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# 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.

For more information about the purpose and scope of the compliance audit, please refer to **WHAT INFORMATION DO I NEED TO PROVIDE?** of this letter.

### **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.

### **What information do I need to provide?**

We require you to provide the information set below in **WHAT INFORMATION DO I NEED TO PROVIDE?**

### **Deadline for return of information**

**COB noted on your Random Audit email**

## **Frequently Asked Questions**

### **1. Is the random Audit optional?**

**NO**, all randomly selected firms/sole trader are obligated under the APIV membership policy to complete the audit by the due date.

### **2. How is the random selection conducted?**

Each year the list is generated at random using a smart formula using Excel. Anyone that has been audited in the last 3 years have been removed. Once the system finds the Auditee, communication from APIV is triggered to firms/sole trader.

NB: Gender, firm size, geographical location or past non-compliance takes no bearing on how the auditees are selected each year

### **3. Haven't I already given all this information in the recent Scheme Renewal Survey and/or my annual Scheme renewal?**

NO. The audit is a visual verification of the self-declaration you complete annually. Whilst you may have participated in the Scheme Renewal Survey and/or the Annual Scheme Renewal, the audit process is separate and requires verification of your participation/self-declaration.

#### **Definitions**

Annual Self Declaration

The annual renewal is a self-declaration of your compliance in accordance with APIV scheme requirements annually.

2021-2026 Claim survey

In 2020 the APIV conducted a second claims-based survey, this was to help lay the groundwork for constructing a new scheme for the 2021-2026 scheme period, which has been approved and has come into effect pm 1<sup>st</sup> September 2021.

### **4. Can I get an extension to the above deadline?**

If you provide a valid reason as to why you require the extension before the due date, we will consider the reasons and consider an extension. Please email us with your valid reasons.

### **5. What guidance/support can I get?**

We are here to support you. If you have any questions or queries or require extra information on how to provide the requested information, please contact [audit@api.org.au](mailto:audit@api.org.au). Please also note for information required for points 1-6, excluding 5, you can provide us with permission to gather the information from your broker or insurer.

### **6. How often could I be selected for a random audit?**

Once every 3 years. (e.g. if you were selected in 2021, you would not be added to another audit round until 2024)

## **Frequently Asked Questions continued**

### **7. What are the consequences of non-compliance of this audit request?**

- Noted as non-compliant to the API and APIV boards.
- No ability to claim the protection of the Scheme if a claim arises.
- Breaches the APIV membership policy.
- Noted and reported as non-compliant to the Professional Standards Councils - our governing government body.
- Termination from the APIV scheme, putting you in breach of the API membership policy.
- Your CPV or RPV certification under the API may be impacted.

**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](mailto: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. <a href="#">(no action required)</a>	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 <a href="#">(no action is required if you have completed your APIV annual renewal in full or not recently renewed your PII)</a>	If you completed your annual compliance self-declaration for the current year, 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 <a href="#">(action required)</a>	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 <a href="#">(action required)</a>	Maximum Excess and Liquid Business Assets – A copy of <u>one or more</u> of the following: <ul style="list-style-type: none"> <li>▪ audited balance sheet; or</li> <li>▪ most recent profit and loss statement; or</li> <li>▪ bank account statement for an account held in the firm's name; or</li> <li>▪ 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),</li> <li>▪ 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 <a href="#">APIV Insurance Standards (Appendix B)</a>.</li> </ul>
Evidence to pay Defence Costs (if not adequately covered under the PII policy) <a href="#">(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)</a>	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"> <li>▪ audited balance sheet; or</li> <li>▪ most recent profit and loss statement; or</li> <li>▪ declaration from accountant,</li> <li>▪ 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 <a href="#">APIV Insurance Standards (Appendix B)</a>.</li> </ul>
Claims/Notification	

<p>Claims/notification (no action is required if you informed the APIV of any Claim or Notifications)</p>	<p>Claims/Notifications – anytime you notify your insurer regarding a claim or notification the APIV must be <b>notified</b> by completing the <a href="#">APIV-Claims/Notification-Form</a> within a week of notifying your insurer.</p>
<p><b>Disclosure requirements</b></p>	
<p><b>Action Required</b></p> <p>This section is to visually confirm that the Disclosure Statement is being used on all:</p> <ul style="list-style-type: none"> <li>■ Letterhead and letters signed by the company or on its behalf</li> <li>■ Fax cover sheets</li> <li>■ Newsletters and other publications</li> <li>■ Your website(s)</li> <li>■ Written advice, plans, Valuations, drawings, specifications and any other client documents not accompanied by a separate document with the disclosure statement</li> <li>■ Memorandum of fees and invoices unaccompanied by a separate document with the disclosure statement.</li> </ul> <p>And with the guidelines as set out by the PSC. <a href="#">PSC Disclosure Obligation</a></p> <p>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.</p> <p>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.</p> <p>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.</p> <ul style="list-style-type: none"> <li>- If you are a sole trader, please supply the following documents that you have completed.</li> <li>- 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.</li> </ul> <p>PLEASE NOTE – you may redact any confidential information as required.</p>	
<p><b>Valuation reports</b></p> <p>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).</p> <p>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.</p> <p>Please ensure at least one valuation report pertains to a valuation of \$2 million or above.</p>	<p><b>Your valuation reports</b> given, or intended to be given, to a client, where possible, as below:</p> <ul style="list-style-type: none"> <li>i. One report in Quarter 1 of the last calendar year</li> <li>ii. One report in Quarter 2 of the last calendar year</li> <li>iii. One report in Quarter 3 of the last calendar year</li> <li>iv. One report in Quarter 4 of the last calendar year</li> </ul>
<p><b>Firm Letters</b> (if applicable)</p>	<p><b>If your firm issues letters, four letters</b> issued to a client or prospective client where possible, as below:</p> <ul style="list-style-type: none"> <li>i. One letter in Quarter 1 of the last calendar year</li> <li>ii. One letter in Quarter 2 of the last calendar year</li> <li>iii. One letter in Quarter 3 of the last calendar year</li> </ul>

	iv. One letter in Quarter 4 of the last calendar year
Firm Emails	<p><b>Four emails</b> given, or intended to be given, to a client, where possible, as below:</p> <ul style="list-style-type: none"> <li>i. One email in Quarter 1 of the last calendar year</li> <li>ii. One email in Quarter 2 of the last calendar year</li> <li>iii. One email in Quarter 3 of the last calendar year</li> <li>iv. One email in Quarter 4 of the last calendar year</li> </ul>
Firm Documents	<p><b>Four documents</b> given, or intended to be given, to a client which is <b>not</b> a letter or valuation (eg. invoices, written quotes), where possible, as below:</p> <ul style="list-style-type: none"> <li>i. One document in Quarter 1 of the last calendar year</li> <li>ii. One document in Quarter 2 of the last calendar year</li> <li>iii. One document in Quarter 3 of the last calendar year</li> <li>iv. One document in Quarter 4 of the last calendar year</li> </ul>
<p><b>Cover of excellence Logo</b>  (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 firms does not use the <b>Cover of Excellence® trademark</b> 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>