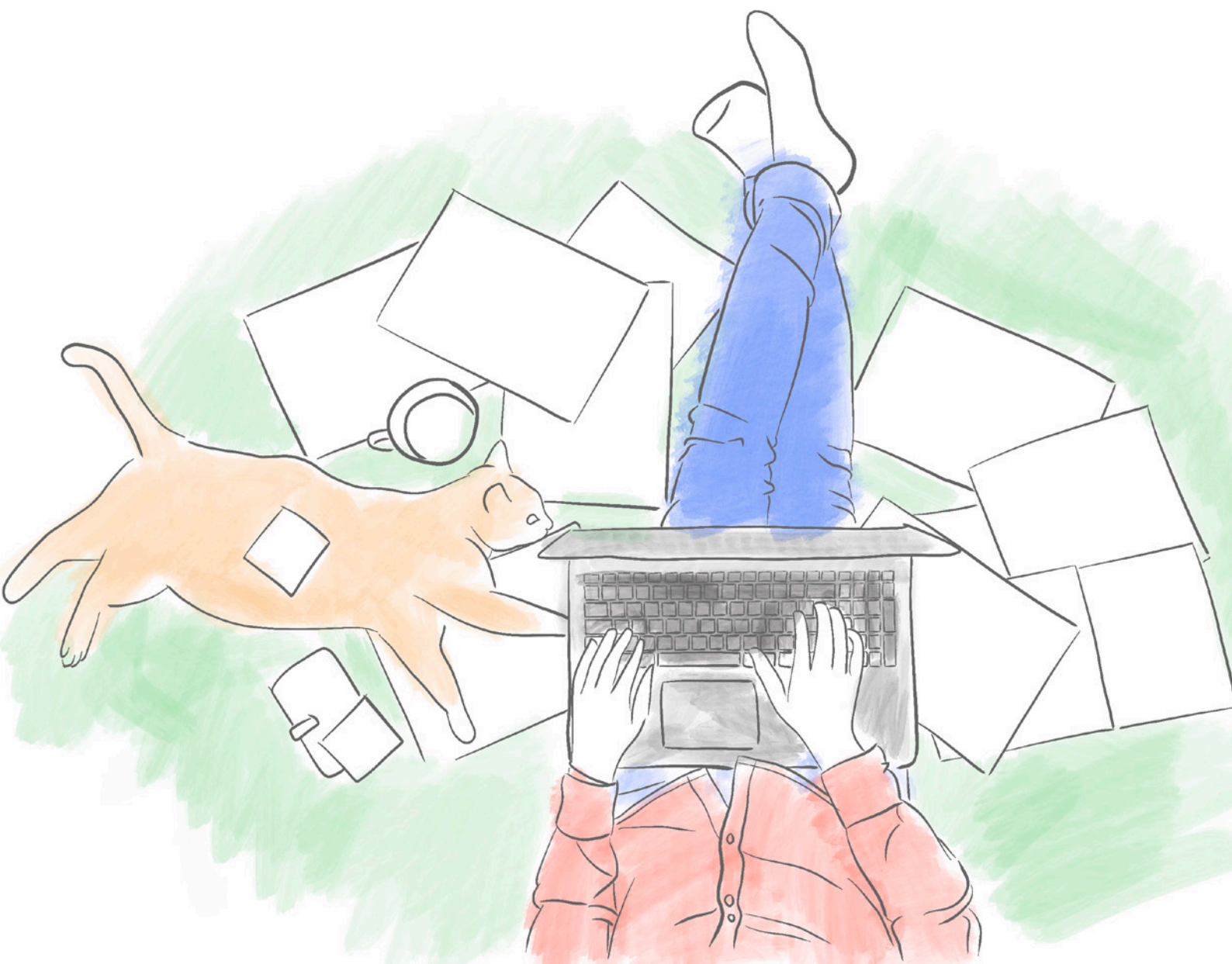




INSTITUTE OF  
PUBLIC  
ACCOUNTANTS®

# Annual Report

2020-2021





INSTITUTE OF  
**PUBLIC  
ACCOUNTANTS®**

Helping small  
business improve  
their quality of life

# A word from the CEO

It's fair to say there's a collective sense of exhaustion as we close out 2021, but this year gave us some important lessons which make me cautiously optimistic and excited about the coming year.

The greatest litmus test for a professional body is member retention because it speaks to its value proposition. Prolonged lockdowns and COVID-19's broad disruption only reinforced how supportive our members are and the reassurance they get from being part of the IPA professional network. Retention is up, members are renewing earlier, and we have record rates of new members.

Reflecting on this makes me incredibly proud of the work our teams do. It tells me that members who reach out for technical advice to navigate things such as COVID assistance packages and business-as-usual guidance will find the support and the tools they need. Over the next 12 months we will once again be sharpening those tools, providing even better resources to our professional community, which includes ramping up our advocacy efforts in the lead-up to the Federal Election.

I'm delighted to welcome our new Director of Education Philomena Leung. Accounting education is changing in terms of delivery and content. The pandemic forced a total re-engineering of our CPD content to an online format, resulting in a 16 per cent surge in participation – a total of 14,900 members undertook one of our expanded suite of 493 courses during FY21.

New areas such as climate, sustainability and cyber are now firmly on our members' radar. In response, we are strengthening our education program, developing a suite of micro-credentials, and establishing an IPA Group academy.

I expect to see a rapid evolution and scaling of integrated reporting for small and medium enterprises, as well as the trickle-down effects from the Value Reporting Foundation's work on universal sustainability standards.

I am also determined to ensure that members' interests are championed when translating global conversations into local markets, through working with the International Federation of Accountants.

The past year has taught us that support comes in all shapes and sizes. One Friday afternoon a regional member sent me a text saying she had reached out to the Federal Treasurer, her local Member of Parliament, and various organisations before finally asking her professional Facebook page if anyone else was feeling totally overwhelmed and anxious. She was flooded with responses the same day.

I gave her a call and told her about our mental health support program for members called Uprise. She said I was the only person she had reached out to that responded. It made me realise that often what we need most is to be heard and have our concerns acknowledged.

We know from experience that as a community we can react, diversify, and adapt our lives at an astonishing rate to make the best of tough circumstances. I'm hopeful that 2022 can be a year in which we take the best of what we have learned over the past 12 months and use it to drive growth.

## Keep reaching out.



Andrew Conway



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# Integrated reporting reveals valuable insights



## IPA is using integrated reporting to gain a deeper, more holistic understanding of the organisation.

Investors everywhere have been wanting more than financial information to make their investment decisions for a long time now and integrated reporting is greatly improving the quality of reporting of information on everything from competitive threats to the impact of technology on your business.

Integrated reporting helps organisations think holistically about their strategies, make informed decisions, and manage key risks.

Working for the benefit of 46,000+ stakeholders, IPA has taken the first steps towards balancing financial and non-financial information to capture a broader understanding of all the key value drivers of its own business and that of its members, placing greater emphasis on external stakeholder engagement to gain a broader perspective that will be sustainable for the long term in this fast-changing world.

## IPA's five key principles of integrated reporting

- Aligning our internal operations for greater integration, incorporating the concepts of integrated thinking. This includes breaking down silos through a new structure internally, and streamlined and interconnected reporting lines.
- Aligning internal performance metrics to include financial and non-financial targets. This includes intangibles such as social, relational and environmental capital, and broadly embraces the Global Reporting Initiative (GRI) standards and the United Nations' Sustainable Development Goals (SDGs).
- Extending the external report to incorporate the principles of integrated thinking and reporting from a six-capital perspective which incorporates resources other than other traditional financial and manufactured capitals.
- Training senior management and those charged with governance in integrated thinking and reporting to ensure they understand the benefits of the framework and that the initiatives are endorsed by the Board. Training programs will be progressively rolled out to all staff.
- Aligning the risk management framework within the IPA to incorporate elements of integrated thinking and reporting and realigning its strategy to include broader risk categories in line with new global principles.

### What is Integrated Thinking?

The discipline of making a deliberate and coordinated effort to connect organisational strategy, governance, performance and prospects to unleash better business outcomes, accountability and communication.

### How will Integrated Thinking and reporting benefit IPA's members?

- It shows how IPA as a member organisation creates value
- It provides for better decision-making to enhance accountability and performance over the short, medium and long terms
- Its world-class disclosure practice supports better business through a more sustainable approach to value creation

# The IPA leadership team sets the framework for a future-ready profession

The IPA leaders are committed to finding new ways to create value for our members and build organisational capacity for the benefit of all stakeholders.



## Prof Andrew Conway

FIPA FFA

Chief Executive Officer

Andrew leads the renewal and growth of the Institute of Public Accountants (IPA), and its sister entities, the Institute of Financial Accountants (IFA) and the Association of Accounting Technicians (AAT), with stakeholders in over 80 countries.

As CEO, he is responsible for creating and delivering value to 46,000+ IPA members and helping small business navigate social, environmental and economic change.

A former Chief of Staff at the Australian Government Treasury, Andrew holds a record for being the youngest CEO of a public entity, appointed at just 28 years of age in 2009. In 2001, Andrew was awarded the Centenary of Federation Medal recognising his contribution to Australian society and government in representing Australia on the international stage.

Andrew holds an honorary appointment as a Professor of Accounting at Shanghai University of Finance and Economics, and is an Adjunct Professor at Deakin University in Australia, and Lanzhou University in China.



## Brett Maloney

FIPA FFA

Chief Operating Officer

Brett, a Fellow of the IPA, holds a Bachelor of Business in Accounting (RMIT University) and has held senior finance roles in Australia and in the UK. Prior to joining the IPA, Brett worked for ASX-listed and private companies with commercial experience across the manufacturing, distribution, and services sectors, especially those involved in import and export operations.

Brett leads the IPA teams responsible for finance & treasury, education operations, corporate shared services, corporate policy & risk, ICT infrastructure & security, and has managed the Institute's transition to cloud computing in recent years. Brett enjoys leading a diverse team that is focused on service delivery, driving efficiency and adding value to members.



## Judy Edsall

Group Executive, Group Performance

Judy has an extensive background in education, leadership development and human resources. She has been in the workforce for many years in several countries including Sweden, where she held a global management role, and South Africa.

Judy worked with the IPA as a consultant for two years before joining the IPA in this role in January 2016. In her role, Judy develops and implements a Group Cultural Investment plan to drive and support member growth. She also focuses on understanding the key drivers that are impacting the engagement of employees, and through this analysis, identifies and prioritises action areas that will improve, monitor and sustain employee engagement.



## Catherine Atkinson

Group Executive, Member Growth, Marketing and Events

A strategic marketing leader with more than 25 years' experience across the financial services sector. Catherine's experience extends to all parts of the marketing and communications mix encompassing product marketing, communications, brand strategy, digital marketing, internal communications, loyalty programs and events. Catherine has worked for a range of businesses from not-for-profit through to multinational corporations.

Catherine heads up the Member Growth, Marketing and Events business units at the IPA and thoroughly enjoys leading a team of highly engaged and creative professionals. With the aim of driving membership growth and brand awareness, Catherine sets up her teams for success by providing an environment in which they can flourish.



## Vicki Stylianou

Group Executive, Advocacy and Policy

Vicki heads the team responsible for policy development, advocacy, government relations, media, strategic communications, publications, disciplinary, compliance and the IPA's co-regulatory function as a professional accounting body.

Vicki came to the IPA from Federal Treasury, where she worked in tax policy, financial literacy, prudential regulation of the banking sector and in the Office of Best Practice Regulation. Prior to this, Vicki was a practicing lawyer specialising in commercial litigation, working in Australia and overseas. She continues to hold an unrestricted practicing certificate and provides pro bono legal services. Vicki is a director of the International Council for Small Business and has held various directorships in NFPs and for-profit entities.

Vicki holds a BJuris, LLB, BA, MBA and DFP.



## Arthur Burt

FIPA FFA

Group Executive, Member Engagement

The management, performance and strategic direction of the Member Growth/Business Development function across Australia fall under Arthur's remit as Group Executive Member Growth. This incorporates new member admissions, current member retention and overall engagement with stakeholders in the profession in a number of practice settings.

Since starting with the IPA in February 2010 – bar an eight-month sabbatical in pharmacy - Arthur has overseen significant membership growth. He brings a wealth of management, business, development, marketing and communications knowledge gained over almost 30 years in Australia and in the UK. Arthur has worked with some of the most recognised global brands in financial services and worked across all aspects of marketing, communications, management, planning and research.



## John Edwards

FIPA FFA

Group Executive, United Kingdom (CEO IFA)

Prior to taking on his current role in 2015, John held a number of senior roles in the private and public sectors. His considerable knowledge of the accounting profession was achieved when he worked for the Institute of Chartered Accountants in England and Wales (ICAEW) for many years. He is also a Fellow member of the IFA and of the Institute of Public Accountants of Australia.

Before joining the IFA, John worked for a range of SME/SMPs as a business consultant, helping them to strategically develop and grow their businesses. He was also the chief operating officer of a venture capitalist business investing in and developing companies across many sectors including: construction, information technology, motor sport, events and marketing, charities, cruise liners and airlines.



## Julie Williams

FIPA FFA

**President and Chair of the Board**

Julie has been an IPA member since 2003 and has served as Queensland Divisional Councillor since 2008. She was also the Chair of the National Divisional Council from 2010 until her election to the Board in 2017. Julie was appointed President and Board Chair in 2020, having previously served as Deputy President of the IPA and Chair of the IPA Disciplinary Committee. She is also a member of the Board Executive and Board Remuneration committees. Julie was a partner in PPB before moving to public practice as a Registered Liquidator in 2006. She is a Fellow of the IPA and the CPA, and holds MBA and MPA degrees. Additionally, Julie is a member of the Association of Certified Fraud Examiners, the Australian Institute of Company Directors, Australian Restructuring Insolvency and Turnaround Association, and the Association of Independent Insolvency Practitioners.



## Cheryl Mallett

FIPA, CTA, SSA, GAICD

**Deputy President**

Cheryl has been an IPA member since 1996 and a Board member since November 2018. A graduate of the Australian Institute of Company Directors, she has over 30 years' experience as an income tax specialist/ advisor and is also an Accredited Specialist SMSF Advisor and SMSF Auditor. Cheryl has won two major awards: 2016 IPA Northern Territory and National Practice of the Year and 2019 AMP Women in Finance – Regional Professional of the Year. Cheryl sits on the Board Executive Committee and the Association of Accounting Technicians (AAT) Steering Committee and chairs the Board Audit and Risk Committee. She was also recently appointed a Director of AAT.



## Jason Parker

FIPA FFA GAICD

**Deputy President**

Jason served as President of the Tasmanian Division of the IPA from 2005 to 2007. Jason was elected to the IPA Board in November 2008, is on the Board Executive Committee and also serves as Chair of the Board Disciplinary Tribunal. He is a graduate of the Australian Institute of Company Directors, a Registered Tax Agent, SMSF Auditor and Registered Migration Agent. He holds a Bachelor of Commerce, a Diploma in Financial Services, Graduate Certificate in Applied Finance, a Graduate Certificate in Australian Migration Law and Practice and an MBA. He is currently studying a Bachelor of Laws. Jason is a Director and Chairman of five unlisted public companies in sectors ranging from roadside maintenance to recreational aviation, food recycling, aquaculture, and land-based drones.



## Damien Moore

FIPA FFA

**Immediate Past President**

Damien has served as South Australian/Northern Territory Director since 2010. He was Board President and Chair for four years and has also held the Vice President and Deputy President positions. Damien currently sits on the Board Executive, Board Remuneration and Board Membership committees. He has also served as the South Australian/Northern Territory Divisional President and held other positions within the Divisional Council. A Graduate Member of the Australian Institute of Company Directors and Registered Tax Agent, Damien has worked in the accounting and finance industries for over 25 years, operating his own accounting firm while also working for ASX-listed companies. He holds a Master of Commerce (Professional Accounting) through the University of New England.



## Nordin Zain

FIPA FFA

Dr Nordin is a Chartered Accountant and former partner at Deloitte South-East Asia. He currently serves on the boards of a number of public companies across Malaysia including: renewable energy company Gopen Limited, where he is also Chairman of the Audit Committee, Ambank Islamic as a Board member and Audit Committee Chairman, UDA Property Development as a Board member and the Audit and Risk Committee Chairman, and asset manager AIA Subsidiary. Nordin was the CEO of the Malaysian Accounting Standards Board for 10 years and a lecturer of Accounting and Strategic Management. Nordin is a member of the Malaysian Institute of Accountants and the Institute of Directors New Zealand. He is currently Chair of the IPA Board Membership Committee and actively involved in SMEs in Malaysia.





## Linda Bernard

FIPA FFA

Linda joined the IPA Western Australia Divisional Council in 2007, serving as President for four years, before being nominated and elected as a Director. Linda is currently Chair of the Board Remuneration Committee. She has been a public practitioner since 2000 and is also a Registered Tax Agent. Linda holds a Bachelor of Commerce in Accounting and Financial Planning from Curtin University and a Master of Commerce in Professional Accounting from UNE. Linda is also a Graduate of the Australian Institute of Company Directors.



## Michael Colin

FCA FFA FIPA

Michael established his own regional accounting firm as a Chartered Accountant in the United Kingdom. He also has a passion for the micro and small enterprise sector where he has taught and researched extensively. While serving on the ICAEW Council, Michael was invited to join the pre-merger IFA Council and was subsequently co-opted, then elected, to the IPA Board. Michael was Chief Executive of Make It Happen in Sierra Leone, an educationally focussed charity. He now manages a COVID-19 grant-making fund in Manchester. Michael has served on the Board Membership Committee and currently sits on the Board Audit and Risk Committee, which he previously chaired for two years.



## Mike Mooney

FIPA FFA

Mike has been an IPA member since 1996. He studied a Bachelor of Commerce at the University of NSW, then moved from Sydney to Canberra to take up a role in business services and tax with Price Waterhouse Coopers. Mike completed a Business (Accounting) degree and then worked as a corporate financial accountant for 10 years before establishing his own public accounting practice in 1996, specialising in tax and small business services in the ACT. He was appointed to the IPA Board in November 2017 and currently sits on the Board Membership Committee.



## A/Prof Luckmika Perera

FFA FIPA GAICD

Associate Professor Luckmika is an accountant and business consultant specialising in integrated reporting, sustainability, cloud and educational program design and development. Luckmika was a foundation member of the Integrated Reporting Consortium set up by Deakin University, KPMG, the University of NSW and the Deakin Integrated Reporting Centre. He has a Non-Profit Board Leadership Certificate from Harvard University, a Strategic Leadership Certificate from University of Michigan and a PhD in Environmental Accounting. Luckmika has been an IPA Director since November 2019 and currently sits on the Board Audit and Risk and Board Remuneration committees.

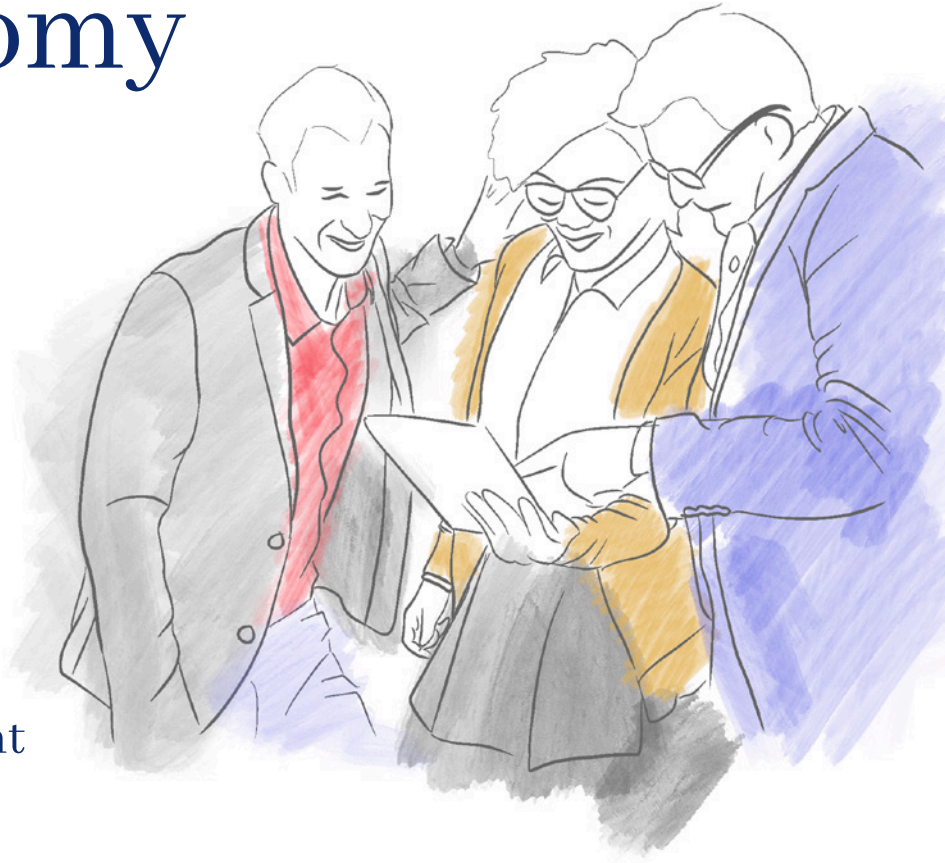


## Alexandra Korfiatis

FFA FIPA

Alex has been an IPA member since 2005 and a Director since November 2019. Alex is currently Deputy Chair of the Board Disciplinary Tribunal and previously served on the Board Audit and Risk Committee. Alex completed a Bachelor of Business majoring in Accounting and Business Law. She is a member of CPA Australia, a Chartered Tax Advisor with the Taxation Institute of Australia, an affiliate member with Chartered Accountants ANZ, a member of National Tax Accountants Australia and a Registered Tax Agent. Alex is a public accounting practitioner with over 30 years' experience in the accounting, tax and business advisory sectors. She is currently a director and partner at Sydney-based Forrester Korfiatis Chartered Accountants.

# We help Australia account for the SMB economy



IPA is one of the largest accounting organisations in the world with footprint in over 80 countries.

Our members touch  
**450,000+**  
small and medium businesses in Australia powering good business and financial decision making.

Our PPC holders employ  
**13,000+**  
practitioners and technicians.

## IPA group snapshot

---

IFAC top  
**20**  
organisation

Members in  
**80+**  
Countries

**46,000+**  
members

## How we create value



2,800+  
new members globally in 20/21



1000+  
new student members in 20/21



A dedicated global advisory & policy team delivers **70+** submissions annually



Exceptional level of member engagement with **1500+** technical calls per year

~500

Courses offered

~2,000

Migration qualification assessments per year

~50

Online discussion groups

~10,000

Member learning community

- A strong industry voice reaching **40+ million** readers globally
- Outstanding member loyalty – **71 per cent** of respondents of this year's Member Satisfaction Survey have been members for over five years, 21 per cent for 25+ years
- Dedicated GCPA and MBA programs
- Our own IPA-Deakin SME Research Centre conducts targeted research
- Enabling mental health first aid training via the IPA-sponsored Counting on U program for ~3500 people in the industry
- Benefits to members provided by **50+ partners**, including Thomson Reuters, Pearson Education, Deakin University, Monarch Education, Tesla, Qantas, Reckon, BUPA, NobleOak, St George and AB Philips
- Representing members at **90+ organisations, fora and events** including the International Federation of Accountants (IFAC) and the Confederation of Asian and Pacific Accountants (CAPA), the International Council for Small Business (ICSB), the Accounting Professional & Ethics Standards Boards (APESB), Digital Skills Organisation (DSO) and the United Nations (UN)

## The IPA Group brands



The IPA-Deakin  
SME Research  
Centre

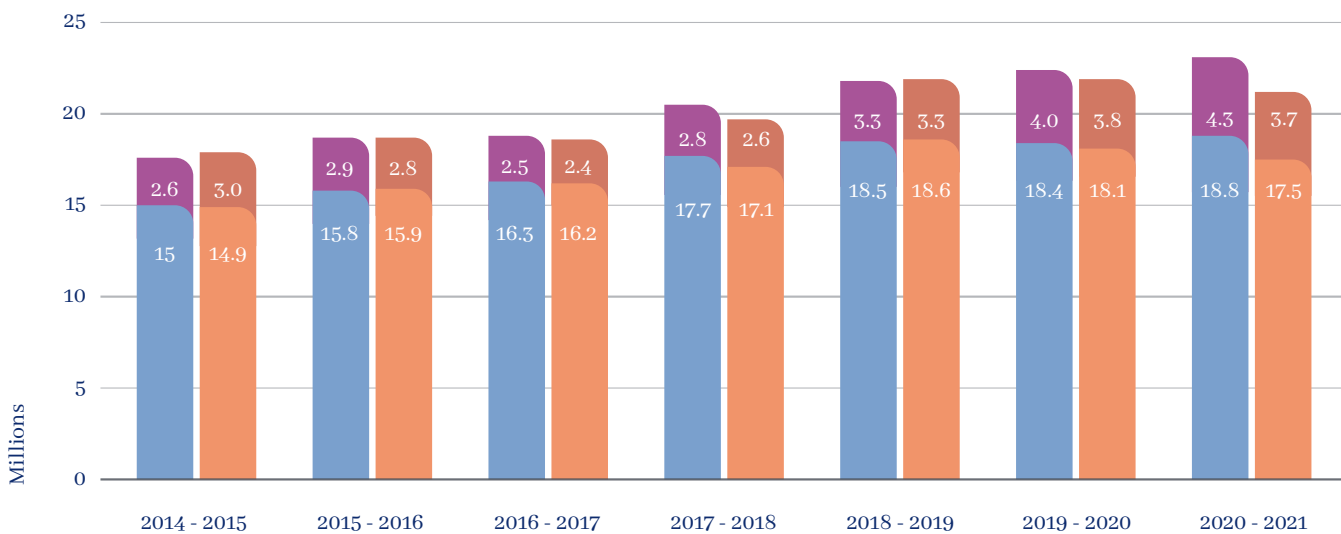
# Key financial trends



The IPA Group has achieved positive results over the past financial year, which will enable further investment in services for members and future members.

Member engagement has been the driver of IPA's financial performance during the year. Member renewals, success in attracting new members, and members' willingness to attend Continuous Professional Development (CPD) events online has provided the foundations of the result.

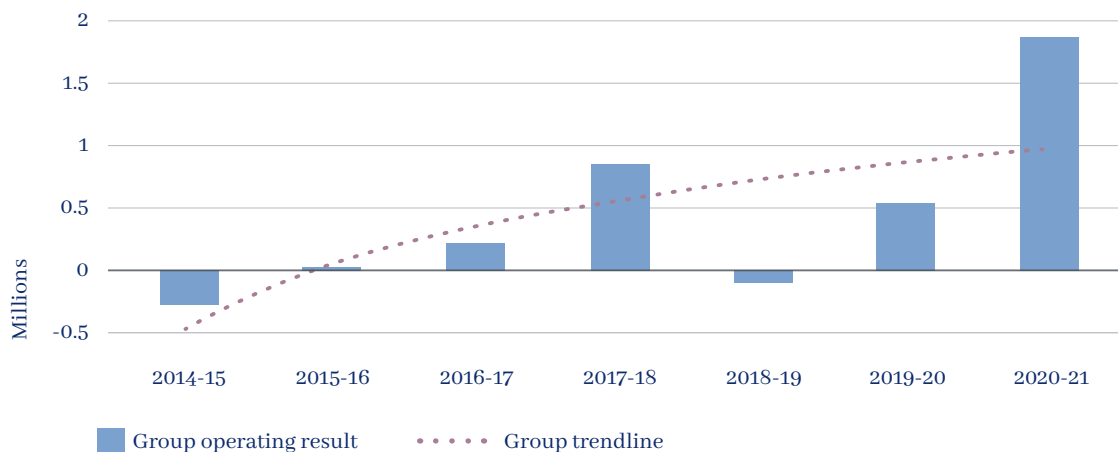
## Group revenue vs. group expenditure



- Revenue - IPA Australia
- Revenue - IFA UK
- Expense - IPA Australia
- Expense - IFA UK

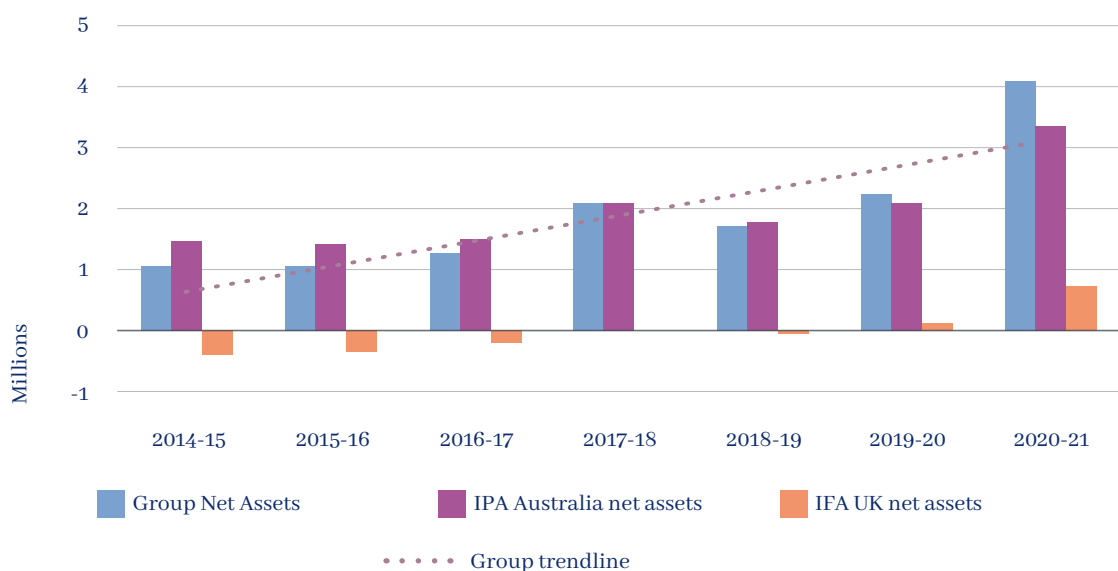
Uncertainty at the start of the pandemic along with restrictions on movement have driven a prudent cost-management approach. The pandemic has required rewiring to a digital and remote business model which has in turn provided efficiency savings following the initial scramble to adapt.

## Operating results (group)



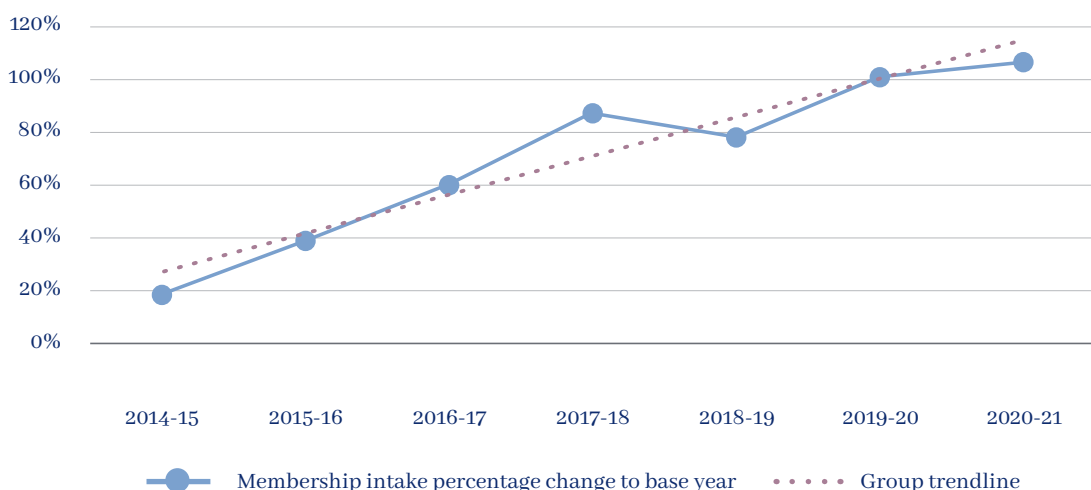
Member engagement and operational efficiencies have powered the positive trend in operating results across the IPA Group while keeping fee increases either on hold or to a minimum.

## Group net assets



IPA is well placed to meet the challenges of the post-COVID economy, improve member services and member accessibility underpinned by a strengthening balance sheet and positive cash position.

## Group member intake % change to base year



IPA has seen strong interest from new members over the course of the year, continuing the positive trend of recent years.

# Our vision

For every small business to have one of our members by their side

# Our mission

To improve the quality of life of small business

# Our destination

50,000 members and students by 2025



# Our values

framework is centered around RESPECT

- Respect for our members
- Respect & foster innovation
- Respect for each other
- Respect & foster flexibility
- Respect that we're all on the same team



# Our strategy











As a member of the International Federation of Accountants (IFAC), the Institute of Public Accountants (IPA) has adopted a future-ready approach for the accounting profession. Recognising the need to help practitioners, students and members prepare for the future, the IPA will lead our community through the opportunities and challenges of the impending digital, social and economic transformation. The value we create for our members will be driven by sustainability, ethics and technology.

To be genuinely future-ready in a world where uncertainty is the only constant, the IPA updates its 2018-2025 strategic plan annually. In 2021, this included building a professional community for the Small to Medium Enterprise (SME) and Small and Medium Practices (SMP) sectors as our number one priority and getting ready to commence our integrated reporting journey.

Our updated strategic objectives will serve as a link to an evolving environmentally responsible economy and provide a framework for our future readiness. The framework consists of five key areas of professional interest: sustainability, continuous professional education, attracting new generations to accounting, digitalisation and helping our members deal with the emotional challenges of transformation. This annual report addresses all five of these, laying out a clear roadmap to the future.

## To improve the quality of life of small business

### MEMBER GROWTH

STRATEGIC THEMES	Build a professional community for SME and SMP sectors	Recognised as the providers of the highest quality and most innovative professional accounting pathways	Actively promote the Institute to grow membership and revenues	Continually enhance our influence on the profession	Ensure we have the best people using the right resources
SDG	 			    	
STRATEGIC OBJECTIVES	<ul style="list-style-type: none"> <li>• Improve and increase technical support services</li> <li>• Improve member services and partnerships</li> <li>• Increase member support and engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Increase partnerships with education institutions</li> <li>• Improve our education portfolio to accommodate the future of public accounting and accounting technicians</li> <li>• Improve accessibility to information and member and student experiences</li> <li>• Improve the delivery of high-quality CPD programs for members</li> </ul>	<ul style="list-style-type: none"> <li>• Grow IPA Group membership</li> <li>• Grow revenue</li> <li>• Strengthen our approach to international markets</li> <li>• Improve member offerings and benefits</li> <li>• Improve recognition of the IPA Group</li> </ul>	<ul style="list-style-type: none"> <li>• Improve recognition of the IPA Group advocacy</li> <li>• Build a focus on sustainability and the future of the profession</li> <li>• Strengthen our innovation and digitalisation strategies</li> <li>• Build on our new markets and alliances</li> </ul>	<ul style="list-style-type: none"> <li>• Improve staff opportunities to grow and develop</li> <li>• Strengthen team member engagement and leadership at all levels</li> <li>• Improve group culture</li> <li>• Embrace flexible ways of working</li> <li>• Improve internal capacity to ensure the Group is able to adequately fulfil its functions as a professional accounting body</li> </ul>

# Breaking new ground with 20/21 vision

It was meant to be a year of great technology-led business transformation, but 2020 was instead consumed by the economic and social uncertainties created by the global pandemic.

Some 80 per cent of our members reported their clients experiencing mental health issues over the past year, yet our collective resilience came through loud and clear as we strengthened our strategic vision, risk and governance to deliver a solid performance for financial year 2020/21.

## Members have spoken

Each year, we ask you to tell us how we are doing serving your needs. This year was unprecedented in many ways, like the number of surveys and checkpoints we ran in one reporting period. They included two member satisfaction surveys, which come out in February, and a spot survey we sent out to all members in September 2021. But these were only part of the feedback loop we operated throughout the year.

In 2020/21 our survey activities included focus groups with IPA's student-members, the Association of Accounting Technicians (AAT) Member Satisfaction Survey 2021; surveys run by the IPADeakin SME Research Centre focusing on mental health, weekly polls by Public Accountant, pulse-surveys taken by our Advocacy & Policy team, and direct emails from members.

## 2020-2021 Themes



Service



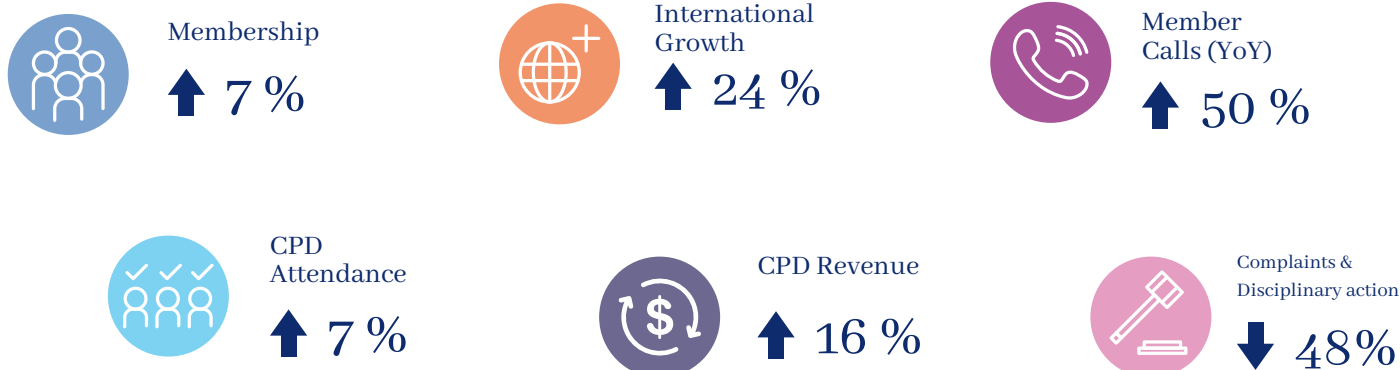
Resilience



Growth

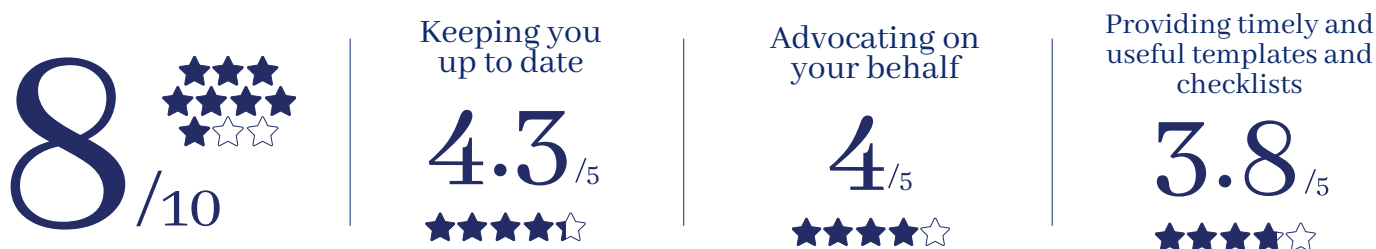


## Key Figures



## You marked us

### Average member satisfaction score



## You said

“We need more practical client letters, emails and flyers”

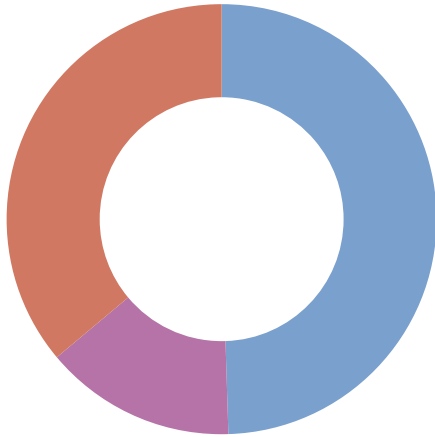
“As a member of all three accounting bodies, I don’t feel that our bodies have a big enough say with the government. In saying that, I feel the IPA has more relevant communication with its members that the other two”

“Tailor some content towards your younger members, rather than those in their mid and advanced career stages”

And we listened

# You spoke, we listened, reacted, adapted

## Move training online



**49.5% of members**

prefer to receive CPD training via a hybrid delivery model

**36.1% of members**

prefer to receive CPD online

**14.4% of members**

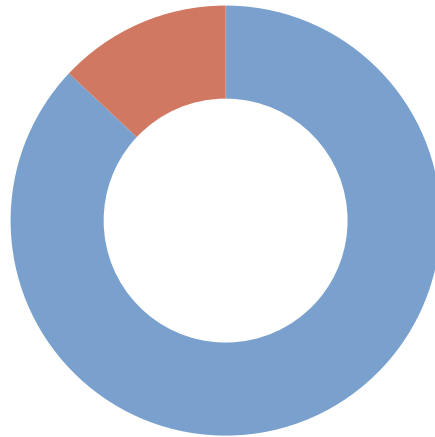
prefer to receive CPD face to face

### What we did

COVID-19 has accelerated the overwhelming trend of moving more educational and CPD events online. Last year, IPA ran over 500 events online due to the pandemic. Our colleagues in China conducted 25 face-to-face events, bucking the global trend. As countries and cities emerge from lockdowns, we look forward to seeing you again in person and will work on standardising the hybrid delivery model in the future.

Overall, our CPD offerings performed well – 67 per cent of respondents attended an IPA CPD event last financial year, a 7 per cent increase year on year.

## COVID-19 relief



**87% of members**

were satisfied with the way IPA assisted them in navigating the COVID-19 business environment

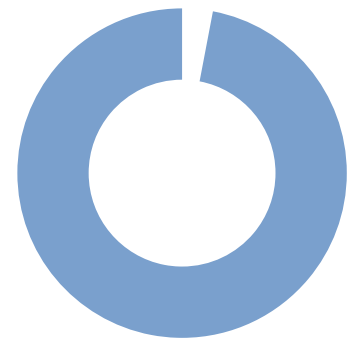
### What we did

IPA experienced a 50 per cent increase in the volume of calls from members seeking light and technical support. We answered approximately 1800 enquiries from members to help navigate various government-administered support schemes, which resulted in \$120 million worth of unbilled hours that our members provided to clients throughout the reporting period.

As a membership service organisation, we were acutely aware of the unprecedented business climate our members were operating in over the past 12 months. IPA froze member fees and provided six additional months for fee payments to alleviate financial pressure on our members.

We also devoted countless hours to industry-wide consultation with government agencies to lessen the impact of ad-hoc decisions around support payments eligibility and application processes. That significantly affected the workloads of our members across the board. Despite the pandemic, our team contributed to over 70 government submissions and industry consultations.

## Communication needs have changed



**97% of members**

prefer to communicate via email, but would like communication to be less frequent



**43% of members**

get their information from IPA's social media channels.



**37% of members**

like to listen to podcasts.

### What we did

IPA is always keeping an eye on the pulse of our member community. An unprecedented level of written communication was required for the 2020/21 reporting period to inform members of government measures and support, as it happened. We are looking at streamlining our email communication in favour of face-to-face engagement, video content and podcasts to enable more interactive communication and choice of format and channels.

# Information channels have diversified

Public Accountant, our bimonthly magazine, remains the number one source of professional accounting information – 75 per cent of survey respondents read it, ahead of The Accountants Daily (57 per cent), or the IPA Digital Hub (41 per cent). This is a fantastic endorsement for our editor Maja Garača Djurdjević and the IPA team, who will step up the ante yet again with a new editor, James Mitchell, and a member-based Editorial Advisory Board in 2021.

The demand for digital content and delivery continues to surge as a new generation of practitioners joins our membership ranks. Some 43 per cent of survey respondents reported obtaining their IPA information via social media, with 70 per cent citing LinkedIn as their preferred channel. Our LinkedIn community has grown to a respectable 13 000+ followers over the past financial year. This represents a 60.2 per cent increase year-on-year, which sends a clear signal about the quality of curated content we have been promoting to our members and stakeholders.

Additionally, 37 per cent of respondents reported listening to podcasts and would like more audio content produced and promoted via our online channels. We will be rolling out a more comprehensive communications approach to meet the demand.



Spotlight on \_\_\_\_\_

## Association of Accounting Technicians



**68% of AAT members**  
Have been with us for over five years



**70% of AAT members**  
Are satisfied or very satisfied with  
IPA member services



**74% of AAT members**  
List CPD as a key benefit of  
IPA membership



**59% of AAT members**  
List 'keeping up to date' as a key  
benefit of IPA membership

AAT Members rate IPA ...

**4**/<sub>5</sub>



On providing useful templates  
and checklists

**4.5**/<sub>5</sub>



On education and development

# IPA rolls out a more sustainable future for accounting

## What does sustainability mean in 2021?

Sustainability is no longer a novel concern for the accountancy profession. Over the past decade, the industry has made significant progress in defining sustainability by measuring, analysing and reporting on the social and environmental impact of business. IFAC's influential 2020 strategic plan sets a precedent for all professional accounting associations (PAOs) to accept a broader responsibility for sustainable development. The IFAC strategy emphasises the United Nations Sustainable Development Goals (SDGs), which are aspirational in nature and illustrate the breadth of the organisation's impact-driven approach.

The development of the reporting landscape is reflected in the work of the IFRS Foundation as it works towards establishing a Sustainability Standards Board (SSB). The objective of the SSB is to create one set of standards and eliminate the issue of the comparability of multiple reporting frameworks. The SSB intends to build on the existing work of the Global Reporting Initiative (GRI), the Value Reporting Foundation (recent merger between the IIRC and SASB), the Climate Disclosure Standards Board (CDSB), and the Climate Disclosure Project (CDP).

The outcomes of the 2021 UN Climate Change Conference in Glasgow will also need to be taken into account when defining Australia's national sustainability strategy.

## What does sustainability mean to the IPA?

Something that is sustainable is consistent and reliable, whether it be the returns on an investment or a resource that is replenished at a rate faster than it is used or consumed. The Brundtland Report in 1987 introduced the concept of sustainable development as an idea of intergenerational equity: meeting the needs of the present generation without compromising those of future generations.

In line with the United Nations Sustainable Development Goals (UN SDGs), IPA acknowledges the three pillars of sustainability – the environment, society, and the economy – as paramount for achieving sustainable development.



## Our Sustainable Development Goals (SDGs)

IPA acknowledges the fundamental importance and interdependencies between the 17 United Nations' Sustainable Development Goals (SDGs).

As an organisation with global membership, we are currently focusing on the following eight development goals:

 Good Health & Wellbeing	 Gender Equality	 Industry, Innovation & Infrastructure	 Peace, Justice & Strong Institutions
 Quality Education	 Decent Work & Economic Growth	 Climate Action	 Partnerships for The Goals

## The role of the IPA

As a professional body, IPA has the responsibility to manage its own sustainability performance. We are also responsible for providing our members with the knowledge and skills to keep up with the rapidly shifting reporting expectations and standards around sustainability.

Likewise, members who possess sustainability competencies should support their clients in areas such as climate risk disclosures and integrated reporting and offer broader advisory services regarding sustainable business models. All these considerations are linked to the question of - who and what are we accountable for?

## What we have done

 Waste management initiative at IPA's Head Office	 Sustainability for Accountants webpage
 Introduction of a full-time sustainability-focused role	 Counting On U Program
 Member Awareness - Public Accountant Sustainability Special Edition	 Solomon Islands partnership
 Signatories of the UN Global Compact	 Internal awareness-raising

## What are we going to do?

 Reconciliation Action Plan – Reflect RAP	 Increase education and CPD opportunities focusing on sustainability
 Working towards a fully Integrated Report	 Explore paperless office opportunities in each of our locations
 Monitor supply chain risks in accordance with the Modern Slavery Act 2018 (Cth)	

# Essential professional skills are our trademark, digital delivery is our future

Philomena Leung, our new Director of Education, joined IPA in September 2021. As an outspoken industry leader, she is excited about the future of professional education.

In my few months as Director of Education, two things have become crystal clear: firstly, our pivot to online learning in 2021 has been a boon for members, driving a 16 per cent surge in participation in short courses and CPD programs across the board. A total of 14,900 members undertook one of our expanded suite of 493 online courses during FY21. In addition, members undertook 465 Deakin MBA and GCPA subjects and over 162 Monarch courses. While there are many aspects of COVID we'll all be glad to see the back of, the receptiveness of members to remote learning will see it baked into IPA's 'new normal' as we ramp up our online CPD offerings in 2022.

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“We have undertaken a huge change management project in our CPD program that will continue in 2022. Virtually overnight, we transformed the bulk of our face-to-face content into an online format. We centralised the entire process and tackled it as a national team, which improved coordination, resource utilisation, and our bottom line. More importantly, member engagement in training surged. I’m incredibly proud of what we’ve achieved”

Alexandra Andrews, Marketing Manager, National Events, has led the sensational effort behind the FY2020/21 CPD success.



Alexandra Andrews (left) & Philomena Leung (right)

What did we offer?	How many times?	How many attendees?
CPD online webinars	227	9,451
Face-to-face events	100	1,941
CPD online recordings	100	1,280
Engagement events (Online and face-to-face)	12	1,211
Discussion groups (Online)	47	853

This strategic pivot has more benefits than members might realise. Thanks to online delivery, we were able to not only reduce the ticket price of several CPD programs, but also make many courses profitable for the first time, freeing up investment to divert back into better training and member services. By leveraging technology, your member fees are working harder.

Secondly, IPA has a unique point of difference – we specialise in developing highly practical, essential skillsets. It is our trademark, so to speak. The market recognises this, and 1096 new students joined IPA this financial year. We will continue to build on this in 2022, strengthening our pipeline with the TAFE sector, which is already a primary feeder of new talent, but has a great deal more potential. For years, others have talked about diversity and inclusion in the context of alternative pathways to accounting and the value this adds to the profession. We are walking the talk when it comes to nurturing alternative pathways to accounting, audit, taxation and financial planning in 2022.

## Other 2021 education highlights

The new award granting IPA Program Stage 1 – Graduate Certificate in Public Accounting was launched in March, giving members a pathway into Deakin’s MBA program while also allowing those who want to get off the train after completing their Graduate Certificate a fully fledged accreditation.

This new offering complements our highly practical skill-related technical education and training in areas such as tax agency, BAS, and financial planning, which provides day-to-day tools and up-to-date knowledge fundamental to our members in public practice.

This will be enhanced next year with the addition of a Certified Accounting Technicians program, a unique Australian qualification for accounting technical practitioners. Our newly integrated Association of Accounting Technicians (AAT) members should find this especially appealing.

## Mental health and wellbeing programs to support members and their clients

It has been a tough year for accountants and their clients, with immense disruption caused by prolonged lockdowns. Mental health has overtaken cost of living as the number one concern for people of all ages. We augmented our training program in response to this, giving members access to a suite of mental health and counselling programs – some for themselves and others to support their clients. Over 600 IPA members have made use of our free mental health services over the past 18 months. We will continue to provide easy access to these services and adapt them to members’ needs.

## Enhancements in 2022

IPA001 Ethics for Financial Services is the core subject of the new IPA Program Stage 1 – Graduate Certificate in Public Accounting. This is specifically designed to support members in meeting recently imposed ethics and public accounting-related advice requirements.

The Graduate Certificate also offers a broader choice of elective subjects to fulfil some of the educational requirements for registered tax agents and financial planners.

We expect to see a rapid evolution and scaling of integrated reporting for small and medium enterprises, as well as the trickle-down effects from the Value Reporting Foundation’s work around comparable, universal sustainability standards.

Our mission is to align IPA’s vision with its educational strategies, to address the changing nature of accounting practice, the future of work, and the expectations and interests of future accountants.

Want to have a say in the way we’re evolving?

**Write to me at [philomena.leung@publicaccountants.org.au](mailto:philomena.leung@publicaccountants.org.au)**

Your needs and opinions matter.

# Going digital: from awareness to action



Digitisation is about making it easier to deal with us. Our aim is to create a reliable, secure and functional customer journey for all our members.

Digital technology has had a profound effect on the way we live, learn and consume. It has made our professional engagements inseparable from smart phones, video conferencing, apps, and machine learning, transforming our work in leaps and bounds. But every step we take towards the future comes with greater customer expectations and potential cost to the environment.



**“Digitisation does not just offer an immense opportunity to improve services and supply chains. It is now critical to business continuity and managing the COVID-19 crisis – without it, we would have just been on mute”**

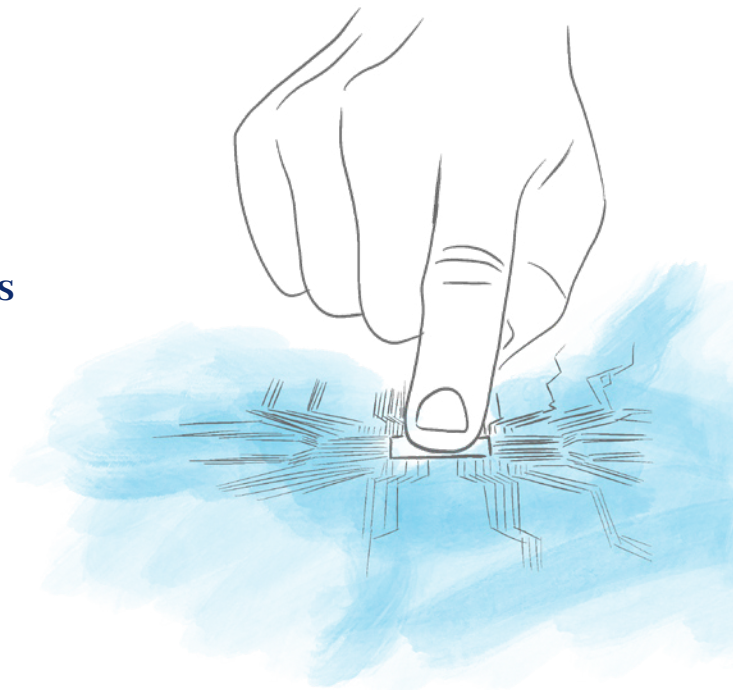
**Andrew Conway,**  
IPA Group CEO

As an organisation with over 46,000 customers, IPA is constantly striving to improve the digital user experience to enable members to move between devices, content and transactions with confidence and ease. The transformation of business practices and member services currently revolves around four pillars:

- Creating fully digital Member Solutions services covering the entire member lifecycle from student to retiree. The new fully digitised service will enable accessibility and interaction with data, education, partners, and other services at each stage of the member journey.
- Developing a new quality review process (QRP) to further assist members in upholding the highest standards of professionalism. Additionally, the QRP will be used to monitor, evaluate and enhance the quality of member user experiences and resources we provide.
- Enhancing the digital registration and delivery of Continuous Professional Development (CPD) programs which will enable group registrations and discounts to be applied when registering online.
- Removing all paper forms for members and potential members to improve efficiencies and data security.

Underpinning the entire process is the question of how we use, store and protect data. Our aim is to provide the best member services through our secure, resilient and trustworthy data management practices that harness the power of intelligent technologies.

Yet we cannot enhance our level of digital sophistication without sustainable supply chain management. The transformation we have embarked on will help us provide more innovative products and better customer experiences while simultaneously monitoring our supply chain for more sustainable environmental outcomes. For now, digitisation remains a journey, not a destination.



## Trends in Digitisation 2021\*

**44% of APAC financial services professionals**

Think digitisation will reduce employee workloads\*

**36% of APAC financial services professionals**

Believe analytics will improve decision making\*

**56% of Australians**

Want to continue working from home in some capacity\*\*

**+6000 jobs**

Requiring digital and ICT skills added in the Financial Services Industry\*\*

\*Source: The Economist Intelligence Unit

\*\*Source: ACS Australia Digital Pulse 2021, Deloitte Access Economics

## 5 top digitisation trends in accounting



Cloud Computing



Automated Accounting



Blockchain



Artificial Intelligence & Machine Learning



Optical Character Recognition

# Demand for the right skillsets has never been higher



## Global forces will play an increasingly important role in students choosing a career in accounting.

Qualified accountants are in very high demand as organisations seek new ways to add value in the digital age. Additionally, the ongoing skills gaps and the scarcity of qualified and experienced candidates has made it an imperative for our industry to take a structured and strategic approach to attracting more students.

Three global drivers will continue to affect the industry's ability to attract new blood – evolving smart and digital technology, the global availability of outsourcing services, and the increasing push for more regulation to address massive tax avoidance, transfer pricing and money laundering around the world.

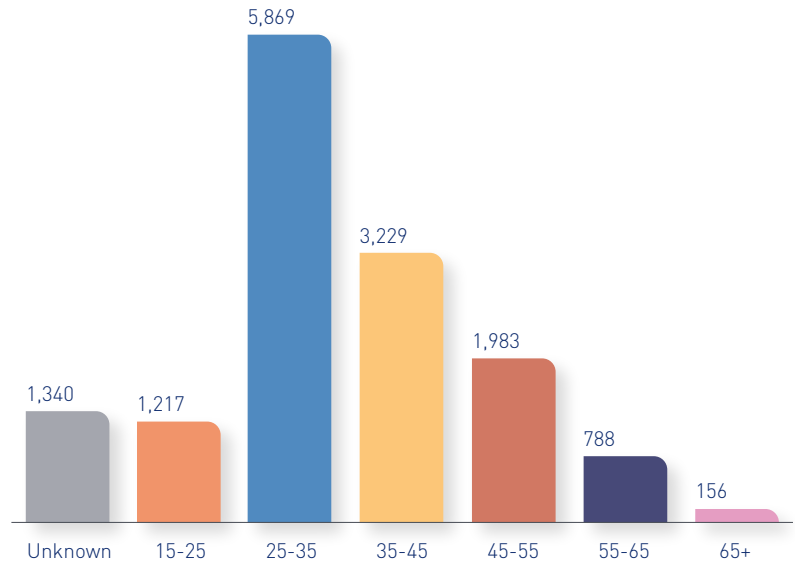
IPA is proud of the high number of students it continues to attract to the association. Our mission is to bridge the ongoing skills gap and offer students pathways to professional placement by giving them the experience, mentoring and practical training they need to achieve industry-standard levels of competency and market readiness.

Last year, we conducted focus group research to determine how we could most successfully close the critical gap between student and market needs while simultaneously helping the industry to rejuvenate and alleviate the pain of recurring skill shortages. Here is what we found:

## Student Age

Unlike other industries, the average age of students in the accounting profession is quite high. **More than 40 per cent of the 14,582 students in our database fall within the 25- 35 age bracket, followed by the 35-45 and 45-55 age groups.**

Consistent with the IPA student age profile, there is a wealth of life experience that has led many of our students to pursue a career in accounting to achieve stability, flexibility or requalification.



## Student Motivation

Includes, but is not limited to



**Supporting family**



**Recovering from injury or illness**



**Settling in a new country**

### Increasing the rate of conversion

Our aim is to move students from passive to active membership through enhanced student member benefits and a better overall experience. This, in turn, will address one of the pressing industry issues – the skills gap and shortages. Currently, the highest rates of conversion come from students undertaking professional certification in the area of tax.

By 2025, we aim to increase our student conversion rate by 10 per cent in order to support our target of 50,000 members.

### Bridging the gap – navigating the transition from study to work

Student members feel daunted by the large gap between student life and the start of their new career in accounting. This is exacerbated by many job advertisements requiring years of experience. In response to the need to 'bridge the gap', the IPA is looking at mentorship programs as a way of supplementing formal qualifications.

### Practicality

Student members have expressed a strong interest in practical application and experience. This correlates strongly with the IPA's goal to provide events, training, placements, mentorship, networking, and tools that are of practical assistance to students.

# Promoting policies that assist small business growth



In 2021, the IPA continued its partnership with Deakin University through the IPA-Deakin SME Research Centre. Our aim was to play an active role in the promotion of policies to assist the small business and small and medium enterprise (SME) sectors.

In the recently published Small Business White Paper 2021 (SBWP), the IPA-Deakin Small Business Research Centre made eight policy recommendations focusing on boosting innovation, research and development to promote economic growth. These recommendations will form the basis of our advocacy efforts as we head to a federal election in 2022.

The government has taken action on two of our SBWP recommendations – it commenced a consultation process to clarify the eligibility of software for R&D tax rebates, and it increased funding for Collaborative Research Centres (CRC) in the last federal budget.

Approximately three-quarters of our members are trusted SME advisers, and work in this sector themselves. A healthy level of private sector investment in R&D and innovation among SMEs has a significant knock-on effect on national productivity and economic growth. When the SME sector is thriving, so too are our members.

At 1.79 per cent, Australia's mean R&D expenditure as a percentage of gross domestic product is well below the OECD average of 2.34 per cent. Other nations are ramping up innovation programs as part of their COVID-19 recovery packages. We believe that Australia must do the same.

In the year ahead, we will advocate for a reversal of changes to the R&D rebate mechanism that will inadvertently cut the level of R&D incentives for SMEs. As it is, small business accounts for 18 per cent of total business expenditure on R&D, a figure that we need to see climb.

In addition, the IPA wants to see a premium to the R&D tax incentive for research conducted in collaboration with Australia's world-class research institutions, facilitating greater benefits. Collaboration between industry and research organisations enhances research outputs. However, only 4 per cent of private companies in Australia collaborate with universities, and SMEs are 83 per cent less likely to collaborate with universities compared to larger companies. Our efforts are aimed at delivering a framework that makes it easier for SMEs to engage with research facilities.

At the same time, we will continue to agitate for quarterly reimbursement of R&D offsets, allowing SMEs to quickly reinvest offsets in further R&D activity.

As always, our members are the driving force behind our advocacy efforts, so reach out to share your experiences and ideas.

## Advocating on your behalf

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70+

Government  
submissions

90+

Forums, working  
groups & committees

“The accounting profession was drawn back into navigating COVID-19 support for clients in 2021. The lack of coordination in the design and administration between state and federal governments made for a very challenging year.”

**Tony Greco**

General Manager, Technical Policy

The IPA's policy and advocacy function has been in overdrive for nearly two years now. The COVID-19 pandemic has increased the volume and level of engagement with government and regulators because policymakers recognise that accountants are at the economic coalface gathering intelligence about what is happening with small business. Main activities included:

- **COVID-19 business support:** ongoing consultation with federal and state governments
- **A major win with ASIC:** The government regulator has agreed to freeze industry funding levy for two years and review model, producing a saving of over \$2000 a year per advisor.
- **A first in trade policy:** Australia and UK sign free trade agreement which recognises qualifications of accountants and will allow greater mobility of professionals across borders.
- **Ongoing tax issues:** client verification rules, modernising business registers, non-arm's length income, tax office guidance on professional allocation for professional firms, and government reviews into deductions for self-education.
- **A busy year for financial services reform:** six reviews in the financial advice space, including implementation of the Hayne Royal Commission recommendations.
- **Insolvency reforms:** to assist small business survive the pandemic.



# More programs, higher participation and new standards of education



As a member of the International Federation of Accountants (IFAC), IPA develops and facilitates a range of Continuing Professional Development (CPD) programs that help members maintain the highest standard of professional and ethical engagement. Over the past year, member participation in CPD increased by seven per cent with 14,897 members and students taking part in at least one of the 493 programs.

## CPD Requirements for IPA Members

**120**

120 hours over three years

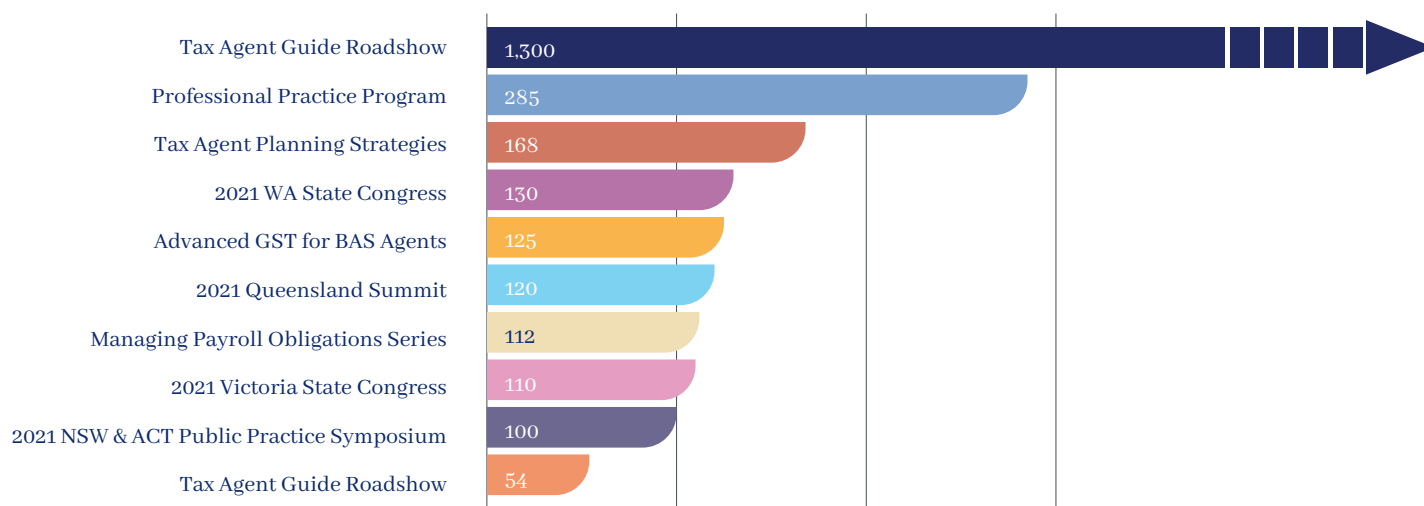
**20**

Minimum of 20 hours per year

**7**

Comply with the current Pronouncement 7

## Top CPD Face to Face Event Attendance



## What's new

### Certified Accounting Technician

is setting a new standard of education and recognition for accounting technicians.

As part of AAT transition to the IPA Group, we have launched an integrated Certified Accounting Technician pathway providing a new market and membership growth opportunity for the IPA group.

The Certified Accounting Technician is the IPA's bespoke program designed specifically for accounting technicians to ensure that all IPA members holding a BAS registration are fully compliant and aware of rules, regulations IPA by-laws and pronouncements and other obligations applying to them as accounting professionals.

It is the strongest accounting technician certification in the SME and SMP market as the natural body of choice for TAFE students looking at a career as an accounting technician.

The Certified Accounting Technician will be delivered in an asynchronous online learning platform, ensuring the flexibility that tax professionals require.

In line with IFAC's competency framework for Accounting Technicians, the Certified Accounting Technician skill set will see Australian Accounting Technicians achieve a competency level in line with AAT UK level 5 outcomes.



**“The Certified Accounting Technician certification will be unique to the Australian market and set a new standard and level of recognitions for technicians in the marketplace”**

**Liette Calleja,**  
Chief Accounting Technician

### Artificial Intelligence for Accountants

Created by IPA Group CEO, Andrew Conway the Artificial Intelligence (AI) for Accountants digital short course has been created specifically for IPA members and teaches the basic concepts of AI and how to apply these learnings through real-world examples.

### Professional Assist

IPA's Professional Assist service connects members to specialist advisers and provides access to a well-resourced information centre, which helps members navigate regulatory issues and resolve related issues

All IPA members receive four Professional Assist credits every year.

# Our world is getting bigger



Global demand for membership, qualification assessments and online education keeps growing.

Despite the COVID-19 pandemic, 2021 was the year when our group grew larger and more integrated across our offices in the United Kingdom, China, Malaysia and Hong Kong.

IPA Group has grown its stakeholder base to more than 46,000 members globally, with members in places as diverse as Bangladesh, Bulgaria, Canada, Ghana, Nigeria, India, Mauritius, Pakistan, Saudi Arabia, Sri Lanka and the United Arab Emirates.

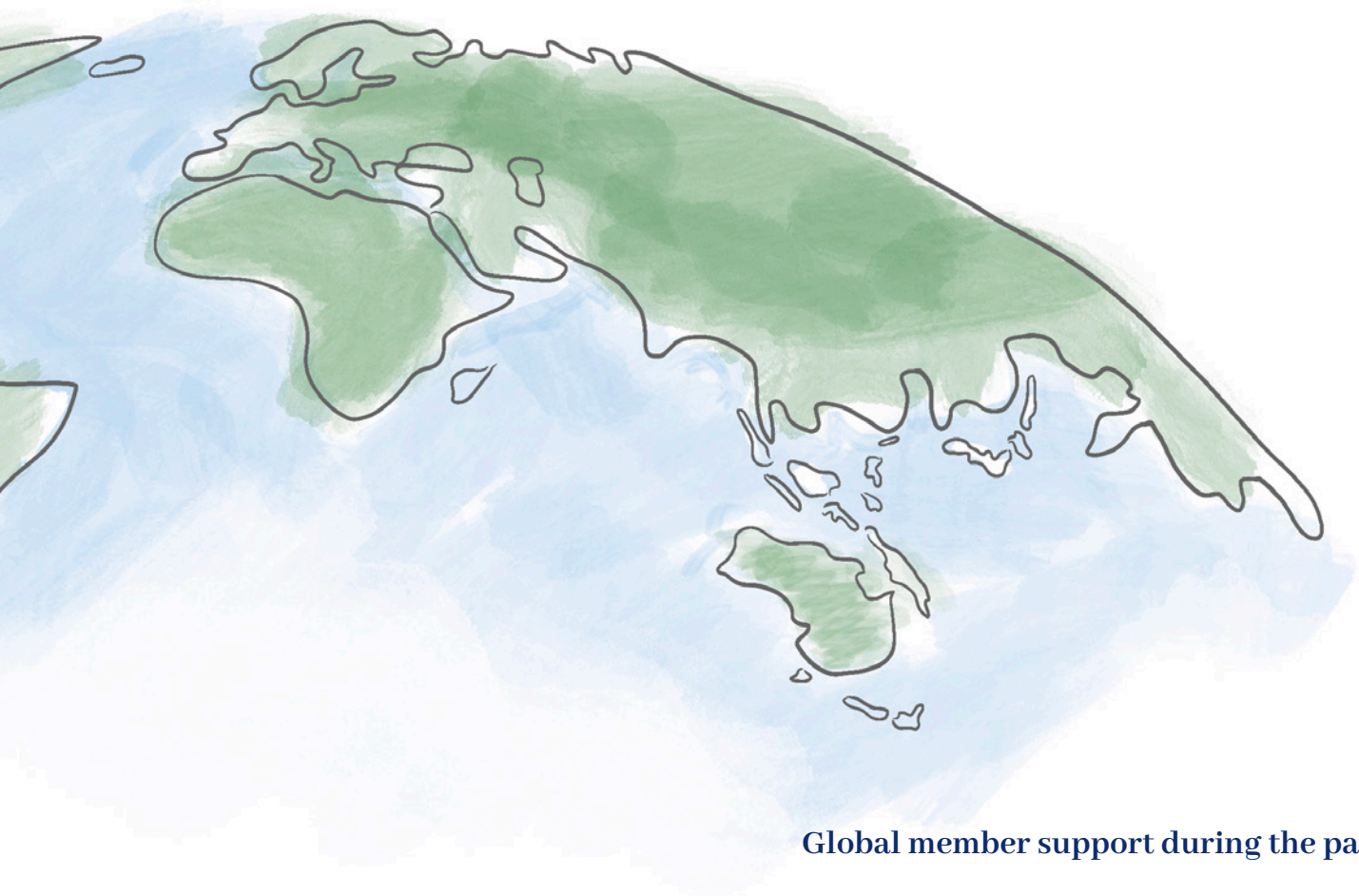
The strength of our combined IPA and IFA brands has been key to membership growth. Our members globally see us as a vehicle for obtaining international qualifications, top-tier information and training. Maintaining CPD quality will ensure that all our members, no matter where they are, remain competent in their jurisdictions.

The IPA Group partners with several IFAC member bodies such as the South African Institute of Professional Accountants and the Institute of Certified Management

Accountants of Sri Lanka, as well as local qualification providers, to deliver Continuous Professional Education (CPD), qualification assessments and other benefits to our members. Last year 65 CPD events were held in Mandarin, Cantonese and Malay to enable the assessment of our growing member base across the Asia-Pacific in languages other than English. The demand for face-to-face events was particularly strong in China, where approximately 4000 members and students attended over 200 hours of CPD programs, including 25 face-to-face events, despite the ongoing pandemic.

The IPA Group actively assists its members in obtaining internationally recognised accounting and business qualifications. We also provide much-needed information on the path to migration to countries such as Australia, which is experiencing a shortage of accounting professionals. As a government-recognised skills assessor in Australia, IPA has assisted almost 2000 people with 2020/21 migration qualification assessments.





## Global member support during the pandemic

The ongoing uncertainty around COVID-19 led to a 24 per cent fall in demand for our assessment services compared with the previous financial year. On average, the IPA received about 20 weekly applications for migration qualification assessments. The highest level of activity was recorded in August, when we received 145 applications in one week. The demand for qualification assessments was highest in India, Nepal and China.

Over the next 18 months, our expansion path will include opening more fully serviced offices in key areas of growth and forging licensing agreements with international partners. This will enable active local presence and support for our members across Africa, the Americas, Asia, Australia and Europe.

**“We are a highly respected international accounting body dedicated to maintaining our CPD quality so that all members, no matter where they are, remain competent in their jurisdiction”**

**John Edwards,**  
Chief Executive Officer - IFA

The International Division continues to help members navigate through the extraordinary operating environment of the past two years.

A members support group was established in the United Kingdom in April 2020 to help IFA members with information about government funding schemes, health and safety, fraud, HR and financial reporting. Over the 2020/21 reporting period, the IFA’s small business hub, which housed the majority of information, received 721,566 unique page views.

Over the same period, the IFA was responsible for 138 CPD events, webinars and meetings online. These included national branch meetings, local branch surgeries, and strategic partner-led webinars covering topics such as taxation, financial reporting & accounting treatment, charity accounting, practice development and wellbeing.

Additionally, members who lost their jobs as a result of the pandemic were provided with continuous assistance from the International Division by connecting them with opportunities in their local markets.

# Our global community

~ 5,800 members outside of Australia, UK and China

## Where do our members live?

IPA's footprint continues to grow across Africa, the Middle East and Asia with China experiencing particularly strong growth among the following standout markets:



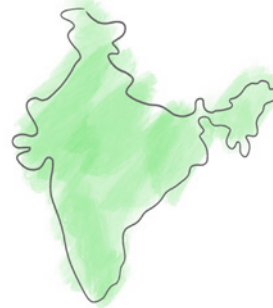
Pakistan - 223



Sri Lanka - 183



United Arab Emirates - 171



India - 146



Saudi Arabia - 72



Nigeria - 54



Bangladesh - 50



Cambodia - 41



Canada - 38



New Zealand - 34

## Key Data 2020-2021



**+24.3%**  
Membership Growth



**~2,000**  
Migration qualification assessments



**380+**  
Online and hybrid CPD Events



**-24%**  
Fewer Assessments (YoY) due to COVID-19



Training in English, Mandarin, Cantonese and Malay

# Achievements

## Helping Oceania deliver professional education

The IPA Group is working with the Institute of Solomon Islands Accountants (ISIA) to deliver a Professional Diploma as the professional program for ISIA. The course will cover financial reporting; budgets, management accounting and economics; financial performance and internal control and taxation and law, and will be delivered in partnership with Monarch Institute.

This partnership will serve as a key platform to develop the professional pathway for accountants in the Solomon Islands. This builds on support provided to the region through the Australian Department of Foreign Affairs and Trade.

## MOU with Pearson Education

In the spirit of educational excellence and collaboration, the IPA Group and Pearson Asia Pacific signed a memorandum of understanding in May 2021 to recognise the BTEC Level 5 Higher National Diploma in Business (Accounting & Finance) for our entry-level AIPA membership accreditation. Pearson is the world's leading learning education company which awards globally recognised academic and vocational qualifications.

## IPA Group strengthens ties in Southern Europe

IPA Group has signed a Memorandum of Understanding with the Institute of Authorized Chartered Auditors of Albania (IEKA), a full IFAC member body. The agreement focuses on offering reciprocal membership, continuing professional development events and the promotion of the IFA Direct Programme, a pathway to professional AFA/MIPA and ATA/AIPA membership for accountants and tax advisers.

The team behind a stellar international year wants to hear from you, reach out to them \_\_\_\_\_



**John Edwards**  
Chief Executive Officer - IFA  
JohnE@ifa.org.au



**Rhona Chen**  
Director - IPA Group China  
Rhona.Chen@publicaccountants.org.au

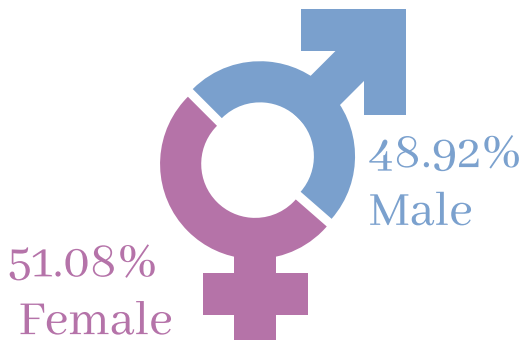


**Jane Gao**  
General Manager - International  
Jane.Gao@publicaccountants.org.au



# Who do we represent?

## General demographic information



Average Age

**45.69** Years

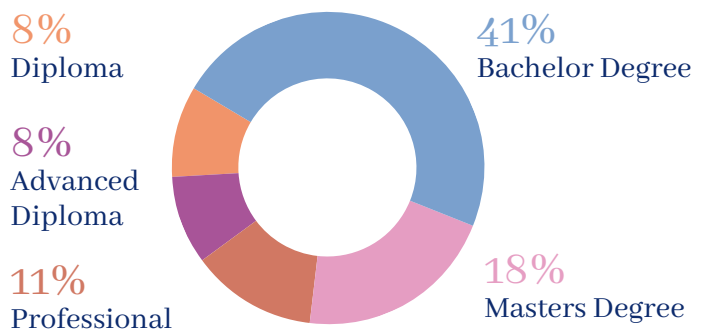
Average Membership Length

**9.9** Years

## Top 5 countries by membership

1. Australia
2. United Kingdom
3. China
4. Malaysia
5. Pakistan

## Top 5 qualifications



## Top 5 professional groups

1. Professional Practice Owner | Director | Principal
2. Accountant
3. Chief Financial Officer
4. Finance or Compliance Manager
5. Bookkeeper

## That community feeling...

Over the past 5 years,

**7,538**

Active members have attended

**50,409**

IPA events.

# Directors' report

The directors present this report on Institute of Public Accountants Ltd (IPA) for the financial year ended 30 June 2021.

## BOARD OF DIRECTORS

The names of each person who has been a director during the year and to the date of this report, unless otherwise stated, are:

DIRECTORS	Board Of Directors		Board Executive Committee		Board Audit & Risk Committee		Board Remuneration Committee		Board Membership Committee		Board Disciplinary Tribunal Committee		Board Technology Working Group	
	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible
Jason Parker	4	4	14	14	-	-	2	2	-	-	2	3	-	-
Damien Moore	4	4	14	14	-	-	4	4	2	2	-	-	-	-
Linda Bernard	4	4	-	-	-	-	4	4	-	-	-	-	2	2
Nordin Zain	4	4	-	-	-	-	-	-	4	4	-	-	-	-
Michael Colin	4	4	-	-	4	4	-	-	-	-	-	-	-	-
Julie Ann Williams	4	4	13	14	-	-	3	4	-	-	2	2	-	-
Mike Mooney	4	4	-	-	-	-	-	-	4	4	-	-	-	-
Timothy Munro <sup>1</sup>	3	4	-	-	-	-	-	-	1	4	-	-	1	2
Cheryl Mallett	4	4	13	14	4	4	-	-	-	-	-	-	-	-
Alexandra Korfiatis	4	4	-	-	2	2	-	-	-	-	1	1	-	-
Luckmika Perera	4	4	-	-	4	4	2	2	-	-	-	-	-	-
Mark Holton <sup>2</sup>	2	2	-	-	2	2	-	-	-	-	-	-	-	-

## NOTES:

<sup>1</sup> Cessation Date: 15 September 2020

<sup>2</sup> Appointment Date: 25 November 2020

## COMPANY SECRETARY

Andrew James Conway held the position of company secretary for the financial year.

## PRINCIPAL ACTIVITIES

The principal activity of IPA during the financial year was to operate as a professional association of accountants providing members and students with services to meet their professional needs.

### LIMITATION OF MEMBERS LIABILITY

IPA is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If IPA is wound up, in accordance with the constitution, each member is required to contribute a maximum of \$6.00 each towards meeting any outstanding obligations of IPA. At 30 June 2021, the total amount that members of the IPA are liable to contribute if IPA is wound up is \$121,620 (2020: \$118,782).

### AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 37 of the financial report.

The directors' report is signed in accordance with a resolution of the Board of Directors.



**Cheryl Mallett FIPA FFA CTA SSA GAICD**  
Deputy President



**Julie Williams FIPA FFA FCPA**  
President

Signed in Melbourne, this 6th day of September 2021.



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**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF INSTITUTE OF PUBLIC ACCOUNTANTS LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

*McLean Delmo Bentleys Audit Pty Ltd.*

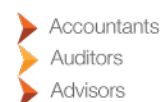
**McLean Delmo Bentleys Audit Pty Ltd**

**Rod Hutton  
Partner**

Hawthorn  
6 September 2021



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# Statement of profit or loss and other comprehensive income

	NOTE	GROUP		PARENT	
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>REVENUE</b>					
Revenue	2	23,073,330	22,404,734	18,777,757	18,415,587
<b>EXPENSES</b>					
Marketing and publications expenses		(2,525,047)	(2,358,538)	(1,737,083)	(1,492,434)
Corporate services expenses		(3,500,315)	(3,557,106)	(2,984,722)	(3,134,534)
Corporate governance expenses		(2,776,660)	(2,761,498)	(2,471,972)	(2,436,344)
Member services and advocacy expenses		(11,801,290)	(12,484,657)	(9,763,065)	(10,310,432)
Interest expense		(337,197)	(353,216)	(302,644)	(336,053)
Other expenses		(261,736)	(354,245)	(260,478)	(354,244)
<b>TOTAL EXPENSES</b>		<b>(21,202,245)</b>	<b>(21,869,260)</b>	<b>(17,519,964)</b>	<b>(18,064,041)</b>
<b>SURPLUS/(LOSS) FOR THE YEAR</b>		<b>1,871,085</b>	<b>535,474</b>	<b>1,257,793</b>	<b>351,546</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>					
Exchange differences on translating foreign owned subsidiary		8,429	(15,284)	-	-
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<b>1,879,514</b>	<b>520,190</b>	<b>1,257,793</b>	<b>351,546</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO MEMBERS</b>		<b>1,879,514</b>	<b>520,190</b>	<b>1,257,793</b>	<b>351,546</b>

The accompanying notes form part of these financial statements.



# Statement of financial position

	NOTE	GROUP		PARENT	
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6	6,108,276	5,172,576	3,184,987	3,672,440
Trade and other receivables	7	456,016	405,485	341,153	264,328
Financial assets	8	10,727,028	7,689,901	10,727,028	7,689,901
Other assets	9	927,755	1,734,412	777,832	1,496,944
<b>TOTAL CURRENT ASSETS</b>		<b>18,219,075</b>	<b>15,002,374</b>	<b>15,031,000</b>	<b>13,123,613</b>
<b>NON-CURRENT ASSETS</b>					
Financial assets	8	-	-	100	-
Plant and equipment	10	6,210,470	6,143,293	5,661,318	5,993,568
Intangible assets	11	864,347	937,247	515,414	572,246
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,074,817</b>	<b>7,080,540</b>	<b>6,176,832</b>	<b>6,565,814</b>
<b>TOTAL ASSETS</b>		<b>25,293,892</b>	<b>22,082,914</b>	<b>21,207,832</b>	<b>19,689,427</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	12	3,470,941	2,463,786	2,786,986	2,001,523
Subscriptions and other amounts received in advance	13	11,110,215	10,714,800	8,742,972	8,938,733
Deferred member application fees	14	59,316	61,015	40,062	36,851
Provisions	15	1,598,453	1,563,567	1,554,120	1,536,703
<b>TOTAL CURRENT LIABILITIES</b>		<b>16,238,925</b>	<b>14,803,168</b>	<b>13,124,140</b>	<b>12,513,810</b>
<b>NON-CURRENT LIABILITIES</b>					
Trade and other payables	12	4,412,208	4,637,893	4,166,783	4,637,893
Deferred member application fees	14	218,298	204,844	218,298	204,844
Provisions	15	315,637	207,699	315,637	207,699
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>4,946,143</b>	<b>5,050,436</b>	<b>4,700,718</b>	<b>5,050,436</b>
<b>TOTAL LIABILITIES</b>		<b>21,185,068</b>	<b>19,853,604</b>	<b>17,824,858</b>	<b>17,564,246</b>
<b>NET ASSETS</b>		<b>4,108,824</b>	<b>2,229,310</b>	<b>3,382,974</b>	<b>2,125,181</b>
<b>EQUITY</b>					
Retained earnings		4,220,597	2,349,512	3,382,974	2,125,181
Reserve	16	(111,773)	(120,202)	-	-
<b>TOTAL EQUITY</b>		<b>4,108,824</b>	<b>2,229,310</b>	<b>3,382,974</b>	<b>2,125,181</b>

The accompanying notes form part of these financial statements.

# Statement of changes in equity

	Retained Earnings \$	Reserves \$	Total \$
<b>GROUP</b>			
Balance as at 30 June 2019	1,814,038	(104,918)	1,709,120
Surplus for the year	535,474	-	535,474
Exchange differences on translating foreign owned subsidiary	-	(15,284)	(15,284)
Balance as at 30 June 2020	2,349,512	(120,202)	2,229,310
Surplus for the year	1,871,085	-	1,871,085
Exchange differences on translating foreign owned subsidiary	-	8,429	8,429
<b>BALANCE AS AT 30 JUNE 2021</b>	<b>4,220,597</b>	<b>(111,773)</b>	<b>4,108,824</b>
	\$	\$	\$
<b>PARENT</b>			
Balance as at 30 June 2019	1,773,635	-	1,773,635
Surplus for the year	351,546	-	351,546
Balance as at 30 June 2020	2,125,181	-	2,125,181
Surplus for the year	1,257,793	-	1,257,793
<b>BALANCE AS AT 30 JUNE 2021</b>	<b>3,382,974</b>	<b>-</b>	<b>3,382,974</b>

The accompanying notes form part of these financial statements.

# Statement of cash flows

	NOTE	GROUP		PARENT	
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from members and customers		25,117,674	25,315,980	20,013,069	20,785,194
Payments to suppliers and employees		(19,400,310)	(22,350,448)	(15,932,792)	(18,323,372)
Interest received		57,100	137,918	57,037	140,096
Interest on lease liabilities		(337,197)	(353,216)	(302,644)	(336,052)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>5,437,267</b>	<b>2,750,234</b>	<b>3,834,670</b>	<b>2,265,866</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from disposal of equipment		1,198	5,972	1,022	5,972
Purchase of intangible assets		(5,401)	-	(5,401)	-
Purchase of plant and equipment		(700,484)	(199,128)	(669,396)	(176,807)
Net transfers to/ (from) bank term deposits		(3,037,127)	432,714	(3,037,127)	432,714
Acquisition of Association of Accounting Technicians (Australia) Limited, net cash acquired			287,557	-	287,557
Loan proceeds/(advances)		-	-	-	294,737
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(3,741,814)</b>	<b>527,115</b>	<b>(3,710,902)</b>	<b>844,173</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Payments of lease liabilities		(768,182)	(1,167,579)	(611,221)	(881,890)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(768,182)</b>	<b>(1,167,579)</b>	<b>(611,221)</b>	<b>(881,890)</b>
Effects of exchange rate changes on cash and cash equivalents		8,429	(15,284)	-	-
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>935,700</b>	<b>2,094,486</b>	<b>(487,453)</b>	<b>2,228,149</b>
Cash and cash equivalents at beginning of the financial year		5,172,576	3,078,090	3,672,440	1,444,291
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>6</b>	<b>6,108,276</b>	<b>5,172,576</b>	<b>3,184,987</b>	<b>3,672,440</b>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

The financial report includes the consolidated financial statements and notes of Institute of Public Accountants Ltd and Controlled Entities (the “consolidated group” or “group”), and the separate financial statements and notes of Institute of Public Accountants Ltd as an individual parent entity (“parent entity” or “parent”).

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar. Material accounting policies have been consistently applied unless stated otherwise.

The financial statements were authorised for issue on 6th September 2021 by the directors of the company.

### ACCOUNTING POLICIES

#### A. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the parent entity (“the parent”), Institute of Public Accountants Ltd, and the subsidiaries it controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Details of the subsidiary are provided in Note 18.

Consolidation begins from the date control is obtained by the Group and discontinues when control ceases. All intercompany transactions, balances, income and expenses are fully eliminated on consolidation. Where necessary, accounting policies of the subsidiaries have adjusted to ensure uniformity to those adopted by the Group.

#### B. BUSINESS COMBINATIONS

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

### **C. GOODS AND SERVICES TAX (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### **D. FOREIGN CURRENCY**

The consolidated financial statements are presented in Australian dollars.

### **TRANSACTIONS AND BALANCES**

Foreign currencies are initially recorded in the functional currency at the prevailing exchange rates at the date of the transaction. Monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items carried at fair value are translated at the rates prevailing at the date the fair value was determined. Exchange differences are recognised in profit or loss in the period they occur.

### **GROUP COMPANIES**

The assets and liabilities of the Group's overseas operations are translated at the exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rate for the period. Retained earnings are translated at the exchange rates prevailing at the date of the transaction. Exchange differences arising are transferred to other comprehensive income and recognised in the foreign currency translation reserve in equity. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

### **E. COMPARATIVE FIGURES**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

# Notes to the financial statements

## NOTE 2: REVENUE

	GROUP		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>OPERATING REVENUE</b>				
Members subscriptions	16,039,468	15,291,015	12,424,516	11,802,761
Professional development	2,797,219	2,553,169	2,644,552	2,488,299
Education	938,892	858,129	691,288	649,638
Interest income	55,013	131,753	54,950	133,931
Management fees	-	66,000	-	66,000
Other revenue	3,242,738	3,504,668	2,962,451	3,274,958
<b>TOTAL OPERATING REVENUE</b>	<b>23,073,330</b>	<b>22,404,734</b>	<b>18,777,757</b>	<b>18,415,587</b>

### MEMBER FEES AND SUBSCRIPTIONS

Revenue from member fees and subscriptions attributable to the current financial year are recognised as revenue over time. Fees receipts beyond the current financial year are shown in the statement of financial position as subscriptions in advance under the heading of payables - current liabilities.

### APPLICATION FEES

Application fees are deferred and recognised over the average duration of membership. Under AASB 15, the application fee, as currently defined, is not considered a distinct service but rather it is an advance payment for right to receive future services. The Group also recognises the residual deferred revenue relating to a member that exits during the period.

Application fees beyond the current financial year are shown in the statement of financial position, under the headings of current liabilities and non-current liabilities as deferred member application fees.

### OTHER REVENUE GENERATING ACTIVITIES

Revenue from the rendering of a service is recognised at a point in time upon the delivery of service and the associated performance obligations are satisfied.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met.

All revenue is stated net of the amount of goods and services tax (GST).

### NOTE 3: SURPLUS FOR THE YEAR

The following significant expense items are relevant in explaining the financial performance:

	GROUP		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
Interest expense on premise leases	337,197	353,216	302,644	336,053
Depreciation of right-of-use assets	1,015,671	1,211,465	821,130	940,779
Depreciation of plant and equipment	588,846	576,641	552,268	537,533
Amortisation of intangible assets	78,301	26,622	62,233	9,901
Loss on disposal of plant and equipment	10,593	-	9,335	-
Employee benefits expense	10,369,858	9,897,584	8,383,602	8,035,387
Advertising and promotions	637,315	421,287	575,463	342,847

### PROFESSIONAL RELATED COSTS

Australian Professional Ethical Standards Board contribution	447,000	498,000	447,000	498,000
International Federation of Accountants contribution	234,188	245,841	191,046	192,139
Confederation of Asian and Pacific Accountants (CAPA)	35,603	36,589	35,603	36,589

### NOTE 4: INCOME TAX EXPENSE

IPA is a not-for-profit organisation to which the principle of mutuality applies. The principle of mutuality is a common law principle arising from the premise that a person cannot profit from himself. The effect of this is that IPA only pays income tax on net income, which is not derived from members. Income, which is derived from members, is exempt from income tax.

IPA is subject to income tax at 26% and IFA is subject to income tax at 19%.

#### PARENT

The prima facie income tax expense/(benefit) attributable to the members of IPA of \$327,026 (2020: income tax benefit of \$105,464) is offset by a permanent difference arising from mutual activities with members and unconfirmed accumulated tax losses. At financial year end, unconfirmed accumulated tax losses of \$8,327,730 (2020: accumulated tax losses of \$8,654,756) existed, giving rise to a potential future tax benefit. The potential future tax benefit attributable to the tax losses is not recognised, as realisation is not probable.

#### GROUP

The prima facie income tax expense/(benefit) attributable to the members of the group is \$486,482 (2020: income tax expense of \$140,433). At financial year end, unconfirmed accumulated tax losses of \$8,168,274 existed, giving rise to a potential future tax benefit. The potential future tax benefit attributable to the tax losses is not recognised, as realisation is not probable.

# Notes to the financial statements

## NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

### DIRECTORS

Directors of the Institute (and its subsidiaries) do not receive a director fee, rather an amount is paid to the director's employer per annum as shown below. These are GST exclusive (where applicable).

Director – \$10,000 per annum

Deputy President/Immediate Past President– \$15,000 per annum

President - \$30,000 per annum

	GROUP		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
Key management personnel compensation	2,544,408	2,239,636	2,240,212	1,931,454

The total number of key management personnel for the year ended 30 June 2021 for the parent and group is 8 and 9 respectively.

### INFORMATION RELATED TO THE CONTRACT OF THE GROUP CHIEF EXECUTIVE OFFICER

The fixed contract of the Group Chief Executive Officer for the year ended 30 June 2021 was \$645,000 with a capacity to earn a performance bonus of up to 5%.

## NOTE 6: CASH AND CASH EQUIVALENT

Cash at bank and on hand	2,926,401	1,788,383	3,112	288,247
Deposits at call	2,681,875	2,884,193	2,681,875	2,884,193
Short term deposits	500,000	500,000	500,000	500,000

<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>6,108,276</b>	<b>5,172,576</b>	<b>3,184,987</b>	<b>3,672,440</b>
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Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.



## NOTE 7: TRADE AND OTHER RECEIVABLES

	GROUP		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>CURRENT</b>				
Trade receivables	427,840	314,659	344,653	255,349
Provision for impairment of receivables	(46,294)	(7,531)	(3,500)	-
Trade receivables, net	381,546	307,128	341,153	255,349
Other receivables	74,470	98,357	-	8,979
<b>TOTAL CURRENT TRADE AND OTHER RECEIVABLES</b>	<b>456,016</b>	<b>405,485</b>	<b>341,153</b>	<b>264,328</b>

Trade receivables, which comprise amounts due from memberships and from services provided, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Normal terms of settlement vary from seven to ninety days. The carrying amount of the receivable is deemed to reflect fair value.

An allowance for impairment is made when there is objective evidence that IPA will not be able to collect the debts.

### PROVISION FOR IMPAIRMENT OF RECEIVABLES

Movement in the provision for impairment of receivables between the beginning and the end of the current financial year is as follows:

	GROUP	PARENT
	\$	\$
<b>BALANCE AT BEGINNING OF THE YEAR</b>	<b>7,531</b>	<b>-</b>
- Charge for the year	40,024	3,500
- Written back	(1,803)	-
- Written off	542	-
<b>BALANCE AT END OF THE YEAR</b>	<b>46,294</b>	<b>3,500</b>

# Notes to the financial statements

## NOTE 8 : FINANCIAL ASSETS

	GROUP		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>CURRENT</b>				
Bank term deposits	10,727,028	7,689,901	10,727,028	7,689,901
<b>NON-CURRENT</b>				
Investment in controlled entities	-	-	100	-

Information about Principal Subsidiaries for year ended 30 June 2021 for the parent and group is contained within note 18.

## NOTE 9: OTHER ASSETS

	GROUP		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
Deposits	135,888	124,003	117,837	80,813
Prepayments	734,544	907,214	608,412	729,588
Accrued income	57,323	292,139	51,583	275,488
Other asset	-	411,056	-	411,055
<b>TOTAL CURRENT OTHER ASSETS</b>	<b>927,755</b>	<b>1,734,412</b>	<b>777,832</b>	<b>1,496,944</b>

## NOTE 10: PLANT AND EQUIPMENT

	GROUP		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
Plant and equipment - at cost	2,835,690	2,646,713	2,631,931	2,462,808
Accumulated depreciation	(2,139,037)	(1,888,119)	(2,007,381)	(1,784,392)
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>696,653</b>	<b>758,594</b>	<b>624,550</b>	<b>678,416</b>
Leasehold improvements - at cost	2,197,195	1,784,086	2,184,886	1,771,777
Accumulated depreciation	(807,665)	(550,071)	(795,356)	(539,185)
<b>TOTAL LEASEHOLD IMPROVEMENTS</b>	<b>1,389,530</b>	<b>1,234,015</b>	<b>1,389,530</b>	<b>1,232,592</b>
<b>WORK IN PROGRESS</b>	<b>16,713</b>	<b>10,440</b>	<b>14,139</b>	<b>10,440</b>
Right-of-Use (ROU) Asset - at cost	6,498,169	6,269,339	5,852,225	5,669,539
Accumulated depreciation	(2,390,595)	(2,129,095)	(2,219,126)	(1,597,419)
<b>TOTAL ROU ASSET</b>	<b>4,107,574</b>	<b>4,140,244</b>	<b>3,633,099</b>	<b>4,072,120</b>
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>6,210,470</b>	<b>6,143,293</b>	<b>5,661,318</b>	<b>5,993,568</b>

### PLANT AND EQUIPMENT

Plant and equipment stated as cost less accumulated depreciation and impairment. When impairment indicators are present, a formal assessment of recoverable amount is made. If the carrying values exceed the recoverable amount, the asset is written down immediately to the recoverable amount. Impairment losses are recognised either in profit or loss.

### DEPRECIATION

Depreciation is calculated on a straight-line basis over the asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the remainder of the lease term or the estimated useful lives whichever is shorter.

#### Estimated useful lives are:

Leasehold improvements	2-10 years
Plant and equipment	2.5-13 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise.

# Notes to the financial statements

## NOTE 10: PLANT AND EQUIPMENT (cont'd)

### MOVEMENTS IN CARRYING AMOUNTS

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year are as follows:

	PLANT AND EQUIPMENT	LEASEHOLD IMPROVEMENTS	WORK IN PROGRESS	ROU ASSET	TOTAL
	\$	\$	\$	\$	\$
<b>GROUP</b>					
Carrying amount as at 30 June 2020	758,594	1,234,015	10,440	4,140,244	6,143,293
Additions	246,724	437,047	16,713	1,039,764	1,740,248
Transfers	10,440	-	(10,440)	-	-
Disposals	(11,737)	(54)	-	(56,763)	(68,554)
Depreciation expense	(307,368)	(281,478)	-	(1,015,671)	(1,604,517)

<b>CARRYING AMOUNT AS AT 30 JUNE 2021</b>	<b>696,653</b>	<b>1,389,530</b>	<b>16,713</b>	<b>4,107,574</b>	<b>6,210,470</b>
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<b>PARENT</b>					
Carrying amount as at 1 July 2020	678,416	1,232,592	10,440	4,072,120	5,993,568
Additions	218,210	437,047	14,139	382,109	1,051,505
Transfers	10,440	-	(10,440)	-	-
Disposals	(10,303)	(54)	-	-	(10,357)
Depreciation expense	(272,213)	(280,055)	-	(821,130)	(1,373,398)

<b>CARRYING AMOUNT AS AT 30 JUNE 2021</b>	<b>624,550</b>	<b>1,389,530</b>	<b>14,139</b>	<b>3,633,099</b>	<b>5,661,318</b>
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### LEASED ASSETS

The Group leases office premises in Melbourne, Sydney, Brisbane, Adelaide, Perth, Hobart, London, and Beijing, as well as office equipment. At lease commencement date, a right-of-use asset and a lease liability is recognised for all leases (except for low value assets and those with duration of 12 months or less).

Right-of-use are initially measured at cost comprising of

- initial lease liability amount,
- initial direct costs incurred,
- lease payments made at or before commencement of the lease reduced by any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis to the earlier of the remaining term of the lease or in some rare cases over the remaining economic life of the asset.

An impairment review is undertaken for any right of use lease asset that shows indicators of impairment at reporting date. Impairment losses are recognised either in profit or loss.

## NOTE 11: INTANGIBLE ASSETS

	GROUP		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
Patents - at cost	128,078	122,677	128,078	122,677
Accumulated amortisation	(120,367)	(114,545)	(120,367)	(114,545)
<b>TOTAL PATENTS</b>	<b>7,711</b>	<b>8,132</b>	<b>7,711</b>	<b>8,132</b>
Membership database	564,114	564,114	564,114	564,114
Accumulated amortisation	(56,411)	-	(56,411)	-
<b>TOTAL MEMBERSHIP DATABASE</b>	<b>507,703</b>	<b>564,114</b>	<b>507,703</b>	<b>564,114</b>
Goodwill - at cost	381,723	381,723	-	-
Accumulated amortisation	(32,790)	(16,722)	-	-
<b>TOTAL GOODWILL</b>	<b>348,933</b>	<b>365,001</b>	<b>-</b>	<b>-</b>
Development costs of training materials - at cost	91,475	91,475	-	-
Accumulated amortisation	(91,475)	(91,475)	-	-
<b>TOTAL DEVELOPMENT COSTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL INTANGIBLE ASSETS</b>	<b>864,347</b>	<b>937,247</b>	<b>515,414</b>	<b>572,246</b>

# Notes to the financial statements

## NOTE 11: INTANGIBLE ASSETS cont'd

### MOVEMENTS IN CARRYING AMOUNTS

Movement in carrying amount between the beginning and the end of the current financial year are as follows:

	PATENTS	MEMBERSHIP DATABASE	GOODWILL	DEVELOPMENT COSTS	TOTAL
	\$	\$	\$	\$	\$
<b>GROUP</b>					
Balance at beginning of the year	8,132	564,114	365,001	-	937,247
Additions	5,401	-	-	-	5,401
Amortisation expense	(5,822)	(56,411)	(16,068)	-	(78,301)
<b>BALANCE AT END OF THE YEAR</b>	<b>7,711</b>	<b>507,703</b>	<b>348,933</b>	<b>-</b>	<b>864,347</b>

<b>PARENT</b>					
Balance at beginning of the year	8,132	564,114	-	-	572,246
Additions	5,401	-	-	-	5,401
Amortisation expense	(5,822)	(56,411)	-	-	(62,233)
<b>BALANCE AT END OF THE YEAR</b>	<b>7,711</b>	<b>507,703</b>	<b>-</b>	<b>-</b>	<b>515,414</b>

### GOODWILL

Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- i the consideration transferred;
- (ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
- iii the acquisition date fair value of any previously held equity interest; over the acquisition date fair value of net identifiable assets acquired.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

The recoverable amount of each cash generating unit is determined based on value in use calculations. In assessing the value in use, the cash flow projections over a five year period is discounted to present value using:

**Growth rate: 2% to 4%**

**Discount Rate: 15%**

### INTANGIBLE ASSETS OTHER THAN GOODWILL

#### PATENTS

The legal and patent costs incurred are capitalised and amortised over three years.

Development cost of training materials are capitalised and amortised over its useful life of three years.

#### MEMBERSHIP DATABASE

Membership database acquired from AAT acquisition is capitalised and amortised over the average life of a member.

## NOTE 12: TRADE AND OTHER PAYABLES

	GROUP		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>CURRENT</b>				
Trade payables	537,581	363,234	397,865	214,806
Accrued expenses and other payables	1,191,040	635,486	933,919	495,953
GST payable	515,775	591,027	514,281	503,843
Lease liability	1,226,545	874,039	940,921	786,921
<b>TOTAL CURRENT TRADE AND OTHER PAYABLES</b>	<b>3,470,941</b>	<b>2,463,786</b>	<b>2,786,986</b>	<b>2,001,523</b>

Trade payables and other payables represent liabilities for goods and services received by the Group during the financial year that remain unpaid as at reporting date. The balance is recognised as a current liability with settlement normally occurring within a 30-day term.

<b>NON-CURRENT</b>				
Lease liability	4,412,208	4,637,893	4,166,783	4,637,893
<b>TOTAL NON-CURRENT TRADE AND OTHER PAYABLES</b>	<b>4,412,208</b>	<b>4,637,893</b>	<b>4,166,783</b>	<b>4,637,893</b>

### LEASED LIABILITIES

The lease liability is measured at the present value of the fixed and variable lease payments due to the lessor at reporting date. Lease payments are discounted at the incremental borrowing rate obtained from banking partners, where the rate inherent in the lease is not readily available.

Interest is calculated at a constant incremental borrowing rate on the remaining liability. Lease payments made are apportioned between the interest charges and reduction of the lease liability. Service fees such as property management and cleaning are fully expensed hence are excluded from the calculation of lease liability.

Lease modifications are accounted for as a new lease with an effective date of the modification.

# Notes to the financial statements

## NOTE 13: SUBSCRIPTIONS AND OTHER AMOUNTS RECEIVED IN ADVANCE

	GROUP		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>CURRENT</b>				
Members subscriptions in advance	10,238,528	9,963,925	7,940,535	8,313,551
Other income in advance	871,687	750,875	802,437	625,182
<b>TOTAL CURRENT INCOME RECEIVED IN ADVANCE</b>	<b>11,110,215</b>	<b>10,714,800</b>	<b>8,742,972</b>	<b>8,938,733</b>

## NOTE 14: DEFERRED MEMBER APPLICATION FEES

<b>CURRENT</b>				
Deferred member applications fees	59,316	61,015	40,062	36,851
<b>NON-CURRENT</b>				
Deferred member applications fees	218,298	204,844	218,298	204,844

### MOVEMENT IN DEFERRED MEMBER APPLICATION FEES

Movement in the deferred member application fees between the beginning and the end of the current financial year is as follows:

	GROUP	PARENT
	\$	\$
<b>BALANCE AT THE BEGINNING OF THE YEAR</b>	<b>265,859</b>	<b>241,695</b>
- Revenue deferred during the year	108,768	89,514
- Revenue recognised during the year	(97,013)	(72,849)
<b>BALANCE AT THE END OF THE YEAR</b>	<b>277,614</b>	<b>258,360</b>



**NOTE 15: PROVISIONS**

	GROUP		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>CURRENT</b>				
Employee entitlements	1,598,453	1,563,567	1,554,120	1,536,703
<b>NON-CURRENT</b>				
Employee entitlements	119,737	61,506	119,737	61,506
Lease restoration	195,900	146,193	195,900	146,193
<b>TOTAL NON-CURRENT PROVISIONS</b>	<b>315,637</b>	<b>207,699</b>	<b>315,637</b>	<b>207,699</b>

**MOVEMENT IN PROVISIONS**

	EMPLOYMENT	LEASE	TOTAL
	ENTITLEMENTS	RESTORATION	
	\$	\$	\$
<b>GROUP</b>			
Balance at 1 July 2020	1,625,073	146,193	1,771,266
Additional provisions	706,681	49,707	756,388
Amounts used	(613,564)	-	(613,564)
<b>BALANCE AT 30 JUNE 2021</b>	<b>1,718,190</b>	<b>195,900</b>	<b>1,914,090</b>
<b>PARENT</b>			
Balance at 1 July 2020	1,598,209	146,193	1,744,402
Additional provisions	661,572	49,707	711,279
Amounts used	(585,924)	-	(585,924)
<b>BALANCE AT 30 JUNE 2021</b>	<b>1,673,857</b>	<b>195,900</b>	<b>1,869,757</b>

**PROVISIONS**

Provisions are recognised when:

- the Group has a legal or constructive obligation, as a result of past events,
- it is probable that an outflow of economic benefits will result,
- and that outflow can be reliably measured.

Provisional amounts represent the net estimate amounts required to settle the obligation as at reporting date.

# Notes to the financial statements

## NOTE 15: PROVISIONS cont'd

### EMPLOYEE BENEFITS

#### SHORT-TERM EMPLOYEE BENEFITS

##### Wages, Salaries and Annual Leave

Liabilities for wages and salaries expected to be settled wholly within 12 months after the reporting period in which the employees render the related service, are recognised in the statement of financial position under the heading current trade and other payables.

Provision for annual leave entitlements are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

#### LONG-TERM EMPLOYEE BENEFITS

##### Long Service Leave

Leave entitlements not expected to be settled wholly within 12 months after the reporting period in which the

employees render the related service, are recognised as non-current provisions. These are measured at the present value of the expected future payments to be made to employees. Consideration is given to expected future wage and salary levels, durations of service and employee departures. Discounted rates are referenced against market yields at reporting date of government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of long term obligations, the net movement is recognised in profit or loss under employee benefits expense.

#### PROVISION FOR LEASE RESTORATION

Leases for Melbourne, Sydney, Perth, and Adelaide premises require restoration of the property to the condition to that when leases were commenced. This is recognised as a non-current provision discounted for the time value of money. The provision is reviewed annually and remeasured if required.

## NOTE 16: RESERVE

	GROUP		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
Foreign currency translation reserve	(111,773)	(120,202)	-	-

The foreign currency translation reserve records exchange differences arising on translation of a foreign owned subsidiary.

## NOTE 17: COMMITMENTS

During the year, the Group entered into property leases which are recognised as right-of-use assets and lease liabilities on the Group's balance sheet as at 30 June 2021.

All commitments at 30 June 2021 are for property and office equipment leases

## NOTE 18: INFORMATION ABOUT PRINCIPAL SUBSIDIARIES

The subsidiary listed below is controlled by the parent entity. The assets, liabilities, income and expenses of the subsidiary has been consolidated on a line-by-line basis in the consolidated financial statements of the Group.

NAME OF SUBSIDIARY	COUNTRY OF INCORPORATION	PROPORTION OF OWNERSHIP INTEREST HELD BY THE GROUP	
		2021	2020
The Institute of Financial Accountants	United Kingdom	100%	100%
Institute of Public Accountants (Australia) China Pty Ltd	Australia	100%	-
IPA Beijing Education Consultancy Co Ltd	China	100%	-

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

The entities listed below are subsidiary undertakings of The Institute of Financial Accountants Limited, which have not been consolidated into the group financial statements:

NAME	STATUS	COUNTRY OF INCORPORATION
Institute of Financial Accountants in China Ltd	Dormant	Hong Kong
Federation of Tax Advisers Limited	Dormant	United Kingdom
IFA Institute of Public Accountants Limited	Dormant	United Kingdom

The above dormant entities have no material assets or liabilities.

## NOTE 19: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with related parties are as follows:

DIRECTOR	DIRECTORS EMPLOYER	PARENT	
		2021	2020
Jason Parker	Parker Accounting & Financial Services	12,500	10,000
Damien Moore	Carrington Accounting Services	22,500	30,000
Linda Bernard	Grange Professional Services	10,000	12,500
Nordin Zain	Prospect Alliance Consulting & Training	10,000	10,000
Michael Colin	Michael Colin Associates	10,000	10,000
Julie Williams	Insolvency & Turnaround Solutions	22,500	12,500
Mike Mooney	Mike Mooney Accountant	10,000	10,000
Timothy Munro	Change Accountants & Advisors	2,500	10,000
Cheryl Mallett	Vita Gustafson & Associates	15,000	12,500
Alexandra Korfiatis	Forrester Korfiatis Chartered Accountants	10,000	5,000
Luckmika Perera	Deakin University	10,000	5,000
Mark Holton	Smithink Advisory Pty Limited	5,000	-

# Notes to the financial statements

## NOTE 20: CONTINGENT LIABILITIES

	GROUP		PARENT	
	2021	2020	2021	2020
	\$	\$	\$	\$
Bank guarantees for the term of the operating leases for periods up to 10 years	727,028	689,971	727,028	689,971

Indemnities for bank guarantees to the lessors' of properties occupied under operating leases at 555 Lonsdale Street, Melbourne; 6 O'Connell Street, Sydney; 431 King William Street, Adelaide; 1008 Hay Street, Perth and 300 Queen Street, Brisbane.

## NOTE 21: FINANCIAL RISK MANAGEMENT

The group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and leases. The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	NOTE	GROUP		PARENT	
		2021	2020	2021	2020
<b>FINANCIAL ASSETS</b>					
<b>FINANCIAL ASSETS AT AMORTISED COST:</b>					
Cash and cash equivalents	6	6,108,276	5,172,576	3,184,987	3,672,440
Loans and receivables	7	456,016	405,485	341,153	264,328
Financial assets and deposits	8	10,727,028	7,689,901	10,727,028	7,689,901
<b>TOTAL FINANCIAL ASSETS</b>		<b>17,291,320</b>	<b>13,267,962</b>	<b>14,253,168</b>	<b>11,626,669</b>
<b>FINANCIAL LIABILITIES</b>					
<b>FINANCIAL LIABILITIES AT AMORTISED COST:</b>					
- Trade and other payables	12	7,883,149	7,101,679	6,953,769	6,639,416
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>7,883,149</b>	<b>7,101,679</b>	<b>6,953,769</b>	<b>6,639,416</b>

## NOTE 21: FINANCIAL RISK MANAGEMENT cont'd

### FINANCIAL INSTRUMENTS

#### INITIAL RECOGNITION AND MEASUREMENT

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

#### CLASSIFICATION AND SUBSEQUENT MEASUREMENT

##### Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

##### Financial assets

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

#### DERECOGNITION

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

##### Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

##### Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

#### IMPAIRMENT

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

# Notes to the financial statements

## NOTE 21: FINANCIAL RISK MANAGEMENT cont'd

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity used the simplified approaches to impairment, as applicable under AASB 9:

### SIMPLIFIED APPROACH

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15, that contain a significant financing component; and

- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

### RECOGNITION OF EXPECTED CREDIT LOSSES IN FINANCIAL STATEMENTS

At each reporting date, the entity recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

## NOTE 22: COVID-19

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by IPA at the reporting date. As responses from government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on IPA, its operations, future results and financial position.

## NOTE 23: EVENTS AFTER THE REPORTING PERIOD

There are no other matters or circumstances which have arisen since the end of the financial year which significantly affected or may significantly affect the operations of IPA and the group, the results of those operations or the state of affairs of IPA and the group in future financial years.

## NOTE 24: LIMITATION OF MEMBERS LIABILITY

IPA is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If IPA is wound up, in accordance with the constitution, each member is required to contribute a maximum of \$6.00 each towards meeting any outstanding obligations of IPA. At 30 June 2021, the total amount that members of the IPA are liable to contribute if IPA is wound up is \$121,620 (2020: \$118,782).

# Directors' declaration

In accordance with a resolution of the directors of Institute of Public Accountants Ltd, the directors of Institute of Public Accountants Ltd declare that:

1. The financial statements and notes, as set out on pages 38 to 60, are in accordance with the *Corporations Act 2001* and:
  1. Comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
  2. give a true and fair view of the financial position as at 30 June 2021 of the group and the company and of their performance for the financial year ended on that date.
  
2. In the directors' opinion there are reasonable grounds to believe that Institute of Public Accountants Ltd will be able to pay its debts as and when they become due and payable.



**Cheryl Mallett FIPA FFA CTA SSA GAICD**

Deputy President



**Julie Williams FIPA FFA FCPA**

President

Signed in Melbourne, this 6th day of September 2021.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTITUTE OF PUBLIC ACCOUNTANTS LTD

### Opinion

We have audited the financial report of Institute of Public Accountants Ltd and Controlled entities, which comprises the consolidated and parent entity's statement of financial position as at 30 June 2021, the consolidated and parent entity's statement of profit or loss and other comprehensive income, the consolidated and parent entity's statement of changes in equity and the consolidated and parent entity's statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion, the financial report of Institute of Public Accountants Ltd and Controlled entities is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated and parent's entity's financial position as at 30 June 2021 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements, and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Directors for the Financial Report

The Directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or has no realistic alternative but to do so.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF INSTITUTE OF PUBLIC ACCOUNTANTS LTD (CONTINUED)**

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*McLean Delmo Bentleys Auditor Pty Ltd.*

**McLean Delmo Bentleys Audit Pty Ltd**



**Rod Hutton  
Partner**

Hawthorn  
6 September 2021

# Get in touch with us

## Member engagement

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