none"> • Engagement letters and risk areas • Tax advice concerning capital gain tax concessions, and research & development • Cybersecurity risks and protection strategies • PII claims generally and avoidance of exposure to claims.
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2. Any additional information (optional).

6.4 Professional indemnity insurance

<p>1. Do you have any reports from brokers or insurers on the insurance market (effects, market comments) for your members or similar professionals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No → Go to Question 2</p>
<p>If yes, provide as an attachment</p>	<p>Attachment 4</p>
<p>2. Has the average cost of members' professional indemnity insurance premiums increased or decreased since the last reporting year?</p>	<p><input checked="" type="checkbox"/> Increased, the average has increased but the level of increase is dependent on several factors including turnover of a firm, its activities and claims history. <input type="checkbox"/> Decreased by XX% <input type="checkbox"/> Stayed the same <input type="checkbox"/> Unsure</p>
<p>3. Has there been any change in the availability of professional indemnity insurance since the last reporting year?</p>	<p><input type="checkbox"/> Increased <input type="checkbox"/> Decreased <input checked="" type="checkbox"/> Stayed the same <input type="checkbox"/> Unsure</p>
<p>4. Any additional information (optional).</p>	

6.5 Optional – Engagement with insurers

i This table is optional.

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<p>1. Has your association engaged with insurers, brokers or industry experts to review the impact of the scheme on the quality, affordability and availability of insurance premiums?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No → Go to Table 6.6 <input type="checkbox"/> Other → please specify</p>
<p>If yes, what improvements (if any) have you secured as a result?</p>	<p>Add your response here</p>
<p>2. Any additional information (optional).</p>	<p>[Redacted]</p>

6.6 Causes for claims

List the top 5 causes for claims against scheme participants in the reporting year. Only list those that make up 10% or more of the total claims.

Delete rows if you have less than 5 causes.

Causes for claims	Number of claims in 2023
General Tax Advice	15
General Advice (excluding financial and taxation advice)	8
Cyber/hacking/breach	5
Negligent conduct	2
Fraud & dishonesty	2
Total number of claims	32

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]		
[Redacted]	[Redacted]	[Redacted]	[Redacted]

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[Redacted]			
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	<input checked="" type="checkbox"/> [Redacted]	<input type="checkbox"/> [Redacted]	<input type="checkbox"/> [Redacted]
[Redacted]	<input type="checkbox"/> [Redacted]	<input type="checkbox"/> [Redacted]	<input type="checkbox"/> [Redacted]
[Redacted]	[Redacted]		
[Redacted]	[Redacted]		
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]		
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	<input type="checkbox"/> [Redacted]	<input type="checkbox"/> [Redacted]	<input type="checkbox"/> [Redacted]
[Redacted]	<input type="checkbox"/> [Redacted]	<input type="checkbox"/> [Redacted]	<input type="checkbox"/> [Redacted]
(g) Other relevant information			
Claim 3	Add your response here		
(a) Year of notification or claim	Add year here	Year of cause of action	Add year here
(b) Cause of action and root cause	Add your response here and note if the root cause is identifiable		
(c) Amount claimed	\$XX		
(d) Amount paid	Claim: \$XX	Plaintiff's costs: \$XX	Defence costs: \$XX
(e) Status	<input type="checkbox"/> Notified <input type="checkbox"/> Outstanding <input type="checkbox"/> Finalised by court <input type="checkbox"/> Finalised by settlement		
(f) Source	<input type="checkbox"/> Member survey <input type="checkbox"/> Insurance industry data <input type="checkbox"/> Legal search <input type="checkbox"/> Media report		
(g) Other relevant information	Add your response here		

6.8 Claims over the liability limit

1. Has your association been notified of any claims against scheme participants above your scheme's liability limit?
- Yes
 No → Go to Table 6.9

If yes, please tell us about them.

Add your response here

6.9 Analysis of complaints and claims

1. What risk management strategies has your association developed to respond to the risks identified in your complaints and claims data?

- Member communications
- CPD programs
- Reviews of relevant policies and procedures
- Quality review initiatives
- Other → please specify
- None of the above → Go to Table 7.1

2. Please detail your analysis, each strategy you have developed, and note how you are monitoring the effects of these strategies.

As set out in Part 4 above, in the 2023 year a refinement of the 2022 revised professional standards risks was undertaken. The following further refined risks aligned with risks arising from our analysis of complaints and claims:

Risk 1 PPC holder does not apply all mandatory statutory and regulatory requirements applicable to the Public Accounting Services they provide under the approved practice entities.

Risk 2 PPC holder does not apply all technical and professional standards and/or codes applicable to the Public Accounting Services they provide under the approved practice entities.

Risk 3 PPC holder's technical knowledge does not keep pace with rapidly changing business environment in which Public Accounting Services are provided.

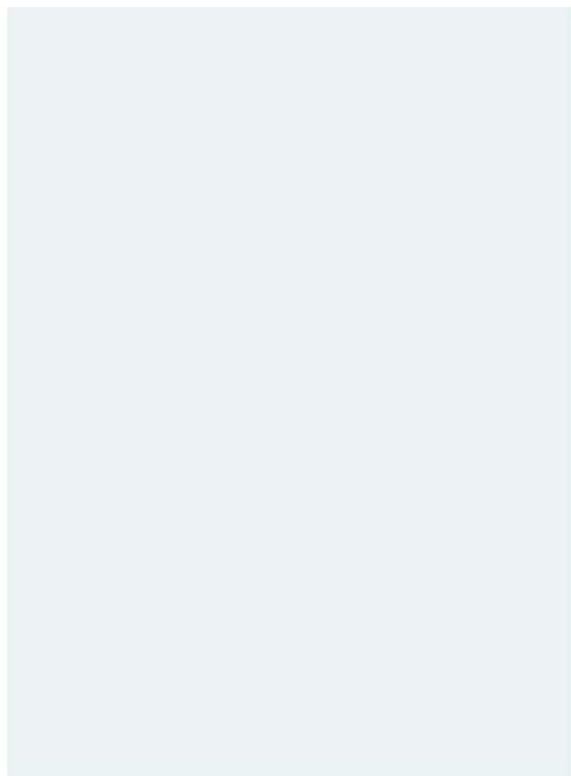
Risk 4 PPC holder does not maintain adequate professional competence or continue to meet fit and proper requirements (By-Law 3.16) to perform their role.

Risk 5 PPC holder does not comply with Scheme requirements and obligations to effectively limit their liability.

The following strategies have been developed in response to these identified risks:

- provision of a member queries function
- ongoing member education campaigns, resources, tools, and website content supporting members to maintain awareness and comply with all statutory, regulatory, technical, professional and ethical standards.

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- promotion and access to CPD products through career and professional development tools (both free and fee-based offers)
- member education including tailored public practice content for changes impacting the provision of public accounting services and operating a practice
- CPA Australia Best Practice Program.

Monitoring the effects of these strategies, includes:


- CPD Review outcomes.
- CPA Australia Best Practice Program assessments results analysis.
- PII claims data and root cause analysis.
- complaints against members analysis.
- member queries data analysis.
- Professional Conduct matters data analysis.

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7. Administering the scheme


Part 7 asks about:

- changes to your governance arrangements
- activities to monitor member compliance
- scheme membership and coverage
- scheme exemptions
- discretionary higher caps.

 See page 8 in the guidance. Note that Table 7.6 is optional.

7.1 Governance changes			
1. Have there been changes to any of your association's governance arrangements?		<input checked="" type="checkbox"/> Yes → Complete the section below <input type="checkbox"/> No → Go to Table 7.2	
Arrangement	Check if yes	If yes, attach a marked-up version	Attach proof of the approval process
(a) Constitution or charter (By-Laws have been updated and refreshed – clean new version)	<input checked="" type="checkbox"/>	Attachments 5A, 5B and 5C (the By-Laws at 5A are a new version and the Attachments 5B and 5C explain the changes)	Attachment 6
(b) Mission or goals	<input type="checkbox"/>	NA	NA
(c) Code of ethics or conduct	<input checked="" type="checkbox"/>	Attachment 7	NA
(d) Membership entry requirements	<input type="checkbox"/>	NA	NA
(e) Membership classes (including classes subject to the scheme)	<input type="checkbox"/>	NA	NA
(f) Material changes to legislation and regulations applicable to your occupation and association?	<input type="checkbox"/>	NA	
(g) Board and committee structure and appointments (including Professional Standards Committees)	<input checked="" type="checkbox"/>	Attachment 8	Attachment 9
(h) Scheme administration staff and resources	<input type="checkbox"/>	Attachment 10	NA

7.2 Professional indemnity insurance compliance

<p>1. What did your association do to monitor members' compliance with professional indemnity insurance standards?</p>	<p>The Public Practice Operations team processes all applications for a Public Practice Certificate (PPC) and ensures all PII requirements are met by the applicant before issuing a PPC.</p> <p>The Operations team provides members with on-going information and reminders regarding their PII obligations.</p> <p>PPC holders are required to confirm that they continue to hold and maintain a current PII policy in accordance with the By-Laws as part of their annual membership renewal declaration.</p>  <p>The CPA Australia Best Practice team also monitors ongoing compliance through the Program's assessments. Assessment includes review of the currency of the members PII policy and whether it meets the By-Law requirements.</p>
<p>2. What did your monitoring activities find?</p>	<p>The CPA Australia Best Practice team identified three instances of members not having adequate PII policy coverage in accordance with the requirements outlined in the By-Laws (1.1% of assessment population).</p>
<p>3. Did member compliance improve since last year, or were there fewer breaches?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure</p> <p>CPA Australia notes minor change from 0.89% to 1.1% non-compliance and considers the overall result reasonable.</p>
<p>4. Please describe your remedial or enforcement response to non-compliance.</p>	<p>For each of the three instances reported above, the member was provided with an action item following assessment requiring correction with two months failing which they would be referred to the Professional Conduct Business Unit (PCU).</p>
<p>5. How is your association monitoring the effects of your compliance monitoring strategies?</p>	<p>The effectiveness of monitoring members compliance with PII and all professional and ethical requirements will continue to be measured by the reduction in findings related to PII and a reduction in the number of members needing to be followed up by the Operations team and/or referred to PCU.</p>
<p>6. Any additional information (optional)</p>	

7.3 Limited liability disclosure requirements	
1. What did your association do to monitor members' compliance with limited liability disclosure requirements?	<p>Disclosure requirement compliance is monitored by the Public Practice Operations team and the CPA Australia Best Practice team in the completion of Program assessments.</p> <p>Assessments include a review of all the member's/firm's promotional materials and client facing documentation to ensure inclusion of the limited liability statement.</p> <p>Spot checks of compliance occur outside of assessments when the Operations team respond to member queries or requests.</p>
2. What did your association do to ensure that only participants in your scheme used your disclosure statement? When did this happen?	<p>In addition to the monitoring activity, we continue to promote and remind members of their PII requirements and scheme disclosure requirements through member webinars and articles. During 2023 reminders have been included in Public Practice Policy update webinars and discussion group videos.</p>
3. What percentage of scheme members did you audit to check their compliance with the limited liability disclosure requirement?	5%
4. What percentage of audited members were non-compliant?	23%
5. Did member compliance improve since last year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure
6. Please describe your remedial or enforcement response to non-compliance, and how many actions you took.	<p>For each of the instances of non-compliance identified by the CPA Australia Best Practice team, the member was provided an action item following assessment requiring correction with two months failing which they would be referred to the Professional Conduct Unit.</p>
7. How is your association monitoring the effects of your compliance monitoring strategies?	<p>The Professional Standards Insights Framework helps identify trends, such as the significant increase noted in this section 7. Approximately one quarter of the assessed PPC population in 2023 did not fully comply with the disclosure requirements associated with the Professional Standards Scheme. Member education is a key response and there will be increased content in regular member material in 2024, in particular the CPA Australia INPRACTICE public practitioners' magazine.</p>
8. Any additional information (optional)	<p>An analysis of the findings reported in this section identified that in almost every case the members had disclosed the Limited Liability Statement in some of</p>

the required locations but not all, a common missing one was on invoices.

7.4 CPD requirements

1. What did your association do to monitor members' compliance with CPD requirements?



196 Public Practitioners undergoing a CPA Australia Best Practice Program assessment in 2023 and, who had their CPD triennium ending 2022 or 2023, were reviewed for meeting their CPD obligations.

Members with trienniums ending 2022 and 2023, were also audited for meeting IES 8 and licensing obligations. IES 8 audits were performed for the triennium ending 2022 only. Members with their triennium ending 2024, were marked as "On track /off Track" by the CPA Australia Best Practice team. Members who were marked as "off track" will be selected for a CPD review in 2024.

If members were unable to update their online CPD diary, then details of CPD activities undertaken were accepted by email.

2. What percentage of scheme members did you audit to check their compliance with CPD requirements?

2.6%

3. What percentage of audited members were non-compliant?

3.06%

4. Did member compliance improve since last year?

No

5. Please describe your remedial or enforcement response to non-compliance, and how many actions you took.

During the review period from August to 31 December, members who were not "on track" with their CPD obligations, were contacted via phone and email to remind them of their requirements.

If they remained non-compliant after 31 Dec 2023, they were granted an extension until 31 January 2024 to meet their CPD obligations. If they were non-compliant after 31 January, they were issued a support plan in February 2024 where they are required to complete an additional 10 CPD hours by 31 December 2024. 7 Support plans were issued as a result of the 2023 CPD Review.

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6. How is your association monitoring the effects of your CPD compliance monitoring strategies?	<p>In early 2024 we commenced a post implementation review of the 2023 CPD Review.</p> <p>We are working closely with the Learning and Innovation team to refine a CPD policy to ensure both our CPD product strategy and the CPD Review strategy align.</p>
7. Any additional information (optional)	

7.5 Scheme membership data

Do not leave any data cells blank. Add 0 where applicable.

How many ...	2022	2023	2024 forecast
1. Australian residents are members of the association?	119,136	118,480	118,500
2. members are excluded from the scheme? ¹	ASA = 20,670 CPA/FCPA without a PPC = 91,319	ASA = 19,301 CPA/FCPA without a PPC = 91,949	ASA = 19,300 CPA/FCPA without a PPC = 92,000
Describe why the member(s) are ineligible (e.g. class or other attributes).	To be eligible a member must be a CPA/FCPA and hold a PPC.	To be eligible a member must be a CPA/FCPA and hold a PPC.	To be eligible a member must be a CPA/FCPA and hold a PPC.
3. members have an approved exemption from the scheme? ²	0	0	0
4. members are eligible for the scheme? ³	Calculate: (1) – (2) – (3) = 7,147	Calculate: (1) – (2) – (3) = 7,230	Calculate: (1) – (2) – (3) = 7,200
5. members are eligible for the scheme (as per annual fee payments to the Councils)?	7,399	7,228	NA
6. What is the difference between the number of eligible members (4) and the number of eligible members per annual fee payments to the Councils (5)?	Calculate: (4) – (5) = (252)	Calculate: (4) – (5) = 2	NA
7. If 4 and 5 differ, explain why. For example, ‘The Councils granted fee waivers for XX members’ or ‘XX members left practice’			

¹ Members or classes of members not specified in the scheme who are ineligible to participate.

² Eligible members or classes of members (that is, members who would otherwise be subject to the scheme,) who have applied for and have been granted an exemption by the association.

³ The total number of eligible scheme participants (members or classes of members) to which the scheme applies after any compliant exclusions and exemptions.

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Reasons:	The variance is attributed to new members and those who cancel during the period.	The variance is attributed to new members and those who cancel during the period.	NA
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7.6 Optional – Scheme membership trends

i This table is optional.

1. Please note: <ul style="list-style-type: none"> any trends in your association’s membership numbers your association’s response to the trends. 	Add your response here
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7.7 Scheme exemptions

1. Does your scheme allow exemptions?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No → Go to Table 7.8	
If yes, has your association changed its policies and approval processes in this area?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No → Go to Question 2	
If yes, please tell us about it. Attach a marked-up version of your changes.	Attachment no. XX Add your response here	
2. Have you changed any forms, information you give members or details on your website in this area?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No → Go to Question 3	
If yes, please tell us about it.	Attachment no. XX	
3. During the reporting period, how many exemption applications did you: <ul style="list-style-type: none"> receive grant? 	None	None
Please provide a copy of your scheme exemption register.	NA	
4. Please note: <ul style="list-style-type: none"> any trends in the number of exemption applications you received and granted your association’s response to the trends. 	NA	
5. Any additional information (optional).	No exemptions exist	

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7.8 Higher discretionary caps

1. Does your scheme provide higher discretionary caps?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No → Go to Table 7.9	
If yes, has your association changed its policies and approval processes in this area?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No → Go to Question 2	
If yes, please tell us about it. Attach a marked-up version of your changes.	NA	
2. Have you changed any forms, information you give members or details on your website in this area?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No → Go to Question 3	
If yes, please tell us about it.	NA	
3. During the reporting period, how many higher discretionary cap applications did you: <ul style="list-style-type: none"> • receive • grant? 	None	None
Please provide a copy of your higher discretionary caps register.	NA	
4. Please note: <ul style="list-style-type: none"> • any trends in the number of higher discretionary cap applications you received and granted • your association's response to the trends. 	NA	
5. Any additional information (optional).	No higher discretionary caps exist.	

7.9 Annual Membership Assurance Report

1. Has your association submitted its Annual Membership Assurance Report?	<input checked="" type="checkbox"/> Yes → Please return to Table 1.1 to complete your APSR. Attachment 10 <input type="checkbox"/> No
If no, please tell us why.	Add your response here

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Index of attachments

Use the table below to list all the attachments you reference throughout this report. The first row is an example. Delete this example, and add rows as needed.

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5A	CPA Australia By-Laws as at 1 January 2024	111
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Please note:

**Attachments have been redacted due to commercial in-confidence information.
See Section E of the report above for links to relevant public reporting where available.**