



1. Preamble

- 1.1 The Board of Directors of the Institute of Public Accountants (**IPA**) issues Pronouncement 4 *Quality Review Program (the Pronouncement)*. The following Pronouncement is issued pursuant to clause 53.2(a) of the Constitution of the IPA. 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 4v2.2 was approved by the IPA Board on the 8 June 2023.
- 1.3 With recognition comes responsibility. IPA members are recognised as *Qualified Accountants* pursuant to section 88B of the *Corporations Act 2001* (Cth) and the Australian Securities and Investments Commission (**ASIC**) legislative instrument '*ASIC Corporations (Qualified Accountant) Instrument 2016/786*'.
- 1.4 To maintain this legislative recognition, all IPA members must comply with the regulations and standards set by the government, Australian Taxation Office (**ATO**), Tax Practitioners Board (**TPB**), ASIC, Accounting Professional and Ethical Standards Board (**APESB**), Financial Reporting Council (**FRC**), Professional Standards Councils (**PSC**), International Federation of Accountants (**IFAC**), Australian Accounting Standards Board (**AASB**), Auditing and Assurance Standards Board (**AUASB**) and the Australian Competition and Consumer Commission (**ACCC**) and any other relevant regulators and standard setters.
- 1.5 The government, regulators, standard setters and consumers all rely on the professional expertise, technical competence and ethics of IPA members to ensure compliance with the accounting rules and standards. As a professional accounting body, the government, regulators, standard setters and consumers rely on the IPA to co-regulate the activities of its members to ensure compliance with these laws, regulations, standards and rules to maintain a high level of consumer protection and confidence.
- 1.6 Part of the IPA member co-regulatory process is administered through the IPA Quality Review Program (**QRP**). The QRP replaced the Professional Practice Quality Assurance (**PPQA**) Review and PPQA Declaration.

2. Scope and Application

- 2.1 The IPA QRP is a quality assurance program administered by the IPA, effective from 2021. A transition period was completed during 2020 between the PPQA systems and the QRP. The QRP is a mandatory compliance program for Limited Professional Practice Certificate (Limited-**PPC**) holders, PPC holders and all non-PPC holders, such as members who are working in commerce and industry.

2.2 Limited-PPC and PPC holders:

- 2.2.1 In accordance with IFAC requirements in the Statement of Member Obligations number-1 (**SMO1**), the review cycle for PPC holders is a maximum of three years when the practice performs audits of financial statements of public interest entities, such as the work performed by a Registered Company Auditor, and a maximum of six years when the practice performs other types of practice work such as taxation, financial accounting, management accounting and general consulting.
- 2.2.2 Members holding a statutory registration with the Australian Securities and Investments Commission (ASIC) and/or the Tax Practitioners Board (TPB) are not permitted to hold a Limited-PPC and must hold a PPC.
- 2.2.3 The review cycle for Limited-PPC holders a maximum of six years
- 2.2.4 The review cycle for PPC holders will take into account the quality and effectiveness of each PPC holder's quality control systems and the review cycle may be shortened if the results of an earlier quality review were unsatisfactory. Other reasons for conducting an earlier review may be identified, such as an unfavourable outcome from recent IPA or external regulator disciplinary action.

2.3 Non-PPC holders:

- 2.3.1 The review cycle for non-PPC holders, such as:
- Members who are not running their own business and are paid on a PAYG salary,
 - Members that hold a Public BAS Practitioner (PBASP) designation, and
 - Members that hold Affiliate, MIPA (AAT) or FIPA (AAT) designations
- are a maximum of six years.

3. The QRP

- 3.1 The QRP is an on-line questionnaire system that has an interface with the IPA website to allow for a more seamless member experience. It has been specifically developed to assess the level of member compliance with the APESB professional and ethical standards as well as a range of other relevant areas. The QRP has enhanced functionality and reporting capabilities which will improve the IPA's co-regulatory performance.

3.2 Limited-PPC and PPC holders:

3.2.1 For Limited-PPC and PPC holders, the QRP is designed to address an extensive range of compliance items based on the following professional standards:

- The IPA By-laws (chapter 2 and 9);
- The IPA Pronouncement 7 – *Continuing Professional Development*;
- The IPA Pronouncement 11 – Providing Financial Advice;
- APES 110 – Code of Ethics for Professional Accountants;
- APES 205 – Conformity with Accounting Standards;
- APES 210 – Conformity with Auditing and Assurance Standards;
- APES 215 – Forensic Accounting Services;
- APES 220 – Taxation Services;
- APES 225 – Valuation Services;
- APES 305 – Terms of Engagement;
- APES 310 – Client Monies;
- APES 315 – Compilation of Financial Information;
- APES 320 – Quality Management for Firms that provide Non-Assurance Services;
- APES 325 – Risk Management for Firms;
- APES 330 – Insolvency Services;
- APES 345 – Reporting on Prospective Financial Information in connection with a Public Document; and
- APES 350 - Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document.

3.2.2 All Limited-PPC and PPC holders must have a Professional Practice Quality Management and Risk Management Manual to achieve compliance with the QRP, in accordance with APES 320 – Quality Management for Firms that provide Non-Assurance Services and APES 325 – Risk Management for Firms. The IPA has created Professional Practice Quality Management and Risk Management Manual that both Limited-PPC holders and PPC holders can use and adapt to their practice requirements if they do not have an existing manual. The IPA template manual can be found [here](#).

3.2.3 The QRP compliance questions are grouped under each professional standard identified above in paragraph 3.2.1. Each Limited-PPC and PPC holder are required to answer the groups of questions that relate to all of the services they provide to clients.

3.3 Non-PPC holders:

3.3.1 For non-PPC holders, the questions are drawn from the following professional standards:

- The IPA By-laws (chapter 2 and 9);
- The IPA Pronouncement 7 – *Continuing Professional Development*;
- The IPA Pronouncement 8 – *Continuing Professional Development – Affiliate & AAT Designations*;
- APES 110 – Code of Ethics for Professional Accountants;
- APES 205 – Conformity with Accounting Standards;
- APES 215 – Forensic Accounting Services;
- APES 220 – Taxation Services; and
- APES 225 – Valuation Services.

3.3.2 Please note that all non-PPC holders also have compliance obligations, including compliance with the requirements of Pronouncement 7 and APES 110 – Code of Ethics for Professional Accountants. Some members will have additional compliance obligations under the APES 200 series of standards identified above in paragraph 3.3.1.

4. Member Compliance with the QRP

- 4.1 The IPA has adopted an educative approach to assist members to complete their QRP. In this regard, the IPA provides members with Advance Notice of being selected to complete the QRP. During this time members are provided with an extensive range of information and resources to assist them in successfully completing the QRP and improving their level of compliance. This is in the best interests of all stakeholders, including the public.
- 4.2 The results from the QRP, including an assessment and analysis, are reported annually and periodically to APESB, FRC and the other regulators and standard setters. They are considered to be a reflection on the reputation and standing of both the IPA and all IPA members.
- 4.3 Members who successfully complete the QRP will be formally notified of their successful completion.
- 4.4 Members will be granted an extension for completion of the QRP only on the basis of exceptional circumstances such as serious illness. A formal written application for extension must be made to the IPA and must include documentary proof for the basis of the application.



- 4.5 Members who complete the QRP, but have a non-compliance(s), will be contacted by the IPA and requested to rectify the non-compliance(s) by a nominated date. Members who rectify the non-compliance as requested by the IPA, will be notified of their successful completion of the QRP.
- 4.6 Members who complete the QRP, but have a non-compliance(s), which they fail to rectify by the nominated date will be referred to the IPA's Pronouncement 12 – *Administration of Member Compliance* for follow up action which can result in suspension or forfeiture of membership and other penalty costs.
- 4.7 Members who do not complete the QRP by the nominated date will be referred to the IPA's Pronouncement 12 – *Administration of Member Compliance* for follow up action which can result in suspension or forfeiture of membership and other penalty costs.

5. IPA Assistance Completing the QRP

- 5.1 The IPA strongly recommends that members use the Advance Notice period referred to in clause 4.1 above, to contact the IPA if they require guidance or assistance to complete and lodge the QRP. The IPA encourages members to engage with the IPA to ensure they remain compliant at all times with their member compliance obligations.

6. QRP Member Feedback

- 6.1 Limited-PPC holders, PPC holders and non-PPC holders that complete the QRP will be sent a questionnaire at the completion of the QRP for their feedback on the system and processes. The IPA welcomes member feedback, which will be used to continually improve the QRP system and processes.
