

## Annual Professional Standards Improvement Program reporting

### In partnership with you

Annual Professional Standards Improvement Program reporting is designed to help your association meet its obligations with Professional Standards Legislation. Your association needs to strengthen its regulatory capacity to be committed to the improvement of professional standards to further improve the consumer protections of your members and their clients, by identifying, mitigating, and responding to emerging risks within your industry sector and community of practice.

### Your ongoing obligations

For each year your professional standards scheme is active, you have legislated obligations to observe. These are communicated and responded to through the annual report guidelines and template which is distributed each year by 31 December and your association is required to complete between 1 January and 31 March each year. The data from your annual report is analysed and aggregated into the Professional Standards Councils Annual Report each year.

Typically, you will be required to report on actions, policies and decisions in each of the following areas:

1. Continuing professional development for members
2. Complaints handling and discipline of your members
3. Use of the disclosure statement
4. Annual risk management program review
5. Improvements and changes to professional standards
6. Insurance cover, claims and business asset monitoring
7. Annual audit of members and the provision of an independent Annual Membership Assurance Report.

### Continuing professional development for members

As you are now part of a group of professionals committed to improving professional standards, a component of this is ensuring the continuing professional development of your members.

In your annual report to us, you should describe new and existing education programs that your members have undertaken throughout the year and explain the relationship of this program to any identified trend or knowledge gaps.



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## Complaints handling system and discipline of your members

Understanding the consumer risks that arise from practice in your professional field is essential to effective self-regulation and consumer protection. To gain a better understanding of your members and to continually improve the standards of practice, establishing and monitoring consumer complaint channels and discipline systems is an essential requirement.

In your annual report to us, you need to provide data on complaints received and any disciplinary measures you have taken throughout the year, as well as any actions you have taken to consider improvements in professional standards and consumer risk reduction. Data collection is required in the following areas:

- The total number of complaints received including the number of dismissed complaints
- The nature and type of complaint
- The cause of the complaint
- The number of complaints resolved without disciplinary action
- The number of complaints resulting in disciplinary action
- The average length of time for resolution of complaints.

Once the data is collected analyse it for trends and determine methods of improving practice in the future. Include this in your report to us.

## Use of the disclosure statement

The Professional Standards Legislation imposes a responsibility on you and members of your scheme to disclose their limitation of liability on all business documentation, promotional items, websites, advertisements and any other external facing correspondence. To comply with the legislation, the statement below *must* be displayed on all external documentation:

“Liability limited by a scheme approved under Professional Standards Legislation”

You also need to educate your members about their obligations to disclose limited liability status and you must monitor and oversee its use within your association. You are required to let us know of any instances of unauthorised use or non-compliance with the policy. We recommend, and may require, disciplinary action be taken against any members using the disclosure statement incorrectly.

## Risk management reporting

A risk management strategy is the action taken to identify risks and work out a mitigation plan should the risks be realised. It also assists with making informed decisions about lessons learned and changing the processes going forward.

You will have submitted a 5-year risk management strategy as part of your application for a scheme.



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Your annual report to us details the effects on risk mitigation, improving standards and enhancing consumer protection.

You are required to report on the progress of your 5-year risk management plan annually. In particular, you must demonstrate how, by whom and when your plan has been reviewed and modified and how it responds to current, emerging and consideration of future risks.

It is generally unacceptable to have made no changes to a 5-year plan, as this may indicate to us a failure to consider the changing nature of practice and responding to the need to continually improve professional standards.

### Insurance cover, claims and business asset monitoring

Another aspect of professional integrity that must be observed in accordance with the legislation, is ensuring your members have adequate insurance cover in the event of litigation. You are required to monitor this on an ongoing basis and to collect and report on insurance claims data and business assets.

When a scheme is active, the professional indemnity and public liability for members is capped at a limit determined by the Professional Standards Councils. Whilst this clearly limits liability it does not replace the requirement for professional indemnity insurance, and it is essential that you impose and enforce the requirement to have sufficient assets or insurance cover to reconcile compensation which may be awarded, relevant to the ceiling of the liability limitation.

An aid to ensuring you meet your annual reporting obligations may be to require that members demonstrate their compensation capacity and insurance claims as a condition of membership renewal.

When collecting and collating data on insurance claims against your members, you must report on the number, amount and nature of claims, together with the cost and availability of insurance. You should also make comment on the anticipated costs and availability of insurance to your members.

### Annual audit of members and *Annual Membership Assurance Report*

You are also required to pay an annual statutory fee to the Council for your Professional Standards Scheme. The annual fee is calculated based on the number of members of your association\*.

To validate the number of members your association has, an independent audit report must be completed, and a copy sent to us along with your fees. The report should be completed by an independent party and validates the number of members.



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## Further information

For further information about annual reporting, please contact our office:

Professional Standards Councils

Level 2, St James Centre, 111 Elizabeth Street, Sydney NSW 2000

Ph: 1300 555 772 (free call within Australia)

Email: [pscinfo@psc.gov.au](mailto:pscinfo@psc.gov.au)

\*Please see fact sheet 'Overview of fees' for more information about how fees are calculated and your costs for this year.