



# OVERVIEW OF SERVICES RENDERED UNDER THE FOUR CATEGORIES OF LICENCES

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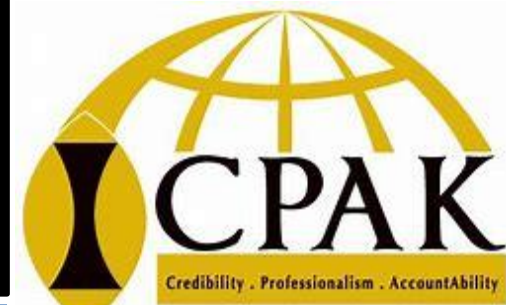
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# What multiple licenses means to the practice and the profession



- **Opportunity for more members to practice**
- **Make Professional Accountancy services more easily accessible**
- **Strengthens the Accountancy profession in Kenya**

After 40 Years,



TIME FOR  
SOMETHING  
NEW!

# Background



- **THE ACCOUNTANTS ACT (PRACTISING CERTIFICATE AND LICENCES) GUIDELINES, 2020**
- **Since the amendments to the Act in 2018, “Accountancy”** means practice in accounting, financial reporting, control systems, systems auditing, auditing, assurance, forensic accounting and auditing, finance, financial management, public finance management, taxation, financial risk management, management accounting and advisory services related thereto;
- **IN EXERCISE** of the powers conferred by Section 9 (3) and (4) of the Accountants Act No 15 of 2008, the Council has issued the following guidelines:

# Introduction



- 1) **Composite License – Category “C”** performing Audit and Assurance Services, Tax services & Accounting, Controls and Consulting
- 2) **Audit and Assurance License – Category “A”** performing Audit and Assurance Services
- 3) **Tax License – Category “T”** performing Tax practices
- 4) **Accounting, Controls and Consulting License – Category “M”** - means a member registered by the Committee to perform Accounting, Controls and Consulting

# Composite License



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# Composite License - (category “C”)



## Application for Composite Licence

A member shall be qualified to be issued a composite licence to practise as a Composite Licensed Practitioner if such member: -

- Has been an ordinary member of the Institute in good standing for a period of two (2) years and in possession of a valid Practising Certificate
- Has acquired five (5) years' full-time experience in performing Audit and Assurance, Tax; Accounting, Controls and Consulting Services, or seven (7) years' experience on part time basis under the supervision of a member in good standing, who has been holding the Practising Certificate in the fields outlined for a period of not less than six (6) years immediately preceding the date of the application;

# Composite License - (category “C”)



## **Application for Composite Licence (continued)**

- Has obtained an average of Forty (40) CPD hours annually for the last three (3) years in accordance with the Institute’s CPD policy;
- Has attended a minimum of three mandatory trainings in Audit and Assurance, Tax, Accounting Controls and Consulting within the last one year prior to the application for a License as directed by the Institute.
- A member who is qualified under this Division shall apply in writing to the Committee in a prescribed form as per Schedule III.
- A successful applicant under this Division shall pay an annual renewal licence fee as provided under Schedule I.

# Eligibility for Application of Composite License



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# Composite License - (category “C”)



- The License issued under this category shall be valid from the date of issue to the thirty-first December of the year of issue and shall be renewed at the end thereof.
- Foreign nationals must have a valid work permit or a Certificate of Permanent Residence and comply with the provisions of section 26 of the Act.

# Services to be provided by a Composite Licenced Practitioner.



- Audit, review, or other assurance services, including issuing an auditor's report, a review engagement report, opinion or other assurance report in accordance with international standards;
- Deal with any other matters that relate to Audit and Assurance
- Prepare and submit tax returns on behalf of a taxpayer;
- Liaise with the KRA on behalf of a taxpayer on matters relating to tax;
- Advise and represent a taxpayer in matters relating to tax before the Commissioner or the Tribunal established under the Tax Appeals Tribunal Act, 2013;
- Deal with any other matters that relate to tax on behalf of a taxpayer;
- Issue "expert opinions" in disputes involving tax matters;

# Services to be provided by a Composite Licenced Practitioner (Continued).



- Internal control systems auditing including internal audit reports issued in accordance with International Professional Practices Framework as may be promulgated by Institute of Internal Auditors (IIA) from time to time;
- Accounting services including bookkeeping, compilation, management and cost accounting reporting;
- Finance and Public Finance Management including Financial Risk Management reviews;
- Any other advisory services related thereto including summarization and analysis of accounts, forensic accounting, financial investigation, and financial litigation support;

# Description of Licenced Firm.



Any firm of registered members that has been duly licensed under this Division shall be entitled to describe itself as “**Certified Public Accountants of Kenya** (Composite Licensed Offering Audit and Assurance, Tax, Accounting Controls and Consulting services).”

# Prohibited Practice



# Offences



# ARREST

# Revocation of Firm Licence



Upon the recommendation of the Disciplinary Committee, the Council shall revoke a Firm Licence: -

- If the firm is convicted in a court of law for a financial crime;
- If the actions of the firm constitute breach of professional conduct or ethics;
- If the partners become incapacitated and the term of the interim manager appointed under section 45 of the Act expires and not renewed by Council;
- If the firm fails to pay the annual firm licence fees for a period of more than twelve months from the due date;
- If the firm fails to comply with the applicable International Standards or directives issued by the Council from time to time;
- If the partners voluntarily wind up the firm and return their practising certificates and Firm Licence to the Committee.

# Audit and Assurance



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# Eligibility for Application of Auditing and Assurance Practice Certificate



# Eligibility for Application of Auditing and Assurance Practice Certificate



## **Application for Auditing and Assurance Licence**

The requirements are same as those of composite Licence except for: -

- Has attended any of the two mandatory trainings in Audit and Assurance, reviews and related services

# Services to be Provided by an Audit and Assurance Practitioner.



All professional services performed under the Professional Standards issued by International Federation of Accountants (IFAC) and International Organization of Supreme Audit Institutions (INTOSAI) & Subject to independence provisions in the IESBA Code of Ethics for Professional Accountants

# Services to be Provided by an Audit and Assurance Practitioner.



The services to be provided by an Audit and Assurance Licenced Practitioner shall include: -

- Performing an audit, review, or other assurance services, including issuing an auditor's report, a review engagement report, opinion or any other assurance report in accordance with international standards;
- Dealing with any other matter that relates to Audit and Assurance services.

# Prohibited Practice.



A Practitioner licensed under this Division shall be guilty of professional misconduct if such member: -

- engages in any acts prohibited under section 30 of the Accountants Act; or
- engages in Practice not authorized under the licence or this Part.

# TAXATION



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# Eligibility for Application Accountant ( *Tax Practice* ) Certificate



A member shall be qualified to be registered to practice as a Tax Practitioner if such member: -

- Has been an ordinary member of the Institute in good standing for a period of two (2) years;
- The applicant should have acquired two (2) years' Experience in performing taxation work on full time basis or Four (4) years 'experience on part time basis under the supervision of a member in good standing, who has been holding the practicing certificate for a period of not less than three (3) years.

# Eligibility for Application Accountant ( *Tax Practice* ) Certificate



- The applicant should have obtained an average of 40 CPD hours annually for the last three years and in accordance with the Institute's CPD Guidelines prior to the application for a Practicing Certificate.
- Has attended any of the two mandatory trainings in tax as directed on an annual basis by the Institute.

# Services to be Provided by Tax Practitioner.



- Preparation and submission of tax returns on behalf of a taxpayer;
- Liaison with the Kenya Revenue Authority on behalf of a taxpayer on matters relating to tax;
- Advising and representing a taxpayer in matters relating to tax before the Commissioner or the Tribunal established under the Tax Appeals Tribunal Act, 2013;
- Issuing “expert opinions” in disputes involving tax matters as a tax practitioner registered and admissible under these regulations;
- Dealing with any matters that relate to tax on behalf of a taxpayer.

# Offences



# ARREST

# Prohibited Practice.



A Practitioner licensed under this Part shall be guilty of professional misconduct if such member: -

- engages in any acts prohibited under section 30 of the Act; or
- engages in Practice not authorized under the licence or this Part.

# Services under “M”



# Eligibility for Application of Accounting, Controls and Consulting Practice Certificate



- One must have been a full for more than two years.
- Must have obtained the required Accounting, Controls and Consulting Practice experience as set out in the Certificate of Schedule to these Guidelines.
- The Applicant should have acquired experience in performing Accounting, Controls and Consulting services work on full time for two (2) and/or four (4) years  
'experience on part time basis under the supervision of a member in good standing, who has been holding the practicing certificate for a period of not less than six (3) years;

# Eligibility for Application of Accounting, Controls and Consulting Practice Certificate



- The Applicant should have obtained an average of 40 CPD hours annually for the last three years.
- One should have attended any of the two mandatory trainings in Accounting, Controls and Consulting Practice

# Services to be provided by Accounting, Controls and Consulting Licenced Practitioner.



- Internal Control systems auditing including internal audit reports issued in accordance with the International Professional Practices Framework as may be promulgated by the IIA from time to time;
- Accounting services, bookkeeping, compilation, management, and cost accounting reports;
- Finance and Public Finance Management including County Government financial management reports;
- Any other advisory services related thereto including summarization and analysis of accounts, forensic accounting and investigation and financial litigation support.



**TRANSITION**

# Effective Date



These Licenses takes effect from the  
1<sup>st</sup> day of January 2021.

# Application forms



# Application forms



- The Application forms shall be uploaded on the ICPAK website and can be downloaded for free
- RQAC meets every Quarter each year
- The verdict of the meeting is communicated with 7days after the meeting.
- Certificates and licenses are issued with two weeks after the meeting

# Forms



- <https://www.icpak.com/resource/application-forms-for-multiple-license-categories/>

# End



# Thank you!