

AVI Compliance Program Policy Statement

Directors Policy Statement AVI Compliance Program (AVI Professional Standards Scheme)

Introduction

A scheme approved under Professional Standards Legislation (PSL) applies to members of an occupational association. The terms of the scheme specify which members to whom the scheme applies. The AVI scheme will apply to Associate Members and Fellow Members.

There are obligations under the scheme for members to disclose to clients that they have capped liability. They are obliged to be covered by professional indemnity insurance. They must do continuing professional development. They can use a trademark of the Professional Standards Council (the Council).

Members who are employees of Members will meet some of those obligations through the Proprietor Member. For example, a Proprietor Member should have professional indemnity insurance that covers employees. A Proprietor Member will disclose on their business documents that the liability of the Member and its employees is capped by the scheme. Similarly, where the trademark is used it would appear on the business documents of the Proprietor Member.

Disclosure of capped liability

The PSL requires members covered by a scheme to include a statement on their business documents. It is an offence not to do so and members can be prosecuted. Penalties are different in some states. In NSW, for example the maximum penalty is \$5,500. In some states the legislation specifies that liability is not capped if a disclosure is not made.

The PSL generally describes the business documents on which a statement is to be made. The Council's Policy Statement on disclosure provided more detailed guidance about making disclosure.

Members can use a form of statement that prescribes in Regulation the words and font size that may be used. Members who use the prescribed statement on all their documents are deemed to comply with their disclosure obligation.

Insurance and Business Assets

A scheme requires members to be covered by an insurance policy. The sum insured must not be less than the capped liability amount specified by the scheme. The PSL authorises an occupation association to set standards of insurance required of their members. The policy must comply with the standards specified by the association. It is not an offence under PSL not to have insurance, but PSL provides that members not covered by adequate insurance don't have capped liability. The AVI requires Associate Members and Fellow Members to have professional indemnity insurance.

Insurance policies typically have an amount of deductible (excess). A deductible is an amount of a claim that the insured must pay. The insurer pays the balance of the sum insured after the deductible is paid.

The Council's Policy Statement on insurance specifies the standards that an occupational association should specify and require of its members. It includes provisions about the permissible amount of deductible.

Continuing Professional Development and Membership Requirements

The Council requires occupational associations to specify continuing professional development obligations on members. No minimum standards are specified, but the Council when approving a scheme considers the nature and extent of associations' continuing professional development requirements of members. The AVI requires Associate Members and Fellow Members to do continuing professional development. Members must continue to satisfy membership requirements in order to retain membership.

Trademark

Members of an occupational association who are covered by a scheme are authorised by the Council to use the Council's trademark under license. The trademark is protected under intellectual property laws. A person breaches those laws if they use the trademark when they are not covered by a scheme. The terms of the license requires that the size, shape and colour of the trademark must comply with the Council's trademark style guide. The Council can prosecute a person who infringes its trademark.

Compliance

The Council requires an association to monitor members' compliance with the insurance, continuing professional development, disclosure and trademark compliance obligations. The Council has specified a compliance and reporting framework that requires occupational associations to supervise compliance by members with disclosure, insurance, continuing professional development, membership requirements and trademark compliance obligations.

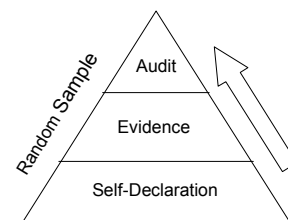
The Council would expect an occupational association to take appropriate action against non-compliant members. The Council can revoke a scheme. It is important that the association shows that it is properly administering a scheme by monitoring and enforcing compliance with scheme obligations.

In addition, an occupational association is required by Regulation to pay annual fees to the Council. The number of members covered by a scheme determines the amount of annual fee payable and is so calculated by the association and paid to the Council. The Council's Policy Statement on fees and the compliance framework requires associations to annually substantiate the correctness of their payments.

The AVI will provide each member covered by the scheme with sufficient information to enable members to comply with their obligations under the scheme.

AVI Compliance Program

The AVI will use statistically reliable sampling for monitoring compliance with the various obligations. It requires 10% of the population to be sampled (or not less than 10 of the population). A structured random sampling method based on a hierarchy from self-declaration to audit will apply.



Members will include in their membership renewal documents a statement attesting their compliance with insurance (and business assets), disclosure, continuing professional development, membership and trademark compliance requirements. The declaration should be made by Associate Members and Fellow Members to the extent to which the obligations apply (a Member employed by a Member would rely on the Proprietor Member for compliance with insurance, disclosure and trademark).

For administrative convenience, the Members should make declaration in their membership renewal form that they comply with each of the scheme obligations. Completing statements of compliance in the annual renewal form is a condition precedent for membership renewal.

Consistent with the Council's compliance framework, AVI will sample 10% of declarants to provide records substantiating their declaration. The sample will include at least 10 or 10% of Proprietor Members and 10% of employee Members. The annual sample will be random each year. Interviews with the sampled members may be necessary to confirm compliance.

Forms of evidence

Insurance:	Copy of a current certificate of insurance
Disclosure:	Copy of correspondence (including email) and marketing publications
Trademark:	Ditto
Continuing Professional Development:	CPD/Training Record

Insurance policies will be examined to confirm that they comply with AVI standards.