

## Disciplinary Tribunal

**Member Name:** Richard Vergona - FIPA FFA

**Division:** VIC

**Date of Hearing:** 6 June 2023

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The IPA Disciplinary Tribunal (Tribunal) of 6 June 2023 determined that the following case presented against the Member was proven:

- a) Breached clause 98(2)(a) of the IPA Constitution as the Member breached the IPA By-Laws clauses 2.1.1 to 2.1.3 and in particular APES 110 Code of Ethics for Professional Accountants (including Independence Standards), APES 205 Terms of Engagement, APES 210 Conformity with Auditing and Assurance Standards, APES 220 Taxation Services, APES 305 Terms of Engagement, APES 315 Compilation of Financial Information, APES 320 Quality Control for Firms, APES 325 Risk Management for Firms.

The Member has breached these standards as identified in CA ANZ findings on 4 October 2019, 26 June 2021 and 5 July 2022 whereby the Tribunal found:

- The Member knowingly failed to properly document his audit plan and specifically that he had no documented risk management framework, no confirmation of compliance with firm policies, and by extension no confirmation of independence with respect to the subject audits.
- The Member in the provision of audit services did not meet the standard in subsections R130.1(b) (act in accordance with applicable technical and professional standards), R290.7(a) (identify threats to independence in an audit or review context) and R290.29 (failure to document conclusions regarding compliance and independence in an audit or review context) of APES 110 (Professional Competence and Due Care).
- The Member in the provision of audit services did not meet the standard in subsections 3.2 (independence), 3.3 (professional competence and due care) and 4.1 (failure to comply with auditing standards) of APES 210 (Conformity with Auditing and Assurance Standards).
- The Member in the provision of a tax engagement reviewed by CA ANZ did not meet the standard in subsection 8.1 (terms of engagement) of APES 220 (Taxation Services).
- The Member in failing to produce an engagement letter for a SMSF audit for CA ANZ breached clauses 3.1 and 3.8 (communicating terms of engagement) of APES 305 (Terms of Engagement).
- The Member in failing to produce a statement around independence in a compilation engagement for CA ANZ breached clause 3.5 (explanatory statement) of APES 315, and in failing to show any evidence of the terms of engagement for a taxation and compilation engagement breached clause 6.1 (document and communicate terms of engagement) of APES 315.
- The Member in failing to have a quality control manual breached clause 3 of APES 320, and in failing to obtain written confirmation of compliance with policies breached clause 4.4 (confidence in compliance), and in failing to produce engagement documents breached clause 4.49 (policies and procedures around documentation) and clause 4.56 (retention of engagement documentation) of APES 320 (Quality Management).

- The Member in failing to document a risk management framework breached clause 4.1 (having a framework), and in failing to document a risk framework clause 6.1 (document the framework), and in failing to produce an engagement letter and document the audit plan breached clause 6.8 (retain all relevant documentation for sufficient time to evaluate compliance with Risk Framework) of APES 325 (Risk Management for Firms).
- b) 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.
- c) 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 \$1,100 plus GST.
- Fine of \$1,000.
- The Member is required to complete the IPA Quality Review Program by 31 December 2023.

**Date of Notice: 18 July 2023**