Qualification Number: 610/0818/7
Qualification Specification
Version 2.3 published September 2026

aat

Award in BOOKKEEPING

LEVEL 1

AAT is a registered charity. No. 1050724

Updates to this specification

Since first publication of the Level 1 Award in Bookkeeping, the following areas of the qualification specification have been updated.

Version	Date first published	What has been updated
Version 2.3	23 September 2026	Updates to copyright statements.
Version 2.2	1 September 2026	Enquiries and appeals terminology updated (Reviews of Marking)
Version 2.1	23 September 2025	Descriptions and links updated
Version 2.0	8 March 2024	Section 9: Units (1.2.1)
Version 1.1	4 August 2022	Final version published Section 9: Units (3.2.3 and 3.3.2)
Version 1.0	1 May 2022	First publication

This qualification is approved and regulated by:

- the Office of Qualifications and Examinations Regulation (Ofqual) in England and internationally
- the Council for the Curriculum, Examinations and Assessment (CCEA) in Northern Ireland
- Qualifications in Wales (QiW).

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1. About AAT

AAT is a trusted brand for quality-assured accountancy qualifications across the globe, working with students and members, and partnering with AAT-approved training providers. We also have licensed members throughout the UK. Our members are represented at every level of the finance and accounting world, including students studying for a career in finance, people already working in accountancy and self-employed business owners. To find out more about us and our impact, please visit **aat.org.uk/about/what-we-do**

Alongside the AAT accounting qualifications, AAT also offers short qualifications to meet the varied needs of our students. Our short qualifications provide a range of entry points through which students with varied experiences can engage with AAT and achieve their career goals.

Level 1 qualifications are an entry point for students who need additional support to develop their finance or business skills. These qualifications are designed to give students the introductory knowledge and confidence to take on higher level AAT qualifications and to progress in their lives and careers.

Studying an AAT short qualification allows students to focus on specific knowledge and skills. Students may wish to move into employment. They may wish to advance in specialised subject areas such as bookkeeping in order to become a bookkeeping member of AAT and achieve AAT Bookkeeper status (AATQB). Alternatively, students may wish to complete the AAT accounting qualifications to professional level, giving them the opportunity to become full members of AAT and achieve MAAT, and internationally recognised professional status in accounting and finance.

Find out more about AAT

2. Ethics: we set and raise standards

AAT is about more than qualifications. AAT is recognised and respected as a professional membership body by a wide range of businesses. We require our members to take a professional and ethical approach throughout their accountancy and finance careers.

It is because of our exceptionally high standards and the professionalism of our members that AAT members are so highly regarded. This is a benefit to us as a professional body and to our members.

We publish the **AAT Code of Professional Ethics**, which sets out a code of fundamental ethical principles and supporting guidance, and is based on the IFAC Code of Ethics for Professional Accountants. The decisions that an accounting technician makes during the course of their professional life can have real ethical implications, and this is where the Code can help. It:

- sets out the required standards of professional behaviour with guidance to help our members achieve them
- helps our members to protect the public interest
- helps our members to maintain AAT's good reputation and public confidence.

To reflect the realities of the workplace, we have embedded ethical dilemmas and decision making throughout the content of AAT's qualifications and assessments. This will help to set our students on the right path as they embark on careers as accountancy or finance professionals.

3. Student registration: support every step of the way

Registering with AAT is essential if students wish to study an AAT qualification. Once students have registered and purchased access to their desired qualification, they can:

- sit AAT assessments
- access AAT support resources to supplement the qualification learning and aid career progression.

AAT registration is a one-off fee, giving students access to the purchased qualification for the lifespan of the qualification. Additional fees will apply for sitting AAT assessments.

We support and develop our students through AAT Approved training providers across the world. We also have an extensive branch network where students can access support and training and meet other AAT students and professional members in their local area.

Prospective students wishing to register for the Level 1 Award in Bookkeeping can do so **here**

Students are advised to register with an AAT Approved training provider before registering with AAT. On registration, an email confirming their registration and an AAT registration number will be sent.

Find out more about the benefits of registering with AAT

4. Choosing to study the AAT Level 1 Award in Bookkeeping

4.1 Who should choose to study this qualification?

The Level 1 Award in Bookkeeping offers students the opportunity to develop practical bookkeeping skills. This qualification may help students to move on to further study in either accountancy or bookkeeping with AAT, offer a route into employment or be of interest to those already in employment.

This qualification will particularly suit those students who have had minimal work experience or those who need some additional support to progress. This may include younger students seeking tangible and finance-specific skills, adults seeking to validate their existing skills to enter into or progress in their career, or students who would like to test their abilities before progressing further with AAT. This qualification may also interest those who are self-employed or working in small businesses who wish to do their own bookkeeping.

4.2 Why choose this qualification?

At Level 1, AAT offers the Level 1 Award in Bookkeeping and the Level 1 Award in Business Skills. These short qualifications are flexible, adaptable to different student needs and requirements and valued by employers in a range of industries.

Students should choose to study the Level 1 Award in Bookkeeping if they wish to develop an understanding of the basics of manual bookkeeping. Students completing this qualification may wish to pursue careers in finance or business in either the private or public sectors. This qualification may be combined with the Level 1 Award in Business Skills to lay a strong foundation for further study with AAT in either accountancy or bookkeeping.

This qualification will usually take around 12 weeks to complete, but this will depend on the study method and course timetable.

4.3 What does the qualification cover?

This qualification covers a range of skills and the relevant supporting knowledge in one mandatory unit - Bookkeeping Fundamentals. The qualification is assessed in one end-of-qualification assessment.

Students completing this qualification will develop an understanding of the role of the bookkeeper, including the need to produce timely and accurate work and to follow ethical principles. Students will learn underpinning theory including how to identify assets, liabilities, income, expenses, capital profit or loss, and the differences between trading for cash and trading on credit. Students will also develop the skills to process customer and supplier transactions, to enter receipts and payments into the cash book and check amounts against the bank statement in preparation for bank reconciliation. Students will be introduced to the dual effect of transactions. This is a fundamental underpinning concept for double-entry bookkeeping and will support students who go on to study bookkeeping at Level 2.

Students will also learn the role that software can have in bookkeeping and the benefits and risks that different types of software may bring. They will explore the differences between cloud accounting software and traditional accounting software and learn about the importance of software security and the steps that can be taken to keep data secure.

4.4 What will this qualification lead to?

The skills developed by studying this qualification will give students a solid base from which to seek employment with greater confidence or enable them to progress to the next level of learning.

The skills developed in this qualification can lead to employment in junior or supporting administrative roles in companies across a wide range of sectors, for example, as a:

- trainee bookkeeper
- accounts administrator
- billing/payments administrator/coordinator
- accounts junior
- accounts receivable/payable assistant
- procurement and finance assistant
- assistant cashier.

The skills developed in this qualification may also underpin those developed further in the following Level 2 qualifications:

- Level 2 Certificate in Bookkeeping
- Level 2 Certificate in Accounting

This qualification is not part of an apprenticeship.

5. About the AAT Level 1 Award in Bookkeeping

Qualification name	AAT Level 1 Award in Bookkeeping
Qualification number	610/0818/7
Level	1
Guided learning hours (GLH)	75
Total qualification time (TQT)	110

5.1 Guided learning hours (GLH) value

The total GLH value for the Level 1 Award in Bookkeeping is 75 hours.

The GLH value for a qualification is an estimate of the amount of time a student spends learning under the supervision of a teacher or tutor. This might include lectures, tutorials or supervised study carried out either face-to-face or remotely. Time spent by tutors, teachers or external experts assessing student performance is also included. It doesn't include time that students spend on unsupervised preparation or study.

The GLH value is set and recommended as appropriate by AAT, but some students may need more or less support to achieve the qualification. The GLH value is not a compulsory measure for all students. Training providers have the flexibility to offer the qualification in the hours required by their own students, within the constraints of any funded provision requirements.

5.2 Total qualification time (TQT) value

The TQT value for the Level 1 Award in Bookkeeping is 110 hours.

The TQT value is also a measure of how long it takes to complete a qualification, but it includes both GLH and unsupervised learning.

Any independent study time or any additional work by the student that is directed by, but not under the supervision of, a tutor is included in the TQT value. This might include working through e-learning at home or time spent on independent research.

5.3 Are there any prerequisites for this qualification?

AAT does not set any entry requirements for this qualification.

However, for the best chance of success, we recommend that students begin their studies with a good standard of English and maths. Accountants work at the very heart of a business and are expected to be able to communicate information clearly and appropriately to a given audience.

5.4 Exemptions and Recognition of Prior Learning (RPL)

As this qualification has only one end-of-qualification assessment, AAT will not recognise any exemption or RPL requests.

6. Employer involvement

AAT qualifications are recognised and valued by employers as vocational and technical qualifications that prepare students for the world of work and for working specifically in accountancy and finance roles.

6.1 Employer involvement in development and assessment

AAT has worked closely with employers in the development of this qualification to ensure that the qualification demands the skills that an employer would expect of a student at this level.

Employers also contribute to the development of the live materials used to assess students on completion of their study. Employer involvement in assessment of this qualification includes reviewing and editing the assessments and scenarios used to ensure that they reflect realistic working practices and the wider environment.

6.2 Working with employers to deliver the qualification

AAT qualifications are practical and technical qualifications, which have been developed with the involvement and support of employers. Teaching and learning should reflect this practical focus, and students must be encouraged to relate their learning to current issues and activities in the workplace. Students will benefit from contact with employers during their course of study. Employer involvement enhances students' experiences by allowing them to apply their knowledge to real workplace situations and builds bridges between the worlds of study and work.

This may include:

- students participating in work experience that enables them to develop their skills and knowledge
- students working on projects, exercises or assessments set or supervised by employers
- employers delivering areas of qualification content via guest lectures
- students visiting employers or employers providing premises, facilities or equipment
- students attending talks by employers on employability, general careers advice, CV writing and interview training
- students attending careers fairs, events or other networking opportunities
- students learning in simulated or centre-based working environments
- employers providing job references for students.

7. Support for this qualification

7.1 AAT qualification support

Throughout the life of this qualification, AAT will make available a range of free materials and resources to support tutors and students in delivery and assessment.

Materials produced for this qualification include:

- practice assessments for each assessment
- Annual Chief Examiner reports.

Additional materials may also include:

- e-learning
- Green Light tests
- webinars
- tutor-to-tutor sessions at network meetings.

All AAT study support resources can be accessed via the **AAT Lifelong Learning Portal**.

7.2 Published materials

A number of commercial publishers produce support materials for AAT qualifications. While AAT ensures that commercial publishers have the information they need to produce materials in good time to support the qualifications, AAT does not formally endorse any specific publisher and it does not review publishers' materials for accuracy.

Tutors are reminded to always refer to the unit content within this specification for what to teach and what will be assessed and to refer to a range of support materials where possible. While published materials can offer excellent support and variety in teaching and learning, they should not be used without reference to this specification.

8. The assessment in detail

8.1 How will students be assessed?

Students must successfully achieve one mandatory unit assessment to achieve this qualification. The proportion of this qualification assessed by externally marked assessment is 100%.

The assessment in this qualification:

- is set and marked by AAT
- is computer-based
- is time-limited
- is scheduled by training providers or assessment venues
- takes place at approved training providers and assessment venues under controlled conditions.

This qualification is not graded. To pass the qualification, students must pass one mandatory assessment.

8.2 Availability of assessments

Unit assessments are available to be scheduled on demand throughout the year, except during periods set and communicated by AAT.

8.3 Controlled conditions

AAT has published detailed regulations for training providers and assessment venues regarding how to conduct computer-based assessments.

Training providers and assessment venues must ensure that they comply with the minimum and supporting requirements for the hardware and software used in the delivery of AAT assessments and must ensure that all assessments are delivered securely.

Each training provider and assessment venue must have at least one computer-based assessment (CBA) administrator and at least one invigilator. Training providers and assessment venues must ensure that all assessments are invigilated and conducted in accordance with AAT policies and procedures. To avoid any possible conflict of interest, the CBA administrator(s) and invigilator(s) for an assessment must not be an active AAT student or related to any student taking that assessment and must not be or have been a tutor involved in preparing students for any of the units that are being assessed.

AAT requirements and regulations for how to conduct assessments within this qualification are detailed in **Instructions for conducting AAT computer-based assessments (CBAs)** (PDF) guidance document. This is hosted on a dedicated assessment support webpage for Qualifications 2022.

8.4 Sitting the assessment

The assessments in this qualification are computer-based, with a time restriction. Details on assessment duration for each unit has been included in Section 9: Units.

Students will be presented with a range of question types and formats in the assessment. These may include multiple-choice questions, numeric gap-fill questions, or question tools that replicate workplace activities such as making entries in a journal. While tasks generally do not have to be completed in a specific order, students are encouraged to proceed through them in the order in which they are presented.

Students should familiarise themselves with the CBA environment, assessment platform software and some of the question styles that they might encounter in the exam by using the practice assessment materials provided by AAT. Registered students may access the **Lifelong Learning Portal** and practice assessment materials through **MyAAT**.

8.5 Marking

The assessment in this qualification is wholly computer marked. Computer marking is completed within the assessment software in accordance with an objective marking scheme devised during assessment development.

8.6 Results

Results for computer marked assessments are made available via MyAAT within 24 hours of submitting the assessment. Students will be advised on what percentage of the marks available they achieved in their assessments.

AAT's feedback service provides a simple summary of students' performance in each assessment. The feedback statement confirms their overall result and a breakdown of performance by task. Students will also be able to see marks available and marks achieved against each task position.

Feedback statements are automatically generated and are designed to help students identify their strengths and any topic areas requiring further study. The student is presented with a short descriptor for each task to describe their performance in that task against the topics assessed. There are four feedback descriptors. Each descriptor provides an indication of how the student has performed in that task and includes generic advice on how to proceed with their studies or continuing professional development (CPD).

8.7 Re-sits

Students should only be entered for an assessment when they are well prepared and they are expected to pass the assessment. Where a student is unsuccessful in an assessment attempt, they should discuss their results with their tutor and revise appropriately before retaking the assessment.

This qualification is not subject to re-sit restrictions.

8.8 Review of Marking

If a student disagrees with their assessment result or would like additional feedback on their performance, they may request a Review of Marking.

A Review of Marking carried out by AAT includes checks to ensure that:

- all marking processes have been carried out correctly
- every part of the assessment was marked
- marks were totalled and recorded accurately
- the agreed mark scheme was applied correctly
- the overall result is correct

A fee applies for a Review of Marking. This fee will be refunded if the review outcome is in the student's favour.

Full details of the process are available on **AAT's Review of Marking webpage.**

8.9 Appeals

If a student remains dissatisfied after the outcome of a process, they may submit an appeal. An appeal confirms whether AAT's procedures were correctly followed in relation to the following:

• Review of Marking
• Malpractice Review Panel (MRP) decision
• Reasonable Adjustment
• Special Consideration

A fee applies for submitting an appeal. This fee will be refunded if the appeal outcome is in the student's favour.

Full details of the process are available on **AAT's Appeals webpage.**

9. Units

All units in this qualification comply with the requirements set out in the Conditions of Recognition published by the regulators in England, Wales and Northern Ireland and follow a standard format. The unit specification gives guidance on the requirements of the unit for students, tutors, assessors and those responsible for monitoring national standards. Each unit contains a range of sections, as outlined below.

Unit title
This qualification, and its component units, is regulated. The unit title shown is the regulated title of the unit.

Unit level
All units and qualifications are assigned a level using the level descriptors that apply to regulated qualifications in England, Wales and Northern Ireland. There are nine levels of achievement, from Entry Level to Level 8.

GLH value
The GLH value is defined as all the times when a tutor, trainer or facilitator is present to give specific guidance. This definition includes lectures, tutorials and supervised study. It also includes time spent by staff assessing student achievements. It does not include time spent by staff marking assignments or homework where the student is not present.

Assessment methodology
All units will be independently assessed.

Unit reference number
This number is set by Ofqual, the independent qualifications regulator for England, and is unique to the unit.

Introduction
The unit introduction gives the reader an appreciation of the unit in the context of the vocational setting of the qualification, as well as highlighting the focus of the unit. It gives the reader a snapshot of the unit and the key knowledge, skills and understanding gained while studying the unit.

Learning outcomes
The learning outcomes of a unit set out what a student is expected to know or be able to do as a result of their learning.

Scope of content
The scope of content identifies the breadth of knowledge, skills and understanding needed to achieve each of the learning outcomes. The content provides the range of subject material for the programme of learning and specifies the skills, knowledge and understanding required for achievement of the unit.

Content structure

- Each learning outcome is stated in full.
- Topic areas specify the standard that a student is expected to meet in order to demonstrate that the learning outcome has been achieved. These may be shown as ‘Learners need to understand’ for an understanding topic area or ‘Learners need to be able to’ for a skills topic area. Some learning outcomes may include both understanding and skills elements.
- Each topic area is then expanded into key concepts related to that learning outcome.
- Each concept is then further expanded into indicative content where applicable.

Relationship between content and assessment

Students must have the opportunity to cover all the unit content. It is not a requirement of the unit specification that all the content is assessed. However, the indicative content will need to be covered in a programme of learning for students to be able to meet the standard determined in the scope of content.

Delivering this unit

This section includes guidance on how the unit content can be delivered. Tutors are encouraged to develop their own approach depending on the needs of their students but may wish to incorporate some of the ideas included. Tutors may wish to go beyond the scope of the content to aid understanding and provide context but must always ensure first that all required content is covered according to the depth and breadth indicated in the scope of content.

Test specification for unit assessment

The test specification for the unit assessment gives details about the assessment method, marking type and duration of the assessment. The contribution that each learning outcome makes to the overall mark for the unit assessment is also provided.

Bookkeeping fundamentals

Unit level	GLH value	Unit reference number	Assessment
1	75	F/650/2401	Unit assessment

Introduction

This unit will provide students with the understanding of why keeping financial information accurate and up to date is important in the workplace. They will understand the key roles that a bookkeeper per including data entry, checking bank statements, accounts receivable and accounts payable. They will understand how the data they prepare, and reports they produce may be used by management and business owners in making business decisions and the importance of timely and accurate communication. Students will learn the importance of ethical behaviour including confidentiality and the importance of data protection.

Students will learn underpinning theory including how to identify assets, liabilities, income, expenses, capital and profit or loss. They will learn the differences between trading for cash and trading on credit. Students will also develop the skills to process customer and supplier transactions, to enter receipts and payments into the cash book and check amounts against the bank statement in preparation for bank reconciliation. Students will be introduced to the dual effect of transactions. This is a fundamental underpinning concept for double-entry bookkeeping and will support students who go on to study bookkeeping at Level 2.

Students will learn the role that software can have in bookkeeping and the benefits and risks that different types of software may bring. They will explore the differences between cloud accounting software and traditional accounting software and learn about the importance of software security and the steps that can be taken to keep data secure.

Learning outcomes

1. Understand the role of the bookkeeper.
2. Understand financial transactions.
3. Process customer and supplier transactions.
4. Process receipts and payments.
5. Understand the benefits and risks of using accounting software to complete bookkeeping tasks

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 role of the bookkeeper	
1.1	**Duties and responsibilities of a bookkeeper**
	Learners need to know: 1.1.1 the duties and responsibilities of a bookkeeper: - record and check financial transactions - prepare and check financial documentation - prepare information that is timely and accurate - prepare information that may be used by managers/business owners in making decisions - required to follow ethical principles - must refer to a supervisor or seek authorisation where appropriate - have money laundering obligations.
1.2	**The importance of timely and accurate information**
	Learners need to know: 1.2.1 the potential effect of inaccurate information: - incorrect accounting records: overstatement, understatement - incorrect profit or loss reported - incorrect tax payments to authorities - delayed receipts from customers - incorrect chasing of customers - incorrect payments to suppliers: overpayment, underpayment - duplicated payment to suppliers - delayed receipt of goods from suppliers - loss of customer/supplier goodwill - incorrect information on external/internal reports: incorrect management/client decision making - time spent tracing and correcting errors - loss of reputation with managers/clients. 1.2.2 the potential effects of untimely information: - missed accounting and other compliance deadlines - delayed receipts from customers - delayed payments to suppliers - delayed receipt of goods from suppliers - loss of customer/supplier goodwill - out of date information in external/internal reports – incorrect management/client decision making - loss of reputation with managers/clients.

	1.2.3 actions that can be taken to ensure information is timely and accurate: - identify deadlines - identify how long is required for each item of work - prioritise work to ensure deadlines can be met - plan work using diaries/calendars/planning software - take time when processing entries - check understanding of task with supervisor and/or client - do not take on more work than is possible in the time available - discuss workload and priorities with your supervisor - do not take on work beyond your ability - discuss with your supervisor if you are not sure how to process an item - check that totals agree to expectation - use internal checks within software to identify errors - review own work - have a second person review when appropriate.
1.3	**Ethical principles**
	Learners need to know: 1.3.1 the five fundamental principles of ethics: - confidentiality - professional behaviour - professional competence and due care - integrity - objectivity. 1.3.2 the potential effect of not keeping information confidential: - unauthorised sharing of information - breach of data protection/General Data Protection Regulations - breach of AAT Code of Professional Ethics - breach of employment contract - loss of business / personal reputation. 1.3.3 ways to keep information confidential/secure: - use of strong passwords / not sharing passwords - screensavers - encryption - firewalls - use of secure network: remote / hybrid working - storage of hard-copy records, physical access restrictions - storage of soft-copy records: cloud-storage, archives, secure back-ups, restricted access, cybersecurity - authentication required to access cloud-based information - not sharing laptops/computers with others - not leaving confidential information where non-authorised personnel may see/not working in a public space - not discussing confidential information where non-authorised personnel may hear

	- anti-virus software - cookies and privacy settings - the importance of only sharing information with authorised personnel - checking correct recipient before sending required information. **Exclusion:** creating passwords.
1.4	**Money laundering obligations**
	Learners need to know: 1.4.1 key money laundering obligations: - bookkeeping is an accountancy service - bookkeepers must register for anti-money laundering supervision if they provide external bookkeeping services - money laundering is a criminal offence - reports of suspicious activity should be made - failure to report a suspicion of money laundering is a criminal offence.

2. Understand financial transactions	
2.1	**The dual effect of transactions**
	Learners need to know: 2.1.1 that items that can be classified as: - assets - liabilities - income - expenses - capital - profit / loss. 2.1.2 that items can be recorded in the bookkeeping system 2.1.3 that each transaction changes the records of at least two items in the bookkeeping system: item amounts may increase and/or decrease. **Exclusions:** making entries in ledger accounts, debits and credits, transactions including VAT, transactions including more than two items.
2.2	**The accounting equation**
	Learners need to know: 2.2.1 the accounting equation 2.2.2 that profits result in increases in capital and losses result in decreases in capital 2.2.3 that the accounting equation will always balance. **Exclusions:** Calculations of missing entries using the accounting equation.

3. Process customer and supplier transactions

3.1 The buying and selling process

Learners need to know:

3.1.1 the difference between trading for cash and trading on credit:

- cash sales
- cash purchases
- credit sales
- credit purchases
- customers
- suppliers
- receivables
- payables.

3.1.2 relevant documents and how they are used:

- sales and purchase invoices
- sales and purchase credit notes
- quotation
- sales and purchase orders
- delivery note
- goods received note
- goods returned note
- cash receipt
- remittance advice.

3.2 Preparing sales invoices and credit notes

Learners need to know:	Learners need to be able to:
3.2.1 the documents used to prepare sales invoices and credit notes: - quotation - delivery note - price list - sales order.	3.2.2 complete sales invoice and credit note details: - customer name - customer address - customer reference - invoice number - invoice date - credit note number - credit note date - product description - product code. 3.2.3 complete sales invoice and credit note amounts: - unit price, number of units and price for multiple units - discounts for buying large quantities - amounts: net, VAT at standard rate, total.

		Exclusion: calculation of VAT from VAT-inclusive amounts.
3.3	**Check purchase invoices and credit notes**	
	Learners need to know: 3.3.1 the documents used to check purchase invoices and credit notes: - quotation - purchase order - goods received note - goods returned note.	Learners need to be able to: 3.3.2 recognise errors: - customer name - customer address - customer reference - invoice number - invoice date - credit note number - credit note date - product description - product code - unit price, number of units and price for multiple units - discounts for buying large quantities - amounts: net, VAT at standard rate, total. **Exclusion:** calculation of VAT from VAT-inclusive amounts.
3.4	**Record sales and purchase invoices and credit notes in the books of prime entry**	
	Learners need to know: 3.4.1 the books of prime entry: - sales daybook - purchases daybook - sales returns daybook - purchases returns daybook. 3.4.2 the columns within the books of prime entry: - date - customer/supplier name - customer/supplier invoice number/credit note number - amounts (net, VAT and total).	Learners need to be able to: 3.4.3 make entries in the books of prime entry 3.4.4 total columns in the books of prime entry 3.4.5 cross cast columns in the books of prime entry. **Exclusion**: analysis columns in books of prime entry.

<table>
<tr><th colspan="3">4. Process receipts and payments</th></tr>
<tr><td>4.1</td><td colspan="2">Enter receipts and payments into a cash book</td></tr>
<tr><td></td><td>Learners need to know:
4.1.1 the format of the cash book:
- receipts side
- payments side.
4.1.2 the columns within the cash book:
- date
- customer/supplier
- cash and/or bank
- analysis columns (including VAT analysis column).
4.1.3 the resources and documents used:
- cash receipts
- cheque stubs / paying-in book
- remittance advices
- lists of receipts and/or payments
- lists of Direct Debits and/or standing orders
- lists of Faster Payments and/or BACS
- bank statements
- automatic bank feeds.</td><td>Learners need to be able to:
4.1.4 make entries in the cash book:
- receipts
- payments
- total columns in the cash book
- cross cast columns in the cash book.

Exclusions: opening and closing balances in the cash book, the cash book as part of the double-entry system.</td></tr>
<tr><td>4.2</td><td colspan="2">Use the cash book to calculate closing amounts of cash in hand and cash in the bank</td></tr>
<tr><td></td><td colspan="2">Learners need to be able to:
4.2.1 calculate the closing amount of cash in hand from the opening amount, amounts received and amounts paid
4.2.2 calculate the closing amount of cash in the bank from the opening amount, amounts received and amounts paid.

Exclusion: overdrawn amounts, bank reconciliations.</td></tr>
<tr><td>4.3</td><td colspan="2">Check the closing amount of cash in the bank against the closing balance in the bank statement</td></tr>
<tr><td></td><td colspan="2">Learners need to be able to:
4.3.1 recognise receipts and payments on the bank statement:
- counter credits
- cash withdrawals
- standing orders
- Direct Debits
- debit card payments
- cheques
- BACS
- Faster Payments
- bank charges</td></tr>
</table>

<table>
<tr><td></td><td colspan="2">- bank interest received
4.3.2 recognise balances on the bank statement
4.3.3 recognise items in the cash book that are not on the bank statement
4.3.4 recognise items on the bank statement that are not in the cash book.

Exclusions: overdrawn amounts, bank reconciliations.</td></tr>
<tr><td>4.4</td><td colspan="2">Identify outstanding amounts for individual customers and suppliers</td></tr>
<tr><td></td><td>Learners need to know:
4.4.1 the documents used:
- sales and purchase invoices
- sales and purchase credit notes
- lists of invoices and/or credit notes
- cash receipts
- cheque stubs / paying-in book
- remittance advices
- lists of receipts and/or payments
- bank statements / bank feeds
- software reports: individual customer reports, individual supplier reports, receivables reports, payables report, aged receivables analysis, aged payables analysis.
4.4.2 the records used:
- sales daybook
- purchases daybook
- sales returns daybook
- purchases returns daybook
- cash book.</td><td>Learners need to be able to:
4.4.3 calculate amounts owed by customers
4.4.4 calculate amounts owed to suppliers
4.4.5 use an opening amount owed.

Exclusion: sales, purchase, receivables, and payables ledger accounts.</td></tr>
</table>

5. Understand the benefits and risks of using accounting software to complete bookkeeping tasks	
5.1	**Features and benefits of accounting software compared to manual bookkeeping**

Learners need to know:

5.1.1 that digital systems can import transactions from a number of sources:

- bank records
- csv files
- third party software / Apps.

5.1.2 the benefits of being able to integrate, import and export data to and from other sources:

- to work with data more flexibly
- save time
- reduce risk of human error
- communicate information in various formats
- receive information in real-time: live bank feeds, wider accessibility
- reduce reliance on paper communication
- easy access to information from single system.

5.1.3 that digital systems can produce real-time reports

5.1.4 that reports may be produced in accounting software:

- real-time financial position
- analysis of income and expenses
- individual customer reports
- individual supplier reports
- receivables reports
- payables reports
- aged receivables analysis
- aged payables analysis
- bank payments analysis for a specified time period
- bank receipts analysis for a specified time period.

5.1.5 that accounting software can provide benefits to processing customer and supplier transactions:

- pro-forma invoices
- automated calculations
- automated emailing of invoice
- automated updates of changes to invoices
- pro-forma purchase orders
- automatic conversion of quotes to sales invoices
- recurring invoicing schedules
- duplicate previously raised invoices
- automatic checks for accuracy.

5.1.6 that accounting software can provide benefits to processing receipts and payments:

- match bank receipts to sales invoices
- match bank payments to purchase invoices
- Software learning to suggest automated matching based on previous transactions

	- automatic identification of differences in amounts paid/received to expectation - automated allocation of amount received to cash book and customer account - automated remittance advice - automated reminders of when payments are due - automated payment set up for due dates - automatic checks for accuracy - customer statements in real time to show amounts outstanding - supplier statements in real time to show amounts outstanding. 5.1.7 that accounting software can have disadvantages: - can create errors when the amount or frequency of a recurring entry changes - manual errors at initial point of entry may still occur.
5.2	**Advantages and disadvantages to users of different types of accounting software**
	Learners need to know: 5.2.1 the differences between 'off the shelf' versus bespoke software: - cost - levels of support for users - timeframe for development - range of functions used by business - frequency and ease of updates - level of training required to use software - type of subscription. 5.2.2 the differences between traditional accounting software versus cloud software: - cost - levels of support for users - range of functions used by business - frequency and ease of updates - upgrade capacity - level of training required to use software - access from multiple devices - access/useability from mobile devices - ability to integrate with third party software / Apps - type of subscription - access to internet.
5.3	**Accounting software security**
	Learners need to know: 5.3.1 potential threats to data security: - viruses - hacking - phishing - system crashes - employee fraud - corrupt files - natural disasters

	- accidental deletion.

Delivering this unit

This guidance is intended only to support planning for delivery. Tutors are encouraged to develop their own approach depending on the needs of their students but may wish to incorporate some of the following ideas.

This guidance offers:

- strategies for connecting unit content and the world of work, including use of real-world examples
- suggestions for alternative approaches to the same content for students who learn differently.

Tutors may wish to go beyond the scope of the content, as defined against each learning outcome, in order to aid understanding and provide context but must always ensure first that all required content is covered according to the depth and breadth indicated in the unit specification.

Embedding literacy
For most students this will be their first experience of the accounting profession. Students will need to learn new terminology and many students may not use English as their first language.

Students can be encouraged to develop a list of key terms, writing definitions in their own words and comparing them with other students' definitions. Using this approach may not only help to embed literacy skills but will also help to reinforce understanding of the key accounting terminology that students will go on to encounter throughout their studies.

Learning outcome 1: Understand the role of the bookkeeper
This learning outcome can be explored through group discussion. Students could be stretched by a research task investigating available job roles within the accounting profession. This will help to deepen their understanding of the role of the bookkeeper and the tasks that they perform within an organisation. Discussion may also explore the need to maintain confidentiality and be aware of money laundering, drawing on real world examples.

The importance of accuracy and timeliness could be reinforced by drawing on students' experiences of situations where personal transactions have gone wrong, such as at the bank or in a retail environment or where they have experienced the impact of missed deadlines in the workplace. A task where students spot either spelling and/or numerical errors will further highlight the need for accuracy.

Learning outcome 2: Understand financial transactions
Bookkeeping terminology and the dual effect can be introduced through activities focusing on the resources used within and the trading activity of a range of small businesses. Classification of items into assets, liabilities, income and expenses can take place before profit or loss is identified. For example, paying rent increases expenses and decreases the bank. The accounting equation can be demonstrated throughout the process so that students can confirm that it continues to balance after every transaction.

Learning outcome 3: Process customer and supplier transactions
Students will need to know both the steps and terminology of the buying and selling process. This may be explored from students' personal experience but should be quickly scaled up into a business context. Tutor input and interactive activities, such as card sorts and/or drag and drops, provide useful opportunities for students to familiarise themselves with key terms and definitions. A human buying and selling process in which students stand in line in order of the documentation process can help check their learning.

Both the process and terminology of invoice and credit note calculation should be explored. Tutors can introduce students to key terminology or facilitate this through a card sorting and/or drag and drop activity in which students familiarise themselves with the key terms and definitions. Students can then go on to explore the calculation of the documents, initially with tutor guidance.

Students can be stretched by being encouraged to work either individually or in pairs to produce an invoice from a blank template. They could also check the work of others in the group. Passing students' invoices around the group allows students to gain confidence in their calculations and develop skills in checking the accuracy of documentation. This will also help them when identifying amounts owed by customers and to suppliers. Tutors may also consider demonstrating the invoice creation process in accounting software.

Students can then transfer invoice and credit note details into the books of prime entry. Creating daybooks from blank templates and asking others to identify any errors that they have made will build students' confidence in the accuracy of their calculations and their use of cross casting. Tutors may consider demonstrating the automatic posting of entries from invoices created in accounting software.

Learning outcome 4: Process receipts and payments
This learning outcome introduces the idea that receipts and payments are entered into the cash book. Closing cash and bank balances can then be calculated. Drawing on students' personal experience of the banking system, tutors can introduce the idea of the different types of receipts and payments. The group can look at the documentation used before transactions are reviewed within a business context, entered into the cash book and a cross cast is completed. A drag and drop activity can be used to reinforce the transactions that fall within the respective analysis columns. A crossword could be used to check understanding of terms such as BACS and standing orders.

A business will compare the closing bank statement balance with that in the cash book and students may not recognise that figures in the bank statement are in the opposite column to those in the cash book. Discussion can focus on why amounts will initially appear in the cash book or the bank statement only prior to identifying the relevant figures. Tutors may consider demonstrating how accounting software can use live bank feeds to reconcile the bank statement to the cash book and automatically identify any differences.

Students can work in groups to identify how different documentation and reports will help to identify closing customer and supplier balances. Tutors may consider demonstrating reports that can be produced in accounting software to identify balances.

Learning outcome 5: Understand the benefits and risks of using accounting software to complete bookkeeping tasks

This learning outcome can be explored through group discussion with students identifying benefits they have experienced through technology, perhaps in banking and retail before developing the discussion to be specific to accounting software. Students may be able to identify some types of accounting software that they have perhaps seen advertised or experienced in the workplace and may be able to identify some of the advantages that software can bring.

Tutors may want to demonstrate some transactions in accounting software or reports that can be produced by accounting software or may wish to use online demonstrations to demonstrate. Students may be able to identify real life situations where they have security in place (perhaps on their mobile phones and laptops) and can discuss the implications of security breaches. Tutors may want to introduce some news stories of where software security has been breached.

Links with other units
This unit has close links with:

- Level 1 Working in the business environment
- Level 1 Using numbers in business
- Level 2 Introduction to bookkeeping
- Level 2 Principles of bookkeeping controls

Test specification for Bookkeeping Fundamentals unit assessment

There will not be a separate Qualification Technical Information (QTI) document for this assessment.

Assessment method	Marking type	Duration of assessment
Computer-based assessment	Computer marked	1 hour 30 minutes

Learning outcomes	Weighting
1. Understand the role of the bookkeeper	17%
2. Understand financial transactions	10%
3. Process customer and supplier transactions	29%
4. Process receipts and payments	34%
5. Understand the benefits and risks of accounting software to complete bookkeeping tasks	10%
Total	100%

10. Delivering AAT qualifications

10.1 Staff requirements

AAT requires that all staff who deliver AAT qualifications, including tutors, assessors and verifiers, are professionally competent to do so.

For more information, please refer to **the AAT Code of practice** available through MyAAT at **AAT Guidance for training providers**

10.2 Training provider and assessment venue approval

Training providers must be approved by AAT to offer these qualifications. To apply to become an AAT Approved training provider, email **trainingproviders@aat.org.uk** with the following information:

- full name of organisation
- full postal address, including postcode
- landline telephone number
- website address – this must be a live, fully functioning website
- other awarding bodies with which the organisation is accredited.

When AAT has received this information, an account manager will set up a meeting and discuss the criteria needed for approval. Only applications that meet AAT's high standards will be approved.

Existing training providers who wish to offer the qualification(s) should apply through the qualification approval section under online centre services, which can be found under the MyAAT login. Please note that only the training provider's main contact can apply for qualification approval.

Some organisations will not wish to become AAT Approved training providers but may be interested in administering AAT assessments by becoming an approved assessment venue. To apply to become an AAT-approved assessment venue, email **assessment.venues@aat.org.uk** with the following information:

- the full address of the proposed venue
- any experience in administering computer-based assessments.

AAT will evaluate whether a venue meets the minimum hardware and software requirements, is a suitable environment for delivering assessments and has the staff to run assessments successfully. A representative from AAT will conduct a visit before approval is granted.

10.3 Quality assurance

AAT monitors training providers to ensure their continued compliance with the AAT approval criteria, the *AAT Code of practice for approved training providers* and appropriate regulatory requirements.

All training providers have an allocated point of contact and will be subject to a range of quality assurance activities (including visits, remote activities, self-assessment and thematic reviews) to ensure that quality standards are being met. The frequency of quality assurance

activities will depend on a number of factors, including the level of risk associated with the provider's experience in delivering AAT qualifications and/or the outcomes of previous quality assurance activities.

Training providers will receive a report following on from any quality assurance activity from AAT, which will identify any actions that are to be addressed.

AAT may apply an action plan with deadlines and/or a sanction where training providers do not meet the requirements set out in the **AAT Code of practice ,** which may be accessed via MyAAT

Sanctions will be applied at training provider level and will take the following form:

- Level 1: Action plan imposed
- Level 2: Suspension of the right to claim certification
- Level 3: Suspension of the right to register students, schedule assessments and claim certification.

Where AAT considers that there is an irretrievable breakdown in the management and quality assurance of the delivery of specified qualifications, AAT will withdraw training provider approval.

11. Equality and diversity

AAT firmly believes in equality of opportunity for all who participate in its qualifications. As well as our commitment to the Equality Act 2010, we aim to ensure that:

- our qualifications are free from barriers that restrict access and progression
- our qualifications are attainable by all who can demonstrate the required standard by whatever means
- our qualifications, publications and procedures are free from discriminatory practices or stereotypes with regards to age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sexual orientation, caring responsibilities, and part-time working. Assessment tasks and study opportunities are sufficiently varied and flexible to ensure that no particular group of students or would-be students are placed at any disadvantage
- all reasonable adjustments are made to cater for the individual requirements of students
- assessments are valid and reliable to ensure that all students receive impartial treatment.

We do this by:

- considering issues of diversity and equality as part of the development process
- avoiding the creation of barriers that might disadvantage those students who share one or more protected characteristics
- consulting with students (or their representatives)
- collecting data for monitoring and evaluation
- providing additional information at **aat.org.uk/about/what-we-do/responsible-business-strategy**

11.1 Reasonable adjustments

A reasonable adjustment is an arrangement that can be put in place by AAT or the assessment centre prior to an assessment to help students with a long-term disability, such as dyslexia, or who are temporarily impaired, such as a student who has broken their arm, to do their best. For example, this could mean applying extra time for dyslexic students or allowing the use of a scribe for a student with a broken arm.

In most cases, it should be possible for the assessment centre to make the decision to grant adjustments and notify AAT before scheduling the assessment: for example, granting extra time up to and including one-third of the available time as published for that assessment. However, if a more significant adjustment is needed, assessment centres may need to obtain approval from AAT first.

Further information about reasonable adjustments and the procedures for notification and approval are given in the **Guidance on the Application of Reasonable Adjustments and Special Consideration in AAT assessments** available through MyAAT.

11.2 Special consideration

Special consideration is a process that takes account of a student's circumstances, for example a temporary illness or injury, or some other event outside of the student's control, at or shortly before the time of assessment, which could have had an effect on the student's ability to take the assessment. The process entails a review of the student's performance in the assessment and, if appropriate, the application of a small mark adjustment to compensate, as far as possible, for the difficulties that they might have experienced.

Further information about special consideration and the procedure that must be followed in notifying AAT is given in the **Guidance on the Application of Reasonable Adjustments and Special Consideration** in AAT assessments available through MyAAT

12. Support for training providers

12.1 Partner Support team

The Centre Support team is dedicated to helping training providers with the daily running of AAT qualifications. The team also offers one-to-one support for new training providers to help them get their AAT qualifications up and running.

Phone: +44 (0)203 3735 2443
Email: **partner.support@aat.org.uk**

12.2 Partner Account Manager (PAM)

Each training provider has their own Regional Account Manager (RAM) assigned to support them once they have been approved as an AAT training provider. RAMs help provide links to local employers and visit regularly to keep training providers up to date on qualification developments, apprenticeships and possible commercial opportunities.

12.3 Weekly email update from AAT – *SummingUp*

Every Friday, *SummingUp* shares all the latest news from AAT with AAT Approved training providers, including:

- technical updates
- qualification developments
- upcoming events
- new e-learning materials
- the latest marketing materials.

12.4 Events for training providers

Tutors have the opportunity to attend the following events throughout the year.

Annual conference
The annual training provider conference is a chance to get together, network and share ideas. The conference typically includes:

- Topical and technical workshops
- guest speaker sessions
- the opportunity to learn about new developments directly from AAT.

Network meetings and monthly SummingUp Live webinars
At these events, training providers can raise queries, share best practice and ideas with AAT and other training providers. The events:

- cover a wide range of topics
- keep tutors up to date on the latest issues
- provide relevant and cost-effective CPD.

Technical events (tutor-to-tutor sessions)
These events are free of charge to training providers and cover a range of our qualifications and assessment areas. Experienced and high-performing training providers share their experiences, tips and techniques with attendees to help others improve their teaching and delivery.

12.5 Tutor talk forum

All AAT Approved training providers have access to Tutor talk, where tutors can contribute to online conversations about a wide range of AAT issues. Tutors will receive:

- unlimited user logins for all AAT tutors
- email updates on posts they're interested in.

12.6 Online support resources

In order to help tutors deliver AAT qualifications, a range of support materials are offered for all AAT qualifications, such as:

- interactive PDFs
- recorded webinars
- videos
- podcasts
- training materials
- quiz questions for all AAT units.

All support materials can be found on the **AAT Lifelong Learning Portal**.

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