Annual Report on Professional Conduct
For the year ended 30 June 2010
The Institute of Chartered Accountants in Australia

The Institute of Chartered Accountants in Australia (the Institute) is the professional body representing Chartered Accountants in Australia. Our reach extends to more than 66,000 of today’s and tomorrow’s business leaders, representing more than 54,000 Chartered Accountants and 12,000 of Australia’s best accounting graduates currently enrolled in our world-class Chartered Accountants postgraduate program.

Our members work in diverse roles across commerce and industry, academia, government and public practice throughout Australia and in 109 countries around the world.

We aim to lead the profession by delivering visionary leadership projects, setting the benchmark for the highest ethical, professional and educational standards, and enhancing and promoting the Chartered Accountants brand. We also represent the interests of members to government, industry, academia and the general public by engaging our membership and local and international bodies on public policy, government legislation and regulatory issues.

The Institute can leverage advantages for its members as a founding member of the Global Accounting Alliance (GAA), an international accounting coalition formed by the world’s premier accounting bodies. With a membership of over 800,000, the GAA promotes quality professional services, shares information, and collaborates on international accounting issues.

Established in 1928, the Institute is constituted by Royal Charter. For further information about the Institute, charteredaccountants.com.au
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The standing of the Chartered Accountants designation is respected world-wide. The quality of our reputation, and the Institute’s stipulation that members maintain this distinction by upholding the highest standards of conduct and performance, have served as a buffer against the volatile operating environment characterised by the recent global economic downturn.

The Institute safeguards the Chartered Accountants designation through its by-laws, standards, policies and programs that promote quality and leadership, and that are designed to reduce members’ operational and professional risk. It is also the role of the Institute, where necessary, to compel members to meet specific obligations regarding the services they provide, set down by regulators and standard-setters; as well as satisfying the expectations of these stakeholders, members’ clients and the public.

Quality begets confidence, and the Institute achieves this through stringent education, training, and the professional development of members. The Institute’s strategic focus during 2010 has been on developing more targeted and effective guidance, tools and compliance systems to assist members meet their professional obligations and better manage their firm’s or practice’s risk.

The Institute’s Professional Conduct function rigorously enforces members’ technical, professional and ethical standards by investigating complaints and other matters. Where appropriate, this process may result in sanctions against a member, including the ultimate sanction of being stripped of their membership and designation.

This annual report marks the 5th year of documenting the Institute’s disciplinary process, and reports on the top-line results for the financial year ended 30 June 2010. This was a particularly challenging year for the financial and business sectors. The Institute’s members have been well qualified and well equipped to provide the highest standards of professional service in an environment of increasing market pressure, greater investor caution, and higher client expectations.

The implications of this are just beginning to emerge in Australia through the number and nature of matters before the courts, and this may lead to greater focus on the Professional Conduct process for Chartered Accountants. The Institute treats very seriously breaches of its by-laws and the profession’s standards, and will continue to enforce its strict process for dealing with concerns or complaints about members’ conduct.

If you would like more information about the Professional Conduct function, please contact the Institute or visit www.charteredaccountants.com.au

Michael Spinks FCA
President
Institute of Chartered Accountants in Australia
Executive summary

The Institute’s Professional Conduct function enforces the high-level ethical, technical and professional standards that are the hallmarks of being a Chartered Accountant. It exists to protect the integrity of the Chartered Accountants designation and the public interest.

This disciplinary function is part of the matrix of the Institute’s policies and programs that help promote, review and enforce the standards of conduct and performance of members in their day-to-day work. Being part of the broader professional standards regime in Australia, the Institute takes very seriously its responsibility to ensure the profession remains contemporary for the benefit of its members, the financial and business sectors, and the community.

Dedicated professionals continually review the Professional Conduct function to ensure it satisfies the requirements of procedural fairness and meets community expectations, as well as those of Institute members.

Due to the diverse nature of matters arising for disciplinary investigation, it is not possible to ascertain particular trends in professional misconduct. However, the body of data the Institute has accumulated through its compliance programs suggests that members are increasingly aware of their professional responsibilities.

2010 has been a significant year for the evolution of the Institute’s Professional Conduct and complaints process. A separate but complementary measure has been introduced – a pilot mediation service that gives members a confidential mechanism for dispute resolution, and that eliminates the pitfalls of litigation, such as damaging media scrutiny and excessive costs.

The mediation service is timely given external factors, including the pace of the global economic recovery, which have increased pressure on professional service delivery and often raised client expectations. The Institute, along with leading commentators, expects that the ramifications of the volatile economic climate are still to be felt through professional and legal channels.

The Institute will continue to leverage off its membership with the Global Accounting Alliance, by forging closer relationships with overseas accounting bodies and sharing intelligence and ideas. International benchmarking of the Institute’s disciplinary process will ensure that the Institute leads the accounting profession in Australia and that its members operate effectively in a dynamic global environment.
Professional Conduct: background and context

Professional Conduct function
The Institute has an obligation to ensure all members provide professional services befitting the Chartered Accountants designation. In alignment with the regulatory framework and the Australian Professional & Ethical Standards Board (outlined below), the Institute’s by-laws and standards demand the highest ethical, technical and professional standards of conduct and performance.

Professional Conduct is the Institute’s disciplinary arm that enforces these standards. It protects the integrity of the Chartered Accountants designation by investigating complaints and other issues relating to members’ conduct. Where appropriate, matters are referred to the Professional Conduct Tribunal for determination, and the imposition of sanctions against those who breach the standards. It is necessary for the Institute to call members to account when issues of concern arise, in order to protect its own reputation and that of its members.

The approach, or emphasis of the Professional Conduct process is the protection of the reputation of the Institute and the Chartered Accountants designation, rather than to punish individual members. The Institute is not a statutory authority, regulatory body, or a court of law. The Institute does not have legal power to order the payment of compensation or any other remedy seeking redress on behalf of the community, nor to punish offenders other than through member-related sanctions.

Civil and criminal sanctions are the preserve of the regulators and the courts, which have wider powers, such as subpoenaing witnesses, compelling production of written evidence and providing financial compensation. The Institute investigates members who are the subject of adverse decisions by regulators and the courts, irrespective of whether a complaint has been lodged with the Institute.

Based on legal advice, the Institute’s disciplinary process must not commence until the regulatory and court processes have been finalised. Following initial investigation, relevant cases are referred to the Professional Conduct Tribunal for determination.

The Institute’s Professional Conduct function is a robust, transparent and integrated process, which delivers appropriate enforcement of standards, for the benefit of the general public and key stakeholders. Retaining respect and relevance in the eyes of Chartered Accountants is imperative to the Professional Conduct process. As always, the Institute strives to adhere strictly to the principles of natural justice, the Institute’s by-laws and the law itself.

Regulatory framework in Australia
There is no single body responsible for regulating the accounting profession in Australia. The bodies that are involved in the regulation of the various arms of the profession, and other activities in which accountants may be engaged, are outlined in Table 1.

<table>
<thead>
<tr>
<th>Regulatory body</th>
<th>Who they regulate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Securities and Investments Commission</td>
<td>&gt; Auditors and liquidators</td>
</tr>
<tr>
<td></td>
<td>– through the Companies Auditors and Liquidators Disciplinary Board (CALDB)</td>
</tr>
<tr>
<td></td>
<td>&gt; Financial planners</td>
</tr>
<tr>
<td></td>
<td>&gt; Company directors</td>
</tr>
<tr>
<td>Tax Practitioners Board</td>
<td>&gt; Tax practitioners</td>
</tr>
<tr>
<td>Australian Prudential Regulation Authority (APRA)</td>
<td>&gt; Auditors/trustees of superannuation funds</td>
</tr>
<tr>
<td></td>
<td>&gt; Directors and senior managers of insurance companies</td>
</tr>
<tr>
<td>Insolvency Trustee Service Australia (ITSA)</td>
<td>&gt; Trustees in bankruptcy</td>
</tr>
</tbody>
</table>

Table 1.
Professional standards framework
The Accounting Professional & Ethical Standards Board (APESB) is an independent body responsible for setting and reviewing all ethical and professional standards that Institute members are required to observe and comply with.

A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest. Institute members are expected to act objectively and with integrity in their dealings with investors, governments, clients, employers and employees, and when undertaking work or providing advice.

To achieve the highest standards of ethics and conduct, members must comply with APES 110 Code of Ethics for Professional Accountants and other relevant standards. The Institute regularly engages with the APESB and contributes to the development and implementation of standards, to ensure that they are clear, effective and assist Chartered Accountants in building and maintaining the confidence of clients, stakeholders and the general public.

Professional Conduct Tribunal
The Institute’s disciplinary process is fair, rigorous and independent. Serious breaches of the Institute’s by-laws and regulations are subject to independent hearings by the Professional Conduct Tribunal. If the member against whom a finding has been made, or the Institute President, is dissatisfied with the decision, he/she can appeal to a separate Appeal Tribunal.

Tribunal hearing outcomes are published in the printed and online versions of the Institute’s Charter magazine, and in the Professional Conduct section of the Institute website. This helps educate other members, as well as demonstrating that the disciplinary process is transparent. In significant cases, the Tribunals may also publish reasons for their decisions.

Both Tribunals must meet strict professional guidelines when hearing cases, including a Code of Conduct. Under the Institute’s by-laws, Tribunal members, who are appointed by the Board, comprise both senior members of the Institute and non-members to represent the public interest. Institute members appointed to serve on the Tribunals represent all aspects of the profession, including large, medium and small firms, and members in finance, business and academia.

When a panel is selected to hear an individual case involving technical issues, care is taken to ensure that at least one panel member has expertise in that particular area of practice or specialisation. Lay representatives were introduced around 20 years ago and come from a wide variety of business and professional backgrounds, including lawyers, company directors, stockbrokers and academics.

How the Professional Conduct function works
Table 2 shows the Institute’s Professional Conduct function and where it fits within the overall legal and regulatory framework.

Table 2. The Institute’s Professional Conduct function

<table>
<thead>
<tr>
<th>Alleged breach or wrongdoing</th>
<th>Legal process</th>
<th>Non-legal process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaint instigated in three ways:</td>
<td>ASIC and other bodies including ATO, APRA and police</td>
<td>Complaint lodged with the Institute</td>
</tr>
<tr>
<td>&gt; Complaint lodged with the Institute</td>
<td>&gt; Power to subpoena</td>
<td>&gt; The Institute identifies improper behaviour</td>
</tr>
<tr>
<td>&gt; The Institute identifies improper behaviour</td>
<td>&gt; Take evidence under oath</td>
<td>&gt; Adverse finding from court or regulator.</td>
</tr>
<tr>
<td>&gt; Adverse finding from proceedings may include:</td>
<td>&gt; Initiate court proceedings.</td>
<td></td>
</tr>
<tr>
<td>&gt; Custodial sentence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; Banning order</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; Fine.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sanctions imposed by the Institute include:
> Exclusion from membership, thereby preventing members from calling themselves Chartered Accountants
> Issuing fines, reprimands and imposing remedial sanctions such as training.
Range of Professional Conduct Tribunal sanctions
Sanctions are designed to reflect the impact of the member’s actions on the reputation of the Institute and its members, rather than to punish the individual member. They are also determined by the facts of a particular case. The Professional Conduct Tribunal may impose one or more of a range of sanctions, including:

> Exclusion from membership of the Institute (removing the right to be a Chartered Accountant), which is the ultimate sanction. This is appropriate if the member has demonstrated that he/she is no longer fit and proper to be a Chartered Accountant and that continued membership would bring discredit on all other members and the Institute
> Cancellation of membership for a period of up to five years
> Withdrawal of the member’s right to engage in public practice
> Imposition of fines of up to $100,000
> Reprimands and severe reprimands
> Imposition of other sanctions, such as remedial training or an additional ‘quality review’ of the member’s practice.

The Institute’s role
Under the Australian professional and regulatory framework any individual can provide accountancy services. A licence is required from a regulatory body to provide specific services, such as company audits or acting as a tax agent, but a professional membership is not mandatory. If a member is excluded from membership of the Institute of Chartered Accountants in Australia, that individual can no longer use the Chartered Accountants designation, but can continue to provide accountancy services. Only action by the Australian Securities and Investment Commission (ASIC) or the Tax Practitioners Board, which cancels their registration, will prevent members from practising as company auditors, liquidators, or tax agents.

The Institute investigates members who are the subject of adverse decisions by regulators and the courts, irrespective of whether anyone has lodged a complaint with the Institute. Given the Institute is not a statutory authority, regulatory body, or a court of law, its policy regarding the timing of Professional Conduct investigations is based on independent legal advice. That is, the Institute awaits the completion of any investigation by a regulator, statutory body or commission, and any subsequent disciplinary or legal action, before taking disciplinary action itself.

The Institute does not have legal power to order the payment of compensation or any other remedy seeking redress on behalf of the community, nor to punish offenders other than through membership-related sanctions.

Professional Conduct co-operation and review
Compliance with the Institute’s by-laws, ethical standards and other standards is extremely important for all members. The courts, the Companies Auditors and Liquidators Disciplinary Board (CALDB) and the Institute all play a role in enforcing the spirit and the letter of APES 110 Code of Ethics for Professional Accountants and other standards issued by the APESB.

Co-operation and communication with regulators and other stakeholders continues to improve. The Institute regularly attends meetings with ASIC and several industry associations in relation to improving the co-regulatory framework around Professional Conduct, and facilitating understanding of the inter-dependency between the regulators’ and the Institute’s disciplinary processes.

The Financial Reporting Council (FRC) is tasked with monitoring the effectiveness of auditor independence in Australia. The FRC continues to review the Institute’s Professional Conduct process, along with those of the other members of the Joint Accounting Bodies. In the FRC’s Annual Report (2008–2009), it concluded that the Institute’s process was effective and appropriate to meet its role and responsibilities in this area.

Through ongoing regulatory and industry review, and intelligence sharing between industry bodies and other relevant stakeholders in Australia and internationally, the Institute is able to evaluate its performance in promoting and upholding the highest professional and ethical standards. During the past five years, since formal reporting began, the Institute has consistently met, and even led the way in developing ‘best practice’ programs and processes that support and monitor the conduct and performance of Chartered Accountants.
2009–2010 Recent trends and achievements

Impact of economic downturn
Confidence in the financial and business sectors has been severely tested and somewhat eroded during the past few years following several high profile corporate collapses, the global economic downturn and the pace of the recovering Australian economy.
This inevitably has led to greater scrutiny of the accounting profession and other financial service providers. The full impacts of the distressed financial sector are beginning to be realised. NSW Chief Justice, Jim Spigelman, confirmed the trend in a presentation delivered at a legal conference in Singapore in May 2010.
‘The significant impact that the crisis has had on commercial relationships within Australia and, of course, the continuing global impact, is already having its natural consequences in the flow of legacy litigation to assert rights and to claim compensation, with all of the interlocutory procedures that such litigation inevitably spawns,’ the Chief Justice said.
‘The general pattern of civil litigation is, however, beginning to emerge. First, the full range of proceedings that accompany a corporate collapse. Secondly, the efforts of investors to restore some or all of their losses. This litigation is primarily a consequence of the global credit crunch,’ he said.
Tasked with upholding the reputation of Chartered Accountants, the Institute is closely watching any accredited organisation or member involved in any matters under external investigation. Any breaches of the Institute’s by-laws and/or ethical standards will be investigated, and where appropriate, referred to a disciplinary hearing, after the regulatory investigations and any court hearings are determined.

Movements in taxation sphere
The Institute’s relationship with the Australian Tax Office (ATO) has been strengthened during the past 12 months with regard to co-operation on Professional Conduct matters. In 2009–2010, the ATO referred several matters to the Institute for assessment relating to the audit of self-managed superannuation funds. Through the Professional Conduct process there have been several Professional Conduct Tribunal rulings resulting in sanctions being imposed against Chartered Accountants.
Also in 2009–2010, the Tax Practitioners Board was established by the federal government. This national board, established under the Tax Agent Services Act 2009, replaced six State Tax Agents’ Boards. The Institute awaits to see how the board’s disciplinary process evolves, and looks forward to building a meaningful relationship with the board.

Launch of Institute mediation service
To assist members avoid the pitfalls of lengthy and costly litigation, and unwarranted media scrutiny, the Institute commenced a pilot mediation service in 2010. The mediation service provides a confidential and safe way for parties to explore solutions to disputes, as an alternative to the legal process.
One of the benefits of the Institute’s mediation service over the court system is that any material produced or things said during the course of mediation cannot be the subject of a subpoena. Members can choose their own mediator from an independent expert panel, which means greater certainty for the parties. Also, the pilot service is completely voluntary and flexible giving parties control over the process. The Institute believes that the mediation service could assist parties in resolving significant matters before they develop into serious legal issues or breaches of professional conduct.

Senate inquiry into insolvency profession
During 2009–2010, the Senate Economics Committee launched an inquiry into the role of liquidators and administrators, their fees and their practices, and the involvement and activities of ASIC, prior to and following the collapse of a business. The Institute’s recommendation to the inquiry was for ASIC to create an inspection program for the insolvency profession, similar to that in place for registered company auditors and liquidators.
The inquiry, and associated media attention around high profile insolvency cases, has highlighted the importance of having a robust and transparent Professional Conduct process. In 2010–2011 the Institute will continue to work to enhance the Institute’s Professional Conduct process, particularly to deal with situations where a client’s expectations of Chartered Accountants have not been met, or where the matter has escalated into a dispute with a member.
Investigations and Tribunal hearings

During the year ended 30 June 2010, the Professional Conduct team undertook investigations into 291 formal complaints or other issues concerning the conduct of members which came to the Institute’s attention, for example, as a result of action by regulators or the courts. Following these investigations, 20 members were called to appear before the Professional Conduct Tribunal.

Table 3. Cases heard

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales (includes ACT and overseas)</td>
<td>10</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Queensland</td>
<td>2</td>
<td>–</td>
<td>8</td>
</tr>
<tr>
<td>South Australia and NT</td>
<td>2</td>
<td>1</td>
<td>–</td>
</tr>
<tr>
<td>Tasmania</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Victoria</td>
<td>6</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Western Australia</td>
<td>–</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>13</td>
<td>27</td>
</tr>
</tbody>
</table>

The number of investigations was almost identical to the previous year (290), compared with 259 in 2007–2008. The number of cases heard by the Tribunal varies from year to year because of the timing of individual hearings, but has averaged around 20 cases each year during the past five years.

These figures are very small when compared with the current Institute membership of more than 54,000 and the countless number of engagements and tasks undertaken each year by Chartered Accountants on behalf of their clients and employers.

Where the Tribunal finds a case established against a member, a report is published in the Institute’s monthly magazine, Charter, and on the Institute website. This report includes the member’s name, regardless of the severity of the sanctions imposed.

As well as being a mark of the transparency of the Professional Conduct function, these reports serve as a warning to other members about the importance of complying with both the letter and spirit of the Institute’s by-laws and standards, including APES 110 Code of Ethics for Professional Accountants.
Table 4. Nature of allegations

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Failure to observe proper standard of professional care, skill</td>
<td>12</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>and competence</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Criminal conviction</td>
<td>–</td>
<td>–</td>
<td>4</td>
</tr>
<tr>
<td>Guilty of statutory offence bringing discredit on member,</td>
<td>1</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Institute or profession</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adverse finding in relation to professional or business conduct</td>
<td>5</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>by court, statutory, regulatory or professional body</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breach of the Institute’s charter, by-laws or regulations</td>
<td>8</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>(including ethical and professional standards)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Failure to comply with direction by Institute (including failure</td>
<td>4</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>to respond to correspondence)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member’s insolvency</td>
<td>4</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Conduct bringing discredit on member, Institute or profession</td>
<td>6</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 5. Sanctions imposed

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Exclusion from membership</td>
<td>3</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Cancellation of membership for up to five years</td>
<td>5</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Cancellation of Certificate of Public Practice and/or declared</td>
<td>–</td>
<td>–</td>
<td>2</td>
</tr>
<tr>
<td>ineligible to hold a Certificate of Public Practice</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fine</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Severe reprimand</td>
<td>7</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Reprimand</td>
<td>2</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Practice review</td>
<td>3</td>
<td>–</td>
<td>2</td>
</tr>
<tr>
<td>Attending specified training and development courses</td>
<td>1</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td>No sanctions imposed</td>
<td>1</td>
<td>–</td>
<td>6</td>
</tr>
</tbody>
</table>

Appeal Tribunal

During the year, the Appeal Tribunal heard two appeals by members against decisions of the Professional Conduct Tribunal. In both cases the Appeal Tribunal confirmed the finding by the Professional Conduct Tribunal that the cases had been established. The Appeal Tribunal confirmed the sanctions imposed in one case, and made only minor variations to the sanctions imposed in the other case.

Financial

In the financial year ended 30 June 2010, The Institute’s expenditure on Professional Conduct activities, net of cost recoveries imposed by the Tribunals was $237,745. This included all personnel, professional and general office expenses. A considerable part of this expenditure relates to the investigation of those matters which were not referred to the Professional Conduct Tribunal.
Areas of focus
To uphold the highest standards of service and conduct, and build confidence in the accountancy profession, the Institute focuses on continually improving its monitoring programs, disciplinary process, and its stakeholder engagement. Areas of focus in 2010–2011 include:

> Member awareness and support regarding compliance with APES 110 Code of Ethics for Professional Accountants and other relevant standards
> Development, monitoring and promotion of the Institute’s mediation service
> Promotion of the Institute’s dispute resolution toolkit in order to facilitate early resolution of client difficulties or problems wherever possible
> Quality of presentations to the Professional Conduct and Appeal Tribunals, particularly on increased engagement in debate in an effort to foster better outcomes in Tribunal decisions
> Helping members identify situations where they may be subject to a Professional Conduct investigation, and providing appropriate feedback to members
> Promote a more integrated investigative and disciplinary framework through closer communication and liaison with the other professional accounting bodies, major stakeholders and regulators, including the:
  – Australian Securities and Investment Commission
  – Companies Auditors and Liquidators Disciplinary Board
  – Australian Taxation Office
  – Tax Practitioners Board
  – Australian Prudential Regulation Authority
  – Insolvency Practitioners Association
> Monitoring the effectiveness and transparency of the Institute’s disciplinary procedures, including:
  – Sharing relevant information on disciplinary processes, issues and trends with its counterparts in the Global Accounting Alliance
  – Ensuring that it meets its obligations under the International Federation of Accountants – Statement of Membership SMO 6: Investigation and Discipline
  – Working with a variety of regulators and stakeholders to ensure that the overall regulatory and professional framework continues to meet the needs of business and the broader community
  – Working closely with the New Zealand Institute of Chartered Accountants.

Leadership
For more than 80 years the Chartered Accountants designation has been well regarded in Australia and internationally. Chartered Accountants demonstrate the highest standards of professionalism, ethics and conduct in the delivery of their services, whether it is in private practice, in business, in the public sector, or across other professions and industries.

A first in Australia, in 2010 the Institute commenced a pilot mediation service for resolving disputes relating to Chartered Accountants. The Institute expects that the corporate collapses of the past few years will continue to work their way through the regulatory and legal system. Having complementary processes of Professional Conduct investigation and independent mediation, provides the Institute with a comprehensive system of complaints handling, which ensures the public interest is being served.

Appointments
Both the Professional Conduct and Appeal Tribunals comprise Institute members from around Australia and also lay representatives (non-accountants). The inclusion of lay representatives demonstrates the Institute’s commitment to the broader public interest by ensuring that the deliberations of the Tribunals include external and independent perspectives. During 2010, one Chartered Accountant and one non-accountant joined the Professional Conduct Tribunal.
<table>
<thead>
<tr>
<th>Abbreviation/acronym</th>
<th>Name</th>
<th>Website (where applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AASB</td>
<td>Australian Accounting Standards Board</td>
<td><a href="http://www.aasb.gov.au">www.aasb.gov.au</a></td>
</tr>
<tr>
<td>APRA</td>
<td>Australian Prudential Regulation Authority</td>
<td><a href="http://www.apra.gov.au">www.apra.gov.au</a></td>
</tr>
<tr>
<td>APESB</td>
<td>Accounting Professional &amp; Ethical Standards Board</td>
<td><a href="http://www.apesb.org.au">www.apesb.org.au</a></td>
</tr>
<tr>
<td>ASIC</td>
<td>Australian Securities and Investments Commission</td>
<td><a href="http://www.asic.gov.au">www.asic.gov.au</a></td>
</tr>
<tr>
<td>ASX</td>
<td>Australian Stock Exchange</td>
<td><a href="http://www.asx.com.au">www.asx.com.au</a></td>
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<td>ATO</td>
<td>Australian Taxation Office</td>
<td><a href="http://www.ato.gov.au">www.ato.gov.au</a></td>
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<tr>
<td>AUASB</td>
<td>Australian Auditing and Assurance Standards Board</td>
<td><a href="http://www.auasb.gov.au">www.auasb.gov.au</a></td>
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<tr>
<td>CALDB</td>
<td>Companies Auditors and Liquidators Disciplinary Board</td>
<td><a href="http://www.caldb.gov.au">www.caldb.gov.au</a></td>
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<td>FRC</td>
<td>Financial Reporting Council</td>
<td><a href="http://www.frc.gov.au">www.frc.gov.au</a></td>
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<td>GAA</td>
<td>Global Accounting Alliance</td>
<td><a href="http://www.globalaccountingalliance.com">www.globalaccountingalliance.com</a></td>
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<td>IFAC</td>
<td>International Federation of Accountants</td>
<td><a href="http://www.ifac.org">www.ifac.org</a></td>
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<td>IPA</td>
<td>Insolvency Practitioners Association</td>
<td><a href="http://www.ipaa.com.au">www.ipaa.com.au</a></td>
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<tr>
<td>ITSA</td>
<td>Insolvency and Trustee Service Australia</td>
<td><a href="http://www.itsa.gov.au">www.itsa.gov.au</a></td>
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<td>PSC</td>
<td>Professional Standards Council</td>
<td><a href="http://www.professionalstandardscouncil.gov.au">www.professionalstandardscouncil.gov.au</a></td>
</tr>
<tr>
<td>SMO</td>
<td>Statement of Membership Obligations</td>
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