

Public Accounting Licensing Requirements

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

Audit Licence (Full Licence):

For the purposes of CPA Nova Scotia licensing requirements, the performance of, or offer to, perform any of the following 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, reporting on controls, compliance with agreements, and value-for-money audits in the public sector;
3. Review of historical financial information and all related opinions, consents, declaration or other related reports;

Review Licence (Limited Services):

For the purposes of licensing requirements, the performance or offer to perform any of the following will require a Review Licence:

Review Engagements of Historical Financial Information, Specified Audit Procedures and Agreed-upon procedure engagements governed by the standards of professional practice of Chartered Professional Accountants of Canada, as amended from time to time.

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

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](#).

The Committee reserves the right to require applicants to take specified CPD.

Any licenses issued that grants a firm new authority to practice public accounting will be assessed for a practice inspection within their first year of practice.

The Committee reserves the right to require an applicant’s firm to be subject to practice inspection outside the normal cycle.

In addition to above, the Licensing Requirements are broken-out into three sections. The pathways outline the pathways to licensure membership, depending on current education and experience qualifications:

Section 1. New Entrants to Public Accounting (CPAs)

This section will include those individuals who were not members of a legacy body and have been admitted to membership as a CPA with the outlined requirements

Section 2. Re-entry Requirements and Qualified Legacy Designations

This section will apply to members who have qualified to practice public accounting in the past but have not been active in public accounting recently 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.

This section also includes members who have met all the requirements to practice public accounting under their legacy designations and are applying to practice public accounting for the first time. See Appendix B - Assessment of Previously Qualified Legacy Members and Internationally Designated Members.

Section 3. Bridging Requirements and Legacy Designations

This section will apply to members who have never qualified to be registered to provide public accounting services and do not meet Section I or Section II above. See Appendix B - Assessment of Previously Qualified Legacy Members and Internationally Designated Member

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 under their legacy designations, as per Section 2 above.
- 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 is not a qualified international accounting body for public accounting.

Section 1. New Entrants to Public Accounting

AUDIT LICENCE:

1. Education requirements:

- a. Applicants must choose Assurance and Tax electives; and
- b. Applicants must demonstrate in-depth knowledge of financial reporting and assurance with the successful completion of the Common Final Evaluation or have successfully passed the Post-Designation Public Accounting Exam offered by CPA Canada.

2. Experience requirements:

- a. Applicants must undertake the experience 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. 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 intended area of practice; and
- c. Applicants must achieve and maintain the experience requirements in the most recent five-year period.

REVIEW LICENCE:

1. Education requirements:

- a. Applicants must choose Assurance and Tax electives.
- b. Applicants must demonstrate in-depth knowledge in financial reporting and assurance with the successful completion of the Common Final Evaluation or have successfully passed the Post-Designation Public Accounting Exam offered by CPA Canada.

2. Experience requirements:

- a. Applicants must undertake the experience 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.

Section 2. Qualified Legacy Members and Re-entry to Practice of Public Accounting

Qualified legacy members include members who have met all the requirements to practice public accounting under their legacy designations and are applying to practice public accounting for the first time. For more information as to what legacy members are qualified, see Appendix B - Assessment of Qualified Legacy Members and Internationally Designated Members.

Re-entry applies to members who previously practiced public accounting and held a public accounting licence. Applicants who are re-applying for a licence with less than a five-year absence and have maintained the chargeable hour requirements.

2.1 AUDIT LICENCE - Qualified Legacy Members:

1. Education requirements:

- a. Met the education qualifications as a qualified legacy 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 their intended area of practice, 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 continue to meet the minimum hourly requirement under the renewal criteria, otherwise Section 2.3 applies.

Additional Requirements may be necessary depending on individual application assessment:

The Committee may require the following:

- Prescribed CPD. This may be required in the event of substantial changes in the area the member wishes to practice or insufficient CPD at the determination of the Committee.
- Pre-issuance file inspections, in circumstances where the Committee determines there has not been enough recent experience practicing public accounting. The following will be considered by the Committee:
 - 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.

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 continue to meet the minimum hourly requirement under the renewal criteria, otherwise Section 2.3 applies.

Additional requirements may be necessary depending on individual application assessment

The Committee may require the following:

- Prescribed CPD. This may be required in the event of substantial changes in the area the member wishes to practice or insufficient CPD at the determination of the Committee.
- Pre-issuance file inspections, in circumstances where the Committee determines there has not been enough recent experience practicing public accounting. The following will be considered by the Committee:
 - member's recent working history and gaps in experience, if any;
 - member's support system within firm, if any; and
 - any other relevant risk factor as determined by the Committee.

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 of a licensed member in the intended area of practice. 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; and
- c. Provide confirmation of arrangements made with a licensed public accountant to perform pre-issuance file inspections on a minimum of the first two audits. For greater clarity, a pre-issuance Engagement Quality Control Review (EQCR) by a Licensed Public Accountant is required. The selected Licensed Public Accountant must also be pre-approved by the Director of Professional Standards.

Additional requirements may be necessary depending on individual application assessment

The Committee may require the following:

- 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 to create a professional development plan.
- Extended period of pre-issuance file inspections in circumstances, as determined by the Committee.

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. Submit an entry plan outlining the firm's quality control practices and the risk mitigation processes.
- b. Submit a Licensed Engagement Supervisor Declaration in the circumstances where a qualified legacy applicant has completed 12 months supervision by a licensed public accountant in the past two years.

or

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.

Additional Requirements may be necessary depending on individual application assessment:

The Committee may require the following:

- Prescribed CPD.
- Extended period of Pre-issuance practice inspections, in circumstances as determined by the Committee.

Section 3. Bridging Requirements

3.1 AUDIT LICENCE/REVIEW LICENCE – CPAs who qualified for membership under non-public accounting streams and Legacy Members who previously did not qualify:

CPAs who qualified through a CPA non-public accounting stream and legacy members who have not previously qualified to practice public accounting will be subject to the following requirements:

1. Education requirements:

- a. CPAs must complete the Assurance and Taxation electives, if not done as part of their original certification route. This does not apply to legacy members or internationally qualified members.

and

- b. Successfully complete the Post-Designation-Public-Accounting (PDPA) exam. This applies to all members applying for a licence under the bridging requirements.

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

- a. two years of experience within the last five years in a pre-approved program in an office approved by CPA Nova Scotia to offer qualifying experience for audit or assurance services in the intended area of practice (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);

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;

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 for the CPA Audit stream, 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, with the exception of the 625 audit hours or equivalent under a legacy program. Therefore, it is recommended to completed one year under supervision of a licensed member in the intended area of practice. 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 Reciprocity Agreement or Mutual Recognition Agreement 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 experience in a program considered equivalent to a CPA Pre-Approved Training Office, which offers qualifying experience for audit or assurance services. The work experience must include:
 - 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 other assurance services for the review licence.

or

 - b. Completed one year under supervision under a licensed member in the intended area of practice in the past two years. Submit a Licensed Engagement Supervisor Declaration, where a qualified legacy applicant has completed 12 months supervision by a licensed member.
- or
- c. Internationally trained members may provide verification by their employer/former employers as to their hours and depth in assurance, which can be assessed against the CPA competency map as sufficient to practice public accounting. This will be performed using the International Practical Experience Verification Form.

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

The Committee will require:

- An entry plan outlining firm’s quality control practices and the risk mitigation processes;
and

- Provide confirmation of arrangements made with a licensed public accountant to perform pre-issuance file inspections on a minimum of the first two audits. For greater clarity, a pre-issuance Engagement Quality Control Review (EQCR) by a Licensed Public Accountant is required. The selected Licensed Public Accountant must also be pre-approved by the Director of Professional Standards.

The Committee may require the following:

- 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 to create a professional development plan.
- Extended period of pre-issuance file inspections in circumstances, as determined by the Committee.

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);
- 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
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 reciprocity 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 	<p>Bridging requirements including CPA Reciprocity Exam (CPARE) or another built-for-purpose examination or equivalent, as approved by the Public Accounting Licensing Committee</p>

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.