

PUBLIC PRACTICE PATHWAYS

FOR THE PROVISION OF PUBLIC ACCOUNTING SERVICES IN AUSTRALIA

BE HEARD.
BE RECOGNISED.



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Support and Guidance

CPA Australia has a range of services specially tailored to support public practitioners. For further information please visit cpaaustralia.com.au/publicpractice or contact your local office on **1300 73 73 73**.

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WHAT IS PUBLIC PRACTICE?

Public practitioners are the public face of CPA Australia.

Public practitioners deal with a broad range of clients, from individual taxpayers to large businesses. They provide a range of accounting services to the public.

Public practitioners can be involved in (but are not limited to offering services in) the following areas as defined in CPA Australia's By-Laws:

- accounting
- auditing and assurance services
- bookkeeping
- consumer and commercial credit services
- financial planning/advice
- financial reporting
- forensic accounting
- insolvency and corporate reconstruction
- management accounting
- management consulting
- taxation
- transactional accounting
- valuation services

Public accounting services do not include company secretarial or information technology services – unless such services are provided in conjunction with the activities listed above.

CPA Australia recommends that any member performing external CFO services hold professional indemnity insurance.

What are the benefits of being in public practice?

- a rewarding career offering job satisfaction and self-esteem
- the challenge, interest and flexibility that independence and autonomy offer
 - set your own direction, manage your own time and make your own decisions
- the prospect of financial rewards – reap rewards from the time, skill and money that you invest in your practice
- the ability to leverage off the CPA Australia brand

A woman with dark hair tied back, wearing a white short-sleeved top, is seated at a white table. She is looking towards a man who is seated on a black stool, wearing a light blue button-down shirt and dark trousers. The man is also looking towards the woman. The background is a bright, minimalist office space with large windows and a white wall. The lighting is soft and natural, suggesting a bright day.

"I ENJOYED BEING ABLE TO BRING MY OWN PERSONALITY TO THE PRACTICE, FROM THE DESIGN OF THE OFFICE TO MY RELATIONSHIPS WITH STAFF AND CLIENTS. CLIENTS ALSO RESPONDED TO THE FRIENDLY ATMOSPHERE WHICH WAS REFLECTED IN THEIR LOYALTY AND APPRECIATION."

FAY KAIRN OAM FCPA

Fay received her Order of Australia medal for providing accounting services for Not-for Profit Groups, a service she was able to easily provide because she had her own business.

PUBLIC PRACTICE PATHWAYS IN AUSTRALIA

The following diagram represents the various initial pathways available to a CPA or FCPA to become a public practitioner, based on gross yearly fees earned from the provision of public accounting services in Australia.

Under CPA Australia’s By-Law 9.1 (c) any member providing public accounting services into Australia must hold a Public Practice Certificate, no matter where in the world they are located.



¹ Excludes those who sign audit reports for SMSFs, for which a Public Practice Certificate is required and may exclude members undertaking review engagements, for which a Public Practice Certificate may be required

² Must currently hold either a CPA or FCPA designation – all other CPA Australia members will not be eligible to apply for a Public Practice Certificate, and in some very limited circumstances, may not be able to continue to provide public accounting services.

³ Unless RTA registration is held. Can be completed in the same semester as undertaking the Practice Management program. In addition, all applicants are required to have completed an Audit and Assurance segment from the CPA Program (or through an accredited university) and a company law subject from a recognised university, prior to enrolling in the Public Practice Program.

⁴ The Australian Commonwealth Anti-Money Laundering & Counter-Terrorism Financing Act 2006 (AML) currently only applies to financial planners who make arrangements on behalf of a client to invest in a financial product. It does not apply to accountants in practice. It has been proposed to bring accountants and other professionals within the Act.

⁵ You must have at least three years full time work experience (in the last eight years) in an area of work relating to accounting, auditing & assurance services, bookkeeping, consumer & commercial credit services, financial planning/advice, financial reporting, forensic accounting, insolvency & corporate reconstruction, management accounting, management consulting, taxation, transactional accounting and valuation services; or have at least three years full time work experience (in the last eight years) in providing public accounting services. Applicants from outside Australia should note that their work experience will be individually assessed to determine if it meets the requirements.

PUBLIC PRACTICE CERTIFICATE (PPC)

Members who are applying for a Public Practice Certificate must first complete the Public Practice Program, which consists of:

- a. Practice Management distance learning subject
- b. Public Practice Program Intensive workshop

A. PRACTICE MANAGEMENT DISTANCE LEARNING SUBJECT

The Public Practice Program has been developed to help members establish themselves in public practice. It builds on the technical expertise and experience gained from the CPA Program and through hands-on business experience. It focuses on non technical skills such as strategic planning, marketing, risk management and quality assurance as well as practice development.

Practice Management is offered by distance learning mode only. It is the equivalent of a one semester postgraduate unit of study. Total hours of study required will depend on a candidate's capabilities and individual study technique. As a general guideline, a minimum of 10 to 15 hours per week over a 12 week period is required.

Formal assessment for the distance learning component is by a three hour, open book exam. The exam includes multiple choice questions and written response questions based on case studies.

Modules

Module 1 – An introduction to public practice

Module 2 – Ethics, professionalism and risk management in public practice

Module 3 – Planning an independent practice – the 'big picture'

Module 4 – Creating a business plan that fits your strategic plan

Module 5 – Developing a people strategy

Module 6 – A finance plan within your strategic plan

Module 7 – Building and growing a practice

Module 8 – CPA Australia support services (non-assessable module from Semester 2, 2015)

B. PUBLIC PRACTICE PROGRAM INTENSIVE WORKSHOP

You must attend a two-day intensive workshop. You can attend an intensive in the same semester you are enrolled in the distance learning subject of the Public Practice Program or after completing the examination. You cannot attend the intensive before enrolment in the Practice Management distance learning subject.

The intensive workshop is divided into several topics and interactive sessions, including syndicate group exercises. The emphasis is on providing professional accounting and advisory services in a practice environment, utilising technical and communication skills.

Topics

Topic 1 – Your public practice

Topic 2 – Strategic and business planning

Topic 3 – Financial issues in establishing a practice and calculating charge out rates

Topic 4 – Ethics

Topic 5 – Risk management in your practice

Topic 6 – Building and growing your practice

For further information please visit

cpaaustralia.com.au/publicpracticeprogram

LIMITED PUBLIC PRACTICE CERTIFICATE (LPC)

The Limited Public Practice Certificate is available to help members establish themselves in public practice.

It is tailored for, among others, those who:

- operate part-time businesses
- work from home
- are engaged in postgraduate or further study
- have parenting or carer duties
- are contemplating a career change
- are transitioning into or out of public practice.

Members who are applying for a Limited Public Practice Certificate must first complete the Practice Management distance learning subject.

PRACTICE MANAGEMENT DISTANCE LEARNING SUBJECT

The Practice Management distance learning subject builds on the technical expertise and experience gained from the CPA Program and through hands-on business experience. It focuses on non technical skills such as strategic planning, marketing, risk management and quality assurance as well as practice development.

Practice Management is offered by distance learning mode. It is the equivalent of a one semester postgraduate unit of study. Total hours of study required will depend on a candidate's capabilities and individual study technique. As a general guideline, a minimum of 10 to 15 hours per week over a 12 week period is required.

Formal assessment is by a three hour, open book exam. The exam includes multiple choice questions and written response questions based on case studies.

Modules

Module 1 – An introduction to public practice

Module 2 – Ethics, professionalism and risk management in public practice

Module 3 – Planning an independent practice – the 'big picture'

Module 4 – Creating a business plan that fits your strategic plan

Module 5 – Developing a people strategy

Module 6 – A finance plan within your strategic plan

Module 7 – Building and growing a practice

Module 8 – CPA Australia support services (non-assessable module from Semester 2, 2015)

For further information please visit

cpaaustralia.com.au/publicpracticeprogram

PUBLIC PRACTICE CERTIFICATE REQUIREMENTS

Public Practice Certificate holders must abide by the CPA Australia Constitution, By-Laws, technical standards, Code of Professional Conduct (APES 110) and any laws, statutes, regulations, ordinances, codes, standards and requirements of any government or semi-government body and policies which apply to a member providing public accounting services.

In addition, as a certificate holder, you must:

Meet fit and proper requirements

In addition to the ongoing fit and proper requirements of your membership, you must meet any additional fit and proper requirements which apply to members holding statutory registrations, licences or authorisations.

Have a compliant practice structure

Your practice structure needs to comply with CPA Australia's By-Laws. Please note that if you trade with a non-member you will need to apply for an authority to trade with that non-member.

Meet professional standards legislation (PSL) requirements

Members based in all Australian states and territories, apart from Tasmania, must be a member of a CPA Australia liability limited occupational scheme and meet the requirements of the applicable state-based Professional Standards Legislation. Those requirements include minimum levels of cover for professional indemnity insurance and liability limited disclosure statements on business stationery. Services provided by members holding a Limited AFS Licence are included under the scheme but services provided by members who directly hold an Australian Financial Services Licence (AFSL) are excluded from the scheme.

Meet professional indemnity (PI) insurance requirements

You must hold professional indemnity insurance and the policy must indemnify the member and the practice. The minimum sum insured shall be as stipulated in CPA Australia's By-Laws or as prescribed by professional standards limited liability schemes or any other legislative enactment. The member shall produce proof satisfactory to CPA Australia that such insurance is held. Other specific terms that the policy must include may be found in CPA Australia's By-Law 9.8 including, but not limited to, multiple automatic reinstatement and cover for all persons affiliated with the practice.

Participate in the Quality Review Program

You must participate in CPA Australia's Quality Review Program and comply with the APES 320 *Quality Control for Firms* and APES 325 *Risk Management for Firms*.

Undertake continuing professional development (CPD)

You must undertake 120 hours of CPD per triennium, completing a minimum of 20 hours per year.

Comply with anti-money laundering (AML) reporting requirements

The Australian *AML and Counter Terrorism Financing Act* places obligations on reporting entities. The Act currently applies to financial planners who make arrangements on behalf of a client to invest in a financial product. At the time of publication the Act does not apply to accountants, however, it is expected that the second tranche of the legislation will apply to accountants. Professional requirements may include identification, verification, ongoing monitoring and record keeping obligations.

LICENSING REQUIREMENTS AND SUPPORT SERVICES

LICENSING AND REGISTRATION REQUIREMENTS

Some additional regulatory and licensing requirements apply to operators in specific sectors. An outline of these specific sector requirements which apply to operators based in Australia can be found in CPA Australia's **Licences and Registrations for Public Practitioners** document.

SUPPORT SERVICES

In addition to your existing tools and resources as a CPA Australia member, practice management resources are available to support Public Practice Certificate holders and include:

- the CPA Australia website and professional resources
- branding materials and guidelines
- quality control tools
- public practice conferences
- INPRACTICE newsletter
- INTHEBLACK magazine
- other CPA Australia e-newsletters and publications
- member networking forums, such as the Public Practice Group on LinkedIn and discussion groups
- an online Career Guidance System
- multimedia resources
- guides
- checklists
- standard letters
- standard forms
- working papers
- technical advice and materials
- CPD courses, seminars and congresses
- CPA professional indemnity insurance schemes
- advocacy and representation to government and regulators
- access to a free ethics counselling service
- the CPA library, a highly-resourced business and accounting information centre

You can find these resources at

cpaustralia.com.au/publicpractice

SUBMITTING AN APPLICATION

Complete an online application via the CPA Australia website at **cpaustralia.com.au/publicpractice**

Application processing takes approximately three weeks.

Important note: It is a breach of the CPA Australia By-Laws to commence practising in public practice without holding a Public Practice Certificate.

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