

Understanding the Public Accounting Experience Certification Report: Practical Examples

In order to apply for or to renew a public accounting licence, Regulation 9-1, s.1.3 requires that a member shall satisfy the public accounting licensing committee that he or she has 'practised public accounting in a substantive way' by participating in a recognized capacity in providing public accounting services, as outlined by the Additional Requirements. More specifically, the Additional Requirements regarding currency of experience require that within the immediate past five years, a member must have obtained a minimum of 2,500 eligible hours in public accounting services and/or designated services, of which at least 1,250 hours must have been in public accounting services.

- The public accounting services can be any combination of assurance and/or compilation services (for example, having only 1,250 compilation hours does meet the public accounting services requirement.)
- Also, all 2,500 eligible hours can be in public accounting services.

Further information on these requirements can be found in the article, *Tracking Experience to Meet Public Accounting Licensing Requirements*, originally published in the *Summer 2010* issue of *CheckMark*, which is posted in the *Public Accounting* area of the Institute's website at www.icao.on.ca.

The following table provides guidance regarding the types of activities that fall under the public accounting services and designated services categories that are tracked on the *Public Accounting Experience Certification Report*, which can be found under *Member Forms* under the *Forms* section, found under *Resources* at www.icao.on.ca. Note that the italicized wording in the table can be found in Regulation 9-1, s.1.5.

Public Accounting Services	Designated Services
<p>Assurance (including auditing and review engagements) if it can be reasonably expected that the services will be relied upon or used by a third party.</p> <ul style="list-style-type: none"> • Advice given to assurance clients on matters related to assurance engagements may qualify as public accounting hours if acquired by a member of the public accounting engagement team and the hours are billed as part of the engagement. • Assurance procedures applied to assessing the appropriateness of tax provisions. • Canada Revenue Agency is not considered to be a third party. 	<p><i>Taxation services related to assessing the appropriateness of taxation provisions and related financial reporting.</i></p> <ul style="list-style-type: none"> • Preparing personal or corporate tax returns does not qualify. • Preparing and assembling financial statements for personal income tax returns (e.g. statement of business activities, statement of real estate rentals) does not qualify. • Providing tax consulting, expert tax advice, or tax planning does not qualify.
	<p><i>Performance measurement relating to the evaluation, development and interpretation of an entity's financial and non-financial information that measures and enhances an entity's organizational performance.</i></p>

continued

Public Accounting Services	Designated Services
<ul style="list-style-type: none"> Research in any one or more of the categories noted as designated services may qualify as public accounting services if provided by a member of the public accounting engagement team and the hours are billed as specific to the engagement. (These would be reported as "assurance" hours). 	<p><i>Research</i> in the following circumstances when the hours were not billed as part of the engagement:</p> <ul style="list-style-type: none"> on the interpretation or application of either or both of Generally Accepted Accounting Principles ("GAAP") and Generally Accepted Assurance Standards ("GAAS"), or on the application of professional standards. <i>conducted for, or advice given to, assurance clients on matters related to assurance engagements,</i> <p>Research also includes advice</p> <ul style="list-style-type: none"> provided in a general advisory or consulting capacity, not specific to an engagement, or by a practitioner acting in a capacity in which he or she was not independent of the entity (such as when a practitioner provides part-time CFO services).
<p>Compilations in respect of which it can reasonably be expected that all or any portion of the compilation or associated materials will be relied upon or used by a third party, whether or not the compilations are accompanied by the prescribed Notice to Reader. The prescribed wording is found in Ontario Regulation 238/5 and in Section 9200 of the CICA Handbook – Assurance.</p> <ul style="list-style-type: none"> Situations where prescribed wording is not used are expected to be very limited. The compilation should relate to a full set of financial statements. It does not include time spent preparing and assembling financial statements for personal income tax returns. (See comments regarding taxation services that are "designated services"). 	<p><i>Financial reporting involving the review of accounting principles and financial statement disclosure and the appropriateness of internal controls for the purpose of presenting fairly the financial statements of an entity.</i></p>
	<p><i>Corporate finance services related to assisting a client in obtaining financing by explaining the financial statements to a financial institution, and assisting a client in analyzing the accounting effects of certain transactions.</i></p>
<p>Training of other accountants or staff of the practice or firm in respect of the performance of assurance services where such training is an ongoing responsibility of the member and the training and supervision are specific to and are billed as part of the assurance engagement.</p>	<p><i>Training of other accountants or staff of the practice or firm in respect of the performance of assurance services where such training is an ongoing responsibility of the member.</i></p> <ul style="list-style-type: none"> The training and supervision are specific to assurance services, but do not need to be specific to an assurance engagement.
	<p><i>Forensic accounting</i> services provided while a partner or employee of a practising office or firm.</p>