



2021 APIV Scheme Annual Random Compliance Audit

Effective: 1 July 2022
Due Date: 31 August 2022
Owner: APIV

The Australian Property Institute <https://www.api.org.au/>

Each year the Australian Property Institute Valuers (APIV) Professional Standards Scheme undertakes a random compliance audit of its members to meet obligations to the Professional Standards Council.

For the 2021 Calendar year, your firm/business has been randomly selected to participate in this mandatory APIV random compliance audit.

As you are aware, all Members and APIV Scheme members are responsible to ensure that you comply with all relevant Scheme compliance requirements. We appreciate at the annual APIV Scheme Membership Renewal, that you, self-declare that you have complied with all Scheme compliance obligations.

Our responsibility

As the APIV Scheme administrator, we are required by the government regulator, the Professional Standards Councils, to check the compliance of APIV Scheme members through an annual compliance monitoring process, that includes review of;

- membership renewal survey (self-declaration); and
- random compliance audit of 10% of APIV Scheme members.

After receiving and reviewing all the requested compliance audit information, APIV will provide you with a summary of the audit outcome. Through this process, we may need to revert to you for further information or clarification as needed.

Purpose of the audit

The purpose of this audit is to comply with the APIV Scheme requirements, as agreed with the Professional Standards Council, to ensure the provided liability cap/coverage remains intact.

Deadline for return of information

Please return the above to audit@api.org.au by COB Wednesday, 31 August 2022.

We strongly recommend that you seek your own independent legal/financial/insurance advice on any specific questions relevant to your circumstances to ensure that you comply with the compliance obligations.

If you have any questions or require further information, please contact the APIV at audit@api.org.au or telephone 03 9644 7500.

WHAT INFORMATION DO I NEED TO PROVIDE?

Please note: Due to security risks no zip or dropbox files will be accepted to ensure the security of all information collected by the API/APIV.

API Education and CPD	
Check Mandatory Modules and CPD per year. (no action required)	Your API education and CPD will be checked by the APIV staff to ensure all applicable APIV staff are completing the mandatory module set out by the API and are meeting at least 20 CPD points per year.
Professional Indemnity Insurance	
Certificate of Currency (no action is required if you have completed your APIV annual renewal in full or not recently renewed your PII)	If you completed your annual compliance self-declaration for 2020 the APIV will be able to source your COC from the survey, you completed. If you have recently renewed your PII policy, please supply a copy of your new COC.
Professional Indemnity Insurance Policy wording (action required)	As the APIV no longer request this document at renewal please supply a copy of your PII policy wording
Evidence to demonstrate that you are able to pay the maximum excess under your PII policy (action required)	Maximum Excess and Liquid Business Assets – A copy of <u>one or more</u> of the following: <ul style="list-style-type: none"> ■ audited balance sheet; or ■ most recent profit and loss statement; or ■ bank account statement for an account held in the firm's name; or ■ declaration from an accountant (e.g. ABC Pty Ltd has sufficient net liquid assets to pay excess within 28 days of a request for payment), ■ that evidence of sufficient <u>liquid assets</u> to pay the maximum excess under the PII policy within 28 days of a request for payment, as detailed in Standard 4, Clause 8 of the APIV Insurance Standards (Appendix B), effective from 16/07/2019
Evidence to pay Defence Costs (if not adequately covered under the PII policy) (action required if you self-declared in the annual renewal that you do not have defence cost as part of your PII but hold assets instead no less than \$500K)	If defence costs are not adequately covered under the PII policy, please provide a copy of <u>one or more</u> of the following: <ul style="list-style-type: none"> ■ audited balance sheet; or ■ most recent profit and loss statement; or ■ declaration from accountant, ■ that evidences sufficient business assets of at least \$500,000 in net value to pay defence costs within 28 days of a request for payment, as detailed in Standard 4, Clause 6.2.1 of the APIV Insurance Standards (Appendix B), effective from 16/07/2019
Claims/Notification	
Claims/notification (no action is required if you informed the APIV of any Claim or Notifications)	Claims/Notifications – anytime you notify your insurer regarding a claim or notification the APIV must be notified by completing the APIV-Claims/Notification-Form within a week of notifying your insurer.

Disclosure requirements

Action Required

This section is to visually confirm that the Disclosure Statement is being used on all:

- Letterhead and letters signed by the company or on its behalf
- Fax cover sheets
- Newsletters and other publications
- Your website(s)
- Written advice, plans, Valuations, drawings, specifications and any other client documents not accompanied by a separate document with the disclosure statement
- Memorandum of fees and invoices unaccompanied by a separate document with the disclosure statement.

And with the guidelines as set out by the PSC. [PSC Disclosure Obligation](#)

Failure to use the prescribed disclosure statement as outlined above would place you in breach of the legislation. This means that, if an insurance claim is made against you, your scheme could be challenged in court.

In some states and territories, this could jeopardise your access to limited liability under a Professional Standards Scheme. You could also be subject to fines.

But meeting your legal obligations isn't the only reason to display the disclosure statement. By advertising your participation in a Professional Standards Scheme, the statement shows your clients you're committed to meeting high standards of professionalism and consumer protection.

- If you are a sole trader, please supply the following documents that you have completed.
- If you are a company with more than 2 APIV valuers please try and supply the documents from random valuers that hold an APIV membership.

PLEASE NOTE – you may redact any confidential information as required.

Valuation reports

As the sample of valuation reports must be a representative sample, please provide a variety of valuation types (e.g. commercial and residential properties and PropertyPro, long-form and short-form valuations).

Where a valuation report is a long full-form valuation, it will be sufficient to send the first few pages up to and including the signatures section.

Please ensure at least one valuation report pertains to a valuation of \$2 million or above.

Your valuation reports given, or intended to be given, to a client, where possible, as below:

- i. One report in Quarter 1 of 2021
- ii. One report in Quarter 2 of 2021
- iii. One report in Quarter 3 of 2021
- iv. One report in Quarter 4 of 2021

Firm Letters (if applicable)

If your firm issues letters, four letters issued to a client or prospective client where possible, as below:

- i. One letter in Quarter 1 of 2021
- ii. One letter in Quarter 2 of 2021
- iii. One letter in Quarter 3 of 2021
- iv. One letter in Quarter 4 of 2021

<p>Firm Emails</p>	<p>Four emails given, or intended to be given, to a client, where possible, as below:</p> <ul style="list-style-type: none"> i. One email in Quarter 1 of 2021 ii. One email in Quarter 2 of 2021 iii. One email in Quarter 3 of 2021 iv. One email in Quarter 4 of 2021
<p>Firm Documents</p>	<p>Four documents given, or intended to be given, to a client which is not a letter or valuation (eg. invoices, written quotes), where possible, as below:</p> <ul style="list-style-type: none"> i. One document in Quarter 1 of 2021 ii. One document in Quarter 2 of 2021 iii. One document in Quarter 3 of 2021 iv. One document in Quarter 4 of 2021
<p>Cover of excellence Logo (no action required this will be checked while looking at the above documents)</p>	<p>The above firm's documents should also demonstrate that your firm does not use the Cover of Excellence® trademark in any of the firm's documents.</p> <p>Please also confirm that your firm does not use the Cover of Excellence® trademark in any of the firm's documents.</p>