

# CPA Practical Experience Requirements for Public Accounting

## What do employers need to know?

The CPA certification program offers many pathways to the CPA designation. This flexibility allows employers and candidates to tailor education, examination, and experience to meet employer needs and career goals.

**Practical experience requirements for those seeking registration to practice public accounting at certification are specifically defined.** While these requirements are not, for the most part, additional requirements, they are specific choices future CPAs make within the general requirements for certification.

## Legacy practical experience requirements

Legacy requirements remain in effect until September 1, 2015. Under the principles of unification, all experience completed and recognized towards the completion of a legacy program's experience requirements will be recognized toward the CPA practical experience requirements.

## Three streams of registration for public accounting

Practical experience requirements have been developed for three streams of registration:

- 1. Audit:** The audits of financial statements and other historical financial information, as set out in the prevailing *CPA Canada Handbook – Assurance*.
- 2. Review:** A review of historical financial statements and other financial information as set out in the current *CPA Canada Handbook – Assurance*.
- 3. Compilation:** Compilations prepared while performing an external engagement service where there is reasonable expectation that all or any portion of the compilations or associated materials will be relied upon or used by a third party and the notice to reader communication is required as set out in the compilation engagement section(s) of the current *CPA Canada Handbook – Assurance*.

### National vs Provincial Practical Experience Requirements

While the CPA profession strives for national consistency, provincial regulations and bylaws take precedence over national requirements. Refer to your provincial regulations and bylaws for the specific requirements in your jurisdiction.

**Note that not all jurisdictions have adopted these three streams of registration. For jurisdictions with a single public accounting stream, the Audit standard applies. Contact your provincial body to make sure you understand the registration requirements in your province.**

Employers must have audit and review streams pre-approved by their provincial body. Qualifying practical experience for the compilation stream can be gained in either the pre-approved or experience verification routes. Experience gained through self-employment does not qualify under any circumstances.

Employers may be approved to train future CPAs in any or all registrations streams recognized in their jurisdiction. It is especially important that candidates clearly understand the stream in which they are registered. Upon achieving their designation, CPA members can qualify for registration post-certification.

## Audit, Review and Compilation Streams

For jurisdictions with three streams of public accounting registration, key requirements of each stream are described below:

	Audit Stream	Review Stream	Compilation Stream
<b>Qualifying services</b>	Qualifies candidates for registration to provide audit, review and compilation services.	Qualifies candidates for registration to provide review and compilation services.	Qualifies candidates for registration to provide compilation services.
<b>Practical experience route</b>	Qualifying practical experience must be gained in a pre-approved program only.	Qualifying practical experience must be gained in a pre-approved program only.	Qualifying practical experience can be gained in a pre-approved program or through experience verification.
<b>Chargeable hours included within the 30 month work term* †</b>	At least 1,250 chargeable hours in assurance, of which a minimum of 625 hours should be obtained in the audit of historical financial information.	At least 1,250 chargeable hours in assurance, of which a minimum of 625 hours must be obtained in applying review procedures to historical financial information.	At least 625 chargeable hours in compilation. Hours spent on the audit or review of historical financial information are accepted as compilation hours.
<b>Core requirements</b>	Proficiency in at least three financial reporting sub-areas.	Proficiency in at least three financial reporting sub-areas.	Proficiency in at least three financial reporting sub-areas.
<b>Depth requirements</b>	Depth in the audit and assurance competency area, with the development of competencies in all three audit and assurance competency sub-areas, two at Level 2.	Area of depth is at the choice of the student/candidate.	Area of depth is at the choice of the student/candidate.
<b>Breadth requirements</b>	Any two competency sub-areas are at the choice of the student/candidate.	At least two competency sub-areas (both at Level 2) from the audit and assurance competency area. The remaining three competency sub-areas required to meet overall breadth are at the choice of the student/candidate.	Any five competency sub-areas are at the choice of the student candidate.
<b>Diversity of experience</b>	Variety of audit clients and/or a variety of audit experiences.	Variety of assurance clients and/or a variety of assurance experiences.	Additional experience in tax and advisory services.
<b>Mentorship</b>	Mentors must be working in public accounting.	Mentors must be working in public accounting.	Mentors must be working in public practice.

\* 24 months in Quebec

† Refer to your provincial/regional body as hour requirements are different in some jurisdictions.

In addition, all three public accounting streams must meet these requirements:

- **Recency:** All practical experience competency and chargeable hour requirements must be gained in positions that ended in the last five years.
- **Diversity:** must obtain diversity while meeting the experience requirements.
- **Pre-approved program leaders** must:
  - be CPA registrants
  - sign-off on chargeable hours for future CPAs pursuing public accounting
  - certify that future CPAs were under the overall supervision of a public accountant registrant for their chargeable hours

Contact your provincial/regional CPA body for more information