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| **Ref** | **Assessment criteria** | **Paragraph number** | **Assessor’s comments** |
| 1. | **Understand the role of accounting within an organisation** | | |
| 1.1 | Describe the purpose, structure and organisation of the accounting function and its relationship with other functions within the organisation |  |  |
| 1.2 | Explain the various business purposes for which the following financial information is required – statement of profit or loss, statement of cash flow, and statement of financial position. |  |  |
| 1.3 | Give an overview of the organisation’s business and its critical external relationships with stakeholders. |  |  |
| 1.4 | Explain how the accounting systems are affected by the organisational structure, systems, procedures and business transactions. |  |  |
| 1.5 | Explain the effect on users of changes to accounting systems caused by external regulations, and organisational policies and procedures. |  |  |
| 2. | **Understand the importance and use of internal controls** | | |
| 2.1 | Identify the external regulations that affect accounting practices. |  |  |
| 2.2 | Describe the causes of and common types of fraud and the impact of this on the organisation. |  |  |
| 2.3 | Explain the methods that can be used to detect fraud within an accounting system. |  |  |
| 2.4 | Explain the types of controls that can be put in place to ensure compliance with statutory or organisational requirements. |  |  |
| 2.5 | Explain how an internal control system can support the accounting function. |  |  |
| 3. | **Evaluate the accounting system and identify areas for improvement** | | |
| 3.1 | Identify an organisation’s accounting system, including hardware and software packages. |  |  |
| 3.2 | Review record keeping systems to confirm whether they meet organisational requirement. |  |  |
| 3.3 | Identify weaknesses in and the potential for improvements to the accounting system and consider their impact on the operation of the organisation. |  |  |
| 3.4 | Identify potential areas of fraud arising from lack of control within the accounting system and evaluate the risk. |  |  |
| 3.5 | Review methods of operating for cost effectiveness, reliability and speed. |  |  |
| 4 | **Conduct an ethical evaluation of the accounting system** | | |
| 4.1 | Evaluate the accounting system against ethical principles. |  |  |
| 4.2 | Identify actual or possible breaches of professional ethics. |  |  |
| 5 | **Conduct a sustainability evaluation of the accounting system** | | |
| 5.1 | Evaluate the accounting system against sustainable principles. |  |  |
| 5.2 | Identify where improvements could be made to improve sustainability. |  |  |
| 6 | Make recommendations to improve the accounting system |  |  |
| 6.1 | Make recommendations for changes to the accounting system, including ethical and sustainability considerations with a clear rationale and an explanation of any assumptions made. |  |  |
| 6.2 | Identify the effects that any changes would have on the users of the system. |  |  |
| 6.3 | Enable individuals to understand how to use the accounting system by use of training, manuals, written information or help menus. |  |  |
| 6.4 | Identify the implications of recommended changes in terms of time, financial costs, benefits and operating procedures. |  |  |