

# Continuity of Practice Policy

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## Document properties

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V2.0	4	Example of suitable alternate added into paragraph 5	01/07/2022
V2.0	5	Inclusion of monitoring and compliance statements in paragraphs 9 and 10	01/07/2022

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## Associated regulations and policies

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*Code of Professional Ethics*  
*AAT Regulations*  
*Disciplinary Regulations*  
*Licensing Regulations*  
*Licensing Policy*  
*CPD Policy*  
*Professional Indemnity Insurance (PII) Policy*  
*Client Care Policy*  
*Clients' Money Policy*  
*Health and Disability Policy*

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## Introduction

This policy sets out the requirement for those holding a licence to have continuity of practice cover in place.

## Scope and applicability

1. This policy applies in relation to all AAT licensed members providing accountancy or bookkeeping services to the public.

## Purpose and objectives

2. AAT requires all *licence* holders to have *continuity of practice* cover in place to ensure their practice can continue in the event of any short-term illness, long term absence or cessation of the *firm*. It is in the public interest that AAT ensures *licence* holders have *continuity of practice* cover to ensure services are uninterrupted to protect the interests of clients at all times. This policy sets out the requirement for those holding a *licence* to have *continuity of practice* cover in place.

## Terms and definitions

3. The website is the definitive guide to all policies currently in force. All terms in italics, save titles of publications, are interpreted in the *AAT Glossary* which supports the entire policy framework.

## Policy detail

### Terms of continuity

4. All *licensed members* must make adequate continuity of practice arrangements to ensure the professional needs of their clients will be dealt with in the event of becoming incapacitated through circumstances such as ill health or death.
5. The nominated *continuity of practice* should be another sole practitioner or firm of accountants located in the UK, Channel Islands or Isle of Man with similar competencies, procedures, compatible practices, and the services provided should be of a comparable nature. For example, a sole practitioner approved to offer bookkeeping services only would not be an appropriate alternate for a large accountancy firm offering a range of tax or other high-risk services.
6. Any *continuity of practice* arrangement must be agreed in writing and signed by both parties. AAT has a template to assist *licensed members* with drafting their own continuity agreement and this can be tailored to meet a *firm's* needs.
7. Clients should be made aware there is a continuity arrangement in place in the letter of engagement, and of the data sharing requirements within the *continuity of practice* arrangement. *Licence* holders should ensure that such arrangements and privacy notices are in line with the General Data Protection Regulation (GDPR) or any other current data protection legislation.
8. It is not mandatory for *licence* holders with six or fewer clients to have continuity cover provided:
  - a) clients are made aware and agree to this
  - b) the matter is documented within the signed letter of engagement.

## Monitoring and compliance

9. A licensed member must submit a licence annual declaration each year, in the format and by the means prescribed by AAT, confirming they have a continuity arrangement in place in accordance with the provisions of this policy.
10. A licensed member, must, on request, make available to AAT full details of the continuity arrangement and a copy of the written agreement in place. Any failure by a member to cooperate with AAT's monitoring arrangements in respect of their continuity of practice may result in action in accordance with the *Disciplinary Regulations* and/or *Licensing Regulations*.

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