

Existing NVQ standards for units 1,2,3



AAT Unit 30 for the Diploma Pathway: Introductory Accounting

**MAPPING OF EXISTING NVQ STANDARDS FOR UNITS
1, 2, 3 AGAINST THE PROPOSED UNIT 30**

February 2005

Existing NVQ standards for units 1,2,3

Unit 1 Recording Income and Receipts

Elements contained within this unit are:

Element: 1.1 Process documents relating to goods and services supplied

Element: 1.2 Process receipts

Knowledge and Understanding

	Mapped to Unit 30 Knowledge and Understanding
<i>The business environment</i>	
1 Types of business transactions and documents involved (Element 1.1)	1 Business transactions and documents involved
2 Basic law relating to contract law and Sale of Goods Act (Elements 1.1 & 1.2)	2 Basic law relating to contract law and Sale of Goods Act
3 Document retention policies (Elements 1.1 & 1.2)	Now in Works Skills Unit
4 General principles of VAT (Element 1.1)	3 General principles of VAT
5 Types of discounts (Element 1.1)	4 Types of discounts
6 Cheques, including crossings and endorsements (Element 1.2)	5 Cheques, including crossings and endorsements
7 The use of banking documentation (Element 1.2)	6 The function, form and use of banking documentation
8 Automated payments (Element 1.2)	7 Automated receipts and payments
9 Credit limits (Elements 1.1 & 1.2)	8 Credit limits
10 Basic law relating to data protection (Element 1.2)	Now in Work Skills Unit
<i>Accounting methods</i>	
11 Double entry bookkeeping, including balancing accounts (Elements 1.1 & 1.2)	9 Double entry bookkeeping, including balancing accounts
12 Accounting for receipts from credit customers and customers without credit accounts	13 Accounting for receipts from credit customers and customers without credit accounts
13 Methods of coding data (Element 1.1)	11 Methods of coding data
14 Operation of manual accounting systems (Elements 1.1 & 1.2)	10 Operation of manual accounting systems
15 Operation of computerised accounting systems, including output (Elements 1.1 & 1.2)	Now in Work Skills Unit
16 The use of the cash book and petty cash book as part of the double entry system or as a book of prime entry (Elements 1.1 & 1.2)	26 The use of the cash book and petty cash book as part of the double entry system or as a book of prime entry
17 Batch control (Elements 1.1 & 1.2)	20 Batch control
18 Relationship between accounting system and the ledger (Elements 1.1 & 1.2)	12 Relationship between the accounting system and the ledger
19 Credit card procedures (Element 1.2)	14 Credit card procedures
20 Methods of handling and storing money, including the security aspects (Element 1.2)	22 Methods of handling and storing money, including the security aspects
21 Petty cash procedures: imprest and non imprest methods; analysis (Elements 1.1 & 1.2)	25 Petty cash procedures

Existing NVQ standards for units 1,2,3

	Mapped to Unit 30 Knowledge and Understanding
<i>The organisation</i>	
22 Relevant understanding of the organisation's accounting systems and administrative systems and procedures (Elements 1.1 & 1.2)	24 Understanding that the accounting system and administration systems and procedures will be affected by the nature of the organizations business transactions.
23 The nature of the organisation's business transactions (Elements 1.1 & 1.2)	24 Understanding that the accounting system and administration systems and procedures will be affected by the nature of the organizations business transactions.
24 Organisational procedures for authorisation and coding of sales invoices (Element 1.1)	Performance Criteria (PC) 1B and 1C
25 Organisational procedures for filing source documents (Elements 1.1 & 1.2)	23 Organisational procedures for filing source documents
26 House style for correspondence (Element 1.1)	PC 1K Write to customers in an appropriate style to requests payment of an overdue account
27 Banking and personal security procedures (Element 1.2)	22 Methods of handling and storing money including the security aspects

Existing NVQ standards for units 1,2,3

Unit 1 Recording Income and Receipts

Element 1.1 Process documents relating to goods and services supplied

Performance Criteria

	Mapped to Unit 30 Performance Criteria
A Accurately prepare invoices and credit notes in accordance with organizational requirements and check against source documents	PC 1A Prepare sales invoices from source documents PC1B Prepare sales credit notes from correspondence or other relevant source documents and ensure authorisation
B Ensure invoices and credit notes are correctly authorised before being sent to customers	PC 1A Prepare sales invoices from source documents PC1B Prepare sales credit notes from correspondence or other relevant source documents and ensure authorisation
C Ensure invoices and credit notes are correctly coded	PC 1C Code sales invoices and credit notes
D Enter invoices and credit notes into books of prime entry according to organizational procedures	PC 1D Enter sales invoices and credit notes into sales day book and sales returns day book
E Enter invoices and credit notes in the appropriate ledgers	PC 1E Post sales invoices and credit notes into the subsidiary (sales) ledger and main (general) ledger
F Produce statements of account for despatch to debtors	PC 1J Produce statements of account for debtors
G Communicate politely and effectively with customers regarding accounts, using the relevant information from the aged debtors analysis	PC 1K Write to customers in an appropriate style to request payment of an overdue account. Note the use of the aged debtors list is not required as this is more relevant to the computerised accounting aspects in the Work Skills Unit.

Existing NVQ standards for units 1,2,3

Unit 1 Recording Income and Receipts

Element 1.1 Process documents relating to goods and services supplied

Range Statement

	Mapped to Unit 30 Range Statement
<i>Invoices and credit notes:</i>	
• Pricing	Element (El) 1 Price lists
• Price extensions	Accuracy implicit
• Discounts	El 1 Discount policy
• VAT	Inclusion implicit
<i>Source documents:</i>	
• Quotations	El 1 Quotations
• Purchase orders	El 1 Customer orders
• Delivery notes	El 1 Delivery notes
• Sales orders	El 1 Customer orders
<i>Coded:</i>	
• Manual systems	El 1 Customer account codes, product codes, main ledger codes
• Computerised systems	Now in Work Skills Unit
<i>Books of prime entry:</i>	
• Manual sales daybook	PC 1D
• Manual sales returns daybook	PC 1D
• Relevant computerised records	Now in Work Skills Unit
<i>Ledgers:</i>	
• Manual main ledger	PC 1E
• Manual subsidiary ledger	PC 1E
• Computerised ledgers	Now in Work skills Unit
<i>Statements:</i>	
• Manual	PC 1J
• Computerised	Now in Work Skills Unit
<i>Communicate:</i>	
• Respond to queries	PC 1G
• Chase payments	PC 1K

Existing NVQ standards for units 1,2,3

Unit 1 Recording Income and Receipts

Element 1.2 Process receipts

Performance Criteria

	Mapped to Unit 30 Performance criteria
A Check receipts against relevant supporting information	PC 1F Check receipts against records
B Enter receipts in appropriate accounting records	PC 1H Enter receipts into the cash book, subsidiary ledger and main ledger
C Prepare paying-in documents and reconcile to relevant records	PC 1I Prepare paying in documents PC 1F Check receipts against records
D Identify unusual features and either resolve or refer to the appropriate person	PC 1G Deal with discrepancies

Unit 1 Recording Income and Receipts

Element 1.2 Process receipts

Range Statement

Performance in this element relates to the following contexts:

	Mapped to Unit 30 Range Statement
<i>Receipts:</i>	
• Cash	Now restricted to Element 2 petty cash
• Cheques	El 1 Cheques
• An automated payment	El 1 Automated receipts Now extended to debit and credit card payments
<i>Account records:</i>	
• Manual cash book	PC 1H Enter receipts into the cash book, subsidiary ledger and main ledger
• Manual main ledger and subsidiary ledger	PC 1H Enter receipts into the cash book, subsidiary ledger and main ledger
• Computerised records	Now in Work Skills Unit
<i>Unusual features:</i>	
• Wrongly completed cheques	El 1 Range: Discrepancies, wrongly completed cheques
• Out-of-date cheques	El 1 Range: Discrepancies, out of date cheques
• Credit and debit card limits exceeded	Now included in range of receipts in Element 1
• Disagreement with supporting documentation	El 1 Range: Discrepancies, incorrect amounts

Existing NVQ standards for units 1,2,3

Unit 2 Making and Recording Payments

Elements contained within this unit are:

Element: 2.1 Process documents relating to goods and services received

Element: 2.2 Process payments

Knowledge and Understanding

	Mapped to Unit 30 Knowledge and Understanding
<i>The Business Environment:</i>	
1 Types of business transactions and documents involved (Element 2.1)	1 Types of business transactions and documents involved
2 Basic law relating to contract law and sale of goods act (Elements 2.1 & 2.2)	2 Basic law relating to contract law and sale of goods act
3 Document retention policies (Elements 2.1 & 2.2)	Now in Work Skills Unit
4 General principles of VAT (Element 2.1)	3 General principles of VAT
5 Types of discounts (Element 2.1)	4 Types of discounts
6 Cheques, including crossings and endorsements (Element 2.2)	5 Cheques, including crossings and endorsements
7 Automated payments (Elements 2.1 & 2.2)	7 Automated receipts and payments
8 Different ordering systems: Internet, verbal and written (Element 2.1)	17 Different ordering systems: Internet, verbal and written
9 Documentation for payments (Element 2.2)	15 Documentation for payments
10 Basic law relating to data protection (Element 2.2)	Now in Works Skills Unit
<i>Accounting Methods</i>	
11 Double entry bookkeeping, including balancing accounts (Elements 2.1 & 2.2)	9 Double entry bookkeeping, including balancing accounts
12 Accounting for payments to credit suppliers, and to suppliers where a credit account is not available (Elements 2.1 & 2.2)	16 Accounting for payments to credit suppliers, and to suppliers where a credit account is not available
13 Capital and revenue expenditure (Elements 2.1 & 2.2)	19 Capital and revenue expenditure
14 Methods of coding data (Element 2.1)	11 Methods of coding data
15 Operation of manual accounting systems (Elements 2.1 & 2.2)	10 Operation of manual accounting systems
16 Operation of computerised accounting systems, including output (Elements 2.1 & 2.2)	Now in Work Skills Unit
17 The use of the cash book and petty cash book as part of the double entry system or as books of prime entry (Elements 2.1 & 2.2)	26 The use of the cash book and petty cash book as part of the double entry system or as books of prime entry
18 Batch control (Elements 2.1 & 2.2)	20 Batch control
19 Relationship between accounting system and ledger (Elements 2.1 & 2.2)	12 Relationship between accounting system and ledger
20 Credit card procedures (Elements 2.1 & 2.2)	14 Credit card procedures
21 Petty cash procedures: imprest and non imprest methods; analysis (Element 2.2)	25 Petty cash procedures: imprest and non imprest methods; analysis

Existing NVQ standards for units 1,2,3

	Mapped to Unit 30 Knowledge and Understanding
22 Payroll accounting procedures: accounting for gross pay and statutory and non statutory deductions through the wages and salaries control account; payments to external agencies; security and control; simple gross pay to net calculations but excluding the use of tax and NI tables (Element 2.2)	21 Payroll accounting procedures: accounting for gross pay and statutory and non statutory deductions through the wages and salaries control account; payments to external agencies; security and control; simple gross pay to net calculations but excluding the use of tax and NI tables
<i>The Organisation</i>	
24 Relevant understanding of the organisation's accounting systems and administrative systems and procedures (Elements 2.1, 2.2 & 2.3)	24 Understanding that the accounting system and administration systems and procedures will be affected by the nature of the organisation's business transactions
25 The nature of the organisation's business transactions (Elements 2.1 & 2.2)	24 Understanding that the accounting system and administration systems and procedures will be affected by the nature of the organisation's business transactions
26 Organisational procedures for authorisation and coding of purchase invoices and payments (Elements 2.1 & 2.2)	Explicit as performance criteria in Element 2
27 House style for correspondence (Element 2.1)	PC 1K Write to customers in an appropriate style to requests payment of an overdue account PC2 J Write to suppliers to resolve discrepancies in invoices
28 Organisational procedures for filing source information (Elements 2.1 & 2.2)	23 Organisational procedures for filing source documents

Existing NVQ standards for units 1,2,3

Unit 2 Making and Recording Payments

Element 2.1 Process documents relating to goods and services received

Performance Criteria

	Mapped to Unit 30 Performance criteria
A Check suppliers' invoices and credit notes against relevant documents for validity	A Check suppliers invoices for accuracy and against source documents C Check suppliers credit notes against correspondence or other relevant source documents
B Check calculations on suppliers' invoices and credit notes for accuracy	B Check calculations, including discounts, on suppliers invoices and credit notes
C Identify and deduct available discounts	B Check calculations, including discounts, on suppliers invoices and credit notes
D Correctly code invoices and credit notes	D Code purchase invoices and credit notes
E Correctly enter invoices and credit notes into books of prime entry according to organisational procedures	E Enter purchase invoices and credit notes into the purchases day book and purchases returns day book
F Enter invoices and credit notes in the appropriate ledgers	F Post invoices and credit notes into the subsidiary (purchases) ledger and main (general) ledger
G Identify discrepancies and either resolve or refer to the appropriate person if outside own authority	J Write to suppliers to resolve discrepancies in invoices
H Communicate appropriately with suppliers regarding accounts	J Write to suppliers to resolve discrepancies in invoices

Existing NVQ standards for units 1,2,3

Unit 2 Making and Recording Payments

Element 2.1 Process documents relating to goods and services received

Range Statement

Performance in this element relates to the following contexts:

	Mapped to Unit 30 Range statement
<i>Documents:</i>	
• Orders	E1 2 Purchase orders
• Suppliers' invoices	Included in Element 2 PC A
• Delivery notes	E1 2 Delivery notes, Goods received notes
• Credit notes	Included in Element 2 PC C
<i>Calculations:</i>	
• Pricing	Implicit in Element 2 PCs
• Price extensions and VAT	Implicit in Element 2 PCs
• Bulk, trade and settlement discounts	E1 2 Discounts, bulk, trade, settlement
<i>Code:</i>	
• Manual systems	E1 2 Suppliers account codes, main (general) ledger codes
• Computerised systems	Now in Work Skills Unit
<i>Discounts:</i>	
• Settlement	E1 2 Discounts, bulk, trade, settlement
<i>Books of prime entry:</i>	
• Manual purchases day book	E1 2 PC E
• Manual purchases returns day book	E1 2 PC E
• Relevant computerised records	Now in Work Skills Unit
<i>Ledgers:</i>	
• Manual main ledger	E1 2 PC F
• Manual subsidiary ledger	E1 2 PC F
• Computerised ledgers	Now in Work Skills Unit
<i>Discrepancies:</i>	
• Incorrect calculations	No longer stipulated in range PC1J and Knowledge and Understanding (K&U) 18
• Non-delivery of goods charged	No longer stipulated in range PC1J and K&U 18
• Duplicated invoices	No longer stipulated in range PC1J and K&U 18
• Incorrect discounts	No longer stipulated in range PC1J and K&U 18
<i>Communicate:</i>	
• Orally	Included in Work Skills Unit
• In writing	E1 2 PC J

Existing NVQ standards for units 1,2,3

Unit 2 Making and Recording Payments

Element 2.2 Process payments

Performance Criteria

In order to perform this element successfully you need to:

	Mapped to Unit 30 Performance criteria
A Calculate payments from relevant documentation	EI 2 PC G
B Schedule payments and obtain authorisation	EI 2 PC H
C Use the appropriate payment method and timescale, in accordance with organisational procedures	EI 2 PC H
D Enter payments into accounting records	EI 2 PC I
E Identify queries and resolve or refer to the appropriate person	EI 2 PC J
F Ensure security and confidentiality is maintained according to organizational requirements	Now in Work Skills Unit

Existing NVQ standards for units 1,2,3

Unit 2 Making and Recording Payments

Element 2.2 Process payments

Range Statement

Performance in this element relates to the following contexts:

	Mapped to Unit 30 Range Statement
<i>Payments:</i>	
• Payroll	El 2 PC K
• Creditors	El 2 PC G
<i>Documentation:</i>	
• Petty cash claims	Now in Element 3 PC A
• Suppliers' statements	El 2 Supplier statements
• Payslips	El 2 Payslips
• Cheque requisitions	El 2 Cheque requisitions
<i>Payment method:</i>	
• Cash	Now restricted to El 2 petty cash
• Cheques	El 2 Cheques
• An automated payment	El 2 Automated payment
<i>Accounting records:</i>	
• Manual cash book	El 2 PC I
• Manual petty cash book	Now in Element 3 PC A
• Manual main ledger	El 2 PC I
• Manual subsidiary ledger	El 2 PC I
• Computerised records	Now in Work Skills Unit
<i>Queries relating to:</i>	
• Unauthorised claims for payment	El 2 PC J but type of query no longer stipulated *
• Insufficient supporting evidence	El 2 PC J but type of query no longer stipulated *
• Claims exceeding authorised limit	El 2 PC J but type of query no longer stipulated *

* Treated as a single competence relating to responses to queries/discrepancies. This needs only to be proven in one context e.g. writing to supplier regarding discrepancies in invoices

Existing NVQ standards for units 1,2,3

Unit 3 Preparing Ledger Balances and an Initial Trial Balance

Elements contained within this unit are:

- Element: 3.1 Balance bank transactions
- Element: 3.2 Prepare ledger balances and control accounts
- Element: 3.3 Draft an initial trial balance

Knowledge and Understanding

	Mapped to Unit 30 Knowledge and Understanding
<i>The Business Environment</i>	
1 Types of business transactions and the documents involved (Elements 3.1 & 3.2)	1 Business transactions and documents involved
2 General principles of VAT (Element 3.1)	3 General principles of VAT
3 General bank services and operation of bank clearing system (Element 3.1)	27 General bank services and operation of the bank clearing system
4 Function and form of banking documentation (Element 3.1)	6 The function, form and use of banking documentation
<i>Accounting Methods</i>	<i>Accounting Methods</i>
5 Double entry bookkeeping, including balancing accounts (Elements 3.1, 3.2 & 3.3)	9 Double entry bookkeeping, including balancing accounts
6 Methods of coding (Elements 3.1, 3.2 & 3.3)	11 Methods of coding
7 Capital and revenue expenditure (Element 3.1)	19 Capital and revenue expenditure
8 Operation of manual accounting systems (Elements 3.1, 3.2 & 3.3)	10 Operation of manual accounting systems
9 Operation of computerised accounting systems including output (Elements 3.1, 3.2 & 3.3)	Now in Work Skills Unit
10 The use of the cash book and petty cash book as part of the double entry system or as books of prime entry (Elements 3.1, 3.2 & 3.3)	26 The use of the petty cash book and cash book as part of the double entry system or as books of prime entry
11 Identification of different types of errors (Element 3.1)	Implicit in PC F & G
12 Relationship between the accounting system and the ledger (Elements 3.1 & 3.2)	12 Relationship between the accounting system and the ledger
13 Petty cash procedures: imprest and non imprest methods: analysis (Element 3.2)	25 Petty cash procedures
14 Methods of posting from primary records to ledger accounts (Element 3.2)	Implicit in PC C & E
15 Inter-relationship of accounts - double entry system (Elements 3.2 & 3.3)	9 Double entry book-keeping, including balancing accounts
16 Use of journals (Elements 3.2 & 3.3)	29 Use of journals
17 Reconciling control accounts with memorandum accounts (Element 3.2)	28 Importance of reconciling bank statements, control accounts and petty cash records
18 Function and form of the trial balance (Element 3.3)	30 Function and form of the trial balance

Existing NVQ standards for units 1,2,3

	Mapped to Unit 30 Knowledge and Understanding
<i>The Organisation</i>	
18 Relevant understanding of the organisation's accounting systems and administrative systems and procedures (Elements 3.1, 3.2 & 3.3)	24 Understanding that the accounting system and administration systems and procedures will be affected by the nature of the organizations business transactions
19 The nature of the organisation's business transactions (Elements 3.1, 3.2 & 3.3)	24 Understanding that the accounting system and administration systems and procedures will be affected by the nature of the organizations business transactions
20 Organisational procedures for filing source information (Elements 3.1, 3.2 & 3.3)	23 Organisational procedures for filing source information

Existing NVQ standards for units 1,2,3

Unit 3 Preparing Ledger Balances and an Initial Trial Balance

Element 3.1 Balance bank transactions

Performance Criteria

	Mapped to Unit 30 Performance criteria
A Record details from the relevant primary documentation in the cashbook and ledgers	El 3 PC E
B Correctly calculate totals and balances of receipts and payments	El 3 PC F
C Compare individual items on the bank statement and in the cashbook for accuracy	El 3 PC F
D Identify discrepancies and prepare a bank reconciliation statement	El 3 PC G

Unit 3 Preparing Ledger Balances and an Initial Trial Balance

Element 3.1 Balance bank transactions

Range Statement

Performance in this element relates to the following contexts:

	Mapped to Unit 30 Range Statement
<i>Primary documentation:</i>	
• Credit transfer	El 3 Credit transfer
• Standing order and direct debit schedules	El 3 Standing order and direct debit schedules
• Bank statement	El 3 Bank statement
<i>Cash book and ledgers:</i>	
• Manual	Whole unit based on manual systems
• Computerised	Now in Work Skills Unit
<i>Discrepancies:</i>	
• Differences identified by the matching process	Implicit in El 3 PC F & G
<i>Bank reconciliation statement:</i>	
• Manual	Whole unit based on manual systems
• Computerised	Now in Work Skills Unit

Existing NVQ standards for units 1,2,3

Unit 3 Preparing Ledger Balances and an Initial Trial Balance

Element 3.2 Prepare ledger balances and control accounts

Performance Criteria

	Mapped to Unit 30 Performance criteria
A Make and record authorised adjustments	EI 3 PC C
B Total relevant accounts in the main ledger	Implicit in EI 3 PC H
C Reconcile control accounts with the totals of the balance in the subsidiary ledger	EI 3 PC D
D Reconcile petty cash control account with cash in hand and subsidiary records	EI 3 PC B
E Identify discrepancies arising from the reconciliation of control accounts and either resolve or refer to the appropriate person	Implicit in Element 3 PC D and B
F Ensure documentation is stored securely and in line with the organisation's confidentiality requirements	Now in Work Skills Unit

Existing NVQ standards for units 1,2,3

Unit 3 Preparing Ledger Balances and an Initial Trial Balance

Element 3.2 Prepare ledger balances and control accounts

Range Statement

Performance in this element relates to the following contexts:

	Mapped to Unit 30 Range Statement
<i>Record:</i>	
• Manual journal	Whole unit based on manual systems
• Computerised journal	Now in Work Skills Unit
<i>Adjustments:</i>	
• To correct errors	El 3 Correct errors
• To write off bad debts	El 3 Write off bad debts
<i>Control accounts:</i>	
• Sales ledger	El 3 PC D
• Purchase ledger	El 3 PC D
• Non-trade debtors	Now excluded from requirements **
• Manual	Whole unit based on manual systems
• Computerised	Now in Work Skills Unit
<i>Discrepancies:</i>	
• Manual sales ledger and manual purchases ledger control account not agreeing with subsidiary ledger	Implicit in El 3 PC D
• Cash in hand not agreeing with subsidiary record and control account	Implicit in El 3 PC B

** There are several variations on how organisations might divide their ledger when they have debtors, but not arising from the trade they deal in. Thus, not required to know about this specific approach. The knowledge and understanding will allow candidates to apply appropriate practice in the workplace.

Existing NVQ standards for units 1,2,3

Unit 3 Preparing Ledger Balances and an Initial Trial Balance

Element 3.3 Draft an initial trial balance

Performance Criteria

	Mapped to Unit 30 Performance criteria
A Prepare the draft initial trial balance in line with the organisation's policies and procedures	El 3 PC H
B Identify discrepancies in the balancing process	Implicit in El 3 PC H & I
C Identify reasons for imbalance and rectify them	PC H & I
D Balance the trial balance	Implicit in El 3 PC H & I

Unit 3 Preparing Ledger Balances and an Initial Trial Balance

Element 3.3 Draft an initial trial balance

Range Statement

Performance in this element relates to the following contexts:

	Mapped to Unit 30 Range Statement
Trial balance:	
• Manual	Whole unit based on manual systems
• Computerised	Now in Work Skills Unit
Discrepancies in a manual accounting system:	
• Incorrect double entries	Implicit in El 3 PC H & I
• Missing entries and wrong calculations	Implicit in El 3 PC H & I
Rectify imbalances in a manual accounting system by:	
• Adjusting errors	Implicit in El 3 PC H & I
• Creating a suspense account	El 3 PC I