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PAAB REGISTRATION REQUIREMENTS: PROFICIENCY ASSESSMENT POLICY AND PROCEDURES

1. INTRODUCTION

- 1.1 The Public Accountants and Auditors Board (PAAB) has, as one of its mandates, the responsibility to ensure that all registered public auditors (RPAs) are competent at entry to the profession and remain so throughout their professional lives.
- 1.2 In terms of this mandate, the PAAB sets the competency requirements at entry to the profession and monitors on going competence through the Continuing Professional Development (CPD) Policy.
- 1.3 Equally, the PAAB has the responsibility to ensure that all applicants, who wish to enter the audit profession after an “extended absence” from the audit and assurance environment, are competent.
- 1.4 This policy defines an “extended absence” from audit and assurance as the following:
- More than three years since an applicant:
 - Was registered with the PAAB (public auditor¹);
 - Completed a training contract in public practice; or
 - Worked in an audit and assurance environment; or
 - Signed an audit opinionwhichever is the latter.
- 1.5 In order to conduct its mandate to ensure that RPAs are competent and proficient to practice, the PAAB may conduct a proficiency assessment in terms of section 5(f) and section 44(2) (c) (e) of the Public Accountants and Auditors Act [chapter 27:12].

¹ This rule will also apply to non-assurance members who wish to change their status to assurance.

2. APPLICANTS WHO HAVE NOT BEEN ABSENT FOR AN EXTENDED PERIOD AND INTEND TO START THEIR OWN PRACTICES

- 2.1. On application for registration, any applicant who is deemed to have not been absent for an extended period and intends to start their own practice is required to supply the PAAB with:
- comprehensive CPD records;
 - an up to date CV;
 - a short description of why assurance firm registration is required;
 - a practice plan, including a Quality (ISQC) Manual of the practice they intend to start; and
 - the name and RPA practising certificate number of the RPA identified as the practice's Quality Reviewer, in this regard also furnish the PAAB with agreements entered into with the Quality Reviewer.
- 2.2. The above requirements will also apply to applicants who are registered with the PAAB under an existing RPA firm, who intend to leave the existing firm to start their own practices.

3. PROFICIENCY ASSESSMENT PROCEDURES

- 3.1 On application for registration, any applicant who is deemed to have been "absent" from audit and assurance (See 1.4 above) is required to supply the PAAB with:
- comprehensive CPD records, and
 - an up to date CV, and
 - a short description of why assurance registration is required.
- 3.2 The PAAB will conduct a desk top review² of the applicant's CPD records and CV (work experience) to make an initial determination as to whether a proficiency interview is necessary.

² An applicant's CPD records are reviewed to ensure that valid CPD activities have been undertaken in audit and assurance. Reliance will never be placed on CPD activities alone. The applicant's CV is also reviewed to ensure that the applicant has appropriate audit experience and has worked in a public practice environment within audit and assurance.

- 3.3 An applicant who does not present PAAB with valid CPD records and/or work experience may be required to undertake a proficiency interview as the initial step in the assessment process.
- 3.4 Prior to the interview, applicants will be required to submit a practice plan that outlines how they intend to comply with ISQC 1. Applicants who are joining an already established firm may submit evidence of the firm's compliance with ISQC 1 either through Inspections/Practice Reviews or through the firms practice plan.
- 3.5 Applicants are required to submit the practice plan one month before the scheduled interview. The PAAB will review the practice plan and if it is considered valid the interview will be confirmed. Applicants who do not submit appropriate practice plans will be given one opportunity to re-submit their practice plan before the interview.
- 3.6 Delays in the submission of the practice plan will result in applicant not being scheduled for the interviews.

4. PROFICIENCY INTERVIEW

- 4.1 The proficiency interview is conducted by an advisory panel of the PAAB. The panel will comprise of a minimum of three (3) individuals as follows:
- the PAAB Secretary;
 - at least one PAAB representative; and
 - at least one practitioner in public practice and/or retired practitioner
- 4.2 Proficiency interviews are scheduled every two months and the dates are available at the PAAB and Constituent Bodies.
- 4.3 A proficiency interview is only conducted once an applicant has been notified of the interview, has submitted their practice plan and has paid the relevant fee, as published in the PAAB's Fee Schedule (available at PAAB and from constituent bodies).
- 4.4 In order to prepare for the interview applicants are required to have a broad understanding of the following competency areas, inter alia:
- Work experience and CPD;
 - Ethics, including the PAAB Professional conduct regulations/IFAC Code of Professional Conduct;
 - Quality Control, including ISQC 1 and ISA 220;

- Auditing and assurance standards;
 - Accounting Standards and frameworks;
 - Laws and Regulations related to professional and other services rendered;
 - Public Accountants and Auditors Act [chapter 27:12];
 - Public Accountants and Auditors (General) By-laws, 2016 (Statutory Instrument 119 of 2016)
 - Public Accountants and Auditors (Professional Conduct) By-laws,1997 (Statutory Instrument 144 of 1997)
 - Practice Management
 - Corporate Governance, including the National Code on Corporate Governance
- 4.5 The panel makes recommendations on the applicant's registration status. The panel may, inter alia, recommend the following:
- Registration;
 - No registration until specific requirements determined by the PAAB have been met.

5. **MOCK FILE REVIEW**

- 5.1 Where an applicant is considered not yet competent to practice, the panel may recommend a mock file review.
- 5.2 Applicants may book the file review through the Education Department of the PAAB.
- 5.3 Applicants are given a maximum of 8 hours in which to complete the file.
- 5.4 Results of the file review will be given to the candidate within seven working days.
- 5.5 Applicants who are successful in the file review will have their application to register reconsidered by the panel.
- 5.6 Applicants who are unsuccessful will be given detailed feedback on the areas of weakness.
- 5.7 Unsuccessful applicants may only re-apply for the file review three months after their results are released.
- 5.8 Applicants may only attempt the file review a maximum of three times.

5.9 After the third unsuccessful attempt it is recommended that the applicant joins an established firm to acquire the requisite competencies.

6. REGISTRATION and Issue of Practising Certificate

6.1 Applicants must satisfy all the registration requirements stipulated by the PAAB in order to register as an RPA to be issued with a Practising Certificate

6.2 All documentation in support of an applicant's registration and/or practising certificate must be forwarded to the PAAB

6.3 Once all the registration requirements have been satisfied, the applicant will be registered and/or issued with the applicable practising certificate by the PAAB

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Secretary

For and on Behalf of the Public Accountant and Auditors Board

Date: 7 November 2017