



1. Preamble

- 1.1 The Board of Directors of the Institute of Public Accountants issues Pronouncement 4 Quality Assurance Reviews (“the Pronouncement”). The following Pronouncement is issued pursuant to 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 4 is effective as at the 5 June 2015.
- 1.3 Public Practice Quality Assurance (“**PPQA**”) reviews are designed to assist IPA Public Practice Certificate (“**PPC**”) holders improve their work practices to best practice levels. This will ensure that the clients of IPA PPC holders have the security that they are being provided with a level of service and professionalism without peer.

2. Scope and Application

- 2.1 PPQA reviews involve an independent review of the work and ethical practices and procedures of IPA PPC holders. The quality assurance procedures as set out in Accounting Professional & Ethical Standards Board standards APES 110 – Code of Ethics for Professional Accountants and APES 320 – Quality Control for Firms are used as benchmarks for the conduct of the review.

3. Definitions

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

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.

PPQA review is Professional Practice Quality Assurance review.

4. The PPQA Review Process

The PPQA review will be for members who are IPA PPC holders. Members of the IPA are expected to meet ethical and professional standards set by the IPA and by implication, the professional Accounting Standard setting bodies, that is specifically the Accounting Professional & Ethical Standards Board, the Australian Accounting Standards Board, and the Auditing & Assurance Standards Board.

IPA PPC holders are also expected to meet additional standards in ethics and professionalism as prescribed by the IPA Board of Directors in the By-laws and Pronouncements of the IPA from time to time.



The Reviewer will review the answers provided through the PPQA online system by the PPC holder to seek assurance that the work, professionalism and conduct of the PPC holder are in accord with IPA requirements. The Reviewer will assist the PPC holder where appropriate to enhance and develop the member's practice in addition to reviewing practices and procedures.

IPA PPC holders who are self-managed superannuation fund auditors or registered company auditors will be selected for a PPQA review every three years. All other PPC holders will be selected for review every five years, but typically within three to four and a half years of the previous review date.

In addition to the ongoing PPQA review cycle, PPC holders may be selected for additional PPQA review/s under the following circumstances:

- when the IPA Disciplinary Tribunal imposes a penalty of additional review/s on a member;
- when the IPA Investigator, as the result of an investigation and with the agreement of the IPA Investigations Review Officer recommends a member undertake an additional PPQA review(s);
- when, based on the outcome of a PPQA review, the IPA considers it appropriate for a member to undertake an additional review/s; or
- the member requests an additional PPQA review.

PPC holders will be notified by the IPA when they are required to participate in the PPQA review. The PPC holder is required to complete an online questionnaire which is accessed through an external provider website.

The questionnaire is divided into two sections which must be completed:

- Practice – this section contains specific details about the member's practice,
- Practitioner – this section contains details about the member's role in the practice, the practice's client base, services that the practice provides and question sets to demonstrate compliance with the relevant standards and requirements.

Once the member has completed the online questionnaire they submit it through the online system to the IPA, who receives a notification. Upon receiving this notification, the IPA will alert the independent Reviewer to assess the member's questionnaire to review the member's responses and view attached documentation for integrity and compliance with the IPA's ethical and professional requirements.

The Reviewer will provide the IPA with a Reviewer's Report with their comments and findings on the compliance or degree of non-compliance exhibited by the member.



At the completion of the review, the IPA will inform the member of the results of the review, any action required to be taken, and any feedback provided by the Reviewer such as:

- whether the work being performed and the professional conduct is to a high standard;
- what scope there is for improvement
- where there is scope for improvement suggestions as to how to achieve that improvement; and
- suggestions for overcoming potential challenges to the practice.

Where no non-compliances are identified or non-compliances have been resolved to the satisfaction of the IPA, a PPC may be renewed for a further five year period commencing from the earliest date of continuous IPA PPC validity and ending on the date which is five years from the date of the review.

5. Appointment of Independent Reviewers

Reviewers must be accredited by the IPA to undertake PPQA reviews. Reviewers will have an extensive background in the accounting profession.

Reviews will generally be conducted at no additional cost to the member.

At the completion of each PPQA review, members are invited to provide feedback directly to the IPA on the PPQA review process.

6. PPQA Review Working Documents

To assist members to continually improve and develop their business and work practices, the IPA will publish a copy of the PPQA online questionnaire on the IPA's website.

Holders of IPA PPC are entitled to claim a maximum of ten hours CPE as a result of participating in an IPA PPQA review.

IPA members are encouraged to use the PPQA working documents in any internal review they conduct of their own business.