AAT Level 1 Certificate in Accounting

Qualification briefing pack
Qualification number: 601/2368/0
Version 1.0 published February 2014

AAT is a registered charity. No. 1050724

Contents

Introduction to the qualification 3
Qualification at a glance 3
Aims of the qualification 4
Target audience 4
Training provider approval process 4
Training provider benefits 5
Operational detail/ timing 6
Standards for the AAT Level 1 Certificate in Accounting (QCF) 7

Introduction to the qualification

The Level 1 Certificate Accounting consists of 11 units and five assessments.

The qualification has been designed to help target the issues of the lack of literacy, numeracy and employability skills currently in the UK. In addition, this qualification aims to increase the availability of employment-ready candidates amongst long-term unemployed young people. This new level 1 builds on the Access qualification, introducing units covering bookkeeping, payroll and computerised accounts to provide an all-round introduction for students.

Qualification at a glance

Qualification number: 601/2368/0				**Level: 1**		
Unit title	**Unit reference number**	**GLH**	**QCF credit**	**Proposed assessment method**	**Assessment name**	**Units in other qualifications**
Creating business documents	Y/504/7828	30	3	**CBT***	Access	Access – Level 1 Award in Accounting
Mathematics for Accounting	K/602/4919	8	1			Access – Level 1 Award in Accounting
Essential Accounting Procedures	D/602/4917	29	3			Access – Level 1 Award in Accounting
Accounting in a professional environment	J/505/5407	8	2			Access – Level 1 Award in Accounting
Introduction to bookkeeping	M/600/8737	4	1	**CBT***	Bookkeeping and accounts	Level 1 Award in Bookkeeping
Working within bookkeeping	T/600/8738	8	2			Level 1 Award in Bookkeeping
Bookkeeping and Accounts	A/501/9035	30	3			Level 1 Award in Bookkeeping
Computerised Payroll Administration	T/505/1157	30	4	**CBP***	Computerised payroll processing and administration	
Payroll Processing	J/505/1146	14	2			
Computerised Accounts	Y/501/8989	30	3	**CBP***	Computerised Accounts	Level 1 Award in Computerised Accounting
Spreadsheet Software	A/502/4624	20	3	**CBP***	Spreadsheet Software	Level 1 Award in Bookkeeping and Level 1 Award in Computerised Accounting
Total		**211**	**27**	**5**		

*AAT will be providing an update on the assessment method by 1 April 2014

Aims of the qualification

This qualification aims to ensure students gain a practical introductory understanding of accountancy in the workplace and how to conduct themselves in a professional environment. It has been designed to provide students with basic accountancy, bookkeeping and payroll knowledge. Students will learn how to use computerised accounting software and spreadsheet programmes, as well as gain an introduction to basic business principles.

Target audience

- Young students aged 16-24 years currently not in employment or training.
- Students with the ambition to complete an apprenticeship in the future, where this qualification can provide a pre-apprenticeship.
- Students interested in a vocational route to help prepare them for the workplace.
- Students who are 24 and over, currently unemployed and looking for the skills to get into the work place.

Training provider approval process

Current training providers approved to offer the AAT Accounting Qualification
The application process is free; however you will be required to complete a short form to inform us of your intention to run the Level 1 Certificate in Accounting. This will enable us to update our systems to facilitate student registration.

We will notify you through *SummingUp* when approval forms are available.

New training providers not currently approved to offer the AAT Accounting Qualification
You will be required to follow a full application process to gain approval for this qualification.
There is a one-off £110 application fee for approval to run the Level 1 Certificate in Accounting.

An annual fee of £620 will be applied to training providers to cover all qualifications you are approved to offer. These fees will be applicable from September 2014 in the UK.

Student registration process

To start this qualification, students must register with AAT. From September 2014, students will be required to pay a **£40 subscription fee** which will entitle them to study this qualification within a 12 month period. The £40 subscription fee will provide a student access to study the following qualifications during that 12 month period:

- Level 1 Certificate in Accounting
- Level 1 Award in Accounting (Access)
- Level 2 Award in Accounting Skills to Run Your Own Business

They will still be required to pay all assessment fees for each qualification.

If the student wishes to continue studying any of these qualifications after the 12 month period, they will be required to renew their subscription for another 12 months.

Students will not be registering for AAT student membership, but will still receive access to study support resources via their MyAAT account.

Training provider benefits

- Eligible for funding.
- The Level 1 AAT Access Award (which is part of the qualification) can be used as a 'finance taster' before the student commits to the whole qualification.
- Provides you with the flexibility to meet the needs of full-time Level 1 students.
- Can be used as part of a **16 to 19 study programme.** The programme was introduced by the Government in September 2013 meaning all students in full or part-time education aged 16 to 19 are expected to follow a study programme tailored to their individual needs.
- Can be used as part of a **Traineeship programme** which has been designed by the Government to help young people (16-24 year olds). The programme is appropriate for those who do not yet have the suitable skills or experience to get onto an apprenticeship, but have the motivation to do so.
- Provides the student with partial achievement even if they only complete part of the certificate. For example, if they only finish the Access Award or the units in the Level 1 Award in Bookkeeping or Level 1 Award in Computerised Accounting.
- Enhances student employability - aiding job outcomes reporting for the training provider.

Student benefits

- Provides a strong introduction to the accountancy and finance profession.
- Provides skills and knowledge to assist the student into the workplace.
- Provides the student with a basic introduction to a range of financial practices and terminology.
- It helps them to take the first step in becoming a finance professional and apply ethical behaviour and professionalism within an accounting environment.
- Provides career progression with opportunities to study other AAT qualifications.

Operational detail/ timing

Operational start date	1 September 2014
Countries of operation	This qualification is accredited under OFQUAL in England, Wales and Northern Ireland. Please contact Rowena Chamberlain if you have an interest in offering this qualification in any other locations trainingproviders@aat.org.uk The units in this qualification which also exist in the AAT Access Qualification are accredited under SQA.
Training provider approval	Current AAT training providers will be required to complete an application form to be approved to offer this qualification. This is free of charge.
Student fees	• 12 month subscription fee – £40 • Entitles students to study the **Level 1 Certificate in Accounting** and any of the following qualifications in a 12 month period: – Level 1 Award in Accounting (Access) – Level 2 Award in Accounting Skills to Run Your Business • Assessment fees – 5 assessments @ £28 each.
Study and assessment guidance	30 May 2014
Sample assessments	1 September 2014
Live assessments	1 September 2014
E-learning support	Available now: Access Available 1 September 2014: • Bookkeeping and accounts • Computerised payroll processing and administration E-learning will not be provided for the computerised accounts or spreadsheets software units.
AAT contact	Centre Support: **centre.support@aat.org.uk**

Standards for the AAT Level 1 Certificate in Accounting (QCF)

Title (and reference number)		**Creating business documents**	
Level		1	
Credit value		3	
Learning outcomes The learner will		**Assessment criteria** The learner can	
1	Know that there are different types of business document	1.1	Identify different types of business document and when they might be used
		1.2	State why templates are used for some business documents
2	Know why it is important to use the right communication style in business documents	2.1	State why some businesses adopt a 'house style' for certain documents
		2.2	Give examples of when to use a formal or informal communication style
3	Be able to produce routine business documents	3.1	Produce routine business documents using the appropriate communication style
		3.2	Check documents for accuracy
Unit aim(s)			
Students will be able to use to a range of business documents used within the accounting function and other areas of a business.			

Title (and reference number)		**Mathematics for accounting**	
Level		1	
Credit value		1	
Learning outcomes The learner will		**Assessment criteria** The learner can	
1	Be able to apply basic mathematical concepts to financial data	1.1	Add and subtract whole numbers and numbers up to two decimal places
		1.2	Multiply and divide whole numbers and numbers up to two decimal places
		1.3	Calculate the ratio or proportion of two numbers
		1.4	Calculate the percentage of one number in relation to another number
		1.5	Find a percentage of a whole number
		1.6	Apply a fraction to whole numbers
		1.7	Calculate the average of a range of numbers
Unit aim(s)			
Students should be able to perform a range of basic mathematical functions using financial data.			

Title (and reference number)		Essential accounting procedures	
Level		1	
Credit value		3	
Learning outcomes The learner will		**Assessment criteria** The learner can	
1	Understand basic accounting terminology	1.1	Explain the terms assets, liabilities, income and expenditure
		1.2	Identify examples of assets, liabilities, income and expenditure
		1.3	Explain the terminology associated with the sale and purchase of goods for cash and on credit
		1.4	Identify examples of cash transactions and credit transactions
		1.5	Explain the terms profit and loss
2	Understand the use of business documents	2.1	Identify documents used in the process of buying and selling goods on credit and when they are used
		2.2	Identify documents used to process cash sales and cash purchases
3	Prepare to record business transactions in the books of prime entry	3.1	Select appropriate documents to record transactions in the books of prime entry
		3.2	Select the appropriate book of prime entry to record transactions relating to credit sales and credit purchases
		3.3	Select the appropriate book of prime entry to record payments made and monies received
4	Understand types of coding and batch control	4.1	Identify types of codes used when recording financial transactions
		4.2	Explain what is meant by a batch control system
5	Be able to prepare documents to process receipts and payments	5.1	Complete a bank paying-in slip for notes, coins and cheques
		5.2	Complete a cheque
6	Be able to prepare a basic profit statement	6.1	Calculate gross profit
		6.2	Calculate net profit
Unit aim(s)			
Students will understand and apply basic accounting terminology and procedures.			

Title (and reference number)		Accounting in a professional environment	
Level		1	
Credit value		2	
Learning outcomes The learner will		**Assessment criteria** The learner can	
1	Understand basic organisations and how the finance professional contributes to the organisation	1.1	Identify different types of business organisation
		1.2	Identify the “customers” of the accounting function
		1.3	Explain how the accounting function can support an organisation
2	Understand the need to apply appropriate ethical behaviour and professionalism within an accounting environment	2.1	Explain how to maintain confidentiality of information
		2.2	Explain the importance of ethical and professional behaviour to the role of those in the accounting function
		2.3	Identify the importance of an organisation adopting environmentally and socially responsible policies
3	Understand that there is a legal framework within which organisations must operate	3.1	Identify the responsibility an organisation has to the health and safety of its employees and of visitors to its premises
		3.2	Explain the role of an employee in the accounting function in maintaining safe and effective working practices
		3.3	Identify how an employee in the accounting function can ensure that personal information is protected and not disclosed without authority
4	Understand types of coding and batch control	4.1	Identify efficient working practices which contribute to the achievement of own and team goals
		4.2	Explain how communication within the team contributes to its overall efficiency
		4.3	Identify the personal skills required to work in the accounting function
		4.4	Identify ways in which new skills and knowledge can be acquired
		4.5	Explain how the acquisition of new skills can be agreed and subsequently reviewed with the line manager
Unit aim(s)			
Students will be able to understand the role of a finance professional in any organisation and apply ethical behaviour and professionalism within an accounting environment.			

Title (and reference number)		Introduction to bookkeeping	
Level		1	
Credit value		1	
Learning outcomes The learner will		**Assessment criteria** The learner can	
1	Understand the job role and career path for a bookkeeper	1.1	Outline the job role of a bookkeeper
		1.2	Outline how the role of the bookkeeper fits within the business organisation
		1.3	Outline how bookkeeping can become a career pathway
2	Understand different types of business organisations	2.1	Give examples of different types of business organisation
		2.2	Define the organisations known as: • sole trader • partnership
3	Know the terminology used in bookkeeping	3.1	Identify the difference between a bookkeeper and an accountant
		3.2	Explain the correct use of two of the following (minimum) bookkeeping terms: • petty cash imprest system • sales • purchase • customer • supplier • receipt • payment • income • expenditure
		3.3	State how two (minimum) of the following bookkeeping documents are used: • petty cash voucher • purchase order • invoice • credit note • statement of account

Unit aim(s)
The aim of this unit is to enable students' understanding of the basic role of bookkeeping within different types of organisations, and to know and understand the basic terminology used in bookkeeping.

Title (and reference number)		Working within bookkeeping	
Level		1	
Credit value		2	
Learning outcomes The learner will		**Assessment criteria** The learner can	
1	Understand single-entry bookkeeping	1.1	Explain single entry bookkeeping
		1.2	Outline the books used in single entry bookkeeping
2	Know the general principles of VAT	2.1	State when a business must register for VAT
		2.2	State the various rates of VAT in general use: • reduced rate • standard rate • exempt • zero rate
3	Understand what is meant by both cash and credit transactions	3.1	Explain what is meant by cash sales
		3.2	Explain what is meant by cash purchase
		3.3	Explain what is meant by trading on credit
		3.4	Identify the various documents needed to record a credit sale or purchase
4	Understand the principles of coding and batch control	4.1	Explain why a coding system is used for financial transactions
		4.2	Outline the use of batch control
5	Understand how to process information in the books of prime entry (excluding the Journal)	5.1	State where to find financial information for entry into the bookkeeping system
		5.2	State where to enter relevant information in the books of prime entry (excluding the journal)
		5.3	Outline the need to cross check totals for accuracy
6	Understand responsibilities when working in a bookkeeping environment	6.1	Outline the responsibilities relating to security of data when dealing with customers, suppliers and other external agencies
		6.2	Identify where to gain authorisation for expenditure and when dealing with queries related to various financial transactions

Unit aim(s)

The aim of this unit is to provide the student with knowledge of the general principles of single entry bookkeeping, VAT, cash and credit transactions, different systems and processing information, and in general the roles and responsibilities of individuals working in bookkeeping.

Title (and reference number)		Bookkeeping and accounts	
Level		1	
Credit value		3	
Learning outcomes The learner will		**Assessment criteria** The learner can	
1	Know how to complete financial documents.	1.1	State the purpose and identify the content of financial documents
		1.2	Calculate sales tax, trade discount, settlement (cash) discount, price, price extension on invoices and credit notes
		1.3	Complete financial documents
		1.4	Check the accuracy of financial documents
2	Be able to record cash and credit transactions in books of original entry.	2.1	Enter invoices and credit notes into the appropriate day books
		2.2	Transfer the total(s) of the day book(s) to the respective ledger account(s)
		2.3	Post individual transactions from the day books to personal ledger accounts
		2.4	Record cash book transactions and credit transactions using double-entry bookkeeping
3	Be able to prepare bank reconciliation.	3.1	Update a cash book (bank balance) using details from a bank statement
		3.2	Recalculate the closing bank balance
		3.3	Prepare a bank reconciliation statement using appropriate information
4	Be able to understand the petty cash imprest system.	4.1	Enter the opening balance in the petty cash book
		4.2	Analyse petty cash vouchers to appropriate analysis columns
		4.3	Balance and cross tally the petty cash book totals and analysis columns
		4.4	Transfer totals to ledger accounts as appropriate
		4.5	Restore the imprest
5	Be able to extract a trial balance from ledger accounts.	5.1	Balance ledger accounts
		5.2	Bring down account balances to the following accounting period
		5.3	Extract the trial balance from the ledger and cash book
Unit aim(s)			
The aim of this unit is to test the student's ability to undertake basic bookkeeping practices and to process source documents that underpin accurate record keeping.			

Title (and reference number)		Computerised payroll administration	
Level		1	
Credit value		4	
Learning outcomes The learner will		**Assessment criteria** The learner can	
1	Be able to set up a computerised payroll system	1.1	Enter company data and legislative parameters into commercial payroll software in accordance with company policy
		1.2	Maintain the company data and legislative parameters in accordance with company policy
2	Be able to set up employee records and payroll data in a computerised payroll system	2.1	Create employee records within the payroll software from given information for example, HR information, contract of employment, P45
		2.2	Maintain up to date employees' payroll records ensuring that all changes have been correctly authorised by the employee, employer or statutory body, including income tax codes changes, rates of pay etc.
		2.3	Produce a range of reports relating to the employee's personal details, pay and deductions
3	Be able to enter details of gross pay into the computerised payroll system	3.1	Enter elements of basic gross pay for weekly and monthly paid employees from given information for example, timesheets, summaries, salary information, hourly rates
		3.2	Enter overtime details from given information
		3.3	Enter basic holiday pay as a separate gross pay element
4	Be able to process the payroll	4.1	Process gross pay in accordance with company policy and legislative requirements
		4.2	Process the final pay period for a leaver
		4.3	Produce internal period end reports including payslips and payroll summaries
		4.4	Complete the processing of the payroll for the period
		4.5	Prepare payroll data in a format suitable for submission to the relevant tax authority
		4.6	Produce Form P45 or equivalent leaving statement, for a leaver
5	Be able to back up and/or restore payroll data	5.1	Understand the importance and need for backing up the payroll data at regular intervals
		5.2	Back-up and restore payroll data
6	Understand statutory requirements for submitting information	6.1	Explain the importance of the processing date in relation to preparing and submitting the payroll data
		6.2	Identify the minimum employee data required in order to process the payroll
		6.3	Outline the procedure for submitting the payroll data at each pay period
Unit aim(s)			
The aim of this unit is to enable students to know how to set up and use a computerised payroll system by entering and processing various types of employee data, using various data sources, in a timely and accurate manner and within the requirements of specific company policy and statutory legislation.			

Title (and reference number)		Payroll processing	
Level		1	
Credit value		2	
Learning outcomes The learner will		**Assessment criteria** The learner can	
1	Be able to determine Income tax to be deducted from gross pay	1.1	Calculate income tax using HMRC approved tools: • standard suffix codes operated on a cumulative or non-cumulative basis • BR code operated on a cumulative basis
		1.2	Process changes to employees tax codes
2	Be able to determine National Insurance Contributions to be deducted from gross pay	2.1	Calculate NIC using HMRC approved Tools for Categories A and C • employee NI contributions • employer NI Contributions
3	Be able to reconcile the payroll and make payments to employees	3.1	Produce a payroll summary to itemise payments and deductions, including Income Tax, employee's NIC and employer's NIC, in accordance with the tax authority and organisational requirements
		3.2	Produce payslips to detail statutory and organisational information regarding employees' individual pay.
		3.3	Prepare payments to employees using cash analysis, cheque preparation or BACs payments
Unit aim(s)			
This unit aims to provide the student with knowledge on calculating income tax and national insurance contributions, use tax codes and HMRC approved tools, understand and provide information on the basic components of payroll and the methods of making payments to employees.			

Title (and reference number)		Computerised accounts	
Level		1	
Credit value		3	
Learning outcomes The learner will		**Assessment criteria** The learner can	
1	Create accounts using computerised accounts software	1.1	Add new accounts to the purchase ledger
		1.2	Add new accounts to the sales ledger
		1.3	Create new accounts in the nominal ledger
2	Process accounting information using computerised software	2.1	Process information in respect of the sales ledger
		2.2	Process information in respect of the purchase ledger
		2.3	Enter initial capital
		2.4	Process information involving transactions using different tax rates
		2.5	Process information in respect of cash and cheque payments and receipts
3	Understand how to use batch control sheets	3.1	Calculate batch totals as required
		3.2	Reconcile batch totals as required
4	Produce reports using computerised software	4.1	Produce a trial balance
		4.2	Produce supplier activity reports
		4.3	Produce customer activity reports
		4.4	Produce supplier details reports
		4.5	Produce customer details reports
		4.6	Produce nominal ledger account reports

Unit aim(s)

The aim of this unit is to enable students to operate computerised accounts software to carry out routine accounting tasks. These tasks include being able to create accounts, process accounting information in respect of the sales and purchase ledger, understanding how to use batch control sheets and being able to produce accounting reports such as trial balance, customer activity reports and supplier details reports.

Title (and reference number)		Spreadsheet software	
Level		1	
Credit value		3	
Learning outcomes The learner will		**Assessment criteria** The learner can	
1	Use a spreadsheet to enter, edit and organise numerical and other data	1.1	Identify what numerical and other information is needed and how the spreadsheet should be structured to meet needs
		1.2	Enter and edit numerical and other data accurately
		1.3	Store and retrieve spreadsheet files effectively, in line with local guidelines and conventions where available
2	Use appropriate formulas and tools to summarise and display spreadsheet information	2.1	Identify how to summarise and display the required information
		2.2	Use functions and formulas to meet calculation requirements
		2.3	Use spreadsheet tools and techniques to summarise and display information
3	Select and use appropriate tools and techniques to present spreadsheet information effectively	3.1	Select and use appropriate tools and techniques to format spreadsheet cells, rows and columns
		3.2	Identify which chart or graph type to use to display information
		3.3	Select and use appropriate tools and techniques to generate, develop and format charts and graphs
		3.4	Select and use appropriate page layout to present and print spreadsheet information
		3.5	Check information meets needs, using spreadsheet tools and making corrections as necessary

Unit aim(s)

The aim of this unit is to enable students to understand the uses of a spreadsheet and populate a spreadsheet with a variety of different data. It also focusses on the use of formulas to provide information in a variety of formats, knowing how to use various approaches to present spreadsheet information accurately and effectively.