

# Level 2 Technical Occupational Entry for Accounts / Finance Assistant (Accounting)

Unit pack

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# Level 2 Technical Occupational Entry for Accounts / Finance Assistant (Accounting)

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## Contents

<b>Bookkeeping Processes for the Accountant</b>	<b>3</b>
Scope of content	4
<b>Accounting Controls for the Accountant</b>	<b>10</b>
Scope of content	11
<b>Working in Accounting</b>	<b>15</b>
Scope of content	16

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# Bookkeeping Processes for the Accountant

Unit level	GLH value	Unit reference number	Assessment
2	90 GLH	TBC	TBC

## Learning outcomes

1. Understand bookkeeping systems
2. Process customer and supplier transactions
3. Process receipts and payments
4. Process transactions into the ledger accounts
5. Use accounting software

## Scope of content

This section illustrates the depth and breadth of content to be delivered for this unit. All areas indicated in the table below must be covered in teaching.

Learners may not be assessed on all content, or on the full depth or breadth of a piece of content. Content assessed may change over time to ensure validity of assessment.

<b>1. Understand bookkeeping systems</b>	
<b>1.1</b>	<b>The purpose of business documents</b>  Learners need to understand:  1.1.1 the purpose of business documents: <ul style="list-style-type: none"><li>– bank statement</li><li>– cash receipt</li><li>– cheque</li><li>– cheque stub</li><li>– credit note</li><li>– customer statement</li><li>– delivery note</li><li>– direct debit schedule</li><li>– discount policy</li><li>– goods received note</li><li>– goods returned note</li><li>– invoice</li><li>– paying in slip</li><li>– petty cash voucher</li><li>– price list</li><li>– purchase order</li><li>– quotation</li><li>– receipts and payments listing</li><li>– remittance advice (payment confirmation)</li><li>– standing order schedule</li><li>– supplier statement</li></ul>
<b>1.2</b>	<b>The process of recording bookkeeping transactions</b>  Learners need to understand:  1.2.1 the role of the books of prime entry: <ul style="list-style-type: none"><li>– sales daybook</li><li>– sales returns daybook</li><li>– purchases daybook</li><li>– purchases returns daybook</li><li>– discounts allowed daybook</li><li>– discounts received daybook</li></ul> 1.2.2 the role of the cash book and petty cash book:

	<ul style="list-style-type: none"> <li>– as a book of prime entry only, or as a book of prime entry and part of the double-entry bookkeeping system</li> </ul> <p>1.2.3 the ledgers:</p> <ul style="list-style-type: none"> <li>– receivables</li> <li>– payables</li> <li>– general</li> </ul> <p>1.2.4 the purpose of the trial balance</p> <p>1.2.5 the purpose of financial statements:</p> <ul style="list-style-type: none"> <li>– statement of profit or loss (SPL)</li> <li>– statement of financial position (SFP)</li> </ul>	
<b>1.3</b>	<b>Create and use coding systems</b>	
	<p>Learners need to understand:</p> <p>1.3.1 the purpose of coding</p> <p>1.3.2 how to use codes for:</p> <ul style="list-style-type: none"> <li>– customer account</li> <li>– supplier account</li> <li>– product</li> <li>– general ledger</li> </ul> <p>1.3.3 where to use codes:</p> <ul style="list-style-type: none"> <li>– books of prime entry</li> <li>– ledgers</li> <li>– business documents.</li> </ul>	<p>Learners need to be able to:</p> <p>1.3.4 create codes:</p> <ul style="list-style-type: none"> <li>– alphabetical</li> <li>– numerical</li> <li>– alphanumerical</li> </ul> <p>1.3.5 check the accuracy of codes.</p>
<b>1.4</b>	<b>Double entry bookkeeping</b>	
	<p>Learners need to know:</p> <ul style="list-style-type: none"> <li>– the elements of the accounts: <ul style="list-style-type: none"> <li>– assets</li> <li>– liabilities</li> <li>– capital</li> <li>– income</li> <li>– expenses</li> </ul> </li> <li>– the accounting equation</li> <li>– the dual effect of transactions: <ul style="list-style-type: none"> <li>– debits and credits</li> <li>– on the accounting equation.</li> </ul> </li> </ul>	<p>Learners need to be able to</p> <ul style="list-style-type: none"> <li>– classify items as elements of the accounts.</li> <li>– identify the effect on the accounting equation of transactions</li> </ul> <p>1.4.6 calculate the different elements of the accounting equation</p> <p>1.4.7 process double entry transactions.</p>

## 2. Process customer and supplier transactions

### 2.1 Complete invoices and credit notes

Learners need to understand:

- 2.1.1 the records and business documents to use
- 2.1.2 the difference between discounts offered:
  - prompt payment (PPD)
  - trade
  - bulk
- 2.1.3 how discounts are shown on invoices
- 2.1.4 that credit notes are used to adjust for PPD
- 2.1.5 how PPD is recorded once taken:
  - sales:
    - discounts allowed daybook
    - customer account
    - receivables ledger control account
    - discounts allowed account
    - value added tax (VAT) account
  - purchases:
    - discounts received daybook
    - supplier account
    - payables ledger control account
    - discounts received account
    - VAT account
- 2.1.6 actions to take when discrepancies have been identified.

Learners need to be able to:

- 2.1.7 identify discrepancies in invoices:
  - non-delivery of goods
  - incorrect type or quantity of goods
  - incorrect calculations
  - incorrect discounts
  - date and terms of payment
- 2.1.8 calculate invoice amounts:
  - item price
  - quantity
  - net
  - VAT
  - total
  - trade discount
  - bulk discount
- 2.1.9 calculate credit note amounts:
  - item price
  - quantity
  - net
  - VAT
  - total
  - trade discount bulk discount
  - PPD
- 2.1.10 complete:
  - invoices
  - credit notes.

### 2.2 Enter invoices and credit notes into books of prime entry

Learners need to know:

- 2.2.1 the books of prime entry to use
- 2.2.2 the columns within books of prime entry:
  - name
  - account code
  - total
  - VAT
  - net
  - analysis.

Learners need to be able to:

- 2.2.3 calculate amounts from:
  - net figures
  - total figures
- 2.2.4 make entries in books of prime entry
- 2.2.5 total columns in books of prime entry.

<b>2.3</b>	<b>Process receipts and payments</b>	
	<p>Learners need to know:</p> <p>2.3.1 the records and business documents to use</p> <p>2.3.2 the impact of agreed payment terms</p> <p>2.3.3 actions to take when discrepancies have been identified.</p>	<p>Learners need to be able to:</p> <p>2.3.4 identify discrepancies:</p> <ul style="list-style-type: none"> <li>– underpayments</li> <li>– overpayments</li> <li>– incorrect discount taken</li> <li>– incorrect amounts</li> <li>– incorrect details</li> <li>– timing differences</li> <li>– missing transactions</li> <li>– duplicated transactions</li> </ul> <p>2.3.5 calculate amounts due:</p> <ul style="list-style-type: none"> <li>– from customers</li> <li>– to suppliers.</li> </ul>
<b>3. Use the cash book and petty cash book</b>		
<b>3.1</b>	<b>Enter transactions into an analysed cash book</b>	
	<p>Learners need to know:</p> <p>3.1.1 the format of the cash book:</p> <ul style="list-style-type: none"> <li>– date</li> <li>– details</li> <li>– cash</li> <li>– bank</li> <li>– VAT</li> <li>– analysis columns</li> </ul> <p>3.1.2 the business documents to use.</p>	<p>Learners need to be able to:</p> <p>3.1.3 calculate amounts from net and total figures</p> <p>3.1.4 record transactions in the cash book</p> <p>3.1.5 total and balance the cash book, including overdrawn amounts.</p>
<b>3.2</b>	<b>Enter transactions into an analysed petty cash book</b>	
	<p>Learners need to know:</p> <p>3.2.1 the format of the petty cash book:</p> <ul style="list-style-type: none"> <li>– date</li> <li>– details</li> <li>– total</li> <li>– VAT</li> <li>– analysis columns</li> </ul> <p>3.2.2 the business documents to use.</p> <p>3.2.3 the importance of authorisation for the use of petty cash.</p>	<p>Learners need to be able to:</p> <p>3.2.4 calculate amounts from net and total figures</p> <p>3.2.5 record payments in the petty cash book</p> <p>3.2.6 total and balance the petty cash book</p> <p>3.2.7 record top-ups to petty cash using:</p> <ul style="list-style-type: none"> <li>– imprest</li> <li>– non-imprest.</li> </ul>

4. Process transactions into the ledger accounts		
4.1	<b>Transfer data from the books of prime entry to the ledgers</b>	
	Learners need to know:  4.1.1 that the receivables and payables ledger control accounts are part of the double-entry system.	Learners need to be able to:  4.1.2 transfer data from books of prime entry to the relevant accounts in the ledgers.
4.2	<b>Total and balance ledger accounts</b>	
	Learners need to know:  4.2.1 that the balance of each account in the general ledger will be transferred to the trial balance: <ul style="list-style-type: none"> <li>– debit balance</li> <li>– credit balance.</li> </ul>	Learners need to be able to:  4.2.2 total and balance ledger accounts: <ul style="list-style-type: none"> <li>– balance carried down</li> <li>– balance brought down</li> <li>– debit balance</li> <li>– credit balance.</li> </ul>
5. Accounting software		
5.1	<b>The role of accounting software</b>	
	Learners need to understand:  5.1.1 the importance of ensuring that bookkeeping transactions are entered accurately: 5.1.2 that accounting software can import transactions from: <ul style="list-style-type: none"> <li>– bank records</li> <li>– csv files</li> <li>– third party software</li> </ul> 5.1.3 the advantages of using accounting software: <ul style="list-style-type: none"> <li>– automatically balances accounts</li> <li>– removes the need to complete books of prime entry</li> <li>– automatic posting from transactions to ledgers</li> <li>– processes recurring entries where timing and amount of transactions are regular</li> <li>– automated: <ul style="list-style-type: none"> <li>▪ calculations</li> <li>▪ emailing of business documents</li> <li>▪ pre-population of business documents</li> <li>▪ matching of bank transactions to invoices, including machine learning</li> </ul> </li> <li>– improved management of payables and receivables</li> <li>– notification of duplicate transactions</li> <li>– upload of supporting documentation</li> <li>– real-time information and reporting</li> <li>– saves time</li> <li>– saves accounting fees</li> <li>– reduces errors and omissions</li> <li>– maintain a complete history of transactions</li> <li>– accessibility</li> </ul>	



	<ul style="list-style-type: none"> <li>- sustainability</li> </ul> <p>5.1.4 the disadvantages of using accounting software:</p> <ul style="list-style-type: none"> <li>- cost</li> <li>- training</li> <li>- initial set up</li> <li>- errors of original entry may still occur</li> <li>- can create errors when the amount or frequency of a recurring entry changes.</li> </ul>
<b>5.2</b>	<b>Record financial transactions and produce reports</b>
	<p>Learners need to be able to:</p> <p>5.2.1 import data from other software</p> <p>5.2.2 create general ledger accounts</p> <p>5.2.3 update customer and supplier records</p> <p>5.2.4 record:</p> <ul style="list-style-type: none"> <li>- sales invoices and credit notes</li> <li>- purchases invoices and credit notes</li> <li>- customer receipts and supplier payments</li> <li>- other receipts and payments</li> <li>- recurring entries</li> </ul> <p>5.2.5 run:</p> <ul style="list-style-type: none"> <li>- customer statements</li> <li>- a SPL</li> <li>- a SFP</li> <li>- a transactional report for an item in the general ledger.</li> </ul>

# Accounting Controls for the Accountant

Unit level	GLH value	Unit reference number	Assessment
2	50 GLH	TBC	TBC

## Learning outcomes

1. Use control accounts
2. Reconcile a bank statement with the cash book
3. Use the journal
4. Produce trial balances
5. Using accounting software

## Scope of content

This section illustrates the depth and breadth of content to be delivered for this unit. All areas indicated in the table below must be covered in teaching.

Learners may not be assessed on all content, or on the full depth or breadth of a piece of content. Content assessed may change over time to ensure validity of assessment.

<b>1. Use control accounts</b>		
<b>1.1</b>	<b>Produce control accounts</b>	
	<p>Learners need to understand:</p> <p>1.1.1 that the receivables ledger, payables ledger and VAT control accounts are part of the double-entry bookkeeping system.</p>	<p>Learners need to be able to:</p> <p>1.1.2 prepare control accounts:</p> <ul style="list-style-type: none"> <li>– receivables ledger</li> <li>– payables ledger</li> <li>– VAT</li> </ul> <p>1.1.3 total and balance control accounts:</p> <ul style="list-style-type: none"> <li>– balance carried down</li> <li>– balance brought down.</li> </ul>
<b>1.2</b>	<b>Reconcile control accounts</b>	
	<p>Learners need to understand:</p> <p>1.2.1 reasons for reconciling the receivables and payables ledger control accounts with the receivables and payables ledgers</p> <p>1.2.2 how auto-posting in accounting software means that the reconciliation of the receivables and payables ledger to their respective control accounts is automated.</p>	<p>Learners need to be able to:</p> <p>1.2.3 total the balances of the individual receivables and payables ledger accounts:</p> <ul style="list-style-type: none"> <li>– receivables ledger debit/credit balances</li> <li>– payables ledger debit/credit balances</li> </ul> <p>1.2.3 identify discrepancies between the receivables and payables ledger control accounts and the individual customer and supplier accounts</p> <p>1.2.4 identify reasons for discrepancies between the receivables and payables ledger control accounts and the individual customer and supplier accounts</p> <p>1.2.5 reconcile control accounts:</p> <ul style="list-style-type: none"> <li>– receivables ledger</li> <li>– payables ledger.</li> </ul>

<b>2. Reconcile bank statements with the cash book</b>		
<b>2.1</b>	<b>Payment methods</b>	
	Learners need to understand: <p>2.1.1 different payment methods:</p> <ul style="list-style-type: none"> <li>– bank draft</li> <li>– bank transfer</li> <li>– cash</li> <li>– cheque</li> <li>– debit card</li> <li>– credit card</li> <li>– direct debit</li> <li>– direct credit</li> <li>– standing order.</li> </ul>	
<b>2.2</b>	<b>Complete the bank reconciliation process</b>	
	Learners need to understand: <p>2.2.1 reasons for reconciling the bank statement with the cash book</p> <p>2.2.2 the items that can cause differences between bank statements and the cash book:</p> <ul style="list-style-type: none"> <li>– opening balances</li> <li>– bank interest paid/received</li> <li>– bank charges</li> <li>– automated payments/receipts</li> <li>– timing differences: <ul style="list-style-type: none"> <li>▪ unpresented items</li> <li>▪ outstanding items</li> </ul> </li> </ul> <p>2.2.3 that balances can represent cash at the bank or an overdrawn amount</p> <p>2.2.4 how live bank feeds could be used in accounting software to enable automated reconciliations.</p>	Learners need to be able to: <p>2.2.5 update the cash book by identifying differences to the bank statement:</p> <p>2.2.6 total and balance the cash book:</p> <ul style="list-style-type: none"> <li>– credit/debit balance carried down</li> <li>– credit/debit balance brought down</li> </ul> <p>2.2.7 complete bank reconciliation statements by identifying differences to the cash book.</p>
<b>3 Use the journal</b>		
<b>3.1</b>	<b>Produce journal entries to record bookkeeping transactions</b>	
	Learners need to understand: <p>3.1.1 the purpose of the journal as a book of prime entry</p> <p>3.1.2 how the journal is used to record:</p> <ul style="list-style-type: none"> <li>– opening entries</li> <li>– irrecoverable debts written off</li> <li>– payroll transactions.</li> </ul>	Learners need to be able to: <p>3.1.4 record opening entries</p> <p>3.1.5 record entries to write off irrecoverable debts:</p> <ul style="list-style-type: none"> <li>– record VAT where appropriate</li> <li>– calculate VAT from: <ul style="list-style-type: none"> <li>▪ total amounts</li> </ul> </li> </ul>

	<p>3.1.3 how accounting software may include a payroll application to enable auto-processing of payroll transactions to the general ledger.</p>	<p>▪ net amounts</p> <p>3.1.6 record entries for payroll transactions:</p> <ul style="list-style-type: none"> <li>– wages control account</li> <li>– gross pay</li> <li>– net pay</li> <li>– income tax</li> <li>– employer's and employees' National Insurance contributions (NICs)</li> <li>– employer's and employees' pensions</li> <li>– voluntary deductions.</li> </ul> <p>3.1.7 process journal entries to the general ledger accounts.</p>
<b>3.2</b>	<b>Produce journal entries to correct errors not disclosed by the trial balance</b>	
	<p>Learners need to understand:</p> <p>3.2.1 the difference between errors disclosed and not disclosed by the trial balance</p> <p>3.2.2 types of errors not disclosed by the trial balance:</p> <ul style="list-style-type: none"> <li>– error of commission</li> <li>– error of omission</li> <li>– error of original entry</li> <li>– error of principle</li> <li>– reversal of entries</li> <li>– compensating errors.</li> </ul>	<p>Learners need to be able to:</p> <p>3.2.3 correct errors using the journal.</p>
<b>3.3</b>	<b>Produce journal entries to correct errors disclosed by the trial balance</b>	
	<p>Learners need to understand:</p> <p>3.3.1 the purpose of a suspense account.</p>	<p>Learners need to be able to:</p> <p>3.3.2 open a suspense account</p> <p>3.3.3 correct errors and clear the suspense account using the journal.</p>

<b>4 Produce trial balances</b>		
<b>4.1</b>	<b>Extract an initial trial balance</b>	
	Learners need to know: 4.1.1 how to use the general ledger to extract balances 4.1.2 the column to use in the trial balance: <ul style="list-style-type: none"> <li>– debit</li> <li>– credit</li> </ul> 4.1.3 that trial balances can be produced automatically at any time when using accounting software.	Learners need to be able to: 4.1.4 transfer balances to the initial trial balance 4.1.5 total and balance the initial trial balance.
<b>4.2</b>	<b>Redraft the trial balance following adjustments</b>	
	Learners need to be able to: 4.2.1 recalculate the balance of a general ledger account following journal entries 4.2.2 complete a trial balance from: <ul style="list-style-type: none"> <li>– adjusted balances</li> <li>– unadjusted balances</li> </ul> 4.2.3 balance the adjusted trial balance: total debit and credit columns.	

<b>5 Accounting software</b>	
<b>5.1</b>	<b>Record financial transactions and produce reports</b>
	Learners need to be able to: 5.1.1 record: <ul style="list-style-type: none"> <li>– opening balances</li> <li>– irrecoverable receivables</li> <li>– journals to correct entries</li> </ul> 5.1.2 run: <ul style="list-style-type: none"> <li>– a trial balance</li> </ul> 5.1.3 prepare a bank reconciliation.

# Working in Accounting

Unit level	GLH value	Unit reference number	Assessment
2	110	TBC	TBC

## Learning outcomes

1. Understand the principles of law
2. Understand the principles of management accounting
3. Understand the principles of corporate social responsibility (CSR), ethics and sustainability
4. Understand the finance function within an organisation
5. Work and communicate effectively
6. Understand the importance of information to business operations

## Scope of content

This section illustrates the depth and breadth of content to be delivered for this unit. All areas indicated in the table below must be covered in teaching.

Learners may not be assessed on all content, or on the full depth or breadth of a piece of content. Content assessed may change over time to ensure validity of assessment.

1. Principles of law	
1.1	<b>Introduction to contract law</b>  Learners need to understand:  1.1.1. the meaning of a simple contract 1.1.2. the requirements for the formation of a simple contract <ul style="list-style-type: none"><li>– agreement – offer and acceptance</li><li>– consideration</li><li>– intention to create legal relations</li><li>– capacity</li></ul> 1.1.3 the meaning of privity of contract.  <b>Excluded: specific cases – knowledge of principles rather than case details will be assessed.</b>
1.2	<b>Introduction to employment law</b>  Learners need to understand:  1.2.1 the tests to identify whether someone is employed or self-employed 1.2.2 the implications of being employed or self-employed  Learners need to know:  1.2.3 the contract of employment <ul style="list-style-type: none"><li>– express terms</li><li>– terms implied by the courts (common law duties of employees and employers)</li><li>– terms implied by statute:<ul style="list-style-type: none"><li>▪ minimum notice periods</li><li>▪ minimum pay</li><li>▪ maximum working hours/annual leave</li><li>▪ request flexible working</li><li>▪ protection against discrimination</li><li>▪ pay equality between genders</li><li>▪ statutory sick pay</li><li>▪ statutory paternity and adoption leave/pay</li><li>▪ protection against unfair dismissal</li><li>▪ redundancy pay</li></ul></li></ul> 1.2.4 how a contract may be terminated – the meaning of notice, wrongful dismissal, unfair dismissal, redundancy.  <b>Excluded: statutory references, specific statutory requirements.</b>



<b>1.3</b>	<b>Introduction to different business structures</b>
	<p>Learners need to understand:</p> <p>1.3.1 the entity concept</p> <p>1.3.2 the different legal structures that businesses adopt:</p> <ul style="list-style-type: none"> <li>– sole trader</li> <li>– general partnership</li> <li>– limited liability partnership (LLP)</li> <li>– company</li> </ul> <p>1.3.3 the key features of each legal structure:</p> <ul style="list-style-type: none"> <li>– control</li> <li>– management</li> <li>– sources of finance</li> <li>– liability</li> <li>– distribution of profit</li> <li>– agency relationships in contract formation</li> </ul> <p>1.3.4 the legal administration of each legal structure:</p> <ul style="list-style-type: none"> <li>– the statutory books that must be kept</li> <li>– the accounting records that must be kept</li> <li>– the tax records that must be kept</li> <li>– the annual financial statements that must be filed</li> <li>– the annual returns that must be filed</li> <li>– the electronic filing requirements</li> </ul> <p>1.3.5 the formation of each legal structure:</p> <ul style="list-style-type: none"> <li>– the process of forming each legal structure</li> <li>– documents required for registration</li> <li>– the benefits and limitations of using ‘off the shelf’ companies</li> <li>– the role of a promoter</li> <li>– why some companies may use pre-incorporation contracts</li> </ul> <p>1.3.6 the types of tax applicable to sole traders, partnerships, LLPs and companies:</p> <ul style="list-style-type: none"> <li>– Corporation Tax</li> <li>– Income Tax</li> <li>– PAYE</li> <li>– VAT.</li> </ul>
<b>1.4</b>	<b>Introduction to money laundering</b>
	<p>Learners need to understand:</p> <p>1.4.1 the meaning of money laundering</p> <p>1.4.2 that money laundering is a criminal offence</p> <p>1.4.3 the requirement to report suspicious activity</p> <p>1.4.4 how to report suspicious activity</p>

	1.4.5 the consequences of failing to report suspicious activity 1.4.6 the requirement to register for money laundering supervision.
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<b>2. Principles of management accounting</b>			
<b>2.1</b>	<b>Differences between management and financial accounting</b>		
	<p>Learners need to understand:</p> <p>2.1.1 the differences between management and financial accounting:</p> <ul style="list-style-type: none"> <li>- data</li> <li>- format</li> <li>- regulation</li> <li>- purpose</li> <li>- users.</li> </ul>		
<b>2.2</b>	<b>Cost classification</b>		
	<table> <tr> <td> <p>Learners need to understand:</p> <p>2.2.1 that costs can be classified by</p> <ul style="list-style-type: none"> <li>- element</li> <li>- nature</li> <li>- behaviour.</li> </ul> </td><td> <p>Learners need to be able to:</p> <p>2.2.2 use the high-low method.</p> </td></tr> </table>	<p>Learners need to understand:</p> <p>2.2.1 that costs can be classified by</p> <ul style="list-style-type: none"> <li>- element</li> <li>- nature</li> <li>- behaviour.</li> </ul>	<p>Learners need to be able to:</p> <p>2.2.2 use the high-low method.</p>
<p>Learners need to understand:</p> <p>2.2.1 that costs can be classified by</p> <ul style="list-style-type: none"> <li>- element</li> <li>- nature</li> <li>- behaviour.</li> </ul>	<p>Learners need to be able to:</p> <p>2.2.2 use the high-low method.</p>		
<b>2.3</b>	<b>Budgeting</b>		
	<table> <tr> <td> <p>Learners need to understand:</p> <p>2.3.1 the purposes of a budget</p> <p>2.3.2 that information for budgets can come from a variety of sources</p> <ul style="list-style-type: none"> <li>- internal</li> <li>- external</li> </ul> <p>2.3.3 adverse and favourable variances.</p> </td><td> <p>Learners need to be able to:</p> <p>2.3.4 prepare budgets for:</p> <ul style="list-style-type: none"> <li>- revenue</li> <li>- materials</li> <li>- labour</li> <li>- fixed overheads</li> </ul> <p>2.3.5 calculate variances between actual and budgeted results.</p> </td></tr> </table>	<p>Learners need to understand:</p> <p>2.3.1 the purposes of a budget</p> <p>2.3.2 that information for budgets can come from a variety of sources</p> <ul style="list-style-type: none"> <li>- internal</li> <li>- external</li> </ul> <p>2.3.3 adverse and favourable variances.</p>	<p>Learners need to be able to:</p> <p>2.3.4 prepare budgets for:</p> <ul style="list-style-type: none"> <li>- revenue</li> <li>- materials</li> <li>- labour</li> <li>- fixed overheads</li> </ul> <p>2.3.5 calculate variances between actual and budgeted results.</p>
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<b>2.4</b>	<b>Organisational structures</b>		
	<p>Learners need to understand:</p> <p>2.4.1 the differences between cost, revenue, profit and investment centres</p> <p>2.4.2 the use of different centres in different organisations.</p>		

<b>3. Principles of Corporate social responsibility (CSR), ethics and sustainability</b>	
<b>3.1</b>	<b>Corporate social responsibilities of a business</b> Learners need to understand: <ul style="list-style-type: none"> <li>3.1.1 the objective of CSR</li> <li>3.1.2 internal and external stakeholders in CSR and their roles</li> <li>3.1.3 how CSR responsibilities change over time</li> <li>3.1.4 the role of the finance function in supporting CSR.</li> </ul>
<b>3.2</b>	<b>Sustainability and the environment</b> Learners need to understand: <ul style="list-style-type: none"> <li>3.2.1 the responsibility of business with respect to sustainability</li> <li>3.2.2 the principles of triple bottom line reporting</li> <li>3.2.3 the relationship between sustainability and profit</li> <li>3.2.4 how businesses respond to changes in the environment to succeed in the long term</li> <li>3.2.5 the role of the finance function in supporting sustainability.</li> </ul>
<b>3.3</b>	<b>Ethics</b> Learners need to understand: <ul style="list-style-type: none"> <li>3.3.1 the five fundamental principles of ethics: <ul style="list-style-type: none"> <li>– confidentiality</li> <li>– professional behaviour</li> <li>– professional competence and due care</li> <li>– integrity</li> <li>– objectivity</li> </ul> </li> <li>3.3.2 why it is important to act ethically: <ul style="list-style-type: none"> <li>– the difference between acting professionally and being a member of a professional body</li> <li>– the importance of accounting technicians complying with AAT's <i>Code of Professional Ethics</i></li> <li>– the accounting technician's public interest duty to society as well as to the client or employer</li> <li>– the legal and professional nature of the accountant's obligation of compliance with the ethical code</li> <li>– consequences of unethical behaviour</li> </ul> </li> <li>3.3.3 what actions to take to behave ethically: <ul style="list-style-type: none"> <li>– why simply complying with regulations may not constitute ethical behaviour</li> <li>– action to take when faced with ethical situations – not undertaking unethical behaviour, seeking appropriate advice/support, appropriate reporting.</li> </ul> </li> </ul>

## **5. The finance function within the organisation**

### **5.1 The different functions of a business**

Learners need to know:

5.1.1 the different functions of a business:

- distribution
- finance
- human resources
- information technology
- marketing
- operations
- production
- sales

5.1.2 the role each function plays in contributing to business success

5.1.3 that these functions may be combined or outsourced.

### **5.2 The role of the finance function**

Learners need to know:

5.2.1 the role of the finance function

5.2.2 the teams that may exist within the finance function

5.2.3 the relationship and interaction between finance and other functions of a business

5.2.4 that processes within the finance function may be outsourced

5.2.5 how actions of finance staff support:

- efficient working practices
- solvency and long-term financial stability
- legal and regulatory compliance

5.2.6 the different types of policies and procedures affecting finance staff:

- finance function specific
- organisation wide.

## 6. Work and communicate effectively

### 6.1 Communicating information

Learners need to understand:

- 6.2.1 the importance of effective notetaking and documenting key information
- 6.2.2 types of business communications:
  - business letters
  - dashboards/visuals
  - emails
  - instant messaging
  - intranet and internet
  - meetings
  - presentations
  - reports
  - spreadsheets
  - social media
  - texts
  - voice calls
- 6.2.3 the influence and impact of inappropriate social media postings
- 6.2.4 the consequences of inappropriate information sharing
- 6.2.5 the importance of communication in establishing effective business relationships
- 6.2.6 the importance of cultural awareness and inclusivity when communicating information
- 6.2.7 the importance of providing effective feedback to others, seeking feedback and acting upon feedback received.

Learners need to be able to:

- 6.2.8 produce written communication using acceptable business language and format:
  - business letters
  - emails
- 6.2.9 recognise the impact and consequences of ineffective or inappropriate communication
- 6.2.10 select appropriate methods of communication.

### 6.3 Planning workload

Learners need to understand:

- 6.3.1 the importance of communicating with others whilst undertaking a task or if deadlines may not be met
- 6.3.2 how to prioritise workloads based on urgency and importance
- 6.3.3 the importance of adapting to changes in priorities
- 6.3.4 the importance of meeting agreed deadlines and adhering to working practices
- 6.3.5 the impact on others of not completing specified tasks

Learners need to be able to:

- 6.3.8 plan workload:
  - prioritise
  - monitor
  - adapt.

	6.3.6 the importance of the wider team when planning workload	
	6.3.7 the importance of diversity, inclusion and cultural awareness when working with others.	

## 7. The importance of information to business operations

### 7.1 Information in the work of the finance function

Learners need to understand:

7.1.1 the attributes of good quality information:

- accurate
- complete
- cost-effective
- understandable
- relevant
- accessible
- timely
- easy-to-use

7.1.2 the use of digital technologies for financial data collection, processing and disseminating information

- automation of processes
- cloud accounting
- document sharing platforms
- electronic filing of documents
- electronic signing of documents
- machine learning

7.1.3 the information and documentation sent by the finance function:

- types of documentation and information sent
- who information may be sent to (external and internal)
- purpose of different types of documentation and information sent

7.1.4 the information and documentation received by the finance function:

- types of documentation and information received
- who information may be received from (external and internal)
- purpose of different types of documentation received

7.1.5 the importance of monitoring the business environment to support long-term business success:

- competitors
- market trends
- regulation.

<b>7.2</b>	<b>Data and information security</b>
	<p>Learners need to know:</p> <p>7.2.1 why it is important to ensure the security of data and information</p> <p>7.2.2 why it is important to maintain privacy and confidentiality</p> <p>7.2.3 The role of the General Data Protection Regulation (GDPR)</p> <p>7.2.4 the implications for the organisation if data and information is not secure</p> <p>7.2.5 how data and information is retained securely:</p> <ul style="list-style-type: none"> <li>– using passwords</li> <li>– archiving</li> <li>– backups</li> <li>– restricting access</li> </ul> <p>7.2.6 the importance of cybersecurity.</p>

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