



## **1. Preamble**

- 1.1 The Board of Directors of the Institute of Public Accountants issues Pronouncement 12 *Administration of Member Compliance* (“the Pronouncement”). The following Pronouncement is issued pursuant to Sub-Clause 53.2(a) of the Constitution of the Institute of Public Accountants. In accordance with By-Law 2.1.3(e), Members of the Institute of Public Accountants are obligated to abide by this Pronouncement.
- 1.2 Pronouncement 12 is effective as at 14<sup>th</sup> September 2016.
- 1.3 This Pronouncement is promulgated to enhance efficiency of the Board of Directors and/or a Disciplinary Tribunal by allowing the Institute to administratively manage member compliance rather than referring matter(s) back to the Board of Directors and/or a Disciplinary Tribunal for consideration. This ensures the Board of Directors and/or a Disciplinary Tribunal resources are channelled into more complex matters that cannot be dealt with administratively.

## **2. Scope and Application**

- 2.1 This Pronouncement sets out administrative actions the Institute can apply in the event a member has not complied with any reasonable request made pursuant to a matter under Chapter 7 of the Constitution by the Board of Directors, a Committee of the Board of Directors, an Officer of the Institute or has failed to comply with an order of the Disciplinary Tribunal or Appeals Tribunal or has failed to comply with the Institutes By-Laws, Constitution, Pronouncements or other Regulations.
- 2.2 Once a member has failed to comply with a request(s) as detailed in paragraph 2.1 above, then the matter(s) will be dealt with under Pronouncement 12 without referral (back) to the Board of Directors or the Disciplinary Tribunal.
- 2.3 If the matter(s) cannot be dealt with under Pronouncement 12, then the matter(s) will be referred (back) to the Board of Directors or a Disciplinary Tribunal who will impose on that member any one or more of the penalties and/or costs under Sub-Clause 98(3) of the Constitution.

### **3. Definitions**

*Member* means a Member of the Institute who has paid all fees and subscriptions due or who has fees and subscriptions monies outstanding to the Institute.

*Compliance Team* is a division within the Institute that oversees member compliance with the Institute's Constitution, By-Laws and Pronouncements and any other regulatory requirements.

*CEO* is the Chief Executive Officer of the Institute of Public Accountants.

*CPD* is Continuous Professional Development (see Pronouncement 7).

*PPC* is a Professional Practice Certificate issued by the Institute of Public Accountants.

*PPQA review* is Professional Practice Quality Assurance review.

*Institute* and *IPA* mean the Institute of Public Accountants.

### **4. Professional Practice Quality Assurance (PPQA) review**

#### **4.1 Failure to complete and/or submit documents for a PPQA review**

- a) A Member who holds a PPC must comply with the Institute's quality assurance requirements in accordance with By-Law 9.1.9(d) and Membership Policy BMC2051v5 paragraph 20.
- b) A Member may be requested to complete and/or submit an online PPQA questionnaire and/or attach mandatory document(s) to the questionnaire by a due date.
- c) If the member fails to comply by the due date, the Compliance Team will notify the member in writing of a revised due date for compliance. The revised due date will permit an additional 14 days for compliance or this may be extended with approval from the CEO or delegated officer.
- d) If a Member fails to complete and/or submit the online PPQA questionnaire and/or attach mandatory document(s) to the questionnaire by the revised due date, the Compliance Team will issue the member a written warning.
- e) The Compliance Team will extend the due date by an additional 28 days or longer with approval by the CEO or delegated officer. The Compliance Team will notify the member in writing of the final due date for compliance.
- f) Failure to comply by the final due date will result in suspension of membership.
- g) If during the period of suspension, the member completes and/or submits the online PPQA questionnaire and/or attach the mandatory document(s) to the questionnaire to enable the PPQA review to be finalised, the membership will be reinstated.
- h) If during the period of suspension, the member fails to complete and/or submit the online PPQA questionnaire and/or fails to attach mandatory document(s) to the questionnaire to enable the PPQA review to be finalised, the CEO may forfeit the membership in accordance with Sub-Clause 98(3)(h) of the Constitution and the members name will be removed from the Register in accordance with Clause 101 of the Constitution.

A forfeited membership does not permit refunds of unused membership monies or unused Professional Practice Certificate monies.

#### **4.2 Failure to address a non-compliance identified in a PPQA review**

- a) A Member who holds a PPC must comply with the Institute's quality assurance requirements in accordance with By-Law 9.1.9(d) and Membership Policy BMC2051v5 paragraph 20.
- b) A member may be requested to supply additional information and/or undertake a required action(s) to address a non-compliance identified in a PPQA review by a due date.
- c) If the member fails to comply by the due date, the Compliance Team will notify the member in writing of a revised due date for compliance. The revised due date will permit an additional 14 days for compliance or this may be extended with approval from the CEO or delegated officer.
- d) If a Member fails to supply additional information and/or undertake a required action(s) to address a non-compliance identified in a PPQA review by the revised due date, the Compliance Team will issue the member a written warning.
- e) The Compliance Team will extend the due date by an additional 28 days or longer with approval by the CEO or delegated officer. The Compliance Team will notify the member in writing of the final due date for compliance.
- f) Failure to comply by the final due date will result in suspension of membership.
- g) If during the period of suspension, the member supplies the additional information and/or undertakes the required action(s) to address a non-compliance identified in the PPQA review, the membership will be reinstated.
- h) If during the period of suspension, the member fails to supply the additional information and/or undertake a required action(s) to address a non-compliance identified in a PPQA review, the CEO may forfeit the membership in accordance with Sub-Clause 98(3)(h) of the Constitution and the members name will be removed from the Register in accordance with Clause 101 of the Constitution.

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#### **5. Failure to complete the Professional Practice Program within the required time**

- 5.1 A Member must complete the Professional Practice Program within 6 months of being issued with a PPC in accordance with By-Law 9.1.4(i) and Membership Policy BMC2051v5 paragraph 13.
- 5.2 If a member fails to complete the Professional Practice Program within 6 months of being issued with a PPC, the Compliance Team will notify the member in writing the member has 14 days to enrol and pay to attend the next scheduled Professional Practice Program in the member's state, or interstate if the member chooses.
- 5.3 If the member fails to comply with the Compliance Team's request, the member's status will be moved to 'pending investigation' in the IPA Customer Record Management system.

- 5.4 The Compliance Team will extend the due date by an additional 14 days. The Compliance Team will notify the member in writing of a revised due date for compliance.
- 5.5 If the member fails to comply by the revised due date, the Compliance Team will issue a written warning to the member.
- 5.6 The Compliance Team will extend the due date for compliance by 28 days and issue the member with a final due date for compliance.
- 5.7 Failure to comply by the final due date will result in suspension of membership.
- 5.8 If during the period of suspension, the member completes the Professional Practice Program, the membership will be reinstated.
- 5.9 If during the period of suspension the member fails to complete the Professional Practice Program, the CEO may forfeit the membership in accordance with Sub-Clause 98(3)(h) of the Constitution and the members name will be removed from the Register in accordance with Clause 101 of the Constitution.

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## **6. Failure to hold a Professional Practice Certificate**

- 6.1 A Member must hold a PPC if they meet certain requirements in accordance with By-Law 9.1.2, 9.1.4, 9.1.5, 9.1.12 and Membership Policy BMC2051v5 paragraph 3.
- 6.2 If a member is required to hold a PPC, but does not hold a PPC, the Compliance Team will notify the member in writing the member has 14 days to apply for a PPC.
- 6.3 If the member fails to comply with the Compliance Team request, the member's status will be moved to 'pending investigation' in the IPA Customer Record Management system.
- 6.4 The Compliance Team will extend the due date by an additional 14 days. The Compliance Team will notify the member in writing of a revised due date for compliance.
- 6.5 If the member fails to comply by the revised due date, the Compliance Team will issue a written warning to the member.
- 6.6 The Compliance Team will extend the due date for compliance by 28 days and issue the member with a final due date for compliance.
- 6.7 Failure to comply by the final due date will result in suspension of membership.
- 6.8 If during the period of suspension, the member obtains a PPC, the membership will be reinstated.
- 6.9 If the member fails to obtain a PPC during the period of suspension, the CEO may forfeit the membership in accordance with Sub-Clause 98(3)(h) of the Constitution and the members name will be removed from the Register in accordance with Clause 101 of the Constitution.

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## **7. Failure to hold a Professional Indemnity insurance**

- 7.1 Members in Professional Practice must hold Professional Indemnity insurance in accordance with By-Law 9.1.4, 9.1.5, 9.1.10, 9.1.11 and Membership Policy BMC2051v5 paragraph 11.
- 7.2 If a member is required to hold Professional Indemnity insurance, but does not hold Professional Indemnity Insurance, the Compliance Team will notify the member in writing the member has 14 days to obtain Professional Indemnity insurance compliant with IPA requirements.
- 7.3 If the member fails to comply with the Compliance Team request, the member's status will be moved to 'pending investigation' in the IPA Customer Record Management system.
- 7.4 The Compliance Team will extend the due date by an additional 14 days. The Compliance Team will notify the member in writing of a revised due date for compliance.
- 7.5 If the member fails to comply by the revised due date, the Compliance Team will issue a written warning to the member.
- 7.6 The Compliance Team will extend the due date for compliance by 28 days and issue the member with a final due date for compliance.
- 7.7 Failure to comply by the final due date will result in suspension of membership.
- 7.8 If during the period of suspension, the member secures a Professional Indemnity insurance policy compliant with IPA requirements and supplies evidence to the Compliance Team, the membership will be reinstated.
- 7.9 If the member fails to secure a Professional Indemnity insurance policy compliant with IPA requirements during the period of suspension, the CEO may forfeit the membership in accordance with Sub-Clause 98(3)(h) of the Constitution and the members name will be removed from the Register in accordance with Clause 101 of the Constitution.

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## **8. Failure to provide a record of CPD activity for a CPD audit**

- 8.1 IPA Members must complete CPD in accordance with By-Law 2.1.3, 9.1.9(c) and Pronouncement 7.
- 8.2 If a member is subject to a CPD audit and has been asked to supply information on their CPD activity and has not provided this information by the due date, the Compliance Team will notify the member in writing of a revised due date for compliance. The revised due date will permit an additional 14 days for compliance or this may be extended with approval from the CEO or delegated officer.
- 8.3 If the member fails to comply by the revised due date, the Compliance Team will issue a written warning to the member.
- 8.4 The Compliance Team will extend the due date for compliance by 28 days and issue the member with a final due date for compliance.
- 8.5 Failure to comply by the final due date will result in suspension of membership.

- 8.6 If during the period of suspension, the member supplies information on their CPD activity, the membership will be reinstated.
- 8.7 If the member fails to supply information on their CPD activity during the period of suspension, the CEO may forfeit the membership in accordance with Sub-Clause 98(3)(h) of the Constitution and the members name will be removed from the Register in accordance with Clause 101 of the Constitution.

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## **9. Failure to undertake additional CPD within the requested timeframe**

- 9.1 IPA Members must complete CPD in accordance with By-Law 2.1.3, 9.1.9(c) and Pronouncement 7.
- 9.2 If a member is subject to a CPD audit and has been asked to complete additional CPD and has not completed the additional CPD by the due date, the Compliance Team will notify the member in writing of a revised due date for compliance. The revised due date will permit an additional 14 days for compliance or this may be extended with approval from the CEO or delegated officer.
- 9.3 If the member fails to comply by the revised due date, the Compliance Team will issue a written warning to the member.
- 9.4 The Compliance Team will extend the due date by an additional 28 days or longer with approval by the CEO or delegated officer. The Compliance Team will notify the member in writing of the final due date for compliance.
- 9.5 Failure to comply by the final due date will result in suspension of membership.
- 9.6 If the member completes the additional CPD during the period of suspension and supplies evidence of the CPD completion to the Compliance Team, the membership will be reinstated.
- 9.7 If the member fails to complete the additional CPD during the period of suspension, the CEO may forfeit the membership in accordance with Sub-Clause 98(3)(h) of the Constitution and the members name will be removed from the Register in accordance with Clause 101 of the Constitution.

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## **10. Failure to comply with a request from the Institute**

- 10.1 IPA Members must comply with a request made in accordance with clause 98(3) of the Constitution.
- 10.2 If a member has failed to comply with a request made pursuant to a matter under clause 98(3) of the Constitution by the Board of Directors, a Committee of the Board of Directors, an Officer of the Institute or has failed to comply with an order of the Disciplinary Tribunal or Appeals Tribunal by the due date, then the member will receive written notification from the Compliance Team to comply with the directive by a revised due date. The revised due date will permit an additional 14 days for compliance or this may be extended with approval from the CEO or delegated officer
- 10.3 If the member fails to comply by the revised due date, the Compliance Team will issue a written warning to the member.
- 10.4 The Compliance Team will extend the due date by an additional 28 days or longer with approval by the CEO or delegated officer. The Compliance Team will notify the member in writing of the final due date for compliance
- 10.5 Failure to comply by the final due date may result in forfeiture of membership.
- 10.6 If the member complies with the request made pursuant to a matter under clause 98(3) of the Constitution by the Board of Directors, a Committee of the Board of Directors, an Officer of the Institute or complies with an order of the Disciplinary Tribunal or Appeals Tribunal during the period of suspension, the membership will be reinstated.
- 10.7 If the member fails to comply with the request made pursuant to a matter under clause 98(3) of the Constitution by the Board of Directors, a Committee of the Board of Directors, an Officer of the Institute or fails to comply with an order of the Disciplinary Tribunal or Appeals Tribunal during the period of suspension, the CEO may forfeit the membership in accordance with Sub-Clause 98(3)(h) of the Constitution and the members name will be removed from the Register in accordance with Clause 101 of the Constitution.

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## **11 Dispute resolution process**

If a member is in dispute with the IPA over an identified non-compliance, the member has the right to escalate the matter through the IPA appeals process.

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