

Why we carry out reviews

The purpose of the Institute of Public Accountants (IPA) Public Practice Quality Assurance (PPQA) Reviews is to assess members on their ongoing compliance with the IPA's professional and ethical requirements. It ensures that the good name of the IPA and the reputation of its public practice members are maintained in high standing.

The PPQA Review process is aimed at confirming that members meet the IPA's compliance requirements, or receive prompt assistance to achieve these standards if any deficiencies are identified.

As a member of the International Federation of Accountants (IFAC), the IPA is also required to undertake quality assurance reviews on the systems of its members in public practice.

Who needs to complete the PPQA Review?

Participation in the PPQA Review is mandatory for all members that hold an IPA Public Practice Certificate (PPC).

The PPQA Review is undertaken by members at least once every three years to five years. Members who undertake the audit of a self-managed superannuation fund (SMSF) or who are registered company auditors must have a review at least every three years. All other members will have a review at least every five years.

There are sanctions for gross non-compliance, refusal to participate in the process or to take remedial action. However, the IPA's focus remains on supporting its members in meeting professional standards.

How does it work?

Members will be notified by the IPA when they are required to participate in the PPQA Review.

The PPQA Review is conducted against specific requirements that include the IPA By-Laws and Pronouncements, Accounting Professional & Ethical Standards Board (APESB) standards; and other relevant requirements. The requirements have been reproduced in the form of an online questionnaire which forms the framework of the review.

The PPQA Review is undertaken by the member completing the online questionnaire and attaching relevant documentary evidence. Answers are scaled and given different weightings which range from the member needing help, to being fully compliant in the particular area.

There are two sections to the PPQA online questionnaire.

The first part consists of questions relating to the practice in which a member operates. Each member that holds a PPC must complete this section whether or not other staff in their practice also have a PPC and are subject to review.

The second part consists of a Pre Audit questionnaire which contains questions aimed at assessing compliance with the standards of the APESB including APES 110 – Code of **Ethics for** Professional Accountants, and APES 320 – Quality Control for Firms which relate to ethics, human resources within the firm, trust accounts, independence, confidentiality and engagement performance.

The second section also contains sets of questions that relate to a range of services which members must answer if their practice provides services relevant to those areas.

A copy of all questions contained in the PPQA online questionnaire is available on the IPA website at publicaccountants.org.au/qualityassurance.

Review of answers submitted

Once a member has completed the PPQA online questionnaire and submitted their answers, an IPA Reviewer will conduct an assessment on the member's answers.

The IPA's Reviewers are chosen based on their professional reputation and previous public practice experience. They have extensive experience in the accounting profession and remain independent throughout the PPQA Review process.

The IPA Reviewers may find that the member has either complied with the IPA's requirements, or there is non-compliance which may be classified as low, medium or high level. For matters where there is non-compliance, members are required to undertake to rectify these issues by a specified date. Failure to do so may result in disciplinary action being taken against the member.

In some instances, the IPA Reviewer may need to conduct a site visit and face to face review at the member's business premise after completion of the online questionnaire such as in instances of serious non-compliance, where evidence has been considered insufficient to establish compliance with the standards, or if the IPA otherwise deems it necessary. Members will be notified if this is to occur.

Further information

You may find more information on the PPQA Review on the IPA website at publicaccountants.org.au/qualityassurance.

For further information on the PPQA Review please contact the IPA by email at assurance@publicaccountants.org.au or by telephone on 03 8665 3100.