



PRACTISING AND AUDITING CERTIFICATES

PUBLIC PRACTICE – A DEFINITION

The Institute's Registration Committee is authorised under [Bye Law 13, Practice and Audit Regulations](#), to grant practising and auditing certificates. In determining whether a member is engaging in public practice the decision of the Registration Committee shall be final.

It is the responsibility of each Member to ensure that he/she only engages in "public practice" if he/she complies with Bye Law 13 and holds a valid practising certificate.

Meaning of "Public Practice"

For the purposes of Institute Byelaws and regulations:

"Public Practice" means practice as a public accountant in the capacity of sole principal, in partnership or through the medium of a body corporate or otherwise and practice as applied to an accountant shall have the same connotation; and the decision by Council as to whether or not a person is engaged in Public Practice shall be conclusive.

Examples of what is considered to be public practice:

- a) Accepting an appointment as an auditor;
- b) Signing any report or certificate of accounts concerning any person, whether an individual sole trader, partnership, incorporated body of company, or any such person's affairs, in circumstances where reliance is likely to be placed on such report or certificate by any other person; or
- c) holding oneself out or allowing to be held out as being available, or to be reasonably understood to indicate that one is available to undertake the activities referred to in paragraphs (a) and (b) above (and allowing oneself to be known as a, or a firm of, "Certified Public Accountant(s)" or any similar description may itself be regarded as an example of such a holding out).

Members engage in public practice within the meaning of the Institute's Byelaws if, otherwise than as employees, they hold themselves out as offering services to the public normally performed by a Certified Public Accountant.

Examples of such services include (but without prejudice to the generality) Auditing, Accounting, Taxation, Management Consultancy and Company Secretarial Services.

Members and Firms are also deemed to be in Public Practice if they conduct a part-time practice while in full time employment with a public accountant or in Industry, Commerce or the public sector.

Accountancy services include preparing and advising on accounts (including management accounts) or financial information, auditing and financial reporting, taxation, and financial and management consultancy but in the case of consultancy work only where the principal consultancy activity is accountancy related.

The services described above can be deemed to be core services. A Member carrying out related services i.e. book-keeping and payroll services, company secretarial support services and consultancy where the principal consultancy activity is not accountancy related will not be deemed to be engaging in public practice in accordance with the Bye Laws when carrying out related services alone, provided the nature of these services is assisting clients in the maintenance of books and records and does not



include the provision of further advice, and these services are not promoted in such a way as to create the impression of a connection with the supply of a core service or in circumstances referred to in Bye Law 13.15.9 (see below).

A Member or Firm will be deemed to be in public practice if they hold themselves out in such a way as to create an impression to the public that the quality of services provided will be enhanced by virtue of the provider being a Certified Public Accountant

13.15.9

For the purpose of determining whether a Member or Firm is engaged in Public Practice, but without prejudice to any other provision in the Bye Law:

(a) A Member who is employed in Public Practice is not engaged in Public Practice by virtue of his/her employment, provided he/she is not a director or owner of the Public Practice.

(b) A Member who acts as a director of a company or companies is not thereby engaged in Public Practice unless one or more of these companies is a Public Practice.

(c) A consultant to a Firm is not engaged in Public Practice by virtue of his consultancy if he/she provides accountancy and related services to the Firm and not directly to the clients of the Firm and the consultancy.

(d) A sub-contractor to a Firm is not engaged in Public Practice by virtue of his/her subcontract if he/she provides accountancy and related services under a written agreement indemnifying him/her from risk and in no way holds himself out to be a partner of the Firm.

(e) A Member who gratuitously or for a nominal fee

(i) provides accountancy services to a small charitable, community, religious or sporting body, or to similar bodies of a non profit making nature, or

(ii) provides accountancy or tax services for family members or friends provided these third parties are aware that the services are not being provided by way of a business and no fee is charged or a nominal fee is charged;

is not engaged in Public Practice virtue by only of so providing or so acting.

In the circumstances detailed above in 13.15.9 (a) to (e) inclusive a Member does not require a Practising Certificate.

Practising without a practising certificate where one is required, is a breach of the Institutes Bye Laws and such breaches are dealt with through the disciplinary process. If you are in any doubt about whether you enquire a Practising Certificate you should contact the Professional Standards Department at 01-4251023 or cmatthews@cpaireland.ie who would be delighted to discuss your circumstances with you.