



**Institute for Apprenticeships
& Technical Education**

Legal, Finance and Accounting: Accounting

**T Level outline content: final version for
ITT**

March 2020

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Introduction

Outline content

This outline content has been produced by [T Level panels](#) of employers, professional bodies and providers, and is based on the same standards as those used for apprenticeships. The outline content will form the basis of the specifications for T Level Technical Qualifications, which will be developed by awarding organisations for approval by the Institute for Apprenticeships and Technical Education. One awarding organisation will be appointed to develop and deliver each Technical Qualification following a procurement process.

Colleges and other education and training providers will decide how to structure the T Level courses they offer, based on the qualification specifications. This will enable them to deliver the study programme's mandatory components in the most effective way for students.

A T Level programme consists of a Technical Qualification, substantial industry placement, English and maths, and other occupation-specific requirements where essential for entry to skilled employment. This outline content relates solely to the Technical Qualification part of a T Level programme.

Further information about T Levels is available on the website of the Institute for Apprenticeships and Technical Education here: www.instituteforapprenticeships.org, and at www.education.gov.uk.

Legal, Finance and Accounting: Accounting

Awarding organisations will need to ensure that students have an up-to-date knowledge of the legal and regulatory obligations relating to employment in the occupations relevant to the T Level, and understand the practical implication of these on their work.

Maths, English and digital skills are set out in a separate annex. Awarding organisations should integrate these within the qualification so that they are applied in occupationally relevant contexts.

Core content

The core content relates to the whole route 'route core', and the pathway that the Technical Qualification covers 'pathway core'. The core knowledge and understanding is assessed through an examination and core skills through a practical employer-set project.

The core knowledge and understanding focuses on the students' knowledge and understanding of contexts, concepts, theories and principles relevant to the T Level. This could include, where appropriate, assessment of knowledge and understanding relevant to the route and the pathway.

The employer-set project provides the opportunity to develop and apply a minimum range of core skills important for employability. The allocation of content to each type of assessment will need to be approved by the Institute for Apprenticeships and Technical Education.

Core knowledge and understanding across Legal, Finance and Accounting Route

Please note references to 'business' and 'business organisations' are terms used throughout the outline content which are intended to be inclusive and encompass various types of establishments, such as private, public, voluntary, sole trader, partnership, limited company, start-up, franchises, international, etc.

Element	Content
The Business Environment	<ul style="list-style-type: none"> • The role of business in society • The types of business organisations private, public and voluntary including: <ul style="list-style-type: none"> • An understanding of common business models, structures, operations, and functions, and the roles within these enterprises including: <ul style="list-style-type: none"> • An understanding of the standard types of business models, structures, key operational areas, functions and roles within businesses, commercial organisations, and enterprises, their purposes, legislative, regulatory, operational frameworks, main differences, and potential implications within straightforward legal, financial and accounting contexts • Business models, including: <ul style="list-style-type: none"> • A general understanding of how these differences have financial, legal, reputational, management, organisational, commercial, procurement and supply, taxation-related, and market, profit and growth-related implications in legal, financial and accounting contexts • Companies Acts and their purpose, including: <ul style="list-style-type: none"> • Purpose and key elements of the Articles of Association • Company directors' duties, including an obligation to promote the success of the company, to consider the community and the environment, the interests of employees, and to be fair to shareholders • Rights of indirect shareholders • Penalties and other implications of non-compliance • Tax – UK tax laws – personal (payroll, employment and pensions), business related taxes, including an understanding of: <ul style="list-style-type: none"> • The basis of taxation: Direct and Indirect • The key taxes in the UK, including devolved and regional taxes • Tax legislative cycle and how new tax law is formed

Element	Content
	<ul style="list-style-type: none"> • The role and interaction of case law – internal and external customers/clients, including an understanding of: <ul style="list-style-type: none"> • The different types of stakeholders and their differing needs • Confidentiality issues • Public sector organisational structure and culture <ul style="list-style-type: none"> • A general understanding of the role of the public sector in delivering services • An understanding of the similarities and differences between the public and private sector, including an understanding of the ideas of ‘accountability’ and ‘public administration’ vs ‘public management’ • Funding and financial control aspects of the public sector including Central and Local Government, the NHS and other relevant bodies • The role of government in market failures (e.g. the banking crisis) • The decision making process <ul style="list-style-type: none"> • The different types of decisions that occur in organisations, including decision making processes and models • Cost v financial and non-financial benefits, including public benefit • Ethics of decision making • The impact of organisation culture and social responsibility on decision making • The global business environment and role of financial markets in the economy • Fundamental business principles, concepts and practices within contemporary commercial contexts relevant to legal, financial and accounting, including: <ul style="list-style-type: none"> • An awareness of the profit motive, capital and labour, business and commercial objectives, priorities and contexts (i.e. markets, customers, competition and competitors, growth, ownership and management accountability structures, revenue, finance, profit, shares, shareholders, investors, staff, remuneration, and labour-related issues such as skills shortages, recruitment, incentives, promotion, training, development, unions, industrial action) • A basic understanding of legal frameworks, and of contractual principles and arrangements and their implications for legal, financial and accounting activities • Drivers of change

Element	Content
	<ul style="list-style-type: none"> • How organisations respond to change relevant to the sector, for example: <ul style="list-style-type: none"> • Political, ethical, social/demographic, technological, legal/regulatory and environmental
Careers within the legal, finance and accounting professions	<ul style="list-style-type: none"> • Roles and responsibilities of various professionals involved in the legal, financial and accounting sector and how those roles and responsibilities relate to and interact with each other, such as: <ul style="list-style-type: none"> • Authorised persons, such as: solicitor, barrister, chartered legal executive, licensed conveyancer, licensed probate practitioner, and legal support staff such as a paralegal, conveyancing technician or probate technician (educational pathways) • Financial services advisor, risk analyst, insurance broker, commercial client relationship manager, mortgage advisor • Financial accounting, management accounting, financial management and payroll administrator • The different aspects of professional services - private practice and in-house e.g. public, commercial, voluntary, such as: <ul style="list-style-type: none"> • A private practice law firm owned by equity partners with employed staff, a limited liability partnership (a law firm where the partners have limited liability), a sole practitioner who works independently, sometimes with non-lawyer support personnel; an alternative business structure where professionals from different disciplines work together • Public sectors - departments in County Councils, NHS, Crown Prosecution Service, Government Legal Services • Commercial bodies - telecommunication companies, banks, E-commerce companies, Tech companies. • Voluntary organisations e.g. charities and universities • In finance and accounting specifically, retail and commercial banks, building societies, internet banks, investment banks, insurance companies and asset management firms • Routes to qualify as a legal, finance or accounting professional, such as: <ul style="list-style-type: none"> • Routes into the Legal profession vary according to roles, for example: <ul style="list-style-type: none"> • Barrister <ul style="list-style-type: none"> ▪ Degree route including conversion if necessary

Element	Content
	<ul style="list-style-type: none"> ▪ Professional qualification such as Bar Professional Training Course (BPTC)/Future Bar Training ▪ Pupillage • Solicitor, currently <ul style="list-style-type: none"> ▪ Degree route including conversion if necessary ▪ Legal Practice Course (LPC) ▪ Higher Apprenticeship • Legal Executive, Licensed Conveyancer or Licensed Probate Practitioner <ul style="list-style-type: none"> ▪ Professional qualifications ▪ Higher Apprenticeships ▪ Degree route followed by professional qualifications or a Higher Apprenticeship (L6 or L7) • Other legal professionals (working under the supervision of a qualified lawyer), such as individuals undertaking a L3 or L4 apprenticeship, or professional qualifications to become a Paralegal, a Cost Lawyer, a Conveyancing or Probate Technician <p>• Routes into finance professions vary, there are a number of possible career choices which offer diverse opportunities in financial services, for example (but not limited to) banking, investment and wealth management, insurance, risk and compliance. Geographically wide-spread and in a wide-range of organisations, there are roles for finance professionals working in teams and/or on projects that deliver various aspects of an organisations business, including serving large multinational corporate customers, providing independent wealth planning for retail customers, conducting financial markets research, settling foreign exchange transactions in real-time, etc., for example, depending on the specialism:</p> <ul style="list-style-type: none"> • Completion of professional qualifications through one of the professional bodies, plus relevant work experience to qualify to practice as e.g. Financial Services Customer Advisor such as Mortgage Adviser (Level 3), Financial Services Administrator i.e. Insurance professional (Level 3 and Level 4) • Higher Apprenticeships e.g. Actuarial technician (Level 4), Financial Adviser (Level 4 Diploma), Paraplanner, Investment Operations specialist (Level 4)

Element	Content
	<ul style="list-style-type: none"> • Progression to graduate entry (Level 6/7) professional/senior professional certification e.g. Actuary, Economist, Financial Services, Insurance, Investment and commercial Banking, Compliance and Risk • Routes into the accounting profession vary according to roles (e.g. an actuary or accountant) in accountancy, payroll, taxation, audit and bookkeeping, for example: <ul style="list-style-type: none"> • Accounting technician / bookkeeper through an apprenticeship at Level 3 or Level 4 • Chartered Accountant through completion of professional examinations with one of the professional accountancy bodies plus 36 months of relevant work experience. Progression to this from technician / bookkeeper or graduate entry • Specialist services e.g. payroll, tax, audit, actuary where entry is at various levels with the requirement for specialist examinations plus relevant work experience or an apprenticeship at Level 3, Level 4, Level 5 and Level 7, depending upon the specialism • Role of legal, financial and accounting functions within different private, public etc. organisations
Regulation	<ul style="list-style-type: none"> • The role of Regulators and their purpose and authority as licensing bodies, for example (but not limited to): <ul style="list-style-type: none"> • Solicitor’s Regulatory Authority (SRA) - “Looking to the Future” deregulation agenda and the introduction of changes on a phased basis from 2020 • Bar Standards Board (BSB) • Chartered Institute of Legal Executives (CILEx) • Council for Licenced Conveyancers (CLC) • Financial Conduct Authority (FCA) • Prudential Regulation Authority (PRA) • Financial Reporting Council (FRC) • The Pensions Regulator (TPR) • The types of regulatory requirements that govern professional services and customer/client engagement, including: <ul style="list-style-type: none"> • Understanding the difference between information versus advice • Regulated versus non-regulated products

Element	Content
	<ul style="list-style-type: none"> • Regulatory safeguards to protect the interests of users of legal, financial and accounting services • Financial crime and associated legislation including Anti-Money Laundering • Impact of regulatory change on the profession, case studies on, for example: <ul style="list-style-type: none"> • Confidentiality clauses • Data protection • Money laundering • Finance examples, including: <ul style="list-style-type: none"> • The financial crisis and the focus on conduct; introduction of Financial Conduct Authority (FCA); case study of Payment Protection Insurance (PPI)
Professionalism and Ethics	<ul style="list-style-type: none"> • Professional conduct in the workplace <ul style="list-style-type: none"> • An understanding of professional conduct and responsibilities in the workplace, and in different legal, financial and accounting contexts, including: <ul style="list-style-type: none"> • Own role, responsibilities and scope, relationship to others, organisational structure, accountabilities and inter-dependencies, professional conduct and reputation, for example: <ul style="list-style-type: none"> • Duty of confidentiality versus duty of disclosure • Duty not to abuse position as a qualified professional • The different regulatory frameworks and standards, for example: <ul style="list-style-type: none"> • Codes of conduct for the individual, organisation and professional • Client confidentiality • Rules of confidentiality and consistency in its interpretation • Ethical standards which govern the profession in the operating environment and the need to observe these at all times • Ethical dilemmas for the individual, organisation and professional, including: <ul style="list-style-type: none"> • An understanding of reputation, ethics, personal, professional, and wider, responsibilities which apply in

Element	Content
	<p>the workplace, in commercial settings, and in different legal, financial and accounting contexts such as:</p> <ul style="list-style-type: none"> • Expectations about professional conduct, behaviours and attitudes, their purpose and value, the importance of respectful behaviour, ethical decision-making, personal agency, organisational contexts, appropriate social interaction in different contexts (for example formal, professional), sanctions for misconduct including a warning, a fine, suspension from practice and disbarment • Governance of organisations <ul style="list-style-type: none"> • Agency theory • The role of the board • Corporate governance in the UK • Social purpose and responsibilities of legal, financial and accounting professionals, examples of corporate responsibility • The importance of maintaining professional competence • Professional scepticism including an awareness of the need for a questioning attitude and robust challenge, where appropriate
Security and risk	<ul style="list-style-type: none"> • The importance of maintaining privacy and confidentiality of company information, as well as that of clients and colleagues and the difficulties that may arise if these conflict with a duty of disclosure • Processes and protocols used to ensure internet security including cyber, such as: <ul style="list-style-type: none"> • Moving IT processing and data to servers located outside a (law) firm • Encryption of files and emails • Keeping protection software up-to-date • How to deal with suspicious emails and attachments • Use of insecure internet connections • Personal Data Governance and Protection, for example: <ul style="list-style-type: none"> • Current data protection and impact on data management • Payment Services Directive • Different types of risk and how they may be identified, managed and mitigated, for example: <ul style="list-style-type: none"> • Conduct risk

Element	Content
	<ul style="list-style-type: none"> • Fraud prevention
Equality, diversity and inclusion	<ul style="list-style-type: none"> • An understanding of equality, diversity and inclusion requirements, this includes understanding current relevant legislation e.g. Equality Act 2010, Human Rights Act 1998, including: <ul style="list-style-type: none"> • An understanding of the nature and value of professional responsibilities which apply in the workplace; and, different legal, financial and accounting contexts, relating to equality, access and inclusion • An understanding of fairness, respect and dignity; the value of cooperative practices and empathy; personal and collective responsibilities; personal needs and requirements and the needs and requirements of others; the general principles of good practice in equality, access and inclusion, and their value, as well as obligations in these areas • Equality and diversity in the workplace, including: <ul style="list-style-type: none"> • Protected characteristics • Vulnerable clients • Unconscious bias
Professional Services	<ul style="list-style-type: none"> • The role of third party professionals/professional services in the provision of professional services, for example: <ul style="list-style-type: none"> • Insurers • Lenders • Experts • Professional indemnity, its purposes and limitations, including how Professional Indemnity Insurers impose their requirements and the impact of a bad record on premiums • Standards of service and Service Level Agreements (SLAs), including the importance of working within the scope of the engagement and meeting delivery requirements
Fundamentals of Law	<ul style="list-style-type: none"> • Relevant legislation and common law impacting upon legal, financial and accounting professions, for example Business Law and Contract Law • The operation of the legal systems in the devolved nations as appropriate • The role of the courts, tribunals and parliament in the development of law

Element	Content
	<ul style="list-style-type: none"> • Customer protection under the law, for example Consumer Rights Act 2015 • The impact of law from international sources, for example European Law
Fundamentals of Financial Accounting	<ul style="list-style-type: none"> • Different types of financial data, their origins and reliability and how they are presented including: <ul style="list-style-type: none"> • An understanding of elementary financial principles, concepts and practices: <ul style="list-style-type: none"> • The importance of finance in business • A variety of elements within a set of financial accounts • A range of basic accounting and finance techniques and using them in context • Key considerations and issues for running commercial enterprises and projects, sources of finance, management of money, transactions, revenue, profit and loss, cash flow, solvency, and effective business and commercial practices, performance, and opportunities • How this content links to relevant accounting, bookkeeping, and business mathematics requirements
Technology	<ul style="list-style-type: none"> • An awareness of: <ul style="list-style-type: none"> • Digital and emerging technology and associated benefits, risks and potential new services e.g. in relation to strengths and weaknesses of automated case management and commoditisation of professional services • Digital transformation for example the process that begins by transforming an organisation e.g. Legal services progressing from online to virtual firms, including the latest digital technologies, predictive analytics, business process management (BPM) and cloud computing which support efficiencies in organisations such as accounts payable and receivable processing, supplier onboarding, procurement and audits • How the changes in technology and data or digital concepts will be used in the context of Legal, Finance and Accounting • Contemporary digital tools and software including: <ul style="list-style-type: none"> • Electronic filing of documents for example Companies House, Tax returns

Element	Content
	<ul style="list-style-type: none"> • Digital case/document/management systems (procedure and compliance) • Automation of processes • Analysis (information and data) • Robotics and sensors such as tools which enable process automation and reduce the amount of human labour required to process accounting and finance department transactions and those which help to reduce the manual work involved or improve quality in legal administration i.e. the reduction of errors, increasing profits and improving customer satisfaction • The latest advances in Financial technology (Fintech) which seeks to innovate, improve and automate the delivery and use of financial services through the use of Artificial Intelligence (AI), predictive analytics, business process management (BPM), cloud computing and block chain • How roles and capabilities required are evolving, such as: <ul style="list-style-type: none"> • Legal technology companies are offering Online Dispute Resolution (ODR) e.g. platforms which will broaden access to justice and resolve disputes more quickly and cheaply, commoditisation of legal services using technology, (as in conveyancing and insurance) • Roles and capabilities in financial services, such as the use of Artificial Intelligence (AI) and data science • The increase in alternative investment opportunities, for example crowdfunding and angel investing
Data driven innovation/ analytics and design thinking	<ul style="list-style-type: none"> • An awareness of: <ul style="list-style-type: none"> • Data architecture: <ul style="list-style-type: none"> • Defining data architecture and its layers and recognising trends, including an understanding of how data flows and is processed across an organisation's IT systems and the application of data governance systems; and the set of rules, policies, standards and models that govern and define the sensitive and confidential data collected in Legal, Finance and Accounting and how it is used, stored and managed • The key requirements of a data governance framework including a formal set of rules, policies, standards and models to govern and define the type of data collected

Element	Content
	<p>and how it is used, stored, managed and integrated within an organisation and its database systems</p> <ul style="list-style-type: none"> • Understanding and driving value from Big Data, for example: the different sources, volume, velocity and complexity of data and how to gain commercial insights whilst appreciating the limitations • Reporting and Analytics including: <ul style="list-style-type: none"> • Different types of analytics and principles of data analysis methods and the tools used to analyse data • The impact that technology has on how analysis is performed • Understand the history of reporting and that data is increasingly being presented through visualisation and insightful tools in the Legal, Finance and Accounting professions including: <ul style="list-style-type: none"> • The main contemporary visualisation tools and when they are best used to support decision making, compared to alternatives i.e. Legal, Finance and Accounting professionals and firms handle huge volumes of data, the appropriate use of visual and insightful tools can support information presentation and interpretation
Research skills	<ul style="list-style-type: none"> • The breadth of sources of knowledge • Reliability and accuracy of sources, including an understanding of: <ul style="list-style-type: none"> • How to plan research including an awareness of different perspectives • The appropriate research methods to use including primary and secondary, qualitative and quantitative • The reliability and validity of a range of information sources including fact, opinion and bias • The appropriate use of information, plagiarism, paraphrasing and summarising • Bibliographies and referencing in legal, financial and accounting contexts
Project/Change Management and Administration	<ul style="list-style-type: none"> • Project and change management approaches in legal, financial and accounting contexts, including an awareness of: <ul style="list-style-type: none"> • How projects are defined, structured, reported on, and measured (e.g. GANTT charts) and technology used. • The roles, responsibilities, structure and management of relevant personnel in project and change management practices

Element	Content
	<ul style="list-style-type: none">• Project and change management planning and control• Quality, cost and time, and their implications• Records and reporting• How to support and improve projects through research, evidence and evaluation methods

Core knowledge and understanding across Accounting pathway

Element	Content
Fundamentals of Financial Accounting	<ul style="list-style-type: none"> • Financial Accounting and Pensions Standards – who sets the standards and their purpose <ul style="list-style-type: none"> • Understanding of key International Financial Reporting Standards and International Accounting Standards • Identifying the key differences between International and UK Accounting Standards • Conceptual Framework <ul style="list-style-type: none"> • Understanding definition of accounting elements under the Conceptual Framework • Understanding the importance of accounting concepts and conventions to the preparation of financial information • Understanding the qualitative characteristics of financial information as defined by the Conceptual Framework • Differences between financial management, financial accounting and management accounting <ul style="list-style-type: none"> • Financial Accounting relating to the preparation of historic financial information for external users outside of the business • Management accounting relating to employment of accounting techniques to assist the planning, decision-making and control within organisations • Financial management relating to the management and stewardship of the organisation’s assets • Purpose of primary financial statements <ul style="list-style-type: none"> • Understanding the different users of financial information inside and outside of the organisation • Acknowledging that under IAS1 financial statements are prepared for the benefit of investors and lenders in business • Understanding the different roles of the Income Statement, Statement of Financial Position, the State of Cash Flows and the Statement of Changes in Equity • Double entry principles and the accounting equation <ul style="list-style-type: none"> • Applying the principles of double entry bookkeeping to transform business transactions into accounting records • The transformation of ledger T accounts into an extended trial balance

Element	Content
	<ul style="list-style-type: none"> • The transformation of the extended trial balance into an Income Statement and Statement of Financial Position • Importance of judgement in accounting, payroll and finance <ul style="list-style-type: none"> • Understanding that accounting standards permit a number of different accounting policy needs to be adopted by organisations which are adopted at managements discretion • Understanding that certain accounting transactions are inherently subject to estimates, for example provisions for environmental damage and damages arising from legal action • Professional scepticism within the overall purpose of being alert to any possible misstatement of factual information due to error or fraud <ul style="list-style-type: none"> • That auditors should be conscious to maintain independence in mind and in appearance • That auditors should maintain a questioning mind and remain professionally sceptical of information and explanations provided by clients • That misstatements may arise due to error or fraud and that auditors should remain alert to the principal fraud risks and continue to assess the incentives, pressures, and opportunities to commit fraud • An understanding of key stakeholders and their roles across different business functions and types of organisations • Ethical responsibility, including: <ul style="list-style-type: none"> • Compliance, regulatory and legal standards and their application • Identification and reporting of suspected or confirmed fraud and impact on other functions • Understanding of areas that are most prone to fraud e.g. payments processing

Employer-set project

The employer-set project ensures students have the opportunity to combine core knowledge and skills to develop a substantial piece of work in response to an employer-set brief. The employer-set project forms part of the Technical Qualification and is a separate part of the T Level programme to the Industry Placement.

To ensure consistency in project scope and demand, awarding organisations will develop assessment objectives, which require students to:

- plan their approach to meeting the brief
- apply core knowledge and skills as appropriate
- select relevant techniques and resources to meet the brief
- use maths, English and digital skills as appropriate
- realise a project outcome and review how well the outcome meets the brief

The awarding organisation will work with a relevant employer or employers, to devise a set brief that:

- ensures a motivating starting point for students' projects, for example, a real-world problem to solve
- ensures students can generate evidence that covers the assessment objectives
- is manageable for providers to deliver
- is officially approved by the awarding organisation and employer

For Accounting, in achieving the assessment objectives and meeting the brief, students must demonstrate the following core skills:

- **Research and analyse using primary and secondary sources**

For example

- *undertake background research into a company and its financial performance*

- **Work independently and collaboratively with others as part of a team**

For example

- *complete a task within deadline*

- **Problem solve determining and utilising different investigation techniques**

For example

- *demonstrate a level of professional scepticism using data analytics and historical information*

- **Communicate effectively, articulating the problem and potential solutions**

For example

- *demonstrate an awareness of audience and the need for confidentiality and security considerations*

Occupational Specialist Content

Specialist content is structured into different occupational specialisms, which correspond to the apprenticeship standards listed on the relevant occupational map. Occupational specialisms ensure students develop the knowledge and skills necessary to achieve a level of competence needed to enter employment in the occupational specialism, and are organised around 'performance outcomes' that indicate what the student will be able to do, as a result of learning and applying the specified knowledge and skills.

Occupational Specialism: Assistant Accountant

Performance Outcome 1: Produce and analyse a trial balance

Knowledge specific to Performance Outcome	Skills specific to Performance Outcome
<p>Recognise the role of the trial balance in the preparation of the financial statements through an understanding of:</p> <p>Double entry principles and application</p> <ul style="list-style-type: none"> • The accounting equation • Recording of transactions: there are two elements to every transaction (an item is exchanged for a form of settlement) • Money measurement concept: all transactions can be measured in monetary units and these can be agreed • Business entity concept: the business is treated as a separate entity to the non-business activities of its owner • Dual aspect concept of recording transactions – every entry has an equal and opposite entry • An increase in possession is a debit and an increase in capital is a credit • Balance: the total of the debit transactions must always equal the total of the credit transactions • Use of control accounts <p>Understanding of key accounting elements, including an understanding of:</p> <ul style="list-style-type: none"> • Assets: non-current (tangible and intangible) and current 	<p>Produce an initial trial balance, applying the principles and concepts of double entry bookkeeping for recording and processing financial data to feed into the preparation of the primary financial statement, for review</p> <p>Complete control account reconciliations</p> <p>Analyse the initial trial balance for completeness and accuracy and correct errors identified e.g. prepayments not recognised or income recognised in the incorrect period, in order to produce a final trial balance</p> <p>Produce reports using contemporary digital tools including trial balance, nominal activity reports, aged debtor and creditor listings (receivables and payables), for review</p>

Knowledge specific to Performance Outcome	Skills specific to Performance Outcome
<ul style="list-style-type: none"> • Liabilities: non-current and current • Income (revenue) • Expenses (costs) • Equity (including types of reserves) and capital <p>The ledger system, and books of prime entry, including:</p> <ul style="list-style-type: none"> • Purchase ledger (including purchase and purchase returns daybooks) • Sales ledger (including sales and sales returns daybooks) • Nominal ledger (general ledger accounts) • Cashbook <p>Control procedures and the correction of errors, including the posting of corrections using double entry journals and the use of control accounts</p> <p>Period end routines</p> <p>Format and content of the trial balance</p> <ul style="list-style-type: none"> • The format of a trial balance i.e. two column schedule with all the debit balances listed in one column and all the credit balances listed in the other, including assets, purchases and expenses (debit balance) and liabilities, equity and revenue (credit balance) 	

Knowledge specific to Performance Outcome

Skills specific to Performance Outcome

- The content of a trial balance i.e. the trial balance is drawn up using the closing account balances for all the nominal ledger accounts for an entity on the last day of the accounting period to which it relates
- The types of error that trial balance will not expose
- The types of error exposed by the trial balance and the process for tracing and correcting errors
- The purpose of the suspense account

An awareness of key concepts including prepayments and accruals, going concern and prudence

Contemporary digital tools for financial statements including accounting packages

Performance Outcome 2: Prepare primary financial statements

Knowledge specific to Performance Outcome	Skills specific to Performance Outcome
<p>Accounting Standards including (but not limited to):</p> <ul style="list-style-type: none"> • The Financial Reporting Council deals with standards in the United Kingdom and Ireland • The International Accounting Board deals with international standards • The fact that accounting standards are given legal status under the Companies Act • The fact that presentation of financial statements for companies is governed by statute and accounting standards (those for sole traders and partnerships have no definitive format) • Financial statements should always show a 'true and fair view' • The required formats of the financial statements • Those providing guidance for presentation of financial statement, property, plant and equipment (PPE) and inventory <p>The purpose of primary financial statements in reporting financial performance, including:</p> <ul style="list-style-type: none"> • Statement of financial position • Income statement • Cash flow statements 	<p>Use contemporary digital tools to produce primary financial statements for sole trader, partnerships and limited companies consistent with recognised accounting standards</p> <p>Calculate period end routines and adjustments, including closing inventory, depreciation, irrecoverable receivables, accruals, prepayments and post to accounts</p> <p>Evaluate completeness and quality of source data</p> <p>Analyse errors and omissions and make corrections in the nominal ledger, or refer them to the appropriate person</p>

Knowledge specific to Performance Outcome	Skills specific to Performance Outcome
<ul style="list-style-type: none"> • Statement of changes in equity <p>Content, format and layout of primary financial statements for different entities including sole trader, partnership, limited company, not for profit</p> <p>Contemporary digital tools for producing financial statements including accounting packages</p> <p>The characteristics of information in financial statements and the importance from an accounting perspective i.e. understandability (e.g. by users), relevance (e.g. to the decision-making), reliability (e.g. free from material error and bias), completeness, comparability and timeliness (e.g. accurate representation of data)</p> <p>The types of errors, including:</p> <ul style="list-style-type: none"> • errors of omission, errors of commission, errors of principle, compensating errors, errors of original entry, reversal of entries and transposition errors 	

Performance Outcome 3: Analyse business performance and present results

Knowledge specific to Performance Outcome	Skills specific to Performance Outcome
<p>An understanding of the usefulness and limitations of ratio analysis and its application in the areas of liquidity, profitability, efficiency and investment</p> <p>An awareness of the purpose of forecasting</p> <p>Cost and management accounting concepts and techniques and their application to different business situations, including:</p> <ul style="list-style-type: none"> • The development of cash flow forecasts • The preparation of budgets • Internal management accounts for performance reporting <p>An awareness of the concept and value of “Big Data” and data analytical tools including artificial intelligence and machine learning</p> <p>An awareness of the links between financial data, business plans and strategy</p>	<p>Perform ratio analysis, interpret the results of calculations and present findings and recommendations in order to support decision making on the strength and adaptability of a business</p> <p>Produce cash flow forecasts to support a business to effectively plan its cash position for review</p> <p>Produce budgetary plans, using appropriate cost and management accounting concepts and techniques for review</p> <p>Calculate variances and make recommendations to support business decision making</p> <p>Identify trends/changes from “Big Data” and assess the impact on a business</p> <p>Use data analytic technology to carry out an analysis of business performance to support decision-making</p>

Performance Outcome 4: Provide support to Tax and Audit functions

Knowledge specific to Performance Outcome	Skills specific to Performance Outcome
<p>An awareness of UK tax system</p> <p>An awareness of the different types of Tax including</p> <ul style="list-style-type: none"> • Business Tax • VAT <ul style="list-style-type: none"> ○ the basic tax principles to apply current regulations to calculate VAT and submit a VAT return • Indirect Tax • Personal Taxes <p>How bookkeeping tasks contribute to the preparation of tax computations</p> <p>An awareness of the audit and assurance framework including concepts and principles</p> <p>Accounting practices with reference to:</p> <ul style="list-style-type: none"> • Improper practices, system failures e.g. <i>Thomas Cook, Eddie Stobart, Ted Baker 2019</i> and how to avoid such improper practices <p>An awareness of the type of information which is likely to be required for an audit</p>	<p>Identify and explain the different types of taxes</p> <p>Assist in the preparation of tax computations for e.g. capital allowances and identification of disallowed expenditure, a single trade limited company, using appropriate software tools</p> <p>Identify taxable and exempt supplies for VAT</p> <p>Identify examples of business and personal taxes</p> <p>Explain the audit process and assurance framework</p> <p>Prepare/provide evidence for discrete aspects of an audit</p>

Performance Outcome 5: Prepare computations for payroll

Knowledge specific to Performance Outcome	Skills specific to Performance Outcome
<p>An understanding of the intrinsic links and differences between payroll and Finance, HR and Accounting</p> <p>An understanding of the application and administration of payroll in different organisations e.g. private, public, payroll bureau etc. / in-house and outsourced</p> <p>An understanding of statutory obligations including with different government departments</p> <p>An understanding of the differences between the self-employed, and employees and new types of employment (e.g. zero hours contracts) and how these differences impact for payroll purposes</p> <p>An understanding of the technical aspects of payroll including types of pay, for the accurate calculation of gross through to net pay. Statutory payments and deductions including Employment taxes Pay As You Earn (PAYE), which includes National Insurance (NI) Construction Industry Scheme (CIS), allowances, thresholds and rates</p> <p>An understanding of Tax codes and how Tax codes can be formed</p>	<p>Compute gross salary through to net pay including statutory payments and deductions including voluntary deductions using appropriate software tools</p> <p>Review pre-submissions and complete returns (including FPS and EPS Real Time Information (RTI) returns, P11Ds and self-assessment tax returns) using appropriate software</p> <p>Analyse input and report on payroll-related data</p> <p>Analyse and interpret all stages of a payroll process to be able to identify and explain omissions, errors or factual information given on a payslip</p> <p>Explain the content of the payslip and how this is impacted by the employee's tax code</p> <p>Perform manual calculations in payroll including income tax</p> <p>Identify and respond to different customer/supplier needs and obligations including those for different government department</p>

Knowledge specific to Performance Outcome	Skills specific to Performance Outcome
<p>An understanding of benefits-in-kind</p> <p>Statutory payments including sick pay and maternity pay</p> <p>An understanding of deductions from pay including student loan, pensions and Give As You Earn (GAYE)</p> <p>Payments to HMRC</p> <p>An awareness of the impact of devolution on payroll</p> <p>An understanding of the pensions landscape as it affects payroll including knowledge of types of pension scheme, including:</p> <ul style="list-style-type: none"> • workplace pension schemes and structure, • personal pension schemes, and • state pension <p>Pensions Automatic Enrolment including key rules, roles and administration responsibilities</p> <p>An understanding of documentation including payslips, P45, P60 and P11</p> <p>An understanding of the information required on a payslip</p>	

Knowledge specific to Performance Outcome	Skills specific to Performance Outcome
<p>An understanding of Real Time Information (RTI)</p> <p>An understanding of employment law/rights (HR) including Social Security, pensions, equality, diversity working time, National Minimum Wage and those related to Benefits-in-Kind Taxation of savings and dividend income</p> <p>An awareness of gender pay gap reporting</p>	