

Guidance

Annual Professional Standards Report

Using this guidance

This guidance explains our requirements for the Annual Professional Standards Report (APSR). You do not need to complete an APSR with your application.

If you are a successful **first-time applicant**, you will attend a post-application workshop with us where you will discuss your compliance and annual reporting requirements.

If you are applying to **remake or amend a scheme**, you will already be familiar with our annual reporting requirements, and these do not change. However, following extensive review and consultation, we have replaced the older Professional Standards Improvement Program (PSIP) report with the APSR. The revised report format will help you better provide information that focuses on consumer protection and improved occupation standards, in line with the legislation.

This guidance covers 5 topics:

- [understanding the legal context](#)
- [examining the APSR framework](#)
- [comparing the APSR with a PSIP report](#)
- [attending the post-application workshop](#)
- [completing the Annual Membership Assurance Report](#).

Understanding the legal context

This module is designed to promote the aims of professional standards legislation (using the Professional Standards Act 1994 (NSW) as an example) which are (our emphasis):

- a) to enable the creation of Schemes to limit the civil liability of professionals and others
- b) to **facilitate the improvement of occupational standards** of professionals and others
- c) to **protect the consumers of the services provided by professionals** and others
- d) to constitute the Professional Standards Council to supervise the preparation and application of Schemes and to **assist in the improvement of occupational standards and protection of consumers**.

Under this legislation, (such as section 37 of same Act) an occupational association must provide us with:

- information about its risk management strategies, if we request it
- an annual report on the implementation and monitoring of these strategies, what effect they have had and any changes or proposed changes to them.

We prescribe the form that the annual compliance report takes. We then include data from associations' reports in our Annual Report to the Minister, which is laid before most Parliaments.



In Tasmania, you must also provide the annual report to the Minister if the Minister requests it. In all states but NSW and WA, the annual report must include details of any findings made, or conclusions drawn, by a claims monitoring committee or committee with this function.

Examining the APSR framework

This section of the guidance outlines the APSR structure.

Your association must submit an APSR to us by 31 March each year if we approve your scheme. You also need to report any significant event, change or development that affects the scheme during the year as soon as practicable. This includes any claims, or notifications of claims, of \$500,000 or more.

We encourage you to use root cause analysis as a risk management tool in your reporting. In your APSR, you will state the learnings from your analysis and monitoring activities, which may include:

- trend and risk analysis
- analysis of developing or emerging trends and risks that may be apparent from the data, or from sources other than the data provider.

Each year, we will provide you with our APSR template, which includes a preamble and 5 parts:

- A. Highlights
- B. Informing members and consumers
- C. Protecting consumers
- D. Responding to consumer complaints and claims
- E. Scheme administration.

We explain these below.

Preamble

The preamble includes the declaration and signatures from your governing body, as well as their commitment to report any significant event during the following year.

Your governing body must review and approve your report before you submit it to us by 31 March. Your CEO and Chair or President need to complete the following details:

Declaration and signatory

I, the undersigned, am authorised to declare on behalf of the association that, to the best of its knowledge and having made reasonable enquiries, the information in this report is complete and accurate.

The association acknowledges that:

- the Councils may verify the information in this report and check it for discrepancies
- if discrepancies are found, Councils will provide the association with a list of the discrepancies, which the association will correct before resubmitting the report
- if there are no discrepancies, the Councils will accept the report for analysis.

Authority	CEO	Chair/President/Other authority (identify which applies)
Signature		
Full name		



Capacity	CEO	Director/Secretary/Other (identify which applies)
Date		

A. Highlights

In this part, you will report on:

- the biggest achievement in occupational standards during the year – this could include new standards, publications, reports, policies, procedures, reviews, reforms or developments relevant to the scheme
- any new risks that emerged for consumers of members' services during the year.

We will use this part when compiling our annual report to the relevant Minister, which is laid before Parliament in each jurisdiction.

B. Informing members and consumers

In this part, you will report on:

- how you inform consumers about the scheme
- how you ensure members are complying with the disclosure obligations under section 33
- procedures and details of any reports you have made to us about contraventions of the disclosure obligations
- how you feed learnings from monitoring into education or other activities
- what you learned from monitoring activities in the previous year and how you addressed these learnings.

Learnings refers to trend and risk analysis, and analysis of developing or emerging trends and risks that the data may show. Together with root cause analysis, identifying and analysing trends will allow you to diagnose what caused a situation, or to recognise links between seemingly unrelated events, and develop targeted strategies to prevent reoccurrence.

C. Protecting consumers

In this part, you will report on:

- the harms that you seek to protect consumers from
- risk management reporting under section 37, including strategies, implementation, monitoring, effect and changes
- your standards
- any changes and improvements to your code of ethics and its enforcement
- continuing professional development (CPD) data, including risks addressed or mitigated
- insurance data.

When reporting on your standards, you should include:

- initiation
- consumer input and focus
- how they protect the association, the occupational group, the members and consumers
- education
- monitoring
- review / reform



- learnings.

When reporting on insurance data, include:

- the structure of professional indemnity cover
- premiums as a percentage of gross fees for minimum cover
- the percentage of scheme participants with top-up cover
- availability of insurance
- state of the market.

D. Responding to consumer complaints and claims

In this part, you will report on:

Complaints	<ul style="list-style-type: none"> • system for handling complaints by consumers • monitoring consumer complaints • any external parties involved • data gathering • monitoring • learnings and how they were addressed
Claims	<ul style="list-style-type: none"> • system for recording claims data from members • adequacy of insurance • any external parties involved • data gathering • monitoring • claims monitoring committee • top 10 causes / root causes • claims of over 50% of cap • learnings and how they were addressed
Disciplinary action	<ul style="list-style-type: none"> • the disciplinary process • any external parties • data gathering • monitoring • learnings and how they were addressed

E. Scheme administration

In this part, you will report on or provide:

- governance, including Board and Committee details
- your annual report and financial statements
- extra financial reporting (for accounting bodies with members who provide financial services under the Corporations Act 2001 (Cth))
- scheme administration resources
- entry requirements
- member agreement
- exemptions and discretionary higher caps
- member data
- compliance plan
- total scheme coverage (membership and industry)
- mutual recognition (other jurisdictions in which the scheme has force)



- demographics and geographic spread, and the risks these present
- topics of interest for future forums.

Comparing the APSR with a PSIP report

The APSR includes most of the same information as the former PSIP. Importantly, it encourages associations to choose how they present their report and data.

While you will need to make some changes to your reporting for your first APSR, the new format will help you provide more focused, meaningful and timely information. The APSR also encourages a stronger focus on consumer protection and improved occupational standards.

The table below sets out the 2021 PSIP sections against the APSR, for your reference.

PSIP section and topic	APSR part and topic
	A. Highlights
Root cause analysis	C. Protecting consumers
Reviewing and embedding Codes of Ethics in professional practice	
1. Association and scheme administration data	
1.1 Governance	E. Scheme administration
1.2 Scheme administration details	
2. Scheme monitoring	
2.1 Membership and participants	E. Scheme administration
2.2 Agreement	B. Informing members and consumers
2.3 Membership entry requirements	E. Scheme administration
2.4 Continuing professional development requirements	
2.5 Insurance standards	
2.6 Disclosure requirements	
3. Scheme monitoring improvements	C. Protecting consumers
4. Risk analysis	
5. Risk management improvements	
6. Complaints and discipline	D. Responding to consumer complaints and claims
7. Complaints and discipline system improvements	
8. Professional indemnity claims data	
9. Association insurance standards	



PSIP section and topic	APSR part and topic
9.1 Insurance standards changes	E. Scheme administration
9.2 Insurance data	D. Responding to consumer complaints and claims
9.3 Discretionary caps and exemptions	E. Scheme administration
10. Occupational association administration	
10.1 Association membership numbers	E. Scheme administration
10.2 Compliance plan	C. Protecting consumers
11. Certification, declaration and signature	
11.1 Annual membership verification certificate / annual membership declaration certificate compliance	E. Scheme administration
Financial services additional reporting	
Covid-19 risk management survey	
11.2 Governing body review / approval	Preamble
11.3 Declaration and signatory	

Attending the post-application workshop

The post-application workshop is the second part of completing this module. We will ask you to attend this workshop with us if you are a successful first-time applicant.

The workshop will:

- reinforce your understanding of your association's ongoing compliance and reporting obligations
- formally move you from working with our Scheme Applications team to the Scheme Supervision team.

Before the workshop, please examine the detailed APSR outline above. At the workshop, advise us if there are any elements of reporting that you would not be able to provide, or could only provide with a significant investment of time and other resources (including HR, financial and IT).

Also review the following table, which sets out the workshop agenda and the information you need to bring for discussion. Your governing body needs to review and approve the information that you provide before the workshop.

Agenda item	Matters for discussion
Governance	Describe your governance arrangements for preparing the APSR and having it approved. Include the role of governing-body delegated and member-based committees, and the governing body's review and approval of the report.
Standards	Describe how you will initiate, monitor, enforce and review occupational standards. Provide evidence of continuous improvement with a review cycle of standards, and your prioritised list of standards to be reviewed and approved.



Agenda item	Matters for discussion
Feedback	Describe the process for incorporating our feedback to improve your association's professional risk management strategies.
Administration	Provide the name and contact details for the person who will prepare the report for your association. List any other internal and external resources that this person can access.
Data management	Describe how you will collect, analyse and synthesise information from members and other data sources over the year to prepare the report. Include a description of your IT systems.
Compliance	Provide an excerpt from your compliance plan that clearly shows how you will ensure the report will be approved and submitted by the 31 March date each year.

Completing the Annual Membership Assurance Report

Your association must also provide an Annual Membership Assurance Report within 2 months of each anniversary of the annual fee due date (that is, in the first calendar quarter after the anniversary of your scheme start date). We include the template for this report in the APSR template we provide each year.

The requirements for this report differ depending on the size of your association, as follows:

Number of eligible members	Reporting requirements
100 or more	An independent Annual Membership Assurance Report signed by a member of a professional accounting body (Certified Practising Accountants Australia, the Chartered Accountants Australia and New Zealand or the Institute of Public Accountants)
Less than 100	The Annual Membership Declaration Certificate signed by your Chief Executive Officer (or nominee) and senior Finance Officer

Copyright and document control

Document version	1.0
Last endorsed	New document
Next review	1 year after the application framework pilot program begins, then every 3 years
Written by	Director, Professional Standards Regulation
Approved by	Chief Executive Officer, Professional Standards Councils

Revision history

Version	Approved by	Approval date	Effective date	Sections modified
1.0	PSC	18 June 2021	1 July 2021	This is new guidance



Disclaimer

This guidance applies only to an occupational association preparing a scheme for approval under professional standards legislation. It is not legal or other professional advice and should not be relied on as such. An occupational association should seek its own legal/professional advice to find out how the professional standards legislation and other relevant laws and regulations may apply to it. Go to www.legislation.nsw.gov.au to access NSW legislation.

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