

## CPA ALBERTA CANDIDATES IN PUBLIC PRACTICE FREQUENTLY ASKED QUESTIONS

### 1. What services are required to be provided through a registered professional accounting firm (PAF)?

Under the *Chartered Professional Accountants Act*, any Chartered Professional Accountants of Alberta (CPA Alberta) registrant who is providing, or offering to provide, one or more of the following services (defined as professional accounting practice and public accounting practice) to the public must do so through a registered PAF:

- (i) an assurance engagement;
- (ii) a specified auditing procedures engagement;
- (iii) a compilation engagement;
- (iv) accounting services;
- (v) forensic accounting, financial investigation or financial litigation support services;
- (vi) advice about or interpretation of taxation matters;
- (vii) preparation of a tax return or other statutory information filing, if the return or filing is prepared in conjunction with any service referred to in subclauses (i) to (vi)

### 2. What services are required to be provided through a registered professional service provider (PSP)?

Under the *Chartered Professional Accountants Act*, any CPA Alberta member who provides any of the following services on behalf of a corporation whose primary business is not accounting must register a PSP:

- (i) accounting services;
- (ii) forensic accounting, financial investigation or financial litigation support services;
- (iii) advice about or interpretation of taxation matters;
- (iv) preparation of a tax return or other statutory information filing, if the return or filing is prepared in conjunction with any service referred to in subclauses (i) to (iii)

Also, as per CPA Alberta Bylaw 1801, any CPA Alberta member who is providing, or offering to provide, one or more of the following specified professional services to the public would be required to register a PSP:

- (i) acting as a trustee in bankruptcy, a liquidator, a receiver, a receiver-manager or acting in any other aspect of insolvency practice; or
- (ii) public practice as a business valuator

### 3. I'm a CPA candidate. Can I register to offer and/or conduct the services noted in question 1 above on my own, or as a partner?

No, the *Chartered Professional Accountants Act* (CPA Act) prohibits candidates (formerly known as *students*) from providing or offering to provide services defined under the CPA Act as a professional accounting practice or as a public accounting practice (i.e. the services noted in point 1 above).

As a CPA candidate, you are not permitted to operate as a professional corporation, nor become a partner in a registered professional accounting firm.

However, A CPA candidate can provide bookkeeping services and/or limited personal tax return services. Please refer to the definition of bookkeeping in question 8 below and further clarification on the scope of providing personal tax return services in question 9 below.

Rule 410 of the *CPA Alberta Rules of Professional Conduct and Related Guidance* provides further clarity as to the prohibitions on candidates.

**4. Can a CPA Alberta registrant work for/partner with a non-registered professional accounting firm?**

No, any CPA registrant, including a CPA candidate, that is providing or offering to provide any services defined under the *Chartered Professional Accountants Act's* definition of professional accounting practice or public accounting practice (i.e. the services noted in point 1 above) must do so through a registered professional accounting firm.

**5. As a CPA candidate, can I register as a professional service provider (PSP)?**

No, the *Chartered Professional Accountants Act* prohibits candidates (formerly known as *students*) from registering as a PSP. Only members are permitted to register as a PSP.

Rule 410 of the *CPA Alberta Rules of Professional Conduct and Related Guidance* provides further clarity as to the prohibitions on candidates.

**6. As a CPA candidate, can I work for a registered professional service provider (PSP)?**

No, as a CPA candidate, in order to provide any registerable services, you must be employed with a registered professional accounting firm.

**7. What is the definition of “accounting services”?**

Under Section 1(b) of the *Chartered Professional Accountants Act*, “accounting services” is defined as the summarization, analysis, advice or counsel about or interpretation of accounting matters, but does not include:

- (i) bookkeeping, or
- (ii) any accounting service that is performed incidentally by a provider whose primary occupation is not accounting.

**8. What is considered “bookkeeping”?**

Bookkeeping is managing a bank account, without additional journal entries for the period. It is the posting and management of accounts payable and receivable and expenditures and sales transactions, with no production of financial information or financial statements and no accruals are done. Bookkeeping is printing statements from an accounting software system, but not a full and complete set of financial statements. For example, no cash flow statement and no statement of retained earnings is completed.

**9. Does preparing personal tax returns require registration of a professional accounting firm (PAF)?**

A CPA Alberta registrant, including a CPA candidate, can offer simple, straight forward personal tax returns (with no accounting services, additional financial statements, financial

information, or advice provided) to the public for a fee without being registered. It is expected that these returns would only include T4s and/or a few T5s.

Prior to earning your CPA designation, in order to prepare more work such as financial information or financial statements and/or provide advice (which can be something as simple as asking your client whether or not they have certain types of income or expenses) when preparing personal tax returns, you must be under the supervision of a CPA member that is providing these services through a registered PAF.

**10. Prior to accepting a position with an accounting firm, what requirements should I be aware of?**

Candidates who choose to work in public practice must work at a registered professional accounting firm (PAF). If you are unsure if the organization is a registered PAF, search for the firm [here](#).

Candidates can work in a PAF outside of a pre-approved program; however, it is important you are aware of the implications of gaining your experience outside of a pre-approved program.

If you are a candidate working in public practice outside of a pre-approved program and have questions about your path, please contact the CPA Alberta Practical Experience team ([practicalexperience@cpaalberta.ca](mailto:practicalexperience@cpaalberta.ca)).

**11. I am currently in a public practice pre-approved program and am nearing the end of my practical experience requirements. I am contemplating changing employers. What requirements should I be aware of?**

In situations such as this, it would be highly recommended that candidates contact the CPA Alberta Practical Experience team ([practicalexperience@cpaalberta.ca](mailto:practicalexperience@cpaalberta.ca)) to discuss potential impacts to your practical experience requirements prior to making a change in employment.

The requirements for membership and for public practice registration are separate and distinct. If your intention is to enter public practice in the future, you will want to familiarize yourself with the public practice requirements. More information on public practice requirements can be found in the [Professional Accounting Firm Varied Registration Category Requirements](#).

More information on your regulatory requirements as a candidate of CPA Alberta can be found in the [Introduction to CPA Alberta's Regulatory Requirements](#).