



ACCA'S SUITE OF ENTRY-LEVEL ACCOUNTING AWARDS EXPLAINED

# Foundations in Accountancy



## FOUNDATIONS IN ACCOUNTANCY

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“The accountancy profession at every level is constantly evolving to meet the needs and demands of how businesses operate and nowhere is this more apparent than at an accounting-support level. The accounting technician of today and tomorrow needs a rigorous and flexible qualification to help them contribute to business performance and an ever-changing business landscape.

ACCA's suite of entry-level awards – Foundations in Accountancy – has been developed after consultation with all our key stakeholders, with employers and students in mind. This suite of qualifications includes a revised Certified Accounting Technician (CAT) Qualification, which will provide employers with access to competent and ethical technicians, trained to consistent standards, with built-in flexibility to allow for skills to be tailored to meet different business needs and environments. And it will offer those starting out in their accountancy career flexible and tailored routes to accounting-support roles, leading to high-performing and rewarding career options for those who progress to the ACCA Qualification.”

Aude Leonetti  
Acting executive director – learning

## INTRODUCTION

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ACCA's entry-level suite of awards – Foundations in Accountancy – is being introduced after detailed consultation which commenced in 2008 with ACCA stakeholders, including employers, learning providers, members, students, other professional accountancy bodies and regulators.

Foundations in Accountancy will provide even greater access to the ACCA Qualification and aims to satisfy the needs of employers by allowing individuals to choose from a flexible range of qualifications which will help them develop the relevant technical knowledge and practical skills required to perform in accounting technician roles.

As a professional accountancy body which champions innovation, ACCA's Foundations in Accountancy will utilise the latest technologies in the delivery of this suite of awards.

The following principles have been adhered to when developing Foundations in Accountancy and ACCA will continue to follow these principles during the implementation phase.

Foundations in Accountancy:

- is a flexible suite of qualifications, which meet the needs of both students and employers
- provides opportunity for students of ability and application, irrespective of a student's educational background or learning environment
- develops skills and competences tailored to the needs of employers, the public and other key stakeholders
- uses innovative assessment and delivery mechanisms to create highly flexible qualifications
- provides a grounding in professionalism and ethical behaviour at the core of the qualifications
- will be implemented and communicated in a clear, concise and timely manner.


# FOUNDATIONS IN ACCOUNTANCY


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## OVERVIEW OF FOUNDATIONS IN ACCOUNTANCY

Foundations in Accountancy consists of a suite of awards, including certificates, diplomas and a revised Certified Accounting Technician (CAT) Qualification. These flexible awards focus on the core skills of financial accounting and management accounting; and the wider role of the accountant in business at higher levels. The range of awards means employers can pick the level of qualification which most appropriately meets their business needs. In addition, it provides students with flexible entry points with certification awarded at each level, allowing students to tailor the awards, making them an attractive and relevant choice for employers.

### ▼ OPTIONAL MODULES

 **MATHS** Self-check online module


 **ENGLISH** Self-check online module

### ▼ COMPULSORY MODULE

 **FOUNDATIONS IN PROFESSIONALISM** Professionalism and ethics online module to be completed once


### ▼ What's required?

### ▼ QUALIFICATIONS

 **INTRODUCTORY CERTIFICATE IN FINANCIAL AND MANAGEMENT ACCOUNTING**  
Foundations in Professionalism  
+ 2 exams (FA1 and MA1)

 **INTERMEDIATE CERTIFICATE IN FINANCIAL AND MANAGEMENT ACCOUNTING**  
Foundations in Professionalism  
+ 2 exams (FA2 and MA2)

 **DIPLOMA IN ACCOUNTING AND BUSINESS**  
Foundations in Professionalism  
+ 3 exams (FAB, FMA and FFA)

 **CERTIFIED ACCOUNTING TECHNICIAN (CAT)**  
FA1, MA1, FA2 and MA2  
+ Diploma in Accounting and Business  
+ 2 from 3 options exams  
+ 1 years' relevant practical experience  
Please note the experience requirement can be used to claim exemption from the Introductory and Intermediate certificates

Foundations in Accountancy contains the following qualifications:

- Introductory Certificate in Financial and Management Accounting – awarded on the completion of exams FA1 and MA1; and Foundations in Professionalism
- Intermediate Certificate in Financial and Management Accounting – awarded on the completion of exams FA2 and MA2; and Foundations in Professionalism
- Diploma in Accounting and Business – awarded on the completion of exams FAB, FMA and FFA; and Foundations in Professionalism
- Certified Accounting Technician (CAT) Qualification.

### OBTAINING THE CERTIFIED ACCOUNTING TECHNICIAN (CAT) QUALIFICATION

ACCA has retained the CAT Qualification as part of the suite of awards within Foundations in Accountancy. In order to obtain the CAT Qualification, students will need to complete the following:

- FA1, MA1, FA2, MA2, FAB, FFA and FMA
- two of the three options papers
- a practical experience requirement
- Foundations in Professionalism.

There is no requirement for students to complete the exams in the Introductory Certificate in Financial and Management Accounting (FA1 and MA1) and/or the Intermediate Certificate in Financial and Management Accounting (FA2 and MA2) if they do not wish to complete the CAT Qualification. However, completion of these certificates will enable students to gain additional qualifications and validation of knowledge acquired. In addition, it will lay the foundations for other exams in the suite of awards, providing students with knowledge and experience of sitting relevant exams which may assist with exam performance within the Diploma in Accounting and Business and ACCA Qualification.

### ENTRY REQUIREMENTS

Foundations in Accountancy offers various entry points, allowing maximum flexibility for prospective students to select the most appropriate entry route and progression to additional qualifications, based on their previous qualifications, experience and future career aspirations.

It is important to note exams FAB, FMA and FFA within Foundations in Accountancy are exactly the same as exams F1, F2 and F3 of the ACCA Qualification and share identical syllabuses, study guides and assessment methods. F1, F2 and F3 of the ACCA Qualification will be updated and also first examined in December 2011. Students who complete F1, F2 and F3 of the ACCA Qualification and Foundations in Professionalism will also be awarded the Diploma in Accounting and Business.

#### Route 1: No formal academic qualifications

Students with no formal academic qualifications can register to take exams at any level within Foundations in Accountancy. There is no requirement to complete the Introductory Certificate in Financial and Management Accounting or the Intermediate Certificate in Financial and Management Accounting prior to completing the Diploma in Accounting and Business, although students are strongly recommended to do so.

As Foundations in Accountancy offers so much flexibility, there is no longer a need to provide the

mature student entry route (MSER) as part of the ACCA Qualification. With the introduction of Foundations in Accountancy, students who do not meet the minimum entry requirements for the ACCA Qualification can register for Foundations in Accountancy and can start studying at any level, including the Diploma in Accounting and Business. There are no requirements to complete these papers within a given timescale in order to progress onto the ACCA Qualification.

Students currently registered under the MSER on the ACCA Qualification will be notified of the changes and transition arrangements.

#### Route 2: Meeting the minimum entry requirements for the ACCA Qualification

For students who meet the minimum entry requirements to commence the ACCA Qualification i.e. have a minimum of 2 A Levels and 3 GCSEs or equivalent, they can either register for the ACCA Qualification and commence their studies at the Knowledge module with F1, F2 and F3; or register on the Foundations in Accountancy and complete the Introductory and Intermediate Certificates in Financial and Management Accounting if they prefer to take this route first.

ACCA recommends students register directly onto the ACCA Qualification if they meet the minimum entry requirements for the qualification instead of entering the ACCA Qualification via Foundations in Accountancy. However, the option is available to those students who wish to obtain additional certificates at introductory and intermediate levels before commencing their studies on the ACCA Qualification.

### OPTIONAL ENGLISH AND MATHS SELF-CHECK MODULES

ACCA will continue to retain its open entry policy via Foundations in Accountancy. However, to assist prospective students in gauging their general level of ability in English and maths, ACCA has developed optional self-check modules in English and maths. Included within the self-check modules are learning materials and links to other materials to help students improve their English language and maths skills which they may wish to complete before embarking on any of ACCA's qualifications. The self-check modules and recommended tutorial support are optional to complete, the self-check modules are free of charge and can be accessed from the ACCA website.

### PROGRESSION ONTO THE ACCA QUALIFICATION

Students who successfully complete the Diploma in Accounting and Business via Foundations in

Accountancy can either:

- transfer to the ACCA Qualification and commence their studies at F4 onwards of the ACCA Qualification
- OR
- continue to study for the Certified Accounting Technician (CAT) Qualification. On completion of the CAT Qualification, students may then progress onto the ACCA Qualification if they wish to do so, from F4 onwards. They can also count the three performance objectives and one year's work experience gained to achieve the CAT Qualification towards the three years' work experience required for the ACCA Qualification.

### ADVANCED DIPLOMA IN ACCOUNTING AND BUSINESS

To ensure greater articulation between Foundations in Accountancy and the ACCA Qualification, ACCA is also introducing an Advanced Diploma in Accounting and Business which will form part of the ACCA Qualification. The Advanced Diploma in Accounting and Business will be awarded when students have completed or are exempt from the Fundamentals level exams of the ACCA Qualification. Students will also need to complete the Professional Ethics module in order to receive certification for the award of Advanced Diploma in Accounting and Business. Please note students will need to have taken and passed at least two of the six Skills module papers in order to qualify for the Advanced Diploma. The Advanced Diploma in Accounting and Business will be awarded to students who complete the Fundamentals level exams from the December 2011 exam session.

### FOUNDATIONS IN PROFESSIONALISM

In line with current best practice, and to meet IFAC's (International Federation of Accountants) recommendations for technical accountants, a professionalism and ethics module will be introduced as part of Foundations in Accountancy.

Completion of Foundations in Professionalism is compulsory for students who wish to be awarded the Introductory and Intermediate certificates in Financial and Management Accounting, the Diploma in Accounting and Business and the CAT Qualification. Please note Foundations in Professionalism only needs to be completed once by students who choose to complete one or more of these awards.

Foundations in Professionalism is free of charge and when available, can be accessed from the ACCA website.

Foundations in Professionalism will not contribute towards the Professional Ethics module which is part of the ACCA Qualification as they are distinct and separate modules.

### EXPERIENCE

Students who wish to complete the CAT Qualification will be required to complete a practical experience requirement. Four of the CAT Qualification performance objectives will be the same as the performance objectives which form part of the ACCA Qualification, and will be introduced alongside the current elements of technical competence.

If these four performance objectives are completed as part of the CAT Qualification practical experience requirements, they can count towards four of the 13 performance objectives required to achieve the ACCA Qualification.

Students will be required to update and maintain paper records of progress towards performance objectives and technical competences.

### EXEMPTIONS

Students with relevant qualifications from a recognised institution may be eligible to claim exemption from papers within Foundations in Accountancy.

Students who choose to complete the CAT Qualification may be eligible to claim exemptions from some or all of the papers within the Introductory Certificate in Financial and Management Accounting and Intermediate Certificate in Financial and Management Accounting based on relevant practical experience.

### CONVERSION ARRANGEMENTS FOR EXISTING CAT STUDENTS

Conversion of students from the existing CAT Qualification to Foundations in Accountancy will be awarded on a paper-for-paper basis. The conversion arrangements will ensure no student is disadvantaged in the transition from the current to the revised syllabus.

Students who have not completed the current CAT exams by June 2011 will be automatically transferred to Foundations in Accountancy and awarded converted exemptions or passes for all papers they have previously been given exemption from or passed.

### EXAMS

An outline of the exam syllabus is listed below. The detailed syllabuses will be available by August 2010 and sample exams by January 2011.

#### **Recording Financial Transactions (FA1)**

To introduce the basic accounting systems and documentation that will be encountered in the workplace. To develop knowledge and understanding of the operational aspects of maintaining accounting records and procedures and to learn how to record these transactions in the books of prime entry, including introduction to the principles of double entry and understanding how a computerised and a manual accounting system work.

#### **Management Information (MA1)**

To introduce the student to the knowledge of basic cost information required for management accounting. To develop the knowledge and ability to recognise, collect and record basic cost and revenue information for planning and control including the use of spreadsheets in management accounting.

#### **Maintaining Financial Records (FA2)**

To introduce the fundamental principles of accounting and to develop the knowledge and understanding of the techniques used to maintain accounting records. To produce accounting records including ledger accounts, sales tax records (where applicable), control accounts, reconciliations, and extract and correct an initial trial balance also making the adjustments necessary to produce an extended trial balance. The syllabus also covers accounting for the business transactions of sole traders and partnerships.

#### **Managing Costs and Finances (MA2)**

To develop the knowledge and understanding of the principles and techniques used in recording, analysing and reporting costs and revenues for internal management purposes. To demonstrate and develop applicable cost concepts in making short term decisions and the application of spreadsheets in management accounting.

#### **Financial Accounting (FFA)**

To develop knowledge and understanding of the underlying principles and concepts relating to financial accounting and to demonstrate technical proficiency in the use of double entry techniques, including the preparation and interpretation of basic financial statements for sole traders, companies and simple groups of companies.

#### **Management Accounting (FMA)**

To develop the knowledge and ability to apply appropriate management accounting concepts and

techniques for decision making, planning and control including forecasting techniques, the preparation of budgets and standard costs and performance measurement

#### **Accountant in Business (FAB)**

To understand business in the context of its environment, including economic, legal, and regulatory influences on such aspects as governance, employment, health and safety, data protection and security. Additionally, to introduce certain aspects of the regulatory framework as they affect auditing and governance, examining the roles of internal and external auditors and introducing the importance of internal control. The syllabus also introduces key management and people issues such as individual and team behaviour, leadership, motivation, personal effectiveness and professional ethics in accounting and business

#### **Options papers**

#### **Foundations in Taxation (FTX)**

To develop the core knowledge of the underlying principles and the major technical areas of taxation, as they affect the activities of individuals and businesses, at a level appropriate for someone working at technician level. Having covered the core areas of the basic taxes, candidates should be able to compute tax liabilities, explain the basis of their calculations, complete the tax returns and identify the compliance issues for each major tax through a variety of business and personal scenarios and situations.

#### **Foundations in Financial Management (FFM)**

To examine all aspects of cash and working capital management, and to develop an understanding of the sources of short and long-term finance. To develop the knowledge and understanding of the way organisations finance their operations and plan, allocate and control resources to optimise returns.

#### **Foundations in Audit (FAU)**

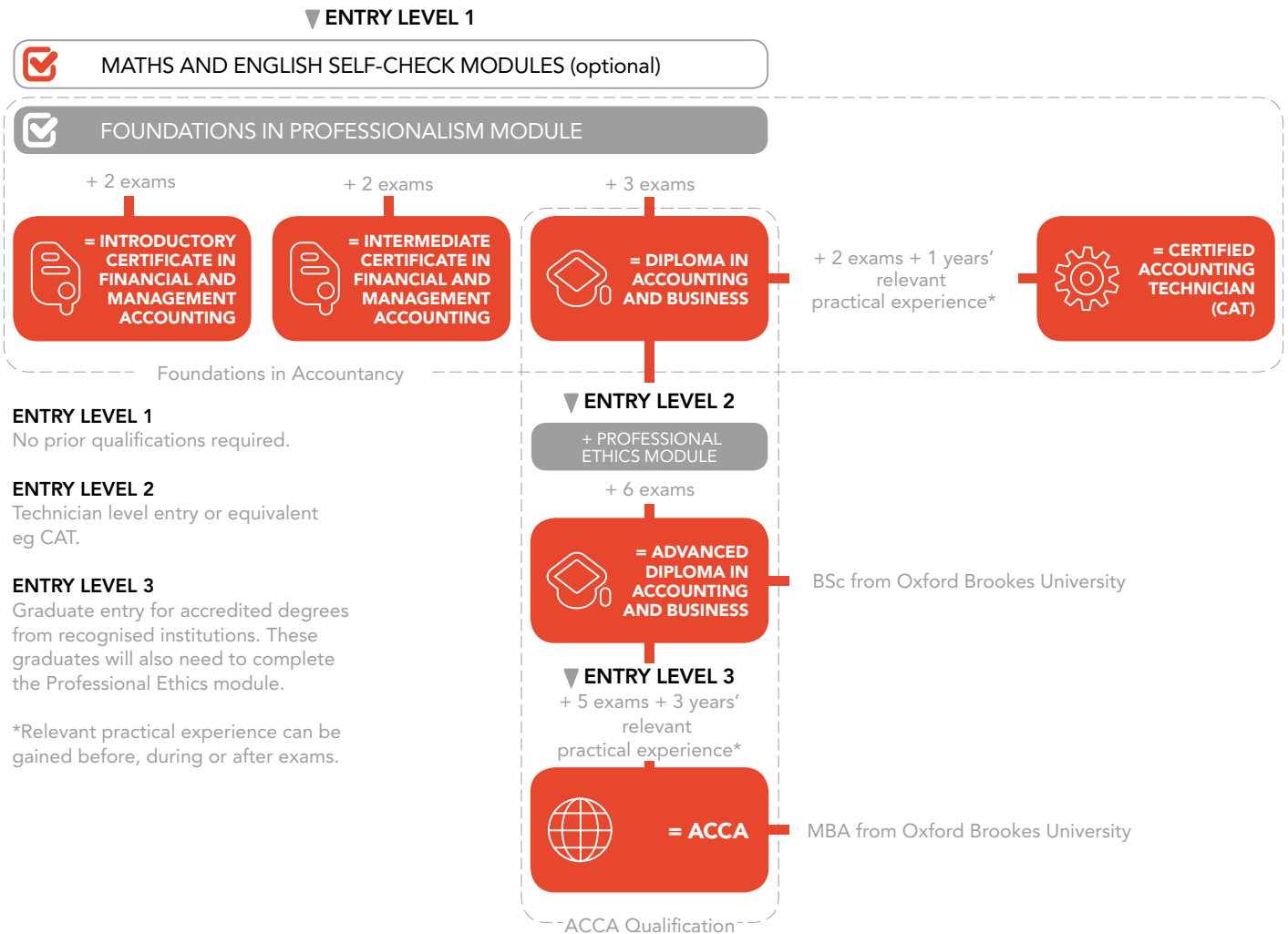
To develop knowledge and understanding of external audit and the techniques used in the conduct of external audits. Additionally to demonstrate knowledge and understanding of internal control systems.

#### **COMPUTER-BASED EXAMS (CBEs)**

Computer-based exams will be available for the first seven papers (not the options papers) and paper-based exams will continue to be available for all exams within Foundations in Accountancy. The first computer-based and paper-based exams under the new syllabus will be available in December 2011.

**ACCA'S QUALIFICATIONS**

The following diagram illustrates how Foundations in Accountancy articulates with the ACCA Qualification, including the various entry levels.



**ENTRY LEVEL 1**

No prior qualifications required.

**ENTRY LEVEL 2**

Technician level entry or equivalent eg CAT.

**ENTRY LEVEL 3**

Graduate entry for accredited degrees from recognised institutions. These graduates will also need to complete the Professional Ethics module.

\*Relevant practical experience can be gained before, during or after exams.

## FOUNDATIONS IN ACCOUNTANCY

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### IMPLEMENTATION TIMETABLE

The table below outlines the timetable leading up to the introduction of Foundations in Accountancy.

2010	
<b>June</b>	ACCA announces Foundations in Accountancy
<b>August</b>	Availability of detailed syllabuses
<b>September</b>	Detailed work experience requirements available
<b>December</b>	New suite of promotional materials available
2011	
<b>January</b>	First registrations on Foundations in Accountancy Sample exams available
<b>February</b>	Conversion notices sent to existing CAT students
<b>June</b>	Last paper-based exams on current CAT Qualification
<b>August</b>	Current CAT students converted to Foundations in Accountancy
<b>December</b>	First paper-based and computer-based exams for Foundations in Accountancy

## MORE INFORMATION

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Visit [accaglobal.com/fia](https://accaglobal.com/fia) for the latest information and developments on Foundations in Accountancy. You can contact *ACCA Connect* – ACCA's global customer services contact centre – if you have any queries about Foundations in Accountancy, either by email [fia@accaglobal.com](mailto:fia@accaglobal.com) or by telephone +44(0) 141 582 2000 or contact your nearest ACCA office, contact details can be found on our website.

