



A Foundation Apprenticeship in Accountancy at SCQF level 6

GN7T 46

This document provides you with information you will require to deliver a Foundation Apprenticeship in Accountancy.

If you need any further information, please contact **Dawn Probert** – apprenticeship@sfjuk.com

Version Control			
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0.1 – Draft			
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1.1	Minor changes to wording, links to relevant guidance	Graeme Hendry	April 2018
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Background

One of the key recommendations of Sir Ian Wood's review on developing the young workforce was to "*develop better connectivity and co-operation between education and the world of work to ensure young people at all levels of education understand the expectations of employers, and that employers are properly engaged*" (Scottish Government response to Developing the Young Workforce; 2015). The Scottish Government set ambitious targets to ensure this connectivity is delivered through a partnership of schools, learning providers and employers.

Skills Development Scotland, alongside other partners, is working with industry to increase the range of work based learning opportunities for pupils in the senior phase of secondary schools. One of the ways this is being achieved is through the development of Foundation Apprenticeships and Skills Development Scotland is leading this initiative.

Foundation Apprenticeships allow pupils to gain vocational qualifications that combine sector specific skills alongside the knowledge that underpins these skills in a workplace setting while still at school.

The Foundation Apprenticeship in Accountancy will give students in S5 and S6 the opportunity to develop the skills and knowledge to enter a career in accountancy. It also contributes directly to achievement of the Modern Apprenticeship in Accountancy (AAT or ACCA) by attainment of core units within the MA qualification and will contribute towards professional qualifications through both awarding bodies.

The Accountancy Sector in Scotland

The UK's accountancy and finance sector employs over one million individuals. Although valuing the finance function's services is not possible, it is estimated that the UK's 33,270 accountancy firms produce 1 per cent of Gross Domestic Product (GDP) and contribute strongly to the UK's trade balance.

The bulk of the workforce in accountancy firms and finance functions – more than half a million – is made up of senior professionals, including qualified accountants, members of the UK's highly established and respected professional accountancy bodies. Almost all the rest of the workforce is made up of administrative roles such as book-keepers, accounts and payroll clerks, who form the backbone of the finance function.

Accountancy and finance is a diverse sector. Providers of accountancy services are mostly outward-looking businesses emphasising the role of income generators, while the finance function, which accounts for just over three quarters of the sector's workforce, generally operates as a cost centre, with the administrative functions of financial and business services industries, retail and the public sector dominating employment.

In keeping with trends across industries, small and medium-sized businesses (SMEs) and small and medium-sized practices (SMPs) account for the majority of employment in the sector, 62 per cent in accountancy and 64 in finance. Crucially, this includes many self-employed professionals – especially among accountancy practices.

Employment in the accountancy and finance sector in Scotland totalled approximately 80,000 individuals in the second quarter of 2009, employing 7 per cent of the UK's workforce in this sector. Most were employed in the finance function across industry and commerce and the public and the not-for-profit sectors (83 per cent). The majority of finance practitioners (51 per cent) are book-keepers, clerks and other administrative roles and 45 per cent are employed as qualified accountants.

The share of finance staff is highly concentrated in a few industries in Scotland. The accountancy sector and public administration, defence and education together employ 36 per cent of all finance staff (approximately 18 per cent each). Other industries employing a significant share of finance staff are construction, wholesale and retail (14 per cent) and financial services (8.5 per cent).

Why choose a career in Accountancy?

The National Reporting Council's Key Facts and Trends in the Accountancy Profession (2015) reports that accountancy continues to be an attractive profession. Overall, in the UK 52% of students are employed in accountancy practices in industry and commerce, 16% are in public practice and 11% in the public sector and the number of females employed in the accountancy sector continues to grow.

What is the Foundation Apprenticeship in Accountancy?

The Foundation Apprenticeship in Accountancy is for pupils in S5 and S6 and is anticipated to be delivered over 2 years. Over the course of the two years pupils complete the National Progression Award (NPA) in Accountancy at SCQF Level 6, the 3 units from the professional qualification in Accounting at SCQF Level 6 and a work placement unit.

The SQA National Progression Award (NPA) in Accounting at SCQF level 6 provides knowledge and an introduction to the skills that will help pupils to complete the professional qualification units. It develops an understanding of the principles, structure, processes and procedures used in the Accountancy sector and these qualifications are expected to both help learners undertake their work placement and increase employability.

The Foundation Apprenticeship includes 3 units from the Modern Apprenticeship Accountancy, which allows recognition of prior learning, and therefore advanced entry, for those students progressing to the Modern Apprenticeship.

These components, along with the associated work placement unit form the Foundation Apprenticeship in Accounting.

In a Foundation Apprenticeship, it is important to provide the right balance between the taught elements of the programme.

The professional qualification element is available via two Awarding Organisations:

AAT (the Association of Accounting Technicians) is the UK's leading accounting technician qualification professional membership body offering practical, vocational qualifications which provide students with internationally recognised finance and accountancy skills that can open doors in any industry across the world.

AAT works with a variety of organisations and providers such as Sky, Campbell Dallas, The Baldwin Group, and learning providers who cover from the Borders up to Orkney Islands to develop skilled finance professionals who are ready for the workplace.

Over recent years AAT has supported the development of the new apprenticeship standards, further deepening its involvement in the vocational training of the accountants of the future.

AAT has over 140,000 members across 90 countries and provide accounting qualifications for around 80,000 people every year. Open to everyone, whether they're looking for their

first job in accountancy, want to enhance their existing accounting skills or train for a new career our flexible qualifications can be studied at a pace that fits in with any lifestyle.

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants, offering business-relevant, first choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management. ACCA has a global network of more than 200,000 members and 486,000 students.

Our changing world needs high-quality, professional accountants more than ever. With ACCA Qualification – the future, ACCA introduces innovations that set the standard for others to follow. Through ACCA's SCQF accredited qualifications, ACCA is developing dynamic professional accountants who are strategic forward-thinkers, who thrive in a world of constant technological change and growing globalisation.

Completion of the Foundation in Apprenticeships offers progression to other AAT and ACCA professional qualifications. Please visit AAT and ACCA's websites for further information.

The Foundation Apprenticeship, whilst providing a learner with a holistic overview of the accountancy sector will cover the following specific areas:

1. **Recording financial accounting information (and bookkeeping)**- recording financial transactions from day books into a double entry bookkeeping system, to extract a trial balance and complete a VAT return.
2. **Preparing financial information**- preparation of routine and complex financial accounting information and understanding accounting standards and practices and regulations of business structures to establish both the historical and current financial position and performance of the organisation.
3. **Indirect tax**- specifically value added tax (VAT) and the skills in preparing and submitting returns to the relevant tax authority to keep employers and clients compliant with the laws and practices that apply to the indirect taxation of sales and purchases.
4. **Analysing accounting information**- financial analysis using a range of routine and complex techniques so that learners can investigate, analyse and report on an organisation's current financial position and performance, and to offer financial solutions that can assist in future planning and decision making.
5. **Management accounting**- internal accounting information using a range of routine and complex accounting techniques. This will assist in understanding the significant impact that management accounting information has on making decisions about the future planning, control and success of an organisation.
6. **Professional ethics for accountants**- the ethical responsibilities of an accountant working within the profession. It will allow learners an opportunity to analyse problems and form judgements about appropriate and inappropriate behaviour in an accounting environment.

Partnerships

In a Foundation Apprenticeship, it is important to provide the right balance between the taught elements of the programme (usually an NPA) and the experiential, work -based elements (professional qualification). However, in doing a professional qualification the fusion of knowledge and skills acquisition to develop competence need to be present.

Young people need to build real workplace skills that include skills that are specialist to the chosen career alongside workplace attributes that are more generic. It is only by being in a real work environment that this can be successfully achieved.

Foundation Apprenticeships are delivered by partnerships comprised of school, learning provider and employer. The learning provider is responsible for the approvals, delivery, assessment and quality assurance of the component units and qualifications. Where multiple learning providers are involved, arrangements between them will be detailed in an SQA Partnership Agreement.

The learning provider must have the appropriate awarding body centre and qualification approvals in place before it can deliver the Foundation Apprenticeship. In the case of Accountancy these will be SQA requirements plus AAT or ACCA.

For further support and guidance on SQA's approval and quality assurance processes, please see:

Information for Centres on Foundation Apprenticeships:

- https://www.sqa.org.uk/sqa/files_ccc/InformationForCentresFoundationApprenticeships.pdf

Information for Centres on SQA Partnership Agreements, where multiple learning providers are involved:

- https://www.sqa.org.uk/files_ccc/PartnershipAgreementTemplate.pdf

The lead partner, as contracted by SDS (usually the learning provider), is expected to work with employers to ensure an adequate supply of work placement opportunities. In the case of the Accountancy sector, there will be key contacts that can usefully help to support a better understanding of the scope and availability of these, including professional organisations and employer bodies.

Assessment will comply with the chosen Awarding Body's assessment strategy for the professional qualification component.

Employers can contribute to the partnership in a range of ways, not limited to work placements:

- linking the Work Placement unit project with the professional qualification delivery to enable students to develop their accountancy skills and knowledge is key to the FA delivery
- supporting recruitment with interviewing and selection
- attending talks by employers on employability, general careers advice, CV writing and interview preparation
- coaching and mentoring
- visiting employers (or employers providing premises, facilities and equipment)
- involvement in the assessment of practice
- providing job references for students
- enable students to work on projects, exercises or case studies set by employers supervised by those working in the accountancy sector

Other areas where the students can be supported in the delivery of the professional qualification are:

- attending careers fairs, events or other networking opportunities

- areas of qualification content being covered via masterclass by guest speakers by sector practitioner(s)
- learning in simulated or learning provider-based working environments

The Foundation Apprenticeship Product Specification, published by SDS, sets out principles for delivering an accountancy sector related Foundation Apprenticeship. The Lead Partner will provide to SDS a clear outline of how these principles will be met, of the arrangements they have made to ensure how necessary interdependencies are developed and maintained and of the roles and responsibilities of each of the partners, particularly in relation to the quality assurance requirements of awarding bodies.

Pastoral Care

It is important to remember that the pupils who are taking part in this programme are still at school and as such there is a duty of care. This includes providing appropriate health and safety training and measures to ensure the safety of the young people and by also appointing a workplace mentor who will be a point of contact for the young person when they are out of the school environment.

Pastoral care in the Foundation Apprenticeship programme also includes making sure the placement is the right fit for the pupil and ensuring you listen to any concerns the pupil may have and providing the levels of personal support they might need to succeed.

Being aware that some people are also young carers might affect some of the decisions you make about which is the most appropriate placement for the pupil. This would include being aware of any restrictions that might be in place for travelling or for after school or holiday commitments.

How should the Foundation Apprenticeship in Accountancy be delivered?

Delivery and assessment of the SQA NPA in Accountancy and the work-based professional units will be over the course of S5 and S6. There will be a blended approach between teaching for the NPA units at the learning provider and delivery of the professional units through activities in the workplace. Assessment of these units will be computer-based and time restricted, with professional qualification unit assessment being based on real work examples.

NPA in Accountancy at SCQF 6

This NPA is designed to develop an understanding of the preparing and analysing of both financial and management accounting information, recording data in the ledger, as well as completing a VAT return in business. All of this will be learned in the context of the ethical issues encountered whilst working in the accountancy sector. It will support the underpinning knowledge of the professional qualification at SCQF Level 6. It contains 5 units.

The units are delivered by the learning provider, in the classroom and assessed by the learning provider.

Professional qualification in Accounting at SCQF Level 6

The professional qualification units are delivered whilst students are on placement in the workplace and supported by classroom learning, in S5 and S6. The professional qualification units are assessed by external assessment which are:

- set and marked by the relevant Awarding Organisation (with the exception of RPL, which is marked by the learning provider)

- computer based
- time limited
- scheduled by learning providers or assessment venues
- take place at approved learning provider centres and venues under controlled conditions.

Learning providers will need to ensure that the learner is supported in the work placement. This can include:

- One to one support in the workplace
- Peer and mentor discussion
- Learners undertaking independent project- based learning
- Project based learning that supports the development of competent practice

All supporting information on the professional qualification units included in the Foundation Apprenticeship can be found at:

- **AAT** - <https://www.aat.org.uk/find-a-course/aat-bookkeeping-and-computerised-accounting-courses/advanced-certificate-in-bookkeeping>
- **ACCA** <http://www.accaglobal.com/uk/en/student/exam-entry-and-administration/exam-results/types-of-certificates.html>

As a guide, a minimum of 7 hours per week throughout S5 and 10 hours per week throughout S6 is spent on the Foundation Apprenticeship. Involvement with employers is encouraged from commencement of delivery.

Structure of the Foundation Apprenticeship in Accountancy (AAT Pathway)

As of September 2019, a new version of the National Progression Award in Accountancy at SCQF level 6 has been accredited. The Foundation Apprenticeship framework has been updated to include the relevant new units. The old versions of these Units may still be used as indicated in the tables below (grey text).

GN7T 46 Foundation Apprenticeship in Accountancy			
Group Award Title	Unit Title	SCQF level	SCQF Credit points
GN7J 46 National Progression Award (NPA) in Accountancy at SCQF level 6	J21M 76 Preparing Management Accounting Information Or H1YR 76 Preparing Management Accounting Information	6	6
	J21N 76 Analysing Accounting Information Or H1YS 76 Analysing Accounting Information	6	6
	J21L 76 Preparing Financial Accounting Information Or H1YP 76 Preparing Financial Accounting Information	6	6
	J1K5 45 Recording Transactions in the Ledger Or FN16 11 Recording Data in the Ledger	5	6
	HX6F 46 Professional Ethics for Accountants	6	6
	Work Placement Unit	HF88 46 Work Placement	6
R485 04 AAT Advanced Diploma in Accounting (part of)	HW57 04 Advanced Booking	6	12
	HW58 04 Final Accounts Preparation	6	8
	HW59 04 Indirect Tax	6	8
Foundation Apprenticeship Certification	HE6E 04 Foundation Apprenticeship Certification unit	-	0
TOTAL SCQF CREDIT POINTS			64

The Foundation Apprenticeship in Accountancy has a validation period from 01st August 2018. Completion of the AAT units will lead to the awarding of the Level 3/SCQF 6 Advanced Certificate in Bookkeeping. 1 SCQF credit point is equal to 10 notional hours of learning.

Structure of the Foundation Apprenticeship in Accountancy (ACCA Pathway)

As of September 2019, a new version of the National Progression Award in Accountancy at SCQF level 6 has been accredited. The Foundation Apprenticeship framework has been updated to include the relevant new units. The old versions of these Units may still be used as indicated in the tables below (grey text).

GN7T 46 Foundation Apprenticeship in Accountancy			
Group Award Title	Unit Title	SCQF level	SCQF Credit points
GN7J 46 National Progression Award (NPA) in Accountancy at SCQF level 6	J21M 76 Preparing Management Accounting Information Or H1YR 76 Preparing Management Accounting Information	6	6
	J21N 76 Analysing Accounting Information Or H1YS 76 Analysing Accounting Information	6	6
	J21L 76 Preparing Financial Accounting Information Or H1YP 76 Preparing Financial Accounting Information	6	6
	J1K5 45 Recording Transaction in the Ledger Or FN16 11 Recording Data in the Ledger	5	6
	HX6F 46 Professional Ethics for Accountants	6	6
	Work Placement Unit	HF88 46 Work Placement	6
R360 04 ACCA Intermediate Certificate in Financial and Management Accounting	HY2K 04 Accounts Preparation	6	9
	HY2L 04 Prepare Financial Accounts for Sole Traders or Partnerships	6	6
	HY2M 04 Indirect Tax	6	4
Foundation Apprenticeship Certification	HE6E 04 Foundation Apprenticeship Certification unit	-	0
TOTAL SCQF CREDIT POINTS			55

The ACCA units should be assessed by paper FA2 Maintaining Financial Records. The *Foundations in Professionalism* Unit is available as an optional addition, where

pupils/centres wish to use it. Achievement of this unit is not required to achieve the Foundation Apprenticeship.

Certification

SQA will issue the commemorative certificate for the Foundation Apprenticeship.

Depending on the professional qualification unit pathway chosen, learning providers must ensure that they have appropriate approvals in place with [the relevant awarding bodies (SQA and AAT or ACCA) for the Foundation Apprenticeship and all mandatory components. Candidates must be entered and resulted for all relevant units for verification and certification purposes.

Once all contributing results are entered on SQA systems, the candidate's commemorative certificate will be produced.

Accountancy Placements for the Foundation Apprenticeship

In addition to a variety of workplace activities, placements for pupils undertaking a Foundation Apprenticeship in Accountancy provide the opportunity to undertake a vocational learning project which should relate to the learner's career aspirations and/or abilities and reflect the accountancy sector. The project will be agreed by the apprentice, employer and learning provider/school at the outset of the FA.

Selection of pupils for the Foundation Apprenticeship in Accountancy

The Foundation Apprenticeship in Accountancy is available to pupils entering S5.

Pupils are selected for the programme by their school, which will put them forward to apply to the learning provider. Learning provider interviews will take place as with any other Further Education admissions process. Employers are encouraged to get involved in the recruitment and selection stages, to ensure they get to know the apprentices before their employment.

Pupils need to be ready to work at SCQF Level 6 (the same level as Higher). They need to have:

- a good level of written and spoken English
- a good level of Numeracy skills
- an interest in working in the Accountancy sector
- motivation to succeed within the sector
- communication and team working skills

The fundamental entry condition for the framework is the employer's and learning provider's confidence in the learner's ability to thrive and achieve their potential within the Foundation Apprenticeship.

Equality and Diversity

We expect those involved in the development, recruitment and delivery of Foundation Apprenticeships to be pro-active in ensuring that no-one should be denied opportunities because of their age, disability, gender reassignment, marriage and civil partnership, religion or belief, sex or sexual orientation or pregnancy and that any barriers (real or perceived) are addressed to support all pupils. These are the protected characteristics of the Equality Act 2010 and training providers and employers must comply with this Act to

ensure that applicants are not discriminated against in terms of entry to and promotion within the industry.

Our emphasis throughout is upon equality and diversity both for new entrants to the sector and opportunities for progression for the existing workforce.

Enhancement

The ability to think and write reflectively is a skill which will enhance pupils' abilities both across the curriculum and into the world of work. By undertaking the Foundation Apprenticeship in Accountancy pupils will not only develop skills and knowledge in the Accountancy sector, they also develop core skills valued by employers particularly those of communication, problem solving and working with others.

Recognition of prior learning

The recognition of prior learning (RPL) is the process for recognising learning that has its source in experience or in previous learning contexts. Using RPL to recognise informal learning involves learners reflecting on what they have learnt from their experience and how they can use this to support their current learning.

Learners wanting to become Foundation Apprentices may be asked to demonstrate evidence of their skills and knowledge via a portfolio of past school/college work, voluntary or leisure activities. This type of evidence, especially in the form of e-portfolios, is highly valued by employers who will want to gain an understanding of the apprentice's talent and aptitude.

RPL will be undertaken through the learning provider in association with the relevant awarding body.

Learners may already have SCQF credit points for formal learning and it may be possible to transfer some of this credit to another qualification. This is called credit transfer. Students completing a Foundation Apprenticeship may be able to transfer credit from this to further learning programmes.

Progression routes

The FA will provide students with the specialist knowledge and skills required for progressing either into employment in an accounting or finance role, or to enable progression to further study in accountancy and finance, or move into a related sector such as business and finance.

There are several progression routes for the young person who has completed an FA in Accountancy:

- direct employment with an accountancy employer or in a related industry such as business and finance
- progression into undertaking higher skills and training:
- the Level 3 Modern Apprenticeship in Accounting - as the FA includes units from the MA (AAT or ACCA) as the professional qualification skills and competence element which would count as APL/RPL from the FA for these completed units. (This has been confirmed by AAT and ACCA the Awarding Organisations). This would mean

that the learner will not have to repeat those units and just undertake the remaining professional qualification units and other aspects of the MA framework.

- additional training and undertaking other qualifications to progress into accountancy roles including accountancy technician, advanced accountancy technician and other related roles through to becoming a Chartered Accountant
- Entrance into University courses such as degrees and related courses – universities in Scotland accept FAs as an entry route onto their courses and the new FA in Accountancy could be recognised as well for this route.

Further information

Further information on the accountancy sector and working in accountancy can be found at:

- Association of Chartered Certified Accountants (ACCA) <http://www.accaglobal.com/gb/en.html>
- Chartered Institute of Management Accountants (CIMA) <https://www.cimaglobal.com/>
- Association of Accounting Technicians (AAT) <https://www.aat.org.uk/>
- Institute of Chartered Accountants of Scotland (ICAS) <https://www.icas.com/>