

Two-Page Summary

Association of Taxation and Management Accountants (ATMA) SCHEME - SUMMARY

OCCUPATIONAL ASSOCIATION

The ATMA scheme (the scheme) is a scheme prepared by ATMA under *The Professional Standards Act 2003* (Vic) (the Act). ATMA is a national professional association whose address is Suite 513/566 St Kilda Road, Melbourne, Victoria 3004.

Website: www.atma.com.au

ATMA is an occupational association for accountants who meet its educational and professional requirements bodies. Limited by guarantee, it was incorporated in 1984. Affairs of the ATMA are managed through the General Council, who manage and control the association within their policy guidelines.

ATMA currently has approximately 950 members, of which about 685 are in public practice.

NATURE OF THE LIABILITY TO BE LIMITED

The scheme operates for the purpose of improving the occupational standards of accountants, and to protect the consumers of their services. It also limits the civil liability of persons to whom the scheme applies. The scheme applies to all members of ATMA throughout Australia who hold a current Public Practice Certificate issued by ATMA. The scheme does not apply to financial services licensees and members who have been exempted by ATMA.

The scheme is intended to operate in Victoria, the ACT, New South Wales, the Northern Territory, Queensland, South Australia and Western Australia.

The liability limited by the scheme includes, to the extent permitted by the Act, all civil liability arising (in tort, contract or otherwise) directly or vicariously from anything done or omitted by any person to whom the scheme applies in acting in the performance of his or her occupation. The scheme does not apply to liability for damages arising from any matter to which the Act does not apply, including but not limited to, liability for damages arising from death or personal injury to a person, a breach of trust, fraud or dishonesty.

The amount of damages above which a participating member of ATMA is not liable is \$1,000,000. A member may apply to ATMA to specify a higher amount of liability (not exceeding \$100,000,000) than would otherwise apply under the scheme. A member may apply to ATMA to be exempted from the scheme.

STANDARDS OF INSURANCE

A member to whom the scheme applies must have the benefit of an insurance policy which complies with the standards (specified in its By-Laws) set from time to time by ATMA in accordance with s 28 of the Act. The amount payable under the insurance policy in respect of occupational liability is to be not less than the member's limitation of liability.

RISK MANAGEMENT

ATMA maintains comprehensive programs for members designed to minimise risk through adherence to high standards of professional conduct and maintenance of professional competences. All members of ATMA offering services to the public are bound by the ATMA Code of Ethics and other professional, ethical and quality assurance requirements set out in Pronouncements and the Public Practice Manual and must hold a current Public Practice Certificate.

As an ATMA public practitioner, a Public Practice Certificate is required. Relevant knowledge must be maintained and professional indemnity insurance must be held.

Membership levels and their minimum requirements

At the forefront of the risk management strategies of ATMA are the entry requirements set for

membership. Applicants for membership of ATMA must satisfy stringent educational and experience pre-requisites.

Associates (ATMA) -Must have a prescribed degree or diploma and must complete an upgrade program at an Australian university within 5 years of joining ATMA.

Member (MTMA) -To advance to MTMA, members must have appropriate qualifications and experience in accountancy or have been registered as a tax agent

Fellow (FTMA) -Fellow members must have additional and superior qualifications and experience

Associates, members and fellows cannot be admitted to public practice until they have obtained the ATMA Public Practice Certificate.

Compliance with Continuing Professional Education Requirements

ATMA members are required to keep up-to-date on the many aspects of accounting, tax and business today. The Continuing Professional Development Program (CPD) helps to ensure that the professional knowledge of all ATMA members is current. Maintaining skills through CPD requires at least 20 hours per annum of approved activities for all members. Compliance with CPD requirements is audited. All members must meet this requirement.

Mandatory Quality Assurance Reviews for members in Public Practice

All members of ATMA who hold a Public Practice Certificate are subject to an ATMA "Quality Assurance Review" once in every five years. Participating members must comply with quality assurance programs. Quality Assurance Reviews are specifically designed to assist practitioners improve their work practices to best practice levels. It involves an independent review of the work and ethical procedures of ATMA public practitioners.

Mandatory PI Insurance and monitoring of claims

Participating members, as defined in clause 2.2 of the scheme, are required to maintain a current professional indemnity (PI) insurance policy that meets the standards specified from time-to-time by ATMA. Participating members are required to take measures to ensure that the levels of PI insurance they maintain meet the required standards.

ATMA will regularly review and monitor liability claims. An objective of claims monitoring is to identify areas for improvement in order to reduce claims against scheme members. The assistance of major indemnity insurance brokers is necessary for such monitoring to be successful.

Complaints and discipline

Members to whom the scheme applies are subject to the complaints and discipline systems administered by ATMA under the Constitution and By-Laws. ATMA has complaints and discipline procedures in respect of members who have acted contrary to ATMA's general or specific requirements. These procedures, including the imposition of sanctions and penalties, are regularly reviewed to reflect community expectations and changing commercial circumstances. Investigations may be commenced as a result of a complaint received from any member of the public, or from a fellow member, or by ATMA itself on its own initiative.

SCHEME MANAGEMENT

The management of the scheme is undertaken by ATMA through its General Council. ATMA's General Council will also review the outcomes of disciplinary matters. The purpose of such reviews is to determine trends in the nature of complaints and put in place remedial actions, such as special CPD seminars, to reduce the incidence of future complaints when required. Participating members will be required to confirm that they have complied with the requirements of the scheme in such manner as may be determined by the General Council. A breach of the requirements of the scheme by a participating member may be referred by the General Council for investigation by ATMA.