



## **New Zealand Institute of Valuers**

### **Continuing Professional Development (CPD) Sanctions Framework and Guidance**

#### **Purpose**

The purpose of this document is to set out the framework for the sanctioning of members that are found to be non-compliant with the Continuing Professional Development (CPD) requirements of the New Zealand Institute of Valuers (NZIV).

This framework should be read in conjunction with the NZIV Rules (and in particular, the Code of Ethics which forms part of those Rules), and the Continuing Professional Development (CPD) policy published by the NZIV and updated from time to time. Reference is also made with regards the Valuers Act 1948 as amended.

The framework has been put in place to:

- deliver a robust and transparent approach to decision making around sanctions;
- aid NZIV Council (or any delegated individual or group) in delivering a proportionate, consistent and fair approach to sanctions;
- provide clarity to members, and other interested parties, about the types of sanctions which will be imposed when breaches of the Code of Ethics (in relation to CPD) and the CPD Policy have been found.

The Code of Ethics requires Registered Valuers to demonstrate that they are maintaining the standards of professional competency. As part of doing so, every member shall, unless exempted by Council (as provided for under certain circumstances in accordance with the NZIV CPD Policy), participate in an ongoing annual programme of CPD in accordance with guidelines published to members from time to time by the Institute. These requirements are published in the NZIV CPD Policy.

Failure to comply with the requirements of the CPD Policy is a breach of the Code of Ethics. Members must take individual responsibility for their learning requirements and for identifying appropriate CPD activities to facilitate this learning. Where a member is found to be non-compliant with their professional obligations with regards to CPD, the member may be the subject of disciplinary action by the NZIV and/or the Valuers Registration Board (VRB).

#### **Valuers Act 1948**

Section 16(1)(m) of the Valuers Act 1948 provides for the Institute to impose a fine of not exceeding \$500 upon any member of the Institute for the breach of any NZIV rule made under section 16 of the Act.

Section 16(4) of the Valuers Act 1948 provides for the recovery of fines issued by the NZIV in that any fine imposed upon a member is deemed to be a debt due from the member to the Institute and shall be recoverable in any court of competent jurisdiction.

## **NZIV Rules**

Rule 133(3) provides that members are required to undertake Continuing Professional Development on an annual basis as determined by Council.

Rule 133(4) provides that Council may, at its discretion, fine any member for a breach of the Code of Ethics (if, in Council's opinion, suspending or cancelling membership would be inappropriate in the circumstances).

## **Auditing**

CPD compliance is an individual member obligation and every NZIV member is responsible for their own compliance with the CPD requirements. It is unfair to those members who do comply with the CPD requirements to allow non-complying members to claim the same professional status and to avoid sanction. The management of non-compliance is an intensive and resource demanding operational activity and, to the extent limited by the Valuers Act, NZIV will seek to recover these costs from members that are found to be non-compliant with their professional obligations.

NZIV conducts automatic annual audits of members and the purpose of the audits are to understand how NZIV members are engaging with their CPD requirements, to monitor compliance with the CPD Policy and take action against non-compliance, and to offer support with the CPD requirements if the member requires it. If requested, members must be able to produce evidence of the CPD activities that are being claimed.

## **Non-compliance and Sanctions**

NZIV's approach to sanctions reflects the guiding principles of its responsibilities under the Act, namely to:

- protect the public;
- maintain public confidence in the valuation profession;
- uphold high standards of professional conduct; and
- deter members from future non-compliance with the Code of Ethics and the CPD Policy.

Where it has been determined that it is necessary to impose a sanction in order to protect the public, to maintain confidence in the profession or to uphold proper standards of conduct, NZIV Council must ensure the sanction it imposes is fair, proportionate and best reflects the level of seriousness of the misconduct.

Each case of non-compliance will be assessed on an individual basis and NZIV have a dual-level sanctions framework to be applied in the event of non-compliance with the requirements of the CPD Policy.

### *Level 1 Sanction (Remedial action)*

A level 1 sanction will be issued when a member has been found to be in non-compliance with the NZIV CPD Policy for any one year. In these cases, NZIV Council will:

- Issue a letter of warning to the member, outlining the non-compliance, what remedial action is required and the sanction(s) that will be applied in the event of further non-compliance.
- Require that the member remedy the previous year's non-compliance within three months of notification. This will be in addition to achieving the current year's CPD requirements.

### *Level 2 Sanction (Remedial action and fine)*

A level 2 sanction will be issued when a member has been found to be in non-compliance with the NZIV CPD Policy for any two consecutive years. In these cases, NZIV Council will:

- Issue a fine against the member in accordance with Rule 133(4) of the NZIV Rules.
- Remove the member's post-nominals (for example fellowship, life or honorary membership) where applicable and until such time that the member can demonstrate compliance with the CPD Policy.
- Require that the member make up any deficit in CPD before the end of the current year in addition to the current year's CPD requirements.
- Advise the member that further non-compliance will result in a complaint by NZIV to the Valuers Registration Board for their removal from the Register.

### *Referral to the Valuers Registration Board*

Where a member has been found to be in non-compliance with the NZIV CPD Policy:

- for any three consecutive years and NZIV has issued the member with a Level 1 and Level 2 sanction; or
- has demonstrated repeated non-compliance with the CPD Policy across non-consecutive years over any five year period and the member has received any level of sanction over that five year period

NZIV Council will lodge a complaint with the Valuers Registration Board under section 31(1)(c) of the Act.

## **Appeals**

In accordance with NZIV rule 27(4), any member who has been reprimanded, fined, suspended or expelled from the NZIV may appeal the decision of the NZIV Council by requesting that the NZIV President have the matter referred for adjudication by a barrister who shall be appointed by the President of the District Law Society within which the member resides. Costs in the matter shall be awarded by the barrister.

## **Framework review**

This framework will be reviewed periodically.