

FIRM GUIDE 2024/25



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
SASKATCHEWAN

KEY DEADLINES

April 30 – Spring Renewal

Member CPD Reporting & Declaration

Member Renewal and Fees

December 1 – Winter Renewal

Firm, PC and Licence (Member and Firm)
Renewal

NOTIFICATIONS

May/June

Practice Inspection

May/June

CPD Verification

November

Firm, PC and Licence (Member and Firm)
Renewal

CPASK RESOURCES

Firm Newsletter

Member Newsletter

For additional resources and guidance,
please visit www.cpask.ca.

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REGISTRATION AS A FIRM

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REGISTRATION AS A FIRM

1.1 What is a firm?

Firm is defined in *The Accounting Profession Act* (“the Act”) in Section 2(h):

“firm” means any of the following that provides or provide, through one or more members, directly or through another person, services as a professional accountant to or on behalf of the public:

- (i) a sole proprietorship;
- (ii) a partnership;
- (iii) a corporation;
- (iv) two or more members holding themselves out as practising in association;
- (v) any other business entity;

Firms may also be referred to as registrants. A registrant includes a member, firm, or candidate.

The CPA Saskatchewan Board has the authority to register firms under subsection 17(b) of the Act. Under subsection 20(3) it states, “The Board may register a firm that:

- (a) applies in the form and manner specified by the Board;
- (b) has paid the fees established in accordance with the bylaws; and
- (c) has complied with the bylaws with respect to registration as a firm.

Under subsection 21(1) of the Act, the CPA Saskatchewan Board has delegated the authority to register firms to the Registrar. Meaning, the CPA Saskatchewan Board does not approve firm applications.

1.2 When do you need to register a firm?

A member, or group of members, shall register a firm prior to providing the following specific services:

- The practice of professional accounting (set out in Section 18 of the Act) and consists of:
 - Audit engagements,
 - All other assurance engagements, including review engagements,
 - Compilation engagements¹, and
 - Providing financial reporting advice which references professional standards within the CPA Canada Handbook.

NOTE: Pursuant to subsection 20(4) of the Act, a member and firm practicing professional accounting shall also apply for a licence in accordance with Bylaws 16.2 or 16.3. See “Licensing” section for more information.

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¹ Effective for year ends on or after December 14, 2021, the Canadian Standard on Related Services – Compilation Engagements (CSRS 4200) came into force. Any members who are practicing in CSRS 4200 who are not licenced and with a registered firm must make an application for a compilation licence, pay the associated fees, and register a firm (as applicable). Penalties are applicable for practicing professional accounting while unlicensed and without a firm registration. **CPAs are no longer permitted to issue Notice to Reader reports of any kind after this effective date.**

- Other regulated services (defined in Regulatory Bylaw 2.1(bb)) which does not include the practice of professional accounting and consists of:
 - Accounting Services (which are not bookkeeping services);
 - Bankruptcy and Insolvency Trusteeship or Administration;
 - Engagement Quality Reviews;
 - Finance Services;
 - Forensic Accounting;
 - Management Accounting (may often be referred to as Management Consulting); and
 - Taxation Services (which means providing advice or interpretation with respect to taxation matters).

1.2.1 EXEMPTIONS TO FIRM REGISTRATION

Pursuant to Bylaw 14.2, a member providing other regulated services qualifies for an exemption from registration of a firm when the service provided is:

- to three (3) or fewer clients;
- as an officer or director in a volunteer capacity;
- to or through a registered firm; or
- governed by another professional regulatory body established pursuant to legislation in Saskatchewan.

A member shall submit a declaration regarding eligibility for exemption under Bylaws 10.4 and 14.3 (or as a change occurs)

A member may be exempt from firm registration if the service provided is limited to bookkeeping services. Bookkeeping is defined as, 2.1(f) “(f) “bookkeeping” means the preparation or maintenance of an entity’s accounting records including a trial balance and reports produced directly from such records.”

Members must submit an analysis of why their services do not require registration as a firm. In addition to stating why the member is exempt, the member must also agree that professional services are not advertised, marketed, or otherwise promoted to the public other than by an application for employment.

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A member engaged in the practice of professional accounting is only exempted from registration of a firm where the member is providing services through a firm that is currently registered and licensed.

1.2.2 FIRM LOCATIONS WITHOUT FULL-TIME CPAS

Firms may open locations referred to as “satellite” or secondary offices. Meaning, a CPA works out of that office on a casual basis (usually for client meetings), and it is primarily located at another location in Saskatchewan. The firm must apply to CPA Saskatchewan and provide details of the new location to have it added to the firm permit.

1.3 How do I register a firm?

1.3.1 NAME APPROVAL

Before you can complete the registration application form for a firm, the proposed firm name needs to be approved by the Associate Director, Registration. Requests for approval of firm names are sent to registrar@cpask.ca. Firm names are subject to the following requirements:

- The title, designation and initials (Professional Accountant, Chartered Professional Accountant or CPA) can only be used if 80% or more of the proprietary interest of the firm is owned by members (note: members cannot practice as an employee through an entity primarily owned by a non-member; instead, that member obtains their own firm registration. All professional accounting and other regulated services engagements would be issued through the registered (and licensed, as applicable) firm, not the non-member entity. Contact registrar@cpask.ca for more details);
- The name must not be misleading, self-laudatory or offensive; and
- The name must not reference a legacy title, designation or initials in isolation.

It takes approximately 5-10 business days to approve the name.

1.3.2 APPLICATION FORM

Once the firm name is formally approved, you may complete an application form, which includes:

- Demographic information about the firm (entity type, address, email address, etc.);
- List of any operating names or associated practices;
- Date the firm will begin offering services to clients in Saskatchewan;
- A roster of all CPA licensed members, CPA practice leaders, CPA employees and CPA candidates at the firm;
- A listing of services to be provided (note: appropriate licensure is required for any professional accounting services to be offered by the firm);
- Provide a brief description of experience and education related to the areas of services to be provided. Note: CPD from the last three years will be reviewed;
- A series of declarations to be signed by all practice leaders at the firm, and
- Payment of firm registration application fees, and
- Evidence of adequate Professional Liability Insurance.

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Applications are **not** processed from December 1 through December 31 of each year. Applications received during this time are deemed to be received on the following January 1.

An application shall list each location of the firm in Saskatchewan. A firm shall not hold out or imply that it has an office in any place where it is only represented by another professional accountant or a firm of professional accountants.

Applications take approximately 30 days to process once all information is received.

1.3.3 FEES

Firm fees are:

<u>Firm Registration Fees</u>	Initial	Renewal
Flat Amount	\$150.00	\$0.00
Licensed CPA	n/a	\$275.00
Unlicensed CPA Practice Leader	\$250.00	\$250.00
Unlicensed CPA Employee/CPA Contractor ¹	\$175.00	\$175.00
CPA Candidate	\$150.00	\$150.00
Affiliate Firm	\$300.00	\$300.00

All fees are subject to GST.

1.3.4 PROFESSIONAL LIABILITY INSURANCE (PLI)

Firms must have professional liability insurance under Bylaw 24.1. The requirements for insurance vary depending on the service provided to the public, as follows:

For firms engaged in the practice of professional accounting (assurance and compilation engagements) and other regulated services, the following are the minimum requirements based on Rule 324.1:

- \$1,000,000, where one (1) member is engaged or employed in one or both of the practice of professional accounting or other regulated services in the same firm;
- \$1,500,000, where two (2) or three (3) members are engaged or employed in one or both of the practice of professional accounting or other regulated services in the same firm; or
- \$2,000,000, where four (4) or more members are engaged or employed one or both of the practice of professional accounting or other regulated services in the same firm

Every firm must update its PLI information online on its anniversary date. PLI certificates and any additional documentation must be provided upon request. PLI lapses are a serious issue and require additional declarations and sign offs by the firm practice leader. Non-compliance with PLI requirements may lead to a restriction, suspension, or cancellation of registration of a firm.

1.3.4.1 How do I choose a provider?

There may be many PLI providers in the marketplace, however there are some important considerations when obtaining PLI. The policy needs to include:

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- all current and former names of the firm and its practice leaders;
- coverage for prior acts;
- legal/defence costs in addition to the minimum policy limits;
- discovery policy available for a 6-year period post-cessation of practice;
- endorsement requiring the insurer to advise CPA Saskatchewan when the policy lapses, changes or is cancelled.

Your PLI policy may include coverage for contractors. You are responsible to advise CPA Saskatchewan if this is the case.

Some preferred providers are:

1.3.4.1.1 CPA Professional Liability Plan Inc. (formerly AICA Services Inc.)

CPA Professional Liability Plan Inc. is beneficially owned by the CPA profession and the members insured in the program. It has been administering a professional liability insurance program for small and medium sized accounting firms since 1990. CPA Canada's Professional Liability Insurance Committee (PLIC) oversees CPA Plan's operations to ensure that there is a stable plan of insurance available for all small and medium sized CPA firms. To obtain a quotation or to find out more, please visit [CPA Professional Liability Plan Inc.](#)

1.3.4.1.2 PROLINK Insurance

PROLINK Insurance has delivered professional liability insurance for over 12 years. The former CMA Canada supported them as a provider. Please visit [PROLINK Insurance](#) for a price estimate on your professional liability coverage. For a live conversation, call PROLINK Insurance at 1-800-663-6828 and ask for the CPA Program Manager.

1.3.4.1.3 Other Providers

Use your professional judgement when selecting a provider that is not familiar with the provisions required in PLI. You may not be getting the coverage you need. See [Appendix A](#) for an article on reading the fine print in your PLI policy.

1.3.4.2 Renewal

Each year, the firm is responsible for filing, or having the insurer file, a renewed policy. The renewed policy will be evidenced by a new certificate of PLI coverage.

Further, every firm is required to request an endorsement to the insurance contract that requires the insurer to advise CPA Saskatchewan of a cancellation or reduction in coverage.

1.3.4.3 Lapses

Every firm must advise CPA Saskatchewan of a policy cancellation or reduction in coverage within 15 days of such cancellation or reduction. A firm that lets their PLI policy lapse is required to sign a declaration of lapse. A PLI policy that lapses more than twice

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while the firm is registered with CPA Saskatchewan may result in a more serious consequence to the firm.

1.3.5 ASSISTING PROFESSIONAL ACCOUNTANT

A sole practitioner is required to appoint an assisting professional accountant. The firm shall provide written confirmation of this appointment to the Institute. This appointment is effective until a new appointment is provided to CPA Saskatchewan. Members may authorize the Institute to appoint an assisting professional accountant on its behalf.

1.3.6 PROFESSIONAL CORPORATIONS

Any member who practices the profession in corporate form shall register as a professional corporation. A professional corporation is subject to the provisions of *The Professional Corporations Act* and is one type of entity included in firms.

1.3.6.1 Name approval

- 1) Obtain approval of the professional corporation's name from the Registrar. The name of a professional corporation must include:
 - "CPA", "Chartered Professional Accountant", or "Professional Accountant", and
 - "Professional Corporation", "Prof. Corp.", "P.C. Inc.", "P.C. Ltd.", "P.C. Corp."
- 2) Complete the filing with the Corporate Registry (Information Services Corporation of Saskatchewan).

Using the name approved in Step 1), you must file a Request for Corporate Name Reservation online at <https://www.isc.ca/CorporateRegistry/Pages/default.aspx> along with a filing fee.

The name, once approved, will be reserved for 90 days. If the incorporator has not filed Articles of Incorporation within 90 days, the name reservation can be renewed by filing another Request for Corporate Name Reservation.

- 3) File your Articles of Incorporation and the related filing fee with the Corporate Registry. Please note that the fees are less if paid online.

The Corporate Registry has advised that it will take approximately 5 -10 working days to complete the incorporation. Expedited service is available for an additional fee.

CPA Saskatchewan may require an example of your business card or letterhead related to the use of your professional corporation's name.

1.3.6.2 Application form

Once the name is approved and reserved, the member will complete an application form for the professional corporation that includes evidence:

- of the good standing of the corporation as defined in *The Business Corporations Act*;
- of compliance with the provisions of *The Professional Corporations Act* respecting the legal and beneficial ownership of the shares;
- that the registered directors are members;
- that each person who is not a member or firm employed or engaged by the professional corporation is under the direction and supervision of a member or firm; and
- PLI coverage.

1.3.6.3 Fees

Pay fees of \$150 plus GST per initial application.

1.3.6.4 Advertising considerations

Rule 217 allows a registrant to advertise and to obtain new engagements and clients by various means, but stipulates that a registrant cannot do so, directly or indirectly, in a manner:

- which the registrant knows, or should know, is false or misleading or which includes a statement the contents of which the registrant cannot substantiate;
- which makes unfavourable reflections on the competence or integrity of the profession or any other registrant; or
- which otherwise brings disrepute on the profession.

Rule 217 further requires that any solicitation (for client engagements) cannot be done in a manner that is persistent, coercive, or harassing. As outlined in the Guidelines to the Rules, under the Solicitation section (Rule 217), the approach may be made in person, through direct mail (including fax or e-mail) or via a third party such as a telemarketer. However, the approach must comply with all Rules of Professional Conduct (those that govern integrity, conflict of interest, payment of commissions, etc.). If a prospective client requests the contact cease, the practitioner must comply. Any continued contact will be regarded as harassment, which would result in a breach of the Rules of Professional Conduct.

Lastly, with respect to endorsements, Rule 217 states that a registrant may advertise or endorse another's product or service used, provided the registrant has sufficient knowledge or expertise to make an informed and considered assessment of the product or service. However, in doing so, the general advertising requirements above (not false or misleading, etc.) are applicable. When associating the CPA with the endorsement, the

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registrant must conduct sufficient appropriate procedures to support the assertions made about the product or service.

1.4 Candidate Training

A firm shall apply to the Registration Committee for approval of one or more training positions in a pre-approved program route. CPA Saskatchewan supports employers in the completion of a pre-approved program route map. Ideally, approval is received prior to offering employment to a candidate. Candidate training may also occur through the experience verification route. Candidates are responsible for reporting their accumulated practical experience to CPA Saskatchewan.

1.5 Permit

A permit will be issued to each firm and professional corporation (as applicable) (all available within the portal). The permit will specify the approved category or categories of practice and be signed by the Registrar. Any conditions on the firm's permit, as mutually agreed upon, will also be displayed.

If a firm resigns, is suspended or is cancelled, the firm permit will be removed from the portal and the firm will be required to acknowledge that it no longer displays the permit.

1.6 Affiliate Firms

A member who is registered as a firm with another province, territory or Bermuda is required to register when the members of the firm or the firm are using the CPA or equivalent designation within the province of Saskatchewan (i.e., signing a report within the province of Saskatchewan). Likewise, firms need to ensure they are properly registered and licensed in other jurisdictions where they are providing services. The affiliate firm registration fee is \$300 plus GST.

1.7 Renewal

On November 1 of each year, every firm and professional corporation (as applicable) is required to complete a renewal exercise online, which includes updating the following firm information:

- Demographic information about the firm (entity type, address, email address, etc.);
- List of any operating names or associated practices;
- A roster of all CPA licensed members, CPA practice leaders, CPA employees and CPA candidates at the firm;
- A listing of services currently being provided (note: appropriate licensure is required for offering any professional accounting services);
- A series of declarations to be signed by all practice leaders at the firm;
- Payment of all applicable renewal fees (i.e. firm and professional corporation fees), and
- Declaration of Professional Liability Insurance*

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**PLI may be renewed at a different time during the year.*

1.8 Practice in Association

It is the firm's responsibility to ensure that it is only associated with work that represents the quality of its practice.

The Rules require that a member or firm shall not associate in any way with any firm practicing as CPAs in Saskatchewan unless that firm is registered with CPA Saskatchewan. The word "associate" has a broad meaning and does not just mean or refer to a partnership or employment relationship. A franchisee clearly has an association with the franchisor.

Further, there are explicit Rules that extend the Rules of Professional Conduct to apply to a non-member providing services to the public through a firm as though he or she was a member. A member or firm associated with a non-member shall be responsible to CPA Saskatchewan for any failure of such non-member to abide by the Rules of Professional Conduct of CPA Saskatchewan.

When a firm is working with non-members, members, or firms who it is not familiar with, it is important that you use your professional judgement when placing reliance on their work. Consider the following when entering an association to provide service:

- The professional capabilities of the other non-members, members, or firms, such as, their qualifications, reputation, technical competence, experience and integrity.
- The level of documentation required when you review the work performed, including how you assessed the completeness of the work provided as part of the engagement.
- If the role entails that you are the one signing off on or issuing the engagement reports along with the financial statements, then you need to have a direct relationship with the client and have the client provide you with the necessary engagement letter.
- A contract should be signed between you and the non-member, other members or firms outlining the terms of the engagement and the roles and responsibilities of each of the parties. Consider obtaining legal advice.
- Consider whether the non-member has the adequate liability insurance.

If doubt exists regarding the quality of work performed by the non-members, other members, or firms, then reliance should not be placed on their work.

1.9 Conditions and Restrictions on Firms

The Registrar or Registration Committee may, upon receipt of information, assess a condition or restriction on the registration of a firm. A condition is mutually agreed to between the firm and CPA Saskatchewan. A restriction is imposed by CPA Saskatchewan on the firm. A condition or restriction may include one or more of the following:

- To not allow the firm to practice in one or more service area, client industry, jurisdiction, etc.,

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- To not be eligible to train students,
- To require the practice leaders, members, or candidates to complete and report specified professional development activities, undertake specified monitoring activities or obtain practical experience in specific areas, or
- To cease providing services until certain criteria are met.

If a member or firm has a condition, they will be noted as “conditional” or if a member or firm has a restriction, they will be noted as “restricted” in all publicly-available information (i.e. in our [Find and CPA Member](#) or [Find a CPA Firm](#) online search tools). The public is not made aware of the specific conditions; however, clients or potential clients may request information from you as to the details of your conditional or restricted status. The public is made aware of the details of the restriction within our regulatory notices.

LICENSING

2.1 What is a licence?

Licence is defined in the Act in Section 2(j):

“licence” means granting of rights to provide professional accounting services to the public as a professional accountant in Saskatchewan;

The CPA Saskatchewan Board has the authority to licence members and firms under subsection 17(c) of the Act. Under subsection 20(4) it states, “The Board may issue a licence to practise to a member or firm that:

- (a) applies in the form and manner specified by the Board;
- (b) has paid the fees established in accordance with the bylaws;
- (c) has demonstrated to the satisfaction of the board competence and proficiency in an area of practice related to the request for licensure; and
- (d) has complied with the bylaws with respect to licensing

Under subsection 21(1) of the Act, the CPA Saskatchewan Board has delegated the authority to license members and firms to the Director, Monitoring.

2.2 When do I need a licence?

A member requires a licence when they are in a position within the firm to authorize the release of engagement reports (i.e., a practice leader) and they are practicing professional accounting. Staff who are part of the engagement team but not authorizing the release of the engagement report are not required to be licensed. However, they may accumulate and track practical experience hours or engagements and allocate CPD towards a licence application in the future. Firms with at least one member practicing professional accounting are deemed to be licenced. The practice of professional accounting is the reserved area of practice in subsection 18(1) of the Act:

Professional accounting

18(1) The practice of professional accounting comprises one or more of the following services:

- (a) performing an audit engagement and issuing an auditor’s report in accordance with the standards of professional practice published by *Chartered Professional Accountants of Canada*, as amended from time to time, or an audit engagement or a report purporting to be performed or issued, as the case may be, in accordance with those standards;
- (b) performing any other assurance engagement and issuing an assurance report in accordance with the standards of professional practice published by *Chartered Professional Accountants of Canada*, as amended from time to time, or an assurance engagement or a report purporting to be performed or issued, as the case may be, in accordance with those standards;

- (c) issuing any form of certification, declaration or opinion with respect to information related to a financial statement or any part of a financial statement, on the application of:
 - (i) financial reporting standards published by *Chartered Professional Accountants of Canada*, as amended from time to time;
 - (ii) specified auditing procedures in accordance with standards published by *Chartered Professional Accountants of Canada*, as amended from time to time.

Further the Act states in subsection 18(2):

No person who is neither a licensed member nor a licensed firm shall provide or perform services mentioned in subsection (1).

To summarize, practicing professional accounting means issuing an audit engagement report, review engagement report, other assurance engagement report, compilation engagement report or a certification, declaration or opinion relating to a financial statement or financial information and includes carrying out agreed-upon procedures engagements.

2.2.1 ARE THERE EXEMPTIONS AVAILABLE TO THE REQUIREMENT TO BE LICENSED?

The Act provides for limited exemptions from licensing in subsection 18(3):

“Subsection (2) does not apply to:

- (a) a registrant under the direct supervision and control of a licensed member;
- (b) an employee in relation to services provided to his or her employer or in his or her capacity as an employee of an employer that is not a firm;
- (c) a person providing advice based directly on a declaration, certification or opinion of a licensed member;
- (d) a person providing a service for no gain and without hope of reward;
- (e) a person performing a service for academic research or teaching purposes and not for the purpose of providing advice to a particular person;
- (f) a person acting pursuant to the authority of any other Act.”

If a non-member or member is relying on an exemption under the Act, they must provide evidence to the Registrar to support that they qualify under one of the exemptions or be subject to a cease and desist order issued by the Registrar. Unlicensed members are also required to complete the applicable declaration form.

2.2.2 LICENSING PENALTIES

Unlicensed members found to be practicing professional accounting without a licence that do not qualify under one of the specific exemptions to licensing are subject to a penalty of \$1,000 per instance of an engagement report issued, up to \$3,000. Further consequences may be available if an unlicensed member persists to carry out professional accounting without licensing, including a referral of a conduct matter and/or a court order to cease. Non-members may be subject to a court order.

To maintain the integrity of our reserved area of practice, it is important to provide us with information (i.e., a copy of the engagement report with the business or CPA's name indicated) to support a non-member or unlicensed member is practicing professional accounting. You can provide this information to licensing@cpask.ca.

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2.3 How do I obtain a licence?

2.3.1 LICENCE TYPES

There are three licence types: Comprehensive, Specified and Compilation ¹. A comprehensive licence includes all services listed under subsection 18(1) of the Act (i.e. audits of historical financial statements, review engagements, other assurance engagements, compilation engagements, and financial reporting opinions and certifications). A specified licence excludes audit engagements on historical financial statements and is therefore limited to services listed under subsections 18(1)(b) and 18(1)(c) of the Act (i.e. review engagements, other assurance engagements, compilation engagements, and financial reporting opinions and certifications). A compilation licence includes services listed under Subsection 18(1)(c) of the Act specifically to completing compilation engagements and agreed-upon procedures engagements only.



¹ Effective for year ends on or after December 14, 2021, the Canadian Standard on Related Services – Compilation Engagements (CSRS 4200) came into force. Any members who are practicing in CSRS 4200 who are not licenced and with a registered firm must make an application for a compilation licence, pay the associated fees, and register a firm (as applicable). Penalties are applicable for practicing professional accounting while unlicensed and without a firm registration (as outlined above). **CPAs are no longer permitted to issue Notice to Reader reports of any kind after this effective date.**

2.3.2 APPLICATION FORM - MEMBER

Prior to authorizing any assurance or compilation engagement reports, certifications, or opinions referenced in Section 18 of the Act, a member shall complete an application form that includes:

- Licence type they are applying for,
- Demographic information about the member (address, email address, etc.),
- Evidence to support meeting all minimum qualifications,
- A series of declarations to be signed by the member, and
- Payment of licence application fees.

There are 4 minimum qualifications necessary to fulfill on an initial licence application:

- 1) Education/Experience in Assurance and Financial Reporting (for assurance-based licences) and Financial Reporting or Management Accounting (for compilation licences)
- 2) Eligible hours (assurance-based licences) or minimum number of completed engagements (compilation licence)
- 3) Continuing Professional Development (CPD)
- 4) Competency assessment from an equivalent or higher licensed member (for assurance-based licences must have also supervised the applicant for at least 2 years in the last 5 years)

LICENSING

2.3.3 EDUCATION IN ASSURANCE (COMPREHENSIVE AND SPECIFIED LICENCES)

To qualify for a comprehensive/specified licence, a member must have obtained depth in the Assurance and Financial Reporting competencies (as outlined in the *CPA Canada Competency Map*) through their professional education program.

2.3.3.1 Post-Designation Public Accounting (PDPA) Program

The PDPA program is available to members in good standing who do not meet the education qualifications for licensure. To complete the PDPA program, the PDPA module and examination must be successfully completed.

- CA legacy members have no further education requirements. However, they may require additional practical experience to meet the requirements to qualify for licensing.
- CMA legacy members are required to have completed Audit I and II and Tax I, II, III to meet the education requirement.
- CGA legacy members are required to have completed Audit 2 and Taxation 2 to meet the education requirement.

2.3.3 EDUCATION IN NON-ASSURANCE (COMPILATION LICENCES)

To qualify for a compilation licence, a member must have obtained depth in either Financial Reporting or Management Accounting technical competencies (as outlined in the CPA Canada Competency Map), through their professional education program. This education requirement is met upon completion of the education program for any legacy program and the CPA Professional Education Program.

2.3.4 PRACTICAL EXPERIENCE - ELIGIBLE HOURS (ASSURANCE LICENCES)

An eligible hour is defined in Rule 302.1(g). “Eligible hours” means the time accumulated by a member in providing professional accounting services under subcategories 18(1)(a) and 18(1)(b) (i.e. audits, reviews, and other assurance engagements) and includes hours reported as unverifiable continuing professional development relevant to the subcategories of the practice of professional accounting. Eligible hours are also referred to as practical experience hours.

The number of eligible hours required for a licence differs depending on the licence type:

	Comprehensive	Specified
Initial	1,250 hours in the practice of professional accounting over the last 5 years, with at least 625 of those hours in audit engagements.	1,250 hours in the practice of professional accounting over the last 5 years.
Renewal	1,250 hours in the practice of professional accounting over the last 5 years, with at least	625 hours in the practice of professional

	625 of those hours in audit engagements.	accounting over the last 5 years.
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A licensed member must have participated in a recognized capacity in practicing professional accounting for the hours to be considered eligible. The member must have held one or more of the following positions when providing the professional accounting services:

- Directly participating in a professional accounting engagement, including any related subsidiary engagement, as a member of the engagement team;
- A position in which the member is responsible for the direct management, supervision or oversight of the leadership of the engagement team that is significantly more than administrative in nature;
- Providing consultation regarding the application of accounting and/or assurance standards, consultation or opinions regarding taxation provisions or other technical or industry-specific issues, or consultation regarding other transactions or events;
- Providing engagement quality reviews;
- Completing monitoring activities related to the firm's system of quality management, or
- A position having responsibility for the entire professional accounting engagement of a firm or practicing office.

Eligible hours do not need to be those chargeable to a client but the hours that are reported must be those accumulated directly by the member themselves (i.e. not all engagement hours completed by others within the engagement team are reported as this would be an overstatement of that member's actual practical experience). Eligible hours must be tracked (i.e. typically these are retained within a firm's timekeeping and/or billing records) and documented by the member and reported on the licence application and at renewal. Every member claiming eligible hours for licensing application purposes may be required to provide supporting documentation for verification at the time of their application or during the next practice inspection of the firm.

At renewal, eligible hours reported are compared to information about engagements obtained from the firm's last inspection for reasonability. Significant differences noted would require follow-up.

Hours earned or completed engagements prior to becoming a member in any jurisdiction in Canada (i.e., as a candidate) do not qualify for licensing purposes and cannot be reported in an application.

2.3.4 PRACTICAL EXPERIENCE – COMPLETED ENGAGEMENTS (COMPILATION LICENCE)

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The practical experience for a compilation engagement is based on the number of completed compilation engagements as a member under either HB 9200 (prior to 2021) or CSRS 4200 (2021 and later).

Compilation	
Initial	15 compilation engagements completed over the last 5 years
Renewal	15 compilation engagements completed over the last 5 years

2.3.5 CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

Licensed members are required to take a prescribed amount of verifiable continuing professional development (CPD) specific to the practice of professional accounting to maintain their licence, as follows:

Comprehensive	Specified	Compilation
50 verifiable hours of CPD over a 3-year rolling cycle	25 verifiable hours of CPD over a 3-year rolling cycle	10 verifiable hours of CPD over a 3-year rolling cycle

Generally, CPD related to compilation engagements and taxation services are not included for comprehensive/specified licences. A portion of course hours may be acceptable, provided you can support their relevance to your practice of professional accounting.

For your CPD to qualify towards your licence requirements, you would complete continuing education courses, research projects that result in a report, technical article preparation and/or formal study that relate specifically to professional accounting subject matter. Some subject matter areas to consider are:

- CPA Canada Handbook Standards, including but not limited to:
 - Canadian Audit Standards
 - Canadian Standards on Quality Management, CSQM 1 and 2
 - Other Canadian Standards (for other assurance reports)
 - Related Services Standards
 - Financial Reporting Standards (IFRS, ASPE, ASNFPO, PSAS)
- Professional Values, Ethics, and Attitudes:
 - Professional skepticism and professional judgment
 - Ethical principles (Rules of Professional Conduct)

For a compilation licence only, a portion of (i.e., 50% or less and up to 5 hours maximum) CPD relating to taxation, management accounting or finance technical competencies may be allocated towards meeting minimum licensing requirements. At least 5 CPD hours must relate to compilation engagements or quality management standards specifically, or CPD that relates to enhancing professional judgement, critical-thinking skills, documentation skills, leadership skills or communication skills. CPD relating to financial reporting standards may also qualify, provided it is relevant to the member's practice.

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It is possible that courses which do not directly deal with the subject matter areas above cover the concepts. Ultimately it is your responsibility to maintain documentation to support the hours reported for CPD and prove its relevance to the practice of professional accounting.

2.3.6 COMPETENCY ASSESSMENT

A competency assessment is provided by a licensed member who holds a valid, equivalent or higher licence type to the applicant. For assurance-based licences, that licensed member must have directly supervised the practical experience of the applicant for at least 2 years within the last 5 years. A restricted licensed member is not eligible to provide a competency assessment for an applicant.

Prior to providing a competency assessment for an applicant, it is the responsibility of the signing member to ensure they are confident that they have carried out sufficient due diligence and/or supervision procedures that they, in their professional judgment, have surpassed the threshold of associating with misleading information.

The competency assessment requirement is different from the requirement under quality management standards for cyclical monitoring activities. A monitor typically would review a sample of files and their report would be isolated to performance on those engagements reviewed. Cyclical monitoring services carried out by an external member are expected to have a formal engagement contract in place and may not occur annually. Many firms have set their monitoring cycle between 3 and 5 years; therefore, based on the frequency of observation by the monitor of the engagement files, using the monitor to also provide an ongoing competency assessment may not be appropriate. However, there is no restriction on whether the monitor can also be the same member providing the competency assessment.

Comprehensive/Specified Licence: A licensed member providing the competency assessment for an applicant may require knowledge beyond reviewing a sample of engagements to be able to attest to the competency of the applicant. A competency assessment form is available that may be used to determine whether a competency is met for each area or by the member providing the assessment to guide them on questions to ask the member and areas to obtain supporting documentation to feel confident in that member's competence.

Please note, the form was developed using the *International Education Standards Board (IAESB), International Education Standard (IES) 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (Revised)* and the *CPA Canada Competency Map*.

To establish proficiency in a competency area, the member must be able to demonstrate knowledge, to be able to analyze problems in sufficient depth and to be able to draw conclusions.

Compilation Licence: For an initial application for a compilation licence, there are no applicable forms or checklists that the licensed member is required to complete to provide an assessment.

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Instead, the licensed member must carry out the necessary steps to complete their due diligence in their professional judgment to provide the assessment.

For a compilation licence, there may be situations where a member may be unable to obtain a competency assessment from a licensed member. Members are encouraged to reach out to a colleague with whom they consult with on client issues or have named as their assisting professional accountant (sole practitioners only), or have taken CPD courses with, or have worked with in the recent past, to obtain a competency assessment. In a situation where an assessment cannot be obtained, the member will have to agree to a condition placed on their licence upon application that requires a practice inspection be completed within the next 12-month period. Pending the results of their practice inspection, the condition may be removed, or additional conditions or restrictions may be imposed, or the licence may be cancelled.

2.3.7 FIRM LICENSING

Once at least one member is licensed at the firm, the firm becomes licenced (through deeming provisions and there is no separate application made). When there is more than one licensed member at the firm, the firm licence becomes the same as the licensed member holding the highest licence type. When there are no longer any licensed members at a firm, the firm licence is cancelled.

2.3.8 FEES

Member licence fees are \$250+GST on initial application. There are no other related renewal fees specifically for licensing for the member.

2.4 Licence Issued

A licence will be issued and available within the portal to each member and firm that will specify the approved licence type and will be signed by the Registrar. Any conditions or exemptions, as mutually agreed, or restrictions as imposed on the member and firm's licence certificate will also be displayed.

If a member or firm resigns, is suspended or is cancelled, the licence is cancelled, and the member and firm are required to acknowledge the cancellation and confirm they will no longer display the licences.

Licence cancellations and restrictions are published in our firm newsletters and on our [website](#).

2.5 Renewal – Members and Firms

On November 1 of each year, each member and firm is required to complete a renewal of their licence, which includes updating:

- Demographic information about the member and firm (entity type, address, email address, etc.);

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- Information to support continuing to meet the minimum licence qualifications (i.e. eligible hours, number of completed engagements, CPD, competency);
- Payment of firm registration renewal fees, and
- Declaration of Professional Liability Insurance*

**PLI may be renewed at a different time during the year.*

2.6 Exemptions, Conditions and Restrictions

The Professional Practice Committee may, upon receipt of information, allow an exemption to the following licence qualifications in lieu of the applicant meeting other requirements (it is expected that only one minimum qualification is not met and all others are met upon application or renewal):

- The requirement to complete PDPA, in lieu of several years of experience at a licensed firm under the direct supervision of a licensed CPA
- A portion of the eligible hours (for assurance licences) or the completed number of compilation engagements (compilation licence) (intended to be temporary for members transitioning into or out of practicing professional accounting)
- A portion of the two-year supervision requirement (on the initial application only for assurance-based licences)
- A portion of CPD (intended to be temporary, a member would receive a licence condition to complete a CPD plan within the calendar year)

The exemption to licensing qualifications may be accepted or the Professional Practice Committee may assess conditions or restrictions on a licence (or they may not accept the exemption request and therefore the applicant would not qualify for a licence). For example, if a member was newly licensed and was below eligible hours or completed engagements and had not yet undergone practice inspection, the Committee may request the member (through the firm) be subject to practice inspection upon completion of a specified number of engagements.

The Committee will impose a restriction on the licence of a member or firm when the risk to the public is high.

While the Committee may assess a any form of a condition or impose any form of a restriction on a member or firm licence based on the circumstances of the applicant and the risk to the public, these typically would include one or more of the following:

- To require the member or firm obtain an internal/external monitor to supervise engagements or to complete an Engagement Quality Review (EQR) prior to or after signing and issuing reports until the next practice inspection, the next renewal or another specified time period, with the requirement to report the results to the Institute;
- To notify the Registrar of any changes to the firm's client base (increasing or decreasing number of clients served);

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- To not allow the member or firm to practice in one or more areas within subsection 18(1) of the Act (which would require an adjustment to the type of licence held by the member);
- To not be eligible to train candidates;
- To practice in: only one or more areas, one or more specified industries, or for a specified number of clients; or
- To have the practice leaders, members or candidates undertake increased or focused professional development activities, undergo specific monitoring activities or to obtain experience in specific areas.

An exemption request is reviewed by the Professional Practice Committee at the time of application or at renewal. If a licensed member would like to remove an exemption or condition or restriction from their licence during the year, this request would be made in writing with supporting information included in the request for the reasons to remove the exemption or condition or restriction (i.e. the underlying minimum qualification or requirement of restriction is now met).

An exemption is approved for up to one year and is re-requested and subject to Committee review and approval if required at next renewal. The Committee expects licensed members to achieve the plan as indicated in their exemption request and for exemptions to be temporary.

Conditions or restrictions on a member or firm licence continue until the member or firm provides information to support the underlying minimum qualification or requirement for restriction is met and until removal is approved by the Registrar or Professional Practice Committee.

As noted within **Section 1.9**, conditions and restrictions are made publicly available in our online search tools, newsletters, and regulatory notices.

ONGOING RESPONSIBILITIES OF A FIRM

3.1 Quality Matters

An effective and closely monitored system of quality management is important for all firms providing various professional services. Firms who place emphasis on continuously improving quality and who frequently monitor their compliance with quality management standards will achieve consistency among clients and will be in good position to assure their services are provided in compliance with the standards of the profession, benefitting both the public and the reputation of the firm.

There are three key stakeholders involved when providing services: the client, the public and the firm (one CPA or group of CPAs). The stakeholder that often receives the least attention within the relationship is the public, mostly because the public tends to not raise concerns until something happens and there are financial losses or harm is caused. When this happens, they will likely sue the firm for the financial loss and file a complaint with CPA Saskatchewan.

3.1.1 DOES THE TYPICAL CLIENT REALLY CARE ABOUT OR WANT TO PAY FOR THE QUALITY OF OUR WORK?

Yes.

As a firm you need to think about how you want your clients to remember you. The success or failure of a firm depends on an appropriate and effective system of quality management to guide the firm in providing quality services that meet the needs of clients.

Developing a good system of quality management takes time and effort, but those efforts pay off. In addition to meeting the public's needs, good quality management procedures also impact other aspects of a professional practice. An appropriate and effective system of quality management will lead to:

- 1) Satisfied clients. Which could lead to increased fees through additional service offerings (considering independence prohibitions and threats) and referrals made to friends and business associates to the firm.
- 2) Doing well in your practice inspection and, if files are properly organized, the practice inspection could be completed in less time, which results in a less costs to the firm.
- 3) Completion of work more efficiently, at a reduced cost, which results in improved profitability of operations.
- 4) Enhanced professional reputation within the profession and in the business community.

3.1.2 CONSEQUENCES OF POOR QUALITY MANAGEMENT

Consequences that may result from an ineffective system of quality management or lack of an appropriate system of quality management include:

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- Upset clients who may sue the practitioner and/or file a complaint with CPA Saskatchewan, which may result in the firm undergoing a professional conduct investigation;
- Negative practice inspection findings resulting in re-inspection of the firm, which is costly;
- Licence cancellation, which means the firm will be limited in the areas in which it can practice;
- Loss of professional reputation – other firms and clients won't refer others to your firm;
- Loss of clients and fees, which can impact your ability to remain at existing staff levels or your ability to train candidates (if applicable);
- Extra costs of compliance and possibly to cover penalties and interest;
- Extra time spent correcting performance problems and fixing mistakes;
- Extra time spent defending and settling lawsuits; and
- Professional misconduct charges

Perhaps the greatest single asset possessed by a professional is their reputation. Clients stay with a professional because of the confidence that they have in that professional and, over the years, those clients will refer other clients to the professional. Once that reputation is diminished or lost, it is difficult, if not impossible, to acquire back.

QUALITY WORK REQUIRES CONTINUOUS EFFORT

While the firm is in practice to meet the needs of its clients, it is also in practice to make money. So, although there will be costs associated with establishing and maintaining an effective system of quality management, those costs should be more than offset by the benefits of increased client satisfaction and higher fees and reduced costs because of more efficient operations.

3.2 What is Practice Monitoring?

Practice monitoring is a term used for regulatory monitoring activities including practice inspection, practice administration reviews, CPD reporting and verification (for members at firms, not covered in detail in this guide) and trust asset administration reviews. Every firm is subject to practice monitoring.

3.3 PRACTICE INSPECTION LIFE CYCLE

Practice inspection of the firm's compliance with the standards of the profession occurs on firms carrying out inspectable services (i.e., audits, reviews and compilation engagements). Every registered firm is subject to a notice of practice inspection. If a firm does not perform inspectable services, the firm needs to complete a declaration form indicating this to CPA Saskatchewan. If applicable, approval of the request to waive the inspection is communicated to the firm. Firms with no inspectable services are removed from inspection for that year. Firms will continue to be subject to inspection notification in future years. Firms who have commenced practice are subject to inspection notification, and in the case of licensed firms, are inspected

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within their first year of operations or when at least two engagement reports are completed and issued.

Practice inspection will occur for every registered and licensed firm at least once in a 4-year risk-adjusted cycle. Meaning, a firm may be inspected more than once within 4 years depending on the risk level of the firm.

The life cycle of an inspection is as follows:

- 1) Registrar approves the practice inspection schedule annually.
- 2) Notice of practice inspection is sent to firms in May/June, with a request to provide specific firm information including a complete client list for all engagements issued by the firm in the last 12 months (or other period, as applicable).
- 3) Completed information requests are due back to CPA Saskatchewan within the timeframe indicated in the notice.
- 4) Inspection is completed on-site at the firm on the scheduled date or remotely if the inspection cannot be completed on site or as a desk inspection (for compilation-only firms), and the firm receives its draft reports from the inspector.
- 5) The firm has two weeks to provide any comments or adjustments to its practice inspection report.
- 6) The draft report is finalized and provided to the Professional Practice Committee for determination at their next scheduled meeting date (i.e., typically within two months after the inspection).
- 7) The determination is communicated within 10 days of the meeting to the firm by CPA Saskatchewan. An invoice for the fees associated with completing the practice inspection is available in the firm's account online at this time. The firm has 30 days to make payment on the invoice or may be subject to late fees.
- 8) Any required information or the submission of a corrective action plan as determined by the Professional Practice Committee must be provided within the deadline established. Corrective action plans are required up to 60 days after the determination date.

3.3.1 File selection

A firm practicing in all service areas (i.e. audits, reviews and compilation engagements) should expect inspection of up to 4 files per practice leader. More files may be selected at the discretion of the inspector. Less files may be selected when the firm provides evidence of strong system of quality management. Files are selected based on financial reporting framework, by indication by the firm of any areas of increased risk (i.e., moderate or high-risk engagements), engagements subject to EQR or other monitoring or with independence threats identified or any other indicators. The inspector, in most cases, does not have access to previous detailed inspection information, other than in the case of a re-inspection.

3.3.2 Deficiencies

The draft practice inspection report provided to the firm includes: a summary of files inspected, a listing of reportable deficiencies and non-reportable deficiency categorized and

combined by each practice area inspected (financial reporting and disclosure, audit, review, other assurance, compilations, quality management and the rules of professional conduct, and other areas as applicable). As this inspection report includes non-reportable deficiencies, this is between the inspector/ CPA Saskatchewan and the practitioner and is considered part of the educational element of practice inspection.

After the draft inspection report is finalized with the firm, another copy is produced that contains high level information about the files inspected and a listing of the reportable deficiencies by each practice area inspected. Reportable deficiencies are those reported to the Professional Practice Committee for their determination. For an item to be reportable, it would be a material or non-quantifiable matter relating to non-compliance with professional standards within one of the following areas: missing or partial financial statement presentation and disclosure, missing or partial audit engagement documentation, review engagement documentation or compilation engagement documentation, lack of or inadequate system of quality management, or non-compliance with the Rules of Professional Conduct. Examples of reportable deficiencies are:

- No engagement work documented on a material financial statement line item;
- No engagement work documented on an assertion that could have a significant impact on a material financial statement line item;
- A material classification error in the financial statements (e.g., callable debt as long-term when it should be current and debt covenants are violated);
- The engagement work in the file indicates that there is a material calculation error such that the financial statements may be materially misstated;
- Missing material disclosure – for example lack of disclosure of a significant subsequent event.
- Documentation of engagement procedures is missing, insufficient or inadequate and it is not possible to quantify whether the effect of the deficiency would have been material or immaterial, or the deficiency is qualitative rather than quantitative in nature.
- Inadequate financial statement disclosure or unacceptable accounting policies.

Deficiencies within the report may be further categorized into 'significant'. Significant deficiencies are deficiencies that are either important to the quality of the engagement work performed to support the communication or important to the usefulness of the financial statements to users and other stakeholders.

CPA Saskatchewan publishes an annual article on common deficiencies identified in practice inspection in our spring *Focus on Firms* newsletter.

3.3.3 Determinations by the Professional Practice Committee

The Professional Practice Committee is the authority for all practice inspections, and they may make one of the following determinations based on information provided by the inspector and their assessment of the nature and extent of the reportable deficiencies:

- 1) No further action is required on the part of the firm,

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- 2) The firm is required to complete specific corrective action, which includes submission of a corrective action plan for review and acceptance that outlines their plan to remedy reportable deficiencies,
- 3) The firm is required to undergo a partial or full re-inspection within up to one year of Committee determination,
- 4) The firm shall be restricted in its areas of practice, or
- 5) The firm shall be referred to the Professional Conduct Committee for a conduct investigation.

The Professional Practice Committee makes determinations on a fully confidential, redacted basis. The Committee is not provided with any information that identifies the members or firms and the inspection process fully preserves the confidentiality of the client.

3.4 PRACTICE ADMINISTRATION REVIEWS

Effective practice administration means a firm has established strong quality management processes that enable it to meet the needs of clients, manage its operations, while fully complying with all applicable professional practice standards and all applicable regulations. A practice administration review means a pro-active formal process by CPA Saskatchewan to gather information from the firm about a specific high-risk practice administration issue, to work with the firm to educate and/or develop and approve an action plan to address that issue, and to monitor that the approved plan is implemented. A formal practice administration review will occur on site at the firm.

3.4.1 Underlying principles for practice administration review

- To recognize and provide support and guidance to a firm that may have experienced personal circumstances, displayed inappropriate behaviours, experienced a significant break-down in processes and/or encountered difficult or contentious client situations which may disrupt the effective administration of their practice. These situations may have occurred suddenly or over time.
- To provide an educational, pro-active approach to identify and address firm practice administration issues before they cause harm or further harm to the public.
- In the case where there is an escalated concern raised, for protection of the public, CPA Saskatchewan may be required to intervene with a range of consequences to address the practice administration issue.
- To provide guidance to the firm based on best practices within Canada to develop their own processes for effective practice administration.
- To allow for CPA Saskatchewan to monitor that progress has been achieved and maintained by the firm.

3.4.2 What will be reviewed?

A practice administration review of a firm on-site will require submission of information about firm-approved formally documented or informally adopted policies and procedures necessary

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for effective practice administration in a specific high-risk area of focus, as applicable but not limited to, the following:

- A complete listing of all clients the member and firm provides services to, including all professional accounting services and all other regulated services (e.g., accounting services, tax engagements, consulting engagements)

How the Firm:

- Manages appropriate staffing and job assignments based on staff qualifications and skills (as applicable)
- Carries out and documents regular performance evaluations of staff (as applicable)
- Communicates and reports results of internal quality monitoring functions among staff (as applicable)
- Schedules all its engagements to ensure its filing reports within required deadlines (e.g. income tax filings to CRA)
- Ensures it is meeting all service delivery requirements (e.g. assurance or other reports to clients within agreed deadlines)
- Ensures all its client communications are completed (e.g. signed engagement letters, return of client emails and phone calls, signed letters of representation, other correspondence)
- Regularly assesses the appropriateness and effectiveness of its client acceptance and continuance processes (e.g. co-operation with successor accountant, communication to predecessor accountant, retaining a client list, criteria for accepting or retaining clients)
- Completes all billing and invoicing for services delivered (e.g., billing for services is not delayed for a significant period of time)
- Manages and collects any outstanding fees (e.g., outstanding bills are followed up on)
- Develops an appropriate billing model to sustain operations for the long-term (e.g. charging an appropriate fee for services)
- Handles dispute resolution and consultations
- Handles safe storage and organization of its file documentation, including retention, storage and filing systems and processes (either paper or electronic) and security and confidentiality of information; and,
- Ensures its prompt cooperation with regulatory processes (e.g. within established timelines).

3.4.3 Determinations by the Professional Practice Committee

After a practice administration review is complete, a corrective action plan is required from the firm for any areas of insufficiency noted in firm policies and procedures, particularly where policies and processes are not formalized by the firm. The plan needs to specify how change will be implemented by the firm. In addition to a corrective action plan, one of the following determinations by the Professional Practice Committee may be made:

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1. Professional development activities specific to the practice administration issue.
2. Follow-up practice administration review by CPA Saskatchewan within a specific period of time.
3. Documentation of updated firm policies and procedures and/or firm structures and models sent to CPA Saskatchewan within up to 90 days of request.
4. Ongoing on-site monitoring by CPA Saskatchewan or the assignment of the requirement that the firm obtain a practice monitor for a specific period of time.
5. Practice restriction on the delivery of specific services.
6. Practice inspection to occur within a specific period of time.
7. Investigation to occur on areas where a breach of rules is apparent to the practice administration reviewer. The Professional Practice Committee makes a referral to the Professional Conduct Committee.

3.5 TRUST ASSET ADMINISTRATION

A firm that administers trust assets needs to comply with:

- (a) the provisions of *The Trustee Act, 2009* (Saskatchewan) as amended from time to time;
- (b) the trust agreement; and
- (c) the Rules.

All records shall be made available in Saskatchewan for review by a practice inspector and reported to the Professional Practice Committee.

Further requirements when administering trust assets are:

- Each trust relationship shall be documented in writing with the client providing written instructions to the registrant clearly outlining the specific terms and conditions attached to the trust. In the event that the client does not supply the required written instructions, the onus is on the registrant to ensure that such terms, conditions and agreement thereto are clearly documented and agreed to by the client and the registrant.
- Trust assets, wherever reasonably practical, shall be registered in the name of the registrant and such registration shall clearly indicate a name or file number which will definitively identify the client for which such trust assets are held. Where a trust account at a financial institution contains the funds of more than one client, the name and file numbers of all clients and the amount on deposit for each client in that trust account, shall be clearly identified in the books and records of the registrant.
- Each trust account shall be clearly designated as "trust account" or "client's account" on the records of the registrant, the records of the financial institution, and on deposit slips and cheques used in connection therewith.
- The registrant shall take whatever prudent steps are required for protection of the trust assets, including adequate insurance coverage where applicable and proper safekeeping of securities and other negotiable instruments.
- In the absence of specific written instructions to the contrary, money received in trust by a registrant shall be deposited within seven (7) days of receipt into a trust account at a financial institution.

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- All withdrawals or disbursements from a trust account shall be in accordance with the specific trust agreement, and be properly required for:
 - (a) payment to or on behalf of the client;
 - (b) payment with respect to the reasonable fees for services rendered by the registrant; and
 - (c) disbursements on behalf of the client made by the member or firm for which an invoice has been submitted.
- The receipt and disbursement or distribution of trust assets shall be properly documented, and the registrant shall maintain proper records of all trust account transactions clearly distinguishing the assets of each client from those of each other client and from the registrant's own assets.

Appendix A “Always Read the Fine Print in Your Insurance Policy”

Written by Garry Hannaford, FCPA, FCA in 2010, Originally published in ICAS Horizons in 2012, updated for unification in 2015.

Have you ever signed a contract only to find out months later that you didn’t get everything that you thought you were getting? This can be the case when you are purchasing professional liability insurance (PLI) for your accounting practice.

In order to protect the public, CPA Saskatchewan requires that all firms carry PLI with the following minimum coverage:

- \$1,000,000, where one (1) member is engaged or employed in one or both of the practice of professional accounting or other regulated services in the same firm;
- \$1,500,000, where two (2) or three (3) members are engaged or employed in one or both of the practice of professional accounting or other regulated services in the same firm; or
- \$2,000,000, where four (4) or more members are engaged or employed one or both of the practice of professional accounting or other regulated services in the same firm.

In the event that a member or firm is found to be at fault, PLI provides funding to pay awards to the party who experience financial loss (i.e. injured party).

It is important that members and firms **carefully review all the provisions** on the insurance contract to be certain that it provides you with the coverage you require. The inconsistencies among policies that we have noticed include:

1. If the limit of the liability includes defense costs it could mean that a good portion, if not all, of the insurance could be used to pay the defense costs of the claim rather than being used to pay an award to the injured party. This is not consistent with the minimum PLI requirements and would leave you exposed for any shortfall.
2. An insurance provider may decide to exclude certain high risks clients such as public companies from coverage by your insurance policy. Please ensure that there are no such exclusions in your policy.
3. Some insurance providers restrict coverage for services performed prior to the inception of a policy. While this may seem reasonable on the surface, policies for PLI are written on a claims-made basis. This means that a lawsuit made today could relate to services provided six years ago or in some cases longer. If your policy does not provide coverage for your prior acts; there will be no coverage for the claim even though you had a policy in force at the time the services were rendered. Therefore, your policy must provide full prior acts coverage.

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4. Since policies are written on a claims-made basis, CPA Saskatchewan requires that insurance be carried for a minimum of six years after a member dies or ceases to practice. If you are a partner in a firm; the firm usually continues to carry insurance for retired partners and former partnership throughout this 6-year period. However, if a sole practitioner retires, he/she must continue to carry PLI for the six-year discovery period. Please ensure that your policy provides coverage for this entire period.
5. Many insurance providers indicate that they provide worldwide coverage; however, upon more careful review of your policy you may find that coverage is only available if the suit is brought within North America and Bermuda. Generally, if the Canadian CPA is doing work outside Canada, which is happening more frequently as CPAs work in the global marketplace, any ensuing lawsuit would be brought within the country where the services were performed.

It is your responsibility to ensure that your policy provides the coverage required for you to meet the CPA Saskatchewan's mandatory insurance by-laws that have been put in place to protect the public.

Always read the fine print in your insurance contract. That way you will not be surprised if you ever face the unfortunate situation of having to make a claim under your policy.

Commonly used acronyms, terms, and phrases

Acronyms, terms, and phrases	Meaning
The Act	<i>The Accounting Profession Act, Saskatchewan.</i> Proclaimed on November 10, 2014.
CPA Canada Handbook	The Chartered Professional Accountants of Canada Handbook. Contains all the professional standards for completing assurance and compilation engagements and producing financial statements in accordance with a prescribed framework.
The Rules	The Act, The Bylaws, The Board Rules, The Discipline Committee Rules, and The Rules of Professional Conduct.
Firm	An entity registered with CPA Saskatchewan that provides service to the public.
Registrant	A candidate, member, or firm
RPC	Rules of Professional Conduct adopted by the CPA Saskatchewan Board on June 1, 2022. The Code of Ethics for the profession.
CPA Saskatchewan	The Institute of Chartered Professional Accountants of Saskatchewan.
Registrar	The most senior regulatory officer at CPA Saskatchewan to which the Board may delegate some authority to. Approves registrations and licences of registrants.
Practice Leader	A CPA who has authority to sign or issue a professional accounting engagement report or other regulated services engagement on behalf of the firm. Including communication which is advice or an opinion to a client.
PLI	Professional Liability Insurance. A requirement for all firms. A recommendation for all members providing professional service to the public.
PDPA	Post-Designation Public Accounting Program required for assurance level licensure in Saskatchewan when no assurance- related education has been obtained.
CPD	Continuing Professional Development
PD	Professional Development

Help and Guidance from the Following Resources with Permission

CPA Ontario - <https://www.cpaontario.ca/stewardship-of-the-profession/insight-research/guidance>

IFAC - <https://www.ifac.org/publications-resources/guide-practice-management-small-and-medium-sized-practices>

CPA BC Course “Starting a CPA Practice” - <http://pd.bccpa.ca/pd-seminars-seminar.php?id=4895>

CPA Alberta - PARC, An Overview of Public Practice

CPA Ontario - <https://media.cpaontario.ca/stewardship-of-the-profession/pdfs/PAS-Practice-Continuation.pdf>

Other Guidance Materials

CPA Canada – Professional Engagement Guide (PEG)

CPA Canada – Practice Management, Advisory, Compilations and Tax Guide (PACT)

CPA Canada – Practitioner’s Toolkit

CPA Canada – Quality Management Guide

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