

M50 CERTIFIED ACCOUNTS (section 68)

Introduction

Every person that is issued with a notice under section 68, must deliver to the Director by the date specified in the notice, a return of their income in the form and manner required by the Director. The Director may specify that accounts, or other information, must be submitted with the return, which have been certified by an accountant who is a member of the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants of Scotland, the Institute of Chartered Accountants in Ireland or the Association of Chartered Certified Accountants, or who holds an equivalent qualification approved by the Director.

Due to the recent increase in requests for confirmation of the equivalent qualifications approved by the Director, it was felt that this should be set out in a Statement of Practice.

Further Explanation

The Director is prepared to accept that an individual who is a member of the Association of Accounting Technicians (“AAT”) or a Certified Accounting Technician (“CAT”), holds equivalent qualifications for the purposes of certifying accounts. This does not, however, apply to individuals who are ‘Associates’ of the above mentioned bodies.

If any individual considers that they hold an equivalent qualification to AAT or CAT, and they wish to certify accounts, then they should submit a letter outlining the topics covered by that qualification, whether professional ethics are examined, the level of work experience required to gain that qualification and the experience gained since qualification. The Director may also, on a case by case basis, be prepared to consider whether an individual’s level of industry experience outweighs the requirement for a professional qualification.

Please note that the Director’s approval of a qualification, enabling an individual to certify accounts, does not imply that individual is qualified to give tax advice.

Accounts do not need to be certified by an “independent” qualified person, therefore may be certified by an “in house” qualified person.

The Director reserves the right, however, to insist in all circumstances, on certified accounts being prepared by a person who is a member of an institution/association listed in section 68, if he feels it is appropriate to do so.

Companies

The Companies (Guernsey) Law, 2008 requires a director of every company to sign the company’s accounts for the financial year confirming that the accounts give a true and fair view, were prepared in accordance with generally accepted accounting principles (stating which principles have been adopted) and that they comply with any relevant enactment for the time being in force.

With all company accounts submitted to the Director, the following information should be included to enable the Director to determine the appropriate risk level, and therefore extent of review required by inspectors, to be assigned to those accounts, based on the qualification and experience of the preparer:

- name and signature of individual/firm that prepared the accounts in accordance with generally accepted accounting principles,
- qualification of the preparer of the accounts.

If the company director signing the accounts also prepared the accounts, that director should ensure that the above information is still provided.

Unincorporated businesses

Unincorporated businesses should include the following information with accounts submitted to the Director:

- name and signature of individual/firm that prepared the accounts,
- the basis on which the accounts have been prepared,
- qualification of the preparer of the accounts,
- date of signature.

Date of publication: 08.04.15