



# Guideline: Issuance and Renewal of Practising and Auditing Certificates

Effective January 1, 2018

## 1. INTRODUCTION

This guideline is intended to provide guidance to members (based on current legislation and the ICATT Rules and Regulations 2018), and particularly to those members that are new to practice or who are contemplating setting up in practice in the future. It is intended to be a helpful point of reference.

Moreover, this guideline has no regulatory status and it is issued for guidance purposes only, and in the event of any conflict between the content of this guideline and the ICATT Rules and Regulations 2018, the latter shall at all times take precedence. Therefore, this guideline should not be regarded by a member as a substitute for familiarizing themselves with the appropriate rules and regulations or, where necessary, obtaining specific advice concerning a specific situation.

## 2. APPLYING FOR YOUR PRACTISING OR AUDITING CERTIFICATE

If you wish to apply for your Practising or Auditing Certificate, you should submit your application and accompanying documents to:

### **The Licensing Committee of the Institute of Chartered Accountants of Trinidad and Tobago**

*2nd Floor – Professional Centre Building*

*11-13 Fitzblackman Drive*

*Wrightson Road Extension*

*Port of Spain, Trinidad, W.I.*

**Email: [secretary@icatt.org](mailto:secretary@icatt.org)**

The dates of planned Licensing Committee Meetings over the next 12-month period are on the ICATT website. <https://icatt.org/system/licensing-committee/>

All certificates are renewable annually and any person wishing to renew a certificate held by him must apply by completing electronic forms available in the secure Members' Area or by completing and submitting the prescribed form to the Institute. Applicants must pay such fees as may be prescribed from time to time by Council.

## 3. THE PRACTISING CERTIFICATE

### **3.1 - WHO IS REQUIRED TO HAVE A PRACTISING CERTIFICATE?**

Any ICATT member performing work under ICATT's definition of public practice in Trinidad and Tobago must hold an ICATT Practising Certificate.

This section explains when a Practising Certificate is required, details of the eligibility requirements and the ongoing conditions for holding the certificate. The differences between a Practising Certificate and an Auditing Certificate are explained below. Practising and Auditing Certificates are available to members who meet the eligibility requirements.

### **3.2 - WHAT IS PUBLIC PRACTICE?**

**ICATT defines public practice as:**

- a) Accepting an appointment as an auditor; or
- b) Signing or producing any accounts or report or certificate or tax return concerning any person's financial affairs in circumstances where reliance is likely to be placed on such accounts or report or certificate or tax return by any other person (the third party), or doing any other thing which may lead the third party to believe that the accounts or report or certificate or tax return concerning the financial affairs of such a person have been prepared, approved or reviewed by the practitioner; or

- c) Holding oneself out, or allowing oneself to be held out, as being available to undertake the activities referred to in (a) and (b) above and allowing oneself to be known as a firm of **“Chartered Accountants”**, an **“Accountant”** or an **“Auditor”** or any similar description or designation in the context of the practitioner's business shall be regarded as an example of such a holding out; or
- d) Holding oneself out, or allowing oneself to be held out, as a sole proprietor, partner or director of a firm, where public practice is carried on.

Although members may not consider themselves to be in public practice at present, their statuses should be continually monitored.

### **3.3 - WHAT IS NOT CONSIDERED PUBLIC PRACTICE/EXEMPT ACTIVITIES**

The following book-keeping services shall not constitute public practice:

- a) The recording of basic accounting data up to and including:
- i. the preparation of accounting records to trial balance stage;
  - ii. reconciliation of bank accounts;
  - iii. maintenance of sub ledgers, and reconciliations of general to sub ledgers.
- b) The preparation of payroll:
- i. salaries and wages; and
  - ii. PAYE, Health Surcharge and other statutory deductions.
- c) The maintaining of Value Added Tax records.

If you work on the fringes of the definition of public practice you will need to assess carefully whether you should hold a Practising Certificate. This would enable you to undertake work, within the definition of public practice, that may be incidental to your regular activities.

If you are a self-employed in the areas of bookkeeping and management consultancy services, where the work will be used solely by the client, this would be regarded as being outside of the definition of Public Practice. However, if a third party could rely on your accounts, reports, certificates or tax returns (e.g. a cash flow statement provided to a bank to support a loan application), a Practising Certificate would be required. Most forms of communication with the tax authorities, (even completing a tax return that will be signed by the client) or banks/other financial institutions on clients' financial affairs would be regarded as coming within the definition of public practice.

Additional guidance can be found via ACCA's FAQs - Do I need a Practising Certificate.

[http://www.accaglobal.com/content/dam/acca/global/PDFmembers/2012/2012p/PC\\_factsheet.pdf](http://www.accaglobal.com/content/dam/acca/global/PDFmembers/2012/2012p/PC_factsheet.pdf)

### **3.4 - HONOURARY MEMBERSHIP/PUBLIC PRACTICE WORK EXEMPTION**

ICATT recognises that members may wish to assist friends, family or local charities by preparing accounts and other financial documents. This 'honourary' work is not public practice, if the following conditions are met:

- The accounts are of an entity which does not require the appointment of an auditor; and
- No fee is payable or other material benefit receivable in respect of the work performed; and
- Any third parties are made aware that the activity has been carried out by an Honorary Reporting Accountant; and

- the member does not hold himself out, or allow himself to be held out, as a sole proprietor, partner, director, member or designated member of a firm where public practice is carried on.

The honorary public practice exemption allows members to use their skills to contribute to their local communities or to help family, friends and local charities as a favour. It is not an entry route into public practice. It is not acceptable to produce business stationery regarding such work.

Even though you accept work in an honorary capacity, you may still be sued for professional negligence. You should therefore carefully assess whether the type of work undertaken means you should hold professional indemnity insurance cover or do appropriate continuing professional development.

### **3.5 - TEMPORARY MEMBERSHIP**

Council may grant temporary registration to any applicant for a period not exceeding 6 months at any one time to persons undertaking public practice in Trinidad and Tobago where the applicant:

- a) Can show to the satisfaction of Council that he has the approved accountancy experience;
- b) Has satisfied the Council of his having fulfilled any of their required conditions; and
- c) Is in possession of a valid Practising Certificate issued based on criteria equivalent to that of the Institute from the professional accountancy body of which he is a member, and is subject to practice monitoring reviews by that body.

*(See ICATT's Guidelines for Temporary Registration)*

### **3.6 - RECIPROCAL MEMBERSHIP**

Council may in its absolute discretion admit to membership on such terms as it considers appropriate any member of any accountancy body which, in Council's opinion, is of equivalent standing to that of the Institute, at the time of admission of the member to reciprocal membership provided that the relevant accountancy body grants reciprocal membership to members of the Institute.

For the purposes of reciprocal membership, an accountancy body shall be considered to have equivalent standing to the Institute where that body is a member of IFAC and approved by Council.

### **3.7 - HOW TO OBTAIN A PRACTISING CERTIFICATE**

The Practising Certificate is available to members in Trinidad and Tobago. It confers the right to undertake general practice work or practice in specialized areas but not audits.

An application in the prescribed form together with the accompanying documents and prescribed fee must be submitted to the Licensing Committee of ICATT a minimum of two (2) months in advance of a scheduled meeting. The information provided to the Licensing Committee would need to be verified and the Licensing Committee may request further information from the applicant.

The Licensing Committee may consider the application in the absence of the applicant. Additionally, the Licensing Committee may require an applicant to attend an interview before a decision is made and require an applicant to verify the information. Transitional provisions are considered in a separate section.

An applicant may request that the Licensing Committee take into consideration other information disclosed. The said information must be disclosed twenty-eight (28) days before the date of decision by the Licensing Committee. In exceptional circumstances, the applicant may not less the fourteen (14) days before the Licensing Committee is due to make its decision, serve on the Licensing Committee any additional information, written comments, and submissions for the Licensing Committee's consideration.

To obtain a Practising Certificate, the applicant must meet ICATT's practical training requirements.

### **3.8 - ELIGIBILITY**

To be eligible for a Practising Certificate, you must have been a member for at least two years continuously and must:

- a. Be sufficiently qualified to conduct public practice;
- b. Be fit and proper;
- c. Hold the necessary Professional Indemnity Insurance (PII);
- d. Arrange for the continuity of your practice;
- e. Undertake to be bound by the Chartered Accountants' Practising Regulations as adopted by Council from time to time.

### **3.9 - QUALIFICATIONS REQUIRED FOR A PRACTISING CERTIFICATE**

A person shall not be qualified to hold a Practising Certificate unless he: -

- a) Is a member of the Institute or of a member body of IFAC approved by Council for at least 2 continuous years;
- b) Has at least 2,000 hours of relevant practical experience in the area(s) in which the member intends to practice over a period of minimum of 2 to maximum of 4 years. This practical experience must be completed under a Supervising Principal after admission to membership of the Institute; (See ICATT's Guidelines for Members in Practice who serve as Supervising Principals.)
- c) Has completed a training record in a manner specified as acceptable by the Institute which includes the description and nature of work conducted, clients served, the individual's role on engagements, hours worked, training received, extent of supervision and review conducted by the member and any other information deemed necessary by the Licensing Committee, and
- d) Has completed a course of instruction on ethics and professional practice subjects as approved by the Institute, or
- e) Alternatively holds a current and valid Practising Certificate from a member body of IFAC approved by Council, or
- f) Held a valid Practising Certificate issued by the Institute prior to January 1st, 2018.

### **3.10 - CONSIDERATIONS BY THE LICENSING COMMITTEE**

In determining an application, the Licensing Committee may take into consideration the following:

- Any allegation involving the applicant which is expressed orally or through documentary evidence, whether or not such evidence would be admissible in a court of law;
- Any final judgement, ruling or determination given in any criminal or civil proceedings before any court of competent jurisdiction in Trinidad and Tobago or in any other country;
- A copy of a certified judgment of civil proceedings before any court of competent jurisdiction in Trinidad and Tobago or of any other country in which the applicant was a party or a witness; and
- Any finding of fact in any civil proceedings before a court of competent jurisdiction in

Trinidad and Tobago in which the applicant was a party or a witness.

### **3.11 - FIT AND PROPER**

ICATT will only issue Practising Certificates to applicants who are 'fit and proper' persons. In deciding whether an applicant is fit and proper, the Licensing Committee will look at whether the applicant:

- a) Is essentially of good character, competent, honest, financially sound, reputable, reliable, and is able to discharge his responsibilities fairly;
- b) Demonstrates a readiness and willingness to comply with the requirements and standards of the regulatory system and other legal, regulatory or professional requirement and standards;
- c) Has been convicted of a criminal offence, in particular an offence relating to dishonesty, fraud or financial crime;
- d) Has been the subject of a disciplinary order made by the Institute or another professional body;
- e) Has been or is the subject of an investigation, whether criminal, disciplinary or otherwise, in respect of his conduct;
- f) Has committed a material breach of any of the ICATT Rules or Code of Ethics;
- g) Contravened any provision of law relating to seeking an appointment or acting as an auditor;
- h) Has contravened any law or regulation or undertaken any practices or conduct referred to in relevant law, regulation or guidance issued by a body with responsibility for the regulation of the activities of the holder of the certificate or of the Institute in its regulation of such activities; or
- i) Has on any occasion given the Institute false, inaccurate or misleading information or failed to co-operate with the Institute.

***The criteria referred to above shall include whether the applicant -***

- a) Was at any time bankrupt or entered into a deed of arrangement with creditors or any similar event;
- b) Was the subject of a disqualification order or disqualification undertaking whether in Trinidad and Tobago or any other country;
- c) Was the subject of a bankruptcy restriction order or bankruptcy restriction undertaking whether in Trinidad and Tobago or any other country;
- d) Was dismissed, asked to resign or resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions about honesty and integrity;
- e) Was excluded from or refused membership in a professional body on disciplinary grounds;
- f) Was the subject of any adverse findings or any settlement in civil proceedings, particularly in connection with financial business, misconduct or fraud;
- g) Neglected or failed to ensure that the experience and competence of his employees and practice associates are adequate, having regard to the nature of the work involved;
- h) Was a patient under mental health legislation whether in Trinidad and Tobago or any other country.

In addition to the above, the Licensing Committee in determining whether any applicant is "fit and proper" may consider any other matter which relates to the applicant, or any matter relating to any person who is or shall be employed by or associated with the applicant for the purposes of or in connection with public practice.

### **3.12 - PROFESSIONAL INDEMNITY INSURANCE (PII)**

Applicants and holders of Practising Certificates must hold professional indemnity insurance (PII) to cover professional liability incurred regarding the conduct of work in public practice and it shall include cover against any acts of professional negligence, fraud or dishonesty and be assessed with consideration to the following

- a) "Total income" being the aggregate of professional charges and all other income received in respect of and in the course of business; and
- b) "Largest fee" paid being, in all cases, the highest cumulative amount of fees raised to a particular client (considered at the ultimate parent/consolidated level) during the year

rather than the largest single invoice raised.

Applicants and holders of Practising Certificates are responsible for obtaining adequate cover, which they may buy from any reputable insurance company or underwriter.

*(See ICATT's Guidelines on Professional Indemnity Insurance Requirements)*

### **3.13 - CONTINUITY IN PRACTICE**

An applicant or a holder of a Practising Certificate must enter into and keep in force for all the period during which they hold a Practising Certificate, a written agreement with a 'nominee' which is either one other individual, or a firm. The agreement must provide for the nominee to be responsible for your practice in the event of death or incapacity of the applicant or a holder of a Practising Certificate. For partners/directors, the agreement may be made with another equivalent-level Practising Certificate holder in the practice.

*(See ICATT's Guidelines on Continuity of Practice.)*

### **3.14 - CONTINUING PROFESSIONAL DEVELOPMENT**

All members must undertake continuing professional development (CPD) in accordance with Part 4 of the ICATT Rules and Regulations 2018. In particular, all persons applying or holding a Practising Certificate must:

- a) Obtain at least 40 CPD units per calendar year of acceptable CPD learning activities per calendar year and which are relevant to their work. One unit shall be equivalent to one hour spent on an acceptable CPD learning activity. At least 21 units must be verifiable units. A unit shall be verifiable if the member can prove that he was involved in an acceptable CPD learning activity and that the CPD learning activity has actually taken place;
- b) Maintain competence in professional ethics;
- c) Keep his business and accountancy knowledge current;
- d) Maintain competence in the specialised areas of his practice;
- e) Obtain an additional 10 CPD Units in those areas of public practice in which the member engages annually. A minimum of 50 percent of the CPD units earned in satisfaction of this requirement must be verifiable.

*(See ICATT's Guidelines for Continuing Professional Development)*

### **3.15 - CONDUCT**

Applicants and holders of ICATT'S Practising Certificates must comply with ICATT's Code of Ethics.

### **3.16 - MONITORING, QUALITY ASSURANCE AND COMPLIANCE**

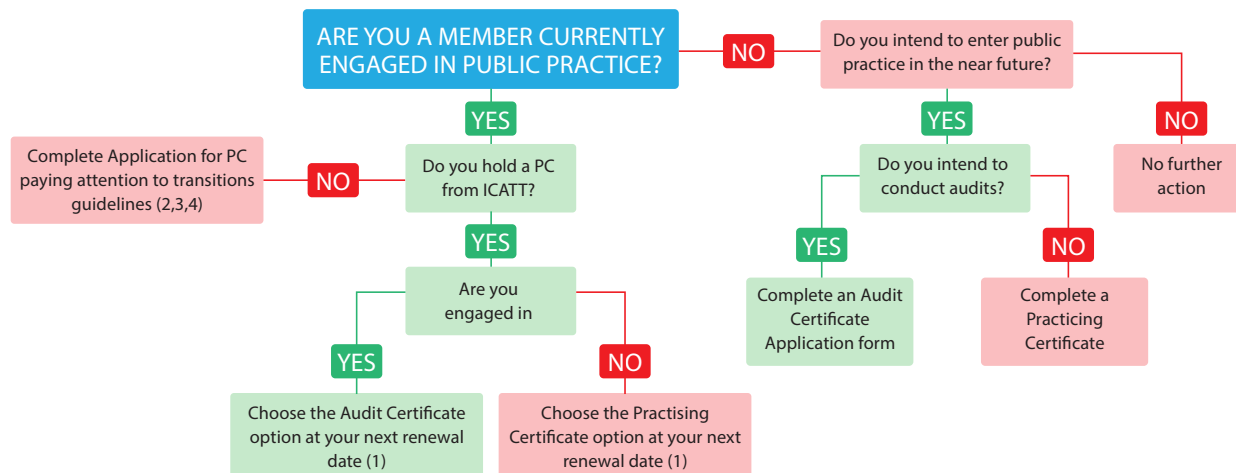
Applicants and Practising Certificate holders must co-operate with ICATT in its monitoring and enforcement of compliance with the rules and regulations. ICATT will monitor and enforce its rules and regulations by analysing a practitioners' annual returns and carrying out monitoring visits. (See The Licensing Committee Guideline on Practice Monitoring & Quality Assurance for further information).

### **3.17 - VALIDITY OF PRACTISING CERTIFICATES**

Once issued, the Practising Certificate is valid for a period of one (1) year.



## TRANSITIONAL PROVISIONS FOR PRACTISING CERTIFICATE



It should be noted that there is no transitional provision with respect to Auditing Certificates. Persons engaged in audits would have been required to hold a Practising Certificate from ICATT (under the old Rules). Based on the expanded definition of public practice in the ICATT Rules and Regulations 2018, we recognise that there are members engaged in public practice who now require a Practising Certificate. To obtain this Practising Certificate, the application form should be completed including the transitional section.

We understand that members may have concerns in particular with respect to the sign off by a supervising principal and we draw your attention to section 7.2 (a) of the schedule 1 of the Practising Regulations which states that "The Council may, in exceptional circumstances, vary or suspend any requirement specified in Regulation 7.1 in its absolute discretion and impose such alternative requirements as it deems fit, which may include without limitation a requirement to pass any examinations deemed necessary."

Council is committed to working with persons currently engaged in public practice (under the new definition) towards the issuance of Practising Certificates as required under the new Rules. If a member has no existing certificate, he/she must apply for a Practising Certificate on or before December 31, 2018.

The information provided to the Licensing Committee would need to be verified and the Licensing Committee may request further information from the applicant.

### Council will consider in this transitional period

1. The overall experience of the applicant pre and post qualification
2. The nature of positions held, and experience gained
3. Areas of intended practice, relative to the experience record of the individual
4. For persons currently in public practice, the number of hours per annum serving clients, total of fees earned and the number of clients served.
5. Persons with less than 2 years and 2000 hours post qualification experience will not be entitled to a Practising Certificate until the appropriate experience has been obtained.
6. While on transition the person(s) whom an applicant gained experience under may not meet the criteria of a supervising principal under the new Rules; however, the section of the form should still be completed and signed off by this individual as far as possible.



## 4. THE AUDITING CERTIFICATE

### 4.1 - WHO IS REQUIRED TO HAVE AN AUDIT CERTIFICATE?

A firm or individual that signs or hold itself or himself out as being available to sign an audit report whether that report is required by statute or not is required to hold an Auditing Certificate.

### 4.2 - ELIGIBILITY

A member shall be eligible for an Auditing Certificate where:

- a) He is sufficiently qualified to conduct audits;
- b) He is fit and proper;
- c) He holds the necessary PII;
- d) He has made arrangements for the continuity of its practice;
- e) He undertakes to be bound by the Chartered Accountants' Practising Regulations as adopted by Council from time to time.

### 4.3 - QUALIFICATIONS REQUIRED FOR AN AUDIT CERTIFICATE

**A person would not be qualified to hold a Auditing Certificate unless he: -**

- a) Is a Member of the Institute or a member body of IFAC approved by Council for at least 3 continuous years;
- b) Has at least 3,000 hours of relevant practical experience in the area(s) in which the member intends to practice over a period of minimum of 3 to maximum of 4 years. This practical experience must be completed under an Accredited Supervising Principal after admission to membership of the Institute. If on January 1, 2018, a Member has completed 1,500 audit hours (client related work) or 18 months of audit training that individual will be entitled to apply for an Auditing Certificate upon completing 2 years of audit under an Accredited Supervising Principal; (See ICATT's Guidelines for Members in Practice - Auditing who serve as Accredited Supervising Principals)
- c) Has completed a training record in a manner specified as acceptable by the Institute which includes the description and nature of work conducted, clients served, individual role on engagements, hours worked, training received, extent of supervision and review conducted by the member and any other information deemed necessary by the Licensing Committee, and
- d) Has completed a course of instruction on ethics and professional practice subjects as approved by the Institute, or
- e) Alternatively holds a current and valid Practising Certificate from a member body of IFAC approved by Council, or
- f) Held a valid Practising Certificate issued by the Institute prior to January 1, 2018.

The Council may vary or suspend any requirement outlined above in its absolute discretion and impose such alternative requirements as it deems fit, which may include without limitation a requirement to pass any examinations deemed necessary. In such circumstances, the Council will notify the member in writing.

The items listed at 3.3 and 3.10 - 3.17 above are also applicable to the issuance of an Auditing Certificates.

## 5. RENEWAL OF CERTIFICATES

For renewal certificates, an application in the prescribed form together with the accompanying documents and prescribed fee must be made **prior to the expiration of any existing certificate** to the Licensing Committee of ICATT.

**To be eligible for renewal a Member in Practice must:**

- a) Obtain satisfactory monitoring reviews; or

b) Complete a minimum of 250 hours of relevant practice over the preceding 12-month period.

**Where a member does not satisfy the criteria at a) or b) that Member will have to fulfil the following requirements:**

a) Complete a minimum of 250 hours of relevant practice over the preceding 36-month period and

- i. A member holding a Practising Certificate must be able to demonstrate through a minimum of 21 verifiable CPD hours per year that he has developed and maintained technical competencies and industry knowledge in the specialised areas of his practice; or
- ii. A member holding an Auditing Certificate must be able to demonstrate through a minimum of 31 verifiable CPD hours per year that he has received training in new or revised Auditing Standards or International Financial Reporting Standards which have been issued in the current year or which become effective in the current year.

Documentation supporting the achievement of these Continued Professional Development hours must be available for inspection upon request of the Licensing Committee.

## **6. OTHER MATTERS REGARDING PRACTISING AND AUDITING CERTIFICATES**

### **6.1 - DECISION OF THE LICENSING COMMITTEE**

The Licensing Committee, after consideration of all the information provided including, where applicable, the applicant's comments and submissions, will make a decision on the application. The Licensing Committee may:

- a) grant the certificate;
- b) refuse the certificate;
- c) restrict the certificate subject to such conditions as it considers appropriate.

The Licensing Committee will notify the applicant in writing within fourteen (14) days of its decision indicating, where appropriate, reasons for refusing the application or for imposing conditions on the certificate. Additionally, the Licensing Committee may of its own volition vary its own written statement of reasons for its decision for the purpose of making the meaning and intention clear or correcting an error.

### **6.2 - APPEALS**

The Licensing Committee will inform the applicant of his right to appeal its decision to the Appeals Committee within twenty-eight (28) days after receipt of the written statement of its decision.

### **6.3 - ADMISSION FEE**

If an application is withdrawn by the applicant or the application is denied by the Licensing Committee, the admission fees charged are non-refundable.