

Public Accounting Licensing Requirements

The CPA Nova Scotia public accounting licensing requirements should be interpreted in conjunction with the *Chartered Professional Accountants Act (Nova Scotia)*, the CPA Nova Scotia By-Laws and the CPA Nova Scotia Code of Professional Conduct, as there are additional requirements including Continuing Professional Development (CPD), firm registration and licensing renewal that may apply.

Audit Licence (Full Licence):

For the purposes of CPA Nova Scotia licensing requirements, the offering of the following services requires an Audit Licence:

Audit engagements and any other assurance engagement governed by the standards of professional practice of Chartered Professional Accountants of Canada, as amended from time to time, or other Canadian standards published by Chartered Professional Accountants of Canada, or corresponding standards established in a jurisdiction outside Canada including, but not limited to, the following services:

1. Audit of historical financial information and all related opinions, declarations, consents, or other related reports;
2. Assurance engagements other than an audit or review of historical financial information where an opinion, compliance, or other attestations was provided, this may include, but is not limited to compliance with agreements, audit of a candidate in an election, and value-for-money audits in the public sector; and
3. Review of historical financial information and all related opinions, consents, declaration or other related reports and Agreed Upon Procedures (CSRS 4400).

Review Licence (Limited Services):

For the purposes of licensing requirements, the offering of the following services requires a Review Licence:

1. Review Engagements of historical financial information and all related opinions, consents, declaration or other related reports and Agreed Upon Procedures (CSRS 4400).

For more information and a complete listing refer to Appendix A – CPA Canada Handbook mapping to the Public Accounting Definition.

Specific Licensing Requirements depending on Education and Experience Background (Pathways)

The Licensing Requirements vary depending on the pathway to membership. The requirements for licensure depends on the applicants education and experience. A detailed guide of the assessment of various designations and the specific education provided therein is included in Appendix B.

All members fall into 1 of 3 pathways, which is summarized are as follows:

Designation	Education Pathway	Work Experience	Applicable Section
CPA	CFE with In-Depth Financial Reporting with Assurance/Tax Electives	Recent Hours at PPTO*	Section I
CPA, CA	Uniform Final Exam (UFE)	Recent Hours at PPTO*	Section II
CPA, CGA	Assurance 2 & Tax 2	Recent Hours at PPTO*	Section II
CPA, CMA	CMA Certification	Recent Hours at PPTO*	Section III
CPA	CFE with In-Depth Financial Reporting with Assurance/Tax Electives	Insufficient Recent Hours at PPTO*	Section III
CPA	Qualified via advanced standing with International Accounting Body	Insufficient Recent Hours at PPTO*	Section III
CPA, CA	UFE	Insufficient Recent Hours at PPTO*	Section III
CPA, CGA	Assurance 2 & Tax 2	Insufficient Recent Hours at PPTO*	Section III
All other Members	Various	Various	Section III

*[PPTO](#) is a pre-approved training office in External Audit as approved by CPA Nova Scotia.

Section I. New Entrants to Public Accounting (some CPAs)

This section applies to members admitted as a CPA who have demonstrated in-depth financial reporting and assurance knowledge and have the practical experience requirements at an External Audit PPTO.

Section 2. Qualified Legacy Designations and Re-entry Requirements (some CPA, CA & CPA, CGA)

This section applies to members who have met all the requirements to practice public accounting as a CPA, CA or CPA, CGA and are applying to practice public accounting for the first time. This section will also apply to members who previously held a public accounting licence and wish to return to the practice. The requirements will vary depending on the time frame that the member has not been active in the practice of public accounting. See Appendix B.

Section 3. Bridging Requirements (All members who do not qualify in Section I & II)

This section will apply all members who do not meet Section I or Section II above.

For greater clarity, this includes:

- CPAs who do not qualify as New Entrants to Public Accounting under Section 1.
- Legacy members who had not met the requirements to practice public accounting Section 2.

- Members who have qualified for a Review Licence and are now seeking an Audit Licence.
- Members who obtained their membership through an International Accounting Body which holds a Mutual Recognition Agreement recognized by CPA Nova Scotia.

Other Requirements and Conditions:

All applicants seeking an audit licence must comply with International Education Standard 8 (“IES 8”). IES 8 outlines the professional competence that a professional accountant is required to develop and maintain to perform the role of an engagement partner responsible for audits of financial statements. The standard requires members who hold an audit licence be able to demonstrate their professional competence through specific learning outcomes, including in the following competency areas: technical competence, professional skills and professional values, ethics and attitudes. See our website for more information on the specific requirements for [IES 8](#).

Section 1. New Entrants to Public Accounting (CPAs)

This section applies to members admitted as a CPA who have completed the entire CPA program in a CPA Canada jurisdiction. They have also demonstrated in-depth financial reporting and assurance knowledge. CPAs who come into membership via advanced standing from an internally recognized designation are required to proceed to Section 3.3.

1.1 AUDIT LICENCE – New CPAs Entrants to Public Accounting

1. Education requirements:

- a. Must choose Assurance and Tax electives in the CPA program; and
- b. Must demonstrate in-depth knowledge of financial reporting and assurance with the successful completion of the Common Final Evaluation.

2. Experience requirements:

- a. Must undertake the practical experience requirements in a pre-approved training office (or another registered firm with a licensed public accountant approved by the Committee) and have met the experience requirements as per the CPA Canada Competencies Development Map for Public Accounting; and
- b. Must have a minimum of 1,250 chargeable hours in assurance, of which a minimum of 625 hours must be in performance of audit services; and
- c. Must achieve and maintain the experience requirements in the most recent five-year period.

1.2 REVIEW LICENCE - New CPAs Entrants to Public Accounting:

1. Education requirements:

- a. Must choose Assurance and Tax electives in the CPA program; and
- b. Must demonstrate in-depth knowledge in financial reporting and assurance with the successful completion of the Common Final Evaluation.

2. Experience requirements:

- a. Must undertake the practical experience requirements in a pre-approved training office (or another registered firm with a licensed public accountant approved by the Committee) and have met the experience requirements as per the CPA Canada Competencies Development Map for Public Accounting.
- b. Applicants must have a minimum of 1,250 chargeable hours in assurance, of which a minimum of 625 hours must be in performance of review services.
- c. Applicants must achieve and maintain the experience requirements in the most recent five-year period.

Additional requirements may be necessary depending on individual application assessment under Section 1.1 and 1.2.

The following will be considered by the Committee in determining individual requirements:

- member's recent working history and gaps in experience, if any;
- member's support system within firm, if any;
- any other relevant risk factors as determined by the Committee; and
- specifics as to what type of audit engagements the applicant has worked on recently.

The Committee may require any combination of the following in addition to the above criteria:

- Prescribed CPD. This will likely be required and will depend on the area of practice the member wishes to perform, and the recent CPD completed. The CPD plan is at the determination of the Committee.
- Engagement Quality Control Review (EQCR) performed by a pre-approved Licensed Public Accountant. The selected Licensed Public Accountant must be pre-approved by the Director of Professional Standards.

Section 2. Qualified Legacy Members and Re-entry (CPA, CA & CPA, CGA)

Within Section 2.1 & 2.2, qualified legacy members includes members who have met all the requirements to practice public accounting under their legacy designations (see Appendix B) and are applying for a licence or previously held a public accounting licence and are re-entering with less than a five-year absence and have continued to meet the minimum hourly renewal requirements under the [Public Accounting Licence Renewal Requirements](#).

Within Section 2.3 & 2.4, re-entry applies to members who have previously qualified for a public accounting licence and have greater than a five-year absence or less than a five-year absence and have not maintained the minimum hourly requirement under the [Public Accounting Licence Renewal Requirements](#).

2.1 AUDIT LICENCE - Qualified Legacy Members:

1. Education requirements:

- a. Met the education qualifications as a qualified legacy member outlined in Appendix B or held an audit licence in the past five years; and
- b. Compliant with required CPD for the previous three-year rolling period, which is relevant and sufficient to the practice licence being applied for.

2. Experience requirements:

- a. New Licence – Applicants must have a minimum of 1,250 chargeable hours in assurance, of which a minimum of 625 hours must be in performance of audit services in the past five years. If the applicant does not meet the experience requirements, then they must follow the pathway under Section 2.3.
- b. Re-Entry – If the applicant has less than a five-year absence, the applicant must be able to demonstrate recent relevant experience through meeting the minimum hourly requirement under the [Public Accounting Licence Renewal Requirements](#), otherwise Section 2.3 applies.

Additional requirements may be necessary depending on individual application assessment. See Additional Requirement at the end of Section 2.

2.2 REVIEW LICENCE for Qualified Legacy Members:

1. Education requirements:

- a. Met the education qualifications as a qualified legacy member or held a licence in the past five years; and
- b. Compliant with required CPD for the previous three-year rolling period, which is relevant and sufficient to the practice licence being applied for.

2. Experience requirements:

- a. New Licence – Applicants must have a minimum of 1,250 chargeable hours in assurance, of which a minimum of 625 hours must be in performance of review services, in the past five years. If the applicant does not meet the experience requirements, then they must follow the pathway under Section 2.4.

- b. Re-Entry – If the applicant has less than a five-year absence, the applicant must be able to demonstrate recent relevant experience through meeting the minimum hourly requirement continue to meet the minimum hourly requirement under the [Public Accounting Licence Renewal Requirements](#), otherwise Section 2.3 applies.

Additional requirements may be necessary depending on individual application assessment. See Additional Requirement at the end of Section 2.

2.3 AUDIT LICENCE - Re-entry or Previously Qualified Legacy with more than a five-year absence for Audit Licence:

1. Education requirements:

- a. Previously held a licence or met the education qualifications as a qualified legacy member; and
- b. Comply with required CPD for the previous three-year rolling period, which is relevant and sufficient to the practice licence being applied for.

2. Experience requirements:

- a. Completed one year under the supervision at a pre-approved training office (or another registered firm with a licensed public accountant approved by the Committee, where at least 250 chargeable hours in assurance are obtained. A Licensed Engagement Supervisor Declaration form must be completed, and requires the applicant to have completed 12 months supervision by a licensed member;
- b. Submit an entry plan outlining firm's quality control practices and the risk mitigation processes.

Additional requirements may be necessary depending on individual application assessment. See Additional Requirement at the end of Section 2.

2.4 REVIEW LICENCE - Re-entry or Previously Qualified Legacy with over five-year absence for Review Licence:

1. Education requirements:

- a. Previously held a licence or met the education qualifications as a qualified legacy; and
- b. Compliant with required CPD for the previous three-year rolling period, which is relevant and sufficient to the practice licence being applied for.

2. Experience requirements:

- a. Completed one year under the supervision at a pre-approved training office (or another registered firm with a licensed public accountant approved by the Committee) where at least 250 chargeable hours in assurance are obtained. Submit a Licensed Engagement Supervisor Declaration in the circumstances where a qualified legacy applicant has completed 12 months supervision by a licensed public accounting in the past two years.

OR

- b. In circumstances where the risk to the public is acceptable to the Committee, confirmation of arrangements with a licensed public accountant to perform pre-issuance file inspections on a minimum of the first two reviews, may be expected. For greater clarity, an Engagement Quality Control Review (EQCR) or file inspection by a Licensed Public Accountant. The selected Licensed Public Accountant must be approved by the Director of Professional Standards.

Submit an entry plan outlining the firm's quality control practices and the risk mitigation processes.

Additional Requirements may be necessary depending on individual application assessment. This applies to Section 2.1 through to Section 2.4

The following will be considered by the Committee in determining individual requirements:

- member's recent working history and gaps in experience, if any;
- member's support system within firm, if any;
- any other relevant risk factors as determined by the Committee; and
- specifics as to what type of audit engagements the applicant has worked on recently related to their intended area of practice.

The Committee may require any combination of the following in addition to the above criteria:

- Prescribed CPD. This will likely be required and will depend on the area of practice the member wishes to perform, and the recent CPD completed. The CPD plan is at the determination of the Committee, and it is recommended that the applicant work with the Director of Professional Standards in advance of application to create a professional development plan.
- Engagement Quality Control Review (EQCR) performed by a pre-approved Licensed Public Accountant. The selected Licensed Public Accountant must be pre-approved by the Director of Professional Standards.
- External supervision on all assurance engagements. The supervision will continue until supervisor is prepared to sign-off on the Licensed Engagement Supervisor Declaration form, and the Committee determines that supervision is no longer required. At that time, the Committee will re-assess the application and the working experience to determine if further restrictions or conditions are required. The practice supervisor must be pre-approved by the Director of Professional Conduct at the cost of the applicant. This requirement is more likely for applicants who are seeking an Audit Licence and have been out of practice more than 5 years and wish to offer services sole practitioner or through a firm without another Public Accountant.
- Supervision on all assurance engagements by a pre-approved supervisor from within the applicant's firm. The supervision period will continue until the supervisor is prepared to sign-off on the Licensed Engagement Supervisor Declaration form, and the Committee determines supervision is no longer required. Once the Committee determines supervision is no longer required it will re-assess the application and the working experience to determine if further restrictions or conditions are required. The Public Accountant performing the supervision must be pre-approved by the Director of Professional Standards.

Section 3. Bridging Requirements (All members not included in Section 1 or Section II)

All members who do not qualify for the pathways under Section 1 or Section II are required to following the Bridging Requirements which is available to all members.

3.1 AUDIT LICENCE/REVIEW LICENCE:

1. Education requirements:

- a. Successfully complete the Post-Designation-Public-Accounting (PDPA) exam. This applies to all CPAs members applying for a licence under the bridging requirements that do not hold a CPA designation as per Section I or a legacy designation outlined in Section II.

2. Experience requirements – Demonstrate that they have met the profession’s practical experience requirements for public accounting. This entails:

- a. two years post designation experience within the last five years under supervision at a pre-approved training office (or another registered firm with a licensed public accountant approved by the Committee) in the member’s intended area of practice, where at least 500 chargeable hours in assurance are obtained (up to 18 months of experience earned pre-qualification in a path approved to train applicants in audit or assurance may be recognized if it was earned in the preceding five-year period). Submit a **Licensed Engagement Supervisor Declaration**

OR

- b. 1,250 assurance chargeable hours, of which 625 hours are in performance of audit services, in the intended area of practice, for the audit licence or 625 hours are in performance of other review services for the review licence at a pre-approved training office in the most recent five-year period.

3.2 AUDIT LICENCE – Qualified Review Licensees looking to upgrade to an Audit Licence.

CPA members (includes qualified legacy members) who hold a review licence and now wish to upgrade their licence to an **audit licence** will be subject to the following requirements:

1. Education requirements:

Members who qualified for the review licence have met the education and examination requirements, so there is no further education requirement. A review of recent CPD to ensure current standards are maintained.

2. Experience requirements:

- a. Members who qualified for the review licence should also have met the experience requirement, except for the 625 audit hours. Therefore, it is recommended to completed one year under supervision of a licensed member in the intended area of practice, where at least 250 chargeable hours in assurance are obtained. Submit a **Licensed Engagement Supervisor Declaration**, where a qualified legacy applicant has completed 12 months supervision by a licensed member.

OR

- b. Applicants who have a minimum of 1,250 chargeable hours in assurance, of which a minimum of 625 hours must be in performance of audit services, in their intended area of practice, in the past-five years.

3.3 AUDIT LICENCE/REVIEW LICENCE – CPAs who qualified for membership through International Mutual Recognition Agreement.

CPAs who qualified to Membership through a Mutual Recognition Agreement or Memorandum of Understanding offering advanced standings with an International Accounting Organization will be subject to the following requirements:

1. Education requirements:

Successfully complete the Post-Designation-Public-Accounting (PDPA) exam.

2. Experience requirements –Demonstrate that they have met the profession’s practical experience requirements for public accounting. This entails 30 months practical experience in a program considered equivalent to a CPA Pre-Approved Training Office, which offers qualifying experience for audit or assurance services. This entails:

- a. 1,250 assurance chargeable hours, of which 625 hours are in performance of audit services for the audit licence or 625 hours are in performance of Review services for the review licence. The applicant is required to verify their work experience using the International Practical Experience Verification Form. The employer/former employers are required to verify their hours and depth in assurance, which will be assessed against the CPA competency map as sufficient to practice public accounting.

Additional Requirements under 3.1 & 3.2 & 3.3 depending on the individual application assessment.

The following will be considered by the Committee in determining individual requirements:

- member’s recent working history and gaps in experience, if any;
- member’s support system within firm, if any;
- any other relevant risk factors as determined by the Committee; and
- specifics as to what type of audit engagements the applicant has worked on recently related to their intended area of practice; and
- accounting frameworks and auditing standards the applicant recently used, and its applicability to potential clients from a Canadian perspective, if applicable.

The Committee may require any combination of the following in addition to the above criteria:

- Prescribed CPD. This will likely be required and will depend on the area of practice the member intends to perform and their recent CPD. Any prescribed CPD is at the determination of the Committee.
- Engagement Quality Control Review (EQCR) performed by a pre-approved Licensed Public Accountant. The selected Licensed Public Accountant must be pre-approved by the Director of Professional Standards.
- External supervision on all assurance engagements. The supervision will continue until supervisor is prepared to sign-off on the Licensed Engagement Supervisor Declaration form, and the Committee determines that supervision is no longer required. At that time, the Committee will re-assess the application and the working experience to determine if further restrictions or conditions are required. The practice supervisor must be pre-approved by the Director of Professional Conduct at the cost of the applicant. This requirement is more likely for applicants who are seeking an Audit Licence and have been out of practice more than 5 years and wish to offer services sole practitioner or through a firm without another Public Accountant.
- Supervision on all assurance engagements by a pre-approved supervisor from within the applicant's firm. The supervision period will continue until the supervisor is prepared to sign-off on the Licensed Engagement Supervisor Declaration form, and the Committee determines supervision is no longer required. Once the Committee determines supervision is no longer required it will re-assess the application and the working experience to determine if further restrictions or conditions are required. The Public Accountant performing the supervision must be pre-approved by the Director of Professional Standards.

Appendix A – CPA Canada Handbook mapping to the Public Accounting Definition

Currently, the CPA Canada Handbook – Assurance, refers to the professional standards and guidance as set out by the Auditing and Assurance Standards Board (AASB). The authoritative pronouncements include:

- Canadian Auditing Standards (CAS 200 to 900); and
- Other Canadian Standards (OCSs) including:
 - General Assurance and Auditing [CSAE 3000 — Section 5925]
 - Specialized Areas [Sections 7060 — 7600]
 - Review Engagements [CSRE 2400 — 8600]
 - Public Sector [Sections PS 5000 — PS 6420]

Outside of the Assurance sections is Related Services [CSRS 4460 — Section 9200], which includes specified audit procedures and compilation engagements.

Section	Description as per Handbook	Licence Required
CAS – Canadian Auditing Standards [CAS 200 to 900]		
CAS 700	Forming an Opinion and Reporting on Financial Statements	Yes – Audit Licence
CAS 800	Audits of financial statements prepared in accordance with special purpose frameworks	Yes – Audit Licence
General Assurance and Auditing [CSAE 3000 — Section 5925]		
CSAE 3000	Attestation Engagements Other than Audits or Reviews of Historical Financial Information	Yes – Audit Licence
CSAE 3001	Direct Engagements	Yes – Audit Licence
CSAE 3410	Assurance engagements on greenhouse gas statements	Yes – Audit Licence
CSAE 3416	Reporting on Controls at a Service Organization	Yes – Audit Licence
CSAE 3531	Direct Engagements to Report on Compliance	Yes – Audit Licence
CSAE 3530	Attestation Engagements to Report on Compliance	Yes – Audit Licence
5021	Authority of Auditing and Assurance Standards and Other Guidance for Engagements Other than Audits of Financial Statements and Other Historical Financial Information	Yes – Audit Licence
Specialized Areas [Sections 7060 — 7600]		
7060	Auditor Review of Interim Financial Statements	Yes – Audit Licence
7150	Auditor's Consent to the use of a Report of the Auditor included in an Offering Document	Yes – Audit Licence

7170	Auditor's Consent to the Use of the Auditor's Report included in a Business Acquisition Report	Yes – Audit Licence
7200	Auditor Assistance to Underwriters and Others	Yes – Audit Licence
7500	Auditor's Consent to the Use of the Auditor's Report in Connection with Designated Documents	Yes – Audit Licence
7500	Reports on the Application of Accounting Principles	Yes – Audit Licence
Review Engagements [CSRE 2400]		
CSRE 2400	Engagements to Review Historical Financial Statements	Yes – Review Licence
Related Services [CSRS 4460 — Section 9200]		
CSRS 4460	Reports on Supplementary Matters Arising from an Audit or a Review Engagement	Yes – Audit or Review Licence (depending)
9100	Reports on the Results of Applying Specified Auditing Procedures to Financial Information Other than Financial Statements	Yes – Review Licence
9110	9110 Agreed-Upon Procedures Regarding Internal Control over Financial Reporting	Yes – Review Licence
9200	Compilation Engagements	No Licence Required
CSRS 4400	Agreed-Upon Procedure Engagements	Yes – Review Licence
Public Sector [Sections PS 5000 — PS 6420]		
PS 5400	Value-for-Money Auditing in the Public Sector	Yes – Audit Licence
PS 6410	Planning Value-for-Money Audits in the Public Sector	Yes – Audit Licence
PS 6420	Knowledge of the Audit Entity in Planning Value-for-Money Audits in the Public Sector	Yes – Audit Licence

Appendix B - Assessment of Qualified Legacy Members and Internationally Designated Members

CPA Nova Scotia has adopted the public accounting licensing requirements recommended by CPA Canada. The recommendations were developed by CPA Canada and the Public Accounting Work Group (PAWG). The PAWG consisted of representatives from all legacy bodies, public accounting, industry and education specialists.

Included in the PAWG Report recommendations was an assessment of the various pathways from legacy bodies to public accounting and the associated requirements. A summary of the assessment is provided below and should be used by members in determining eligibility, specifically if re-entry or bridging requirements apply.

Audit Licence:

Legacy	Education and Experience	Assessment of Pathway
CMA	<p>CMA certification and completion of national program post certification</p> <p>Must be able to demonstrate two years of experience in a pre-approved training office for the public accounting route during which they achieved:</p> <ul style="list-style-type: none"> 1,250 assurance hours, of which 625 hours are in audit services, in the intended area of practice 	Re-entry requirements
CMA	CMA certification	Bridging requirements including PDPA
CGA	<p>Qualified through PA1 Program (with CGA Assurance 2 & Tax 2) with Required Work Experience</p> <p>Must be able to demonstrate two years of experience in a pre-approved training office for the public accounting route during which they achieved:</p> <ul style="list-style-type: none"> 1,250 assurance hours, of which 625 hours are in audit services, in the intended area of practice 	Re-entry requirements
CGA	Qualified through PA1 Program, with CGA Assurance 2 and Tax 2, without the required Work Experience	Bridging requirements excluding PDPA requirement
CGA	Qualified pre-1999 or without Assurance 2 and Tax 2	Bridging requirements including PDPA

CA	Qualified pre-2009 or through the external audit stream	Re-entry requirements
CA	Qualified post-2009 through non-external audit stream	Bridging requirements excluding PDPA
Internationally Designated	<p>Qualified to Membership through an International Accounting Organization which has a Mutual Recognition Agreement recognized by CPA Nova Scotia</p> <p>Must be able to demonstrate 30 months of experience in a pre-approved training office or equivalent for the public accounting route during which they achieved:</p> <ul style="list-style-type: none"> • 1,250 assurance hours, of which 625 hours are in audit services, in the intended area of practice 	Bridging requirements including PDPA exam

Review Licence:

The same bridging requirements are required for a Review Licence as for an Audit Licence, except for practical experience. The minimum 625 chargeable hours in audit services, in the intended area of practice, is replaced by a minimum 625 chargeable hours in review services.