

To be completed by Reviewer



QUALITY REVIEW	
REVIEW OF CORPORATE SECRETARIAL ENGAGEMENT QUESTIONNAIRE	
MEMBER CODE:	_____
REVIEWER:	_____
DATE OF REVIEW:	_____

## **INTRODUCTION**

This questionnaire has been designed to help you assess whether corporate secretarial engagements have been conducted in accordance with legislative requirements.

Where there are two or more partners, separate questionnaires for each partner must be completed.

Any non-compliance with mandatory professional or legislative requirements is to be reported in the quality review report. The reviewer is advised to comment on all non-mandatory breaches in 'Other Matters'.

The reviewer should consult Appendix 1 for definitions, relevant sections of the professional standards, as well as related legislation.

### Privacy

In this Privacy Statement, "Personal Information" has the same meaning as in the Privacy Act 1988 (Cth). CPA Australia is committed to protecting the privacy and security of the Personal Information which it holds about you.

The Personal Information which you provide us with in this Questionnaire will be used by CPA Australia to process your Quality Review; and may be used for aggregated statistics for monitoring and research. This information may be viewed by the CPA Australia Board Quality Review Committee and also the Financial Reporting Council and any other Regulatory authority.

If you do not provide us with this Personal Information, we may not be able to process your review.

**CPA Australia may disclose the Personal Information which you provide us with in this Questionnaire to the reviewers.**

**You have the right to access any Personal Information which CPA Australia holds about you, subject to the exceptions in the Privacy Act 1988 (Cth). You may also request the correction of information which is inaccurate. Access and/or correction requests can be made at your local CPA Australia office.**

For more information on CPA Australia's Privacy Policy, visit our website at [www.cpaaustralia.com.au](http://www.cpaaustralia.com.au)

## Corporate Secretarial Engagements

### Client Authority

1. Has permission been obtained from clients to review their file?

Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A
Client File 1	Client File 2	Client File 3	Client File 4	Client File 5	Client File 6	Client File 7	Client File 8

Note: Please place the appropriate letter from the below list into the above box that corresponds with the type of file(s) being reviewed (i.e. a = Public Company, b = Large Proprietary Company, etc).

Type of engagement files to be reviewed:

- a. Public Company
- b. Large Proprietary Company
- c. Small Proprietary Company
- d. Superannuation Fund
- e. Trust/Managed Investment Scheme
- f. Other (please list)

*\* Each client's authority must be obtained before reviewing their file. If insufficient files exist for which client permission has been provided, and accordingly you believe it not possible to form an opinion based on the small sample size, contact the Quality Assurance Department at CPA Australia.*

Comments

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2. Is the firm the Registered Agent with ASIC for any Corporate Clients?

**Yes                  No**

3. Has the member documented and communicated the terms of engagement when providing professional services to clients, clearly outlining matters such as the objectives, scope and output of the engagement to be performed by the member? **(APES 305 – Sections 3 and 4)** Please comment on how this was achieved.

Note that the terms of engagement need not be in the form of a letter or agreement.

*Please ensure you are familiar with the agreed terms of engagement between the member and client to determine which of the questions in this questionnaire apply. For example, some of these questions may not be applicable if the terms of engagement do not require the member to undertake the particular activity.*

Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A
Client File 1	Client File 2	Client File 3	Client File 4	Client File 5	Client File 6	Client File 7	Client File 8

Note: If the member answered 'No' to the above, the member is in breach of **APES 305.3**.

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Comments

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- 4. What procedures are followed to ensure the Annual Statement and Solvency Resolutions are forwarded to clients for signature and returned prior to the lodgement date with ASIC? Also, what procedures are in place to ensure these items are signed and kept on file?

Comments (Provide any suggestions in 'Other Matters')

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- 5. What procedures are in place to ensure any changes to the Annual Statement details are advised to ASIC within the required 28 day period via ASIC form 484?

Comments (Provide any suggestions in 'Other Matters')

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- 6. How does the firm ensure all directors understand and agree with the solvency resolution before it is signed and, if applicable, lodged with ASIC? Is this practice documented?

Comments (Provide any suggestions in 'Other Matters')

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**Maintenance of Client Records**

7. Does the member retain written records/copies of the client's instructions for periods sufficient to meet the needs of the Firm or as required by law or regulation? **(APES 320.73i)**

Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A
Client File 1	Client File 2	Client File 3	Client File 4	Client File 5	Client File 6	Client File 7	Client File 8

Note: If the member answered 'No' to the above, the member is in breach of **APES 320.73i**.

Comments

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**Where the firm maintains the client's statutory registers, the requirements of the Corporations Act 2001 must be complied with:**

8. Does the member maintain a register of members? **(s.169)** [See Appendix 1 for requirements of s.169]

Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A
Client File 1	Client File 2	Client File 3	Client File 4	Client File 5	Client File 6	Client File 7	Client File 8

Note: If the member answered 'No' to the above, the member is in breach of **s.169 'Register of members'** of the Corporations Act 2001.

Comments

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9. Does the member maintain a register of option holders and copies of options documents? **(s.170)** [See Appendix 1 for requirements of s.170]

Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A
Client File 1	Client File 2	Client File 3	Client File 4	Client File 5	Client File 6	Client File 7	Client File 8

Note: If the member answered 'No' to the above, the member is in breach of **s.170 'Register of option holders and copies of option documents'** of the Corporations Act 2001.

Comments

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10. Does the member maintain a register of debenture holders? **(s.171)** [See Appendix 1 for requirements of s.171]

Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A
Client File 1	Client File 2	Client File 3	Client File 4	Client File 5	Client File 6	Client File 7	Client File 8

Note: If the member answered 'No' to the above, the member is in breach of s.171 'Register of debenture holders' of the Corporations Act 2001.

Comments

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11. Does the member maintain a register of charges? **(s.271(1) & (2))** [See Appendix 1 for requirements of s.271(1)&(2)]

Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A
Client File 1	Client File 2	Client File 3	Client File 4	Client File 5	Client File 6	Client File 7	Client File 8

Note: If the member answered 'No' to the above, the member is in breach of s.271(1)&(2) 'Company to keep documents relating to charges and register of charges' of the Corporations Act 2001.

Comments

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12. Does the firm maintain copies of consents to act as director/secretary of the company? **(s.201D(2) or s.204C(2))**

Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A
Client File 1	Client File 2	Client File 3	Client File 4	Client File 5	Client File 6	Client File 7	Client File 8

Note: If the member answered 'No' to the above, the member is in breach of s.201D(2) 'Consent to act as director' or s.204C(2) 'Consent to act as secretary' of the Corporations Act 2001.

Comments

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13. Has the member, or the member’s client, kept and maintained a minutes book? **(s.251A(1))** Supporting evidence should exist where the member’s client assumes responsibility for such (i.e. as outlined in the terms of engagement).

Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A
Client File 1	Client File 2	Client File 3	Client File 4	Client File 5	Client File 6	Client File 7	Client File 8

Note: If the member answered ‘No’ to the above, the member is in breach of s.251A(1) ‘Minutes’ of the Corporations Act 2001.

Comments

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14. Where the firm maintains the following items, or maintains correspondence with ASIC on behalf of clients, does it appear that they are kept in an orderly fashion and secure location?

- a) Constitution; or
- b) Certificate of Incorporation; or
- c) Information regarding the client’s:
  - (i) Review date
  - (ii) Extract of particulars
  - (iii) Solvency resolution
  - (iv) Return of particulars
  - (v) Change of ultimate holding company

Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A
Client File 1	Client File 2	Client File 3	Client File 4	Client File 5	Client File 6	Client File 7	Client File 8

Comments (Provide any suggestions in ‘Other Matters’)

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15. Where the firm is the registered office of a **public company**, does the firm prominently display a sign to indicate that the firm is the ‘Registered Office of ‘X’ Company’? **(s.144(2))**

Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A
Client File 1	Client File 2	Client File 3	Client File 4	Client File 5	Client File 6	Client File 7	Client File 8

Note: If the member answered ‘No’ to the above, the member is in breach of s.144(2) ‘Company’s name must be displayed at registered office etc’ of the Corporations Act 2001.

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Comments

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16. Does it appear that all relevant documents have been lodged in the prescribed time with ASIC (and ASX if appropriate)? Please indicate the document(s) below that were not lodged within the required time. Ignore any documents that have been reported previously in this report.

Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A
Client File 1	Client File 2	Client File 3	Client File 4	Client File 5	Client File 6	Client File 7	Client File 8

Comments

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17. Has the firm established policies and procedures designed to provide reasonable assurance that it will only undertake or continue relationships and engagements where:

- their clients do not lack integrity;
- they are sufficiently competent to perform the engagement; and
- they can comply with ethical requirements? **(APES 320.28)**

Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A
Client File 1	Client File 2	Client File 3	Client File 4	Client File 5	Client File 6	Client File 7	Client File 8

Note: If the member answered 'No' to the above, the member is in breach of **APES 320.28**.

Comments

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18. Has the firm established policies and procedures designed to provide reasonable assurance that engagements are performed in accordance with professional standards and regulatory and legal requirements? **(APES 320.46)**

Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A	Y / N / N/A
Client File 1	Client File 2	Client File 3	Client File 4	Client File 5	Client File 6	Client File 7	Client File 8

Note: If the member answered 'No' to the above, the member is in breach of **APES 320.46**.

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Comments

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**Overall findings :**

Breaches of mandatory requirements identified:

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Positive feedback to be conveyed to the member(s) in the Reviewer's Summary – *Other Matters Report*:

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Deficiencies in the quality control system that will be noted in the *Reviewer's Summary – Other Matters Report* with suggestions for improvement:

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## **APPENDIX 1: Corporate Secretarial Engagement**

### **APES 305 – Terms of Engagement**

#### **3. Terms of Engagement for Professional Services**

- 3.1 A member in public practice shall document and communicate the terms of engagement when providing professional services to clients.
- 3.4 A member in public practice shall document the terms of engagement in the engagement document.

#### **4. General contents of an Engagement Document**

- 4.1 The following is a guide to matters that should, for most engagements, be considered for inclusion in an engagement document...
- 4.2 *Purpose...*
- 4.3 *Objectives of the engagement...*
- 4.4 *Scope of the engagement...*
- 4.5 *Engagement output...*
- 4.6 *Relative responsibilities...*
- 4.7 *Involvement of other members in public practice...*
- 4.8 *Fees and billing arrangements...*
- 4.9 *Ownership of documents...*
- 4.10 *Confirmation by the client...*

## **APES 320 – Quality Control for Firms**

### **Acceptance and Continuance of Client Relationships and Specific Engagements**

- 28 The firm shall establish policies and procedures for the acceptance and continuance of client relationships and specific engagements, designed to provide it with reasonable assurance that it will only undertake or continue relationships and engagements where it:
- a) Has considered the integrity of the client and does not have information that would lead it to conclude that the client lacks integrity;
  - b) Is competent to perform the engagement and has the capabilities, time and resources to do so; and
  - c) Can comply with ethical requirements.

The firm shall obtain such information as it considers necessary in the circumstances before accepting an engagement with a new client, when deciding whether to continue an existing engagement, and when considering acceptance of a new engagement with an existing client. Where issues have been identified, and the firm decides to accept or continue the client relationship or a specific engagement, it shall document how the issues were resolved.

### **Engagement Performance**

- 46 The firm shall establish policies and procedures designed to provide it with reasonable assurance that engagements are performed in accordance with professional standards and regulatory and legal requirements, and that the firm or the engagement partner issue reports that are appropriate in the circumstances.
- 73i The firm shall establish policies and procedures for the retention of engagement documentation for a period sufficient to meet the needs of the firm or as required by law or regulation.

## Corporations Act 2001

### **Section 45A: Proprietary companies**

**45A(2) Small proprietary company.** A [proprietary company](#) is a [small proprietary company](#) for a [financial year](#) if it satisfies at least 2 of the following paragraphs:

- (a) the consolidated revenue for the financial year of the company and the entities it controls (if any) is less than \$25 million;
- (b) the value of the consolidated gross assets at the end of the financial year of the company and the entities it controls (if any) is less than \$12.5 million;
- (c) the company and the entities it controls (if any) have fewer than 50 employees at the end of the financial year.

**45A(3) Large proprietary company.** A [proprietary company](#) is a [large proprietary company](#) for a [financial year](#) if it satisfies at least 2 of the following paragraphs:

- (a) the consolidated revenue for the financial year of the company and the entities it controls (if any) is \$25 million;
- (b) the value of the consolidated gross assets at the end of the financial year of the company and the entities it controls (if any) is \$12.5 million;
- (c) the company and the entities it controls (if any) have fewer than 50 employees at the end of the financial year.

### **Section 144: Company's name must be displayed at registered office etc.**

**144(1) [Display of company name]** A company must display its name prominently at every place at which the company carries on business and that is open to the public.

**144(2) [Public companies]** A public company must also display its name and the words "Registered Office" prominently at its registered office.

### **Section 169: Register of members**

**169(1) General requirements.** The register of members must contain the following information about each member:

- (a) the member's name and address;
- (b) the date on which the entry of the member's name in the register is made.

**169(2) Index to register.** If the company or scheme has more than 50 members, the company or scheme must include in the register an up to date index of members' names. The index must be convenient to use and allow a member's entry in the register to be readily found. A separate index need not be included if the register itself is kept in a form that operates effectively as an index.

**169(3) Companies with share capital.** If the company has a share capital, the register must also show:

- (a) the date on which every allotment of shares takes place; and
- (b) the number of shares in each allotment; and
- (c) the shares held by each member; and
- (d) the class of shares; and
- (e) the share numbers (if any), or share certificate numbers (if any), of the shares; and
- (ea) the amount paid on shares; and
- (eb) whether or not the shares are fully paid; and

- (f) the amount unpaid on the shares (if any).

**169(4) [Amount unpaid on shares: par value of shares recorded]** The register does not have to show the amount unpaid on the shares if:

- (a) all of the company's shares were issued before 1 July 1998; and
- (b) the register continues to show the par values of the shares as they were immediately before 1 July 1998.

**169(5) [Amount unpaid on shares: company not listed]** The register does not have to show the amount unpaid on the shares if:

- (a) all of the company's shares were issued before 1 July 1998; and
- (b) the company is not a listed company.

**169(5A) Non-beneficial ownership – companies other than listed companies.** The register of a company that:

- (a) has a share capital; and
- (b) is neither a listed company nor a company covered by an order under section 707;

must indicate any shares that a member does not hold beneficially.

**169(6) [Determining beneficial and non-beneficial ownership]** In deciding for the purposes of subsection (5A) whether a member holds shares beneficially or non-beneficially, the company is to have regard only to information in notices given to the company under section 1072H, 672B or 672C.

**169(6A) Registered Schemes.** The register of a registered scheme must also show:

- (a) the date on which every issue of interests takes place; and
- (b) the number of interests in each issue; and
- (c) the interests held by each member; and
- (d) the class of interests; and
- (e) the amount paid, or agreed to be considered as paid, on the interests.

**169(7) Former members.** A register of members must also show:

- (a) the name and details of each person who stopped being a member of the company or scheme within the last 7 years; and
- (b) the date on which the person stopped being a member.

The company or scheme may keep these entries separately from the rest of the register.

**169(8) Joint holders.** For the purposes of this section:

- (a) 2 or more persons who jointly hold shares in the company or interests in the scheme are taken to be a single member of the company or scheme in relation to those shares or interests; and
- (b) 2 or more persons who have given a guarantee jointly are taken to be a single member of the company.

They may also be members of the company or scheme because of shares or interests that they hold, or a guarantee that they have given, in their own right or jointly with others.

## **Section 170: Register of option holders and copies of options documents**

**170(1) [Information to be contained in register]** The register of option holders must contain the following information about each holder of options over unissued shares in the company or unissued interests in the scheme:

- (a) the option holder's name and address;
- (b) the date on which the entry of the option holder's name in the register is made;
- (c) the date of grant of the options;
- (d) the number and description of the shares or interests over which the options were granted;
- (e) either:
  - (i) the period during which the options may be exercised; or
  - (ii) the time at which the options may be exercised;
- (f) any event that must happen before the options can be exercised.
- (g) any consideration for the grant of the options.
- (h) any consideration for the exercise of the options or the method by which that consideration is to be determined.

Because it is a register of the holders of options that are still exercisable, the register must be updated whenever options are exercised or expire.

**170(2) [Time limits]** Information about the grant of an option must be entered in the register within 14 days after the grant of the option.

**170(3) Copies of options documents.** The company or scheme must keep with the register a copy of every document that grants an option over unissued shares or interests.

**170 (3B) [Option granted official quotation]** Subsection (3) does not apply if the option is listed for quotation on a prescribed financial market.

**170(4) [Written notice]** The company or scheme must change the register to reflect the transfer of an option only if the person transferring the option gives the company or scheme written notice of the transfer.

**170(5) [Option unaffected by failure to comply]** A failure to comply with this section in relation to an option does not affect the option itself.

### **Section 171: Register of debenture holders**

**171(1) [Information to be contained in register]** The register of debenture holders must contain the following information about each holder of a debenture:

- (a) the debenture holder's name and address;
- (b) the amount of the debentures held.

**171(2) [Debenture unaffected by failure to comply]** A company's failure to comply with this section in relation to a debenture does not affect the debenture itself.

### **Section 201D: Consent to act as director**

**201D(1) [Signed consent required]** A company contravenes this subsection if a person does not give the company a signed consent to act as a director of the company before being appointed.

**201D(2) [Retention required]** The company must keep the consent.

### **Section 204C: Consent to act as secretary**

**204C(1) [Signed consent required]** A company contravenes this subsection if a person does not give the company a signed consent to act as secretary of the company before being appointed.

**204C(2) [Retention required]** The company must keep the consent.

### **Section 251A: Minutes**

**251(1) [Retention of minute books]** A company must keep minute books in which it records within 1 month:

- a) proceedings and resolutions of meetings of the company's members; and
- b) proceedings and resolutions of directors' meetings (including meetings of a committee of directors); and
- c) resolutions passed by members without a meeting; and
- d) resolutions passed by directors without a meeting; and
- e) if the company is a proprietary company with only 1 director--the making of declarations by the director.

### **Section 271: Company to keep documents relating to charges and register of charges**

**271(1) [Company to keep copies]** A company must keep, at the place where the register referred to in subsection (2) is kept, a copy of:

- (a) every document relating to a charge on property of the company that was or is lodged under this Part; and
- (b) a copy of every document given to the company under this Part.

**271(2) [Company to keep register of charges]** A company must keep a register and must, upon the creation of a charge (whether registrable or not) on property of the company, or upon the acquisition of property subject to a charge (whether registrable or not), as soon as practicable enter in the register particulars of the charge, giving in each case:

- (a) if the charge is a charge created by the company, the date of its creation or, if the charge was a charge existing on property acquired by the company, the date on which the property was so acquired; and
- (b) a short description of the liability (whether present or prospective) secured by the charge; and
- (c) a short description of the property charged; and
- (d) the name of the trustee for debenture holders or, if there is no such trustee, the name of the chargee; and
- (e) the name of the person whom the company believes to be the holder of the charge.