



Applying for a CPA Practising Certificate – Emer Kelly,
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CPA Practising certificates

A career in
practice?

Practice
profile

What
members
should have a
practising
certificate?

Eligibility criteria
for a practising
certificate

Frequently
asked
questions

A career in practice

- CPA practising certificate holders provide services to over 100,000 businesses in Ireland
- Flexibility and independence of being self-employed
- Supporting and guiding Irish and international business – at the coal face of the economy
- Ability to work across a diverse range of industries and at various points across the life cycle of a business
- Multi-disciplinary skills

CPA Ireland Practice Population

Statistics as at 31st December 2020

Individuals

Practising certificate holders – 670

Individual statutory auditors - 412

Firms

Non audit firms – 233

Audit firms - 319

Audit firms – typical statistics

- 66% operate as sole practitioners
- 34% operate under the style of a partnership
- 95% operate from one head office with the remainder having a number of branches

Frequently asked questions

Do I need experience in practice to apply for a practising certificate?

No – experience can be gained from either practice or industry but must be relevant to the type of services that the firm wishes to offer.

What kind of services does a practising cert holder typically provide?

A wide range of services from business advisory services, financial reporting, taxation, auditing services etc. Digitalisation of firms has broadened the typical service range and there are opportunities for more value added service offerings.

Can you provide services to the public without a practising certificate?

Yes – but a very restricted range of services – basic book-keeping, payroll etc. Services beyond this such as tax advice, preparing final financial statements etc. require a practising certificate.

I am providing book-keeping services - are there any compliance matters that I should be aware of? Yes – one key issue is that of registration for the purposes of Anti-Money Laundering supervision.

Practising and Auditing Certificates

Who needs a Practising (and perhaps an Auditing Certificate)?

1. To accept appointment as a statutory auditor
2. To sign any report or certificate of an unincorporated entity, audit exempt company, sole trader, partnership etc
3. To hold oneself out as available to carry out 1 or 2 above
4. To engage in “public practice”
5. Companies Act 2014, S.633 – to act as a liquidator

What is “Public Practice”?

- Members engage in public practice if, otherwise than as an employee, they hold themselves out as offering services to the public normally performed by a Certified Public Accountant. Examples of such services include auditing, accounting, taxation, management consultancy, and company secretarial services (core services).
- 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 is accountancy related.
- Regardless of whether provided part time or full time or whether provided as a sole practitioner, partnership, corporate body etc.
- Related services , bookkeeping and payroll etc-not deemed to be in public practice 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.

Public practice contd.

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.

Anti Money Laundering Supervision

Under Section 25 of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 as amended by Criminal Justice Act, 2013.a 'designated person' is defined as including tax advisers/external Accountants i.e. persons who are not regulated by a designated competent authority providing the following services:

- Tax Advice
- Tax Returns
- Book-keeping

If you are providing the above services and you are a CPA member, you will need to register for AML supervision with CPA Ireland. Individuals who are not CPA members register with the Dept. of Justice (www.amlcompliance.ie)

Applying for a practising certificate?

What types of practising certificates are there?

1. With audit qualification – allows member to become a statutory auditor in a statutory audit firm (either as a sole practitioner or in a partnership) – and to provide public practice services
2. Without audit qualification – allows member to become a partner / principal in a non-audit practice or become a minority partner in an audit firm

When can I apply for a CPA practising certificate?

- Must be a CPA member
- Minimum of two years post qualification experience
- Post qualification experience will be important

Individuals and Firms

Applying for an Auditing / Practising Certificate

- **Practising Certificate – issued to individuals**
- **Auditing Certificate – issued to Firms**

Practising certificate without audit qualification

Eligibility criteria for a practising certificate

- have obtained at least two years [Approved Post Membership Experience](#);
- have completed CPA's Advanced Taxation examination at Professional 2 level or Advanced Tax Strategy at Strategic Level in accordance with Bye Law 12 and the Institute Examination Regulations or deemed equivalent examinations of a Recognised Accountancy Body in Ireland;
- have met the relevant CPD requirements for the previous two years; and
- have completed within the previous 36 months the [Practice Orientation Online Certificate](#) and has passed the associated online assessment.
- Fit and proper person

What is Approved Post Membership Experience?

- Supervised experience obtained by a member after admission to the profession which is relevant to their intended area of Public Practice.
- Experience can be obtained in practice or in industry – gained in any environment provided it is relevant to the area(s) in which the member wishes to engage in public practice.
- Experience does not necessarily have to be obtained in Ireland – applicant must consider whether they require a period of adaption before they are able to satisfy the fundamental principles of the CPA Code of Ethics
- Greater emphasis is placed on relevant experience obtained in the four years preceding the application. If the experience is too remote or not relevant a practising certificate with restrictions may issue.

Who can supervise my experience?

Post membership supervised experience

- Must be supervised by another qualified accountant – usually the employer (in practice) or a superior in industry.
- Must be able to demonstrate that there is a supervisory relationship – learnings, feedback, formality etc
- Not as detailed as the supervised experience required to become a member
- Letter format required outlining the following details

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Supervised experience

- Letter from supervising accountant should outline the following;
 - Confirmation of employment – full time/ part time
 - Dates of employment
 - Details of roles and responsibilities in the practice/business
 - Types of clients/projects engaged on during their time employed
 - Signed off by the supervising qualified accountant
 - More details required if audit qualification required

Additional Requirements for audit qualification

- Eligibility criteria for audit qualification
 - **Three** years under the supervision of a statutory auditor, **two** of these years post admission to membership
 - Gained sufficient audit experience (minimum of 40 weeks in statutory audit, post qualification experience)
 - 8 hrs structured auditing CPD in the 12 months prior to the application
 - Completion of the educational requirements outlined in Schedule 19 of the Companies Act 2014 - inclusive of the elective option - Audit Practice Assurance Services examination at Professional 2 level, in accordance with Bye Law 12 and the Institute's Examination Regulations or deemed equivalent examinations of a Recognised Accountancy Body in Ireland subject to the requirements of Companies Act, 2014
 - Complete within the previous 36 months the [Practice and Audit Orientation Online Certificate](#) and has passed the associated online assessment.

Accompanying information

Applying for a Practising Certificate: Business Proposal

- **Services**
- **Personnel**
- **Customers**
- **Marketing**
- **Operations**
- **Finance**

Guidance available at www.cpaireland.ie

Additional requirements for audit qualification - EDUCATION

– Completion of the educational requirements outlined in Schedule 19 of the Companies Act 2014— i.e. completion of CPA Ireland's examinations or deemed equivalent examinations of a Recognised Accountancy Body

- Completion of the CPA examinations (or equivalent examinations of another Recognised Accountancy Body)
- The following examinations at P2 level must be completed;
 - P2 Advanced Corporate Reporting
 - P2 Audit Practice & Assurance Services
 - P2 Advanced Taxation

Or under CPA Ireland's new syllabus

- Advanced Financial Reporting
- Advanced Tax Strategy
- Advanced Audit & Assurance

Additional requirements for audit qualification - EDUCATION

Where exemptions were granted from certain CPA examinations at pre P2 level on or after 1st April 2019 then the following exemptions will only be acceptable for audit qualification purposes where the following criteria are met

- Time period of exemption - 5 years
- Syllabus studied should substantially match the topics which CPA Ireland includes in its own syllabus
- In circumstances where exemptions from certain CPA examinations (pre P2 level only) were granted the awarding of the previous qualification should not have been based on the granting of substantial exemptions
- Subjects passed by compensation cannot be considered eligible
- Level of the previous qualification must be equivalent to university level in Ireland

Exemptions continued – level of previous qualification

Exemptions should be granted based on previous qualifications gained from recognised institutions and be equivalent to university level in Ireland.

A previous qualification may be regarded as equivalent to university level in Ireland if it is, or forms part of, an award which is accredited at:

- ☐ level 7 or above on the National Framework of Qualifications in Ireland;
- ☐ level 6 or above on the Framework for Higher Education Qualifications in England, Wales and Northern Ireland; or
- ☐ level 9 or above on the Scottish Credit and Qualifications Framework.

Application for audit qualification – TRAINING

An applicant for audit qualification must have completed three years working in practice, supervised directly by a statutory auditor. Forty weeks of such training must be achieved post admission to membership of CPA Ireland (or another Recognised Accountancy Body) and must be in statutory audit. An application for a practising certificate with audit qualification should be accompanied by an Audit Qualification – Record of Training, Competence and Education Form. The Form should also be accompanied by a letter from your supervising statutory auditor outlining the following;

- ☐ Dates of employment
- ☐ Confirmation of whether employment was full time or part time (if part-time - give details)
- ☐ Confirmation that audit work was supervised by a statutory auditor
- ☐ An outline of your role and responsibilities within the firm
- ☐ No. of weeks spent working in statutory audit post admission to membership of CPA Ireland
- ☐ An outline of your audit experience in terms of your involvement in;

Guidance on completing the audit qualification – TRAINING

	Your details <ul style="list-style-type: none"> Firm name. Month(s) and year in which your experience was achieved in date order. Weeks that you worked on the audit. 	Client details <ul style="list-style-type: none"> Industry. Year-end. Turnover. Principal activities. 	Scope of the audit <ul style="list-style-type: none"> Nature of the engagement. Details of your involvement in the planning of the audit, including the identification of key risk areas. 	Your role and responsibilities in the audit (e.g. senior, manager etc.) and role of person to whom you were reporting.	Level of staff involved in audit reporting to you, if applicable. If no other team members, state "None".	Key issues and challenges arising on the audit and how you addressed these (for example, explain how you exercised professional scepticism, discussions held and conclusions reached for issues encountered). The narrative should be tailored to each example.	IES 8 competency areas you covered during this audit engagement. (Please ensure that all the competency areas in IES8 are covered across the examples provided.) Relevant IES8 competency area(s) covered by this example.
1							
2							

Letter from supervising auditor contd.

- o Audit planning
- o Identifying and responding to key audit risks
- o Details of audit team (i.e. reporting structures)
- o Nature and size of the audit clients

An outline of your non- audit experience in the practice is also useful.

Sample template letter available in Audit Competency Framework Guidance document (ensure to tailor)- <https://www.cpaireland.ie/CPAIreland/media/Professional-Standards/Members%20in%20Practice/Going%20into%20Practice/Audit-Competency-Framework-and-Eligibility-Criteria-July-2020.pdf>

IES 8

IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (Revised) sets out the necessary competencies for an audit engagement partner. An applicant should demonstrate that they have achieved these competencies during the course of their training and experience.

IES 8

Technical Competence	Professional skills	Professional values, ethics and attitudes
Audit	Intellectual	Commitment to the public interest
Financial accounting and reporting	Interpersonal and communication	Professional scepticism and professional judgement
Governance and risk management	Personal	Ethical principles
Business environment	Organisational	
Taxation		
Information technology		
Business laws and regulations		
Finance and financial management		

Audit Qualification – planning checklist

Training

- Three years training working under the direct supervision of a statutory auditor, two years of which must be post admission to membership.
- Forty weeks of post admission to membership experience to be obtained in statutory audit work
- Achievement of IES 8 competencies as part of training

Education and Competence

- Completion of educational requirements – completed examinations of a RAB (Audit, financial reporting and tax – Irish streams at final level)
- Consider exemptions granted when registering as a student – level and when original qualification obtained
- Practice and Audit Orientation Online Course (in last 3 years)
- CPD in order – including 8hrs auditing CPD (in last 12 months)

Making an application

Applying for a Practising / Auditing Certificate – required steps

- Complete and pass the Practice and / or Audit Orientation Online Certificate
- Make an application to the Registration Committee – see forms on CPA website
 - Practising cert with audit qualification – Complete the Practising Certificate Application Form and the Audit Qualification - Record of Audit Training, Competence and Education Form
 - Practising cert without audit qualification – Complete the Practising Certificate Application Form
- Independent References (X2)
- Details of Approved Post Membership Experience (APME)
- Prepare and submit a business proposal / business profile
- CPD – Ensure that it is adequate and relevant (audit qualification – 8 hrs audit CPD in the twelve months leading to the application)

Firm Registration

Firm Registration

Non Audit Firm Registration

- CPA partners must hold a practising certificate
- Non CPA partners must hold a practising certificate from their relevant body and must become affiliated partners of CPA
- Non accountant partners must become affiliated partners of CPA
- Firm must be CONTROLLED by individuals holding practising certificates (>51% of voting rights)

Firm registration

Firm Registration

Audit Firm Registration

- CPA partners/directors in a corporate entity must hold a practising certificate
- Non-CPA partners/directors must hold a practising certificate from their relevant body and must become affiliated partners of CPA
- Non accountant partners must become affiliated partners of CPA
- Firm must be CONTROLLED by statutory auditors(>51% of voting rights)
- Companies Act 2014 also requires that the majority of the members in a firm's administrative or management board must be statutory auditors or audit firms.
- Control of the firm must also be considered in terms of control of voting rights and also by reference to majority headcount.

Regulations as a practitioner

- Annual renewal of licences
- CPD requirements – core competencies
- Professional indemnity insurance requirements – specific requirements in place
- Continuity of practice arrangements
- Anti Money Laundering Requirements

Quality Assurance

The Quality Assurance process ensures that all member firms of CPA Ireland maintain an appropriate level of professional standards in the performance of their duties and in the provision of services to clients.

CPA firms are selected for a Quality Assurance visit on both a risk and random basis. The criteria used for risk selection include number, size and nature of audit engagements retained, the firm's previous quality assurance, disciplinary, licensing, CPD or other regulatory history.

All CPA audit firms will be selected for a Quality Assurance visit at least once in a **six year cycle** in accordance with Companies Act 2014. This is a statutory requirement and review dates cannot be facilitated beyond the six year anniversary date of your firm's last review.

Firms granted audit registration for the first time will be listed for an initial Quality Assurance Review to take place within the first eighteen months of operation.

Non-audit registered firms are reviewed on a ten year cycle.

Quality Assurance

There are three/four essential parts to this review:

- Review of your **Practice and Audit activities** in accordance with Companies Act 2014 and Bye Law 7
- Review of your **Anti- Money Laundering** processes and procedures in accordance with Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 as amended.
- Review of **CPD records for all statutory auditors** within the firm (including member and non-member records), the purpose of which is to assess whether the statutory auditor has complied with their CPD obligations and thereby maintained their professional knowledge, skills and values at a sufficiently high level.
- Review of the firm's **Investment Business Activities** in accordance with Bye Law 14 and the Investment Intermediaries Act 1995 as amended.

Practice Profile

Vibrant practice profile

- SMP/SME Committee
- Taxation Committee
- Audit Practices sub Committee
- Networks
- Supportive CPD programme

Planning ahead for a career in practice

Think about the following;

- Exemptions applied for and granted in terms of future application for audit qualification
- Final CPA Ireland exams chosen
- Training and experience being gained and records maintained

Thank You



For further information –

<https://www.cpaireland.ie/Members/Members-in-Practice/Going-into-Practice>

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