



IPA GROUP

Annual Report

2021 - 2022





ANNUAL REPORT - 2021-2022

The IPA Group in 2022

In this annual report, we account to the Institute of Public Accountants (IPA) Group members and the broader communities of the nations where we operate for our work through the financial year 2021-22. Here we set out how our strategy, governance, performance and prospects create value, all in the context of our external environment. Our main focus is on the small business and small to medium enterprise (SME) sectors, reflecting the fact that the majority of our members are either advisers to or work in these sectors.

The 2021-22 report charts the IPA Group's continuing evolution into a single integrated worldwide body. This new phase of our journey brings together for the first time the IPA (founded in Australia), the Institute of Financial Accountants (IFA) (founded in the UK), and the Accounting Technicians (formerly part of AAT, founded in Australia), as a single accountable entity, updating all our members in a single report.

In last year's annual report we referred to the benefits of integrated thinking and integrated reporting and how these will be used to gain a deeper, more holistic understanding of the organisation. This year we continue the transition to an integrated report set against the revised integrated reporting framework of the Value Reporting Foundation, and we explore how the IPA Group creates value for our members and other stakeholders.

As we look toward 2023 and celebrating the 100th anniversary of the founding of the IPA, we will also be looking at how we can improve the value we provide to all of our members wherever they are located across the world.



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PRESIDENT'S INTRODUCTION

Proving ourselves worthy of trust

The IPA Group is focused on building an organisation that inspires and deserves trust. In an era characterised by falling public trust in institutions of every stripe, we need this more than ever.

This 2021-22 annual report sets out why the IPA Group merits the trust we have, and it spells out the actions we are taking to build that trust further.

The Board, divisional advisory committees, and staff all focus on maintaining and building the world's trust in the Group – trust in its integrity, its standards, its people and its services. The IPA Group must always be trusted to provide:

- an outstanding member experience;
- ethical and operational integrity;
- the highest quality of education; and
- leadership in the small business, SME, and small to medium practice sectors.

We must be trusted to do all this with the greatest possible efficiency, applying members' funds wisely to meet these goals. These goals underpin and are reflected in our strategic themes.

At a level above this, IPA Group members all share in this task of developing and maintaining greater trust.

IPA Group members themselves must be trusted as professionals – constantly educating themselves, upholding professional and ethical standards, and helping organisations to understand their own workings and, through that, to prosper.

In order to assist and encourage our members in undertaking and achieving these objectives, the IPA Group has continued with our ongoing transition to an integrated report. Part of this process has been to re-evaluate our strategy, achievements, challenges, initiatives and goals against the chosen six capitals of the integrated reporting framework. In the past year we have undertaken various activities to develop the most appropriate and relevant capitals for creating value for our members and stakeholders. We hope that our members will engage with us in assessing and improving the process and deliverables under the integrated reporting framework.

Our previous annual report (2020-21) set out the insights to be gained from integrated reporting and provided the context, description and, most importantly, the benefits of integrated thinking and reporting.

However, we can't create value without establishing and maintaining trust in our organisation, in our members and across our stakeholder community.

This 2021-22 annual report sets out how we contribute to all these vital goals and create value for our members and other stakeholders. Here, we hold ourselves accountable.

A handwritten signature in black ink, appearing to read 'Julie Williams'.

Julie Williams FIPA FFA

President, Institute of Public Accountants

Accelerating our transformation

The accounting profession globally is emerging from one of its longest and toughest periods of stress in the past three-quarters of a century.

For many businesses, SMEs, accountants and accounting practices, the pressures of the pandemic will take years to erase. Political and economic unrest in many parts of the world have added to that burden.

Yet in last year's IPA annual report, I wrote that important lessons from 2020-21 made me optimistic and excited about the future.

Now I can report that 2021-22 justified that optimism. We have worked on raising the quality of the services we offer members. Members have responded by showing they value the IPA Group as a partner in their endeavours. This has extended to new members, and I am very pleased to report that we ended the year with 2,779 more than we had at the start. I believe this is a reflection of the strategy and initiatives which have continued to create value for members in accordance with the six capitals that have been developed under the integrated reporting framework. In this annual report, we outline how the framework has shaped our thinking and approach to our operations and goals, including our strategic theme of building a community for members.

One important element in raising our service quality has been the digitisation of key business processes. Digitisation gives us a huge opportunity to improve services and supply chains. And as the COVID pandemic has shown, digitisation can also provide organisations with a new resilience.

In the case of the IPA Group, digitisation has allowed us to continue providing member value with relatively little disruption to services. Indeed, our response to the pandemic has shown us new digital solutions that can improve members' work, our education and professional development, our professional interactions, and our lives in general. Now we are determined to follow up on those lessons which will inform our future work and create more value for members.

That is perhaps most clearly evident right now in our ongoing work to transform our education efforts. Knowledge is the most significant of our capitals. We are working to create an education service that truly meets members where they are and fits in with their professional lives. That will mean education that can be taken up in smaller, more digestible and more immediately relevant units – "microcredentials", as they are called. Meanwhile, our continuing professional development (CPD) continues to evolve rapidly as we adopt a blended learning approach, combining the best of both online and face-to-face learning. We are constantly seeking input from members as to their preferred method of delivery, and this has resulted in the blended approach being adapted.

As well as providing services and upholding professional standards, the IPA Group also creates value by being a strong voice for members, the profession, small business, SMEs, and the public. To that end, we are continuing to advocate to the Australian Government to establish an agency that can operate as a one-stop-shop catering to the needs of small business and SMEs. This work is underpinned by the findings of the IPA Deakin SME Research Centre, which the IPA founded in 2015. We have received a favourable response from government and have started developing how this model might work in practice. In 2021 the Research Centre released its third *Small Business White Paper*, which explores innovation policy in greater depth with recommendations ranging from tax treatment to policy 'experiments'. I am looking forward to the results of the current research projects which promise to take our thought leadership to another level.

The IPA group continues to focus on delivering a higher quality and wider range of services for more than 49,000 members and students in 100 countries. At the same time, we fulfil our duties to the world outside our membership: our duties to our valued employees and partners, to the accounting profession; our numerous stakeholders; and the broader society.

On behalf of the IPA Group I would like to thank members for your efforts and your continued faith in this organisation. As this report demonstrates, we are working hard to repay it.



Prof. Andrew Conway FIPA FFA
Chief executive officer, IPA Group



What we stand for

Strategy

As a member of the International Federation of Accountants (IFAC), the IPA Group has adopted a future-ready approach for the accounting profession.

Recognising the need to help members and students prepare for the future, the IPA Group will lead our community through the recovery from the pandemic. It will ensure that we are equipped to seize the opportunities and address the 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, the IPA Group reviews its 2018-2025 strategic plan annually. This ensures that the plan remains adaptable and fit for purpose. In the past year, the Board and Group Executive have reviewed the strategic plan, including the strategic themes and initiatives, and concluded that it only required minor changes. Effectively, our main priorities have not changed from the previous year.

Our strategic initiatives will serve as a link to a continuously evolving environmentally responsible economy and provide a framework for our future readiness. The framework consists of five key areas of professional interest: sustainability, CPD, attracting new generations to accounting, digitalisation and helping our members deal with the emotional challenges of transformation (with particular focus on mental wellbeing).

This annual report addresses all five of these, laying out a clear roadmap to the future.

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

Sustainable Development Goals

- Good Health & Wellbeing
- Decent Work & Economic Growth

- Quality Education

- Decent Work & Economic Growth

- Good Health & Wellbeing
- Decent Work & Economic Growth
- Quality Education
- Gender Equality
- Partnerships for The Goals

- Good Health & Wellbeing

Strategic Objectives

- Improve and increase technical support services
- Improve member services and partnerships
- Increase member support and engagement

- Increase partnerships with education institutions
- Improve our education portfolio to accommodate the future of public accounting and accounting technicians
- Improve accessibility to information and member and student experiences
- Improve the delivery of high-quality CPD programs for members

- Grow IPA Group membership
- Grow revenue
- Strengthen our approach to international markets
- Improve member offerings and benefits
- Improve recognition of the IPA Group

- Improve recognition of the IPA Group advocacy
- Build a focus on sustainability and the future of the profession
- Strengthen our innovation and digitalisation strategies
- Build on our new markets and alliances

- Improve staff opportunities to grow and develop
- Strengthen team member engagement and leadership at all levels
- Improve group culture
- Embrace flexible ways of working
- Improve internal capacity to ensure the Group is able to adequately fulfil its functions as a professional accounting body

People Strategy and Culture Strategy

Our membership

This year

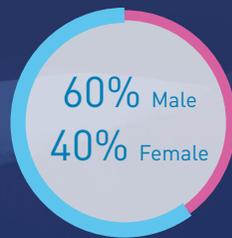


The basics

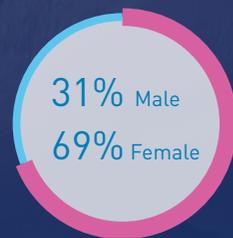
Member age



Members



Students



Member satisfaction survey

Average member satisfaction



Of members reported little to no impact on the service they received from the IPA during COVID.

Most valued member benefits



WHO WE ARE

A global accountancy membership group

The IPA Group is among the top 20 members of IFAC.

All figures indicate IPA Group membership, including full and student members.



1 Australia
26,227

2 China
5,413

3 United Kingdom
5,130

4 Hong Kong
784

7 U.A.E
262

10 Saudi Arabia
170

13 Ghana
117

16 Nigeria
93

5 Malaysia
770

8 India
260

11 Ireland
169

14 Singapore
116

17 Qatar
51

6 Pakistan
488

9 Sri Lanka
214

12 New Zealand
137

15 Bangladesh
114

18 Cambodia
47

A Solomon Islands
New Partnership

B Fiji
New Partnership & New Agreement

The IPA has divisional offices in the following cities
Melbourne | Sydney | Brisbane | Adelaide | Perth | Hobart
London | Beijing | Hong Kong | Kuala Lumpur

The IPA Group is represented in a further 82 countries, bringing the total of Group members to more than 49,000

How we create value for our members and society

INPUTS IPA OPERATIONS OUTPUTS OUTCOMES

Our members and partners and the broader society

49,000

Members and students in

100

countries

Our sources of funding

\$4.11m

2020-21 Group retained earnings

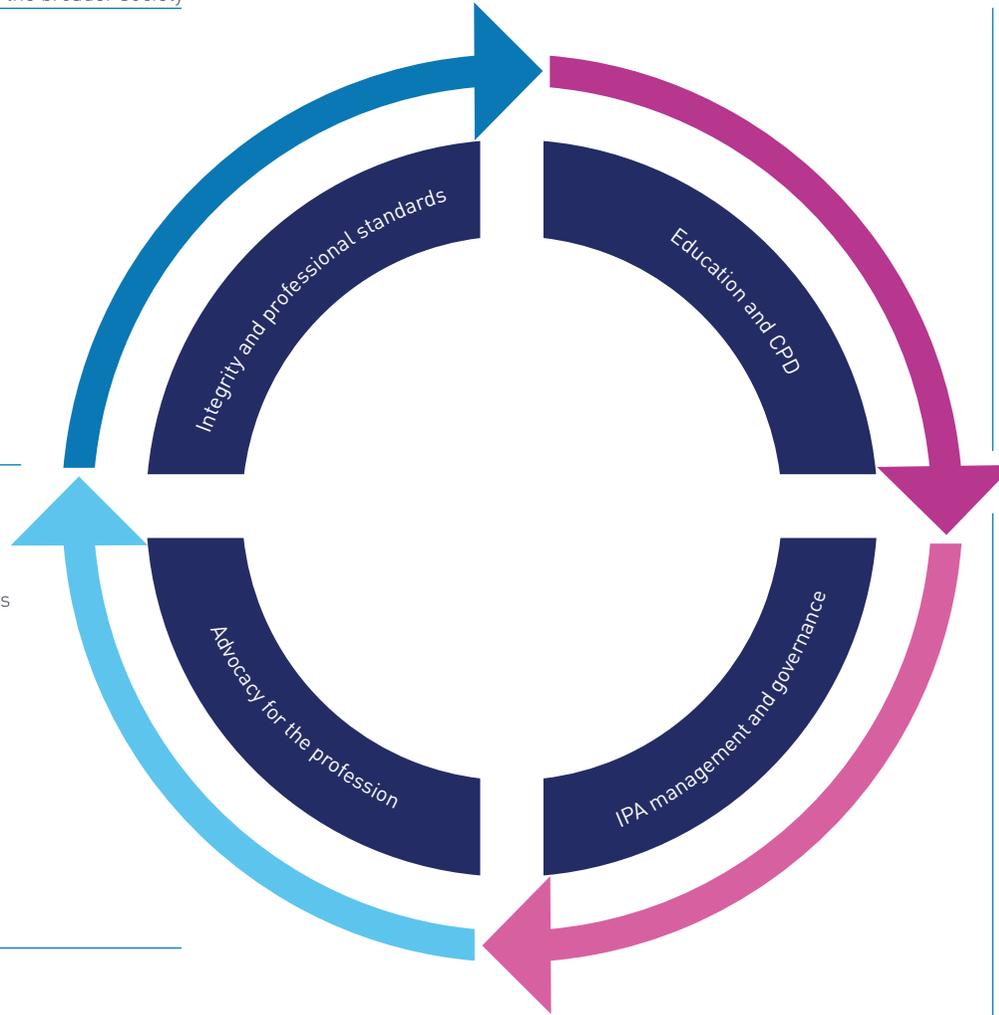
\$25.7m

Receipts from members and customers

Our people

106

Global staff



17,124

Registrations for education / CPD / events

2,779

New members

\$1.01m

Annual surplus

\$22.2m

Payments to employees and suppliers

600

Online and face-to-face events and recordings

80%

Average member satisfaction

79%

Members likely to recommend

\$5.09m

2021-22 Group retained earnings

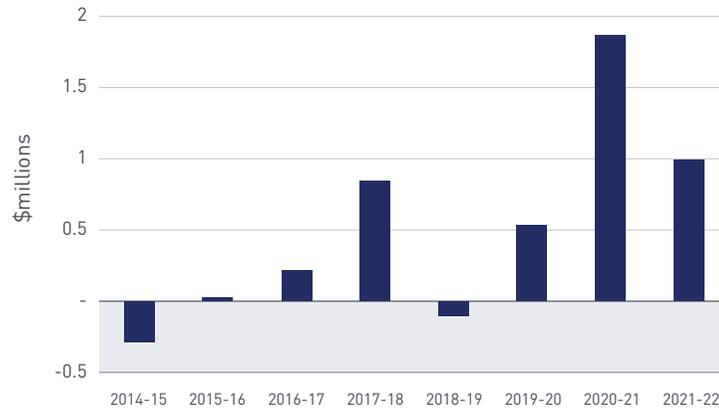
10.1 years

Average length of membership

Financial trends

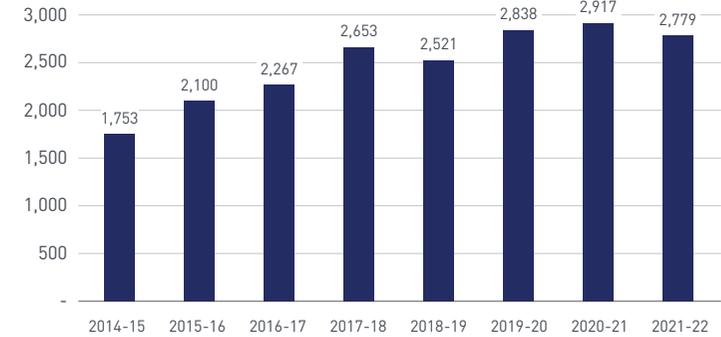
The IPA Group recorded a solid financial performance in 2021-22, with a \$1.009 million surplus. Financial results continue to be strong despite the disruption to members and member events caused by COVID. Growth in new members and continued strong member renewal performance drove Group revenue.

Operating results



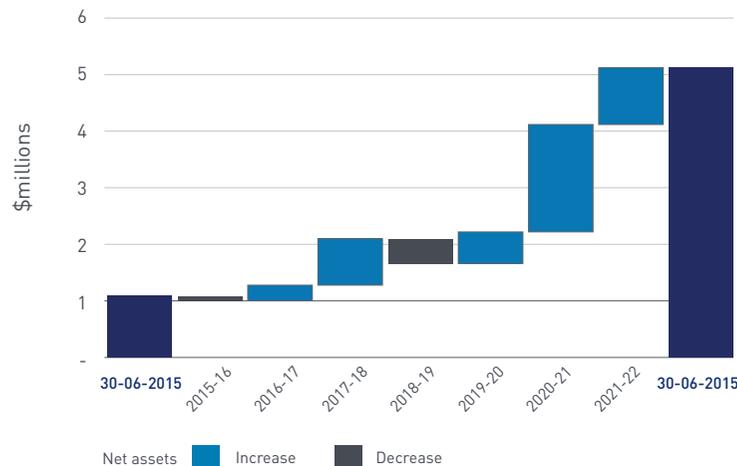
Member engagement and operational efficiencies produced the IPA Group's third year in a row of surplus.

New member intake



Membership rose by 2,779 for the year; it has now risen by more than 2000 in each of the past six years.

Net assets

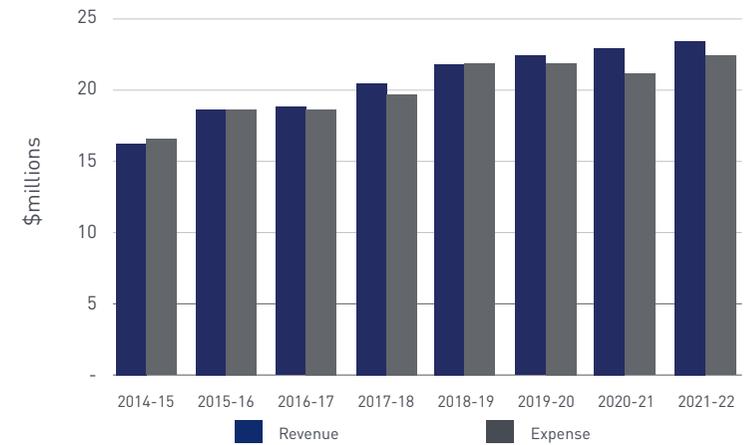


Continued growth in net assets provides the IPA Group with a buffer against future risk events.



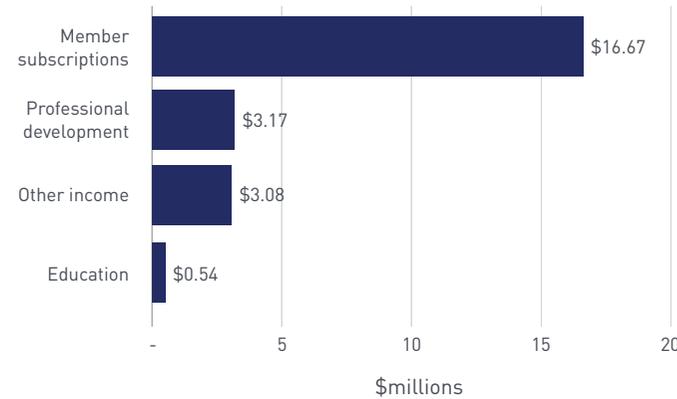
HOW WE'VE PERFORMED - FINANCIAL TRENDS

Revenue and expenses



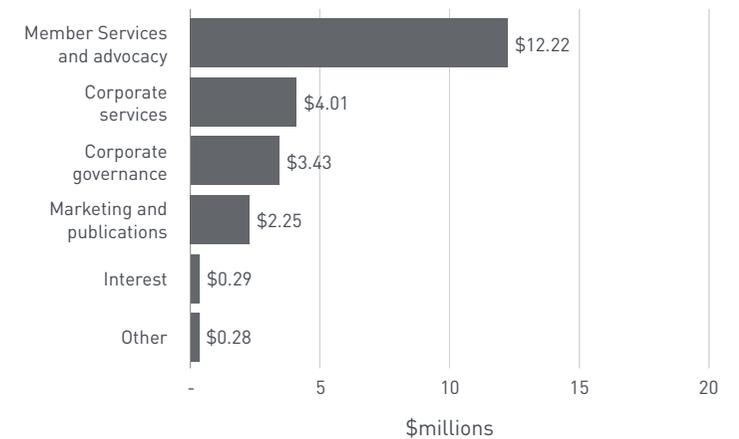
Revenue continued its steady growth, with expenses returning to pre-COVID levels.

Revenue breakdown 2021-22



Membership fees are our chief source of funding.

Expense breakdown 2021-22



Member services are our major cost.



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Operational review: Our services to members, students and the community

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Membership and partnership

Throughout COVID, the IPA Group has focused on providing our members with the support they need – so that they in turn can support their clients and employers. Members in Australia, for instance, can access support by phone or use any of the IPA's almost 50 discussion groups.

Global recognition of IPA Group membership and designations continues to grow. As a result, more new members occupy a wide variety of senior positions at large accounting firms, multinational corporations, banks and government authorities.

Counting On U

Intermediaries such as professional accountants can play an important role in improving and maintaining the mental health and wellness of people involved in small business. We initiated research on this issue with the IPA Deakin SME Research Centre, which led to the Counting On U program. This program trains accountants and other professional advisers to recognise and respond to the changes in mental health of their clients, and to provide them with mental health first aid and relationship building training. The program attracted approximately 4,000 registrations and was funded by over \$3 million from the National Health and Medical Research Council and the Department of Industry, Science, Energy, and Resources. The program, which has been developed through the research and training, will be adapted and offered to members in the near future.

We also offer members in Australia the Uprise assistance program, supported by a network of highly qualified counsellors and psychologists, as well as mental health webinars and numerous other mental health resources.

Restructuring for growth

We restructured our previous UK branch network at the beginning of 2022. We aim to have the new regional events connect members with local businesses, Institute staff and strategic partners, so they can develop long-term and mutually beneficial relationships. We currently have eight regions – Scotland, Midlands, Northern England, Northern Ireland, Eastern England, Southern England, Wales & the Southwest, and London. Seven volunteer regional ambassadors support this regional network.



After a review of IPA Group membership access, we have now introduced an Intermediate Financial Accountant (IFA) designation for new entrants to the profession and accounting technicians in the UK. This gives entry-grade members a pathway towards full membership. It came into effect on 1 July 2022, and we are excited about the new membership grade and the opportunities for member growth it gives us for 2022-23.

Building out

We continue to see strong interest from members of the Chinese accounting profession, including those in senior commercial positions.

We improved our Chinese members' experience with a new member management system which reduced the membership processing time by 15 days. A new IPA digital mall allows members to access services and have queries answered on their mobile phones. And a project to digitise the work environment has brought the China office into line with the rest of the IPA Group while better protecting member data.

Three new platinum employer partnerships were signed including one with well-known consumer electronics brand TCL. These partnerships help us to increase brand awareness, promote membership of the IPA Group, and provide opportunities for training tailored specifically for members. We continue to receive new official recognition from local professional accounting organisations.

Global reach

The IPA Group's expanding operations now serve more than 49,000 members in 100 countries. We have significant member presence not just in Australia, the UK and China but in countries such as Malaysia, Pakistan, Sri Lanka, India, the United Arab Emirates, Nigeria, Ghana, Saudi Arabia, Canada, and New Zealand.

Year by year, our international operations are becoming more significant within the IPA Group. Active membership excluding China, the UK and Australia grew by 7.2 per cent in 2021-22, exceeding our target by 22 per cent.

New international partnerships

The lifting of travel restrictions through 2021-22 allowed the Group to once again meet face-to-face with partners and potential partners. This is essential if we are to understand both their ways of operating as professional international accounting organisations and also the ways in which we can work with them as a truly international body.

During the year the IPA Group signed two new cooperation agreements with national bodies:

In February 2022 we announced a mutual recognition agreement with the Fiji Institute of Accountants. The Institute was established in 1972 and is Fiji's sole professional accounting organisation. It has close to 1000 members. This agreement will promote the interests of both groups' members and the accounting profession globally. It provides reciprocal recognition, membership, education pathways and the transfer of skills and knowledge. It will support our efforts on professional development, migration and ethics.

In May 2022 we announced a strategic partnership agreement with the Institute of Solomon Islands Accountants (ISIA), supported by the Australian government's aid program. ISIA is the legal body mandated to develop and regulate the accounting and auditing profession in the Solomon Islands. The strategic partnership also includes Monarch Institute. It has enabled the joint delivery of ISIA's first ever professional qualification program. We believe this partnership can help the Solomon Islands lift the standard of its accounting education to the long-term benefit of both the Solomon Islands economy and the entire country. At the time of this report, 57 students have already enrolled and commenced the program.

Migration services

One of our value enablers is our service for supporting skilled migrants. We are an authorised assessment authority for Qualification Assessment for Immigration (QAI) under the Australian government to assess skilled migration applications for the occupations of accountant (general), management accountant, taxation accountant, external auditor, finance manager, and corporate treasurer. In 2021-22 we completed assessments of 2,289 candidates, with nearly 90 per cent recognised as suitable for migration within the above list of accounting positions.

During the year, we also undertook additional support functions for the Department of Employment and Workplace Relations (formerly the Department of Education, Skills and Employment) to promote skills migration for Australia. We successfully conducted 88 qualified skill assessments in accordance with the Australian government's Skills Assessment Pilot 1 between 28 February and 17 June 2022 (Incentive 1). These assessments were performed within a timeframe as stipulated by the Government, in order to expedite skilled migration. We also continue to support Pilot 2 (Incentive 2) which allows certain categories of visa holders to take advantage of a free skill assessment so that they can participate in the Australian workforce.

Meanwhile we have recently responded to Pilot 3, in which if it is successful, we may be authorised to assess and act as a referring agent for eligible candidates for free employability training. These efforts address the skill shortage faced by many employers in Australia so that we can achieve an increased level of employment of eligible skilled migrants.

Skills assessment is a special expertise that we have developed to provide an excellent opportunity to further enhance our own staff members' awareness and understanding of the global standards in accounting. Furthermore, the exercise promotes international mobility and heightens standards of understanding of international accounting, not only in Australia but in other countries. In turn, this will generally increase the globalisation of the accounting discipline in which contemporary issues like sustainability, and contemporary accounting practice develop.

QAI, as a part of our infrastructure, contributes to intellectual, human and social capitals.



OUR MEMBERS

Abdul Shakoor

Abdul Shakoor is Chief Financial Officer of Toshiba TV in Pakistan and the Regional Director of the IPA Group responsible for helping launch the IPA Group credentials and programs in the fifth most populous country in the world.

A polyglot (he speaks Punjabi, Urdu and English) with master's degrees in economics and project management, Shakoor is a consummate philomath forever on the path of professional improvement. He is a Fellow Financial Accountant (FFA FIPA) of the Institute, which is the highest grade awarded to a senior member who has been practising accounting for over ten years.

Shakoor says working with the IFA, which he originally joined in 2016, has been important to him personally and helpful to the profession as the country emerged from the COVID pandemic.

"In this period, operations were shifted to online [platforms], where we have run continuing professional development (CPD) events via webinars," Shakoor says. "We began new IFA-accredited and endorsed programs including the IFA Diploma in IFRS, Certified CFO and Certified Financial Modeler (CFM), which have received global recognition. We also organised several online events about emotional intelligence, interviewing and other soft skills."

The ability to keep providing professional services to bridge the period of uncertainty has kept the 300 IPA Group members in Pakistan well-supported.

As a result, Shakoor says the future of the IPA Group in Pakistan is bright. "Locally we are growing in terms of membership base; alliances with local universities and professional organisations; enhanced members support; and launching new initiatives for member benefits."

HOW WE SERVE

Education and continuing professional development

The ongoing education and training of our members is one of the IPA Group's core missions. We offer an education pathway to full membership of the IPA Group; after that, we offer continuing professional development (CPD) so members can retain and develop their skills.

The sweeping changes which began in 2020-21 in response to COVID continued in 2021-22, as we promised in our previous annual report. We further developed our trademark practical courses that teach essential professional skills; and we continued to move many of them online. Members were quick to embrace the convenience of online courses and events, even as attendance at face-to-face events rebounded.

We're investing the returns from these online efficiencies into improved education services, which will bear fruit in the next year and beyond.



OUR MEMBERS

Maryana Kovalenko

Principal, Kova Tax - Gold Coast, Australia.

Ukrainian Maryana Kovalenko arrived in Australia at the end of 2012, chasing "a dream to live, work and build my life in a beautiful, warm and lucky country". Her parents thought it "crazy" that she wanted to move to the other side of the world, "where I had no-one to help and zero contacts".

But Kovalenko liked Australia's career opportunities and kept taking leaps of faith. In 2015 she started learning about a new type of asset called cryptocurrency.

Then in 2018, she qualified as a member of the IPA. In 2018 she joined the BDO International Blockchain Group. In 2019 she founded her own accounting firm, specialising in cryptocurrency tax compliance and advice. And in 2021, she founded cryptocurrency portfolio management software firm Syla. In 2022, Syla won a Boosting Female Founders Grants from the Queensland government. "Accountants have everything that it takes to build a successful tech start-up" she says.

As she develops her businesses, Kovalenko is simultaneously working to help female Ukrainian software developers who want to come to Australia. "I love to see how supportive Australians have been," she says.

And when she made a dash back to Europe this year to get her mother out of the shell-torn Ukrainian capital, Kyiv, she found support again. Her clients understood her need to put work on hold for a few days; the Australian government prioritised her visa – and the IPA was happy to let her submit a symposium presentation remotely while she was en route.

Education transformation project

Accountants find it harder than ever before to predict what skills they will need in the future. Indeed, today education needs to develop at such a pace that traditional education institutions may struggle to keep up.

So accountants need a way to acquire skills more quickly.

Through 2021-22, the IPA Group has been developing a new set of education programs designed to cater to this quickening pace of educational demands and give members more control of their career path. We've worked to find out what members all around the world need from IPA Group education.

For instance, the skills in the competency framework will be decided in large part by the work that members actually do. To understand this properly, we've listened to the practices and perspectives of more than 140 IPA Group members, from Australia, China, the UK and Africa, in both interviews and focus group discussions. We've also engaged with education providers such as universities and TAFEs. And we are working with other professional organisations to identify common ideas and places where we could work together to benefit members and the broader society.

From this 2020-21 work, we've already established three important realities of accounting education:

- The profession needs to rethink how accounting provides value to societies that are growing ever more complex and relying ever more on technology. Accountants now require digital skills ranging from machine learning to cybersecurity.
- Developing as accountants increasingly requires abilities far beyond technical skill. For instance, many of our members are concerned with how best to support staff, clients, and other stakeholders in their mental health and in facing societal challenges.
- The future of professional skill development will contain much more than just the ability to absorb a relatively stable body of knowledge.

We call the new program that will emerge from this work our "Education Transformation". To meet our aims, it will have to set out the skills, judgment, knowledge and attributes IPA Group members need for their future work and provide it as soon as the need becomes clear.

The new program will make use of "microcredentials" (see box) – units of assessed learning or competency that are typically much smaller than today's diplomas or degrees.



Microcredentials

The term "microcredential" describes many different types of smaller "bites" of learning offered by various education providers – usually the types of learning described as "short courses". When microcredentials are professionally assessed, they can be "stacked" together and used as credit towards larger qualifications, such as degrees.

Microcredentials can involve just a few hours of study, although they can also be much larger. (There's no definitive definition yet.)

Business, management and leadership microcredentials are already becoming popular. But implementing microcredentials as part of a professional education system still poses challenges that we must overcome.

IPA Group education programs

Our programs ensure that members have the relevant behaviours, skills and knowledge to operate successfully in the marketplace.

For members wanting to boost their abilities and professional recognition further, we offer the IPA Program in Australia through Deakin University. The IPA Program offers either a Graduate Certificate of Public Accounting (GCPA) or a Master of Business Administration (MBA) in a highly flexible format.

We also offer a wide range of courses such as a Diploma of Accounting and a Certificate IV in Accounting and Bookkeeping in conjunction with training provider Monarch Institute.

We continue to invest to ensure our study programs are relevant to our members' needs. The recently introduced IFA online education program, IFA Direct, provides access to Group membership as well as a practising certificate in the UK through an Ofqual-awarding organisation, ATHE. Students study units one at a time over four to six weeks each, allowing the program to be taken over as little as 18 months. For 2021-22 we have established new accredited ATHE/IFA Direct centres across the world, allowing more students to study to become financial accountants.

Our IFA Diploma in IFRS qualification has been redeveloped for our accredited partners throughout the world. We also work with a global network of training providers to endorse quality accountancy and business programs, as well as universities in the UK and globally to provide pathways to membership. And we are among a group of employers and educators that has achieved approval from the Institute for Apprenticeships and Technical Education (IFATE) to develop a degree apprenticeship in accounting and finance focusing on digital and technological skills alongside the traditional knowledge and skills required to meet the changing needs of the accountancy profession.

The IPA Group's Hong Kong and Malaysia divisions and other branches are cooperating with local universities and educational institutes to accredit their accounting degree programs for IPA Group membership pathways.

Continuous professional development

Our continuing professional development (CPD) programs and events provide technical and professional courses to help members maintain and further develop their competence and skills in accordance with the mandatory standards. Group members in Australia, for instance, must complete 120 hours of CPD across three years; IFA members in the UK have a similar requirement of 40 hours per year.

The IPA Group migrated much of its CPD program online since the onset of COVID, starting in 2020-2021 and continuing in 2021-22. We have learned and applied several lessons from that migration.

Obviously, online delivery can make courses more accessible to members, and it is also obvious that this form of delivery is here to stay. Our CPD courses now range from one-hour online units to self-paced short courses, conferences, and training events, all suited to different member needs. Far more of these activities are now online or combine online and offline learning than was the case just three years ago.

However, we find face-to-face interactions continue to provide particular benefits when they are bringing members together in longer conferences and training events. For instance, in 2021-22 in the UK we hosted 76 free webinars and 18 paid-for webinars. We also held conferences in London and Birmingham in May and June 2022, attracting a total of 240 registrations. Australia's November 2021 IPA National Congress, staged as a hybrid event on the Gold Coast and online, showed the hybrid approach can be highly effective, with an audience of more than 500.

In China, our new mobile-friendly platform, the IPA XiaoE Shop, improved the learning process for prospective and active members. A 20-session Business Data Analysis course was released on this platform. The China division now offers more than 300 hours of online CPD courses, and more than 20 face-to-face courses.

While keeping our strong focus on core accounting skills, we've continued to extend our range of learning beyond this to a range of management skills, interpersonal skills and emerging issues such as cryptocurrency. These have proved effective at attracting younger members. In 2021-22 we saw notably high interest in the Counting On U mental health program, which attracted more than 4,000 registrations, of which several hundred were IPA members.



Technical assistance to members

Our Professional Assist online technical service connects Australian members to specialist advisers and provides access to an extensive information centre. In addition, in Australia we supported members via more than 1500 calls on technical and ethical issues.

We also provide practice management tools and other resources to help members establish and run their accounting practices, maintaining compliance with the rules of the profession and the confidence of the public.

And of course we keep members up to date via several publications that meet different needs. These include our flagship magazines *Public Accountant* (Australia) and *Financial Accountant* (UK) together with the digital platforms www.publicaccountant.com.au and www.financialaccountant.co.uk, as well as our podcast *One Voice*. Our newsletter *Technical Advantage* updates members on a range of issues every fortnight.

Integrity and professional standards across the Group

IPA Group members commit to following a global set of rules and standards designed to ensure they are accountable for their professional and ethical behaviour, and to protect the public interest.

This commitment gains us recognition from governments, regulators, standard-setters and consumers. The IPA is one of three professional accounting bodies recognised in Australian legislation. In the UK, the IFA is recognised by HM Treasury to supervise members for the purposes of compliance with the Money Laundering Regulations 2017. We are members of IFAC, the International Federation of Accountants, which is a global standard setter. The quality of IPA Group membership is bringing more recognition from authorities and employers in a range of countries in which the IPA Group operates.

IPA professional standards Australian quality review program

As part of ensuring the quality of members' accounting services, the IPA introduced our new quality review program (QRP) in 2021. This QRP process tests and assesses the level of member compliance with the IPA By-laws, the APESB professional and ethical standards, the professional standards legislation and other regulatory requirements.

As part of our educative approach, the IPA provides members with a range of tools and resources to assist not only with compliance but also with the capability to critically evaluate and improve their own practices for the benefit of clients and themselves. The QRP provides the IPA with a greater understanding of the profile of member practices, how members operate, and the stresses they may face.

It has also produced a clear improvement across specific metrics. Whilst the number of non-compliant members has risen slightly as we have added many more questions to successive testing groups, the number of non-compliances per non-compliant member has fallen by 37 per cent between the first 2021 QRP group and the most recent 2022 group.

We are continuing to develop our quality assurance systems for members across Australia and the UK, building out the scope and depth of the assessment as part of our ICT transformation. This will improve the reporting capability and the level of automation, which in turn will improve the member experience.



Effective co-regulation

In Australia the IPA acts as co-regulator of various parts of their regulatory systems. This role carries responsibilities. To maintain Australian recognition as qualified accountants all IPA members must comply with regulations and standards. In addition the IPA is required to report on our co-regulatory role and activities. Relevant regulators and standards-setters include:

- Australian Taxation Office **ATO**
- Tax Practitioners Board **TPB**
- Australian Securities and Investments Commission **ASIC**
- Accounting Professional and Ethical Standards Board **APESB**
- Financial Reporting Council **FRC**
- Professional Standards Councils **PSC**
- International Federation of Accountants **IFAC**
- Australian Accounting Standards Board **AASB**
- Auditing and Assurance Standards Board **AUASB**
- Australian Competition and Consumer Commission **ACCC**.

Members must also comply with the IPA Group's own Constitution, By-laws, and policies. Our co-regulatory role is to ensure that members deliver professional expertise and technical competence, in an ethical manner, to maintain a high level of consumer protection and confidence.

IFA professional standards

The IFA is known to require its members to comply with high professional and ethical standards. We recognise how this supports the reputation of IFA members and firms and promotes trust in the accountancy profession. Therefore, everyone within the IFA Professional Standards team is aware of the significance of acting in the public interest, which guides our decision-making.

The IFA's professional and ethical standards are established at the point of establishing a relationship with a new IFA member or student. In addition to the IFA's rigorous qualification requirements, members and students must demonstrate their fitness and propriety and agree to be bound by the IFA's Bye-laws, Regulations and Code of Ethics throughout their IFA journey. Thereafter, the role of the Professional Standards team is to ensure that IFA members, students and firms maintain those high standards by:

- maintaining and innovating our regulatory and disciplinary processes and the Bye-laws and Regulations that support those processes;
- engaging with government bodies and other organisations to ensure that legislative and regulatory frameworks evolve in the public interest (which minimises the risk of an excessive regulatory burden);
- requiring annual returns from members and firms, which are then reviewed by our Compliance team with reference to the requirements of the Bye-laws and Regulations;
- monitoring IFA member firms and contracted firms for anti-money laundering (AML) compliance and compliance with important aspects of the Public Practice Regulations;
- ensuring members maintain competence by monitoring compliance with the Continuing Professional Development Regulations;
- investigating complaints received concerning a member's conduct or possible non-compliance; and
- having robust and transparent procedures to enforce the IFA Bye-laws and Regulations and taking appropriate action where alleged misconduct is found proved.

UK better regulation principles

The Better Regulation Task Force was established in the UK in 1997 and replaced by the Better Regulation Commission in 2006. The UK Legislative and Regulatory Reform Act 2006 was passed to establish statutory principles of good regulation based on the work of the Task Force, which had identified five principles of better regulation as a test of whether any regulation is fit for purpose. The IFA believes that these better regulation principles have stood the test of time and will continue to refer to them when evolving its regulatory policies and procedures.

- **Proportionality:** Regulators should intervene only when appropriate. Remedies and regulatory costs should be in proportion to the risks posed.
- **Accountability:** Regulators must be able to justify decisions and be subject to public scrutiny.
- **Consistency:** Rules and standards must be joined up and implemented fairly.
- **Transparency:** Regulatory processes and outcomes should be open to the public, and regulators should keep their requirements and regulatory processes clear.
- **Targeting:** Regulation should focus on the areas of greatest risk and minimise unintended consequences.

UK regulatory policy

The IFA's Bye-laws and Regulations were updated with effect from 1 July 2022, following a project undertaken during the second half of 2021-22. The review of the Bye-laws and Regulations was prompted by the introduction of the new membership category of 'Intermediate Financial Accountant', but it also gave rise to the following enhancements:

- The requirements for recognition as a Fellow member of the Institute were aligned with the requirements of the IPA.
- To demonstrate independent decision-making, members and students have been given the right to require that a question of fitness and propriety be referred to the IFA's Disciplinary Committee.
- Similarly, where a member applying for a practising certificate has had their application refused by the Institute, they may request that it be referred to a Conduct Committee chair, rather than the IFA Board.
- It has been made clear that honorary work (which falls outside the definition of 'public practice') is permitted in the interests of the recipient of the professional services, rather than the interests of the member or student (who may not practice without a practising certificate).
- Enhancements to the processes governed by the Disciplinary Regulations include a requirement for a legal assessor to be present at every disciplinary and appeal hearing.
- In the interests of transparency and proportionality, it is now possible for a Case Manager to refer a matter directly to the Disciplinary Committee where it is in the public interest to do so.

Looking beyond the IFA's own Bye-laws and Regulations, the Professional Standards team formally responds to public consultations and calls for evidence on matters relating to professional regulation. Engagement with UK government bodies and oversight organisations also takes place through meetings and, during 2021-22, these have included meetings with HM Revenue & Customs, HM Treasury, the Home Office, the National Crime Agency (NCA), the National Economic Crime Centre, the Office for Professional Body Anti-Money-Laundering Supervision (OPBAS), the International Ethics Standards Board for Accountants (IESBA), the Department for Business, Energy & Industrial Strategy (BEIS), and others.

UK compliance

The IFA Compliance team monitors compliance with the Bye-laws, Regulations and Code of Ethics. It achieves this by issuing and receiving firms' annual returns and reviewing their content and the supporting documents provided. Members and firms are required by the Bye-laws to provide such returns and information as are deemed necessary, in such form as the Institute shall from time to time determine.

The Compliance team supports the AML supervision process by ensuring that information received is reflected in each firm's AML risk assessment. This process took place in the first half of 2022 and required risk assessments to be performed on all 1,889 firms on the Institute's register. The result was that 266 firms were assessed as high risk, 813 as medium risk and 806 as low risk. The other four firms were, at that time, being taken through the Institute's disciplinary process and would, therefore, be risk-assessed following the conclusion of that process.

Given the detailed practising obligations of members and firms and the scrutiny conducted by the Compliance team, the team often finds itself ideally placed to provide support and guidance to members. While mindful of the need to retain objectivity and disclose any regulatory breaches identified, the Professional Standards team recognises that high standards are achieved through education and support as well as robust monitoring and enforcement.

IFA practice monitoring

The IFA is a professional body supervisor (PBS) recognised in the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the "Money Laundering Regulations"). The Institute is required to supervise its members who are "relevant persons" under the Money Laundering Regulations – that is, members who are sole practitioners, IFA firms and contracted firms (where the majority of principals in the firm are not IFA members). Supervision is designed to monitor AML compliance (including compliance with the Money Laundering Regulations) and so seeks to minimise the risk of money laundering and terrorist financing going undetected and unreported. The Institute achieves this with due regard for the public interest and the better regulation principles.

During 2021-22, the AML Review team conducted 195 monitoring reviews. The IFA's approach to supervision is robust and objective while recognising that monitoring reviews provide an opportunity to educate members and so raise standards of compliance. Nevertheless, the Institute holds members and firms to account when the required standards are not met.

IFA members are required by the *Public Practice Regulations* to comply with the Institute's monitoring arrangements. AML monitoring reviews provide the IFA with the opportunity to monitor more than AML compliance and, therefore, the AML Review team will consider compliance with the IFA Regulations more widely.

Of the 195 monitoring reviews performed during 2021-22, 27 (14 per cent) were assessed as compliant, 99 (51 per cent) as generally compliant and 69 (35 per cent) as non-compliant. Firms assessed as non-compliant are provided with an action plan which is formally agreed with the firm. Failure to follow an agreed action plan would result in the firm being referred to the Regulatory Committee. During 2021-22, 10 firms (including sole practitioners) were referred to the Regulatory Committee. As a result, two members received cautions; four members received fines totalling £15,250; and four matters were referred to the Disciplinary Committee. The Disciplinary Committee ordered that three members would receive fines totalling £10,200 and one member would be removed from the register. The other matter had not concluded at 30 June 2022.

IPA investigations and discipline

As well as monitoring our members through our quality review program, the IPA investigates any complaints against members with respect to professional and ethical conduct. During the year, the IPA in Australia received and responded to 20 such complaints.

Additionally, the IPA can initiate investigations without an external complaint. In 2021-22, the IPA initiated seven investigations of its members.

In addition to existing complaints carried over from the previous year, there were 26 matters under investigation in relation to IPA members. This compared with 21 matters under investigation in the previous year (2021) and 40 matters under investigation in 2020.

The IPA finalised 24 investigations during 2021-22. Outcomes and determinations from the Disciplinary Tribunal are published as required.

Information on how to lodge a complaint with the IPA and a full description of the investigation process were updated on the IPA's website. This included complaints against accounting technician members.

IFA investigations and discipline

The investigation of complaints and (where appropriate) the administration of the IFA's adjudication process fall to the IFA's two Case Managers. Complaints received from within the Institute in respect of Bye-law 11.2 (c) and (d) are processed by the Regulatory Case Manager, who will usually refer the matter to the Regulatory Committee to determine whether there is a prima facie case to answer. All other complaints are handled by the Disciplinary Case Manager, who not only refers matters to the Investigations Committee, Disciplinary Committee and Appeal Committee (as appropriate) but also administers the Institute's complaints policy to prepare each complaint for investigation, or else determine that it is unsuitable for investigation.

A complaint will be unsuitable for investigation if it is against someone who is not an IFA member or otherwise within the IFA's jurisdiction, or if the allegation is considered unfounded, irrelevant (such as a commercial dispute), vexatious or trivial. If the complainant disagrees with the Disciplinary Case Manager's assessment, they may require the matter to be independently considered by a Conduct Committee chair.

The Institute has four Conduct Committees. During 2021-22:

- the Regulatory Committee met four times and considered 20 cases;
- the Investigations Committee met three times and considered 11 cases;
- 11 cases progressed from the Regulatory and Investigations Committees to be heard by the Disciplinary Committee over six hearing days; and
- the Appeal Committee sat once, to consider an appeal over two days.

The IFA achieves the independence of its Conduct Committees through the requirements of its Disciplinary Regulations. Independent decision-making is crucial to the robust enforcement of the IFA's regulatory requirements, which must be seen to be objective and worthy of public trust. All of the Conduct Committees require a lay majority and committee members serve for a fixed term, to ensure they do not become too closely aligned with the Institute.

To ensure the IFA continues to have a sufficient number of competent independent individuals to serve on its Conduct Committees, a recruitment exercise commenced in December 2021. It concluded in June 2022 with the appointment of eight new committee members, including three new chairs. A training day followed, which was attended (online) by all Conduct Committee members, and the newly appointed committee members were also required to observe the Conduct Committees at work before themselves being permitted to serve on any Conduct Committee.

There are now 15 individuals eligible to serve on the IFA's Conduct Committees, including five chairs. The Professional Standards team remains alert to opportunities to innovate its regulatory policies and procedures, to protect the public and maintain the reputation of the IFA and its members.

A voice for the profession and the public interest

The IPA Group advocates policies on behalf of our members, the profession, small business, SMEs, and in the public interest. Our approach has always been to present policies and recommendations that are based on data and research. In this regard we rely on the contribution of the IPA Deakin SME Research Centre, which was founded in 2015.

The IPA has built strong relationships with both major political parties in Australia and will continue to nurture these. With Australia's change of federal government and with changes to the UK's political leadership, we continue to build such relationships with ministers, shadow ministers, regulators and other stakeholders. A welcome development over the last 12 months has been the increased collaboration with other professional associations which has resulted in more joint submissions to government and regulators. A united voice is always stronger and more likely to result in preferred outcomes for members, the profession and consumers.

We continue to build productive relationships with key financial media. In 2021-22 this helped us achieve a total of 830 media mentions in our tracked media across the IPA Group's major markets – a key measure of our media effectiveness. The tone of media coverage also improved over the period, making this a highly successful year for the IPA's media profile. An example of this improved media profile was our rising number of appearances in the Australian Financial Review's Live Blog during the final quarter of the year.

OUR MEMBERS

Lakshan Vishwajith

Senior auditor, EY - Doha, Qatar.

"I started from zero," says Lakshan Vishwajith. He grew up in a Sri Lankan village. He has used education as a tool to change his life. After earning a Masters of Science in finance, today he's a senior auditor with EY in the Qatari capital, Doha. In pursuit of stronger qualifications, he has joined both the IPA and the IFA.

Vishwajith argues most accountants can play a wider role than just nuts-and-bolts accounting and auditing. "Accountants should possess transparent information to make decisions," he says, and should "help management to strengthen the risk management process. Accountants need to be further proactively involved in identifying possible future losses and provide relevant solutions."

Vishwajith learned the importance of mental health during the challenges of COVID, with travel restricted and a 24/7 work-from-home policy in place. Managing staff workload became a challenge as staff loads rose and a shortage of business put clients under pressure. "The industry did suffer during COVID," he says.

Auditors can be unpopular, he notes – but they can add huge value to the institutions for which they work. "An accountant can either kill the company or make the company run smoother," he notes. "If you make value-added comments, most of the clients will be happy to accept those facts and appreciate them. That is something I have really enjoyed during my auditing career."



Policy and advocacy focus

The IPA's advocacy to the Australian Government in particular focuses on the need to increase the rate of productivity growth in the economy. "Productivity" is the measure of how well we use labour, capital, and ideas to produce the things we want, and is directly linked to living standards. Australian productivity growth has been slowing for more than two decades now.

In 2021 the IPA Deakin SME Research Centre released its third White Paper, *Post COVID Policy Options to Enhance Australia's Innovation Capabilities*, which focuses on innovation policy relevant to small business in order to boost productivity growth.

One of our major emerging policy recommendations has been for the federal government to establish a small business agency that can act as a one-stop-shop for small business across both federal and some state areas of responsibility. A research paper by the IPA Deakin SME Research Centre has examined this issue in detail, comparing such policies in 11 OECD countries. The current Australian Small Business and Family Enterprise Ombudsman's office supports the Australian SME sector nationally, but its role is limited to dispute resolution, advocacy, and seeking to ensure government policies are friendly to small business.

Other OECD countries' agencies have a much broader remit. In particular, the US Small Business Administration emerged from this research as a particularly effective model. It provides financial support (loans, grants and guarantees), education, training and resources as well as advocacy. We will continue to advocate for this model in 2022-23.

During the year we also continued to urge a range of other policies which would strengthen both the SME sector and the economy as a whole.

- Bold, holistic structural tax reform can address our shrinking tax base and help repair the federal budget.
- Business regulation should be based on the principle of thinking first about how changes affect small business – a "think small first" approach.
- People need stronger incentives to reskill and upskill to meet demand in a post-COVID world.
- As another step to solve the skills shortage, workplace relations should be simplified, with more user-friendly resources for business.
- Small businesses which are in danger of insolvency should be provided with detailed viability reviews.
- SMEs should be helped to take advantage of opportunities to improve their environmental sustainability.
- Innovation policy should be better targeted and better promoted, with SMEs matched to university research and more support for diffusion of innovation by small business.
- We should support and promote exporting by SMEs and help them to internationalise and access global supply chains.
- We should support the recommendations of the Productivity Commission to invest more in mental health.

During 2021-22 the IPA:

- delivered extensive support to members and ongoing consultation with government on COVID-related activities;
- delivered the first IPA Executive Member Town Hall with around 900 attendees;
- delivered the first IPA global conference held jointly with the International Council for Small Business, with more than 850 registrations;
- represented members in more than 90 different forums, working groups, committees, taskforces and so on;
- submitted more than 100 submissions to government and regulators;
- created a Media and Strategic Comms Knowledge Hub, a one-stop internal resource; and
- raised our share of voice (a key communications metric) to 6 per cent against our five key competitors.

HOW WE SERVE

Accounting Technicians

The Association of Accounting Technicians (AAT) Australia became part of the IPA Group on 1 July 2020.

Accounting Technicians are an integral part of the accounting ecosystem. As Brian Blood, chief executive of the Confederation of Asian and Pacific Accountants, has stated:

[There is] the public interest argument. The accountancy profession as a whole is relied on to engender trust in organisations and financial markets. Accordingly, there is no room for 'weak links' and the professionalisation of a workforce that can be recognised as ATs, including demonstrated technical competence and adherence to ethical values, contributes greatly to this.

Members can complete the Certified Accounting Technician program to gain recognition as Certified Accounting Technicians, bringing themselves in line with the IFAC competency standards for accounting technicians.

The integration of Accounting Technicians into the IPA Group continued during the year. This was reflected across the business in CPD, member communications, technical support and advocacy and representation at key government forums. Future developments will include more targeted technical resources and activities to promote professionalism at the highest standards expected of all IPA Group members.



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OUR CAPITALS

Our knowledge and IT systems

2020-21 allowed us to take stock of our information technology resources, identify our technology needs and decide on the new foundations we must build for the years ahead. As a result of this assessment, we have started two new major projects.

Firstly, we are building a quality assurance platform to manage our compliance and case management across the IPA Group. This new platform, CQMS, will be cloud-based, secure and GDPR-compliant. It will automate many current manual processes, helping to:

- enhance the user experience for members
- raise the efficiencies of our staff processes
- improve our ability to report to regulators in a timely and accurate way.

The process of building this new platform began in September 2021.

Secondly, we began work on a revised and more user-friendly website. The revised site will do more to support members across CPD, education, technical resources, and being part of a community of IPA Group members wherever they are located.

OUR CAPITALS

Our people

2021-22 again challenged the IPA Group to lead and manage our team through the COVID-19 pandemic. We:

- supported our team through lockdowns
- provided tools and support to work from home
- provided a safe working environment for returning to offices
- used a qualified clinical psychologist to give our team support in navigating the changes imposed by the pandemic.

In response to the pandemic, we developed a hybrid model where our team members work three days in the office and two days from home.

Leadership charter

The IPA Group executive created a leadership charter designed to ensure we continue inspiring and extending trust across our business. The charter, released to the IPA team in March 2022, has four pillars:

1. Build accountability.

We acknowledge that everyone has a contribution to make, and that leadership isn't just top down – it should be everyone's responsibility. We deliver on promises.

2. Listen first.

We are committed to two-way engagement. Our goal is to understand what matters to each other.

3. Talk directly.

We are committed to encouraging respectful, constructive, and honest discussions.

4. Nurture psychological safety.

We inspire all team members to contribute and provide constructive feedback.

Wellbeing

To better manage our peoples' wellbeing, we formed the internal People & Wellbeing Committee in late 2021, with members from across the business internationally, including IPA president Julie Williams. The committee supports and provides guidance on the IPA Group's continued efforts to support our team members' wellbeing. Studies have found that when people have higher levels of wellbeing, they are more likely to be productive, engaged, and satisfied in their job, as well as being less likely to resign.

We partnered with the Wellbeing Lab to provide our team with an evidence-based wellbeing tool to help team members to better understand and care for their own wellbeing.

Staff training

We are committed to contributing to every team member's ongoing training and development. Training during 2021-22 focused at various times on compliance training, risk management, cyber security, workplace sexual harassment and the introduction of our new Go1 online training platform. This is an online training tool that will be available to the IPA Group (Australia, UK and China), including our Board. It offers us access to more than 100,000 courses from more than 10,000 training providers. The platform is available 24/7 and will be used by our team members to complete some of their training and development goals. We have also curated our own training awards and playlists that cover employee induction, compliance and ICT which provides a sense of consistency across the Group.

Staff turnover

Over the year, annualised turnover at IPA Group was 12.9 per cent, up from 12.5 per cent in the previous corresponding period.

OUR CAPITALS

The IPA Group and our environment

We continue to educate and engage members on environmental issues. During 2021-22, we held nine events related to environmental, social, and governance (ESG) issues, and published more than 40 articles related to sustainability in our *Public Accountant* and *Financial Accountant* publications.

We also took more direct action, participating in the RedCycle soft plastics recycling program to reduce landfill, and planting 847 native trees through Carbon Positive Australia. We have established a sustainability discussion group and we continue to develop member resources; as well as represent our members on various sustainability related forums both domestically and internationally.

In June 2022 we held the virtual mini-conference entitled "Why do we measure economic success by unicorns?" It was co-hosted with the International Council for Small Business and achieved more than 850 registrations. The topics focused on measuring economic success by including the things that matter most to people, such as: the environment; overcoming structural barriers to entrepreneurialism; and creating the future world. Speakers came from all over the world, including Professor Robert Kaplan who also gave a webinar on ESG questioning our fundamental understanding of many ESG concepts.

The IPA Group in the global society

Building social capital

As a recognised accounting body operating across major economies, and with members around the world, the IPA Group plays an important role in the global society. Our members help to ensure that a huge range of businesses, government organisations and not-for-profits account honestly for the money entrusted to them. They also help to advise and guide them to ensure their survival and prosperity.

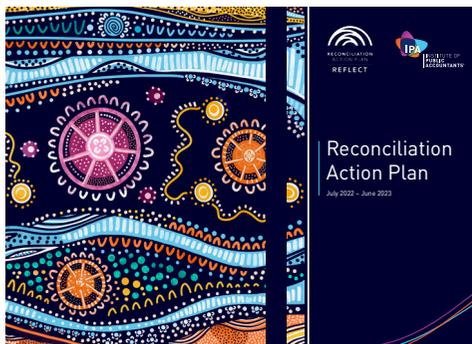
From this flows the IPA Group's operation of education, professional standards, and advocacy. We educate our members, we uphold professional and ethical standards, and we advocate in the best interests of our members and the profession. How we do this has been set out in the sections of this report above. In doing this, we help not just to build businesses and create financial capital, but to build vital social capital as well.

Beyond this, the IPA group pursues specific social goals to further build that social capital. These include behaving as a responsible employer, helping our own team members to grow and thrive. And it includes creating our own plan to further reconciliation with Australia's First Nations peoples.

Reconciliation Action Plan

The IPA has developed a Reconciliation Action Plan (RAP) to formally set out how we approach reconciliation with Australia's First Nations stakeholders, and to guide our journey. We link this strongly with our valuing of respect. The IPA's reconciliation journey will lead us to develop relationships with First Nations stakeholders in our local areas and motivate us to create workplaces that are safe and welcoming for First Nations employees. Some 2021-22 milestones on this journey:

- We asked IPA members whether they identified as Aboriginal and/or Torres Strait Islander. By mid-2022, nine members had identified as Aboriginal and one member as Torres Strait Islander.
- Some IPA staff have completed Acknowledgement of Country training through AcknowledgeThis!, with resources circulated to all staff.
- Presentations provided to staff explored reconciliation and the IPA's RAP.
- Knowing that accountancy has fewer than 100 First Nations professionals, we are exploring how we can do our part to make accountancy an attractive and viable pathway for more Aboriginal and Torres Strait Islander students.



IPA Reconciliation Action Plan (2022)



OUR MEMBERS

Tory O'Brien's RAP experience

Tory O'Brien is president of the IPA's Victorian Divisional Advisory Committee (DAC).

"I have had the privilege of providing advice and support to Aboriginal-led businesses, not-for-profit organisations, and networked with some deadly business leaders.

"Over time, Elders have shared their knowledge, experiences, and stories with me. We have yarned about historical facts (truth-telling), life experiences, equity, and equality. I have witnessed the gap that remains between First Nations people and non-Indigenous Australians; economically, socially and culturally.

"My journey to grow in my Aboriginal identity and reconnect with kin family from Tebrakunna Country in north-east Tasmania has been a wonderful and highly emotional experience. This has shaped my own reconciliation journey, and I feel privileged to be a part of the IPA RAP working group. The extensive and heartfelt discussions that have taken place, together with the IPA's commitment to hold itself accountable for being accessible, connected, and welcoming for Aboriginal and Torres Strait Islander people, is an important step in the Reconciliation process. I am hopeful that this will bring awareness and education to people within our profession around the importance of the histories of our First Peoples."



OUR CAPITALS

Preserving our capitals: risk management

The Board and specifically the Board Audit & Risk Committee, as well as senior management, have responsibility for overseeing the IPA Group's enterprise risk management framework and implementation. This includes ongoing review to ensure that the risk framework, mitigation and treatment plans, external risk assessment, risk appetite statement and related policies are effective and remain fit for purpose.

The enterprise Risk Management Program achievements, areas of focus, and intent over the year include the following:

- We conducted foundational risk training across the organisation, which achieved a near 100% completion by participants.
- We administered a program of cybersecurity education and training for all staff and Board members.
- We tested the Group's cyber incident response plan via an internal team which comprised representatives from all internal units.
- We applied an integrated approach to successfully develop over 100 secure workflow automations between external providers / third parties and various IPA Group business units.
- We added an integrated reporting outline to the IPA Group Risk Management Framework in readiness for integrated reporting adoption by the Group.
- The digitisation strategy which uses web integration and cloud technologies has made numerous manual processes redundant, such as completion of requisite forms and reports in compliance and finance.
- Use of SaaS (software as a service) to facilitate core functional processes has brought improvements in productivity, transparency, and turnaround times.
- There are plans to continue using SaaS and PaaS (platform as a service) for access to the latest scalable and appropriate technologies, to improve member services, education products and compliance support.

Group executive listing



Andrew Conway FIPA FFA

Group Chief Executive Officer

Andrew leads the transformation of the IPA Group. He has consolidated the IPA's position in the global profession through leading the successful acquisition of the Institute of Financial Accountants in the UK to create the IPA Group. He has also spearheaded development of the landmark Australian Small Business White Paper and a range of policy initiatives including the mental health first aid training program Counting on U.

A former Australian government treasury ministry chief of staff, Andrew has represented Australia at a range of international events including APEC, G20 and World Trade Organization summits.

Andrew's academic background and qualifications are in commerce, education and commercial law, with post-graduate qualifications in artificial intelligence. In 2001 Andrew was awarded the Centenary of Federation Medal for community service. He was also awarded the 2011 Young Professional of the Year award and was appointed a Professor of Accounting (honoris causa) at Shanghai University of Finance and Economics. He is an Adjunct Professor at Deakin University and Lanzhou University in China. Andrew has held statutory positions including as a board director of Victoria-based Eastern Health and is a member of the Tax Practitioners Board.

In November 2014, Andrew was announced as one of the Australian Financial Review Boss Magazine Young Executives of the Year. In 2015 he was announced as the Young Alumni of the Year of Deakin University, where he is a current Vice-Chancellors' Distinguished Fellow. He is a Fellow of both the IPA and the IFA.



Brett Maloney FIPA FFA

Chief Operating Officer

Brett leads the IPA teams responsible for finance & treasury, education operations, corporate shared services, corporate policy & risk, and ICT infrastructure & security. He has managed the Institute's transition to cloud computing in recent years.

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



John Edwards FFA FIPA

Group Executive Officer, IFA and Group Executive International

John is CEO of the Institute of Financial Accountants (IFA) in the UK and leads the IPA Group's international operations. Before taking this role in April 2015, John held a number of senior roles in the private and not-for-profit sectors. He gained a deep knowledge of the accounting profession over many years at the Institute of Chartered Accountants in England and Wales (ICAEW).

He has worked for a range of SME/SMPs as a business consultant, helping them to strategically develop and grow their businesses. He has also been chief operating officer at a venture capital business investing and developing companies in sectors including: construction; information technology; motor sport; events and marketing; charities; cruise liners and airlines. John is a Fellow of the IFA and the IPA.

Group executive listing



Naomi Knight

Group Executive People and Wellbeing

Naomi heads up the People and Wellbeing team and leads development and implementation of the IPA Group People Strategy. Naomi also provides strategic and operational human resource management for the Group, and advice to IPA managers and staff to deliver support in all aspects of the employee lifecycle.

Since joining the IPA in 2002, Naomi has held a number of senior roles across the business. With experience working in finance, member retention, corporate services and IT support, Naomi has had the opportunity to gain valuable insight into all areas of the IPA business. Naomi is a member of the IPA and of the Australian HR Institute, and holds a graduate certificate in HR leadership.



Catherine Atkinson

Group Executive Member Growth, Marketing, and Events

Catherine heads the Member Growth, Marketing, and Events teams at the IPA. These teams work to raise member numbers, make people aware of the IPA Group brands and what they stand for, and bring members together to jointly develop their skills.

A strategic marketing leader with more than 25 years' experience across the financial services sector, Catherine has experience with online and offline marketing, external and internal communications, brand strategy, loyalty programs and events. Catherine has worked for a range of businesses from not-for-profits to multinational corporations.

Catherine holds postgraduate qualifications in direct marketing and communications, as well as a bachelor of tourism and hospitality management.



Vicki Stylianou

Group Executive Advocacy and Policy

Vicki heads the team responsible for policy development, advocacy, government relations, media, strategic communications, publications, complaints and disciplinary, professional standards, 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 and in the Office of Best Practice Regulation. Prior to this, Vicki was a practising lawyer specialising in commercial litigation both in Australia and overseas. She continues to hold an unrestricted practising certificate for pro bono legal services. Vicki holds a Bachelor of Jurisprudence, Bachelor of Laws, Bachelor of Arts, Master of Business Administration (International Business) and a Diploma of Financial Planning.



Arthur Burt FIPA FFA

Group Executive Member Engagement

Arthur oversees the management, performance and strategic direction of the IPA's engagement with members. This includes retaining members, engagement with stakeholders in the profession, and the IPA's relationships in tertiary education.

Arthur brings a wealth of management, business development, marketing and communications knowledge gained over almost 30 years in Australia and in the UK. He has worked with some of the most recognised global brands in financial services and has been involved in all aspects of marketing communications, management, planning and research. Arthur holds a Bachelor of Arts degree in Marketing and Spanish from the University of Strathclyde in Glasgow.

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Directors' report

The directors present this report on Institute of Public Accountants Ltd (IPA) for the financial year ended 30 June 2022.

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 as shown in the table.

Directors	Board Of Directors		Board Executive Committee		Board Audit & Risk Committee		Board Remuneration Committee		Board Disciplinary Tribunal Committee		Board Membership Committee		People & Wellbeing Committee	
	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible
Jason Parker	4	4	7	7	0	0	0	0	3	4	0	0	0	0
Damien Moore	4	4	7	7	0	0	4	4	0	0	2	2	0	0
Linda Bernard ²	2	2	0	0	0	0	2	2	0	0	0	0	0	0
Nordin Zain	4	4	0	0	0	0	0	0	0	0	4	4	0	0
Michael Colin	3	4	0	0	2	2	0	0	0	0	2	2	0	0
Julie Ann Williams	4	4	7	7	4	4	4	4	0	0	2	2	3	3
Mike Mooney ²	2	2	0	0	0	0	0	0	0	0	2	2	0	0
Cheryl Mallett	4	4	7	7	4	4	0	0	0	0	0	0	0	0
Alexandra Korfiatis ²	1	2	0	0	0	0	0	0	1	2	0	0	0	0
Luckmika Perera	4	4	0	0	2	2	4	4	0	1	0	0	0	0
Mark Holton ¹	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Joel Schreiber ³	2	2	0	0	2	2	0	0	0	0	2	2	0	0
Richard Allen ³	2	2	0	0	2	2	0	0	2	3	0	0	0	0
Annette Tasker ³	2	2	0	0	0	0	0	0	0	0	2	2	0	0
Natasha Janssens ³	2	2	0	0	2	2	0	0	0	0	0	0	0	0

Notes:

¹ Cessation Date: 1 July 2021

² Cessation Date: 17 November 2021

³ Appointment Date: 17 November 2021

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.

A future-ready profession

The International Federation of Accountants (IFAC), the global voice of the accounting profession, continues to enhance its 'future-ready' approach. Recognising the need to help practitioners, employees, advisers, students and all 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.

Our plan for the future addresses the key areas of professional interest, including lifelong learning, attracting new generations to accounting, optimizing the benefits of technology, and supporting our members in transitioning to a post-COVID world.

Over the last year and continuing into the next, we will:

- Enhance our engagement with members and stakeholders
- Introduce new forms of education and training
- Influence government and regulators through more targeted policy, research and engagement
- Contribute to a sustainable planet and social prosperity
- Create a new and innovative approach to co-regulatory activities as a recognised professional accounting body
- Promote trust and ethics as the cornerstone of our profession
- Improve our positioning to increase our global reach and voice
- Position IPA as a digital platform for the efficient delivery of services
- Integrate our values and principles in everything we do
- Ensure the wellbeing of our members and people is at the heart of our work

IPA 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

Our Why, Vision, Mission and Values

Why

To improve the quality of life of small businesses.

Vision

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

Mission

To be a relevant, flexible, global professional accounting body adding value to members through everything we say and do.

Values

The Institute has focused heavily on building a culture of **respect**.

This lies at the foundation of our organisation and includes the core values:

We **respect** our membership

We **respect** each other

We **respect** & foster flexibility

We **respect** & foster innovation

We **respect** that we're **all** on the same team

Information on Directors



Julie Williams

FIPA FFA

President and Chair of the Board

Julie has been an IPA member since 2003, having served as Queensland Divisional Councillor since 2008. Julie was 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 held the positions of Deputy President of the IPA and Chair of the IPA Disciplinary Committee. She is Chair of the Nominations Committee, the Board Executive Committee and a Director of the IFA. Julie was a partner in PPB before moving to public practice as a Registered Liquidator in 2006. She is a Fellow of the IPA, CPA and Australian Restructuring Insolvency and Turnaround Association, she holds an MBA and an MPA. She is a member of the Association of Certified Fraud Examiners, the Australian Institute of Company Directors, 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. As a graduate of the Australian Institute of Company Directors, Cheryl has over 30 years' experience as an income tax specialist/advisor. She is also an Accredited Specialist SMSF Advisor and SMSF Auditor. Winner of the 2016 IPA Northern Territory and National Practice of the Year and 2019 AMP Women in Finance – Regional Professional of the Year. Cheryl is a Deputy President, sits on both the Board Executive Committee and the Association of Accounting Technicians (AAT) Steering Committee and Chairs the Board Audit and Risk Committee. She has recently been appointed as a Director of AAT.



Jason Parker

FIPA FFA GAICD

Deputy President

Jason served on the Tasmanian Division of the IPA as President for two years' prior to being elected to the IPA Board in 2008. Jason is a Deputy President and currently sits on the Board Executive Committee and is Chair of the Board Disciplinary Tribunal. Jason 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 degree, a Diploma in Financial Services, Graduate Certificate in Applied Finance, a Graduate Certificate in Australian Migration Law and Practice, a Bachelor of Laws, a Graduate Diploma of Legal Practice, and an MBA. He is an admitted legal practitioner (Tas). Jason is a Director and Chairman of five unlisted public companies in sectors including roadside maintenance, recreational aviation, food recycling, aquaculture and land-based drones.



Damien Moore

FIPA FFA

Director

Damien has been the South Australian/Northern Territory Director since 2010. Damien was Board President and Chair for four years and also held the positions of Vice President and Deputy President. Damien currently sits on the Board Executive Committee and Board Remuneration Committee. He has served as the South Australian/Northern Territory Divisional President along with 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 and operated his own accounting firm along with working for ASX listed companies. He holds a Master of Commerce (Professional Accounting) through the University of New England.

Information on Directors



Dr Nordin Zain

FIPA FFA

Director

Dr Nordin is a Chartered Accountant, an ex-partner of Deloitte South East Asia who now serves on the boards of several public companies in Malaysia, including Gopeng Limited (Renewable Energy) where he is also the Chairman of the Audit Committee, Ambank Islamic (banking), as a Board member and the Audit Committee Chairman, UDA Property Development (property), as a Board member and the Audit and Risk Committee Chairman and AIA subsidiary (asset management). 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 currently sits on the IPA Board Membership Committee; and actively involved in SMEs in Malaysia.



Michael Colin

FCA FFA FIPA

Director

As a Chartered Accountant, Michael established a traditional UK regional accounting firm. His passion throughout his professional career has been the micro and small enterprise and not for profit sectors and in an academic career taught in and researched aspects of the micro and small enterprise field. Whilst serving on the ICAEW Council, Michael was invited to join the pre-merger IFA Council and was subsequently co-opted and then elected to the IPA Board. Michael was Chief Executive of Make It Happen in Sierra Leone, an educationally focussed charity and now manages a Covid19, grant making fund in Manchester. Michael has served on the Board Membership Committee which he currently chairs and Board Audit and Risk Committees which he previously Chaired for two years.



Dr. Luckmika Perera

FFA FIPA GAICD

Director

Dr. Luckmika Perera is an experienced accountant and business consultant, specialising in the areas of Integrated Reporting, Sustainability, Cloud and mobile learning and Educational program design and development. He has worked in a number of senior roles in industry and academia. He was one of the key architects of the IPA Program. Luckmika was a foundation member of the Integrated Reporting Consortium in Australia set up by Deakin University, KPMG and 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, PhD in Environmental Accounting, four Master's degrees (MBA, Accounting & Administration) and an honours degree in Information Systems (specialising in Artificial Intelligence & Cloud Security). He is also consults to the Fijian, Indian and Sri Lankan governments and sits on a number of advisory boards for RTOs and TAFEs. Luckmika has been a Director since November 2019 and currently sits on the Board Disciplinary Tribunal.



Natasha Janssens

AIPA AFA

Director

Natasha Janssens is a long-standing member of the IPA, as well as a published author and an award-winning finance expert. Natasha completed a Bachelor of Commerce in Accounting and Bachelor of Business Administration at the University of Canberra, before completing further qualifications in financial planning and mortgage broking. After over a decade of working in the private sector as a tax accountant and business consultant, Natasha went on to start her own holistic finance practice in 2014 with a focus on bridging the gender gap through financial education. In 2019 she also published her first book, Wonder Woman's Guide to Money, which became an Amazon bestseller. In recognition of her community work, Natasha has been awarded the Women in Finance Community Program Of The Year award for four consecutive years as well as the 2017 and 2020 ACT Member Of The Year Award by the Institute of Public Accountants.

Natasha has been a Director since November 2021 and currently sits on the Board Audit and Risk Committee.

Information on Directors



Annette Tasker

FIPA FFA

Director

As a proud recipient of a "NSW IPA Member of the Year" award and passionate FIPA, Annette is an inspirational women's leader, drawing on an eclectic mix of experience from practice and life. Having previously worked in a diverse range of roles throughout her career, including running a successful family manufacturing business all while raising a family, Annette was able to upskill and transfer some of her experience into growing a bookkeeping practice which later evolved into a thriving accounting business, which has recently been sold, part of a full circle of experiences. She knows firsthand the importance of building businesses that are sustainable whilst juggling work/life pressures.

Annette has been a Director since November 2021 and currently sits on the Board Membership Committee.



Richard Allen

FIPA FFA

Director

Richard has been a member of the IPA since 2005 and has been in public practice since 1986. He has served as the South Australian/Northern Territory Divisional President and as President of the Council of Divisional Presidents. Richard has degrees in Arts/Economics and Accounting and has been a Registered Tax Agent since 1995. He served on the Board of the Sturt Football Club for 11 years (including six as President) and continued serving football in SA as a Commissioner for the SANFL for a further 10 years. Richard operated his own accounting firm for 24 years until merging with Johnston Grocke, where he is currently a Director of their Business Advisory & Accounting team.

Richard has been a Director since November 2021 and currently sits on the Board Audit and Risk and Board Disciplinary Tribunal Committees.



Joel Schreiber

FIPA FFA

Director

Joel has been a member of the IPA for over 20 years while working as an Advanced Skills Lecturer - Management, Accounting, and Training at North Regional TAFE from 1997 in North West Australia.

He works extensively in the development, delivery, and evaluation of award courses in Accounting, HR, Management, and related programs to the community, industry, business, and government. He also specialise in Accounting, Training, and Management; Small and Medium Enterprise, Non-profit, and Aboriginal Enterprises.

Joel is the Managing Partner for the Australian Institute for Social Development Inc. which is a non-profit IPA Professional Practice Certificate firm that provides accounting and business services for Non-profits and ORIC registered bodies. He is passionate on supporting and resourcing IPA members in order to expand services to the community (including Non-profits and Aboriginal Organisations). He serves on several non-profit Boards and is a community representative at several Pilbara Industries Groups (BHP, Pilbara Ports Authority, Port Hedland Industries Council).

Joel has been a Director since November 2021 and currently sits on the Board Audit and Risk and Board Membership Committees.



Linda Bernard

FIPA FFA

Director

Linda joined the IPA Western Australia Divisional Council in 2007, then became the 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 a Registered Tax Agent, 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.

Information on Directors



Mike Mooney

FIPA FFA

Director

Mike has been an IPA member since 1996. He studied a Bachelor of Commerce at the University of NSW. He moved from Sydney to Canberra to take up a role in business services and tax with Price Waterhouse Coopers. He 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.



Alexandra Korfiatis

FIPA FFA

Director

Alex has been an IPA member since 2005 and a Director since November 2019. Alex currently serves as Deputy Chair of the Board Disciplinary Tribunal and previously sat on the Board Audit and Risk Committee. Alex holds a Bachelor of Business majoring in Accounting and Business Law, and is a member of CPA Australia, a Chartered Tax Advisor with the Taxation Institute of Australia, an affiliate member with Chartered Accountants Australia and New Zealand, 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 of Forrester Korfiatis Chartered Accountants, a well-established public accounting practice located in Sydney.



Mark Holton

FIPA FFA

Director

Mark has been a member of the IPA since 1979 and was elected to the Board in November 2020. He currently sits on the Board Audit and Risk Committee. Mark has more than 35 years' experience as an Accountant and Tax Agent in practice. Mark has developed specialised skills in corporate presentations and training with extensive experience in both private and public sector industries in Australia, New Zealand, United Kingdom and North America.

He is also a respected consultant in taxation and business management, in particular value-added services implementation and administration using key business advisory systems and solutions.

Mark holds a Master of Commerce Degree as well as several post graduate qualifications in accounting and management. He also has a Degree in Adult Education and an Advanced Diploma of Financial Planning.

Mark is a Board Member and Honorary Treasurer of Ronald McDonald House Greater Western Sydney and Deputy Chairman of Bendigo Bank Central Coast NSW. He is also the Founding Chairman and Director of Finance of the NSW Central Coast Academy of Sport.

Auditor's Independence Declaration

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 2022, the total amount that members of the IPA are liable to contribute if IPA is wound up is \$149,538 (2021: \$148,314).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 41 of this 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 2022.



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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 2022 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



Rod Hutton
Partner

Hawthorn
6 September 2022



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Statement of profit or loss and other comprehensive income

	NOTE	GROUP		PARENT	
		2022 \$	2021 \$	2022 \$	2021 \$
Revenue					
Revenue	2	23,498,144	23,073,330	18,498,524	18,777,757
Expenses					
Marketing and publications expenses		(2,246,476)	(2,525,047)	(1,695,058)	(1,737,083)
Corporate services expenses		(4,010,101)	(3,500,315)	(3,175,458)	(2,984,722)
Corporate governance expenses		(3,432,723)	(2,776,660)	(3,055,259)	(2,471,972)
Member services and advocacy expenses		(12,221,904)	(11,801,290)	(9,371,027)	(9,763,065)
Interest expense		(294,569)	(337,197)	(267,653)	(302,644)
Other expenses		(282,387)	(261,736)	(282,387)	(260,478)
Total expenses		(22,488,160)	(21,202,245)	(17,846,842)	(17,519,964)
Surplus/(Loss) for the year		1,009,984	1,871,085	651,682	1,257,793
Other comprehensive income/(Loss)					
Exchange differences on translating foreign owned subsidiary		(26,824)	8,429	-	-
Total comprehensive income/(Loss) for the year		983,160	1,879,514	651,682	1,257,793
Total comprehensive income/(Loss) attributable to members		983,160	1,879,514	651,682	1,257,793

The accompanying notes form part of these financial statements.

Statement of financial position

	NOTE	GROUP		PARENT	
		2022 \$	2021 \$	2022 \$	2021 \$
Current Assets					
Cash and cash equivalents	6	6,527,101	6,108,276	3,093,200	3,184,987
Trade and other receivables	7	572,720	456,016	393,509	341,153
Financial assets	8	11,727,028	10,727,028	11,727,028	10,727,028
Other assets	9	1,023,631	927,755	877,570	777,832
Total Current Assets		19,850,480	18,219,075	16,091,307	15,031,000
Non-Current Assets					
Financial assets	8	-	-	100	100
Plant and equipment	10	5,151,231	6,210,470	4,844,412	5,661,318
Intangible assets	11	790,984	864,347	458,386	515,414
Total Non-Current Assets		5,942,215	7,074,817	5,302,898	6,176,832
Total Assets		25,792,695	25,293,892	21,394,205	21,207,832
Current Liabilities					
Trade and other payables	12	3,647,861	3,470,941	2,960,583	2,786,986
Subscriptions and other amounts received in advance	13	11,532,697	11,110,215	9,005,397	8,742,972
Deferred member application fees	14	71,324	59,316	36,589	40,062
Provisions	15	1,649,845	1,598,453	1,620,983	1,554,120
Total Current Liabilities		16,901,727	16,238,925	13,623,552	13,124,140
Non-Current Liabilities					
Trade and other payables	12	3,256,947	4,412,208	3,237,624	4,166,783
Deferred member application fees	14	226,496	218,298	182,832	218,298
Provisions	15	315,541	315,637	315,541	315,637
Total Non-Current Liabilities		3,798,984	4,946,143	3,735,997	4,700,718
Total Liabilities		20,700,711	21,185,068	17,359,549	17,824,858
Net Assets		5,091,984	4,108,824	4,034,656	3,382,974
Equity					
Retained earnings		5,230,581	4,220,597	4,034,656	3,382,974
Reserve	16	(138,597)	(111,773)	-	-
Total Equity		5,091,984	4,108,824	4,034,656	3,382,974

The accompanying notes form part of these financial statements.

Statement of changes in equity

	Retained Earnings	Reserves	Total
	\$	\$	\$
Group			
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
Balance as at 30 June 2021	4,220,597	(111,773)	4,108,824
Surplus for the year	1,009,984	-	1,009,984
Exchange differences on translating foreign owned subsidiary	-	(26,824)	(26,824)
Balance As At 30 June 2022	5,230,581	(138,597)	5,091,984
Parent			
Balance as at 30 June 2020	2,125,181	-	2,125,181
Surplus for the year	1,257,793	-	1,257,793
Balance as at 30 June 2021	3,382,974	-	3,382,974
Surplus for the year	651,682	-	651,682
Balance as at 30 June 2022	4,034,656	-	4,034,656

The accompanying notes form part of these financial statements.

Statement of cash flow

NOTE	GROUP		PARENT	
	2022	2021	2022	2021
	\$	\$	\$	\$
Cash Flows from Operating Activities				
Receipts from members and customers	25,671,929	25,117,674	20,251,974	20,013,069
Payments to suppliers and employees	(22,154,714)	(19,400,310)	(17,626,735)	(15,932,792)
Interest received	31,210	57,100	29,917	57,037
Interest on lease liabilities	(294,569)	(337,197)	(267,653)	(302,644)
Net cash provided by operating activities	3,253,856	5,437,267	2,387,503	3,834,670
Cash Flows from Investing Activities				
Proceeds from disposal of equipment	1,709	1,198	1,709	1,022
Purchase of intangible assets	-	(5,401)	-	(5,401)
Purchase of plant and equipment	(562,519)	(700,484)	(532,593)	(669,396)
Net transfers (to)/from bank term deposits	(1,000,000)	(3,037,127)	(1,000,000)	(3,037,127)
Net cash used in investing activities	(1,560,810)	(3,741,814)	(1,530,884)	(3,710,902)
Cash Flows from Financing Activities				
Payments of lease liabilities	(1,247,397)	(768,182)	(948,406)	(611,221)
Net cash used in financing activities	(1,247,397)	(768,182)	(948,406)	(611,221)
Effects of exchange rate changes on cash and cash equivalents	(26,824)	8,429	-	-
Net increase/(decrease) in cash held	418,825	935,700	(91,787)	(487,453)
Cash and cash equivalents at beginning of the financial year	6,108,276	5,172,576	3,184,987	3,672,440
Cash and cash equivalents at end of the financial year	6,527,101	6,108,276	3,093,200	3,184,987

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 – Simplified Disclosures 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 company is incorporated and domiciled in Australia.

These consolidated financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year the consolidated financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. There was no impact on the recognition and measurement of the amounts recognised in the statements of financial position, profit and loss and other comprehensive income, changes in equity, and cash flows of the Group as a result of the changes in the basis of preparation.

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 2022 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.

Note 2: Revenue

	GROUP		PARENT	
	2022 \$	2021 \$	2022 \$	2021 \$
Cash Flows from Operating Activities				
Members subscriptions	16,671,167	16,039,468	11,637,224	12,424,516
Professional development	3,172,178	2,797,219	2,989,986	2,644,552
Education	542,129	938,892	424,907	691,288
Interest income	31,642	55,013	30,349	54,950
Profit on disposal of plant and equipment	1,324	-	1,324	-
Other revenue	3,079,704	3,242,738	3,414,734	2,962,451
Total operating revenue	23,498,144	23,073,330	18,498,524	18,777,757

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

	GROUP		PARENT	
	2022 \$	2021 \$	2022 \$	2021 \$
The following significant expense items are relevant in explaining the financial performance:				
Interest expense on premise leases	294,569	337,197	267,653	302,644
Depreciation of right-of-use assets	1,114,159	1,015,671	840,109	821,130
Depreciation of plant and equipment	630,023	588,846	590,068	552,268
Amortisation of intangible assets	78,113	78,301	61,778	62,233
Loss on disposal of plant and equipment	-	10,593	-	9,335
Employee benefits expense	11,055,199	10,369,858	8,451,961	8,383,602
Advertising and promotions	747,850	637,315	494,275	575,463
Profession Related Costs				
Australian Professional Ethical Standards Board contribution	475,000	447,000	475,000	447,000
International Federation of Accountants contribution	220,625	234,188	182,375	191,046
Confederation of Asian and Pacific Accountants (CAPA)	33,697	35,603	33,697	35,603

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 25% (2021: 26%).

Parent

The prima facie income tax expense/(benefit) attributable to the members of IPA of \$162,920 (2021: income tax expense of \$327,026) 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 \$8,802,432 (2021: accumulated tax losses of \$8,965,353) 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 \$252,496 (2021: income tax expense of \$486,482). At financial year end, unconfirmed accumulated tax losses of \$8,712,857 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.

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 – \$15,000 per annum

Deputy President/Immediate Past President– \$22,500 per annum

President - \$45,000 per annum

	GROUP		PARENT	
	2022 \$	2021 \$	2022 \$	2021 \$
Key management personnel compensation	2,496,694	2,544,408	2,151,748	2,240,212

The total number of key management personnel for the year ended 30 June 2022 for the parent and group is 7 and 8 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 2022 was \$645,000 with a capacity to earn a performance bonus of up to 5%.

Note 6: Cash and Cash Equivalents

	GROUP		PARENT	
	2022 \$	2021 \$	2022 \$	2021 \$
Cash at bank and on hand	6,027,101	5,608,276	2,593,200	2,684,987
Short term deposits	500,000	500,000	500,000	500,000
Total cash and cash equivalents	6,527,101	6,108,276	3,093,200	3,184,987

Cash and cash equivalents include cash on hand, deposits, other short-term highly liquid investments with original maturities of three months or less.

Note 7: Trade and Other Receivables

	GROUP		PARENT	
	2022 \$	2021 \$	2022 \$	2021 \$
Current				
Trade receivables	471,139	427,840	383,486	344,653
Provision for impairment of receivables	(23,967)	(46,294)	(1,500)	(3,500)
Trade receivables, net	447,172	381,546	381,986	341,153
Other receivables	125,548	74,470	11,523	-
Total current trade and other receivables	572,720	456,016	393,509	341,153

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 \$
Balance at beginning of the year	46,294	3,500
- Charge for the year	24,856	1,500
- Written back	(19,149)	
- Written off	(28,034)	(3,500)
Balance at end of the year	23,967	1,500

Note 8: Financial Assets

	GROUP		PARENT	
	2022 \$	2021 \$	2022 \$	2021 \$
Current				
Bank term deposits	11,727,028	10,727,028	11,727,028	10,727,028
Non-Current				
Investment in controlled entities	-	-	100	100

Information about Principal Subsidiaries for year ended 30 June 2022 for the parent and group is contained within note 18.

Note 9: Other Assets

	GROUP		PARENT	
	2022 \$	2021 \$	2022 \$	2021 \$
Deposits	78,792	135,888	74,736	117,837
Prepayments	928,069	734,544	732,645	608,412
Accrued income	16,770	57,323	70,189	51,583
Total current other assets	1,023,631	927,755	877,570	777,832

Note 10: Plant and Equipment

	GROUP		PARENT	
	2022 \$	2021 \$	2022 \$	2021 \$
Plant and equipment - at cost	2,831,602	2,835,690	2,595,343	2,631,931
Accumulated depreciation	(2,097,575)	(2,139,037)	(1,925,964)	(2,007,381)
Total plant and equipment	734,027	696,653	669,379	624,550
Leasehold improvements - at cost	2,321,188	2,197,195	2,308,879	2,184,886
Accumulated depreciation	(1,087,828)	(807,665)	(1,075,519)	(795,356)
Total leasehold improvements	1,233,360	1,389,530	1,233,360	1,389,530
Work in progress	62,870	16,713	62,870	14,139
ROU Asset - at cost	6,596,604	6,498,169	5,908,913	5,852,225
Accumulated depreciation	(3,475,630)	(2,390,595)	(3,030,110)	(2,219,126)
Total ROU Asset	3,120,974	4,107,574	2,878,803	3,633,099
Total plant and equipment	5,151,231	6,210,470	4,844,412	5,661,318

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.

Note 10: Plant and Equipment - continued
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:

Group	Plant And Equipment \$	Leasehold Improvements \$	Work In Progress \$	Rou Asset \$	Total \$
Carrying amount as at 1 July 2021	696,653	1,389,530	16,713	4,107,574	6,210,470
Additions	330,132	169,517	62,870	127,559	690,078
Transfers	11,963	-	(11,963)	-	-
Transfers to intangible assets	-	-	(4,750)	-	(4,750)
Disposals	(385)	-	-	-	(385)
Depreciation expense	(304,336)	(325,687)	-	(1,114,159)	(1,744,182)
Carrying amount as at 30 June 2022	734,027	1,233,360	62,870	3,120,974	5,151,231
Parent					
Carrying amount as at 1 July 2021	624,550	1,389,530	14,139	3,633,099	5,661,318
Additions	300,206	169,517	62,870	85,813	618,406
Transfers	9,389	-	(9,389)	-	-
Transfers to intangible assets	-	-	(4,750)	-	(4,750)
Disposals	(385)	-	-	-	(385)
Depreciation expense	(264,381)	(325,687)	-	(840,109)	(1,430,177)
Carrying amount as at 30 June 2022	669,379	1,233,360	62,870	2,878,803	4,844,412

Leased assets

The Group leases office premises in Melbourne, Sydney, Brisbane, Adelaide, Perth, Hobart, Kuala Lumpur, 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	
	2022 \$	2021 \$	2022 \$	2021 \$
Patents - at cost	132,828	128,078	132,828	128,078
Accumulated amortisation	(125,733)	(120,367)	(125,733)	(120,367)
Total patents	7,095	7,711	7,095	7,711
Membership database	564,114	564,114	564,114	564,114
Accumulated amortisation	(112,823)	(56,411)	(112,823)	(56,411)
Total membership database	451,291	507,703	451,291	507,703
Goodwill - at cost	381,723	381,723	-	-
Accumulated amortisation	(49,125)	(32,790)	-	-
Total goodwill	332,598	348,933	-	-
Development costs of training materials - at cost	91,475	91,475	-	-
Accumulated amortisation	(91,475)	(91,475)	-	-
Total development costs	-	-	-	-
Total intangible assets	790,984	864,347	458,386	515,414

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:

	Patents \$	Membership database \$	Goodwill \$	Development costs \$	Total \$
Group					
Balance at beginning of the year	7,711	507,703	348,933	-	864,347
Transfers from plant and equipment	4,750	-	-	-	4,750
Amortisation expense	(5,366)	(56,412)	(16,335)	-	(78,113)
Balance at end of the year	7,095	451,291	332,598	-	790,984
Parent					
Balance at beginning of the year	7,711	507,703	-	-	515,414
Transfers from plant and equipment	4,750	-	-	-	4,750
Amortisation expense	(5,366)	(56,412)	-	-	(61,778)
Balance at end of the year	7,095	451,291	-	-	458,386

Note 11: Intangible Assets - continued
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 5%

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	
	2022 \$	2021 \$	2022 \$	2021 \$
Current				
Trade payables	778,892	537,581	609,826	397,865
Accrued expenses and other payables	1,111,724	1,191,040	863,390	933,919
GST payable	495,277	515,775	479,880	514,281
Lease liability	1,261,968	1,226,545	1,007,487	940,921
Total current trade and other payables	3,647,861	3,470,941	2,960,583	2,786,986

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.

Non-Current				
Lease liability	3,256,947	4,412,208	3,237,624	4,166,783
Total non-current trade and other payables	3,256,947	4,412,208	3,237,624	4,166,783

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.

Future lease payments

	GROUP		PARENT	
	2022 \$	2021 \$	2022 \$	2021 \$
Future lease payments are due as follows:				
Within one year	1,476,602	1,508,986	1,212,197	1,196,635
One to five years	3,274,186	3,914,667	3,254,858	3,659,902
More than five years	368,922	1,092,578	368,922	1,092,578
Total Future lease payments	5,119,710	6,516,231	4,835,977	5,949,115

Note 13: Subscriptions and other amounts received in advance

	GROUP		PARENT	
	2022 \$	2021 \$	2022 \$	2021 \$
Current				
Members subscriptions in advance	10,669,402	10,238,528	8,205,273	7,940,535
Other income in advance	863,295	871,687	800,124	802,437
Total current income received in advance	11,532,697	11,110,215	9,005,397	8,742,972

Note 14: Deferred member application fees

Current				
Deferred member application fees	71,324	59,316	36,589	40,062
Non-Current				
Deferred member application fees	226,496	218,298	182,832	218,298

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 \$
Balance at the beginning of the year	277,614	258,360
- Revenue deferred during the year	114,887	36,708
- Revenue recognised during the year	(94,681)	(75,647)
Balance at end of the year	297,820	219,421

Note 15: Provisions

	GROUP		PARENT	
	2022 \$	2021 \$	2022 \$	2021 \$
Current				
Employee entitlements	1,649,845	1,598,453	1,620,983	1,554,120
Non-Current				
Employee entitlements	108,639	119,737	108,639	119,737
Lease restoration	206,902	195,900	206,902	195,900
Total non-current provisions	315,541	315,637	315,541	315,637

Movement in Provisions

	Employee entitlements	Lease restoration	Total
	\$	\$	\$
Group			
Balance at 1 July 2021	1,718,190	195,900	1,914,090
Additional provisions	692,577	11,002	703,579
Amounts used	(652,283)	-	(652,283)
Balance at 30 June 2022	1,758,484	206,902	1,965,386
Parent			
Balance at 1 July 2021	1,673,857	195,900	1,869,757
Additional provisions	664,944	11,002	675,946
Amounts used	(609,179)	-	(609,179)
Balance at 30 June 2022	1,729,622	206,902	1,936,524

Note 15: Provisions - continued
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.

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	
	2022 \$	2021 \$	2022 \$	2021 \$
Foreign currency translation reserve	(138,597)	(111,773)	-	-

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 2022.

All commitments at 30 June 2022 are for property and office equipment leases.

Note 18: Information about Principal Subsidiaries

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

Name of subsidiary	Country of Incorporation	2022	2021
The Institute of Financial Accountants	United Kingdom	100%	100%
Institute of Public Accountants (Australia) China Pty Ltd	Australia	100%	100%
IPA Beijing Education Consultancy Co Ltd	China	100%	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
IFA (2014) Limited	Dormant	United Kingdom

The above dormant entities have no material assets or liabilities.

Note 19: Related Party Transactions
Key management personnel

Disclosures relating to key management personnel are set out in note 5.

Transactions with related parties

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:

Directors employer reimbursement:

Director	Directors employer	PARENT	
		2022 \$	2021 \$
Jason Parker	Parker Accounting & Financial Services	22,500	12,500
Damien Moore	Carrington Accounting Services	22,500	22,500
Linda Bernard	Grange Professional Services	7,500	10,000
Nordin Zain	Prospect Alliance Consulting & Training	15,000	10,000
Michael Colin	Michael Colin Associates	15,000	10,000
Julie Williams	Insolvency & Turnaround Solutions	45,000	22,500
Mike Mooney	Mike Mooney Accountant	7,500	10,000
Cheryl Mallett	Vita Gustafson & Associates	22,500	15,000
Alexandra Korfiatis	Billambi Pty Ltd	7,500	10,000
Luckmika Perera	Integrated Knowledge	15,000	10,000
Mark Holton	Smithink Advisory Pty Limited	-	5,000
Joel Schreiber	Joel Schreiber	7,500	2,500
Richard Allen	Johnston Grocke	7,500	2,500
Annette Tasker	Alt Tax Accounting	7,500	2,500
Natasha Janssens	Women with Cents	7,500	2,500
Timothy Munro	Change Accountants & Advisors	-	2,500

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 20: Contingent Liabilities

	GROUP		PARENT	
	2022 \$	2021 \$	2022 \$	2021 \$
Bank guarantees for the term of the operating leases for periods up to 10 years	727,028	727,028	727,028	727,028

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	
		2022 \$	2021 \$	2022 \$	2021 \$
Financial Assets					
Financial assets at amortised cost:					
Cash and cash equivalents	6	6,527,101	6,108,276	3,093,200	3,184,987
Loans and receivables	7	572,720	456,016	393,509	341,153
Financial assets and deposits	8	11,727,028	10,727,028	11,727,028	10,727,028
Total financial assets		18,826,849	17,291,320	15,213,737	14,253,168
Financial Liabilities					
Financial liabilities at amortised cost:					
- Trade and other payables	12	6,904,808	7,883,149	6,198,207	6,953,769
Total financial liabilities		6,904,808	7,883,149	6,198,207	6,953,769

Note 21: Financial Risk Management - continued
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.

Note 21: Financial Risk Management - continued
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.

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: Remuneration of auditors

	GROUP		PARENT	
	2022 \$	2021 \$	2022 \$	2021 \$
Remuneration of the group auditors for:				
Audit or review services	40,250	32,900	40,250	32,900
Taxation services	14,510	17,325	14,510	17,325
Total remuneration of the group auditors	54,760	50,225	54,760	50,225
Remuneration of other auditors for:				
Audit or review services	17,262	12,622	-	-
Taxation services	7,883	7,843	-	-
Total remuneration of the other auditors	25,145	20,465	-	-

Note 23: 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 24: 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 25: 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 2022, the total amount that members of the IPA are liable to contribute if IPA is wound up is \$149,538 (2021: \$148,314).

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 consolidated financial statements and notes, as set out on pages 42 to 53, are in accordance with the Corporations Act 2001 and:
 - i. comply with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Regulations 2001; and
 - ii. give a true and fair view of the Group's financial position as at 30 June 2022 and of its 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
2022.

Independent auditor's report



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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 2022, 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 2022 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Simplified 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 – Simplified 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 Bentley's Auditor Pty Ltd.

McLean Delmo Bentley's Audit Pty Ltd

Rod Hutton

Rod Hutton
Partner

Hawthorn
7 September 2022



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