



Republic of the Philippines
Professional Regulation Commission
Manila

PROFESSIONAL REGULATORY BOARD OF ACCOUNTANCY
Resolution No. 68
Series of 2016

AMENDING RESOLUTION NO. 03, SERIES OF 2016, ENTITLED "REQUIREMENT FOR THE SUBMISSION OF CERTIFICATE BY THE RESPONSIBLE CERTIFIED PUBLIC ACCOUNTANTS ON THE COMPILATION SERVICES FOR THE PREPARATION OF FINANCIAL STATEMENTS AND NOTES THERETO", MANDATING EXTERNAL AUDITORS TO MONITOR COMPLIANCE THERETO, AND FOR OTHER PURPOSES

WHEREAS, the Professional Regulatory Board of Accountancy (Board) issued Resolution 2016-03 which took effect on February 8, 2016 or fifteen (15) days from its publication on January 26, 2016 in the Philippine Star;

WHEREAS, there were several feedbacks from the various stakeholders of the accountancy profession who made recommendations on the implementation of Board Resolution 2016-03;

WHEREAS, the Board has evaluated these recommendations and deemed it appropriate to consider them in the implementation of Board Resolution 2016-03;

WHEREAS, the scope of the compilation services and the responsibilities of the Certified Public Accountants (CPAs) in terms of the services rendered and the issuance of the Certificate are covered and discussed in the Philippine Standard on Related Services 4410 (Revised) Compilation Engagements.

NOW THEREFORE, it is hereby **RESOLVED** to amend certain provisions of Board Resolution 2016-03 and to clarify its implementation, as follows:

1. The deadline for the filing of the application for accreditation by CPAs in Commerce and Industry (C&I) shall be extended to April 30, 2016.
2. CPAs who are hired after the April 30, 2016 deadline by organizations/persons as defined in Section 3 of Resolution No. 2016-03 shall apply within one (1) month after the date of their hiring.
3. Applicants for accreditation who fail to comply with the Continuing Professional Development ("CPD") credit units mandated under Board Resolution 2012-59 and PRC Resolution 2013-774 shall execute an Affidavit of Undertaking in the form and manner as prescribed in Board Resolution 2016-03.

Applicants with valid accreditation in public practice or as accounting teachers may apply the CPD credit units earned within the last three (3) years for purposes of their applications for accreditation in commerce and industry practice.

4. Certificates of Accreditation of applicants with undertaking to comply with the CPD requirement until June 30, 2016 shall not be released until proof of compliance therewith has been submitted.
5. For initial applications to be filed in year 2016, the Board shall issue a supplemental Resolution streamlining the accreditation requirements for CPAs in commerce and industry practice.
6. If a CPA in commerce and industry practice shall retire, resign or be dismissed or separated from current employment, the CPA shall notify the Standards and Inspection Division (SID) of the Professional Regulation Commission (PRC) of this matter within one (1) month from the severance of employment. The SID shall then duly note this in the database. If subsequently employed by another organization/person, the CPA shall apply for accreditation in commerce and industry under the new employer within one (1) month from the date of hiring.
7. Only Financial Statements (FS) of the organizations/persons ending June 30, 2016 and subsequent periods are mandatorily covered by Resolution No. 2016-03 on the submission of the Certificate of Compilation Services for the preparation of FS (the "Certificate"). For FS ending December 31, 2015 and subsequent periods ending May 30, 2016, the submission of the Certificate will be optional but is encouraged. FS which end prior to December 31, 2015 are not covered by this requirement.
8. CPAs in commerce and industry employed by organizations/persons which/who also concurrently perform compilation services for the preparation of the FS of other related companies/persons shall file only an application for accreditation as a CPA in commerce and industry for the employer organization/person. In such case, the CPA shall indicate in the Detailed Description of Work the following: (a) names of the other companies in which the CPA is also doing Compilation Services; and (2) that the preparation of the FS of such companies are also the responsibility and duty of the CPA.
9. If an organization/person has more than one (1) CPA authorized to prepare the FS and sign the Certificate, all of them shall individually apply for accreditation as CPA in commerce and industry.
10. The Certificate of Compilation shall be prepared only for organizations/persons with gross sales or revenue of more than Ten Million Pesos (Php 10,000,000.00).

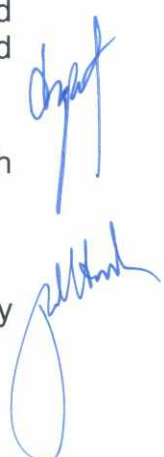
The preparation of FS for all organizations/persons required to submit annual reports to regulatory offices shall be done only by CPAs with appropriate accreditation from the Board and the Commission.



11. In case the FS has been completed for filing in the appropriate regulatory offices, but the CPA Certificate of Accreditation is yet to be released, the CPA shall be allowed to sign the Certificate that will be attached to the audited FS. The Certificate shall bear the inscription "CPA accreditation filed on _____ still in process" on the space allotted for the Accreditation No. _____ in the Certificate.
12. CPAs shall complete the preparation of the FS and notes thereto for presentation to the external auditor/s not later than two (2) months after the end of the accounting period or year of the organization/person. This deadline is required to give ample time for the completion of the subsequent audit work of the external auditor and the submission of the statutory report before the set deadlines.

For the FS for calendar year ending December 31, 2015, the FS shall be completed not later than March 15, 2016.

13. The external auditors of all organizations/persons shall bring to the attention of the management of their audit clients any instance of omission or non-compliance with the provisions of this Resolution and Board Resolution 03-2016, including failure of the audit client to engage a duly accredited CPA who is responsible for preparing the FS, the non-attachment of the Certificate in the annual statutory FS, and any other violations of the aforementioned Resolutions and any amendatory resolutions that may be issued by the Board and the Commission in the future. The external auditor shall notify the Board of these matters within one (1) month from the conclusion of the audit engagement.
14. Violations or non-compliance such as (1) failure to attach the Certificate of Compilation to the FS by an organization/person, whenever required; (2) failure to comply with the accreditation requirements, despite notice and without justifiable reason, **after the FS has been issued**; (3) requiring and/or allowing an external auditor to do the compilation services for the preparation of the FS and notes thereto and to audit the same; (4) failure of the external auditor to comply with Section 13 of this Resolution; and (5) commission of any other violation or breach of the aforementioned Resolutions shall be meted with the appropriate sanctions as provided herein or such other applicable laws/regulations.
15. Subject to due process, the Commission and the Board may impose such sanctions which shall include but not be limited to the following:
 - a. Reprimand, suspension, or revocation of CPA License; and/or
 - b. Filing of appropriate legal action/s against organizations/persons as may be warranted by pertinent laws and regulations.



Let copies hereof be further furnished the U. P. Law Center, Board, Office of the Board Secretariat, Standards and Inspection Division, Legal and Investigation Division, all PRC Regional Offices, Philippine Institute of Certified Public Accountants (PICPA), and such other relevant offices for information and guidance.

This Resolution shall take effect after fifteen (15) days following its publication in the Official Gazette or any newspaper of general circulation in the Philippines.

Done in the City of Manila this 21st day of March 2016.


JOEL L. TAN-TORRES
Chairperson


GLORIA T. BAYSA
Vice-Chairperson

ELISEO A. AURELLADO
Member


SAMUEL B. PADILLA
Member


CONCORDIO S. QUISAOT
Member

GERARD B. SANVICTORES
Member


ARLYN B. VILLANUEVA
Member

ATTESTED BY:


ATTY. LOVELIKA T. BAUTISTA
Officer-in-Charge
Office of the Secretary to the Professional Regulatory Boards

PROFESSIONAL REGULATORY BOARD OF ACCOUNTANCY
RESOLUTION NO. 68

AMENDING RESOLUTION NO. 3, SERIES OF 2016, ENTITLED
"REQUIREMENT FOR THE SUBMISSION OF CERTIFICATE BY THE
RESPONSIBLE, CERTIFIED PUBLIC ACCOUNTANTS ON THE COMPILATION SERVICES
FOR THE PREPARATION OF FINANCIAL STATEMENTS AND NOTES THERETO"
MANDATING EXTERNAL AUDITORS TO MONITOR COMPLIANCE THERETO,
AND FOR OTHER PURPOSES

APPROVED:


TEOFILO S. PILANDO, JR.
Chairman


ANGELINE T. CHUA CHIACO
Commissioner


YOLANDA D. REYES
Commissioner

O-ACH/COMMII/O-ASSTCOM/PRB-BOA/PRBSEC/D-LGL/SID
ATCC/YDR/ATG/JLTT/LTB/ER2/MLMH/mlmh

DATE OF PUBLICATION IN THE
OFFICIAL GAZETTE : 3-23-16
DATE OF EFFECTIVITY: 4-8-16