

Appendix C

SUPERVISION GUIDELINES FOR API & APIV LIMITED MEMBERS

The Supervision Guidelines for API & APIV Limited Members (Guidelines) have been introduced to remedy the risk factors which flow from under experienced and/or contract valuers providing valuation reports without adequate training and supervision from more experienced Members.

The Guidelines apply to:

- all API & APIV Limited Members who provide valuations of real property; and
- all employees and contractors of API & APIV Limited Members firm or company.

Guideline 1

1. Valuation reports must not be undertaken by a Student Member or a Provisional Member (PMAPI) of the API who does not have Residential Property Valuer (**RPV**) status, unless the valuation is signed by a Certified Practising Valuer (**CPV**) who is the primary signatory and that primary signatory has co-inspected the property.

A valuation report must not be signed by a member unless the member has inspected the property.

With respect to valuations for mortgage lending purposes no valuations can be signed in any capacity by a Student Member or Provisional Member unless that Provisional Member has RPV status.

Guideline 2

2. Valuation Reports signed by a Provisional Member (PMAPI) with RPV status, a Graduate Member (GAPI), Provisional Associate (PAAPI), or Associate Member (AAPI) (in transition to CPV) of the API are only acceptable when they are countersigned by a Supervising Member who is a CPV - who has:
 - 2.1 Reviewed the draft valuation, working papers and any additional documents from the valuation file relevant to the value opinion (**Review**); and
 - 2.2 Based upon the Review and appropriate questioning of the Member or Associate who performed the valuation, is satisfied that there is a reasonable basis for the value opinion contained in the draft valuation.

Guideline 3

3. If the valuation is for a sum greater than \$2 million:
 - (a) the valuation report may be signed by a Provisional Member (PMAPI) with RPV status, Graduate Member (GAPI), Provisional Associate (PAAPI), or Associate Member (AAPI) of the API (in transition to CPV). However, the report must be countersigned by a Certified Practising Valuer who is an API member and who is a director / partner / principal or other client agreed member of the firm, where the CPV has:
 - 3.1 Reviewed the draft valuation, working papers and any additional documents from the valuation file relevant to the value opinion (**Review**); and

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3.2 Based upon the Review and appropriate questioning of the Member who performed the valuation, is satisfied that there is a reasonable basis for the value opinion contained in the draft valuation,

- (b) should a client require a CPV to be the primary signatory to the valuation, the above applies unless the primary signatory CPV is a director, principal or partner of the firm, in which case only one signature is required. Where the Member is operating as a sole practitioner and has CPV status, only one signature is required.

Guideline 4

4 A Member must not accept instructions in relation to a valuation where the Member does not have competence in either:

- 4.1 the geographical area of the property being valued; or
- 4.2 the type of valuation being undertaken, including the basis of valuation (ie. valuation methodology).

Assignments may be undertaken in conjunction with a person having the required competence after disclosure to the client.

Definitions

'**Supervising Member**' means a Member of the API who holds CPV status and is:

- (a) An Associate (AAPI)
- (b) Fellow (FAPI)
- (c) Life Fellow (LFAPI)

'**Member**' for the purposes of this guideline means a financial practising member of the Australian Property Institute and does not include a non-practising member.