

2018 AGM

QUESTIONS TAKEN ON NOTICE

BE HEARD.
BE RECOGNISED.



Why don't we report Fringe Benefits Tax separately in the Annual Report?

Fringe Benefits Tax has not been reported separately in previous Annual Reports, but we will do so in the future, commencing with the 2018 Annual Report.

In 2017, Fringe Benefits Tax was included as part of the employee benefits expense line on page 81 of the Annual Report, and was \$0.5m.

Why are Overhead costs such as corporate services, marketing and product development not allocated to respective regions outside Australia? – why is it not reported?

CPA Australia is a global organisation. The Board and management invest in each location to ensure that all members have access to appropriate services, regardless of the geographic location in which they live and work.

Overhead costs have been reported in this way for several years now, showing the contribution after direct costs of the respective regions in which CPA Australia operates. While overhead administration costs such as corporate services have not previously been allocated to different regions outside Australia, we will investigate the possibility of allocating a percentage of overhead costs to each of the respective offices for the 2018 Annual Report.

Why don't we disclose international travel?

Travel and catering expenses are reported as a consolidated figure based on the core functional business unit with which it is associated. As a global organisation, the distinction between domestic and international travel is not considered material for reporting purposes. Our 2017 financial statements included greatly increased disclosure of revenue and expenses and we are open to reviewing the way we report expenses to give members even greater clarity in the 2018 report.

How much did we pay the South Sydney Rabbitohs Club?

We ceased the sponsorship of South Sydney Rabbitohs and there were no payments made to them during 2017.

Payments made to the South Sydney Rabbitohs during 2015 and 2016 were components of our marketing and sponsorship expenditure at that time and were reported as part of consolidated expenses in the respective financial statements. Under the contract, commercial details of the sponsorship must remain confidential and cannot be reported separately.

In 2017, we increased the level of disclosure in our financial statements across all forms of revenue and expenditure, including marketing and sponsorship activities, and we will continue to look at ways of providing members with more information and greater clarity.

Why don't we disclose how much Ian McPhee was paid?

In the 2017 Annual Report we disclosed the cost of the Independent Review as \$945,000 (page 81), plus an additional \$51,000 as part of the travel and catering costs (page 82).

These costs incorporate the expenses for the four people serving on the panel plus the secretariat services of Nous Group. As is normal practice in business, details about payments to specific individuals involved in service delivery are confidential.

What is the breakdown of membership numbers per state? Why don't you disclose membership numbers by age group, geographic location including national and international branch?

Last year CPA Australia started disclosing much more information about membership numbers and location in response to member requests for more transparency. We currently disclose our [member demographics](#) by country, level of designation, age and gender. This is a higher level of disclosure than other professional organisations in our sector. The membership statistics we make public are audited figures.

Why did we need to remove the reference to Auditor General's remuneration from the Constitution with respect to Director remuneration when it had already been removed in 2010?

In practice Directors were remunerated at a lower percentage than the 15 per cent of the Auditor General's total annual salary package that was cited in the Constitution. However, the reference to the Auditor General's salary as a benchmark for Director remuneration remained in the Constitution and therefore needed to be removed to prevent it being referenced in the future. The full reasons for making the change are set out in the Notice of Meeting; the Board recognised the need to align Director remuneration to member expectations.

Should members be able to opt-in or opt-out with respect to allowing their email address to be provided to other members as part of the member register?

The information that CPA Australia maintains on our member register complies with that which is required by Section 169 of the Corporations Act, 2001. During 2017, the Senate Economic Legislation

Committee Inquiry considered a Bill to amend these requirements to include members' email addresses, however this was ultimately rejected by the committee.

We have no plans to include member email addresses as part of our member register. However, we will wait for the government to complete its review of electronic register records and will ensure that we update our member register to comply with any change to the current legislation.

How much did we pay to get the Independent Remuneration Report into the benchmark for Director's remuneration?

As is normal practice for businesses, the terms of any agreements that we enter into with third party suppliers are confidential.

How many EGMs were called when the 200 rule applied - and for what reason were they called?

There were no EGMs called during the period when 200 members had the ability to call such a meeting.

Members voted on a special resolution which would have changed the threshold for calling an EGM from 5 per cent of voting members (which is the current requirement in the Corporations Act) to 200 members (or 0.12 per cent, based on current membership) at the 2018 AGM. The special resolution was not passed.

What mechanisms would be in place for members to communicate with each other for future EGMs – i.e. CPA Update / INTHEBLACK?

CPA Australia is reviewing all aspects of member communications to ensure they remain relevant to members. This includes the frequency and type of communication we send to members as well as the format of CPA Update, INTHEBLACK, intheblack.com and the way we use social media.

There are a number of existing channels through which members can communicate with each other, including the LinkedIn members group which was utilised by members in the lead up to the recent AGM to generate discussion. CPA Australia encourages members to use the LinkedIn members group and other social media channels to communicate with each other.

In addition, we have recently increased our use of webinars as a way of engaging directly with members and canvassing discussion. We plan to do more of this in the future, including scheduling three webinars in July where members can discuss CPA Australia's draft corporate strategy.

Members can also communicate with each other at thousands of networking and professional events across the world each year, including a range of Divisional Council forums and discussion groups.

Why are the majority of CPA Australia resources inaccessible to members who are vision impaired?

CPA Australia aims to comply with the WCAG 2.0 standard (Web Content Accessibility Guidelines). These guidelines help organisations ensure that the information available on systems (text, graphics, images and sound) are accessible to people with disabilities.

There are some areas in which our system does not achieve full accessibility. These are technical issues relating to the design and management of pages, the display of font, third-party plug-ins that don't comply with standards and scripts that can't be read by screen readers. We are commencing a major project in 2018 that will see a complete redevelopment of the CPA Australia website. One of the considerations in this redevelopment will be the WCAG 2.0 standard and how we can ensure higher levels of accessibility and functionality.

With respect to the CPA Library, there are no large text format hard copy resources printed on finance, accounting and business subjects. However, all our online resources in the library have a zoom function, including:

- ProQuest:
- ProQuest eBookCENTRAL
- PressReader
- CCH eBooks

We are also looking at increasing the font size used in the INTHEBLACK print edition.

CPA Australia does operate a Reasonable Adjustment Policy, which means that we will make necessary adjustments to study guides, course materials and exam conditions to meet the needs of candidates in specified circumstances, such as vision impairment.

Are you able to report the findings of CPA Australia disciplinary tribunal hearings in INTHEBLACK as you used to, and as CAANZ do?

The results of disciplinary hearings are reported on the CPA Australia website under the About Us tab in the Member Conduct and Discipline section.

The Outcome of Disciplinary Hearings page contains a complete archive of disciplinary hearings from 2005 to the present day. It is maintained and updated on an ongoing basis and is accessible to both CPA Australia members and members of the public.

INTHEBLACK is an important channel to communicate topics of general interest to the profession, however with 11 editions published at monthly intervals, we believe the website is a more effective repository for maintaining up to date information of this nature.

There is scope to use CPA Update to notify members when there is a Disciplinary Committee hearing or when we have made updates to this section of the website.

Why are Alex Malley and other former directors still life members of CPA Australia?

The Board is aware of concerns voiced at the AGM and in other forums with members. The Board will consider the matter.

Will Mark Stretton be resigning as principal in charge of CPA audit?

The Board of CPA Australia announced on 8 June 2018 that it will submit the role of Auditor for the 2018 CPA Australia Annual Accounts to a competitive tender for appropriate auditing firms. The current auditor, Deloitte, has been Group Auditor for twelve years and has advised it will not participate in the tender process. Deloitte has indicated it will assist in the transition to the firm selected by CPA Australia's tender process.

Why is the next CPA exam period set to run from 29 September to 14 October? This crosses the beginning of the month and is difficult for people working in industry?

We recognise that with around 25,000 candidates sitting CPA Australia exams each semester, the timing of the exam period will not suit everyone. One way we try to mitigate against this is by offering a 16-day exam window that allows candidates to select a day, time and location that is most convenient for them.

In addition, we are continuing to increase the amount of computer-based testing we offer. In 2017, 96 per cent of exams were computer based, compared to 75 per cent in 2015. This offers greater flexibility for candidates in scheduling their exam at a time most convenient to them.

Why are there only two semesters per year?

Historically, CPA Australia has operated on a two-semester timetable in line with other professional bodies and the majority of tertiary institutions. However, we are looking at reviewing every aspect of the way we deliver the CPA program. This will include looking at alternative models for planning the academic year, such as introducing three semesters, to suit candidates.

We have introduced more flexibility into the program for candidates sitting Foundation exams by offering Foundation Exams on Demand. This model effectively removes semesters by offering a flexible, self-paced study program in which candidates can enrol anytime and choose when they will sit their exam.

Why is there such a long delay between semesters?

The current CPA Australia semesters broadly align with those of our tertiary institution partners. This ensures consistency for students who take tuition classes.

We try to offer flexible study options with a mix of distance learning, full-time study and combined postgraduate degrees. Within this framework, we offer a range of different learning styles, including face-to-face tuition, interactive online learning and a mix of the two. The break between the end of one academic year and the beginning of the next is longer than some members would like, however, once they enrol, candidates have immediate access to the study guides, enabling them to commence study at their own pace ahead of the semester opening.

We are reviewing every aspect of the way we deliver the CPA program, including considering alternative models for planning the academic year.

Why doesn't the exam content reflect the course materials?

CPA Australia taps into the knowledge and expertise of members working in academia and industry, as well as our education and technical specialists, to design the content of the CPA Program and set the exams for individual subjects.

We are conscious that the content of the course and the corresponding exam must uphold the standards associated with the CPA designation. To that end, exam content is designed to reflect the learning objectives of the subject in question and to test the candidates' understanding of the key concepts.

The benchmark for achieving the CPA Australia designation is high and we make no apology for rigorous assessment that ensures successful candidates meet professional standards.

We recognise that there is scope for offering more support to students in their preparation. We are considering other options, such as developing practice exams to give candidates an awareness of what is expected in the exam, and we run in-semester webinars demonstrating examples of exam questions and describing suggested exam techniques.