

Level 3 Technical Occupational Entry for Assistant Accountants (Bookkeeping)

Unit pack

Level 3 Technical Occupational Entry for Assistant Accountants (Bookkeeping)

Contents

Accounting Principles for Bookkeepers	3
Scope of content	4
Tax Processes for Bookkeepers	12
Scope of content	13
Test specification for the Accounting and Tax for Bookkeepers assessment	18
The Bookkeeper in a Business Environment	19
Scope of content	20
Test specification for the Bookkeeper in the Business Environment assessment	26

Accounting Principles for Bookkeepers

Unit level	GLH	Unit reference number	Assessment
3	110	TBC	Integrated assessment with Tax Processes for Bookkeepers

Learning outcomes

1. Understand accounting principles
 2. Understand the principles of advanced double-entry bookkeeping
 3. Record non-current assets
 4. Record period end adjustments
 5. Produce and extend the trial balance
 6. Understand the role of financial statements
 7. 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.

1. Understand accounting principles	
1.1	Underlying accounting principles Learners need to understand: 1.1.1 the accounting principles: <ul style="list-style-type: none">- accruals- going concern- business entity- materiality- consistency- prudence- money measurement.
1.2	Qualities of useful financial information Learners need to know: 1.2.1 the fundamental qualitative characteristics: <ul style="list-style-type: none">- relevance- faithful representation 1.2.2 the enhancing qualitative characteristics: <ul style="list-style-type: none">- comparability- verifiability- timeliness- understandability 1.2.3 the importance of ensuring financial statements are free from material misstatement.

2. Understand the principles of advanced double-entry bookkeeping

2.1 Use of the accounting equation

Learners need to understand:

- 2.1.1 the importance of the accounting equation for keeping accounting records
- 2.1.2 the effect of accounting transactions on elements of the accounting equation:
 - capital
 - assets
 - liabilities.

Learners need to be able to:

- 2.1.3 calculate the different elements of the accounting equation:
 - capital
 - assets
 - liabilities.

2.2 Classification of ledger accounts

Learners need to know:

- 2.2.1 the classification of general ledger accounts into:
 - assets: non-current (tangible, intangible) and current
 - liabilities: non-current and current
 - capital (equity)
 - income
 - expenses.

2.3 Purpose and use of books of prime entry and ledger accounting

Learners need to understand:

- 2.3.1 the daybooks (books of prime entry):
 - sales
 - sales returns
 - purchases
 - purchases returns
 - discounts allowed
 - discounts received
 - cash book
 - journal (including narratives)
- 2.3.2 how daybooks are used to update ledger account records, including dealing with Value Added Tax (VAT)
- 2.3.3 the different ledgers and how they interact:
 - the general
 - receivables
 - payables
- 2.3.4 control accounts:
 - receivables ledger
 - payables ledger
 - wages and salaries

Learners need to be able to:

- 2.3.6 prepare ledger accounts using double-entry principles.

	<p>- VAT</p> <p>2.3.5 that accounting software automates the transfer of data into the control accounts.</p>	
2.4	Carry out financial period end routines	
	<p>Learners need to understand:</p> <p>2.4.1 that at the end of the period accounts are balanced off differently depending on their classification in terms of income, expense, asset, liability or capital</p> <p>2.4.2 that accounting software automates the period end routine.</p>	<p>Learners need to be able to:</p> <p>2.4.3 verify general ledger balances by using relevant sources of information:</p> <ul style="list-style-type: none"> - physical checks - inventory records - supplier statements - bank statements - receivables and payables ledgers - non-current asset register <p>2.4.4 transfer balances or carry down balances on ledger accounts as appropriate</p> <p>2.4.5 complete control account reconciliations</p> <p>2.4.6 complete bank reconciliations.</p>

3. Record non-current assets		
3.1	The importance of classifying expenditure into capital or revenue expenditure	
	<p>Learners need to understand:</p> <p>3.1.1 which items can be included in the cost of a non-current asset (NCA)</p> <p>3.1.2 that revenue expenditure should be excluded from the cost of an NCA</p> <p>3.1.3 the importance of only capitalising expenditure in excess of the level specified in the organisation's policy</p> <p>3.1.4 the effect of capitalisation on the statement of profit or loss (SPL) and statement of financial position (SFP).</p>	<p>Learners need to be able to:</p> <p>3.1.5 categorise items into revenue and capital expenditure.</p>
3.2	Record acquisitions and disposals of non-current assets	
	<p>Learners need to understand:</p> <p>3.2.1 the purpose and content of the NCA register</p> <p>3.2.2 the meaning of the balance on the disposals account</p> <p>3.2.3 that part-exchange is a different form of funding to cash or credit</p>	<p>Learners need to be able to:</p> <p>3.2.6 update the NCA register for acquisitions and disposals</p> <p>3.2.7 record acquisitions and disposals in the general ledger (including part-exchange).</p> <p>Excluded: VAT treatment of part exchanges.</p>

	<p>3.2.4 that NCA registers can be part of accounting software or held independently on spreadsheets</p> <p>3.2.5 how gains and losses on disposal are treated at the period end.</p>	
3.3	Calculate depreciation	
	<p>Learners need to understand:</p> <p>3.3.1 the meaning of:</p> <ul style="list-style-type: none"> - useful life - residual value - depreciable amount - carrying amount <p>3.3.2 that the depreciable amount of the NCA should be allocated over the relevant period of its useful life</p> <p>3.3.3 that depreciation can be calculated automatically by accounting software.</p>	<p>Learners need to be able to:</p> <p>3.3.4 calculate the depreciation charge for an asset, using the straight-line method of depreciation for both full and part years</p> <p>3.3.5 calculate the depreciation charge for an asset, using the diminishing balance method of depreciation for a full year with a given percentage.</p>
3.4	Record depreciation	
	<p>Learners need to be able to:</p> <p>3.4.1 record depreciation in the:</p> <ul style="list-style-type: none"> - NCA register - general ledger, including producing relevant journal entries <p>3.4.2 reconcile the NCA register to the appropriate general ledger balances.</p>	

4. Record period end adjustments		
4.1	Record accruals and prepayments of income and expenditure	
	<p>Learners need to understand:</p> <p>4.1.1 why there can be a difference between the amount paid or received during the period and the amount recognised in the statement of profit or loss for that period</p> <p>4.1.2 how adjustments for accruals and prepayments for the current period and the reversal of adjustments for the previous period affect ledger accounts</p> <p>4.1.3 that accrued and prepaid income and expense balances</p>	<p>Learners need to be able to:</p> <p>4.1.5 calculate the amount of a prepayment or accrual adjustment to be made</p> <p>4.1.6 account for accruals and prepayments by making entries in the general ledger, including using the journal</p> <p>4.1.7 account for the reversal of accruals and prepayments from a previous period by making entries in the general ledger, including using the journal.</p>

	are recognised as either assets or liabilities	
	4.1.4 that accounting software automates recurring entries including for accruals and prepayments.	
4.2	Record irrecoverable debts and allowances for doubtful receivables	
	Learners need to understand:	Learners need to be able to:
	4.2.1 the differences between: <ul style="list-style-type: none"> - irrecoverable debts, - allowances for specific doubtful receivables - general allowances for doubtful receivables. 	4.2.2 account for the writing-off of an irrecoverable debt and for the recovery of an irrecoverable debt previously written off in the ledgers 4.2.3 calculate new allowances for doubtful receivables and adjustments to existing allowances for doubtful receivables 4.2.4 use the journal to record irrecoverable debts and adjustments to allowances for doubtful receivables..
4.3	Record inventory	
	Learners need to understand:	Learners need to be able to:
	4.3.1 the effect that changes in valuation of inventory have on profit or loss for a period 4.3.2 that inventory must be valued at the lower of cost and net realisable value (NRV) on an individual item basis 4.3.3 which types of expenditure can be included in the valuation of inventory 4.3.4 that accounting software automates the process of recording, tracking and valuing inventory.	4.3.5 determine the closing inventory figure 4.3.6 make entries in the journal to record the value of closing inventory.

5. Produce and extend the trial balance		
5.1	Prepare an initial trial balance	
	<p>Learners need to understand:</p> <p>5.1.1 the importance of producing the trial balance to check for errors</p> <p>5.1.2 the limitations of the trial balance as a check for errors</p> <p>5.1.3 that accounting software completes the transfer of data into the trial balance.</p>	<p>Learners need to be able to:</p> <p>5.1.4 transfer balances from ledger accounts, a list of balances or written data into the correct debit or credit columns of the initial trial balance</p> <p>5.1.5 correct errors that are not shown by the initial trial balance</p> <p>5.1.6 correct errors that are shown by the initial trial balance by the use and clearing of the suspense account.</p>
5.2	Prepare an adjusted or extended trial balance (ETB)	
	<p>Learners need to understand:</p> <p>5.2.1 that accounting software automatically recalculates balances after adjustments.</p> <p>5.2.2 the role of the ETB in the preparation of financial statements</p>	<p>Learners need to be able to:</p> <p>5.2.3 enter the following adjustments correctly the adjusted trial balance:</p> <ul style="list-style-type: none"> - closing inventory - accruals of income or expenses - prepayments of income or expenses - corrections of errors - depreciation - irrecoverable debts - allowances for doubtful receivables - disposals of NCA including part-exchange <p>5.2.4 complete the SPL and SFP columns of the ETB, for sole traders</p> <p>5.2.5 balance off the ETB by calculating the profit or loss figure and entering it into the relevant SPL and SFP columns.</p>

6. Understand the role of financial statements	
6.1	Requirements for financial statements of different entities <p>Learners need to understand:</p> <p>6.1.1 that sole traders and partnerships:</p> <ul style="list-style-type: none"> - produce accounts for internal purposes and to enable the completion of personal tax returns - do not publish their accounts - are not required to follow any specific format - that the cash basis is the default method of preparing accounts for tax purposes but an election can be made to use accruals-based accounts <p>6.1.2 that companies:</p> <ul style="list-style-type: none"> - are required to file accounts at Companies House - must use accruals-based accounting - must follow specific rules and formats in the preparation of their accounts.
6.2	The role of financial statements <p>Learners need to understand:</p> <p>6.2.1 the purpose of SPLs</p> <p>6.2.2 the purpose of SFPs</p> <p>6.2.3 how the financial statements are linked to the accounting equation</p> <p>6.2.4 how the SPL and SFP are related</p> <p>6.2.5 how to calculate:</p> <ul style="list-style-type: none"> - sales revenue = sales - sales returns - net purchases = purchases - purchases returns + carriage inwards - cost of sales = opening inventory + net purchases - closing inventory <p>6.2.6 the meaning of, and reasons for movements in, balances on the SPL and SFP</p> <p>6.2.7 the appropriation account</p> <p>6.2.8 that partners have capital and current accounts and the reasons for movements in each of these</p> <p>6.2.9 that companies are owned by shareholders, run by directors and that in owner-managed companies, this can be the same person/people</p> <p>6.2.10 that directors may be paid a salary that will be included as an expense in the SPL</p> <p>6.2.11 that tax will be deducted from profits.</p> <p>6.2.12 that shareholders may be paid dividends that will reduce the companies retained earnings</p> <p>6.2.13 that a dividend can only be paid if retained earnings are available.</p> <p>6.2.14 that in small owner-managed companies, the Directors Loan Account (DLA) is used to manage the amounts owed to and from the directors during the period</p> <p>6.2.15 that the DLA may be in debit or credit at any point in time.</p> <p>6.2.16 the difference between cash and accruals-based accounting.</p>

7. Use accounting software

7.1 Record financial transactions and produce reports

Learners need to understand:

- 7.1.1 the importance of maintaining up-to-date customer and supplier records

Learners need to be able to:

- 7.1.2 import data from other software

- 7.1.3 create nominal ledger accounts

- 7.1.4 update customer and supplier records

- 7.1.5 record:

- opening balances
- sales invoices and credit notes
- customer receipts and supplier payments
- other receipts and payments
- recurring entries
- capital expenditure
- capital disposals
- depreciation
- accruals and prepayments
- irrecoverable receivables
- dividends
- closing inventory
- journals to correct entries

- 7.1.6 run:

- aged receivables and payables reports
- a trial balance
- a SPL
- a SFP
- a transactional report for an item in the general ledger

- 7.1.7 prepare a bank reconciliation

- 7.1.8 select cash/accruals basis for sole trader accounts.

Tax Processes for Bookkeepers

Unit level	GLH	Unit reference number	Assessment
3	60	TBC	Integrated assessment with Accounting Principles for Bookkeepers

Learning outcomes

1. Understand legislation requirements relating to VAT
 2. Calculate VAT
 3. Understand the Construction Industry Scheme
 4. Understand principles of payroll
 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.

1. Understand legislation requirements relating to VAT	
1.1	UK tax law principles relating to VAT
	<p>Learners need to understand:</p> <ul style="list-style-type: none">1.1.1 that HMRC is the relevant tax authority for VAT in the UK1.1.2 that VAT is a tax on consumer spending, charged on taxable supplies by taxable persons, including whether the tax charged falls on registered businesses or the end user1.1.3 HMRC's rules about:<ul style="list-style-type: none">- what records should be kept- how long VAT records should be retained- how VAT records should be retained
1.2	Types of supply and the requirement to register
	<p>Learners need to understand:</p> <ul style="list-style-type: none">1.2.1 that VAT registration is compulsory if turnover exceeds the VAT threshold.1.2.2 that VAT registration is optional if turnover is below the VAT threshold.1.2.3 the circumstances in which voluntary registration may be beneficial.1.2.4 the definitions of:<ul style="list-style-type: none">- taxable supplies- standard-rated supplies- reduced-rated supplies- zero-rated supplies- exempt supplies- supplies outside the scope of VAT.

1.3	Filing and payment of VAT returns
	<p>Learners need to understand:</p> <p>1.3.1 the timing and frequency of:</p> <ul style="list-style-type: none"> - filing VAT returns under the normal scheme - payment/re-payment of VAT under the normal scheme <p>1.3.2 the timing and frequency of filing VAT returns and payment/re-payment of VAT under the annual accounting scheme, cash accounting scheme and flat rate scheme.</p> <p>1.3.3 the circumstances in which monthly accounting may be beneficial to the business</p> <p>1.3.4 how statutory time limits for making payment differ depending on the payment method used</p> <p>1.3.5 that compatible software must be used and authorised for submitting VAT returns under MTD.</p>

2.	Calculate VAT
2.1	Extracting relevant data from accounting records
	<p>Learners need to understand:</p> <p>2.1.1 relevant sources of VAT information needed by a business</p> <p>2.1.2 how to identify relevant accounting records that cover the required period of each VAT return</p> <p>2.1.3 how to identify and extract relevant revenue, expenditure and VAT figures from the accounting records</p> <p>2.1.4 how to validate data and determine that the figures extracted have come from original and verified source documents</p> <p>2.1.5 the benefits of accounting software in identifying errors.</p>
2.2	VAT invoices
	<p>Learners need to understand:</p> <p>2.2.1 the contents and form of a VAT invoice:</p> <ul style="list-style-type: none"> - simplified VAT invoices - modified VAT invoices <p>2.2.2 how to determine the tax point of an invoice, both basic and actual, when there are:</p> <ul style="list-style-type: none"> - advance payments - deposits - continuous supplies - goods on sale or return <p>2.2.3 the significance of the correct tax point for:</p> <ul style="list-style-type: none"> - eligibility for special VAT schemes - applying the correct rate of VAT - determining the correct VAT period <p>2.2.4 the time limits for issuing VAT invoices.</p>

2.3	VAT calculations	
	<p>Learners need to understand:</p> <p>2.3.1 the difference between inputs and outputs, and between input tax and output tax</p> <p>2.3.2 the automation of calculations through use of accounting software</p> <p>2.3.3 rules for VAT when prompt payment discounts (PPD) are offered to customers</p> <p>2.3.4 the different implications of exempt supplies and of zero-rated supplies, and the effect on recovery of input tax</p> <p>2.3.5 the identification of what cannot be claimed as input tax:</p> <ul style="list-style-type: none"> - expenditure on employee and business contact entertaining, including that of mixed groups - purchases and sales of cars and vans - assets with private use <p>2.3.6 the VAT rules on fuel scale charges, how to apply them and their effect on the VAT payable or reclaimable</p> <p>2.3.7 how to apply bad debt relief, when this is available and what time limits apply</p>	<p>Learners need to be able to:</p> <p>2.3.8 calculate VAT on:</p> <ul style="list-style-type: none"> - standard-rated supplies - reduced-rated supplies <p>2.3.9 calculate VAT when given the net or the gross amount of the supply</p> <p>2.3.10 calculate the VAT payable/repayable for a VAT period from information such as:</p> <ul style="list-style-type: none"> - the VAT scheme - sales and purchases invoices - credit notes issued and received - income received - payments made - cash and petty cash transactions - deposits, advance payments and delayed payments - a flat-rate percentage - adjustments made for: <ul style="list-style-type: none"> ▪ fuel scale charges ▪ bad debts ▪ input tax that cannot be claimed <p>2.3.11 calculate the impact on VAT of:</p> <ul style="list-style-type: none"> - PPD - fuel scale charges - bad debts - items on which input VAT cannot be reclaimed.

3. Understand the Construction Industry Scheme		
3.1	The Construction Industry Scheme (CIS)	
	<p>Learners need to understand:</p> <p>3.1.1 that CIS applies to the construction industry</p> <p>3.1.2 the implication of a sub-contractor choosing not to register for CIS</p> <p>3.1.3 the responsibility of contractors to verify sub-contractors</p> <p>3.1.4 the responsibility of contractors to make deductions when paying sub-contractors</p> <p>3.1.5 the requirement, and payment deadlines, for contractors to pay deductions to HMRC</p>	<p>Learners will be able to:</p> <p>3.1.10 calculate:</p> <ul style="list-style-type: none"> - deductions from sub-contractor payments - net payments to sub-contractors - the amount due to HMRC.

	<p>3.1.6 the reporting requirements and filing deadlines of contractors</p> <p>3.1.7 that a contractor which also has employees will have a PAYE/CIS scheme</p> <p>3.1.8 the requirement of contractors to maintain records for CIS and the record retention period</p> <p>3.1.9 the use of the domestic reverse charge.</p>	
--	--	--

4. Understand principles of payroll

4.1 Employer responsibilities of payroll

Learners need to understand:

- 4.1.1 that payroll is operated by businesses or individuals who employ staff
- 4.1.2 that HMRC is the relevant tax authority for payroll
- 4.1.3 HMRC's rules about:
 - what records should be kept
 - how payroll records should be retained
 - how long payroll records should be retained
- 4.1.4 the difference between gross pay, taxable pay, taxable gross pay and net pay
- 4.1.5 that businesses are required to make statutory deductions from gross pay:
 - Pay As You Earn (PAYE)
 - National Insurance contributions (NICs)
 - student loan repayments
 - pension contributions
- 4.1.6 that businesses may be required to make non-statutory deductions from gross pay
- 4.1.7 that employers are entitled to deduct statutory and other deductions from employees' pay.

Learners will be able to:

- 4.1.8 calculate the following:
 - gross pay
 - taxable gross pay
 - deductions from employees' pay
 - net pay
 - the amount due to HMRC
- 4.1.9 reconcile gross pay to net pay and / or taxable gross pay.

Note: students will be provided with figures from which to calculate these values.

Exclusion: the calculation of Income Tax, National Insurance contributions (NICs) and student loan repayments.

4.2	Operating payroll
	Learners need to understand:
4.2.1	the outline content of forms produced for payroll: <ul style="list-style-type: none"> - payslips - P45s - P60s - P11Ds
4.2.2	that employers must produce and distribute forms to employees within the required time period
4.2.3	that payroll reports must be submitted to HMRC by employers in using Real Time Information (RTI)
4.2.4	the content of Full Payment Submissions (FPS) and the Employer Payment Summary (EPS) reports submitted under RTI
4.2.5	that employers must report to HMRC employee payments and employee changes within the required timescale
4.2.6	the statutory time limits for submitting payroll returns and making payment to HMRC.

5.	Use accounting software
5.1	Process VAT
	Learners need to be able to:
5.1.1	process invoices: <ul style="list-style-type: none"> - to customers using different VAT rates - from suppliers using different VAT rates
5.1.2	prepare VAT returns.
5.2	Process CIS transactions
	Learners need to be able to:
5.2.1	set up sub-contractors and select appropriate CIS rates
5.2.2	process invoices from CIS subcontractors
5.2.3	prepare CIS returns.

Test specification for the Accounting and Tax for Bookkeepers assessment

Assessment method	Marking type	Duration of assessment
Computer based assessment (CBA)	Computer marked	2 ½ hours

This assessment will ask students to apply knowledge and skills gained across the qualification in an integrated way, within a workplace context.

The assessment is designed to cover the following units:

- Accounting Principles for Bookkeepers (APBK)
- Tax Processes for Bookkeepers (TPBK)

The following assessment objectives detail unit coverage across the assessment.

Learning outcomes	Weighting
Accounting Principles for Bookkeepers	
1. Understand accounting principles	5%
2. Understand the principles of advanced double-entry bookkeeping	24%
3. Record non-current assets	14%
4. Record period end adjustments	11%
5. Produce and extend the trial balance	5%
6. Understand the role of financial statements	11%
Tax Processes for Bookkeepers	
1. Understand legislation requirements relating to VAT	4%
2. Calculate VAT	10%
3. Understand the Construction Industry Scheme	8%
4. Understand principles of payroll	8%
	100%

The Bookkeeper in a Business Environment

Unit level	GLH	Unit reference number	Assessment
3	70	TBC	Standalone

Learning outcomes

1. Understand the changing business and regulatory environment
 2. Understand how businesses and bookkeepers comply with principles of professional ethics
 3. Understand information and data security
 4. Understand business information and principles of communication
-

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. Understand the changing business and regulatory environment	
1.1	The types of businesses Learners need to understand: 1.1.1 the standard business types and their key characteristics: <ul style="list-style-type: none">- sole traders- general partnerships- limited liability partnerships- limited companies 1.1.2 that organisations can be either: <ul style="list-style-type: none">- profit seeking- not-for-profit 1.1.3 types of funding used by businesses: <ul style="list-style-type: none">- capital introduced- retained profits- borrowing- working capital.
1.2	The legal and regulatory framework for businesses Learners need to understand: 1.2.1 that companies need to comply with: <ul style="list-style-type: none">- company law- financial reporting standards 1.2.2 that all businesses must comply with tax regulations.
1.3	The importance of sustainability Learners need to understand: 1.3.1 the meaning of environmental, social and governance (ESG) frameworks 1.3.2 the principles of sustainability <ul style="list-style-type: none">- triple bottom line- net zero- carbon neutral 1.3.3 the use of carbon offsetting. 1.3.4 the waste hierarchy businesses can adopt: <ul style="list-style-type: none">- reduce- recycle

	<ul style="list-style-type: none"> - reuse - recover - landfill.
1.4	Technology in accounting <p>Learners need to understand:</p> <p>1.4.1 different technologies and their use in accounting processes:</p> <ul style="list-style-type: none"> - automation of processes - AI and machine learning - blockchain - electronic filing of documents - electronic signing of documents - data analytics - cloud accounting <p>1.4.2 the benefits and limitations of technologies used in accounting processes</p> <p>1.4.3 the maintenance of key databases and spreadsheets</p> <p>1.4.4 how technology is only effective if underlying data is kept up to date</p> <p>1.4.5 the ethical use of:</p> <ul style="list-style-type: none"> - technology - social media.

2. Understand how businesses and bookkeepers comply with principles of professional ethics		
2.1	The relevance of the ethical code for professional bookkeepers	
	<p>Learners need to understand:</p> <p>2.1.1 the five fundamental principles of ethics:</p> <ul style="list-style-type: none"> - confidentiality - professional behaviour - professional competence and due care - integrity - objectivity <p>2.1.2 the importance of professional scepticism in the role of the bookkeeper</p> <p>2.1.3 the difference between a principles-based approach and a rules-based approach</p> <p>2.1.4 how documented policies can safeguard against threats and ethical conflicts</p> <p>2.1.5 the types of safeguard that may be applied</p> <p>2.1.6 actions to take when a threat cannot be eliminated or reduced to</p>	<p>Learners need to be able to:</p> <p>2.1.8 identify threats to ethical principles</p> <p>2.1.9 identify when confidential information can or must be disclosed</p> <p>2.1.10 identify safeguards that may be appropriate</p> <p>2.1.11 advise on action to take when ethical principles are threatened.</p>

	<p>an acceptable level</p> <p>2.1.7 the potential consequences of unethical behaviour:</p> <ul style="list-style-type: none"> - disciplinary action by the professional accountancy body - internal disciplinary procedures - financial, legal and reputational 	
2.2	Fraud and money laundering	
	<p>Learners need to understand:</p> <p>2.2.1 money laundering law and regulations:</p> <ul style="list-style-type: none"> - the process of money laundering (layering, placement, integration) - the consequences for an accountant of failing to act appropriately in response to money laundering, including the potential for the offences of 'tipping off' and 'failure to disclose' - the nature of the protection given to accountants by protected disclosures and authorised disclosures under money laundering law and regulations - the requirements for registering for anti-money laundering supervision <p>2.2.2 the importance of reporting suspected money laundering in accordance with regulations:</p> <ul style="list-style-type: none"> - the requirement for a suspicious activity report - the information that should be reported in an internal report or a suspicious activity report - timescales for disclosure of suspected money laundering. <p>2.2.3 the common types of fraud within a business:</p> <ul style="list-style-type: none"> - monetary - inventory - time based <p>2.2.4 the role of internal controls in:</p> <ul style="list-style-type: none"> - preventing fraud and errors - detecting fraud and errors. <p>2.2.5 how poor internal control systems increase risk of fraud for a business.</p> <p>Excluded: specific cases or legislative references</p>	
2.3	Continuing professional development (CPD)	
	<p>Learners need to understand:</p> <p>2.3.1 the need to keep up to date with changes in:</p> <ul style="list-style-type: none"> - the legal and regulatory environment - ethical guidelines - accounting standards <p>2.3.2 the impact of changing technology on the role of the bookkeeper</p> <p>2.3.3 sources of information and development in the role of the bookkeeper</p> <p>2.3.4 the need for a growth mindset and flexibility in working approach</p> <p>2.3.5 the need for resilience in the business, team and as an individual.</p>	

3. Understand information and data security	
3.1	Data protection, information security and cyber security
	<p>Learners need to understand:</p> <p>3.1.1 the principles of data protection:</p> <ul style="list-style-type: none"> - lawfulness, fairness and transparency - purpose limitation - data minimisation - accuracy - storage limitation - integrity and confidentiality (security) - accountability <p>3.1.2 the impact of data protection breaches on the individual and business</p> <p>3.1.3 the vulnerabilities in financial systems</p> <p>3.1.4 the importance of maintaining information security:</p> <ul style="list-style-type: none"> - accounting systems access levels - security controls - integrity controls (input, processing, output) <p>3.1.5 the meaning of cyber risk</p> <ul style="list-style-type: none"> - the impacts of a cyber-attack on business operations and reputation - the increased value of data and the risk that poses to a business - the vulnerability of personal data to cyber attack <p>3.1.6 the importance of cyber security</p> <p>3.1.7 the controls that can be implemented to reduce the risk of cyber-attacks:</p> <ul style="list-style-type: none"> - access control - firewalls - malware protection - secure configuration - security update management <p>3.1.8 the risks associated with the use of social media and how businesses and individuals can stay safe online.</p>

4. Understand business information and principles of communication	
4.1	Provision of information in a business environment
	<p>Learners need to understand:</p> <p>4.1.1 the attributes of good quality information (ACCURATE)</p> <ul style="list-style-type: none"> - Accurate - Complete - Cost-effective - Understandable - Relevant - Accessible - Timely

	<ul style="list-style-type: none"> - Easy-to-use <p>4.1.2 the sources of internal and external data</p> <p>4.1.3 the role of management accounting:</p> <ul style="list-style-type: none"> - performance reporting - planning - budgetary responsibilities <p>4.1.4 finance and accounting software is used to present financial information</p> <p>4.1.5 the need for:</p> <ul style="list-style-type: none"> - attention to detail - review and checking procedures - adherence to deadlines - prioritising workload.
4.2	Visualising information
	<p>Learners need to understand:</p> <p>4.2.1 the importance of being able to present information in different visual formats</p> <p>4.2.2 different formats of information:</p> <ul style="list-style-type: none"> - will support the needs of different stakeholders - can be used to communicate financial information to non-financial users <p>4.2.3 that accounting software packages use dashboards to communicate to non-technical stakeholders.</p>
4.3	Communicating information
	<p>Learners need to understand:</p> <p>4.3.1 the information required to meet the needs of different business stakeholders:</p> <ul style="list-style-type: none"> - customers - employees - finance providers - government - owners - suppliers <p>4.3.2 how to determine the appropriate method of communication to use both internally and externally by the business</p> <p>4.3.3 the characteristics of professional communication:</p> <ul style="list-style-type: none"> - meeting different stakeholder requirements - use of appropriate communication medium for desired outcome - importance of communicating valid information - importance of confidentiality. <p>4.3.4 the importance of escalation and authorisation</p> <p>4.3.5 the importance of providing relevant and up to date information to support other business functions to achieve their goals</p> <p>4.3.6 different media methods are used to communicate information internally and externally</p>

	<p>4.3.7 the advantages and disadvantages of different methods and media for communication</p> <p>4.3.8 the importance of adapting communications to ensure inclusivity</p> <p>4.3.9 the importance of collaborative working.</p>
4.4	Diversity, inclusion, and cultural awareness
	<p>Learners need to understand:</p> <p>4.4.1 the value of diversity and inclusion and how they are approached by a business</p> <p>4.4.2 the need to respect and accept differences</p> <p>4.4.3 the importance of being aware of cultural differences in the workplace</p> <p>4.4.4 the role an individual has in creating an inclusive work environment.</p>

Test specification for the Bookkeeper in the Business Environment assessment

Assessment method	Marking type	Duration of assessment
Computer based assessment (CBA)	Computer marked	1 ½ hours

Learning outcomes	Weighting
1. Understand the changing business and regulatory environment	32%
2. Understand how businesses and bookkeepers comply with principles of professional ethics	20%
3. Understand information and data security	8%
4. Understand business information and principles of communication	40%
	100%

CONSULTATION - DRAFT

Copyright © 2024 AAT

All rights reserved. Reproduction is permitted for personal and educational use only. No part of this content may be reproduced or transmitted for commercial use without the copyright holder's written consent.

The Association of Accounting Technicians

30 Churchill Place

London

E14 5RE

t: +44 (0)20 3735 2468

f: +44 (0)20 7397 3009

e: aat@aat.org.uk