

# PROVIDING ACCOUNTING SERVICES TO THE PUBLIC – BOOKKEEPING

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**The second<sup>1</sup> in a series that aims to provide guidance on what constitutes providing accounting services to the public, in accordance with CPA Ontario’s By-law and Regulations, this article discusses bookkeeping services.**

**If you are a CPA who is providing bookkeeping services, it is important that you understand your responsibilities and comply with the relevant regulations.**

## Is bookkeeping considered “providing accounting services to the public”?

Bookkeeping as described in the Assurance Handbook is “*a service that involves collecting, classifying, summarizing and processing data to create underlying accounting records, which may result in a general ledger, trial balance or system-generated financial information to which no practitioner’s communication is included or attached*”<sup>2</sup>.

If you are solely providing bookkeeping services as described above, then your services are not considered to be within the definition of “providing accounting services to the public” and you are not required to register your practice with CPA Ontario.

If, however, you are being relied upon for accounting insight, analysis, advice and interpretation, or are being asked to attach a communication, then your services extend beyond bookkeeping and will fall under the definition of “providing accounting services to the public” and you would be required to register your practice with CPA Ontario.

According to [By-law 1.1.53](#) “providing accounting services to the public”, includes “accounting insofar as it involves analysis, advice and interpretation in an expert capacity” but **excludes** record keeping.

### **CPA Ontario By-Law (By-law):**

- 1.1.53, providing accounting services to the public

### **CPA Canada Handbook – Assurance**

#### **(Assurance Handbook):**

- CSRS 4200, *Compilation Engagements*

<sup>1</sup> The first article in this series, [Providing Accounting Services to the Public – Taxation Services](#), focused on the provision of taxation services and contains helpful information in determining whether you should perform those services through a CPA firm.

<sup>2</sup> CSRS 4200, paragraph 2(c), A3



## Attaching a communication

In circumstances where management requests or you decide that a communication is necessary to avoid users misunderstanding the nature and limitations of the engagement, then the only form of communication you can attach to that financial information is a compilation engagement report. As a result, all the requirements of CSRS 4200<sup>3</sup> in the Assurance Handbook will apply to your engagement.

Please note that attaching only a disclaimer paragraph to financial information is not permitted.

Any service subject to the requirements of a standard in the Assurance Handbook is included in the definition “providing accounting services to the public”<sup>4</sup>. In such a case you would be required to register your practice with CPA Ontario and obtain professional liability insurance.

As no two situations are identical, you are responsible for ensuring that your own situation complies with the [CPA Code of Professional Conduct, By-law and Regulations](#). Please note that this article constitutes non-authoritative guidance.

<sup>3</sup> CSRS 4200 is effective for compiled financial information for periods ending on or after December 14, 2021.

<sup>4</sup> By-law 1.1.53.1

Have a question? Our Professional Advisory Services team is here to help, making first point of contact within 24 hours.

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