****

**Professional Practice**

**(Sole Practitioner)**

**Quality Management Manual v4.0 [Jan-25]**

***Template Instructions***

***1. Review and edit all highlighted text to reflect the needs of your practice.***

***2. Remove highlighting to confirm your Manual is complete and fit for purpose.***

**<Insert Your Practice Name>**

# Overview

This Quality Management Manual (the Manual) is for use by the Institute of Public Accountants (IPA) Professional Practice Certificate (PPC) holders that provide non-assurance services in Australia. The Manual has been developed by the IPA for use by sole practitioners. Although this Manual has been developed for PPC holders that provide tax engagement services, the Manual can be adapted and used by PPC holders that provide other non-assurance accounting services.

This Manual is made available to PPC holders as a template document only. In adopting the Manual, each PPC holder must consider their specific circumstances and add, remove or amend the relevant text, policies and procedures to ensure that their System of Quality Management (SOQM) is accurate, relevant to their practice and up-to-date. The IPA is not liable for any loss, damage, claim or any costs incurred, suffered or occasioned by a PPC holder or any other person doing anything, or refraining from doing anything, as a result of anything contained in this Manual.

PPC holders that provide a broad range of non-assurance engagement services and/or employ staff or consultants must consider the additional requirements in APES 320 *Quality Management for Firms that provide Non-Assurance Services* (APES 320) and incorporate these requirements into this Manual.

For PPC holders operating in a Multi-Practitioner practice, IPA has a separate Professional Practice (Multi-Practitioner) Quality Management Manual [insert link] template that provides additional guidance to that contained in this Manual.

PPC holders that provide **audit/assurance engagement services** must also consider the additional requirements in the following pronouncements issued by the Australian Auditing and Assurance Standards Board:

* ASA 220 *Quality Management for an Audit of a Financial Report and Other Historical Information*;
* ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Service Engagements*; and
* ASQM 2 *Engagement Quality Reviews*.

IPA has a separate Professional Practice Audit Quality Management Manual [insert link] template that addresses these requirements.

The IPA provides no guarantee that this Manual contains all relevant content for a PPC holder to comply with the additional requirements in APES 320 or any other standards or requirements with which a PPC holder may from time to time be required to comply. A PPC holder using this Manual bears the responsibility of having in place any additional policies and procedures as needed to meet the requirements of the IPA Constitution, By-laws, Pronouncements, Regulations, APESB professional and ethical standards as well as federal and state legislative requirements, such as the *Tax Agents Service Act 2009* (TASA) and the *Corporations Act 2001*.

References to some of the key requirements of APES 320 and other general references have been included in the footer of relevant pages of this Manual for ease of reference.

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This material is prepared as at January 2025 and describes the general tenor of legislation and other rules known at the time and is not intended to be relied upon as a substitute for professional advice in relation to actual facts and circumstances. The material may become out of date due to subsequent industry and/or legislative changes. No responsibility can be accepted by the IPA for loss occasioned to any person doing anything or refraining from doing anything as a result of anything contained in this Manual.

[***##Template note:*** *The contents page below can be automatically updated using References<Update Table<Update entire table*]

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# Section 1: Practice Details – Philosophy, Objectives, Structure, Systems[[1]](#footnote-1)

## 1.1 Philosophy

To offer high-quality professional services to clients, through compliance with professional and ethical standards, applicable legal and regulatory requirements and by using appropriate skills and expertise.

## 1.2 Objectives

As a Sole Practitioner Practice, I aim to:

* professionally serve clients and the accounting profession as a Member of the IPA;
* provide quality professional services to clients;
* achieve excellent client service standards through maintaining the highest level of integrity, competence and independence;
* maintain confidentiality at all times;
* avoid any conduct that may undermine public trust or confidence or may discredit the accounting profession;
* uphold and promote the requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code); and comply with all relevant legislation, regulations and other requirements, including but not limited to the *Tax Agent Services Act 2009.* <##add any other legislation, for example, the *Corporations Act 2001, Anti-Money Laundering and Counter-Terrorism Financing Act 2006,* the *Superannuation Industry (Supervision) Act 1993* (SISA), and the *Superannuation Industry (Supervision) Regulations 1994* (SISR)>

## 1.3 Structure

The Practice consists of a Sole Practitioner (Practice).

The Practice provides the following services:

* [***##sample wording***]tax engagement services which include the periodic preparation and lodgement of BAS and tax returns for individuals, family trusts, partnerships and small private companies;
* [***##insert any other professional services you provide with a brief description of these services***].

The Practice is conducted from one office consisting of the following types of clients:

* individuals;
* retail businesses;
* [***##insert any other types of clients you may have, for example high net wealth individuals***]

# Section 2: Firm’s responsibilities for a System of Quality Management[[2]](#footnote-2)

## 2.1 Policy

The Practice has an overriding commitment to providing quality professional services. The Practice recognises the importance of an effective System of Quality Management (SOQM) in performing all client engagements.

As a Sole Practitioner, I understand that I bear ultimate responsibility for the SOQM and the related policies and procedures that are documented within this Manual.

The contents of this Manual are reviewed annually to ensure that it remains relevant to the needs of the Practice and its clients.

Although the Practice’s services consist entirely of professional services, all administration and support staff are provided with a copy of this Manual on induction or when it is updated. The Practice’s administration and support staff are expected to have a general understanding of the contents of this Manual although not all the requirements are applicable to their role.

# Section 3: Professional Standards

## 3.1 Policies[[3]](#footnote-3)

The Practice will comply with all relevant ethical requirements of the Code including:

* acting with integrity;
* maintaining objectivity;
* exercising professional competence and due care;
* respecting and maintaining confidentiality for all clients; and
* ensuring the professional behaviour of all staff is compliant with relevant laws and regulations and does not discredit the profession or the IPA.

## 3.1.1 Independence

The Practice recognises the importance of maintaining independence and in identifying and mitigating the occurrence of conflicts of interests. The Practice recognises that potential conflicts of interest can arise from time-to-time, particularly when personal and/or business relationships change. In such circumstances, the Practice understands that it will need to re-assess its ability to continue to provide services to either or both parties that have previously been clients of the Practice. All potential and actual conflicts of interest need to be identified, assessed, documented and disclosed. Potential conflicts of interest that can be managed, must be disclosed to the client(s) and their agreement to continue with the engagement should be obtained in writing.

## 3.2 Procedures

When faced with any compliance threats, the Practice will refer to the Code and, if relevant, Subdivision 30-A – The Code of Professional Conduct of the TASA (the TASA Code), to determine if it is possible to put in place any safeguards. If further guidance and support are required, the Practice will consult the IPA.

## 3.2.1 Independence

In addition to the above-stated policy, the Practice uses an Independence and Declaration Checklist (refer **Appendix A1**) to guide and assist the approach to considering any potential independence issues that may arise from time-to-time.

# Section 4: Acceptance and continuance of Client relationships[[4]](#footnote-4)

## 4.1 Policy

The Practice will only accept or continue to provide services where the Practice:

* has the competence, capabilities, resources and time to adequately perform the engagement;
* has considered the integrity of the client and have concluded that there is no information to indicate that the client lacks integrity; and
* can comply with all relevant professional and ethical requirements.

Tax/BAS Agent Services

The Practice will disclose in writing to clients and prospective clients any matter the Practice considers could significantly influence the decision of the clients or prospective clients to engage the Practice. This disclosure will be made within 30 days of the Practice becoming aware of such a matter.

The Practice will inform clients and prospective clients that the Tax Practitioners Board (TPB) maintains a public register of tax agents and BAS agents, which can be used to determine registration.

## 4.2 Procedures

## 4.2.1 New Clients

## 4.2.1.1 Assessing competence, capabilities, and resources

The Practice assesses its ability to undertake engagements by:

* interviewing all clients and/or their representatives (eg referring professional service provider) to ensure a clear understanding of the engagement required;
* considering if the Practice has sufficient knowledge, competence and capabilities to manage all issues relating to the engagement;
* determining if there are any issues that require any specific skills or knowledge in order to provide a quality service to the client;
* considering if there are sufficient resources and time to undertake the engagement in a timely manner and (for tax/company secretarial engagements) to meet lodgement deadlines.

The Practice uses a Client Screening Form to assist with the above assessment (refer **Appendix A2**). Once a client has been accepted a New Client Form (refer **Appendix A3**) is completed.

## 4.2.1.2 Assessing client integrity

Matters that the Practice considers prior to accepting a client engagement include:

* the identity of the client ensuring this can be verified by legal documentation;
* where relevant, the business reputation of the client’s principal owners, key management and any known related parties;
* the nature of the client’s business operations, including its business practices;
* the attitude of the client towards regulatory compliance;
* whether the client displays an aggressive approach to keeping my fees as low as possible;
* signs of inappropriate limits to the scope of the engagement including the client’s inability to provide appropriate documentation or supporting evidence required for the preparation and lodgement of BAS/tax returns accurately and in compliance with lodgement requirements;
* the client’s reasons for seeking to appoint the Practice and for leaving their previous accountant;
* whether acceptance of the client would create any threats to independence that cannot be reduced to an acceptable level by putting adequate safeguards in place; and
* whether acceptance of the client would create any threats to the professional and ethical requirements of the Code that cannot be reduced to an acceptable level by putting adequate safeguards in place; and
* signs of client involvement in money laundering or any type of criminal activity.

The Practice uses the following templates to assist with the above assessment:

* Client Screening Form (refer **Appendix A2**);
* New Client Form (refer **Appendix A3**);
* Client Retention Checklist (refer **Appendix A4**);
* Ethical clearance letter – refer <https://www.publicaccountants.org.au/resources/templates>.

## 4.2.2 Existing Clients

## 4.2.2.1 Further assessment of client integrity

For existing clients, the Practice reviews if there have been any significant changes to the information previously considered. If any new information comes to hand, the Practice will consider if the impact of the change(s) is likely to impact on:

* the Practice’s ability to continue to provide professional services to the client;
* the professional and legal responsibilities of the Practice to report suspected money laundering or other criminal activities to the appropriate regulatory authority; and
* whether the Practice should withdraw from the engagement.

The Practice uses the following template to assist with the above assessment:

* Client Retention Checklist (refer **Appendix A4**).

## 4.3 Engagement Letters

The Practice refers to IPA’s engagement letter templates for engagements (refer <https://www.publicaccountants.org.au/resources/templates>), which we adapt to ensure these documents are fit for use in the Practice.

## 4.4 Disengagement Letter

The Practice refers to IPA’s disengagement letter template when ceasing to provide an engagement service (refer <https://www.publicaccountants.org.au/resources/templates>), which we adapt to ensure these documents are fit for use in the Practice.

# Section 5: Resources[[5]](#footnote-5)

## 5.1 Statement of Practice

Human Resources

The Practice regularly reviews workflow systems to determine if human resources are sufficient to perform quality professional services to its projected client base.

At present, the Practice operates as a Sole Practitioner.

Technology Resources

The Practice uses <describe technology infrastructure essential to enabling the effective operation of IT applications used by the Practice (for example, computer hardware, operating systems and backup systems)> for all the Practice’s general business requirements.

In addition, the Practice uses:

* <name of software> for the preparation and lodgement of client BAS/tax returns and for retaining and maintaining engagement documentation;
* <name of software> for Practice time management and client billing; and
* <identify any other technology resources used. For example: internally developed spreadsheets and other templates that have been reviewed and approved for use, such as data analytic and tax-related tools.>

Use of the Practice’s technology resources must be for legitimate purposes and in accordance with the Code. In all circumstances, Practice staff must be alert to cyber-security risks and take necessary precautions as identified in the Practice’s Risk Management policies/procedures.

The Practice’s cyber-security risk management policies/procedures prohibit the introduction of unauthorised software to the Practice’s technology ecosystem. Access to the Practice’s IT system is secured by password and third-party authentication when accessed remotely. Passwords are not shared and are changed at least once every 3 months as prompted by the Practice’s operating system.

Intellectual Resources

Intellectual resources include all systems and information used by the Practice to deliver professional services in compliance with the Practice’s SOQM. This includes all written policies/procedures, tax-related support materials, technical updates, training materials and user guides adopted by the Practice.

Where required, the Practice refers to materials issued by the Australian Taxation Office, TPB, Australian Securities and Investments Commission (ASIC), Accounting Professional & Ethical Standards Board and IPA as a guide and to assist in discharging the Practice’s obligation to comply with legislative and professional and ethical standards requirements.

Service Providers

The Practice [does/does not] contract with third-party service providers.

[When third-party service providers are used:]

<insert name of third-party service provider and describe the services used>. When using the resources provided by third-party service providers, the Practice is responsible for ensuring that the resources provided are appropriate for use <in the delivery of professional services and/or in the SOQM>.

# Section 6: Engagement Performance[[6]](#footnote-6)

## 6.1 Policy

Professional services are performed in accordance with legislative and professional and ethical standards requirements. Engagements are planned and performed with an inquiring mind, exercising professional judgement and using the informed third-party test in the Code.

## 6.2 Procedures

The Practice uses <toolkits, <insert name of> software, template documents and appropriate guidance material> to deliver consistent quality professional services to clients.

As an experienced Sole Practitioner, I am able to plan, monitor and ensure quality professional services are provided by my Practice. Engagement progress is tracked using <practice management software/<or insert name of other> software/the workflow management module of our professional services software …>. Difficult or contentious matters are appropriately considered through consultation with <another practitioner/IPA …>, addressed and documented.

Tax/BAS Agent Services

The Practice retains a copy of client records for at least 5 years after a tax engagement service has been provided in accordance with TASA Code requirements, including:

* the nature, scope and outcome of the tax agent service provided; and
* all relevant information considered in the provision of the tax agent service (including information exchanged with the client, advice provided to the client.

For complex tax returns, the Practice prepares and retains a copy of client records for at least 5 years after a tax engagement service has been provided in accordance with TASA Code requirements. This copy includes:

* the nature, scope and outcome of the tax agent service provided; and
* all relevant information considered in the provision of the tax agent service (including information exchanged with the client, advice provided to the client, and the relevant facts, assumptions and reasoning underpinning any advice provided to the client.

For work scheduling, the Practice maintains a master tax client list and a list of all clients that are subject to the ATO Lodgement Program. ATO Lodgement Performance reports are reviewed for ATO lodgement dates and to monitor compliance with the 85% ATO lodgement performance benchmark.

# Section 7: Engagement Documentation[[7]](#footnote-7)

## 7.1 Statement of Practice

All engagement files are finalised on a timely basis and within 30 days of completion of the engagement. Once finalised, no modification of engagement documentation is permitted.

The Practice’s IT system includes the following security features:

<describe security features – eg policy on system passwords/frequency on updating passwords, password protection of documents, controls over issuing passwords and backup policy>.

The Practice retains all engagement files for at least five years.

Tax/BAS Agent Services

Once a client has authorised lodgement of their BAS/tax return, the return is lodged with the ATO and a copy of the return is provided to the client and the client’s source documents are returned to the client.

Engagement documentation relating to straight forward client returns is generally not retained by the Practice. Prior returns are available for a period of time in <insert name of software/system>. However, from time-to-time software is updated and access to prior returns may not be readily accessible. Clients are reminded consistently that they are required to keep all documentation relating to their tax affairs for five years from the date their tax documents are lodged with the ATO.

Engagement documentation relating to complex tax returns (as outlined in section 6.2) is retained for five years from the date that the client tax return is lodged with the ATO. Hard copy documents are scanned on the date of lodgement and the scanned files are securely stored on computer hard drive and backed up to the Cloud daily with a further back-up to an external hard drive on a fortnightly basis.

# Section 8: Monitoring and remediation[[8]](#footnote-8)

## 8.1 Procedures

Monitoring

All professional engagements are reviewed by me (pre-sign off review) before engagement output is provided to the client. This pre-sign off review includes reviewing whether the Practice’s SOQM has been adhered to.

Other monitoring activities include:

* a quarterly informal assessment of the Practice’s compliance with the Practice’s SOQM.
* on a cyclical basis, the inspection of at least one completed engagement (Engagement Quality Review/EQR) randomly selected by a qualified engagement quality reviewer.
* the Practice participating in IPA’s Quality Review Program.

As a Sole Practitioner, the Practice engages the services of another independent practitioner to perform EQRs.

Remediation

When issues are identified or errors are uncovered from monitoring activities, the SOQM is reviewed and changes are made to reduce the risk of future similar errors occurring (refer Remediation process).

# Section 9: Complaints[[9]](#footnote-9)

## 9.1 Procedures

All clients and prospective clients are informed about the Practice’s complaints process which can be accessed <insert details – eg email address/web page address>. Clients are also informed that they may also submit a complaint about the Practice directly with IPA, ASIC and/or the ATO.

Complaints and allegations are taken seriously with the view to achieving a prompt resolution. A client’s complaint is promptly acknowledged and they are kept informed as to the progress of resolution of their complaint.

All complaints are documented in a Client Complaint Form (refer **Appendix A5**).

Generally, the steps taken to resolve a complaint are:

* listen carefully and with empathy to what the client has to say;
* ask relevant questions to gather all necessary information;
* consider potential options for resolution of the complaint, including options preferred by the client;
* if necessary, apologise without blaming;
* if required, seek assistance/guidance from IPA;
* resolve the complaint effectively and efficiently
* communicate the resolution of the complaint directly with the client; and
* if the complaint is not resolved, advise the client of alternative actions they may take including referral to an external party such as IPA, ASIC or the ATO.

Every complaint received is carefully examined to determine if there is a weakness or opportunity to improve the Practice’s SOQM.

The Practice’s Professional Indemnity Insurance provider is notified if necessary.

Staff complaints

Practice staff are advised on induction that they are also free to raise concerns without fear of reprisal.

**Template Forms and Checklists**

**Appendix A1** Independence and Declaration Checklist.

**Appendix A2** Client Screening Form.

**Appendix A3** New Client Form.

**Appendix A4** Client Retention Checklist.

**Appendix A5** Client Complaint Form.

## Appendix A1 Independence and Declaration Checklist

This Checklist is completed by all staff of the Firm on an annual basis.

|  |  |  |  |
| --- | --- | --- | --- |
| **Item** | **Question** | **Yes** | **No** |
| 1 | Are you a director, officer, or trustee of any client? |  |  |
| 2 | Do you hold any management position with any client? |  |  |
| 3 | Are you an employee of any client? |  |  |
| 4 | Do you have any immediate family member (spouse, parent, child or other close relative) who is a director (or equivalent role) or employee of a client? |  |  |
| 5 | Do you have a direct or indirect material financial interest in a client or its related parties? |  |  |
| 6 | Do you have any immediate family member (spouse, parent, child or other close relative) who has a material financial interest in a client or its related parties? |  |  |
| 7 | Do you have a material financial interest in any major competitors of a client? |  |  |
| 8 | Do you have any business relationship outside the Practice with a client or a client’s director (or equivalent role)/officer/employee that exists for financial gain? |  |  |
| 9 | Do you have primary engagement responsibility for any client that represents more than 15% of the practice’s fee income? |  |  |
| 10 | Do you have primary engagement responsibility for any client whose fees are more than 6 months in arrears? |  |  |
| 11 | Do you owe money to any client (other than as a customer under normal commercial terms and conditions)? |  |  |
| 12 | Have you received any inducements, including gifts and hospitality, from a client or in connection with a client engagement, that might be viewed as intending to influence your professional decisions? |  |  |
| 13 | Are you authorised to make payments (e.g. EFTPOS, cheque signatory) for any client? |  |  |
| 14 | Are you aware of any other issues that may affect your independence and objectivity? |  |  |
| 15 | Have you considered any real or apparent material conflict of interest in relation to any activities you undertake for an Australian government agency in a professional capacity? |  |  |

If your response to any of the above items was “yes”, please complete the following table:

|  |  |  |
| --- | --- | --- |
| **Description of circumstances** | **Outline how independence might be compromised** | **Appropriate safeguards applied to eliminate or reduce threats to an acceptable level** |
|  |  |  |

## Appendix A2 Client Screening Form

|  |  |
| --- | --- |
| **Potential New Client**  [name/email/phone] |  |
| **Referred from**  [name] |  |
| **Initial Appointment**  [Date/Time] |  |

|  |  |
| --- | --- |
| **Issues for discussion** | **Response** |
| **Individual clients**  [Ask for details about services required, seek information about type/status of employment, sources of income etc]  **Business clients**  [Ask for details about services required, nature and history of their business, nature of client’s operations and business practices, any current concerns about their business etc] |  |
| **Previous accountant**  Who was your previous accountant?  Why have you found it necessary to change?  **Seek client’s permission to contact their previous accountant** |  |
| How did you hear about this practice and what motivated you to approach it/me for tax engagement/other services? |  |
| Are you up to date with all your tax/regulatory obligations?  [BAS/tax returns and payments] |  |
| Seek information about the specific services required. Confirm appropriate documentation, receipts and other supporting evidence is available |  |
| Inform the client about services that can be provided, what information will be required and when, client service approach, fees, reporting deadlines etc  Note any concerns raised |  |

|  |  |
| --- | --- |
| **Potential Client Assessment** | |
| **Issues for discussion** | **Response** |
| Do I/we have the competence and capabilities to manage all issues relating to the engagement? |  |
| **Business clients**  Do I/we have sufficient knowledge of the relevant industry/sector the client operates in? |  |
| Are there any issues that require the practice to acquire any specific skills or knowledge in order to provide a quality service? |  |
| Do I/we have the resources and time to undertake the engagement in a timely manner and to meet lodgement deadlines? |  |
| Are there any significant threats to independence?  [Refer **Appendix A1** for guidance] |  |
| Will the firm potentially accept this new client? |  |
| **Summary and Observations** | Date: |

If the client is potentially accepted, send an ethical clearance letter to the previous accountant [refer <https://www.publicaccountants.org.au/resources/templates>] (if required).

|  |  |
| --- | --- |
| **Ethical Clearance Letter details** | |
| Date sent: |  |
| Date response received: |  |
| Issues raised: |  |
| Proceed with formal acceptance of client? |  |
| Date of decision to accept client: |  |

If the potential client is accepted as a client, complete the New Client Form (refer **Appendix A3**).

## Appendix A3 New Client Form

**Individual 1**

|  |  |
| --- | --- |
| First Name |  |
| Surname |  |
| Date of Birth (DOB) |  |
| Place of Birth (POB) |  |
| Tax File Number (TFN) |  |
| Australian Business Number (ABN) |  |
| Postal Address |  |
| Email Address |  |
| Business Hours Telephone Number |  |
| Mobile Telephone Number |  |

**Individual 2**

|  |  |
| --- | --- |
| First Name |  |
| Surname |  |
| Relationship to Individual 1 |  |
| Date of Birth (DOB) |  |
| Place of Birth (POB) |  |
| Tax File Number (TFN) |  |
| Australian Business Number (ABN) |  |
| Postal Address |  |
| Email Address |  |
| Business Hours Telephone Number |  |
| Mobile Telephone Number |  |

**Business Clients**

|  |  |
| --- | --- |
| Name of Entity |  |
| Type of Entity |  |
| Incorporation Details |  |
| Industry Details |  |
| Key Management (Names/Roles) |  |
| Related Parties (eg Subsidiaries) |  |
| Number of Employees |  |
| Officeholder 1 (Position) |  |
| Officeholder 2 (Position) |  |
| Australian Company Number (ACN) |  |
| Australian Business Number (ABN) |  |
| Tax File Number (TFN) |  |
| Postal Address |  |
| Email Address 1 |  |
| Email Address 2 |  |
| Internet Address |  |
| Business Hours Telephone Number |  |
| Business Hours Facsimile Number |  |
| Mobile Telephone Number 1 |  |
| Mobile Telephone Number 2 |  |

## Appendix A4 Client Retention Checklist

|  |  |
| --- | --- |
| **Client**  [name/email/phone] |  |
| **Date of original engagement** |  |

|  |  |
| --- | --- |
| **Issues for consideration** | **Review comments** |
| I/we have considered all information on hand, including any changes to client circumstances, and conclude that client integrity is acceptable/unacceptable?  [Note any significant changes to client circumstances]  [Note any potential concerns for future reconsideration] |  |
| Are there any changes to client circumstances that would warrant completing a Client Screening Form (**Appendix A2**)? |  |
| Do I/we continue to have the competence and capabilities to manage all issues relating to the engagement? |  |
| **Business clients**  Do I/we continue to have sufficient knowledge of the relevant industry/sector the client operates in? |  |
| Do I/we have the resources and time to undertake the engagement in a timely manner and to meet lodgement deadlines? |  |
| Are there any significant threats to independence?  [Refer **Appendix A1** for guidance] |  |
| Are there any fee collection issues? |  |
| **Summary and Observations**  [Include decision to retain or terminate client engagement] | Date: |

## Appendix A5 Client Complaint Form

|  |  |
| --- | --- |
| **Client**  [name/email/phone] |  |
| **Date of complaint** |  |
| **Date complaint acknowledged** |  |
| **Details of complaint** |  |
| **Implications** |  |
| **Consultation with IPA/ATO/TPB/other?** |  |
| **Action taken**  [include dates] |  |
| **Complaint resolved/unresolved**  [include dates] |  |
| **Potential adjustments to Manual or policies/procedures?** |  |
| **Need to notify PII provider?** |  |

1. 1, Reference: APES 320 *Quality Management for Firms that provide Non-Assurance Services*:

   **Firm’s responsibilities for a System of Quality Management**

   3.1. A Firm shall establish and maintain a System of Quality Management for non-assurance services designed to provide it with reasonable confidence that the Firm and its Personnel comply with Professional Standards and applicable legal and regulatory requirements and that Engagement Outputs issued or provided by the Firm or Engagement Partners are appropriate in the circumstances. [↑](#footnote-ref-1)
2. 2. Reference: APES 320 Quality Management for Firms that provide Non-Assurance Services:

   **The System of Quality Management**

   3.5. A Firm shall establish and maintain a System of Quality Management that includes policies and procedures that address each of the following elements:

   (a) Governance and Leadership.

   (b) Professional Standards.

   (c) Acceptance and continuance of Client relationships and specific Engagements.

   (d) Resources.

   (e) Engagement performance.

   (f) Information and communication; and

   (g) Monitoring and remediation.

   3.6. A Firm shall document its policies and procedures and communicate them to the Firm’s Personnel.

   3.8 The requirements of this Standard are designed to enable a Firm to implement a System of Quality Management that achieves the requirement in paragraph 3.1 of this Standard. A Firm shall consider the nature and circumstances of the Firm or its Engagement and:

   (a) comply with each requirement of this Standard unless the requirement is not relevant to the Firm; and

   (b) consider whether there are particular matters or circumstances that require the Firm to establish policies and procedures in addition to those required by this Standard.

   **Allocation of responsibilities within the Firm**

   3.13 The Firm’s chief executive officer (or equivalent) or the Firm’s managing Partner (or equivalent) or, if appropriate, the Firm’s managing board of Partners (or equivalent), shall assume ultimate responsibility for the Firm’s System of Quality Management. The Firm shall document this in the Firm’s policies and procedures.

   3.14 A Firm shall establish policies and procedures such that any person or persons assigned operational responsibility for the Firm’s System of Quality Management, or for specific aspects of the System of Quality Management, by the Firm’s chief executive officer, managing Partner or managing board of Partners:

   (a) has the appropriate experience, knowledge, influence and authority within the Firm, and sufficient time, to fulfill their assigned responsibility; and

   (b) understands their assigned roles and that they are accountable for fulfilling them.

   **Documentation of the System of Quality Management**

   3.17 A Firm shall maintain appropriate documentation to provide evidence of the operation of each element of its System of Quality Management.

   **Elements of the System of Quality Management**

   4.1 A Firm shall establish policies and procedures designed to promote an internal culture recognising that quality is essential in performing Engagements.

   **Information and Communication**

   4.59 The Firm shall establish policies and procedures that address obtaining, generating or using information regarding the System of Quality Management, and communicating that information within the Firm and to external parties on a timely basis to enable the establishment and maintenance of the System of Quality Management. [↑](#footnote-ref-2)
3. 3. Reference: APES 320 *Quality Management for Firms that provide Non-Assurance Services:*

   **Professional Standards**

   4.4. A Firm shall establish policies and procedures designed to provide it with reasonable confidence that the Firm and its Personnel comply with Professional Standards.

   **Independence**

   4.8 The type of Professional Services the Firm provides may result in the Firm being subject to Independence requirements. If the Firm is providing non-assurance services to a Client and the Firm is also engaged to conduct an Assurance Engagement, the Firm needs to consider Part 4A Independence for Audit and Review Engagements or Part 4B Independence for Assurance Engagements Other than Audit or Review Engagements of the Code, as applicable. Other Professional Standards with Independence requirements include: (a) APES 215 Forensic Accounting Services; (b) APES 225 Valuation Services; (c) APES 230 Financial Planning Services; (d) APES 315 Compilation of Financial Information; (e) APES 330 Insolvency Services; (f) APES 345 Reporting on Prospective Financial Information prepared in connection with a Public Document; and (g) APES 350 Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document.

   4.9 A Firm shall establish policies and procedures designed to provide it with reasonable confidence that the Firm, its Personnel and, where applicable, others subject to Independence requirements (including Network Firms’ Personnel) maintain Independence where required by Professional Standards. Such policies and procedures shall enable the Firm to:

   (a) communicate its Independence requirements to its Personnel and, where applicable, others subject to them; and

   (b) identify and evaluate circumstances and relationships that create threats to Independence, and to take appropriate action to eliminate those threats or reduce them to an acceptable level by eliminating the circumstances creating the threats, applying safeguards (if available), or to withdraw from the Engagement (where withdrawal is possible under applicable law or regulation).

   **Further Guidance**: Refer [APESB Independence Guide](https://www.publicaccountants.org.au/resources/apesb-independence-guide) (May 2020) which provides guidance on how to apply the conceptual framework in the Code to independence for audits, reviews and other assurance engagements as set out in Parts 4A and 4B. of the Code. [↑](#footnote-ref-3)
4. 4. Reference: APES 320 *Quality Management for Firms that provide Non-Assurance Services*

   **Acceptance and continuance of Client relationships and specific Engagements**

   4.10 A firm shall establish policies and procedures for the acceptance and continuance of Client relationships and specific Engagements, designed to provide the Firm with reasonable confidence that it will only undertake or continue relationships and Engagements where the Firm:

   (a) is competent to perform the Engagement and has the capabilities, including time and resources, to do so;

   (b) can comply with the Professional Standards; and

   (c) has considered the integrity of the Client and does not have information that would lead it to conclude that the Client lacks integrity.

   4.14 A Firm shall establish policies and procedures that require:

   (a) the Firm to obtain such information as it considers necessary in the circumstances before accepting an Engagement with a new Client, when deciding whether to continue an existing Engagement, and when considering acceptance of a new Engagement with an existing Client;

   (b) if a potential conflict of interest is identified prior to accepting an Engagement from a new or an existing Client or during the conduct of an Engagement, the Firm to determine whether it is appropriate to accept or continue the Engagement; and

   (c) if issues have been identified, and the Firm decides to accept or continue the Client relationship or a specific Engagement, the Firm to document how the issues were resolved.

   4.16 A Firm shall establish policies and procedures on continuing an Engagement and the Client relationship, addressing the circumstances where the Firm obtains information that would have caused it to decline the Engagement had that information been available earlier. Such policies and procedures shall include consideration of:

   (a) when a Member encounters or becomes aware of instances of non-compliance or suspected non-compliance with laws and regulations (NOCLAR) that they comply with NOCLAR provisions in the Code;

   (b) the professional and legal responsibilities that apply to the circumstances, including whether there is a requirement for the Firm to report to the person or persons who made the appointment or, in some cases, to regulatory authorities; and

   (c) the possibility of withdrawing from the Engagement or from both the Engagement and the Client relationship. [↑](#footnote-ref-4)
5. 5. Reference: APES 320 *Quality Management for Firms that provide Non-Assurance Services*

   **Resources**

   4.19 A Firm shall establish policies and procedures to provide it with reasonable confidence that the Firm has sufficient and appropriate resources for use in the Firm’s System of Quality Management and in the performance of Engagements.

   **Assignment of Engagement Teams**

   4.26 A Firm shall assign responsibility for each Engagement to an Engagement Partner and shall establish policies and procedures requiring that:

   (a) the identity and role of the Engagement Partner are communicated to key members of Client Management and where applicable Those Charged with Governance;

   (b) the Engagement Partner has the appropriate competence, capabilities and authority to perform the role;

   (c) the Engagement Partner has the capacity to be sufficiently and appropriately involved throughout the Engagement; and

   (d) the responsibilities of the Engagement Partner are clearly defined and communicated to that Partner.

   4.28 A Firm shall establish policies and procedures to assign appropriate individuals to the Engagement Team with the necessary competence and capabilities to perform Engagements that comply with the requirements of the System of Quality Management. [↑](#footnote-ref-5)
6. 6. Reference: APES 320 *Quality Management for Firms that provide Non-Assurance Services*

   4.37. A Firm shall establish policies and procedures designed to provide it with reasonable confidence that the Firm performs that comply with the requirements of the System of Quality Management.

   4.38 Where the Firm uses an Engagement Team, the policies and procedures required in paragraph 4.37 shall include:

   (a) Engagement Teams understand and fulfill their responsibilities in connection with the Engagements;

   (b) members of the Engagement Team have an inquiring mind, exercise professional judgement and use the reasonable and informed third party test in the Code;

   (c) matters relevant to promoting consistency in the quality of Engagement performance;

   (d) supervision responsibilities; and

   (e) review responsibilities, including that the work of less experienced team members is reviewed by more experienced Engagement Team members.

   Consultation

   4.43. A Firm shall establish policies and procedures designed to provide it with reasonable confidence that:

   (a) appropriate consultation takes place on difficult or contentious matters and high-risk Engagements;

   (b) sufficient resources are available to enable appropriate consultation to take place; and

   (c) conclusions resulting from consultations are implemented. [↑](#footnote-ref-6)
7. 7. Reference: APES 320 *Quality Management for Firms that provide Non-Assurance Services:*

   4.49 A Firm shall establish policies and procedures in relation to Engagement Documentation including:

   (a) the completion and assembly of final Engagement files on a timely basis after the Engagement Outputs have been finalised;

   (b) to maintain the confidentiality, safe custody, integrity, accessibility and retrievability of Engagement Documentation; and

   (c) for the retention of Engagement Documentation for a period sufficient to meet the needs of the Firm or as required by law or regulation. [↑](#footnote-ref-7)
8. 8. Reference: APES 320 *Quality Management for Firms that provide Non-Assurance Services:*

   Monitoring a Firm’s quality management policies and procedures

   4.65. A Firm shall establish a Monitoring process designed to provide it with reasonable confidence that the policies and procedures relating to the System of Quality Management are relevant, adequate, and operating effectively. This process shall:

   (a) include an ongoing consideration and evaluation of the Firm’s System of Quality Management, including, on a cyclical basis, Inspection of at least one completed Engagement for each Engagement Partner; and

   (b) require that those performing the Engagement are not involved in Inspections.

   4.69. A Firm shall establish policies and procedures that require retention of documentation for a period of time sufficient to permit those performing Monitoring procedures to evaluate the Firm’s compliance with its System of Quality Management, or for a longer period if required by law or regulation.

   Remediation

   4.74 The Firm shall respond to circumstances and undertake appropriate remedial actions when findings of the Monitoring process, or investigations into complaints and allegations, indicate that there are deficiencies in the Firm’s System of Quality Management. [↑](#footnote-ref-8)
9. 9. Reference: APES 320 *Quality Management for Firms that provide Non-Assurance Services:*

   4.71. A Firm shall establish policies and procedures requiring documentation on receiving and investigating complaints and allegations and the responses to them and that provide the Firm with reasonable confidence that it deals appropriately with:

   (a) complaints and allegations that the work performed by the Firm fails to comply with Professional Standards and applicable legal and regulatory requirements; and

   (b) allegations of non-compliance with the Firm’s System of Quality Management.

   As part of this process, the Firm shall establish clearly defined channels for Firm’s Personnel to raise any concerns in a manner that enables them to come forward without fear of reprisals. [↑](#footnote-ref-9)