



INSTITUTE OF  
**PUBLIC  
ACCOUNTANTS®**

Report to the  
Parliamentary Joint Committee on  
Corporations and Financial Services:  
Oversight of professional standards regimes

November 2024

18 November 2024

The Chair  
Parliamentary Joint Committee  
on Corporations and Financial Services  
PO Box 6100  
Parliament House  
Canberra ACT 2600

By email: [Corporations.Joint@aph.gov.au](mailto:Corporations.Joint@aph.gov.au)

Dear Chair

### **Oversight of professional standards regimes**

The Institute of Public Accountants (IPA) Group has prepared this report in response to a request from the Parliamentary Joint Committee on Corporations and Financial Services on the above matter. As requested, the following information is provided:

- 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 (subject to point d below).

Please refer to the separate document being the IPA's Annual Professional Standards report 2023, submitted to the Professional Standards Councils. Any content which is considered confidential member information or commercial-in-confidence has been removed. The remainder of the report can be published.

- b) A breakdown of IPA 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;
  - ii. 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):

Level	Fee AUD\$ pa	No. of members
Associate	825	5,923
Member	825	7,039
Fellow	845	10,390
Affiliate	335	382
Students		28,529
Student and academic fees are variable and may be complimentary.		
Total:		52,263

Fees are the same for all levels and do not differ according to level of employment

PPC fees are in addition to the above fees.

1. **PwC**; 15 members: Senior Manager 3; Senior Associate 3; Manager 2; Director 2; Lead Partner 1; Senior Auditor 2; Manager Audit 1; Finance Manager 1.
2. **KPMG**; 83 members: Associate Manager 16; Audit Supervisor 3; Senior Associate 4; Senior Audit Analyst 1; Assistant Manager 8; Manager Tax 1; Manager 6; Director 5; Audit Associate Manager 2; Senior Consultant 4; Accountant 1; Supervisor 2; Senior Supervisor 5; Associate 3; Senior Director 2; Deputy Manager 2; Senior Auditor 6; Senior Manager 3; Partner 3; Senior Audit Associate 1; Associate Director 2; Audit Manager 2; Chief Accountant 1.
3. **EY**; 33 members: Consultant 2; Assistant Manager 6; Senior Tax Manager 5; Executive 1; Assistant Director 1; Senior Associate 3; Audit Manager 2; Assurance Senior 1; Senior Auditor 1; Senior Manager 1; Senior Consultant 7; Senior Tax Associate 1; Audit Supervisor 1; Senior Director 1.
4. **Deloitte**; 50 members: Senior Auditor 13; Senior Consultant 2; Senior Analyst 1; Senior Manager 8; Senior Associate 4; Tax Manager 2; Specialist Lead 1; Tax Director 2; Director 4; Associate 1; Manager 3; Team Leader 1; Partner 2; Analyst 2; National Assurance Leader 1; Principal 1; Executive Director 2.
5. **BDO**; 24 members: Senior Auditor 4; Senior Associate 3; Manager 3; Senior Partner/Managing Partner 1; Audit Assistant Manager 2; Executive Manager 1; Senior Manager 2; National Tax Technical Leader 1; Partner 3; Auditor 2; Audit Supervisor 1; Executive Director 1.
6. **Grant Thornton**; 19 members: Senior Audit Associate 4; Manager 2; Director 1; Senior Associate 3; Managing Partner 1; Senior Auditor 2; Partner 2; Assistant Manager 3; Senior Manager 1.

- c) Data on the number of complaints, investigations and sanctions issued, broken down by firm.

There has only been one complaint over the last five years, in 2019, which related to a member employed at Deloitte. Membership was suspended and subsequently forfeited in 2020.

- d) IPA has no objection to the information in this report being published on the Committee's website.

Please contact Vicki Stylianou [REDACTED] if you have any questions or require further information.

Yours sincerely

[signed]

Vicki Stylianou  
Group Executive Advocacy & Professional Standards  
Institute of Public Accountants



# Institute of Public Accountants Annual Professional Standards Report 2023


## Annual Professional Standards Report

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## 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 Schedule of Fines and Ancillary Charges**

Board approval was granted, and it was subsequently implemented through an extensive communications and awareness raising campaign, focusing on the rationale for the changes.

The current IPA *Quality Review Program* (QRP) was introduced in 2020, replacing the *Professional Practice Quality Assurance* (PPQA) program that was introduced in 2012. Both the QRP and PPQA systems are used to risk manage Member compliance with the IPA professional and ethical standards. These standards uphold the foundation of professionalism ensuring a high level of consumer protection.

Non-compliant Members are managed by the IPA Pronouncement 12 *Administration of Member Compliance* process. It has been reviewed as part of the broader Professional Conduct Review, with changes currently being implemented (see below). The changes will enable a more efficient and effective process.

A fee would also serve as an incentive (or deterrent) for Members to complete any required actions, without the need to use the suspension and/or forfeiture process.

The fines and charges which are imposed are not full cost recovery and are not excessive. We believe they strike a balance between deterrence and being reasonable.

Member communication is designed to demonstrate to Members that the IPA is partnering with them to complete the QRP process and to work with Members who need assistance. Again, it is an educative, not punitive process. This is consistent with the addition of the improved practice management tools on the IPA website.

Emails from the IPA compliance team have a 95% open rate, which we consider to be an excellent result and indicates a high level of Member engagement.

To improve the level of compliance the IPA used data from the annual Professional Standards (PS) Declaration. The Declaration has been an invaluable tool to support Member educational initiatives as approximately 93% of all PPC holders complete the Declaration each year, which enables the IPA to use this data for compliance monitoring.

IPA undertakes extensive compliance activity after each PS Declaration to ensure that all disclosed non-compliances are remediated. This involves other teams across the IPA as we take a holistic and educative approach to compliance.


	<p>The requirement to have appropriate PI insurance provides an example of how our ongoing and targeted efforts can result in improved levels of compliance.</p> <p>Also worth noting is the number of Members that have emailed the IPA after completion of the QRP, stating that the Manual has been a valuable tool for their practice as it forced them to review and improve their practice operations. It is pleasing to see that Members take the time to work on their business and not just in their business.</p> <p>As noted in the 2022 PSIP, the IPA raised the Member CPD requirements in Pronouncement 7 by introducing three new CPD competency areas, being:</p> <ul style="list-style-type: none"> <li>• Technical and Product Knowledge</li> <li>• Management and Professional Skills</li> <li>• Professional and Ethical Standards.</li> </ul> <p>Members must complete at least 20 hours for each CPD competency area.</p> <p>The three competency areas require IPA Members to complete a more holistic range of CPD, which is expected to assist Members navigate a broader range of client requests and therefore improve the level of consumer protection.</p>
2. Increasing consumer protection	<p><b><u>Introduction of Limited-PPC</u></b></p> <p>Board approval and implementation were achieved during 2023.</p> <p>The IPA Constitution, By-laws, Pronouncements and the Accounting Professional and Ethical Standards (APES) promulgated by the Accounting Professional and Ethical Standards Board (APESB), work collectively to impose a set of professional and ethical standards on IPA Members to raise the level of consumer protection.</p> <p>To improve the breadth and scope of our regulatory supervision of Members and to enhance consumer protection, the IPA decided that all Members should be subject to the same requirements. That is, even Members who had revenue below the tax-free threshold (including those offering pro bono services) should be required to adhere to the same professional and ethical standards.</p> <p>To this end, the IPA introduced the <i>Limited-PPC</i> (formerly reported as <i>PPC-Restricted</i>).</p> <p>The introduction of the Limited-PPC imposes significant governance requirements on Members that offer professional client services and have a turnover under the tax-free threshold.</p> <p>The Limited-PPC commenced on 1 July 2023, with an extensive implementation plan undertaken to advise Members of the changes and the need for impacted Members to apply for and obtain a Limited-PPC.</p>



	<p>These improvements to Member regulation ensure Limited-PPC holders have a satisfactory knowledge of the APESB standards as well as an awareness of the regulatory environment relevant to accountants. Note that any Member with a statutory registration is not permitted to hold a Limited-PPC and must hold a PPC.</p> <p><u>Limited-PPC holders are not Scheme Participants.</u></p>
<p>3. Operating your professional standards scheme</p>	<p><b><u>Enhancement of internal processes</u></b></p> <p>In 2023 the IPA continued to review its internal processes and established or realigned its committees. This resulted in the revision of the <i>Compliance and Membership Committee</i> which brings together the Member-facing business units of the IPA to discuss issues of mutual concern and the impact of the changing environment in which we operate.</p> <p>To date, improvements have been made to Member Policies, internal processes and to our technology platforms.</p> <p><b><u>Practice Entity Membership</u></b></p> <p>As part of the IPA Scheme application, the IPA included a provision for Members to register their practice entity (Australian company) for the purpose of being an IPA Scheme participant.</p> <p>The IPA has worked through a number of issues which have arisen from the implementation of Entity Membership, including defining ‘entity,’ impact on entity shareholders and employees, disclaimers and so on. We have obtained legal guidance for the development of Entity Membership.</p> <p><b><u>Technology transformation</u></b></p> <p>During the course of 2023, the IPA continued with the development of the new QRP system, using numerous ICT suppliers.</p> <p>The new system is designed to offer a more user-friendly experience for Members, with extensive branching and other features. Reporting is undertaken using MS Power BI and other tools and resources in which the IPA has invested over the last couple of years. The ICT transformation extends to every part of the business including a new CRM, website, reporting, analytics, case management and so on.</p> <p>The reporting functionality is more flexible enabling the IPA to improve the practice risk profiling and investigation capabilities.</p> <p>Extensive Member testing has been undertaken including through the QRP, the 2023 PS Declaration, and various other methods of beta testing.</p>

### 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?  Yes  No → Go to Question 2

If yes, please tell us about it. Include how you are monitoring the effects of any changes.

##### Updating the IPA Scheme information webpage

The IPA updated the 2022-2026 Professional Standards Scheme information on the IPA website in October 2023. Information about the IPA Scheme is provided within the webpage *tile* below which resides in the [Limited PPC & PPC Holders \(publicaccountants.org.au\)](#) section of the IPA website.



The update was across the entire webpage, including:

- Scheme caps
- Higher discretionary Scheme cap
- Practice Entity Membership
- Financial advisors
- Exemptions from the IPA Scheme
- Scheme disclosure statement on correspondence and website.

The changes improved the consistency of language with other webpages, the Professional Standards legislation and the other accounting bodies. Practice Entity Membership was more fully explained and a link to application forms.

As the changes were recently implemented, we are unable to adequately assess the effects of the changes.

We anticipate the changes will reduce the number of Member queries.


	<p>Member and consumer feedback will be collected over 2024 and further improvements will be made to the website in 2024 as required.</p> <p><b><u>Improving QRP Member messaging re Scheme obligations</u></b></p> <p>Member QRP feedback has shown that the messaging is paramount in improving Member acceptance of the IPA review process and the level of cooperation offered by Members when completing the review.</p> <p>The IPA continues to respond to and adjust our messaging, tone, frequency and overall approach in Member QRP communications.</p> <p>The QRP messaging makes specific reference to two of the Scheme obligations, being:</p> <ul style="list-style-type: none"> <li>• Use of the Scheme disclosure statement on client correspondence and websites. The disclosure statement text is provided in the email.</li> <li>• The level of PI insurance required to meet the Scheme cap requirements and a link is provided to By-law 9.1.11.</li> </ul> <p>Information and prompting about the IPA CPD requirements are also provided, including a reference to the 120 hours required over each three-year CPD period. A link to Pronouncement 7v4.1 is provided to Members.</p> <p>The messaging also directs Members to IPA support tools to assist with their QRP compliance.</p>
<p>2. Have you changed or reviewed your communications to improve how well the following groups understand the scheme?</p> <ul style="list-style-type: none"> <li>• members</li> <li>• members' clients</li> <li>• the public</li> </ul>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No → Go to Table 4.1</p>
<p>If yes, please tell us about it. Include how you are monitoring the effects of any changes.</p>	<p><b><u>Creation of a consumer protection webpage</u></b></p> <p>The IPA created a <i>Consumer Protection</i> page for the IPA website which was added into the <i>About Us</i> section of the IPA website (<a href="http://publicaccountants.org.au">Consumer Protection (publicaccountants.org.au)</a>).</p> <p>The intention was to improve communications to Members and consumers in relation to the IPA's mandate to continually uphold and improve consumer protection.</p> <p>The Consumer Protection webpage is designed to educate consumers on the significance that IPA Members are legislatively recognised as <i>qualified accountants</i> in the <i>Corporations Act 2001</i>. The webpage discusses the co-regulatory role of the IPA in monitoring the operations of Members and the role of the IPA Professional Standards Scheme in relation to improving professional and ethical standards and consumer protection.</p>

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	<p>Four external links are provided on the webpage being:</p> <ul style="list-style-type: none"> <li>• information about the IPA Professional Standards Scheme</li> <li>• information about the PSC in general</li> <li>• information about the IPA submissions to Regulators</li> <li>• how to lodge a complaint and the IPA complaints and disciplinary process.</li> </ul> <p>Most IPA Members are aware of the legislative recognition of IPA Members in the <i>Corporations Act 2001</i> and of the IPA Professional Standards Scheme. However, ongoing reinforcement is always useful and also for the benefit of new Members, to continually raise awareness of the need to improve consumer protection.</p>
<p>3. Any additional information (optional).</p>	<p>More updates will take place in future as improvement plans are noted. Some of these will be the result of both Member and consumer queries and feedback in relation to consumer protection and the IPA's role in regulating Members.</p>

## 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"> <li>• attach a marked-up version</li> <li>• tell us about the changes.</li> </ul>	<p>The IPA Compliance Plan was amended in 2023. The changes were relatively minor.</p> <p>The changes note the improvements in the way the IPA manages Member compliance, which has been driven from the data collected from the QRP and PS Declaration as well as Member and staff feedback.</p> <p>A summary of the Compliance Plan changes are as follows:</p> <ul style="list-style-type: none"> <li>• incorporate the new Limited-PPC QRP requirements</li> <li>• provide detail on the areas of employment for IPA Members and the QRP requirements</li> </ul>

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	<ul style="list-style-type: none"> <li>reinforce the importance of APES 110 for IPA Members</li> <li>Members who have their case heard by the Disciplinary Tribunal incur a \$500 charge</li> <li>clarify verified and unverified CPD hour requirements for three CPD competency areas in Pronouncement 7</li> <li>note the changes in the composition of BMC members</li> <li>improve the grammar throughout the Compliance Plan.</li> </ul>
<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"> <li>attach a marked-up version</li> <li>tell us about the changes or review.</li> </ul>	<p>1. Changes to the risk mechanisms include the following areas (and also as noted in this APSR):</p> <ul style="list-style-type: none"> <li>Membership requirements: redesigned internal audit process</li> <li>Implementation of new QRPs system for Member compliance</li> <li>QRP question set for Members</li> <li>Focusing on the review of Members’ compliance with end of the CPD triennium in June 2024</li> <li>Updated CPD Member ethics training</li> <li>Updated Pronouncement, By-laws and membership Policies as detailed in Section 2.</li> </ul> <p>2. Attached risk management activities that include the list of risks and their treatment plans during 2023.</p> <p>3. Progressive update on 5-year Risk Management Plan and Treatment Plans to consolidate the risk activities for the current Scheme.</p> <p>4. Progressive update on 5-year Risk Management Plan and Treatment Plans.</p>
<p>3. Any additional information (optional).</p>	

**4.2 Risk analysis**

<p>1. Did you add any new or emerging risks to your Professional Risks and Related Treatment Plans?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No → Go to Table 4.3</p>
<p>If yes, please complete questions (a)–(c) in the table below for each new or emerging risk that you added relating to:</p> <ul style="list-style-type: none"> <li>professional or occupational standards</li> <li>scheme compliance</li> </ul>	

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- practitioner-client relationship
- consumer protection
- significant events.

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

<b>Risk 1</b>	CPD triennium non-compliance
(a) Risk rating	<input checked="" type="checkbox"/> High <input type="checkbox"/> Medium <input type="checkbox"/> Low (Residual Risk will be Medium)
(b) What professional risk management strategies did you develop in response?	<p>Emerging risk at the end of CPD triennium ending on 30 June 2024 for Members. Likelihood that not all Members will be compliant with the CPD requirements.</p> <p>To ascertain the impact, the following actions are being conducted:</p> <ul style="list-style-type: none"> <li>• Members that have a CPD non-compliance for the 01/07/2018-30/06/2021 triennium are required to make up the additional hours in the current CPD period and this will be audited in 2024 by the IPA.</li> </ul> <p>Numerous Member communications are being sent to reinforce the messages that the current CPD period will expire on 30 June 2024; Members must ensure they meet the CPD requirements before the end of the financial year; and the 20 CPD hour requirement for each of the three CPD competency areas.</p> <p>We are reminding and advising Members of the revised CPD Pronouncement which requires CPD to be completed across three competency areas (see above).</p>
(c) How are you monitoring the strategies' effects?	The IPA has been undertaking an ongoing review since late 2023 on Members' CPD hours. There will be increased capacity with the new QRP to incorporate this risk. The results of the extended QRP will inform the compliance for this requirement and further actions may be required during 2024.
<b>Risk 2</b>	Monitoring all categories of IPA Members
(a) Risk rating	<input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low (Residual Risk will be Medium to Low)
(b) What professional risk management strategies did you develop in response?	The risk strategy has been revised to include the four categories of Members in the new QRP.
(c) How are you monitoring the strategies' effects?	The QRP provides extensive information on Member compliance, with all non-compliance being remediated. Additional training, education, tools and resources are offered to Members. Non-compliant Members may be suspended or membership may be forfeited. Refer above for further details on the QRP, which will apply to all categories of membership.

**4.3 Risk management tools**

1. Did you use any of the following tools:
- root cause analysis
  - behavioural insights
  - [other tools presented by Councils' forums.](#)

If yes, describe who used these tools and the actions they took.

The IPA has actioned six notable improvements throughout 2023 using root cause analysis and behavioural insights. The IPA has an enormous amount of one-on-one

Member contact and information on Member behavioural insights has been an invaluable input to the improvement process.

Some of these improvements have been discussed above in section *2. Highlighting the year*. These include the introduction of the Schedule of Fines and Ancillary Charges; activities to address the level of QRP non-compliance; activities to address the level of CPD non-compliance; introduction of the Limited-PPC; and enhancement of the IPA's internal processes including the establishment of new committees; and the ICT transformation which sets the foundation for all of these activities.

### **Improving the level of Member ethics**

The *Advocacy and Professional Standards* team monitors data from Members in relation to the types of technical questions.

From the data collected over a three-year period, approximately 20% of Member queries relate to ethical questions.

In 2022, the IPA, in partnership with Deakin University, created an online ethics course to support Members in meeting the 20 hours of ethics CPD mandated in Pronouncement 7v4.1.

The course currently covers:

- Ethics and Governance
- Ethics and Decision Making
- Ethics and Fraud.

In 2023, additional ethics training was offered based on the diversity of ethics related questions being asked by Members. The training is titled "*Walking the ethical tightrope*" in both virtual and in person formats.

The presentation connected the requirements in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* to the requirements in Pronouncement 7 and the requirements in APES 320 *Quality Management for Firms that provide Non-Assurance Services* and APES 325 *Risk Management for Firms*. These two items are the main non-compliance items in the QRP. The training uses an interactive scenario based approach which works especially well with in person presentations.

The Member feedback has been excellent; and resulted in increased enrolments for the online Deakin course.

It is expected that the benefits of the ethics training will flow through to improved compliance results, reduced

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	<p>Member queries relating to ethics and increased professionalism.</p> <p>The IPA will monitor these indicators and report further in the 2024 APSR.</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>The <i>Advocacy and Professional Standards</i> team collected data that was used to design the six initiatives discussed above. Data was collected from the QRP, in particular the level of compliance and non-compliance and the non-compliance types and patterns.</p> <p>Data was also collected from the annual PS Declaration, in particular the level of disclosure statement compliance, the level of CPD compliance and non-compliance and the nature of PI insurance claims and settlements.</p> <p>Data from Member calls and emails to the IPA was also collected in relation to the technical nature and complexity of each query.</p> <p>This data was supplemented with behavioural insights collected by the <i>Advocacy and Professional Standards</i> team from Member calls and emails, the tone and type of Member communications, the geographic location of Members, the IPA and Regulator compliance history of Members and other discussions that took place at CPD events, Discussion Groups and through the Member online platform <i>MyCommunity</i>.</p> <p>Information is also inputted through the Divisional Advisory Councils which meet regularly and also through various forums and channels. This has been developed as a two-way communication channel which is directly connected to the broader membership across the Group.</p> <p>Members contact the IPA daily with approximately 1,200-1,500 contacts annually being recorded just by the <i>Advocacy and Professional Standards</i> team. These contacts provide invaluable insights for the IPA.</p> <p>The IPA also offers members an online technical service (similar to a helpline) which is provided by an external panel of experts across various fields of relevance to members. The service also offers technical newsletters, which supplement the IPA's main weekly technical newsletter.</p> <p>Three key findings are:</p> <ul style="list-style-type: none"> <li>• Practices are time poor, so working with these Members requires IPA staff to offer targeted and practical education and solutions. The IPA practice management tools and templates are an invaluable resource as they address the specific compliance items and Members are very appreciative of the professional assistance and</li> </ul>




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	<p>remediate in a timely manner. This more tailored approach will continue and will be monitored for relevance and effectiveness during 2024. It also assists the IPA to complete QRP batches more efficiently.</p> <ul style="list-style-type: none"> <li>Continually improving communication, education and engagement has improved rates of compliance. This has been coupled with the IPA’s stricter approach to QRP deferrals, which has reduced the number of applications for deferment. The IPA carefully manages non-compliant Members and obtains insights to improve management of non-compliant and difficult Members.</li> <li>To improve the risk management of non-compliant Members, the IPA actions additional searches for relevant information that should have been disclosed to the IPA. The IPA may request additional source documents as part of this process to ensure compliance with the professional and ethical standards is genuine. This additional investigative work provides enhanced consumer protection. The IPA will continue to risk manage these Members using this approach during 2024.</li> </ul>
2. Any additional information (optional).	

## 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
<p><b>1. Formal complaints received</b> Include referrals from statutory regulators</p>	57 formal complaints received, where 26 matters involved action taken by a statutory regulator against an IPA Member as follows:

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	<p>Termination of registration as a tax agent – 5 Members.</p> <p>Administrative sanctions imposed on tax agent (includes written caution and orders) – 6 Members.</p> <p>ASIC court enforceable undertaking – 1 Member.</p> <p>ASIC action arising from engaging in false, misleading, or deceptive conduct related to financial services – 1 Member.</p> <p>Conditions imposed on self-managed superannuation fund auditors – 7 Members.</p> <p>Suspension/cancellation/disqualification of self-managed superannuation fund auditors – 6 Members.</p>
<p><b>2. Enquiries received</b> Include enquiries that did not escalate to a formal complaint. If your association does not collect this information, add 'n/a.'</p>	23
<p><b>3. Unresolved complaints carried over from past years</b></p>	1
<p><b>4. Complaints investigated</b></p>	33
<p><b>5. Complaints dismissed</b> Include complaints that are frivolous, vexatious, or lacking in substance</p>	0
<p><b>6. Complaints referred to statutory regulator</b> Include resulting action/s if known</p>	0
<p><b>7. Complaints resolved by conciliation or mediation</b></p>	0
<p><b>8. Complaints resolved by remedial or disciplinary action</b> Provide details</p>	<p>There were 25 matters that resolved without referral to the IPA Disciplinary Tribunal:</p> <p>Matters related to complaints in which it was determined there was insufficient evidence the Members had breached the relevant standards of the IPA – 10 Members.</p> <p>Administrative action (includes written warning, requirement to complete CPD, requirement to complete IPA quality review, and/ or requirement to provide information as requested) – 1 Member.</p> <p>Forfeiture of Membership – 5 Members.</p>

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	<p>Member sent a letter with a reminder to comply with relevant standards and requirements – 6 Members.</p> <p>No further action taken (as Member resigned, not a current active Member or no action required) – 3 Members.</p>
<p><b>9. Complaints that were the subject of a hearing</b> Include the hearing outcome(s), for example:</p> <ul style="list-style-type: none"> <li>• complaint dismissed as unsubstantiated</li> <li>• member cautioned or reprimanded</li> <li>• conditions imposed on member</li> <li>• member required to do course or training, or seek advice from qualified person</li> <li>• additional reporting imposed on member</li> <li>• membership terminated.</li> </ul>	<p>There were 7 matters referred to the IPA Disciplinary Tribunal with the following determinations:</p> <p>Admonishment with no costs – 2 Members.</p> <p>Censure, costs and fines imposed – 3 Members.</p> <p>Forfeiture and costs – 1 Member.</p> <p>Suspension, costs and fines imposed – 1 Member.</p> <p>There were 2 matters referred to the IPA Appeals Tribunal where the cases against the Members were proven (for breaching the relevant standards of the IPA) with the following determinations:</p> <p>Forfeiture, costs and fines imposed – 1 Member.</p> <p>Forfeiture and costs – 1 Member.</p>

**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
Failure to meet professional standards	69.7%
Professional misconduct	39.4%
Ethical issues, such as conflicts of interest and inappropriate conduct	33.3%
Failure to provide services, or service quality issues	15.2%
Other	6%

Total

33 complaints investigated

### 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 → Go to 'Time taken' section below
If yes, did your association resolve complaints within this timeframe?	<input type="checkbox"/> Yes → Go to 'Time taken' section below <input type="checkbox"/> No <p>There is no formal policy that mandates timeframes to resolve complaints as nearly all investigations are completed within six to nine months, and around twelve months for matters referred to the IPA Disciplinary Tribunal as the Tribunal is required to receive the matter. The time taken to complete an investigation will vary as many external factors impact on a matter, such as the complexity of the complaint, the provision of information by the Member and complainant, the type of enquiries that must be undertaken and the time taken for external parties to provide information and whether or not external action is also taken.</p>
If not, why?	Add your response here
Use the section below to show the number of complaints resolved in the last reporting year by time.	
<b>Time taken</b>	<b>2023</b>
Less than 1 month	2
1–6 months	13
6–12 months	11
1–2 years	3
More than 2 years	4
Any additional information (optional).	The complaints that took more than 2 years to resolve were due to these matters being before a court of law or subject to other proceedings. Where a matter which is the subject of a formal complaint against a Member is also before a court of law the IPA suspends further consideration of the complaint. The IPA does this to ensure our investigation process is not used to thwart any legal action and to also ensure the legal process is not prejudiced by any actions undertaken during the investigation.

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**5.4 Complaints systems**

1. Have you changed your complaints system?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No → Go to Table 5.5
If yes, please tell us about it. Include how you are monitoring the effects of any changes.	Add your response here
2. Any additional information (optional).	

**5.5 Disciplinary action**

1. Have you changed your member discipline system?	<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.	Add your response here
2. What were the top 3 reasons for disciplinary action against members?	Refer above
3. How many disciplinary actions were taken against members?	Administrative action (includes written warning, requirement to complete CPD, requirement to complete IPA quality review, and/ or requirement to provide information as requested) – 1 Member. Forfeiture of Membership – 8 Members. Member sent a letter with a reminder to comply with relevant standards and requirements – 6 Members. Admonishment with no costs – 2 Members. Censure, costs and fines imposed – 3 Members. Suspension, costs and fines imposed – 1 Member.
4. Have you considered the top reasons in your Professional Risks and Related Treatment Plans?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No → Go to Part 6
If yes, please attach your plan and reference the relevant section.	Risk Number – R00039 Complaints, discipline, and voluntary mediation services  The Code of Conduct details the IPA's policy on minimum standards of conduct and behaviour which all Members, non-members and staff attending any IPA event, are expected to abide by. A copy of the Code of Conduct is available on the IPA website ( <a href="https://www.publicaccountants.org.au/privacy-policy/code-of-conduct-member-and-non-members">https://www.publicaccountants.org.au/privacy-policy/code-of-conduct-member-and-non-members</a> ).


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5. Any additional information  
(optional).

## 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	<input type="checkbox"/>	No change	
(b) Mission or goals	<input type="checkbox"/>	No change	
(c) Code of ethics or conduct	<input type="checkbox"/>	No change	
(d) Membership entry requirements	<input checked="" type="checkbox"/>	(1) By-laws (2) Pronouncements (3) M'ship Policies	
(e) Membership classes (including classes subject to the scheme)	<input type="checkbox"/>	No change	
(f) Material changes to legislation and regulations applicable to your occupation and association?	<input type="checkbox"/>	No change	
(g) Board and committee structure and appointments (including Professional Standards Committees)	<input checked="" type="checkbox"/>	Board of Directors	
(h) Scheme administration staff and resources	<input type="checkbox"/>	No change	

## 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 IPA Professional Indemnity (PI) insurance requirements for Scheme Participants is mandated in the IPA By-laws chapter 9, paragraph 9.1.11.</p> <p>The IPA provides information to Members about the PI insurance requirements through:</p> <ul style="list-style-type: none"> <li>• the annual IPA membership renewal notice under Statutory Obligations, clause (e)</li> <li>• IPA website under: <a href="https://www.publicaccountants.org.au/membership/ppc/professional-standards-scheme">https://www.publicaccountants.org.au/membership/ppc/professional-standards-scheme</a>,</li> <li>• IPA PPP training material</li> <li>• ad hoc Member communications and the technical helpline.</li> </ul> <p>Monitoring Member PI insurance compliance is actioned via:</p> <ul style="list-style-type: none"> <li>• IPA Insure Member PI policies</li> <li>• IPA PPC application form</li> <li>• QRP</li> <li>• the annual PS Declaration.</li> </ul>
<p>2. What did your monitoring activities find?</p>	<p>IPA Insure Member PI policies</p> <p>IPA Insure is the IPA's in-house insurance broker, which only issues policies in compliance with the IPA By-laws. This prevents non-compliance for Members who use IPA Insure.</p> <p>IPA PPC applications</p> <p>PPC applications will not be approved unless the application is accompanied by a PI insurance policy that complies with the IPA By-laws. This reduces Member PI insurance non-compliance.</p> <p>QRP</p> <p>The QRP is a quality assurance program administered by the IPA (refer above). It is mandatory that all PPC holders are reviewed every three to six years, with auditors being reviewed every three years. The questions assess Member compliance with the professional and ethical standards set by the IPA, APESB, TPB, ASIC, AASB and the AUASB.</p>
<p>3. Did member compliance improve since last year, or were there fewer breaches?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure</p>
<p>4. Please describe your remedial or enforcement response to non-compliance.</p>	<p>QRP</p> <p>All Members that have a PI insurance non-compliance detected by the QRP are instructed to contact their broker/ underwriter and change their policy to</p>



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	<p>comply with By-law 9.1.11 and send a copy of the new Certificate of Currency to the IPA for QRP sign off.</p> <p>No Member will have their QRP finalised unless their PI insurance is compliant with By-law 9.1.11.</p> <p>If a Member does not rectify a PI insurance non-compliance, the Member is suspended. If they still do not rectify the PI insurance non-compliance whilst suspended, their membership is forfeited. A fee is imposed for readmission.</p> <p>Annual PS Declaration</p> <p>Data collected from the PS Declaration is used to identify PI insurance non-compliances and an email is sent from the Manager of Professional Standards to these Members to rectify the non-compliance.</p>
<p>5. How is your association monitoring the effects of your compliance monitoring strategies?</p>	<p>The data from the QRP is analysed carefully by the <i>Advocacy and Professional Standards</i> team and the IPA Board. It clearly shows a reduction in PI insurance non-compliance. This is the result of the QRP messaging to Members and the IPA’s remediation actions.</p> <p>Data and information collected from the IPA’s compliance activities is analysed as noted above. The IPA’s new QRP and other ICT developments will enhance IPA’s ability to monitor, analyse and report on the effects of various strategies.</p>
<p>6. Any additional information (optional)</p>	

**7.3 Limited liability disclosure requirements**

<p>1. What did your association do to monitor members’ compliance with limited liability disclosure requirements?</p>	<p>The IPA rules around PPC holders correctly using the Limited Liability Disclosure statement are included in:</p> <ul style="list-style-type: none"> <li>• the annual IPA membership renewal notice under Statutory Obligations, clause (e)</li> <li>• IPA website under: <a href="https://www.publicaccountants.org.au/membership/ppc/professional-standards-scheme">https://www.publicaccountants.org.au/membership/ppc/professional-standards-scheme</a></li> <li>• IPA PPP training material</li> <li>• IPA PPC application form</li> <li>• ad hoc Member phone and email communications and the technical helpline.</li> </ul> <p>Monitoring Member compliance with using the Limited Liability Disclosure statement is actioned via:</p> <ul style="list-style-type: none"> <li>• QRP</li> <li>• the annual PS Declaration.</li> </ul>
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<p>2. What did your association do to ensure that only participants in your scheme used your disclosure statement? When did this happen?</p>	<p>All Scheme Participants are notified through the seven initiatives noted above of the need to use the Limited Liability Disclosure statement, unless they apply for and are granted a Scheme exemption.</p> <p>In relation to Members that hold a Limited-PPC, both the website information and the PPP training course clearly state that these Members are not Scheme Participants.</p> <p>Non-PPC Members are regularly made aware through various IPA communications that they are not Scheme Participants.</p> <p>It is rare for non-Scheme Participants to use the disclosure statement.</p>
<p>3. What percentage of scheme members did you audit to check their compliance with the limited liability disclosure requirement?</p>	<p>Member compliance with the disclosure statement is determined using the QRP and the PS Declaration.</p> <p>All Scheme Participants are subject to the annual PS Declaration which has a response rate of approximately 91%. The QRP assesses compliance of approximately 20% of all Scheme Participants annually.</p>
<p>4. What percentage of audited members were non-compliant?</p>	<p>The two batches of the QRP undertaken in 2023 indicated non-compliance rates of 2% and 4% of all non-compliances.</p> <p>The PS Declaration indicated a non-compliance rate of 6.8%.</p>
<p>5. Did member compliance improve since last year?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure</p>
<p>6. Please describe your remedial or enforcement response to non-compliance, and how many actions you took.</p>	<p>Every Member that is non-compliant through both the QRP and the PS Declaration process, is contacted firstly by email and then by phone if necessary. Further emails are sent to confirm discussions and action items following phone conversations.</p> <p>The nature of the non-compliance is explained, the requirements are discussed, and we ensure that Members understand the requirement, the timeframe for compliance, and penalties in the event of non-compliance.</p> <p>Members are also referred to the relevant part of the IPA website, <a href="https://psc.gov.au/advice-for-scheme-associations/disclosing-your-liability">https://psc.gov.au/advice-for-scheme-associations/disclosing-your-liability</a></p>
<p>7. How is your association monitoring the effects of your compliance monitoring strategies?</p>	<p>The data from the QRP and the PS Declaration is extensively analysed by the <i>Advocacy and Professional Standards</i> team and the IPA Board.</p> <p>The data shows a reduction in disclosure statement non-compliances, and this is linked to the improved QRP messaging to Members, the consistent IPA follow up for Member non-compliances and the insights provided by the extensive dataset collected during the PS Declaration process. Refer above for further details.</p>

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8. Any additional information (optional)

The IPA mandates the use of the Limited Liability Disclosure statement on both client correspondence and all Member websites, which enables consistent use of the statement for Members who operate across more than one state and territory.

7.4 CPD requirements

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

All CPD requirements are provided in Pronouncement 7 as noted above. IPA audit activity is undertaken using the annual PS Declaration and through the QRP, both of which collect data on CPD compliance. Given that the CPD period is a triennium, enforcement is conducted at the end of the triennium. However, during the triennium we monitor Member compliance on a pro rata basis and seek remediation if the Member is unlikely to meet the CPD requirements.

The CPD rules for PPC holders are included in:

- the annual IPA membership renewal notice under Statutory Obligations, clause (c)
- IPA website, <https://www.publicaccountants.org.au/about/iparulesandstandards>
- IPA PPP training material
- IPA PPC application form
- IPA on-line CPD recording tool, <https://www.publicaccountants.org.au/events/cpd-records-feature>
- ad-hoc Member communications and the technical helpline.

Monitoring Member compliance with Pronouncement 7 is actioned via the QRP and the annual PS Declaration.

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

Member compliance with the CPD requirements is determined using the QRP and the PS Declaration.

All Scheme Participants are subject to the annual PS Declaration which has a response rate of approximately 91%. The QRP assesses compliance of approximately 20% of all Scheme Participants annually.

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

The two batches of the QRP undertaken in 2023 indicated non-compliance rates of 29% and 30% of all non-compliances.

The PS Declaration indicated a non-compliance rate of 38.4%.

It is important to note that the CPD non-compliance data collected from the PS Declaration cannot be used on face value. Some Members will have joined the IPA during the CPD period and are permitted to satisfy the CPD requirements of Pronouncement 7 on a pro rata basis.

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<p>4. Did member compliance improve since last year?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure</p>
<p>5. Please describe your remedial or enforcement response to non-compliance, and how many actions you took.</p>	<p>QRP</p> <p>All Members that have a CPD non-compliance, through either the QRP or the PS Declaration, are contacted by email and by phone if further follow up is required. Further emails are sent to confirm discussions and outcomes.</p> <p>Members are requested to provide a copy of their CPD log for the three-year CPD period, which is reviewed by the <i>Advocacy and Professional Standards</i> team. Amendments are sometimes required as Members incorrectly classify unstructured training as structured training.</p> <p>Once the total structured CPD is confirmed, the Member is sent an email finalising their QRP but noting the requirement to complete the missing structured CPD hours in the current CPD period. Also noted is that the current CPD period finishes on 30 June 2024.</p> <p>All Members are alerted to the fact that they will receive a CPD audit in the second half of 2024.</p> <p>PS Declaration</p> <p>As noted above, data collected from the PS Declaration is used to alert Members of any non-compliance, which is then followed by remediation activities.</p>
<p>6. How is your association monitoring the effects of your CPD compliance monitoring strategies?</p>	<p>As noted above, data from both the QRP and the PS Declaration are analysed by the <i>Advocacy and Professional Standards</i> team and the IPA Board.</p> <p>In order to reduce levels of CPD non-compliance, a more targeted strategy has been implemented during 2023. Refer to details above.</p> <p>Given the current triennium expires on 30 June 2024, additional messaging and communications have been implemented. New ICT platforms have been introduced, which have increased our capacity for on-demand CPD and specific bundling. These measures have proved effective with more Members purchasing bundled and on-demand CPD. Further data will be available after the end of the current financial year.</p> <p>IPA has also undertaken more enforcement activity by requiring Members with CPD shortfalls to complete CPD during the current triennium. It should also be noted that Members will not be able to carry over CPD from one triennium to the next.</p>
<p>7. Any additional information (optional)</p>	<p>There have been ongoing Member communications to reinforce the message that the current CPD period is rapidly ending on 30 June 2024. Members must ensure they meet the CPD requirements before the end of the financial year.</p> <p>Also stated in the Member communications is the 20 CPD hour requirement for each of the three CPD competency areas.</p> <p>An EDM for an ethics CPD promotion follows:</p>

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There have also been ongoing Member communications reinforcing these messages through our publications including *Technical Advantage* and *Public Accountant*.

CPD is a compliance item that cannot be retrospectively corrected. Once the CPD period ends, a non-compliance cannot be rectified for an earlier period. Hence the proactive approach by the IPA with a view to get as many Members as possible compliant with the CPD requirements for the 01/07/2021-30/06/2024 CPD period.

### 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.		
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.		
3. During the reporting period, how many exemption applications did you:	Applications received: 1	Exemptions granted: 1
• receive		

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<ul style="list-style-type: none"> <li>grant?</li> </ul>	
<p>Please provide a copy of your scheme exemption register.</p>	<p>BMC 2052v2 Professional Standards Scheme – Exemption governs the processes around providing Scheme Exemptions for joint IPA Members. This is supported by clause 3.1 of the Scheme Instrument.</p> <p>CA ANZ and CPA Australia Members can claim an exemption from the IPA Scheme if they are a Scheme Participant of their respective membership body.</p> <p>There is only one IPA Member that has applied for a Scheme exemption since the beginning of the Scheme, so the IPA has deemed it unnecessary to have a dedicated Scheme Exemption Register. It is managed by the IPA membership database, which records the Scheme exemption for this Member.</p> <p>In order to consider and grant an exemption, we have sighted the Member’s current membership certificate and invoice from CPA Australia, and also the Member’s PI insurance policy. This is in accordance with BMC 2052v2 Professional Standards Scheme – Exemption.</p> <p>Accordingly, the Member is not charged the annual IPA Scheme fee.</p>
<p>4. Please note:</p> <ul style="list-style-type: none"> <li>any trends in the number of exemption applications you received and granted</li> <li>your association’s response to the trends.</li> </ul>	<p>As noted above, there is only a single Member that has applied for a Scheme exemption. We do not anticipate any changes to this trend.</p> <p>Members are informed about the option to apply for a Scheme exemption through the PPP training module, information on the IPA website and phone and email conversations with Members.</p>
<p>5. Any additional information (optional).</p>	

**7.8 Higher discretionary caps**

<p>1. Does your scheme provide higher discretionary caps?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No → Go to Table 7.9</p>
<p>If yes, has your association changed its policies and approval processes in this area?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No → Go to Question 2</p>
<p>If yes, please tell us about it. Attach a marked-up version of your changes.</p>	
<p>2. Have you changed any forms, information you give members or details on your website in this area?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No → Go to Question 3</p>
<p>If yes, please tell us about it.</p>	

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<p>3. During the reporting period, how many higher discretionary cap applications did you:</p> <ul style="list-style-type: none"> <li>• receive</li> <li>• grant?</li> </ul>	<p>Applications received: 0</p>	<p>Discretionary caps granted: 0</p>
<p>Please provide a copy of your higher discretionary caps register.</p>	<p>Professional Standards Scheme – Discretionary Caps governs the processes around approving a higher Scheme cap. This is supported by clause 7.1 of the Scheme Instrument</p> <p>As the IPA has never received an application for a higher Scheme cap, the IPA has not created a register for this purpose.</p>	
<p>4. Please note:</p> <ul style="list-style-type: none"> <li>• any trends in the number of higher discretionary cap applications you received and granted</li> <li>• your association’s response to the trends.</li> </ul>	<p>We do not anticipate any changes to this trend.</p> <p>The PPP training module and information on the IPA website explain to Members that they can apply to vary their Scheme cap.</p>	
<p>5. Any additional information (optional).</p>		

**7.9 Annual Membership Assurance Report**

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