



Scottish Qualifications Authority  
Ughdarras Theisteanas Na H-Alba

Our Ref: LM

18 June 2007

To: SQA Co-ordinator  
**For the attention of all staff responsible  
for the delivery of Scottish Vocational Qualifications in Accounting**

Action by Recipient
✓ Note and pass on

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Dear Colleague

### SVQ Accounting, level 2

SQA has been working closely with the Accounting Occupational Standards Group (AOSG) during the recent review of the Accounting standards. As envisaged, rather than a wholesale review, incremental changes to the standards have been made. In light of these incremental changes, a submission to extend the current qualification was made. This submission was successful and the accreditation period for the SVQ Accounting level 2 award has been extended until 31 December 2008.

The incremental changes affect the wording of several statements in the Units:

- ◆ Recording Income and Receipts (D7AR 04)
- ◆ Making and Recording Payments (D7A3 04)
- ◆ Preparing Ledger Balances and an Initial Trial Balance (DE8T 04)

A Summary of Changes is given on pages 3-6 for your information and the full standards can be accessed on the SVQ Accounting subject page on SQA's website. These changes will become effective from 1 July 2007 although it is not envisaged that they will have any major impact on the assessment of candidates.

The Assessor Guidelines are being updated and will be available to download from the website in due course.

### Fees

Centres are advised that the fee for SVQ Accounting level 2, as listed in the SVQ Update, will increase in September 2007 to £76.75. The group award fee includes both the SQA and AAT registration fees - £46.75 and £30 respectively. To date SQA has absorbed the annual increases in the AAT registration fee but to reflect the true cost of the award must now include the full AAT element in the total group award fee.

Examination fees will continue to be dealt with separately by AAT.

**Quality Network**

A joint SQA/AAT Quality Network has been organised for Wednesday 26 September at the Stirling Management Centre. Further details of the Network programme and registration forms will be distributed nearer the time.

I hope you find this information useful. However, if you have any questions please do not hesitate to contact Sue Macfarlane or myself.

Yours faithfully

*Linda K Meikle*

Linda Meikle  
Qualifications Officer  
HN/VQ Business & IT

## **NATIONAL OCCUPATIONAL STANDARDS FOR ACCOUNTING**

### **Summary of changes – November 2006**

#### **Introduction to the standards**

Added a new final sub-heading '**Future-proofing**', followed by the sentence below:  
*The requirements set out in these standards should be interpreted in terms of up-to-date legislation and terminology, including organisational names.*

#### **Unit 1: Recording income and receipts**

##### **Knowledge and understanding**

##### **Statement 1**

###### **Replaced**

*Types of business transactions and documents involved*  
**with**

*Income and receipt transactions, including associated documentation*

##### **Statement 2**

###### **Replaced**

*Basic law relating to contract law and Sale of Goods Act*  
**with**

*Basic contract law regarding income and receipts; Sale of Goods Act*

##### **Statement 3**

###### **Replaced**

*Document retention policies*  
**with**

*Document retention policies for income and receipts*

##### **Statement 4**

###### **Replaced**

*General principles of VAT*  
**with**

*General principles of VAT regarding income and receipts*

##### **Statement 5**

###### **Replaced**

*Types of discounts*  
**with**

*Types of discounts available to customers*

##### **Statement 6**

###### **Replaced**

*Cheques, including crossings and endorsements*  
**with**

*Cheques from customers, including crossings and endorsements*

##### **Statement 8**

###### **Replaced**

*Automated payments*  
**with**

*Automated payments from customers*

**Statement 10**

**Replaced**

*Basic law relating to data protection*

**with**

*Basic data protection law regarding customers*

**Unit 2: Making and recording payments**

**Knowledge and understanding**

**Statement 1**

**Replaced**

*Types of business transactions and documents involved*

**with**

*Payment transactions, including associated documentation*

**Statement 2**

**Replaced**

*Basic law relating to contract law and Sale of Goods Act*

**with**

*Basic contract law regarding payments; Sale of Goods Act*

**Statement 3**

**Replaced**

*Document retention policies*

**with**

*Document retention policies for payments*

**Statement 4**

**Replaced**

*General principles of VAT*

**with**

*General principles of VAT regarding payments*

**Statement 5**

**Replaced**

*Types of discounts*

**with**

*Types of discounts available from suppliers*

**Statement 6**

**Replaced**

*Cheques, including crossings and endorsements*

**with**

*Payment cheques, including crossings and endorsements*

**Statement 7**

**Replaced**

*Automated payments*

**with**

*Automated payments to suppliers*

**Statement 10**

**Replaced**

*Basic law relating to data protection*

**with**

*Basic data protection law regarding suppliers*

**Statement 22**

**Replaced**

*Payroll accounting procedures: accounting for gross pay and statutory and nonstatutory*

*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 2.1)*

**with**

*The processes and systems required to make and record internal and external payroll payments, excluding the use of tax and NI tables (Element 2.2)*

**Unit 3: Preparing ledger balances and an initial trial balance**  
**Knowledge and understanding**

**Statement 2**

**Replaced**

*General principles of VAT*

**with**

*General principles of VAT applicable to the transactions*

**Unit 7: Preparing reports and returns**  
**Knowledge and understanding**

**Statement 6**

**Replaced**

*Administration of VAT: enforcement*

**with**

*The processes and systems required to complete and submit VAT returns in accordance with current legislation.*

**Unit 10: Managing systems and people in the accounting environment**  
**Knowledge and understanding**

**Insert a new statement 9 under 'Management techniques', as follows, renumbering subsequent statements.**

*9. Techniques for reviewing recommendations through cost-benefit analysis (Element 10.2)*

**Performance criterion F**

**Replaced**

*Update the system in accordance with **changes** that affect the way the system should operate and check that your update is producing the required results.*

**with**

*Explain to those affected the implications of **recommended changes** in terms of financial costs and benefits.*

**Unit 12: Drafting financial statements (central government)**

**Knowledge and understanding**

**Statement 6**

**Replaced**

*Resource accounting schedules*

**with**

*Current conventions for resource accounting*

**Statement 16**

**Replaced**

*Resource Accounting Manual*

**with**

*Current guidelines on resource accounting*

**Statement 17**

**Replaced**

*General principles and rules from the manual "Government Accounting", the Non-Departmental Public Bodies Accounting Manual", the Resource Accounting Manual and other relevant guidance*

**with**

*General principles and rules of government and public body accounting as set out in current government guidelines*

**Unit 17: Implementing audit procedures**

**Knowledge and understanding**

**Statement 3**

**Replaced**

*Relevant legislation, relevant Statements of Auditing Standards*

**with**

*Relevant legislation and auditing standards*