

IPA Appeals Tribunal Determination

Member Name: Member Name Withheld – FIPA FFA
Division: Queensland
Date of Determination: 25 February 2020

IPA Disciplinary Tribunal

The IPA Disciplinary Tribunal of 19 July 2019 determined that the following case presented against the member was proven:

- Breached clause 98(2)(a) of the IPA Constitution as the member breached the IPA By-Laws clause 2.1.3 and in particular APES 110 – Code of Ethics for Professional Accountants. The member performed an engagement where there was a conflict of interest and consent of the parties was not obtained;
- Breached clause 98(2)(a) of the IPA Constitution as the member breached the IPA By-Laws clause 2.1.3 and in particular APES 305 – Terms of Engagement. The member failed to ensure that documented engagement terms were in place that detailed the scope, responsibilities and understanding of the engagements by all parties;
- Breached clause 98(2)(a) of the IPA Constitution as the member breached the IPA By-Laws clause 2.1.3 and in particular APES 225 – Valuation Services. The valuations performed by the member did not comply with APES 225 as the engagement documentation required was not complied with; and
- Breached clause 98(2)(f) of the IPA Constitution as the member has engaged in conduct which is not in the best interests of the IPA. The above constitutes conduct that is not in the best interests of the IPA.

The Tribunal further resolved that the following penalties are imposed:

- Censure.
- Costs of \$3500.00 plus GST.
- Member is required to engage in a suitable training program to deal with conflicts of interest that is approved by the IPA and undertaken within 6 months.

IPA Appeals Tribunal

The IPA Appeals Tribunal considered the appeal and made a determination on 25 February 2020 to affirm the decision of the IPA Disciplinary Tribunal as stated above that the member had breached clauses 98(2)(a) and 98(2)(f) of the IPA Constitution and to sustain the following allegations against the member by the IPA:

- Breached clause 98(2)(a) of the IPA Constitution as the member breached the IPA By-Laws clause 2.1.3 and in particular APES 320 – Quality Control for Firms. The absence of engagement terms, and the non-performance of the duties as set down in the Unitholders and Shareholders Agreement constitute a breach of client acceptance and continuance requirements; and

- Breached clause 98(2)(b) of the IPA Constitution as the member failed to observe a proper standard of professional care, skill or competence. The above constitutes a failure to observe a proper standard of professional care, skill or competence.

The IPA Appeals Tribunal varied the penalties of the IPA Disciplinary Tribunal and resolved that the following penalties are imposed:

- Admonishment
- Costs of \$3,500.00 plus GST.
- Member is required to engage in a suitable training program to deal with conflicts of interest to be approved by the IPA and undertaken within 6 months.
- Member is required to engage in a suitable training program to deal with provision of valuation services to be approved by the IPA and undertaken within 6 months.

Date of Notice: 2 March 2020