

DRAFT
SPECIFICATION

ADVANCED

FURTHER EDUCATION

AND

TRAINING

CERTIFICATE

ACCOUNTING TECHNICIAN

NQF LEVEL 4

UK qualification title

AAT Advanced Diploma in Accounting **Level 3**

aat^{SA}

DRAFT Qualification Specification
SAQA Qualification ID: 77143
Certificate: Accounting Technician
NQF Level 4
Version 1.0 published March 2016

Contents

1. About AAT SA	3
2. Ethics: we set and raise standards.....	4
3. Student membership: support every step of the way.....	5
4. Choosing to study the AAT Level 4 Advanced Further Education and Training Certificate: Accounting Technician	6
5. About the Advanced Further Education and Training Certificate: Accounting Technician.....	10
6. Exemptions	12
7. Working with employers in development and delivery.....	13
8. Support for this qualification	15
9. The assessment in detail.....	16
10. Grading	20
11. Units	24
Advanced Bookkeeping.....	26
Final Accounts Preparation	36
Management Accounting: Costing.....	46
Indirect Tax	53
Ethics for Accountants.....	61
Spreadsheets for Accounting	70
12. Synoptic Test Specification	77
13. Delivering AAT qualifications.....	81
14. Equality and diversity	83
15. Support for training providers	84

Disclaimer: This qualification specification applies only to students registering from January 2017.

1. About AAT SA

AAT(SA) (AAT South Africa) is a unique partnership between the South African Institute of Chartered Accountants (SAICA) and the Association of Accounting Technicians (AAT). We are a professional body dedicated to the education, development, regulation and support of accounting technicians in South Africa.

Together, both bodies have been involved with the education and development of accounting and financial staff for more than 60 years.

Who is AAT?

AAT works across the globe with around 130,000 members in more than 90 countries. Our members are represented at every level of the finance and accounting world, including students, people already working in accountancy and self-employed business owners. AAT has been providing competence-based accounting qualifications in Central Southern Africa for over 20 years.

AAT members are ambitious, focused accounting professionals, many occupying senior, well rewarded positions with thousands of employers - from blue-chip corporate giants to public sector institutions.

AAT qualifications are universally respected and internationally recognised. Organisations hire AAT qualified members for their knowledge, skills, diligence and enthusiasm, because AAT represents the highest standards of professionalism.

In short, an AAT qualification is a route to some of the most in-demand skills in the world, and provides our students and members with a professional status to be proud of.

AAT (Association of Accounting Technicians) is sponsored by the chartered accounting bodies CIPFA, ICAEW, CIMA and ICAS.

Who is SAICA?

SAICA is the pre-eminent accountancy body in South Africa. They have established themselves as one of the leading institutes in the world, playing an important part in a highly dynamic business sector. SAICA provides a wide range of support services to their members enabling them to play a key role in developing the rapidly changing South African economy.

2. Ethics: we set and raise standards

AAT is about more than qualifications. AAT is well recognised and respected as a professional membership body throughout a wide range of businesses and requires its members to have a professional and ethical approach throughout their accountancy and finance careers.

It is because of our exceptionally high standards, quality training 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. The decisions an accounting technician makes in the course of their professional life can have real ethical implications, this is where the Code helps. 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.

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

3. Student membership: support every step of the way

Becoming an AAT student member is essential to:

- study AAT qualifications
- sit AAT assessments
- access AAT resources that support successful study and career progression.

We offer you the opportunity to belong to a professional accountancy body that recognises your achievements and offers you a range of benefits.

AAT(SA) membership offers professional status to reflect the skills you have gained and guarantees your commitment to maintaining and developing your competence.

AAT membership

We have introduced a unique membership system, comprising of five levels.

You can progress through the membership levels when you further your qualifications with us or work experience.

Red	This is for all trainees who are yet to complete a level.
Silver	This level is for those who have completed Certificate (level 3) of the AAT(SA) Qualification (Accounting Qualification or Local Government stream or Foundation level of the GAP/NVQ programme) or gained similar qualifications and relevant work experience.
Gold	This level is for those who have completed FET Certificate (level 4) of the AAT(SA) Qualification (Accounting Qualification or Local Government or Intermediate level of the GAP/NVQ programme) or gained similar qualifications and relevant work experience.
Platinum	This level is for those who have completed Certificate: Accounting (level 5) of the AAT(SA) Accounting Qualification (or Technician level of the GAP/NVQ programme) and have successfully been elected as a Full Member of AAT(SA), MAAT(SA).
Diamond	This level is for those who have been elected as a Fellow Member of AAT(SA), FMAAT(SA).

4. Choosing to study the AAT Level 4 Advanced Further Education and Training Certificate: Accounting Technician

4.1 Who should choose to study this qualification?

The Further Education and Training (FET) Certificate: Accounting Technician offers technical training in accounting and is ideal for anyone wishing to pursue a career in accountancy and finance.

The purpose of the FET Certificate: Accounting Technician is to provide students with the specialist knowledge and skills required for progressing either to employment in an accounting or finance role, or to enable progression to further study in accountancy and finance.

This qualification is suitable for those who have completed the Foundation Certificate in Accounting, or are at a more intermediate level and looking to develop their skills in accounting. The FET Certificate: Accounting Technician is also suited to those who have already started working in finance and who have a need and desire to attain formal recognition of their skills. This qualification is also a progression route for students who have achieved either the Foundation Certificate: Accounting Technician.

The FET Certificate: Accounting Technician is suited to adult students, career changers and those seeking to further develop their knowledge and skills in this occupational area.

It may also be suitable for 16-19-year-old students in full-time education who are interested in pursuing a career in this occupational area.

AAT does not set any prerequisites for the study of the FET Certificate: Accounting Technician. However, for the best chance of success, we recommend that students begin their studies with a good standard of English and maths. Other qualifications/subjects that may complement this qualification include Mathematics, Economics, and/or Business Studies. If students do have any other relevant school or college qualifications, a degree or some accounting experience, these may in certain circumstances entitle students to claim exemptions.

4.2 Why choose this qualification?

The FET Certificate: Accounting Technician is a potential stepping stone for students into employment, further education or training and may be suited to students studying part time alongside employment, or to those already working in finance. This qualification will also suit those looking to gain the skills required to move into a career in finance as it provides a clear pathway towards a successful career in accounting and finance. On completion, students can progress to take the AAT Professional Certificate: Accounting.

This qualification offers a flexible way to study, students can study full time, part time, from home or online. It will usually take around one year to complete, but this will depend on study method and course timetable. It may be possible to complete this qualification in as little as six months.

AAT qualifications benefit from being globally recognised, and they are also valued by leading employers. They offer students flexible study options, with over 450 training providers around the UK.

4.3 What does the qualification cover?

The FET Certificate: Accounting Technician covers a range of complex accounting tasks, including maintaining cost accounting records and the preparation of reports and returns. Students will learn and master financial processes, including accounting principles and concepts, advanced bookkeeping, final accounts, VAT issues in business, management accounting costing techniques and ethical practices for accountants. This qualification further delivers software skills through spreadsheet training for accounting.

The purpose of this qualification is to ensure that students are well prepared to progress into a business, finance or professional accountancy career or into further education.

All units within this qualification are mandatory. Four units are assessed individually in end of unit assessments, but this qualification also includes a synoptic assessment, sat towards the end of the qualification, which draws on and assesses knowledge and understanding from across the qualification:

- Advanced Bookkeeping - end of unit assessment and synoptic assessment
- Final Accounts Preparation - end of unit assessment and synoptic assessment
- Management Accounting: Costing - end of unit assessment and synoptic assessment
- Indirect Tax - end of unit assessment and synoptic assessment
- Ethics for accountants - assessed within the synoptic assessment
- Spreadsheets for Accounting - assessed within the synoptic assessment

It is good practice for students to work with employers while studying; however, for students on full-time programmes, it may be a mandatory course requirement. This may include work experience or placements, working on projects or exercises set or supervised by those working in the industry, or by attending master classes or guest lectures by people working in accounting.

Employers also contribute to the development of AAT qualifications. A student who passes an AAT assessment is passing a test of real workplace skills, set in a real workplace scenario, which has been reviewed by practitioners and industry experts.

4.4 What will this qualification lead to?

The accountancy skills attained through the successful completion of this qualification will enable a student to seek employment with confidence, and/or to progress to the next level of learning. A student completing this qualification will develop skills including mastery of complex financial processes, including final accounts, reports and returns, spreadsheet use for accountants, VAT returns, and professional ethics.

Students will be able to identify and use relevant understanding, methods and skills to complete tasks and address problems that, while well defined, have a measure of complexity. It includes taking responsibility for initiating and completing tasks and procedures, as well as exercising autonomy and judgement within limited parameters. It also reflects awareness of different perspectives or approaches within an area of study or work.

The accountancy and finance knowledge developed in this qualification is also the underpinning knowledge needed for the higher-level accountancy and financial skills developed in the AAT Professional qualification, the Certificate: Accounting – Level 5 (SAQA ID 80189).

The FET Certificate: Accounting Technician provides progression opportunities to further AAT qualifications and a choice of great careers, including progress onto the AAT Professional Diploma in Accounting and a route to Higher Education. The FET Certificate: Accounting Technician also provides the foundation skills required to support the establishment of a healthy business.

Skills developed and honed through this qualification can lead to employment as:

- an accounts assistant
- an accounts payable and expenses supervisor
- an accounts payable clerk
- an assistant accountant
- an audit trainee
- a corporate recovery analyst
- a credit controller
- a finance assistant
- a finance officer
- an indirect tax manager
- an insolvency executive
- a payroll supervisor
- a professional bookkeeper
- a senior bookkeeper
- a tax assistant.

The typical role and responsibilities of an accounts assistant includes conducting tasks relating to the preparation and maintenance of financial records, as well as cash handling and providing administration support to accountants. Working directly for an accountant, accounting manager or finance manager or a small team of them, the accounts assistant helps to maintain the office and keep it running smoothly. The typical responsibilities of the accounts assistant include:

- balancing accounts
- processing receipts, sales invoices and payments
- maintaining financial records that accurately record the business' incoming and outgoing finances
- completing VAT return forms
- working with spreadsheets, sales and purchase ledgers and journals
- ensuring that accounts are accurately monitored and recorded
- dealing with a company's payroll by processing wages and employee expense claims
- preparing profit and loss accounts sheets
- preparing balance sheets
- client engagement – sending out starter packs to clients and/or answering enquiries
- processing company's own accounts (in an accountancy firm)
- other administrative duties, which include general office administration such as processing office post, answering the phone, minuting meetings, photocopying and filing.

4.5 Support for this qualification

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

A full list of the employers who have offered their support, and their letters of support for the FET Certificate: Accounting Technician can be found on our qualifications pages:

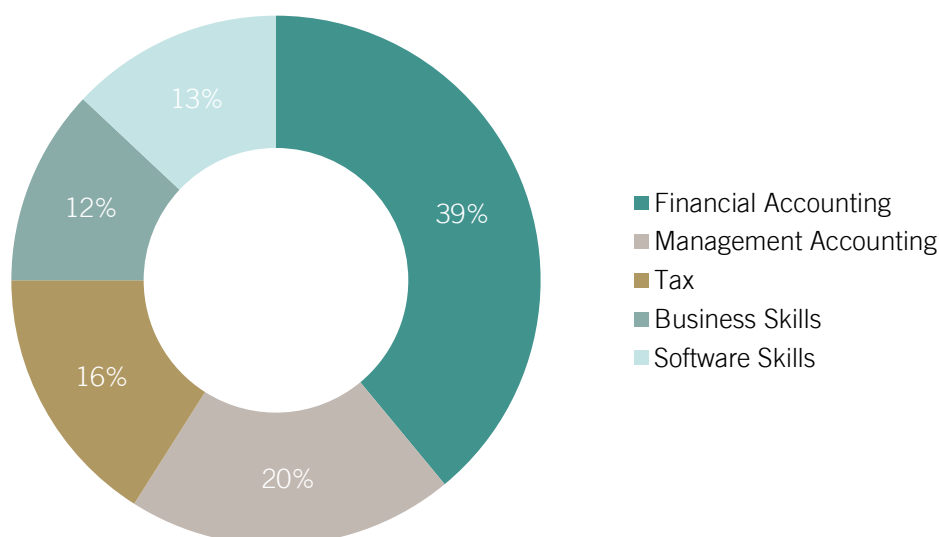
<http://www.aat.org.uk/qualification-specifications/employer-letters-of-support>

5. About the Advanced Further Education and Training Certificate: Accounting Technician

Qualification name	SAQA Qualification number
Further Education and Training Certificate: Accounting Technician	77143
Level	UK equivalent qualification title
4	AAT Advanced Diploma in Accounting – Level 3

5.1 Topics in the Further Education and Training Certificate: Accounting Technician

The following diagram shows the relative content weighting of the FET Certificate: Accounting Technician Accounting Technician



5.2 Is this qualification linked to the National Occupational Standards?

This qualification is linked to the current occupational standards in accountancy, last revised in 2012: [Accountancy National Occupational Standards](#).

5.3 Are there any prerequisites for this qualification?

For the best chance of success, the recommended entry requirements for this qualification include work experience, working in finance, or prior achievement of the AAT Foundation Certificate: Accounting Technician, or equivalent qualification. If students do have any other relevant school or college qualifications, a degree or some accounting experience, these may in certain circumstances entitle students to claim exemptions. It is further recommended 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 for a given audience.

AAT recommends that students use [AAT Skillcheck](#) to ensure they are ready to start on a particular qualification.

5.4 Will current students be able to transfer their results onto this qualification to complete their studies?

Students who have already started an AAT qualification should try to complete their studies on their current programme where possible.

If this is not possible, transitional arrangements may be available. In some cases, students may be able to transfer results for current units to similar units in an updated qualification although this will be strictly time-limited.

It is important to check the latest information to see if transitional arrangements apply via [the AAT website](#).

5.5 Recognition of prior learning (RPL)

If a student can demonstrate they already have the knowledge and skills to meet the requirements for a unit assessment, they may be eligible for RPL. This must be arranged through a registered AAT training provider and mapping of the student's skills and knowledge must be uploaded to AAT's assessment platform. There are restrictions on which units may be claimed under exemptions or RPL, and restrictions on the number of units that may be claimed.

For the FET Certificate: Accounting Technician, RPL is only available for some unit assessments. This, along with the restriction on the number of units that may be claimed by RPL, ensures that at least 50% of the qualification will always be externally assessed. Where RPL is successfully claimed for a unit assessment the student will be given a mark for that assessment of 70% (the pass threshold), and this mark will be used in determining the final qualification grade. In order to achieve a higher mark, the assessment must be taken as normal.

It is not possible to claim RPL for the synoptic assessment. This assessment must be completed and passed for the student to be awarded this qualification. Full details on RPL may be found on [the AAT website](#).

6. Exemptions

6.1 From AAT assessments

Exemptions may be offered to students who can provide evidence of gaining a previous, relevant qualification. If eligible, students may be exempt from sitting some AAT assessments. This includes students who have completed a recognised accounting or finance-related degree with one of AAT's partner universities.

There are restrictions on how many exemptions are allowed within each qualification. Fees will be charged for exemptions.

For the FET Certificate: Accounting Technician Accounting Technician, no exemption can be claimed for the synoptic assessment or for units that are assessed only via the synoptic assessment. Exemptions will only carry a 70% pass into the overall grade of the qualification.

Further details on exemptions may be found on [the AAT website](#).

AAT qualifications are a great alternative to university, but some students may wish to go on and study for a degree. A number of institutions, including universities, offer exemptions for AAT qualified members. Students should contact the individual institutions to confirm their exemption policies.

To request an exemption from a course at a specific institution please send your contact name, the course name to: heprogression@aat.org.uk. AAT will write directly to the institution to request consideration for exemptions.

Further details on exemptions may be found on [the AAT website](#).

6.3 From chartered accountancy bodies

For students who wish to become chartered accountants, the study of AAT qualifications may also offer exemptions from the exams required by a range of chartered accountancy bodies. For up to date information on these exemptions visit [the AAT website](#).

7. Working with employers in development and delivery

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.

7.1 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 an employer would expect of a student at this level.

Employers are also contributing to the development of the live materials used to assess students on completion of their study. Employer's involvement in assessment of this qualification includes the review and edit of the synoptic assessments and scenarios used to ensure they reflect realistic working practices and environments.

A list of employers who have contributed to, or otherwise supported, the development of this qualification is published on [the AAT website](#).

7.2 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 within the sector. Providers delivering the FET Certificate: Accounting Technician to 16-19-year-old students must show that they provide opportunities for meaningful employer involvement.

Students must have significant contact with employers in the accounting sector and/or in an accounting department of an organisation during their course of study. Employer involvement enhances the student's experience by allowing them to apply their knowledge to real workplace situations and builds bridges between the worlds of study and work.

'Meaningful employer involvement' may include:

- students participating in structured work experience or placements that enable them to develop their accounting skills and knowledge
- students working on projects, exercises or assessments set or supervised by those working in the industry, for example employers developing case studies or assignments
- areas of qualification content delivered via master classes or guest lectures by industry practitioner(s).

Further guidance and content on what is meant by employer engagement will be provided within the next update of this document. Next update due June 2016.

The following, while valuable activities for students are not considered to be 'meaningful employer involvement':

- visiting employers (or employers providing premises, facilities or equipment)
- attending talks by employers on employability, general careers advice, CV writing, interview training
- attending careers fairs, events or other networking opportunities
- learning in simulated or centre-based working environments
- employers providing job references for students.

It is a requirement of centre approval for this qualification when offered to 16-19 year olds that centres offer students opportunities to work with employers. AAT reserves the right to inspect training provider evidence that these opportunities are being offered. An action plan may be imposed if this evidence cannot be supplied.

8. Support for this qualification

8.1 AAT qualification support

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

Materials produced for this qualification may include:

- specification
- sample assessment materials
- e-learning
- Green Light tests
- webinars
- tutor-to-tutor sessions at network meetings.

For the most up to date information on support resources view [the AAT website](#).

8.2 Published materials

AAT works closely with commercial publishers to encourage the publication of different support materials for our training providers and students.

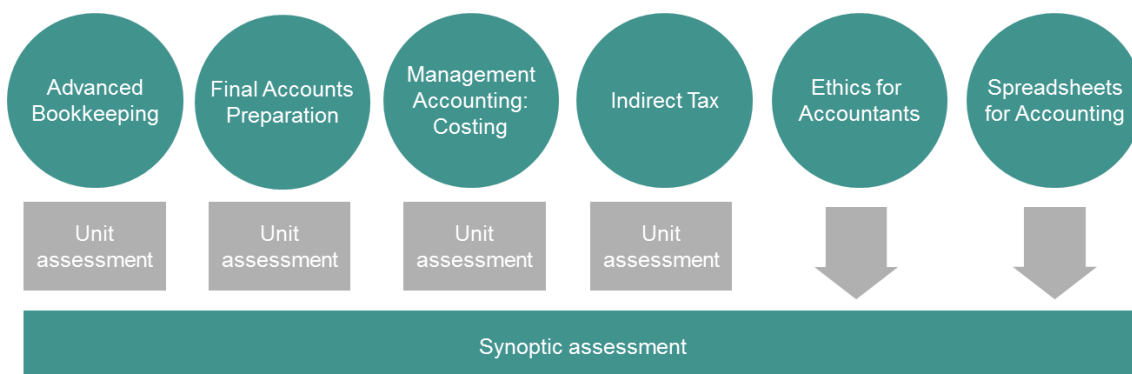
While AAT will ensure that commercial publishers have any qualification information they need to produce materials, we do not formally endorse the materials of any one publisher and we do not review publisher materials for accuracy.

As a service to training providers and students, details of commercially published materials will be listed on [the AAT website](#).

9. The assessment in detail

9.1 How will students be assessed?

Students must successfully complete four unit assessments and one synoptic assessment to achieve this qualification. The proportion of this qualification assessed by external assessment is 100%.



All assessments in this qualification:

- are set and marked by AAT (with the exception of RPL, which is marked by the training provider)
- are computer based
- are time limited
- are scheduled by training providers or assessment venues
- take place at approved centres and venues in controlled conditions.

To achieve the qualification and to be awarded a grade, a student must pass all the mandatory assessments and the synoptic assessment.

Unit and synoptic assessments are not awarded grades individually, but the marks achieved in all assessments contribute to the student's overall grade for the qualification.

9.2 Availability of assessments

Unit assessments are available for scheduling on demand throughout the year except during periods set and communicated by AAT.

The synoptic assessment for the FET Certificate: Accounting Technician Accounting Technician is available for students to take at specific windows in the year, as set and communicated by AAT.

It is recommended that students complete all other assessments before attempting the synoptic assessment. There are restrictions in place to prevent premature scheduling of the synoptic assessment.

9.3 Controlled conditions

AAT has published detailed regulations for training providers regarding the conduct of computer based assessments. These are available on [the AAT website](#).

Training providers must ensure that they comply with the minimum requirements for the hardware and software used in the delivery of AAT assessments, and 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 and invigilator for an assessment must not be active AAT student members or related to any student taking that assessment. Tutors who have prepared students for the assessment cannot act as the sole invigilator.

AAT requirements and regulations for the conduct of assessments are detailed in the Supervisors Instructions for AAT computer based assessments guidance document, available on [the AAT website](#).

9.4 Sitting the assessment

The assessments in this qualification are computer based, with a time restriction.

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 work place activities such as making entries in a journal. In some assessments questions will require a written answer, and this is particularly so in the synoptic assessments. While tasks do not have to be completed in a specific order, students are encouraged to proceed through them in the order presented.

Students should familiarise themselves with the CBA environment and some of the question styles they might encounter in the exam by using the sample materials provided by AAT. Registered students may access these via the Study Support section of [the AAT website](#).

9.5 Marking

All assessments are marked by AAT with the exception of RPL. Assessments may be:

- wholly computer marked
- partially computer marked and partially human marked
- wholly human marked.

Computer marking is completed within the assessment software in accordance with an objective marking scheme devised during assessment development. Human marking is conducted by a team of markers, with appropriate subject matter knowledge, appointed by AAT. Markers use mark schemes devised during assessment development.

Assessments undergo regular quality assurance, which includes:

- standardisation of markers
- sampling for consistency
- review of borderline scripts.

9.6 Results

For computer marked assessments, provisional results will be available straight after the assessment. Final results will be confirmed within 10 working days. Results for assessments that are wholly or partially human marked are delivered within timescales advertised on [the AAT website](#).

Students will be advised on what percentage of the marks available they achieved in their assessments which will then be used to calculate their grade for the qualification (pass, merit or distinction).

AAT's feedback service provides a simple summary of students' performance in each assessment. The feedback statement confirms their overall result and includes a breakdown of performance by task. 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 against each task to describe their performance against the topics assessed in that task. There are five 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).

9.7 Re-sits

The FET Certificate: Accounting Technician is subject to re-sit restrictions.

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 re-taking the assessment.

We are continuing to work with the DfE regarding implementation of the resit rules which will apply to 16-19 year old learners of Foundation and Advanced levels of the Accounting Qualifications only.

We aim to have a final clarification by June 2016. A further update will be published within the June 2016 update to this specification document.

9.8 Enquiry and appeals

If the student thinks their assessment outcome does not reflect their performance, they can submit an enquiry on [the AAT website](#). AAT's results enquiry service includes a check of all procedures leading to the issue of the outcome. This service checks that all parts of the assessment were marked; that the marks were totalled correctly; and that the marks were recorded correctly. It also includes a review of the original marking to check that the agreed mark scheme was applied correctly.

Enquiries can be made by a training provider on behalf of an individual student or group of students. If the student is not satisfied with the response to their enquiry, they can submit an appeal.

There is an administrative fee for enquiries and appeals. AAT will not charge a fee if the enquiry leads to a change in mark awarded for the assessment.

10. Grading

To achieve the qualification a student must pass all the mandatory unit assessments and the synoptic assessment.

The FET Certificate: Accounting Technician will be awarded a grade based on performance across the qualification. Unit assessments and synoptic assessments are not individually graded. These assessments are given a mark that is used in calculating the overall grade.

10.1 How overall grade is determined

Students will be awarded an overall qualification grade (Distinction, Merit, Pass). Students who do not achieve the qualification will not receive a qualification certificate, and will be shown as unclassified; this is indicated below for illustrative purposes only.

The raw marks of each assessment will be converted into a percentage mark and rounded up or down to the nearest whole number. For example, 75.5% would be rounded up to 76%, 82.1% would be rounded down to 82%). This percentage mark is then weighted according to the weighting of the unit assessment or synoptic assessment within the qualification. The resulting weighted assessment percentages are combined to arrive at a percentage mark for the whole qualification.

Grade definition	Percentage threshold
Distinction	90-100%
Merit	80-89%
Pass	70-79%
Unclassified	0-69%
	Or failure to pass one or more assessment/s

Example of Pass

Assessment	Contribution of assessment to qualification grade	Percentage achieved* (mark attained divided by marks available)	Weighted percentage contribution to grade (weighting multiplied by % achieved)
Advanced Bookkeeping	20%	70%	14.0%
Final Accounts Preparation	15%	70%	10.5%
Management Accounting: Costing	20%	70%	14.0%
Indirect Tax	10%	70%	7.0%
Synoptic Assessment	35%	70%	24.5%
Total			70%

*has been rounded to nearest whole number

Example of Merit

Assessment	Contribution of assessment to qualification grade	Percentage achieved* (mark attained divided by marks available)	Weighted percentage contribution to grade (weighting multiplied by % achieved)
Advanced Bookkeeping	20%	80%	16.0%
Final Accounts Preparation	15%	80%	12.0%
Management Accounting: Costing	20%	80%	16.0%
Indirect Tax	10%	80%	8.0%
Synoptic Assessment	35%	80%	28.0%
Total			80.0%

*has been rounded to nearest whole number

Example of Distinction

Assessment	Contribution of assessment to qualification grade	Percentage achieved* (mark attained divided by marks available)	Weighted percentage contribution to grade (weighting multiplied by % achieved)
Advanced Bookkeeping	20%	90%	18.0%
Final Accounts Preparation	15%	90%	13.5%
Management Accounting: Costing	20%	90%	18.0%
Indirect Tax	10%	90%	9.0%
Synoptic Assessment	35%	90%	31.5%
Total			90.0%

* has been rounded to nearest whole number

10.2 Can students improve their grades?

Any student wishing to improve their grade can do so by re-sitting their assessment(s). Re-sits to improve grade will be subject to the same restrictions as re-sits to pass an assessment.

Only a student's highest result will count towards their grade. If a student re-sits, but in doing so achieves an assessment result that would lower their overall grade, their previous higher result will remain valid and will be used to determine their overall grade for the qualification.

It is important to recognise that students achieving a 'Pass' are already demonstrating a high level of competence, as AAT maintains a pass mark of 70% across all assessments.

10.3 Grading descriptors

Pass	Merit	Distinction
Demonstrates sound knowledge of a wide range of theory and concepts in accounting, including professional ethics.	Demonstrates detailed knowledge of a wide range of theory and concepts in accounting, including professional ethics.	Demonstrates detailed knowledge of a wide range of theory and concepts in accounting, including professional ethics.
Refers to these in supporting the actions they would take in a given context.	Applies these successfully, in a range of contexts.	Synthesises and applies these successfully in a wide range of contexts.
Recognises, selects and uses a range of management and financial accounting techniques to prepare accounts for sole traders and partnerships.	Recognises and selects a wide range of management and financial accounting techniques and uses these with a high level of accuracy to prepare accounts for sole traders and partnerships.	Recognises and selects from a wide range of management and financial accounting techniques, explains their application, and uses these with a high level of accuracy to prepare accounts for sole traders and partnerships.
Performs a range of calculations for sales tax, financial and management accounting purposes and records these in a range of accounting formats, including spreadsheets.	Performs a wide range of calculations for sales tax, financial and management accounting purposes and records these with a high degree of accuracy, in a range of accounting formats, including spreadsheets.	Performs a wide range of calculations for sales tax, financial and management accounting purposes, justifies their selection, and records these with a high degree of accuracy, in a range of accounting formats, including spreadsheets.
Gathers and analyses data and information, to arrive at outline conclusions, in order to support management decision making.	Gathers and analyses data and information to arrive at detailed conclusions, which support management decision making.	Gathers and analyses data and information to arrive at reasoned conclusions, which fully support management decision making.
Communicates information clearly in written and/or numerical form, in a range of appropriate financial and business formats.	Communicates information clearly in written and/or numerical form, in a wide range of appropriate financial and business formats.	Communicates information clearly in written and/or numerical form, in a wide range of appropriate financial and business formats.
Content is relevant, structured, uses appropriate business language, and considers the needs of the audience.	Content is relevant, logically-structured, uses effective business language, and meets the needs of the audience.	Content is relevant, logically-structured, clear and concise, uses effective business language, and fully meets the needs of the audience.

11. Units

All units in the FET Certificate: Accounting Technician Accounting technician qualification follows 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 has the following sections.

Assessment

Units may be assessed by:

- unit assessment only
- unit assessment, and as part of the synoptic assessment
- synoptic assessment only.

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. The unit introduction highlights any links to other AAT units and shows how the unit relates to them. It also specifies whether the unit is mandatory or optional in the qualification structure.

Learning outcomes

The learning outcomes of a unit set out what a student is expected to know or be able to do as the 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

1. Each learning outcome is stated in full.
2. Assessment criteria specify the standard a student is expected to meet to demonstrate that the learning outcome has been achieved. These may be shown as 'students must know' for a knowledge criteria, or 'students must be able to' for a skills criteria. Some learning outcomes may include both knowledge and skills elements.
3. Each assessment criteria is then expanded into key concepts related to that learning outcome.
4. Each concept is then further expanded into indicative content where applicable.

Relationship between content and assessment

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

Delivering this unit

This section explains the unit content's relationship to content in other AAT units, and offers guidance on suggested order of delivery.

Links to standards

This section lists any relevant National Occupational Standards or Apprenticeship Standards that apply to the unit.

Test specification for unit assessment

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

Where a unit is not assessed by a separate unit assessment and is only assessed in the synoptic assessment, there will be no unit test specification included in the unit.

Advanced Bookkeeping

Unit level	Assessment
4	Unit and synoptic assessment

Introduction

This unit is the first of two Level 4 financial accounting units. It develops Level 3 foundation skills, incorporating advanced bookkeeping and managing records for non-current assets, in preparation for producing final accounts for unincorporated organisations.

The purpose of this unit is to build on skills and knowledge learned in the Level 3 financial accounting units and to develop bookkeeping skills, taken to an initial trial balance. This is valuable progress for the student, both in terms of moving towards preparing final accounts and also by offering employers more technical skills at this stage. The student's bookkeeping skills, acquired at an earlier stage, will be reinforced and developed in this unit. While the daybooks and some of the ledger accounts may be familiar, the accruals basis of accounting is introduced to underpin many of the adjustments that are commonly found in the workplace, including accruals, prepayments, accounting for irrecoverable and doubtful debts and the period end valuation of inventory. This takes the student to the position of being able to draw up a trial balance using adjusted figures, and extend it to identify the profit or loss for the period.

Students will study non-current asset accounting in some depth including the accurate recording and control of the valuable resource of non-current assets is vital to all organisations. On completion of this unit students will understand and know how to use the non-current assets register as an important and independent record of the details of each individual non-current asset. The student will know how to use the various ledger accounts required to record the acquisition and disposal of non-current assets, how to calculate the gain or loss on disposal and how to choose/ apply depreciation methods and rates.

Students are expected to know and explain why they are following certain procedures, rather than just knowing that they have to be done. While recognising that in the workplace computerised accounts packages and spreadsheets will normally be used, this unit helps the student understand the background processes. On completion of this unit students will also begin to understand how ethical principles apply in the context of their work in this area. This enables the student to be a more independent member of a team, and to work intelligently in their role, with increasingly less supervision as their knowledge grows, and even to start to supervise more junior members of the team.

Advanced Bookkeeping is a **mandatory** unit in this qualification. It follows from the Level 3 units, Bookkeeping Transactions and Bookkeeping Controls. It is closely linked with the Level 4 unit Final Accounts Preparation, which is recommended to be taken following this one. It also incorporates appropriate parts of Ethics for Accountants. Skills and knowledge from this unit are essential for Level 5 Financial Statements of Limited Companies.

Learning outcomes

1. Apply the principles of advanced double-entry bookkeeping
 2. Implement procedures for the acquisition and disposal of non-current assets
 3. Prepare and record depreciation calculations
 4. Record period end adjustments
 5. Produce and extend the trial balance
-

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.

Students may not be assessed on all content, or on the full depth or breadth of a piece of content in any particular assessment. Content assessed may change over time to ensure validity of assessment, but all assessment criteria will be tested over time.

1. Apply the principles of advanced double-entry bookkeeping

1.1 Demonstrate the accounting equation

Students need to know:

- the importance of the accounting equation for keeping accounting records
- the effect of accounting transactions on elements of the accounting equation.

1.2 Classify assets, liabilities and equity in an accounting context

Students need to know:

- definitions and examples of assets: non-current (tangible, intangible) and current; liabilities: current and non-current; equity and capital; income (revenue); expenses (costs).

Students need to be able to:

- classify general ledger accounts as income (revenue), expense (cost), asset, liability or equity (capital).

1.3 Demonstrate the purpose and use of books of prime entry and ledger accounting

Students need to know:

- the different books and records that make up the accounting system: books of prime entry: sales and purchases daybooks, cash-book, journal (including narratives), general ledger accounts, memorandum ledgers, control accounts: sales ledger, purchases ledger, sales tax, payroll
- what information should be recorded in each
- how these records relate to each other, including dealing with sales tax
- the importance of following organisation policies and procedures
- the importance of the integrity and accuracy of records
- why the records need to be kept secure, and how.

Students need to be able to:

- write up general ledger accounts correctly and accurately
 - close off accounts to the statement of profit or loss, where appropriate
 - carry down balances, where appropriate.
-

1.4 Apply ethical principles when recording transactions

Students need to know:

- the meaning of objectivity and its importance in accounting
- the importance of transparency and fairness
- that only valid transactions for the period must be included, and that all relevant transactions must be included.

Students need to be able to:

- apply the ethical principle of confidentiality
- identify whether entries are made with integrity, professional competence and due care
- identify whether transactions are genuine and valid for inclusion in the organisation's records
- identify professional behaviour, including dealing with the pressures of familiarity and authority.

1.5 Carry out financial period end routines

Students need to know:

- that income or expense accounts will carry a balance prior to closing off to the statement of profit or loss at the end of the financial period
- which account balances to carry forward and which to close off to the statement of profit or loss at the end of a financial period.

Students need to know how to:

- verify general ledger balances by using other sources of information and performing reconciliations where appropriate: physical checks, inventory records, supplier and bank statements, sales and purchases ledgers (memorandum ledger accounts)
 - resolve discrepancies, or refer them to the appropriate person
 - identify and make corrections in the general ledger, including the journal.
-

2. Implement procedures for the acquisition and disposal of non-current assets

2.1 Demonstrate the importance of prior authority for capital expenditure

Students need to know:

- why authorisation is necessary
 - the appropriate person in an organisation to give authority.
-

2.2 Identify capital expenditure

Students need to know:

- that accounting standards exist (IFRS) that are relevant to non-current assets
- the definitions of cost, useful life, residual value, depreciable amount, carrying amount
- what can and cannot be included in the cost of non-current assets
- the importance of the organisation's policy, including applying a given level of materiality
- that revenue expenses should be excluded
- that the depreciable amount of the acquisition should be allocated over its useful life; this is an application of the accrual basis of accounting
- the effect of capitalisation on the statement of profit or loss and statement of financial position.

Students need to be able to:

- treat sales tax, according to the registration status of the acquiring organisation.
-

2.3 Differentiate between funding methods for acquisition of non-current assets

Students need to know:

- the following funding methods: cash purchase (including purchase on standard commercial credit terms); borrowing – loans, hire purchase, finance lease (no detailed knowledge of accounting treatment); part-exchange
 - the suitability of each of the above in a tightly defined business context.
-

2.4 Record acquisitions and disposals of non-current assets

Students need to know:

- the purpose and content of the non-current assets register, including assisting physical verification and checking general ledger entries and balances
- that the carrying amount of an asset that has been disposed of is zero at the end of the period
- the meaning of the balance on the disposals account
- that gains and losses on disposal are taken to the statement of profit or loss.

Students need to be able to:

- update the non-current assets register for acquisitions and disposals
 - record acquisitions and disposals in the general ledger
 - account for acquisitions and disposals by part-exchange
 - treat sales tax, according to the registration status of the acquiring organisation
 - use the following accounts: non-current asset at cost (for example, motor vehicles at cost), non-current asset accumulated depreciation, bank/cash, loan, disposals.
-

3. Prepare and record depreciation calculations

3.1 Calculate depreciation

Students need to know:

- that depreciation charges are taken to the statement of profit or loss.

Students need to be able to:

- choose and use appropriate methods of depreciation, taking into account the expected pattern of usage of the asset
 - choose and use appropriate rates of depreciation, taking into account the estimated useful life of the acquisition
 - use the straight-line method of depreciation, using a percentage, fraction or over a period of time, including cases when a residual value is expected, for a full year or pro rata for part of a year, according to the organisational policy
 - use the diminishing balance method of depreciation for a full year using a percentage
 - use the units of production method of depreciation.
-

3.2 Record depreciation

Students need to know:

- record depreciation in the non-current assets register
 - record depreciation in the general ledger, including the journal
 - use the following accounts: depreciation charges, non-current asset accumulated depreciation.
-

4. Record period end adjustments

4.1 Record accruals and prepayments in income and expense accounts

Students need to know:

- that adjustments for accruals and prepayments are an application of the accrual basis of accounting
- how opening and closing accruals and prepayments affect income and expense accounts.

Students need to be able to:

- explain the difference between the amount paid or received and the amount recognised in the accounts
 - account for accruals and prepayments by making a double-entry in the current period and reversing it in the future period
 - recognise the reversal of a previous period adjustment in the ledger accounts
 - calculate adjustments pro rata
 - enter adjustments in the general ledger, including the journal
 - calculate the amount transferred to the statement of profit or loss
 - use the following accounts: accruals/accrued expenses, accrued income, prepayments/prepaid expenses, prepaid income.
-

4.2 Record irrecoverable debts and allowances for doubtful debts

Students need to know:

- the differences between irrecoverable debts, allowances for specific doubtful debts and general allowances
- that allowances for doubtful debts are an application of the accrual basis of accounting (recognition only).

Students need to be able to:

- calculate new allowances for doubtful debts in accordance with organisational policy
 - calculate adjustments for an existing general allowance for doubtful debts
 - account for the recovery of an irrecoverable debt previously written off
 - use the journal to record irrecoverable debts and allowances for doubtful debts (sales tax implications are not required)
 - use the following accounts: irrecoverable debts (statement of profit or loss), sales ledger control account, allowance for doubtful debts account (statement of financial position), allowance for doubtful debts adjustment account (statement of profit or loss).
-

4.3 Record inventory

Students need to know:

- that accounting standards exist (IFRS) that are relevant to inventory valuation
- the meaning of net realisable value
- that valuation must be at the lower of cost and net realisable value on an individual item basis
- the principles of different methods of valuation (calculations not required)
- what can and cannot be included in the valuation of inventory
- that accounting for inventory is an application of the accrual basis of accounting.

Students need to be able to:

- determine the correct closing inventory figure in accordance with current accounting standards
 - calculate the cost of inventory from selling price when sales tax or an element of profit is included (calculations involving an understanding of mark-up or sales margin will not be required)
 - make entries in the journal
 - use the following accounts: closing inventory – statement of profit or loss, closing inventory – statement of financial position.
-

4.4 Record period end adjustments

Students need to know:

- that when making period end adjustments there is scope to significantly affect the reported results of the organisation
- the effects of including misleading or inaccurate period end adjustments (non-compliance with regulations, misinformed decision making by users of the final accounts).

Students need to be able to:

- respond appropriately to period end pressures (time pressure, pressure to report favourable results, pressure from authority).
-

5. Produce and extend the trial balance

5.1 Prepare a trial balance

Students need to know:

- that certain accounts can carry either a debit or a credit balance (in particular: sales tax, disposals, allowance for doubtful debts adjustment, bank, loan, irrecoverable debts)
- the importance of the trial balance for the preparation of final accounts.

Students need to be able to:

- transfer balances from ledger accounts, a list of balances or written data into correct debit or credit columns of the trial balance
 - correct any errors that are not shown by the trial balance
 - use and clear the suspense account.
-

5.2 Carry out adjustments to the trial balance

Students need to be able to:

- place the following adjustments correctly in the extended trial balance: closing inventory, accruals, prepayments, corrections of errors/omissions, depreciation, irrecoverable debts, allowances for doubtful debts.
-

5.3 Complete the extended trial balance

Students need to be able to:

- extend figures in the ledger balances and adjustments columns correctly into the statement of profit or loss and statement of financial position columns
 - make the extended columns balance
 - correctly label the balancing figure line as profit or loss.
-

Delivering this unit

This unit has the following links across the FET Certificate: Accounting Technician Accounting Technician.

Unit name	Content links	Suggested order of delivery
Final Accounts Preparation	Advanced Bookkeeping gives students underlying knowledge that may support their study of Final Accounts Preparation.	It is recommended that Advanced Bookkeeping is taken before Final Accounts Preparation.
Ethics for Accountants	Advanced bookkeeping touches on ethical matters in matters in the context of bookkeeping.	Not applicable for this unit.

Links to standards

This unit links with the following National Occupational Standards (NOS) for Accountancy and Finance:

- FA-4 Prepare accounts.

Test specification for Advanced Bookkeeping unit assessment

Assessment method	Marking Type	Duration of exam
Computer based assessment	Computer marked	2 hours

Learning outcomes	Weighting
1. Apply the principles of advanced double-entry bookkeeping	24%
2. Implement procedures for the acquisition and disposal of non-current assets	20%
3. Prepare and record depreciation calculations	13%
4. Record period end adjustments	20%
5. Produce and extend the trial balance	23%
Total	100%

Final Accounts Preparation

Unit level	Assessment
4	Unit and synoptic assessment

Introduction

This Level 4 unit is about the student being able to prepare final accounts for sole traders and partnerships, and becoming aware of alternative business organisation structures.

This purpose of this unit is to provide the background knowledge and skills a student needs to be capable of drafting accounts for sole traders and partnerships and provides the background knowledge of the regulations governing company accounts. Successful students will be able to complete tasks while being aware of potential ethical issues and know how to report information effectively. Able to work with little supervision, the student should become an accomplished member of the accounting team, seeing a financial picture of the organisation as a whole.

Students will be able to recognise the different types of organisations that need to prepare financial statements. They will understand why such statements are important to users in the business environment. Financial accounting techniques and knowledge already acquired will be developed to prepare accounting records when the records are incomplete, and students will become familiar with mark-up and margin.

They will recognise special accounting requirements for partnerships. They will become aware of legislation and regulations governing financial statements, and will be able to recall and apply ethical knowledge to situations arising during the preparation of accounts. Terminology and formats used by accountants in the financial statements of companies will be introduced, working with the IFRS terminology utilised across AAT.

Using all this, the student will be able to prepare final accounts for sole traders and partnerships from an initial trial balance, and present these to the line manager. They will then gain awareness of the more detailed requirements for the preparation of company financial statements.

Final Accounts Preparation is a mandatory unit. It is closely linked to the Level 4 financial accounting unit Advanced Bookkeeping, as well as to the Level 3 units, Bookkeeping Transactions and Bookkeeping Controls.

In addition, it draws on the ethical principles from the Level 4 unit Ethics for Accountants. On completion of this unit, students are prepared to start the Level 5 unit Financial Statements of Limited Companies.

It is recommended that this unit is taken after Advanced Bookkeeping and with or after Ethics for Accountants.

Final Accounts Preparation is a **mandatory** unit in this qualification.

Learning outcomes

1. Distinguish between the financial recording and reporting requirements of different types of organisation
 2. Explain the need for final accounts and the accounting and ethical principles underlying their preparation
 3. Prepare accounting records from incomplete information
 4. Produce accounts for sole traders
 5. Produce accounts for partnerships
 6. Recognise the key differences between preparing accounts for a limited company and a sole trader
-

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.

In any one assessment, students may not be assessed on all content, or on the full depth or breadth of a piece of content. The content assessed may change over time to ensure validity of assessment, but all assessment criteria will be tested over time.

1. Distinguish between the financial recording and reporting requirements of different types of organisation

1.1 Describe the types of organisation that need to prepare final accounts

Students need to know:

- brief descriptions of business organisations:
 - for profit: sole traders, partnerships, limited companies, limited liability partnerships (LLPs)
 - not for profit: charities
- the basic differences between the structure and financial characteristics of these organisations:
 - who owns the organisation/public benefit requirement
 - who manages the organisation
 - where responsibility for debts the organisation cannot pay lies, and the amount of exposure
 - whether, and how, any tax is paid
- for commercial organisations, the different terms used to represent ownership in the statement of financial position (capital and equity) and amounts taken by the owners (drawings and dividends)
- for charity organisations, representation of net assets in the statement of financial position as funds of the charity.

Students need to be able to:

- recognise basic advantages and disadvantages of operating as a partnership rather than a sole trader
 - recognise basic advantages and disadvantages of incorporated status.
-

1.2 Recognise the regulations applying to different types of organisation

Students need to know:

- that different regulations apply to different organisations, including awareness of relevant:
 - partnership legislation
 - companies legislation and accounting standards
 - limited liability partnership legislation
 - charity legislation, charity regulators and statements of recommended practice
 - that presentation of final accounts for sole traders and partnerships is not governed by statute and accounting regulations to the same extent those for limited companies are; they have no definitive format
 - the importance of behaving professionally, being competent and acting with due care at work
 - the importance of deadlines in the preparation of final accounts.
-

2. Explain the need for final accounts and the accounting and ethical principles underlying their preparation

2.1 Describe the primary users of final accounts and their needs

Students need to know:

- the primary users of final accounts
 - the reasons why final accounts are needed by these users.
-

2.2 Describe the accounting principles underlying the preparation of final accounts

Students need to know:

- the existence of a framework within which accountants work
- the underlying assumptions governing financial statements: accrual basis, going concern basis
- the fundamental qualitative characteristics of useful financial information
- the supporting qualitative characteristics
- that financial statements should be free from material misstatement.

Students need to be able to:

- recognise circumstances when a business is no longer a going concern and be aware of the effect on the value of its assets.
-

2.3 Apply ethical principles when preparing final accounts

Students need to know:

- the importance of behaving professionally and being competent
 - the importance of objectivity, including an awareness of the potential for conflicts of interest and bias
 - that security and confidentiality of information must be maintained at all times.
-

3. Prepare accounting records from incomplete information

3.1 Recognise circumstances where there are incomplete records

Students need to know:

- possible reasons why information may be missing
 - possible reasons for inconsistencies within the records themselves
 - examples of the types of figures that may be missing
 - the importance of acting with integrity.
-

3.2 Prepare ledger accounts, using these to estimate missing figures

Students need to know how to:

- use the content of daybooks, including sales tax
 - use information from the cash-book
 - distinguish between relevant and non-relevant data
 - reconstruct ledger accounts: sales and purchases ledger control accounts, sales tax control account and the bank account, using incomplete information
 - calculate and correctly label the missing figure of such reconstructed accounts
 - calculate opening or closing balances from information given
 - adjust data for sales tax from data provided.
-

3.3 Calculate figures using mark-up and margin

Students need to know:

- what margin and mark-up are and the difference between them.

Students need to be able to:

- calculate mark-up and margin
 - use mark-up and margin to calculate missing figures
 - use cost of goods sold to determine a missing figure
 - adjust data for sales tax from data provided.
-

3.4 Assess the reasonableness of given figures within a particular context

Students need to know how to:

- recognise whether a figure is reasonable in a given context
 - explain reasons behind the difference between an actual balance and a calculation
 - exercise professional scepticism.
-

4. Produce accounts for sole traders

4.1 Calculate opening and/or closing capital for a sole trader

Students need to know be able to:

- account for drawings, capital injections and profits or losses
 - record these in ledger accounts
 - explain movements in capital balances.
-

4.2 Describe the components of a set of final accounts for a sole trader

Students need to know:

- the purpose of a statement of profit or loss
 - the purpose of a statement of financial position
 - how the statement of financial position is linked to the accounting equation
 - how the statement of profit or loss and the statement of financial position are related.
-

4.3 Prepare a statement of profit or loss for a sole trader in the given format

Students need to be able to:

- itemise income and expenditure in line with given organisational policies
 - transfer data from the trial balance to the appropriate line of the statement according to the level of detail given for the organisation.
-

4.4 Prepare a statement of financial position for a sole trader in the given format

Students need to be able to:

- apply the net assets presentation of the statement of financial position
 - transfer data from the trial balance to the appropriate line of the statement, according to the level of detail given for the organisation.
-

5. Produce accounts for partnerships

The following points apply to assessment criteria 5.2, 5.4, 5.5, 5.6 and 5.7

Number of partners limited to a maximum of three

No changes in the partnership during a period

Either a profit or a loss may be provided for allocation.

5.1 Describe the key components of a partnership agreement

Students need to know:

- what a partnership agreement typically may or may not contain
- that a formal partnership agreement may not exist for all partnerships.

5.2 Describe the accounting procedures for a change in partners

Students need to know:

- a simple definition of goodwill in accounting terms
- why goodwill will change capital balances on admission or retirement of a partner
- that goodwill may be introduced and subsequently eliminated from the accounting records using the profit sharing ratio.

Students need to be able to:

- calculate the goodwill adjustments using the profit sharing ratio
- enter such adjustments in ledger accounts and balance off these accounts as necessary.

5.3 Describe the key components of partnership accounts

Students need to know:

- the purpose of a statement of profit or loss
- the purpose and content of the partnership appropriation account
- how the statement of profit or loss is linked to the partnership appropriation account
- the nature and content of partners' current accounts
- the nature and content of partners' capital accounts
- the purpose of a statement of financial position.

5.4 Prepare a statement of profit or loss for a partnership, in the given format

Students need to know:

- that the statement of profit or loss for a partnership is an adaptation of one for a sole trader.

Students need to know how to:

- itemise income and expenditure in line with given organisational policies
 - transfer data from the trial balance to the appropriate line of the statement according to the level of detail given for the organisation.
-

5.5 Prepare a partnership appropriation account, in compliance with the partnership agreement and in the given format

Students need to be able to:

- apply the terms of a partnership agreement
 - record interest on capital (but not how to calculate it)
 - record interest on drawings (but not how to calculate it)
 - record salaries or commission paid to partners
 - calculate, and appropriate and account for, the residual profit according to the profit sharing ratio
 - recognise that partners' salaries, commission and interest are neither expenses nor income of the partnership
 - present this account in the format given for the organisation.
-

5.6 Prepare the current accounts for each partner

Students need to be able to:

- enter ledger accounting entries
 - account for drawings in the form of cash, goods or services
 - link the current account with figures from the appropriation account.
-

5.7 Prepare a statement of financial position for a partnership, in compliance with the partnership agreement and in the given format

Students need to know:

- that the statement of financial position for a partnership is an adaptation of one for a sole trader.

Students need to be able to:

- apply the net assets presentation of the statement of financial position
 - transfer data from the trial balance to the appropriate line of the statement according to the level of detail given for the organisation
 - show partners' current and capital accounts on the statement of financial position.
-

6. Recognise the key differences between preparing accounts for a limited company and a sole trader

6.1 Describe the main sources of regulation governing company accounts

Students need to know:

- the particular importance of maintaining an up-to-date knowledge of relevant legislation and accounting standards that apply to companies
 - which source provides the required formats for the statement of profit or loss and statement of financial performance for a company adopting IFRS
 - which standards provide guidance for property, plant and equipment, and inventories, where IFRS is adopted (recalled as examples of regulation).
-

6.2 Describe the more detailed reporting arising from these regulations

Students need to know:

- the requirement to prepare financial statements at least annually and file them publicly
 - that selection and application of accounting policies is regulated, and the objectives that should be met when developing them
 - that limited company financial statements need to follow statutory formats, with prescribed headings and terminology
 - that cost of sales and other expenses must be classified according to rules
 - that taxation is charged in the statement of profit or loss of a company
 - that only the carrying value of non-current assets appears on the statement of financial position of a company
 - that notes must be provided as part of the financial statements of a company.
-

Delivering this unit

This unit has the following links across the FET Certificate: Accounting Technician Accounting Technician.

Unit name	Content links	Suggested order of delivery
Advanced Bookkeeping	This unit builds on the knowledge and skills acquired from studying Final Accounts Preparation.	It is recommended that Final Accounts Preparation is delivered after Advanced Bookkeeping.
Ethics for Accountants	Ethics, and ethical principles are embedded within this unit.	It is recommended that Final Accounts Preparation is taken after Advanced Bookkeeping and with or after Ethics for Accountants.
Management Accounting: Costing and Indirect Tax	Both Management Accounting: Costing and the Indirect Tax units have links to Final Accounts Preparation.	Not applicable for this unit.

Links to standards

This unit links with the following National Occupational Standards (NOS) for Accountancy and Finance:

- FA-4 Prepare accounts
- FA-5 Draft financial statements.

Test specification for Final Accounts Preparation unit assessment

Assessment type	Marking type	Duration of exam
Computer based unit assessment	Computer marked	2 hours

Learning outcomes	Weighting
1. Distinguish between the financial recording and reporting requirements of different types	10%
2. Explain the need for final accounts and the accounting and ethical principles underlying their preparation	7%
3. Prepare accounting records from incomplete information	27%
4. Produce accounts for sole traders	31%
5. Produce accounts for partnerships	20%
6. Recognise the key differences between preparing accounts for a limited company and a sole trader	5%
Total	100%

Management Accounting: Costing

Unit level	Assessment
4	Unit and synoptic assessment

Introduction

Management Accounting: Costing provides students with the knowledge and skills needed to understand the role of cost and management accounting in an organisation, and how organisations use such information to aid management decision making.

This unit takes students from Level 3 foundation skills in basic costing and gets them ready to prepare organisational budgets and report on performance at Level 5.

On successful completion of this unit, students should be able to carry out costing procedures in an organisation's accounting department, with minimal supervision. They will be able to gather, analyse and report cost and revenue information to support managerial planning, control and decision making.

Students will develop a further understanding of the fundamental principles that underpin management accounting methodology and techniques, how costs are handled in organisations, and why different organisations treat costs in different ways. They will be able to recognise different approaches to management accounting and provide informed and reasoned judgements to guide management. They will also learn how to apply these principles, and appreciate why effective cost accounting is crucial to any organisation.

Students will learn the techniques required for dealing with direct costs and revenues, and with the treatment of short-term overhead costs. These include inventory control methods; direct labour costing; allocation and apportionment of indirect costs to responsibility centres; calculation of overhead absorption rates, including under and over absorptions; and prime, marginal and absorption costing calculations.

They will also learn the techniques required for decision making, using both short-term and long-term estimates of costs and revenues. These include estimating changes in unit costs and profit as activity levels change; segmented profit/loss by products; break-even (Cost Volume Profit - CVP) analysis; limiting factor decision making; job, batch, unit, process and service costing; reconciling budgeted and actual costs and revenues by means of flexible or fixed budgets; and capital investment appraisal techniques.

This unit builds on the knowledge and skills that students develop at Level 3 in Elements of Costing, and prepares them for the Level 5 units Management Accounting: Budgeting and Management Accounting: Decision and Control. Together, these units instil students with an underpinning understanding of cost and management accounting principles, and the ability to apply relevant techniques.

Management Accounting: Costing is a **mandatory** unit in this qualification.

Learning outcomes

1. Understand the purpose and use of management accounting within an organisation
 2. Apply techniques required for dealing with costs
 3. Apportion costs according to organisational requirements
 4. Analyse and review deviations from budget and report these to management
 5. Apply management accounting techniques to support decision making
-

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.

In any one assessment, students may not be assessed on all content, or on the full depth or breadth of a piece of content. The content assessed may change over time to ensure validity of assessment, but all assessment criteria will be tested over time.

1. Understand the purpose and use of management accounting within an organisation

1.1 Demonstrate an understanding of internal reporting

Students need to know:

- the purpose of internal reporting and providing accurate information to management
 - how to calculate:
 - costs, contribution and reported profits for an organisation
 - segmented costs, contribution and reported profits by product.
-

1.2 Demonstrate an understanding of ethical principles in management accounting

Students need to know:

- the need for integrity in preparing management accounts
 - that third parties (such as banks) may also be users of management accounts.
-

1.3 Critically compare different types of responsibility centres

Students need to know:

- the differences in cost and revenue reporting between responsibility centres, which are:
 - cost centres
 - profit centres
 - investment centres.
-

1.4 Explain and demonstrate the differences between marginal and absorption costing

Students need to know:

- how to calculate prime, marginal and full absorption costs
 - the difference between product and period costs
 - the impact on reported performance of marginal vs full absorption costing in both the short run and long run
 - ethical considerations regarding manipulating profits
 - when each method is appropriate.
-

2. Apply techniques required for dealing with costs

2.1 Record and calculate materials, labour and overhead costs

Students need to be able to:

- prepare and interpret inventory records
 - calculate direct labour costs per unit of production or service
 - calculate overtime premiums and bonuses
 - complete timesheets and pay calculations (including overtime and bonus)
 - account for overheads
 - calculate direct labour cost per equivalent finished production.
-

2.2 Analyse and use appropriate cost information

Students need to be able to:

- analyse cost information for material, labour and overheads in accordance with the organisation's costing procedures
 - prepare cost accounting journal entries for direct materials or indirect materials; direct or indirect labour; or overheads costs.
-

2.3 Apply inventory control methods

Students need to know:

- inventory control measures, including different valuation methods. These include:
 - inventory buffers, lead times, minimum/maximum order quantities
 - the concept of economic order quantity
 - compliance with inventory control policies
 - the effect on reported profits of choice of method.

Students need to be able to:

- account for inventories using FIFO, LIFO (for internal reporting) and AVCO methods
 - analyse closing inventory balances
 - make calculations for the inventory control measures listed above.
-

2.4 Differentiate between cost classifications for different purposes

Students need to know:

- the implications of different cost classifications for cost analysis, decision making and reporting. These are:
 - fixed costs
 - variable costs
 - semi-variable costs
 - stepped costs.
-

2.5 Differentiate between and apply different costing systems

Students need to know:

- the appropriate choice of costing system for different business sectors and individual organisations
 - how to record cost information, using different costing systems. These are:
 - job costing
 - batch costing
 - unit costing
 - process costing
 - service costing.
-

3. Apportion costs according to organisational requirements

3.1 Calculate and use overhead costs

Students need to know:

- the concept of activity based costing, including appropriate cost drivers
- different methods of indirect cost allocation, apportionment or absorption.

Students need to be able to:

- attribute overhead costs to production and service cost centres:
 - allocation versus apportionment
 - direct method
 - step-down method.
-

3.2 Calculate overhead recovery rates using traditional methods

- Students need to be able to:
 - calculate overhead recovery rates in accordance with suitable bases of absorption. These are:
 - for a manufacturer: machine hours or direct labour hours
 - for a service business: suitable basis for the specific business.
-

3.3 Calculate overhead recovery rates using activity based costing

Students need to be able to:

- calculate overhead recovery rates using appropriate cost drivers.
-

3.4 Demonstrate understanding of the under or over recovery of overheads

Students need to be able to:

- account for under or over recovered overhead costs in accordance with established procedures. These include:
 - making under or over absorption calculations
 - making cost journal postings
 - interpreting the significance of under or over recoveries of overhead costs.
-

4. Analyse and review deviations from budget and report these to management

4.1 Calculate variances

Students need to be able to:

- compare budget/standard vs actual costs and revenues, and calculate variances using:
 - fixed budgets
 - flexible budgets.
-

4.2 Analyse and investigate variances

Students need to be able to:

- determine the cause and effects of variances
 - investigate any significant variances, and draw conclusions for remedial action.
-

4.3 Report on variances

Students need to be able to:

- identify and explain key variances
 - produce management reports in an appropriate format.
-

5. Apply management accounting techniques to support decision making

5.1 Estimate and use short-term future income and costs

Students need to know:

- the importance of professional competence in estimating income and costs.

Students need to be able to:

- use estimates of relevant future income and costs for short-term decision making
- use CVP analysis
 - break-even analysis (both by calculation and by linear break-even chart)
 - margin of safety and margin of safety %
 - target profit
 - profit-volume analysis
- use limiting factor decision making.

5.2 Assess and estimate the effects of changing activity levels

Students need to know:

- the effect of changing activity levels on unit costs and profits.

Students need to be able to:

- calculate changes in forecast unit costs and profits
- explain such effects.

5.3 Use long-term future income and costs

Students need to know:

- the appropriate choice of techniques for long-term decision making:
 - payback
 - net present value
 - internal rate of return.

Students need to be able to:

- interpret the results from a capital investment appraisal (using the techniques above).
-

Delivering this unit

This unit has the following links across the. FET Certificate: Accounting Technician Accounting Technician.

Unit name	Content links	Suggested order of delivery
Final Accounts Preparation	Management Accounting: Costing builds on the knowledge and understanding of management accounting as a whole, and also links with Final Accounts Preparation.	Not applicable for this unit.

Links to standards

This unit links with the following National Occupational Standards (NOS) for Accountancy and Finance:

- MA-1 Provide cost and revenue information
- MA-2 Provide management information

Test specification for Management Accounting: Costing unit assessment

Assessment type	Marking type	Duration of exam
Computer based unit assessment	Computer marked	2 hours 30 minutes

Learning outcomes	Weighting
1. Understand the purpose and use of management accounting within an organisation	15%
2. Apply techniques required for dealing with costs	35%
3. Apportion costs according to organisational requirements	19%
4. Analyse and review deviations from budget and report these to management	10%
5. Apply management accounting techniques to support decision making	21%
Total	100%

Indirect Tax

Unit level	Assessment
4	Unit and synoptic assessment

Introduction

This Level 4 unit is about indirect tax, specifically the sales tax that is referred to in the UK and throughout this unit as value added tax, or VAT. The unit is designed to develop students' skills in preparing and submitting returns to the relevant tax authority in situations where the transactions that have to be included are relatively routine; however, some non-routine issues are included in the assessment.

This unit provides students with the knowledge and skills they need to keep their employers, and clients, compliant with the laws and practices that apply to the indirect taxation of sales and purchases. The assessment is designed to ensure that students can perform these tasks relatively unsupervised, particularly in terms of routine and some non-routine VAT tasks, however it is expected that some management of the student will be required for more involved and intensive VAT transactions. It is important for the student to understand and apply the VAT rules from an ethical point of view. All VAT work must be carried out with integrity, objectivity and a high degree of professional competence. There must be due care with regard to confidentiality about any personal data being processed and, from a business protection aspect, with the correct approach to professional behaviour.

Students will learn about VAT legislation and the importance of maintaining their technical knowledge through monitoring updates. Students must show they can accurately complete VAT returns, and understand the implications of failure to do so. Inaccuracy and omission, along with submitting returns late, and late payment or non-payment of VAT, need to be understood in terms of the sanctions and penalties available to the relevant tax authority.

In particular, students will learn how to calculate correctly the VAT value in different circumstances, verify the calculations of the submitted return and correctly use an accounting system to extract relevant data for the return.

The VAT registration and deregistration rules are important aspects of learning at this level, including the need to monitor sales closely to avoid offending regulations. The existence and basic terms of special VAT schemes are also important.

Students will learn about dealing with errors made in previous VAT returns and how and when these are corrected. They will also learn about communicating VAT matters to relevant individuals and organisations, including the special rules that apply when goods and services are imported into and exported out of the UK and the European Union (EU).

Indirect Tax is a mandatory unit. It links with Advanced Bookkeeping, Final Accounts and Management Accounting: Costing, as core subjects; and with Spreadsheets for Accounting and Ethics for Accountants, to create the FET Certificate: Accounting Technician Accounting Technician..

Indirect Tax is a **mandatory** unit in this qualification.

Learning outcomes

1. Understand and apply VAT legislation requirements
 2. Accurately complete VAT returns and submit them in a timely manner
 3. Understand implications of errors, omissions and late filing and payment
 4. Report VAT related information in accordance with regulatory and organisational requirement
-

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.

In any one assessment, students may not be assessed on all content, or on the full depth or breadth of a piece of content. The content assessed may change over time to ensure validity of assessment, but all assessment criteria will be tested over time.

1. Understand and apply VAT legislation requirements

1.1 Identify and analyse relevant information on VAT

Students need to know:

- relevant sources of VAT information needed by a business
 - how to analyse information available and identify relevant items to extract
 - how to communicate relevant regulatory information to others within the business
 - understand the ethical and legal implications of failure to identify and apply information and regulations to the business.
-

1.2 Explain the necessary interaction with the relevant tax authority

Students need to know:

- the relevant tax authority for VAT
 - the tax authority's powers to require businesses to comply with regulations about registration, record keeping, submissions of VAT returns and payment of VAT due
 - that VAT is a tax on consumer spending, including knowing whether the tax falls on registered businesses or the end user
 - how and when it is appropriate to obtain guidance from the relevant tax authority about VAT matters, particularly in respect of issues where there is doubt over the correct treatment
 - the tax authority's rights in respect of inspection of records and control visits (students should understand what records can be inspected during a control visit; no further detail of control visits is expected)
 - the tax authority's rules about: what constitute VAT records; how long VAT records should be retained; how VAT records should be retained.
-

1.3 Describe the VAT registration, scheme choice and deregistration requirements

Students need to know:

- that registration for VAT means the business automatically joins the normal VAT scheme
 - the registration and deregistration thresholds for the normal VAT scheme, and how to apply them
 - the circumstances in which voluntary registration may be beneficial to the business
 - the deregistration threshold, and circumstances in which deregistration may be appropriate
 - what is meant by the past turnover measure and the future turnover method, and how to comply with them in respect of registration
 - the special VAT schemes that can be used by some registered businesses: the annual and cash accounting schemes, and the flat rate scheme for small businesses
 - the thresholds and qualification criteria for the special VAT schemes
 - that being in the normal VAT scheme or in one or more special ones affect the timing and frequency of filing returns and payment of VAT.
-

1.4 VAT invoices, required information and deadlines

Students need to know:

- what the correct contents and form of a VAT invoice are, including:
 - the simplified VAT invoice rule
 - the e-invoicing requirements
 - standard-rated, zero-rated and exempt supplies
- how to determine the tax point of an invoice, both basic and actual, when the invoice is raised after the supply and also when there are: advance payments, deposits, continuous supplies and goods on sale or return
- the significance of the correct tax point for eligibility for special VAT schemes, applying the correct rate of VAT and determining the correct VAT for reporting
- the time limits for issuing VAT invoices, including understanding the 14-day and 30-day rules.

1.5 Maintain knowledge of legislation, regulation, guidance and codes of practice

Students need to know:

- where to find information regarding changes to VAT law and practice
 - how to use information to determine relevant changes for the business that must be applied
 - the deadline dates by which changes must be applied
 - the importance of maintaining up-to-date relevant VAT knowledge to the ability to act with professional competence.
-

2. Accurately complete VAT returns and submit them in a timely manner

2.1 Extract relevant data from the accounting records

Students need to know:

- how to identify relevant accounting records that cover the required period of each VAT return
 - how to identify and extract relevant income, expenditure and VAT figures from the following ledgers and accounts: sales and sales returns, purchases and purchases returns, cash and petty cash accounts and the VAT account
 - how to determine that the figures extracted have come from an original and verified daybook or journal
 - how to determine that entries in the ledgers have been made with integrity and due regard to the regulation of VAT administration.
-

2.2 Calculate relevant input and output tax

Students need to know:

- the difference between inputs and outputs, and between input tax and output tax
 - the specific calculations needed for standard, reduced-rate, zero-rated and exempt supplies
 - how to calculate VAT for imports and acquisitions, exports and despatches
 - the place of supply rules for both goods and services within and outside the EU
 - how to treat different forms of inputs and outputs when preparing a VAT return, including how to identify valid VAT documents for the purposes of input tax recovery
 - how imports, acquisitions, despatches and exports are treated on a VAT return, but not any knowledge of Intrastat returns, EC Sales List or VAT Mini One Stop Shop
 - the different implications of exempt supplies and of zero-rated supplies for the VAT return, and the effect on recovery of input tax
 - how partial exemption works, the de minimis limit and how this affects the recovery of input tax
 - rounding rules on VAT calculations, including for retailers, but without any need to understand rounding for lines of goods and services, tax per unit or article
 - rules for VAT when prompt payment discounts are offered to customers, and how to calculate it
 - how to calculate the VAT when given the net or the gross amount of the supply
 - how to account for VAT on: expenditure on employee and business contact entertaining, including that of mixed groups; purchases and sales of cars and vans; deposits and advance payments for goods and services
 - the VAT rules on fuel scale charges, how to apply them, and their effect on VAT payable/reclaimable
 - how to apply bad debt relief, when this is available and what time limits apply.
-

2.3 Calculate the VAT due to, or from, the relevant tax authority

Students need to be able to:

- correctly calculate the VAT payable to or reclaimable from the relevant tax authority for a VAT period, in respect of: transactions in the current VAT period, including access to and use of sales and purchases invoices, credit notes issued and received, cash and petty cash transaction receipts; adjustments for bad debt relief, fuel scale charges, entertainment expenses, cars and vans, deposits and advance payments, and correction of errors and omissions made in previous returns
 - disallow VAT that is not recoverable
 - deal with pressure to allow irrecoverable VAT or other inappropriate amounts to appear
-

on the VAT return, or to remain in the accounts.

2.4 Make adjustments and declarations for any errors or omissions identified in previous VAT periods

Students need to be able to:

- determine if a given previous period error or omission can be corrected by an amendment on the current VAT return
 - apply the thresholds and deadlines within which previous period errors/omissions must be declared, including the timescales during which corrections can be made
 - identify when a given previous period error/omission must be separately reported rather than corrected on the current VAT return
 - apply the required treatment
 - report a previous period error/omission that cannot be corrected on a current VAT return.
-

2.5 Complete and submit a VAT return and make any associated payment within statutory limits

Students need to know:

- the statutory time limits for submitting VAT returns and making payment for both normal and special VAT schemes
 - how these time limits differ depending on the payment method used
 - how to complete all relevant boxes of the online return in the manner laid down by the relevant tax authority
 - how to calculate the amount of VAT due to, or reclaimable from, the relevant tax authority as a check on the amounts calculated by the online VAT return
 - that the final total on the VAT return should agree with the total on the business' VAT account
 - how to identify the reasons why the given final total and the given VAT account differ
 - the process for recovery of VAT that is to be reclaimed from the relevant tax authority.
-

3. Understand the implications for the business of errors, omissions, and late filing and payment

3.1 Explain the implications for a business of failure to comply with registration requirements

Students need to know:

- the powers of the tax authority to penalise a business that has failed to register for VAT
 - the details of the penalty regime applicable to non-registration or late registration.
-

3.2 Explain the implications for a business of failure to comply with the requirement to submit VAT returns

Students need to know:

- the consequences of late submission and non-submission of VAT returns
 - how the surcharge regime applies to late submission or non-submission of VAT returns
 - the powers of assessment the tax authority has in respect of failure to submit VAT returns.
-

3.3 Explain the implications for a business of failure to comply with the requirement to make payment of VAT

Students need to know:

- the consequences of late payment or non-payment of VAT due
 - the details of the penalty regime applicable to late or non-payment of VAT due.
-

3.4 Explain the implications for a business resulting from a failure to make error corrections in the proper manner or report errors where required to do so

Students need to know:

- the consequences of failing to correct errors properly
 - the consequences of failing to report an error when required to do so
 - the operational, ethical and legal consequences of allowing VAT recovery that is by law disallowed.
-

4. Report VAT-related information within the organisation in accordance with regulatory and organisational requirement

4.1 Inform the appropriate person about VAT-related matters

Students need to be able:

- identify the appropriate person to whom to report information, given different circumstances
 - provide appropriate information regarding: the discovery of current and previous period errors and omissions; determining whether to correct or disclose errors and omissions; the completion of the return; penalties, surcharges and assessments; the effects of a change in VAT rate or other regulatory changes; the effect on VAT of a change in business operations
 - communicate the appropriate time limits for submitting VAT returns to appropriate persons
 - identify when a query about VAT is beyond current experience or expertise and so should be referred to a line manager.
-

4.2 Communicate information about VAT due to or from the tax authority

Students need to be able to:

- specify relevant information regarding amounts due to, or recovery of amounts from, HMRC
 - communicate the effects of the special VAT schemes on payment or recovery of VAT.
-

Delivering this unit

This unit has the following links across the FET Certificate: Accounting Technician.

Unit name	Content links	Suggested order of delivery
All Level 4 units	Indirect Tax has links with Advanced Bookkeeping, Final Accounts Preparation, Management Accounting: Costing, Spreadsheets for Accounting and Ethics for Accountants.	Not applicable for this unit.

Links to standards

This unit links with the following National Occupational Standards (NOS) for Accountancy and Finance:

- T-3 Reporting VAT.

Test specification for Indirect Tax unit assessment

Assessment type	Marking type	Duration of exam
Computer based unit assessment	Computer marked	1 hour 30 minutes

Learning outcomes	Weighting
1. Understand and apply VAT legislation requirements	30%
2. Accurately complete VAT returns and submit them in a timely manner	40%
3. Understand implications of errors, omissions and late filing and payment	20%
4. Report VAT related information in accordance with regulatory and organisational requirement	10%
Total	100%

Ethics for Accountants

Unit level	Assessment
4	Synoptic assessment only

Introduction

This unit is about professional ethics in an accounting environment. It seeks to ensure that students have an excellent understanding of why accountants need to act ethically, of the principles of ethical working, of what is meant by ethical behaviour at work, and of when and how to take action in relation to unethical behaviour and illegal acts.

This unit supports students in:

- working within the ethical code applicable to accountants and accounting technicians
- ensuring the public has a good level of confidence in accounting practices or functions
- protecting their own and their organisation's professional reputation and legal liability
- upholding principles of sustainability.

Students will learn the core aspects of the ethical code for accountants, as it relates to their work as accounting technicians and as exemplified in AAT's Code of Professional Ethics. They will understand the ethical principles of integrity, objectivity, professional competence and due care, professional behaviour and confidentiality, and will learn to apply these principles to analyse and judge ethical situations at work.

They will also understand that acting ethically derives from core personal and organisational values, such as honesty, transparency and fairness, as well as from professional ethics. Understanding the conceptual framework of principles, threats and safeguards contained in the ethical code, plus its process for ethical conflict resolution, will enable students to apply a systematic approach to ethical problems that they may encounter.

Students will, therefore, develop skills in analysing problems, and in judging between 'right' and 'wrong' behaviour in a given context. They will also be able to identify alternative courses of action to resolve an ethical problem, and select the most appropriate action in the circumstances.

Money laundering regulations mean that accountants can be exposed to legal liability for keeping quiet in certain circumstances, or for telling the wrong person about suspected wrongdoing. Students will learn when and how the money laundering regulations apply, and their responsibilities in respect of them. They will also learn about reporting to the authorities in respect of suspected money laundering. In certain other circumstances, it may be appropriate for an accountant to report, 'speak up' or blow the whistle on unethical behaviour.

Finally, students will understand the basis and nature of the accountant's ethical responsibilities to uphold sustainability in their organisation.

Ethics for Accountants is a mandatory unit. It links with Work Effectively in Finance at Level 3, and with Accounting Systems and Controls at Level 5. There are opportunities to include aspects of acting ethically at work when delivering the other mandatory units at Level 4.

Ethics for Accountants is a **mandatory** unit in this qualification.

Learning outcomes

1. Understand the need to act ethically
 2. Understand the relevance to the accountant's work of the ethical code for professional accountants
 3. Recognise how to act ethically in an accounting role
 4. Identify action to take in relation to unethical behaviour or illegal acts
-

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.

Students may not be assessed on all content, or on the full depth or breadth of a piece of content in any particular assessment. Content assessed may change over time to ensure validity of assessment, but all assessment criteria will be tested over time.

1. Understand the need to act ethically

1.1 Explain why it is important to act ethically

Students need to know:

- that the accountant acting ethically: supports the level of confidence that the public has in accountants, enhances the organisation's probity and reputation, enhances the accountant's own professional reputation, protects the accountant's legal liability
 - that it is important for an accountant to comply with the ethical code and act ethically at all times
 - that the accountant has a public interest duty to society as well as to the client or employer
 - that maintenance of the reputation of accountancy as a profession is one of the objectives of the ethical code
 - that the accountant's compliance with the ethical code is a professional not a legal obligation
 - that members of professional accountancy bodies are held to account by those bodies for breaches of their ethical codes
 - when disciplinary action by the relevant professional accountancy body may be brought against the accountant for misconduct, and the possible penalties that can arise
 - that internal disciplinary procedures may be brought against the accountant by the employer for unethical or illegal behaviour
 - that organisations may suffer fines or reputational damage as a result of unethical behaviour and non-compliance with values, codes and regulations.
-

1.2 Explain how to act ethically

Students need to know:

- that specific action may have to be taken in order to behave ethically: ignoring a problem, or doing nothing about it, may not be ethical
 - that simply complying with regulations may not constitute ethical behaviour, depending on the circumstances
 - that a methodical approach to resolving ethical problems is advisable
 - that the ethical code takes a principles-based not a rules-based approach to ethics, conduct and practice.
-

1.3 Explain the importance of values, culture and codes of practice/conduct

Students need to know:

- that an organisation's values, corporate culture and leadership govern its decisions and actions
 - that conflict may arise and have to be resolved between an individual's key personal values and organisational values
 - the importance to an organisation of: an ethics-based culture that discourages unethical or illegal practices, an ethical 'tone at the top'/leadership
 - that codes of conduct, codes of practice and regulations may affect ethical decisions by organisations and individuals.
-

2. Understand the relevance to the accountant's work of the ethical code for professional accountants

2.1 Explain the ethical code's conceptual framework of principles, threats, safeguards and professional judgement

Students need to know:

- that an accountant should evaluate threats to compliance with the fundamental principles then implement safeguards, using professional judgement, that eliminate the threats or reduce them to an acceptable level
 - the types of threat to the fundamental principles
 - the types of safeguard that may be applied
 - that documented organisational policies on various issues can be used as safeguards to prevent threats and ethical conflict from arising
 - what an accountant should do when a threat cannot be eliminated or reduced to an acceptable level.
-

2.2 Explain the importance of acting with integrity

Students need to know:

- the meaning of integrity from the ethical code
 - the effect of accountants being associated with misleading information
 - what is meant by the key ethical values of honesty, transparency and fairness
 - that it is important to act at all times with integrity, honesty, transparency and fairness when liaising with clients, suppliers and colleagues
 - that integrity is threatened in particular by self-interest and familiarity threats.
-

2.3 Explain the importance of objectivity

Students need to know:

- the meaning of objectivity from the ethical code
 - the importance of maintaining a professional distance between professional duties and personal life at all times
 - what is meant by a conflict of interest, including self-interest threats arising from financial interests, compensation and incentives linked to financial reporting and decision making
 - the importance of appearing to be objective as well as actually being objective
 - the importance of professional scepticism when exercising professional judgement
 - how accountants may deal with offers of gifts and hospitality
 - that gifts and hospitality may pose threats to objectivity as inducements
 - that compromised objectivity may lead to accusations of bribery or fraud
 - that objectivity is threatened in particular by intimidation, self-review and advocacy threats as well as by self-interest and familiarity threats.
-

2.4 Explain the importance of behaving professionally

Students need to know:

- the meaning of professional behaviour from the ethical code
 - that the ethical code as a whole sets out the required standards of behaviour for accountants and how to achieve them
 - that compliance with relevant laws and regulations is a minimum requirement, so an act that is permitted by the law/regulations is not necessarily ethical
 - that bringing disrepute on the profession may in itself lead to disciplinary action by a professional accountancy body
 - that professional behaviour is threatened in particular by self-interest, self-review and familiarity threats.
-

2.5 Explain the importance of being competent and acting with due care

Students need to know:

- the meaning of professional competence and of due care from the ethical code
 - that due care and diligence mean acting in accordance with the requirements of a task: carefully, thoroughly and on a timely basis
 - that professional qualifications and continuing professional development (CPD) support professional competence
 - the areas in which up-to-date technical knowledge for an accountant's competence may be critical
 - the consequences of an accountant failing to work competently and with due care: breach of contract in the supply of services; professional negligence; accusations of fraud or money laundering
 - that professional competence and due care are threatened in particular by self-interest, self-review and familiarity threats.
-

2.6 Explain the importance of confidentiality and when confidential information may be disclosed

Students need to know:

- the meaning of confidentiality from the ethical code
 - the types of situation that present threats to confidentiality
 - that an accountant may on occasion be justified in disclosing confidential information
 - when it may be appropriate to disclose confidential information, and when it must be disclosed
 - to whom a disclosure of confidential information may be made
 - that information confidentiality may be affected by compliance with data protection laws as well as by the ethical principle
 - that confidentiality is threatened in particular by self-interest, intimidation and familiarity threats.
-

2.7 Explain the stages in the ethical code's process for ethical conflict resolution

Students need to know:

- how ethical conflict situations could arise in a work context
 - the stages in the process for ethical conflict resolution when a situation presents a conflict in application of the fundamental principles
 - that documented organisational policies on various issues can be used as safeguards to prevent ethical conflict from arising.
-

3. Recognise how to act ethically in an accounting role

3.1 Distinguish between ethical and unethical behaviour

Students need to be able to:

- apply values and principles to identify whether behaviour is ethical or unethical in a given situation
 - apply key organisational values to a given situation, including complying with regulations in spirit as well as letter, with regard to: being transparent with customers and suppliers; reporting financial and regulatory information clearly and on time; whether to accept and give gifts and hospitality; paying suppliers a fair price and on time; providing fair treatment, decent wages and good working conditions to employees; using social media
 - identify situations where there is pressure to behave unethically, especially from self-interest, familiarity and intimidation threats to the fundamental principles.
-

3.2 Analyse a situation using the conceptual framework and the conflict resolution process

Students need to be able to:

- apply the conceptual framework to a situation
 - apply the conflict resolution process to a situation
 - decide what to do if the conflict resolution process does not resolve the problem (take advice externally)
 - decide what to do if the conflict cannot be resolved (refuse to remain associated with the matter creating the conflict, or resign).
-

3.3 Develop an ethical course of action

Students need to be able to:

- formulate a specific course of action to address the ethical concerns that have arisen
 - decide when and how advice about an ethical dilemma or unethical behaviour with regard to their own work, clients, suppliers or colleagues should be sought from a colleague or manager, or from the helpline of the employer or professional body
 - refer instances of unethical behaviour to responsible persons at work, by reference initially to line management, using discretion and maintaining confidentiality.
-

3.4 Justify an appropriate action when requested to perform tasks that are beyond current experience or expertise

Students need to be able to:

- recognise in a given situation that an accountant has been asked to complete work for which they do not have sufficient expertise, information, time, training or resources
 - decide the appropriate time at which advice about such concerns should be sought
 - decide what to do in such a situation.
-

3.5 Explain the ethical responsibilities of accountants in upholding the principles of sustainability

Students need to know:

- that sustainability means taking a long-term view and allowing the needs of present generations to be met, without compromising the ability of future generations to meet their own needs
 - that sustainability requires the organisation to consider the needs of its wider stakeholders
 - that the accountant's ethical duty of integrity includes being transparent and producing information that is not misleading, which together support sustainability
 - that accountants have a public interest duty to protect society as a whole so should promote:
 - social and environmental as well as economic/financial aspects when measuring an organisation's income, expenses, assets and liabilities, and when assisting with decision making
 - the long-term responsible management and use of resources by their organisation
 - the running of their organisation in a sustainable manner in relation to products and services, customers, employees, the workplace, the supply chain and business functions and processes.
-

4. Identify action to take in relation to unethical behaviour or illegal acts

4.1 Analyse a given situation in light of money laundering law and regulations

Students need to know:

- the possible offences under money laundering law and regulations, and their consequences for accountants and for organisations
 - the events that may occur in relation to the accountant, colleagues, the organisation, its customers and its suppliers that give rise to obligations for the accountant under money laundering law and regulations
 - the consequences for an accountant of failing to act appropriately in response to such events, including the potential for the offences of 'tipping off' and 'failure to disclose'
 - the consequences for any person of 'prejudicing an investigation'
 - the nature of the protection given to accountants by protected disclosures and authorised disclosures under the money laundering law and regulations
 - the position specifically of accountants employed in a business regarding external reporting of the employer's suspected illegal activities under money laundering law and regulations, when the accountant is directly involved, and also when they are not directly involved.
-

4.2 Identify the relevant body to which questionable behaviour must be reported

Students need to know:

- the nature and role of relevant external authorities in relation to accountants and the money laundering regulations
 - the relevant authority or internal department to which reports about money laundering should be made
 - when and to whom tax errors should be reported
 - the relevant external authorities to which reports about other forms of illegal activity may be made
 - that there may be a prescribed internal department and/or external professional body/agency to which reports may be made regarding unethical behaviour and breaches of confidentiality.
-

4.3 Report suspected money laundering in accordance with the regulations

Students need to be able to:

- select the information that should be reported by an accountant making a required disclosure in either an internal report or a suspicious activity report (SAR) regarding suspicions about money laundering
 - identify when the required disclosure should be made.
-

4.4 Decide when and how to report unethical behaviour by employers, colleagues or clients/customers

Students need to be able to:

- identify when it is appropriate to report that a breach of the ethical code has taken place
 - report in line with formal internal whistle-blowing or 'speak-out' procedures that may be available for reporting unethical behaviour
 - seek advice confidentially from relevant helplines as appropriate
 - identify circumstances when there may be public interest disclosure protection available under statute for blowing the whistle externally in the public interest in relation to certain illegal or unethical acts by the employer
 - seek third-party advice before blowing the whistle externally, since the legal protection available to an external whistle-blower is limited.
-

Delivering this unit

Elements of this unit are found across the qualification and this unit may be delivered at any time throughout the course. It is recommended however that the synoptic assessment is only taken when all other units have been completed.

Unit name	Content links	Suggested order of delivery
Advanced Bookkeeping, Final Accounts Preparation and Indirect Tax	All three of these units include content that cover ethics to an extent including covering behaviour that is ethical and unethical, and how to develop an ethical course of action.	Not applicable to this unit.

Links to standards

This unit links with the following National Occupational Standards (NOS) for Accountancy and Finance:

- PS-2 Professional ethics in accountancy and finance
 - Performance standards 1-4 and 6-13
 - Knowledge and understating standards 1, 2, 5 and 8-11.

Spreadsheets for Accounting

Unit level	Assessment
4	Synoptic assessment only

Introduction

This Level 4 unit is about using spreadsheets to accurately enter, analyse and present information so that informed accountancy judgements can be made. The skills and knowledge from this unit integrates spreadsheet use within the other Level 4 accountancy subjects.

Accounting technicians need to use spreadsheets as it is important that financial information is accurately analysed and presented in an unambiguous way. Spreadsheets are widely used within industry, commerce and practice, and a variety of spreadsheet packages are available specifically to assist with accounting roles (routine and one-off): calculations, manipulation of data, analysis, budgeting, preparing financial statements, reporting, forecasting and decision making.

The student will add value to their organisation if they are familiar with the underlying principles of such software and can use it competently within their workplace. Completing this unit will allow the student to apply these important skills to Advanced Bookkeeping, Final Accounts, Management Accounting: Costing and to calculate Indirect Tax. The student will be able to analyse this data using their spreadsheet skills, then communicate the most important information to enable appropriate judgements to be made. The information presented, therefore, needs to be accurate and easily understood by the recipient.

The objective of this unit is to equip students with sufficient skills and knowledge to enable them to select the correct information, and then accurately input raw data into a spreadsheet. The student may need to use spreadsheets developed by others, or can produce their own. The student will then be able to demonstrate their use of a range of skills to analyse this data in line with accountancy conventions. Skills such as the use of formulas, functions, data analysis tools, sorting and filtering will be vital within accountancy to enable students to perform complex calculations quickly and accurately. After analysis, the data needs to be comprehensively checked and then presented by using a range of methods; for example, structured spreadsheets with pivot tables and charts. The responsibility for checking accuracy of information at Level 4 remains with the student.

Students need to demonstrate their spreadsheet skills across the whole range of accountancy topics at Level 4. Therefore, this unit can only be examined when the knowledge and skills of the other Level 4 units are understood. This unit links to Advanced Bookkeeping, Final Accounts Preparation, Indirect Tax and Management Accounting: Costing at Level 4.

Spreadsheets for Accounting is a **mandatory** unit in this qualification.

Learning outcomes

1. Design and structure appropriate spreadsheets to meet customer needs
 2. Use spreadsheet software to record, format and organise data
 3. Use relevant tools to manipulate and analyse data
 4. Use software tools to verify accuracy and protect data
 5. Use tools and techniques to prepare and report accounting information
-

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.

In any one assessment, students may not be assessed on all content, or on the full depth or breadth of a piece of content. The content assessed may change over time to ensure validity of assessment, but all assessment criteria will be tested over time.

1. Design and structure appropriate spreadsheets to meet customer needs

1.1 Organise data in a timely manner

Students need to be able to:

- identify all customer requirements, including deadlines
 - consider the use of a template or design a bespoke spreadsheet
 - plan and design the spreadsheet to meet customer needs
 - develop a spreadsheet for specific accountancy purposes.
-

1.2 Securely store and retrieve relevant information

Students need to be able to:

- securely store, backup, archive and retrieve data and information in line with local policies
 - rename files in line with local conventions.
-

2. Use spreadsheet software to record, format and organise data

2.1 Select relevant data

Students need to know:

- when they have sufficient data and information

Students need to be able to:

- select valid, reliable and accurate data
 - select relevant raw data from different sources
 - differentiate between what information is required and what is not.
-

2.2 Accurately enter data

Students need to know:

- why their own data input needs to be accurate
- why they may need to select relevant data from different sources and where to paste that data in their spreadsheet.

Students need to be able to:

- manually enter data accurately
 - link data from different sources and across different worksheets
 - remove duplications in data
 - import data.
-

2.3 Format data

Students need to be able to:

- use a range of appropriate formatting tools to aid understanding and present the data effectively (see Skills list).
-

3. Use relevant tools to manipulate and analyse data

3.1 Select and use a range of appropriate formulas and functions to perform calculations

Students need to be able to:

- plan, select and use a range of formulas to manipulate and analyse the data (see Skills list)
 - plan, select and use appropriate mathematical and logical functions (for example, IF, Subtotal, Lookup and so on), and statistical techniques (for example, Goal Seek, Forecast), to perform calculations (see Skills list).
-

3.2 Select and use relevant tools to analyse and interpret data

Students need to be able to:

- assess and select the correct analysis tool for a given task
 - analyse data using multiple sorting criteria
 - analyse data using multiple filtering criteria
 - use Conditional Formatting to enhance decisions
 - analyse data using pivot tables and charts
 - use data analysis tools (knowledge test only)
 - remove duplicates
 - use lookup tables
 - select and use appropriate forecasting tools
 - summarise data using sub totals.
-

3.3 Select and use appropriate tools to generate and format charts

Students need to be able to:

- critically select and use a range of charts to summarise and present information
 - develop and format charts appropriately to aid understanding
 - altering scales
 - altering and formatting axes
 - labelling charts
 - change data series colour/format
 - produce an output in a format suitable to ensure equality of opportunity.
-

3.4 Edit and update data

Students need to be able to:

- change existing data
 - include relevant new data in a spreadsheet
 - identify and remove any further duplicates
 - update relevant new data in a chart.
-

4. Use software tools to verify accuracy and protect data

4.1 Use appropriate tools to identify and resolve errors

Students need to be able to:

- use formula auditing tools
- select and use error checking tools
- show the formulas within a spreadsheet.

4.2 Assess that new data has been accurately added.

Students need to be able to:

- consider if any new data added to the spreadsheet is included in the analysis
- check new data is fully included in an existing chart.

4.3 Protect integrity of data

Students need to know:

- why protection of the integrity of their data is important
- why they may need to use and share spreadsheet passwords
- with whom they can share spreadsheet passwords.

Students need to be able to:

- use data validation to restrict editing
- protect cells and worksheets
- use passwords
- keep data secure from unauthorised use.

5. Use tools and techniques to prepare and report accounting information

5.1 Prepare reports

Students need to know be able to:

- insert headers and footers
- hide rows and or columns
- format columns, rows and outputs to enhance understanding of the relevant data
- use Page Setup to adjust margins, orientation and print area
- produce a summary sheet linking to other data and/or worksheets.

5.2 Report accounting information

Students need to know:

- why it is important to confirm that the result meets customer requirements.

Students need to be able to:

- ensure that data produced is suitable for publication, using the appropriate house style
- show all worksheet formulas in a format suitable for publication
- communicate the completed information to the customer appropriately.

Skills list

<ul style="list-style-type: none"> • Absolute cell referencing • Adjust charts • Adjusting contents to fit cells • Advanced formatting • Align text • Annotate charts • Auditing formulas (+ screen print) • AutoSum (+ screen print) • Borders and shading • Cell fill colour • Change chart type • Change filename • Chart labelling - axis scale, titles, legend • Chart move and resize • Chart production & alteration - bar, bubble, column, line, pie, scatter, (in stacked, 3D, exploded - where appropriate) • Check links • Check validity of results • Circular references • Clear cells • Column width • Comments box (show and hide) • Conditional formatting • Consolidation of data across several worksheets (linking) • Copy and paste, including Special (values, link etc) • Currency formatting • Custom sort • Custom formatting (dates, times, contents red etc) • Data validation • Date and time stamps and formats • Decimal formatting, including 1000 separator • Delete cells, rows, columns • Direct referencing • Error checking (+ screen print) • Filtering data using multiple criteria • Find and replace • Formatting text and cells, including font type, size, colour, bold, italics • Formulas for now, subtotal, sum, today • Formulas: (Logical), Count, Counta, Countif, IF, Sumif, Lookup • Formulas: (Mathematical) - add, minus, divide and multiply, average, maximum minimum • Freezing rows and columns • Goal Seek • Headers and footers • Hide/unhide columns and rows • Hide formulas 	<ul style="list-style-type: none"> • Histogram (knowledge only) • Hyperlink • Importing data • Inserting data, rows and columns • Insert fields in header/footer (page number, number of pages, date, time and filename) • Linking data across several worksheets • Lock and unlock cells • Margins • Merge cells • Move and resize chart • Moving average (knowledge only) • Name (rename) worksheets • Name cells, ranges • Now date formula • Page breaks • Page numbering • Page orientation – landscape or portrait • Password protecting a worksheet • Paste special, including linking • Percentages • Pivot tables (simple) • Print scaling • Print Screen • Printing – see Report • Protect a range of cells • Publishing – see Report • Rank & percentile (knowledge only) • Removal of duplicates • Renaming files • Report – all or part of the spreadsheet by printing (hard copy), Web (HTML), Word, pdf, PowerPoint, email • Resize chart • Row height • Save as (csv, pdf, xlsx) • Scale information for publication • Shading of cells • Show formulas • Sorting data using multiple criteria • Subtotal a range • Subtotal formulas for sum, average, maximum, minimum • Spell check • Today date formulas • Trend lines • Trace precedents, dependents (+ screen print) • Unlock cells • Validation circles • Worksheet naming tab • Wrap text
---	--

Delivering this unit

This unit has the following links across the FET Certificate: Accounting Technician

Elements of this unit are found across the qualification and this unit may be delivered at any time throughout the course. It is recommended however that the synoptic assessment is only taken when all other units have been completed.

Unit name	Content links	Suggested order of delivery
Advanced Bookkeeping, Final Accounts Preparation, Indirect Tax and Management Accounting: Costing	All four units include some elements of content that can be demonstrated as a skill using a spreadsheet.	Not applicable to this unit.

Links to standards

This unit links with the following National Occupational Standards (NOS) for Accountancy and Finance:

- PS-1 Work effectively in accountancy and finance
- MA-2 Provide management information
- MA-3 Draft budgets
- MA-4 Monitor financial performance
- T-1 Calculate personal tax
- T-2 Calculate business tax
- T-3 Report VAT
- TM-1 Administer cash balances
- P-1 Create and maintain employee records
- P-2 Calculate pay
- P-3 Determine entitlements and deductions
- P-4 Control payroll
- P-5 Complete end-of-period procedures
- P-6 Process expenses and benefits in kind.

12. Synoptic Test Specification

Please refer to the latest Guidance Note on the [AAT website](#) for specific legislation/rates that apply to the current assessments.

Assessment	Marking type	Duration of exam
Computer-based synoptic assessment	Partially computer/ partially human marked	3 hours

12.1 Assessment objectives

Assessment objective 1	Demonstrate an understanding of the relevance of the ethical code for accountants, the need to act ethically in a given situation, and the appropriate action to take in reporting questionable behaviour
Related learning objectives	<p>Ethics for Accountants</p> <p>LO1 Understand the need to act ethically</p> <p>LO2 Understand the relevance to the accountant's work of the ethical code for professional accountants</p> <p>LO4 Identify action to take in relation to unethical behaviour or illegal acts</p>
Assessment objective 2	Prepare accounting and VAT records and respond to errors, omissions and other concerns, in accordance with accounting and ethical principles and relevant regulations
Related learning objectives	<p>Indirect Tax</p> <p>LO1 Understand and apply VAT legislation requirements</p> <p>LO2 Accurately complete VAT returns and submit them in a timely manner</p> <p>LO3 Understand implications of errors, omissions and late filing and payment</p> <p>LO4 Report VAT related information in accordance with regulatory and organisational requirement</p> <p>Ethics for Accountants</p> <p>LO3 Recognise how to act ethically in an accounting role</p> <p>LO4 Identify action to take in relation to unethical behaviour or illegal acts</p> <p>Advanced Bookkeeping</p> <p>LO1 Apply the principles of advanced double-entry bookkeeping</p> <p>LO2 Implement procedures for the acquisition and disposal of non-current assets</p> <p>LO3 Prepare and record depreciation calculations</p> <p>LO4 Record period end adjustments</p> <p>Final Accounts Preparation</p> <p>LO2 Explain the need for final accounts and the accounting and ethical principles underlying their preparation</p> <p>LO3 Prepare accounting records from incomplete information</p>

Assessment objective 3	Demonstrate an understanding of the inter-relationship between the financial accounting and management accounting systems of an organisation and how they can be used to support managers in decision making
Related learning objectives	<p>Advanced Bookkeeping</p> <p>LO3 Prepare and record depreciation calculations</p> <p>LO4 Record period end adjustments</p> <p>LO5 Produce and extend the trial balance</p> <p>Final Accounts Preparation</p> <p>LO2 Explain the need for final accounts and the accounting and ethical principles underlying their preparation</p> <p>LO3 Prepare accounting records from incomplete information</p> <p>LO4 Produce accounts for sole traders</p> <p>LO5 Produce accounts for partnerships</p> <p>Management Accounting: Costing</p> <p>LO1 Understand the purpose and use of management accounting within an organisation</p> <p>LO2 Apply techniques required for dealing with costs</p> <p>LO3 Apportion costs according to organisational requirements</p> <p>LO5 Apply management accounting techniques to support decision making</p>
Assessment objective 4	Apply ethical and accounting principles when preparing final accounts for different types of organisation, develop ethical courses of action and communicate relevant information effectively
Related learning objectives	<p>Ethics for Accountants</p> <p>LO3 Recognise how to act ethically in an accounting role</p> <p>Final Accounts Preparation</p> <p>LO1 Distinguish between the financial recording and reporting requirements of different types of organisation</p> <p>LO2 Explain the need for final accounts and the accounting and ethical principles underlying their preparation</p> <p>LO3 Prepare accounting records from incomplete information</p> <p>LO4 Produce accounts for sole traders</p> <p>LO5 Produce accounts for partnerships</p> <p>LO6 Recognise the key differences between preparing accounts for a limited company and a sole trader</p>
Assessment objective 5	Demonstrate a range of spreadsheet knowledge and skills when working with accounting data
Related learning objectives	<p>Spreadsheets for Accounting</p> <p>LO1 Design and structure appropriate spreadsheets to meet customer needs</p> <p>LO2 Use spreadsheet software to record, format and organise data</p> <p>LO3 Use relevant tools to manipulate and analyse data</p> <p>LO4 Use software tools to verify accuracy and protect data</p> <p>LO5 Use tools and techniques to prepare and report accounting information</p>

Assessment objective 6

Use relevant spreadsheet skills to analyse, interpret and report management accounting data

Related learning objectives

Management Accounting: Costing

LO1 Understand the purpose and use of management accounting within an organisation

LO3 Apportion costs according to organisational requirements

LO4 Analyse and review deviations from budget and report these to management

LO5 Apply management accounting techniques to support decision making

Spreadsheets for Accounting

LO1 Design and structure appropriate spreadsheets to meet customer needs

LO2 Use spreadsheet software to record, format and organise data

LO3 Use relevant tools to manipulate and analyse data

LO5 Use tools and techniques to prepare and report accounting information

Assessment objective 7

Prepare financial accounting information, comprising extended trial balances and final accounts for sole traders and partnerships, using spreadsheets

Related learning objectives

Final Accounts Preparation

LO4 Produce accounts for sole traders

LO5 Produce accounts for partnerships

Advanced Bookkeeping

LO5 Produce and extend the trial balance

Spreadsheets for Accounting

LO1 Design and structure appropriate spreadsheets to meet customer needs

LO2 Use spreadsheet software to record, format and organise data

LO3 Use relevant tools to manipulate and analyse data

LO4 Use software tools to verify accuracy and protect data

LO5 Use tools and techniques to prepare and report accounting information

12.2 Summary

Assessment objective	Weighting
A01 Demonstrate an understanding of the relevance of the ethical code for accountants, the need to act ethically in a given situation, and the appropriate action to take in reporting questionable behaviour	15%
A02 Prepare accounting and VAT records and respond to errors, omissions and other concerns, in accordance with accounting and ethical principles and relevant regulations	16%
A03 Demonstrate an understanding of the inter-relationship between the financial accounting and management accounting systems of an organisation and how they can be used to support managers in decision making	14%
A04 Apply ethical and accounting principles when preparing final accounts for different types of organisation, develop ethical courses of action and communicate relevant information effectively	15%
A05 Demonstrate a range of spreadsheet knowledge and skills when working with accounting data	10%
A06 Use relevant spreadsheet skills to analyse, interpret and report management accounting data Prepare financial accounting information, comprising extended trial balances and final accounts for sole traders and partnerships, using spreadsheets	16%
A07 Prepare financial accounting information, comprising extended trial balances and final accounts for sole traders and partnerships, using spreadsheets	14%
Total	100%

13. Delivering AAT qualifications

13.1 Staff requirements

AAT requires all staff delivering AAT qualifications, including tutors, assessors and verifiers to be professionally competent to do so.

If a training provider wishes to claim recognition of prior learning (RPL) for a student, then staff must hold assessor/verifier (A/V) units, Training, Assessment and Quality Assurance (TAQA) certification, or equivalent.

For more information on assessing RPL and the role and qualifications required for assessors and/or Internal Verifiers, please refer to the AAT Code of Practice for Training Providers and AAT Guidance for Training Providers documents on [the AAT website](#).

13.2 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 organisation is accredited with.

When AAT has received this information, an account manager will set up a meeting, and discuss the criteria needed for approval. Training providers offering full time funded provision to 16-19-year-old students will be required to confirm that they are providing employer engagement for those students.

Only applications that meet AAT's high standards will be approved.

Existing training providers who wish to offer the qualification(s) should contact qualityassurance@aat.org.uk to obtain the additional approval application form.

To apply to become an AAT approved assessment venue, email assessment.operations@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. One of the AAT assessment team may visit a centre before approval is granted.

AAT doesn't approve venues on a permanent basis and may review a venue's status at any time. If a venue's status changes, the venue administrator will be notified in writing.

13.3 Quality assurance

AAT monitors training providers to ensure their continued compliance with the AAT approval criteria, the *AAT Code of Practice for Training Providers* and appropriate regulatory requirements. Within South Africa, our qualifications are regulated by South African Qualification authority (SAQA) and are monitored by the Finance and Accounting Services Sector Education and Training Authority (FASSET), the Sector Education and Training Authority (SETA). Within the United Kingdom, our qualifications are regulated by the Office of the Qualifications and Examinations Regulator (Ofqual) in England and Northern Ireland, by the Scottish Qualifications Authority (SQA) in Scotland and by Qualifications Wales in Wales.

All training providers have an allocated point of contact, and from time to time will be visited by AAT to ensure that quality standards are being met. The frequency of visits will depend on a number of factors and will not necessarily occur on an annual basis. If a centre has been delivering assessments using RPL as an assessment method, AAT may also ask for particular information and/or documents to be made available so that a remote verification activity might be conducted rather than a physical visit.

Training providers will receive an annual report from AAT identifying 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 *Code of Practice for Training Providers* or the *Centre Agreement*.

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 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.

13.4 Recruiting students

Training providers are expected to carry out an initial assessment of students to determine if they are on the most appropriate qualification, and that they are on the correct level.

AAT reserves the right to ask for evidence that students' development needs are matched against the requirements of the qualification and that an agreed individual delivery plan is established.

14. Equality and diversity

AAT firmly believes in equality of opportunity for all who participate in its qualifications.

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 and publications are free from discriminatory practices or stereotypes with regard to gender, race, age, creed or sexual orientation
- 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 in the following ways.

1. Considering issues of diversity and equality as part of the development process.
2. Avoiding the creation of barriers that might disadvantage those students who share one or more of the protected characteristics.
3. Consultation with students (or their representatives).
4. Collection of data for monitoring and evaluation.
5. Provision of additional information on [the AAT website](#).

14.1 Reasonable adjustments and special consideration

'Reasonable adjustment' is the term used for any special arrangement that is needed to enable disabled or temporarily incapacitated students to do their best in an assessment. A common example would be extra time for a dyslexic student.

'Special consideration' is the term used to describe the process by which a student's script is reassessed after it has been taken due to her/him suffering an illness, traumatic accident or major and unpredictable life event at, or shortly before, the time of assessment.

In most cases the training provider may make the decision to grant adjustments, for example granting extra time up to and including one third of the available time as published for that assessment.

In the event of a more significant adjustment training providers will need to contact AAT as outlined in the Reasonable Adjustment Policy on [the AAT website](#).

The required forms and more details are available in 'Guidance on the Application of Reasonable Adjustments and Special Consideration in AAT assessments', available on [the AAT website](#).

15. Support for training providers

15.1 AAT SA team

The AAT SA team on the ground in South Africa are dedicated to helping training providers with the daily running of AAT qualifications. The team also offers new training providers one to one support to help them get their AAT qualifications up and running.

15.2 Bi-weekly email update from AAT - *SummingUp*

SummingUp shares all the latest news from AAT including:

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

15.3 Events for training providers

Tutors have the opportunity to attend a number of events throughout the year including network meetings and conferences.

Network meetings

At these events held around South Africa, training providers can raise queries, share best practice and ideas with AAT and other training providers. These events:

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

15.4 Tutor talk forum

All AAT Approved training providers have access to Tutor talk, where tutors can contribute to online conversation 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.

15.5 Online support resources

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

- interactive PDFs
- recorded webinars
- videos
- podcasts
- training materials
- quiz questions across all AAT units
- content queries.

All tutor support materials can be found on [the AAT website](#) .

© AAT All rights reserved. Permission is granted to reproduce for personal and educational use only.
Commercial copying, hiring or lending is prohibited.

The Association of Accounting Technicians

140 Aldersgate Street

London

EC1A 4HY

t: +44 (0)20 7397 3000

f: +44 (0)20 7397 3009

e: aat@aat.org.uk

aat.org.uk

The logo for the Association of Accounting Technicians (AAT) consists of the lowercase letters 'aat' in a bold, green, sans-serif font. The letter 't' has a horizontal bar that extends to the right and ends in a small vertical tick mark.