The Accountancy Framework

## What can I do as a student or member of the AAT?

What do I need to do in order to be able to call myself an accountant?

Currently, in the UK the term ‘accountant’ is not legally protected. This means that you do not require a qualification in order to be able to call yourself an accountant.

Why should I train with the AAT if I can already call myself an accountant?

The AAT is a professional accountancy body that will enable you to train, through distance learning or a college, as an accountant. The qualification will develop your knowledge and skills so that you can actually prepare a proper set of accounts and complete a tax return.

Can I sign off the accounts?

As the accounts for limited companies are signed off by the directors the real issue is whether or not the company requires an audit.

Most (see exceptions) limited companies that qualify as a small company in a financial year may be exempt from an audit of accounts for that year.

This means that for these small companies that do not require an audit, there is nothing for you to sign off.

**Exceptions** - some small companies, partnerships and sole traders may still require an audit, for example:

* independent financial advisors (those with permission to hold client assets)
* solicitors
* chartered surveyors.

The AAT has contacted the FSA, Law Society and RICS to seek recognition for our members. Regrettably the requirements for an audit are either a legal requirement and/or a requirement by the regulator to maintain standards that they are not prepared to relax.

Unincorporated businesses (for example, sole traders and partnerships that are not LLPs) are not required to file their accounts at Companies House.

What is a ‘small’ company?

The answer to this question will depend on :

* the size of the company
* whether it a group company
* the company’s constitution
* whether it is a member of another professional body that requires the company to be audited
* whether there are other Acts (Charities Act, the Landlord and Tenant Act, Estate Agents Act etc).

A comprehensive answer to this question is beyond the scope of this document.

What can I do as a student?

If you are working as an employee you should only undertake work in accountancy or taxation that you are competent to do.

If you are in ‘practice’ for yourself and provide accountancy and taxation services to the public (not through an employer) then you can undertake this work but please note that there are restrictions in some areas such as auditing, working as an independent financial advisor and working in insolvency.

If you are a student or affiliate providing accountancy and taxation services to the public, then you must not make any reference to the AAT in relation to this work.

Can I prepare and sign the tax returns of friends and relatives, even though I am a student?

Yes, in fact anyone can prepare tax returns but it should always be the taxpayer (sole trader, partner, director or trustee) who signs the tax return.

Before submitting your client’s tax return electronically/digitally to HMRC you should ask your client to sign or authorise a copy of their tax return to show that he/she has seen and approved the return, and keep a copy of the signed or authorised tax return on your own files.

If you are a student or affiliate providing accountancy and taxation services to the public, then you must not make any reference to the AAT in relation to this work.

Can a student, affiliate, full or fellow member call themselves an ‘auditor’?

No, the term ‘auditor’ is protected by law.

A student, affiliate, full or fellow member of the AAT cannot call themselves an auditor unless he or she is also a member of a supervisory bodies for audit in the UK and registered as an auditor with that body (for example, Institute of Chartered Accountants of England and Wales).

Will the AAT become recognised so that members can become auditors?

This issue has been raised on a number of occasions and discussed by full and fellow members who sit on AAT Council and boards. The outcome of these deliberations has been not to seek recognition for auditing.

Does the AAT provide a template or pro-forma set of accounts for limited companies and for charities?

For limited companies the document you require will depend on the size of the company for example:

1. Smaller companies FRS 102
2. Micro entities FRS 105

These documents can be found on the [Financial Reporting Council website](https://www.frc.org.uk/accountants/accounting-and-reporting-policy/uk-accounting-standards/standards-in-issue).

Charities may be required to prepare the accounts on a ‘cash basis’ or ‘accruals basis’. If the charity can use the accruals basis then beginning on or after 1 January 2016 it should use FRS 102 SORP. More information can be found on the [Charities SORP website](file:///%5C%5CAAT%5CShares%5CUsers%24%5CAleem.Islan%5CAudit%20Threshold%5Cweb.archive.org).

Do I need to become an AAT Licensed Accountant or Bookkeeper?

If you are a full or fellow member and you are offering accountancy, taxation or related consultancy services to clients, as a sole trader, in a partnership, as a director of a limited company or principal of any other corporate entity, you must register and become an AAT Licensed Accountant or Bookkeeper. [More information](https://www.aat.org.uk/membership/becoming-a-licensed-member)

There are some exemptions to this requirement.

There are some exemptions from becoming an AAT Licensed Accountant or Bookkeeper. For example, if you are providing services to another accountancy firm on a subcontractor basis only or providing services on a voluntary basis. [More information](https://www.aat.org.uk/membership/becoming-a-licensed-member/licence-exemptions)

Only members and fellow members can become an AAT Licensed Accountant or Bookkeeper.

Students and Affiliates

AAT does prohibit students and affiliates from providing offering accountancy, taxation or related services.

However, students and affiliates must not make any reference to the AAT in relation to the accountancy services that they are providing to the public.

Students and affiliates providing accountancy service to the public must register with HMRC under the Money Laundering Regulations. [More information](https://www.gov.uk/guidance/money-laundering-regulations-accountancy-service-provider-registration)

Further information

Companies House

Crown Way

Cardiff

CF14 3UZ

t: 0303 1234 500

[website](https://www.gov.uk/government/organisations/companies-house)

Charity Commission

t: 0300 066 9197

[website](https://www.gov.uk/government/organisations/charity-commission)

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