

Parliamentary Briefing

Legal protection for the term ‘accountant’

Our role

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people around the world who seek a rewarding career in accountancy, finance and management.

ACCA has its headquarters in London and 53,000 of our members are based in the UK. Globally, we support our 122,000 members and 325,000 students throughout their careers, providing services through a network of 80 offices and centres around the world. We use our expertise and experience in areas such as tax and finance, to work with governments, donor agencies and professional bodies to develop the global accountancy profession and to advance the public interest. By promoting our global standards, and supporting our members wherever they work, we aim to meet the current and future needs of international business.

Summary

- The term ‘accountant’ is not defined or protected by law. Anyone is able to set him or herself up as an accountant without professional training. **This is a serious issue in terms of consumer protection.**
- Legal protection for the term ‘accountant’ would allow only technically qualified practitioners to call themselves accountants. Use of the description ‘accountant’ should be restricted to members of the prescribed accountancy bodies, who are subject to a range of significant regulatory and monitoring measures.
- Individuals should be able to state that they are tax advisers or book-keepers, but, in the way that the term ‘solicitor’ means a client will have the services of a qualified solicitor, the term ‘accountant’ should denote the service is provided by a fully qualified accountant.
- Companies, not accountants, are ultimately liable for the accuracy of their final accounts, and it is the companies that are subject to fines. Poorly prepared accounts leave independent shareholders at risk and can make fraud harder to detect.
- The gulf between qualified and unqualified accountants will widen as all professionally qualified accountants will be obliged to undertake Continuing Professional Development.

The issue

ACCA is campaigning to protect thousands of small businesses and individuals which are at risk from harmful and costly business advice from unqualified advisers. This campaign follows an increasing number of cases where people have been given poor advice by individuals

claiming to be qualified accountants, when they have little or no professional training or qualifications to deal with complex financial issues. Too frequently, members of the public and small businesses believe they have engaged qualified accountants only to find out, to their loss, that the individuals are unqualified and not competent to act on their behalf.

As part of our campaign against cases like this, **we are calling for the term ‘accountant’ to be legally defined and protected.**

Legal protection of title

Legal protection of title is viewed as essential in a number of areas. Typically, doctors, barristers, solicitors, auditors and other regulated professions have gained protection of title. The professions of which the title has been legally protected are those where there is a substantial degree of public interest. We believe that **introducing protection for the term ‘accountant’ is in the public interest**, as it is both unfair and contrary to the public interest to have unregulated, possibly untrained and uninsured non accountants present themselves as being accountants.

Although some unqualified accountants may do good work, an unqualified accountant is not answerable to any regulatory body and so cannot be disciplined. They have not passed exams that would have tested their knowledge, they are not subjected to any ongoing inspection of their practices and processes, and, crucially, they are not obliged to participate in any ongoing training to keep them up to date with ever changing legislation. Many may not even have any professional indemnity insurance, which clients can turn to if their qualified accountant makes a mistake. Greater accountability needs to be introduced.

It is clear that the public, in particular small businesses, have difficulty differentiating between ‘professional accountants’ and other persons putting themselves forward as ‘accountants’. Legal recognition of the term ‘accountant’ would raise standards in the UK and provide peace of mind for people when dealing with regulated professionals.

The concept of the ‘registered auditor’ is well known and understood, and legally protected. No person who is not a qualified auditor can legally practise or describe him or herself as such. We believe that it is not a great step from this to establish what is meant by a ‘registered accountant’ and to give statutory protection to such a term.

People in the unregulated sector should refrain from describing themselves as accountants, calling themselves instead ‘tax advisers’ or ‘book-keepers’, and that legislators should seek to define what constitutes accountancy services and require a licensing system to be initiated that brings everybody who wishes to offer such services onto a more level playing field.

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