

AAT's scheme for members in practice

Sarah Burbidge

AAT is a registered charity. No. 1050724

The logo for the Association of Accounting Technicians (AAT), consisting of the lowercase letters 'aat' in a green, sans-serif font, with a horizontal line through the top of the 't'.



Agenda

- What does AAT mean by 'being in practice'?
- What students in practice can do
- The AAT's scheme for members in practice
- How to apply to join the scheme
- Obligations as a member in practice
- Benefits of the scheme
- Any questions?



In practice

Mark Nelson FMAAT,
Member in practice





In practice

What does AAT mean by ‘being in practice’?

Anyone who has their own business and is trading as a:

- sole trader
- partner in a partnership or limited liability partnership
- director of, or shareholder in, a limited company.



Services regulated by AAT

Accountancy

- Bookkeeping
- Financial accounting and Accounts preparation
- Budgeting and forecasting
- Management accounting
- Payroll
- Independent examination
- Limited assurance engagement
- Forensic accounting
- Internal Audit



Services regulated by AAT

Taxation

- Value added tax
- Personal income tax
- Business income tax
- Corporation tax
- Capital gains tax
- Inheritance tax



Services regulated by AAT

Consultancy

- Business plans
- Computerised accountancy systems
- Company secretarial services



Students and affiliates in practice

What can student and affiliate members do?

- You can set up in practice but not advertise your services in connection with AAT.
- You must only undertake work that is within your competence and seek professional advice when necessary.
- You must abide by AAT's Code of Professional Ethics.
- You are strongly recommended to have professional indemnity insurance (PII).
- You must have a supervisory authority for compliance with The Money Laundering Regulations 2007.
- Visit aat.org.uk/studentsinpractice for support and resources.



Apply for full AAT membership (MAAT)

- Eligible for full membership once you've completed level 4.
- You need to demonstrate that you have work based experience in 8 competencies (1 technical & 7 personal effectiveness). Start logging your experience now!
- You need a professional recommendation.
- If currently self-employed or about to start self-employed work, you must apply to join the scheme for members in practice at the same time as applying for MAAT.
- Start your application at aat.org.uk/apply4maat



AAT's scheme

Why do we have a scheme for members in practice?

- To regulate all full and fellow members who are in practice and provide tailored support to them.

Why do we regulate our members in practice?

- We want to make sure a responsible and high quality service is being offered.
- In return, it adds credibility to your services, showing the public and accountancy profession that you are competent and highly trained, and that you are committed to high standards of ethics and professionalism.



AAT's scheme

The regulations are:

- set by AAT's Regulation and Compliance Board
- agreed by Council
- enforced by the Members in Practice team
- available at aat.org.uk/aatstandards

It is mandatory to join the scheme if you are a full or fellow member who is in practice and lives and works in the UK, Channel Islands or Isle of Man.



AAT's scheme

Exemptions

- You have a practising certificate with a chartered and certified accounting body (CIPFA, ICAEW, CIMA, ICAS, ICAI and ACCA).
- You only provide services on a subcontractor basis to another accountant(s) and are covered by their or your own PII.
- The services offered are deemed to be outside the scope of the scheme.

If you undertake work on a voluntary basis you must inform us by completing a voluntary work form.



MIP scheme framework

- The MIP scheme operates on the basis that its members either have or are working towards attaining an AAT practising licence.
- If you are able to demonstrate on application that you meet the licence criteria you will be granted a practising licence straight away.
- If you meet some but not all of the elements of the licence criteria, you can register on the scheme until you are eligible for a licence – can remain registered for a maximum of two years.
- Whilst you are registered on the scheme you will receive support and guidance to help you to attain your licence.



Registered or licensed?

Registered

- Relevant work experience in the services you wish to offer clients.
- Relevant CPD in the services you wish to offer clients.
- Adequate PII (defined in the MIP Regulations).
- Continuity of practice agreement.



Registered or licensed?

Licensed

- Relevant work experience in last 12 months in the services you wish to offer clients.
- Relevant CPD in the services you wish to offer clients.
- Adequate PII (defined in the MIP Regulations).
- Continuity of practice agreement.
- Statement from a professional referee.
- Successful completion of Professional Ethics diagnostic test.
- Successful completion of Anti Money Laundering diagnostic test.
- Evidence of practice management experience.

Differences between registered and licensed MIPs

- Registered and licensed MIPs can all refer to themselves as AAT members in practice.
- Both are able to apply for the same services (subject to demonstrating competence).
- Both are required to comply with the MIP regulations.
- Both will get access to the MIP benefits (except use of the AAT logo which is for licensed MIPs only).



Applying for the scheme

- You can request an application pack from the Members in Practice team or download it at aat.org.uk/mip
- Complete the application form, providing:
 - basic details about your business including name, address and number and type of clients
 - evidence of your competence in the services you want to offer – your evidence needs to include your work experience, CPD and any qualifications in each service
 - a copy of your PII cover note – minimum level required of at least 2.5 times the gross fee income
 - written agreement of your continuity of practice arrangements
 - the member in practice fees of £168 or £60 (depending on your gross fee income)*

*2014 fees



Applying for the scheme

- If applying for a licence you will also need to submit a statement from a professional referee, evidence of practice management work experience, confirmation of completion of the Professional Ethics and Anti Money Laundering diagnostic tests.
- Send your completed application to the Members in Practice team who will assess your application.
- Once approved you will receive an approval letter and if you applied for a licence you will receive a licence certificate.
- Applications take on average four weeks to process.



Other professional bodies

- Audit is the only area of work an AAT member in practice cannot undertake – audit work can only be undertaken by members of chartered bodies.
- If you are studying with a chartered and certified body (CIPFA, ICAEW, CIMA, ICAS, ICAI and ACCA) you are eligible for the reduced subscription rate for your membership fees.
- If you are studying with another professional body you must check you are allowed to undertake self-employed work as a student.



The Money Laundering Regulations 2007

- Once you are in public practice you must comply with The Money Laundering Regulations 2007.
- Under the Regulations you must register with a supervisory authority (or HMRC) who will monitor your compliance with the regulations.
- AAT is officially recognised as a supervising authority.
- AAT fee for monitoring is £80 or £20 (depending on your gross fee income).



Obligations

Jane Norton, FMAAT,
Member in practice





Obligations

Once you have joined the scheme for members in practice you are obliged to:

- abide by the Member in practice regulations and guidance and AAT's Code of Professional Ethics
- only undertake work you are approved to offer
- maintain your PII at the correct level
- have a continuity of practice agreement in place
- consider your CPD needs for each service you are approved to offer and practice management.



Annual renewal

- Once issued, your practising licence or registration will be valid for 12 months.
- You must renew before your licence or registration expires (details on how to do this will be sent to you).
- At renewal you'll be required to provide updated details about your business and confirm your compliance with the regulations (registered MIPs will also need to submit their CPD records).

Annual renewal

- On renewal your annual MIP fees become due – the 2014 renewal fees are as follows

Fee type	Gross fee income above £7,000	Gross fee income below £7,000
Members in practice licence fees	£168	£60
Members in practice registration fees	£193	£69
Anti Money Laundering supervision fee	£80	£20



CPD compliance

- Licensed MIPs need to confirm their compliance with AAT's CPD policy if selected during a CPD monitoring session.
- Assess learning needs in all approved areas and practice management.
- Records for last 12 months and plans for next 12 months.
- AAT's online CPD record is an efficient way to record your CPD – access the record from your MyAAT (currently available for affiliates & full members only).



Recognition

- Your licence or registration demonstrates to the public that you are competent, highly trained and committed to high standards of ethics and professionalism.
- Members in practice can use approved wording on their business stationery to refer to their MIP status (licensed MIPs can also use the AAT logo).
- More than 100 banks and building societies recognise AAT members in practice for preparing accounts for client mortgage applications (some may recognise licensed MIPs only).
- You can feature in our online directory to promote your business, and have access to discounted advertising in your local Yellow Pages and Thomson directory.

Benefits and support for all MIPs

Lisa Newton, FMAAT,
Member in practice





Benefits and support for all MIPs

- Free unlimited access to CCH online.
- A price promise on professional indemnity insurance (PII).
- Access to the online MIP Zone – including a Practice Management Toolkit.
- Exclusive CPD events.
- The Professional – a monthly email with updates and technical articles relevant to those running their own practice.
- Access to sample business letters and contracts.
- Access to a Business Support Helpline.



Any questions ?

Disclaimer

The information contained in this presentation or delivered in relation to it has been compiled by its author with every effort made to ensure its accuracy. AAT is not responsible for its veracity, nor for any opinions expressed within or in relation to it.

By receipt of this information, direct or indirectly, you the attendee or recipient release AAT and any of its Officers, Directors or employees, jointly or individually, from any actions, damages, responsibilities, claims or losses as a result.