



IAB LEVEL 3 CERTIFICATE IN COMPUTERISED ACCOUNTING FOR BUSINESS (QCF)

(Qualification Accreditation Number **500/9622/9**)

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QUALIFICATION SPECIFICATION

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Level 3 Certificate in Computerised Accounting for Business (QCF)

1 Introduction

This qualification is part of the Qualification and Credit Framework (QCF), which became fully operational in September 2010. Qualifications within the framework are made up of units and each unit is given a credit value, where one credit represents 10 hours of learning time. The title of every qualification within the new framework will contain details of the size (award/certificate/diploma), level of difficulty (Entry to level 8) and general content of the qualification.

It is anticipated that the majority of providers engaging with the QCF will be in a position to obtain a Unique Learner Number (ULN) and this should have been evidenced through the completion of the IAB Supplementary QCF accreditation of centres Application Form. It is a condition of operating within the QCF that this document has been fully completed and accepted by the IAB, for any QCF qualifications which have been publically funded. This will confirm that providers are in a position to generate a ULN, which in turn will allow the successful completion of any QCF unit or qualification to be transferred to each individual Personal Learner Record. A key aim of the Personal Learner Record is to improve the flow of information about learners from schools to other education providers and ultimately employers, leading to more effective data sharing and better decision making.

Once the course fees have been paid and the learner registered, they will get a full copy of the latest version of Sage 50 Accounts Professional, which will be time limited for them to use for the duration of their course. This means the learner can work at home and ensures they are up to date with the latest software developments.

The learner will also receive a Sage/IAB workbook that covers the full course. The workbook includes not only the practical work using Sage software, but also the underpinning bookkeeping knowledge to cover the learning required for coverage of the knowledge units. There are an abundance of screen shots from the software, so they can see what processes they should be doing and how that relates to accounting standards.

Learners studying without being attached to an IAB accredited training centre should contact the IAB for further information.

2 Aims

In summary, the IAB Level 3 Certificate in Computerised Accounting for Business (QCF) aims to:

- 1 Act as enhanced understanding of financial record keeping and accounting using Sage accounting software within a double-entry accounting system.
- 2 Give candidates the necessary skills to assess their own competence in carrying out a range of day-to-day computerised accounting routines and activities using Sage software. The activities will include entry of complex business transactions, and routine bookkeeping tasks including the posting to ledgers and the preparation and use of journals, period end adjustments, VAT preparation, preparation of period end financial statements, amendments to charts of accounts.
- 3 To assess their understanding of the importance of maintaining accuracy, security and data integrity in performing any bookkeeping tasks using Sage software as their computerised accounting system.
- 4 Give candidates a greater understanding of the capabilities of the software and how it can enable better financial management and control of a business
- 5 Enable candidates to progress in their learning to further develop their knowledge, understanding and skills of dealing with financial transactions and preparation of period end financial statements by:
 - To gain a Sage competence certificate at this level
 - Completing the units necessary to receive the Level 3 Certificate in Applied Bookkeeping or L3 Certificate in Bookkeeping (competence)
 - Undertaking further studies of accounting routines at Level 3
 - Undertaking further studies of accounting at Level 4

3 Links to National Occupational Standards

Direct relationship based on NOS for Accountancy and Finance FA-1, FA-2 and FA-3 and E Skills.

4 Target groups

The IAB Level 3 Certificate in Computerised Accounting for Business is aimed at individuals who already have a good working knowledge of the software, and wish to further their studies of computerised accounting within a working business environment gaining a qualification at Level 3 of the National Framework from a point of no previous knowledge or having achieved the IAB Level 2 Award in Computerised Accounting for Business. It could also be used by those candidates who have good practical knowledge and skills and wish to gain an accredited qualification in the subject.

Owners of small businesses may also find this qualification useful as it gives coverage of wide range of tasks that can be carried out using Sage software. The course is suitable for those wishing to produce period end financial statements for small businesses.

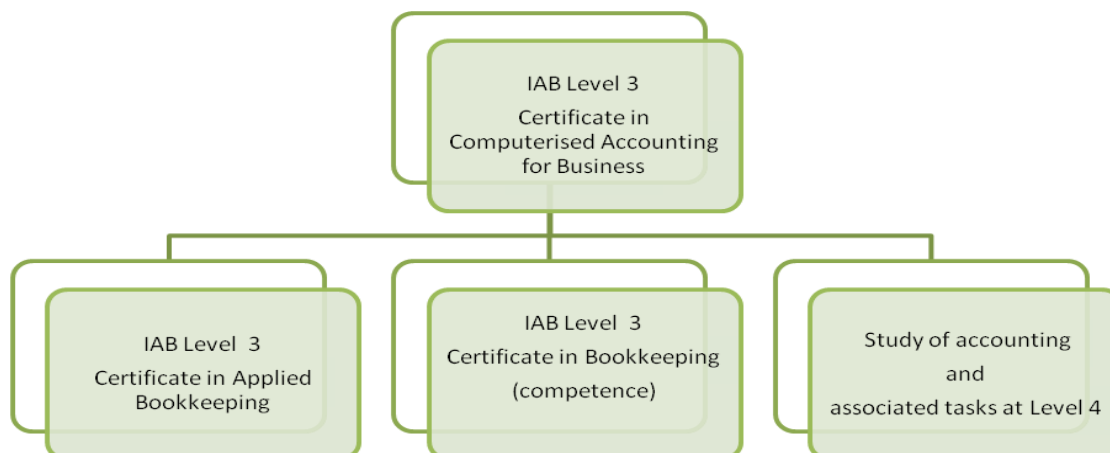
5 Statement of level

This is a level 3 qualification as defined within the regulations of the Qualification and Credit Framework.

6 Entry requirements

There are no formal entry requirements for the level 3 Certificate in Computerised Accounting for Business (QCF). However it is recommended that prospective candidates will already have basic skills in numeracy, literacy and information technology and experience of using an accounting software package up to the Trial Balance. The successful completion of the IAB Level 2 Certificate in Computerised Accounting for Business (QCF), would allow natural progression to this level 3 qualification.

7 Progression



8 Qualification Structure

To achieve this qualification, all the **mandatory** units consisting of 20 credits must be achieved. The accreditation number, level and credit value of each unit is as follows:

Mandatory units

Principles of double entry bookkeeping – A601/0698 (level 3 – 2 credits)

Principles of accounting for not for profit organisations – Y601/0725 (level 3 – 1 credit)

Fundamentals of incomplete records – A601/0717 (level 3 – 1 credit)

Fundamentals of bookkeeping and accounting for partnerships – L601/0723 (level 3 – 1 credit)

Principles of preparing financial statements for sole traders – R601/0707 (level 3 – 1 credit)

Principles of cash management – R600/4938 (level 3 – 2 credits)

Principles of VAT – F600/4952 (level 3 – 2 credits)

Cash management – L600/4940 (level 3 – 3 credits)

Preparing and completing VAT returns – J600/4953 (level 3 – 2 credits)

Computerised Accounting Software – L502/4403 (level 3 – 5 credits)

9 Assessment and Grading

It is anticipated that this qualification will be undertaken within the work place and if this is the case then the assessment will be Work Based. However, it is possible for this qualification to be taken within the classroom environment and as such assessment can consist of knowledge tests and simulation exercises. The IAB will provide any knowledge tests and simulation exercises can be extracted from the Sage/IAB resources which are provided on registration for the qualification with the IAB. Learners will also have access to a learner evidence and assessment log. This document includes details of all the units and their respective Learning Outcomes and Assessment Criteria and must be completed through either a portfolio of evidence or a combination of knowledge tests and a portfolio.

It is the responsibility of the accredited centre to appoint a professionally competent Assessor/Tutor to ensure that there is sufficient evidence to cover all the Learning Outcomes and associated Assessment Criteria for all the units which are needed to pass the qualification. It is not necessary for the Assessor/Tutor to hold a recognised Assessor award.

On successful completion of the units for this qualification, it is expected that the centre will engage in internally verifying the portfolios of evidence and knowledge tests (if applicable) and be prepared to forward to the IAB at least 20% of the completed work for external moderation

Internal verification of knowledge tests and portfolios

It is the responsibility of the accredited centre to appoint a suitably experienced and qualified person to act as the internal verifier. It is not necessary for this individual to hold a recognised Assessor or Internal Verifier award. The IAB do need to be assured that at least 25% of assessment has been internally moderated and in any batch of portfolios or knowledge tests forwarded for external moderation, the IAB would expect to see some evidence of internal verification.

External moderation of knowledge tests and portfolios

It is the responsibility of each centre to choose a cross section of portfolios and knowledge tests (if applicable) for moderation by the IAB. The IAB would expect to see a mix of completed assessments which are representative of the overall quality from that particular group of learners. If the centre has any doubt about which portfolios (and knowledge tests) to send for external moderation they should contact the Education Department of the IAB.

The units for this qualification are assessed through the following methods:

Unit	Assessment
Mandatory	
Principles of double entry bookkeeping	Knowledge tests/work based evidence
Principles of accounting for not for profit organisations	
Fundamentals of incomplete records	
Principles of preparing financial statements for sole traders	
Fundamentals of bookkeeping and accounting for partnerships	
Principles of cash management	
Principles of VAT	
Cash management	Simulation/work based evidence
Preparing and completing VAT returns	
Computerised Accounting Software	

To successfully complete the qualification the candidate must pass each of the above **Mandatory** elements of assessment with all units being graded as Pass or Fail. It is the assessor's responsibility to ensure that there is sufficient evidence for all the Assessment Criteria to be covered and this will be confirmed through Internal Verification and External Moderation. Should any of the knowledge tests be undertaken then a minimum of 70% is required to pass.

10 Certification

On successful completion of all the mandatory units listed above, the learner will receive a certificate to confirm the achievement of the Level 3 Certificate in Computerised Accounting for Business (QCF). The certificate will include the full name and accreditation number of the qualification and the award of pass.

Learners may request a certificate for the successful completion of each unit of the qualification on payment of a unit certificate fee. The certificate will include the full title and accreditation number of the unit, the credit value and level of the unit.

The learner will also receive a certificate from Sage confirming their competence in the use of Sage accounting at level 3.

The award of credit and the successful completion of the accredited qualification will be transferred to an individual's Personal Learner Record, if applicable.

11 Reasonable Adjustments and Special Consideration policy and procedure

Please refer to the IAB web site www.iab.org.uk for a copy of this policy and procedure or contact the Education Department of the IAB.

12 Enquiries and Appeals procedure

Please refer to the IAB web site www.iab.org.uk for a copy of this procedure or contact the Education Department of the IAB.

13 Units with Learning Outcomes and Assessment Criteria

Mandatory

PRINCIPLES OF DOUBLE ENTRY BOOKKEEPING	
A6010698 Credit value: 2	
Learning Outcomes	Assessment criteria
1 Understand the use of generally accepted accounting concepts and the qualitative characteristics of financial statements	<p>1.1 Explain how the accounting concepts of going concern, accruals/matching, prudence and consistency are used in the preparation and presentation of financial statements</p> <p>1.2 Recognise and explain the use of other accounting concepts including:</p> <ul style="list-style-type: none"> • dual aspect • realisation • objectivity • materiality <p>1.3 Explain the importance of the qualitative characteristics of relevance, reliability, ease of understanding and comparability to the preparation and presentation of financial statements</p>
2 Understand the principles of double entry bookkeeping	<p>2.1 Identify and define the elements within the 'accounting equation'</p> <p>2.2 Explain how the elements within the accounting equation are inter-related</p> <p>2.3 Explain how the dual aspect concept underpins the process of double entry book-keeping</p> <p>2.4 Explain how the main ledger, subsidiary ledgers, cash book and books of prime entry are used in recording financial transactions.</p>
3 Understand the purpose and use of stock valuation	<p>3.1 Explain the purpose of valuing stock at the end of the accounting period.</p> <p>3.2 Identify and explain the accounting concept on which a stock adjustment is based.</p> <p>3.3 Explain acceptable methods for valuing stock at cost price.</p> <p>3.4 Explain the principle of valuing stock as outlined in SSAP 9</p>

	3.5 Identify and explain the accounting concept on which a stock valuation is based (in accordance with SSAP 9 requirements)
4 Understand the process of accounting for fixed assets	<p>4.1 Distinguish between the terms 'capital' and 'revenue expenditure'</p> <p>4.2 Explain the requirement for authorising capital expenditure</p> <p>4.3 Describe the purpose of the fixed asset register and outline the information it should contain</p> <p>4.4 Explain the methods of depreciation in common use (straight line and diminishing balance).</p> <p>4.5 Explain the main accounting concepts that relate to the depreciation of fixed assets</p>
5 Understand the process of accounting for prepayments and accruals	<p>5.1 Explain why adjustments for prepayments and accruals in respect of revenue income and expenditure are made</p> <p>5.2 Identify and explain the main accounting concept on which prepayment and accruals adjustments are based</p>
6 Understand the process of accounting for bad and doubtful debts	<p>6.1 Explain the difference between a bad debt and a provision for doubtful debts</p> <p>6.2 Identify and explain the accounting concept on which a bad debt write off and a provision for doubtful debts adjustment is based.</p> <p>6.3 Explain how a bad debt write off and a provision for doubtful debts adjustment is used in the preparation of financial statements</p>

UNIT TITLE: PRINCIPLES OF ACCOUNTING FOR NOT FOR PROFIT ORGANISATIONS

Y6010725 Credit value: 1

Learning Outcomes	Assessment criteria
1 Understand terminology relating to not for profit organisations	<p>1.1 Define the term 'not for profit' and identify the forms in which such an organisation is likely to operate.</p> <p>1.2 Identify and explain accounting terms used specifically in accounting for not for profit organisations</p>
2 Understand the purpose of a receipts and payments account	<p>2.1 Explain the use of a receipts and payments account in accounting for not for profit organisations</p> <p>2.2 Explain the limitations of a receipts and payments account</p>
3 Understand the function of financial statements prepared for a not for profit organisation	<p>3.1 Explain the function of the financial statements prepared on behalf of a not for profit organisation</p>

UNIT TITLE: FUNDAMENTALS OF INCOMPLETE RECORDS

A6010717 Credit value: 1

Learning Outcomes	Assessment criteria
1 Understand single entry bookkeeping	<p>1.1 Describe circumstances in which a system of single entry book-keeping is likely to be appropriate</p> <p>1.2 Describe how a single entry bookkeeping system operates.</p> <p>1.3 Explain the limitations of a single entry bookkeeping system</p>
2 Understand the process of constructing ledger accounts from incomplete records	<p>2.1 Explain the procedures for constructing ledger accounts from incomplete data</p> <p>2.2 Explain the need to apply accounting adjustments in the preparation of ledger accounts, constructed from incomplete records</p>

UNIT TITLE: FUNDAMENTALS OF BOOKKEEPING AND ACCOUNTING FOR PARTNERSHIPS

L6010723

Credit value: 1

Learning Outcomes	Assessment criteria
1 Understand the partnership structure as a form of business entity	1.1 Define the term 'partnership' 1.2 Assess the advantages and disadvantages of forming a partnership.
2 Understand the legislation relating to partnerships	2.1 Describe the main provisions of the Partnership Act 1890 . 2.2 Explain the relevance of a Partnership Agreement 2.3 Outline the main provisions that a typical Partnership Agreement may contain
3 Understand specific accounts used in partnership accounting	3.1 Describe how the following are used in accounting for partnerships: <ul style="list-style-type: none"> • partners' fixed capital accounts • partners' current accounts • partners' drawings accounts • appropriation account • partnership balance sheet
4 Understand the procedures necessary to account for the changes in the structure of a partnership	4.1 Describe situations that will result in a change to the structure of a partnership. 4.2 Explain the term 'goodwill'. 4.3 Explain how goodwill is accounted for following a change in the structure of a partnership.

UNIT TITLE: PRINCIPLES OF PREPARING FINANCIAL STATEMENTS FOR A SOLE TRADER

R6010707 Credit value: 1

Learning Outcomes	Assessment criteria
1 Understand the form and function of the trial balance	1.1 Explain the purpose of the trial balance. 1.2 Discuss of the limitations of the trial balance 1.3 Describe the types of error not exposed by the trial

	<p>balance</p> <p>1.4 Explain the procedures for tracing errors exposed by the trial balance.</p>
2 Understand the purpose of the suspense account	<p>2.1 Explain the purpose of a suspense account</p> <p>2.2 Describe the type of errors that will result in an imbalance in the books of account.</p>
3 Understand the form and function of the financial statements	<p>3.1 Describe the format and the purpose of the trading and profit and loss account</p> <p>3.2 Describe the format and the purpose of the balance sheet</p>
4 Understand the form and function of the extended trial balance	<p>4.1 Describe the format and purpose of the extended trial balance</p> <p>4.2 Explain the procedures used in preparing the extended trial balance</p>

UNIT TITLE: PRINCIPLES OF VAT**F6004952 Credit value: 2**

Learning Outcomes	Assessment criteria
1 Understand VAT regulations	<p>1.1 Identify sources of information on VAT</p> <p>1.2 Explain the relationship between the organisation and the relevant government agency</p> <p>1.3 Explain the VAT registration requirements</p> <p>1.4 Identify the information that must be included on business documentation of VAT registered businesses</p> <p>1.5 Recognise different types of inputs and outputs</p> <p>1.6 Identify how different types of supply are classified for VAT purposes:</p> <ul style="list-style-type: none">• Standard supplies• Exempt supplies• Zero rated supplies• Imports• Exports <p>1.7 Explain the requirements and the frequency of reporting for the following VAT schemes</p> <ul style="list-style-type: none">• Annual accounting• Cash accounting• Flat rate scheme• Standard scheme <p>1.8 Recognise the implications and penalties for the organisation resulting from failure to abide by VAT regulations including late submission of VAT returns</p>

PRINCIPLES OF CASH MANAGEMENT**R6004938 Credit value: 2**

Learning Outcomes	Assessment criteria
1 Understand how the external environment impacts on how an organisation manages cash assets	<p>1.1 Explain how the government monetary policies affect an organisation's treasury functions</p> <p>1.2 Explain how recording and accounting practices may vary in different parts of the organisation</p> <p>1.3 Describe how an organisation's principles of</p>

	<p>cash management will be determined by their specific financial regulations, guidelines and security procedures</p> <p>1.4 Identify statutory and other regulations relating to the management of cash balances in different types of organisations</p>
<p>2 Be able to make informed decisions regarding the management of cash balances within an organisation</p>	<p>2.1 Identify characteristics of the main types of cash receipts and payments of:</p> <ul style="list-style-type: none"> • regular revenue receipts • capital receipts • exceptional receipts and payments • drawings <p>2.2 Explain how an organisations can raise finance from a bank through overdrafts and loans, and the basic terms and conditions associated with each of these types of financing</p> <p>2.3 Explain the different types of investment, risks and terms and conditions associated including</p> <ul style="list-style-type: none"> • Certificate of deposit • Government securities • Local authority short term loans • Shares
<p>3 Understand a range of accounting and other business techniques used to improve the efficiency of cash management procedures within an organisation</p>	<p>3.1 Identify the component parts of cash budgets and how these are presented to aid decision making</p> <p>3.2 Explain the effects of lagged receipts and payments upon an organisation's cash management</p> <p>3.3 Describe the relationship between cash flow accounting and accounting for income and expenditure</p> <p>3.4 Identify the principles of liquid management</p> <p>3.5 Explain the statistical techniques that can be used for estimating future trends</p> <ul style="list-style-type: none"> • Moving averages • Allowance for inflation <p>3.6 Identify the ways to manage risk and exposure when investing, to minimise potential losses to the organisation</p>

CASH MANAGEMENT

L6004940 Credit value: 3

Learning Outcomes	Assessment criteria
1 Prepare forecasts of income and expenditure for a given accounting period	<p>1.1 Determine the likely pattern of cash flows over the accounting period and anticipate any exceptional receipts or payments</p> <p>1.2 Ensure forecasts of future cash payments and receipts agree with known income and expenditure trends</p> <p>1.3 Prepare cash budgets and clearly indicate net cash requirements</p>
2 Use forecasts to monitor cash flow within the organisation	<p>2.1 Monitor cash receipts and payments against budgeted cash flow</p> <p>2.2 Identify significant deviations from the cash budget and take corrective action with organisational policies</p>
3 Use cash balances effectively	<p>3.1 Observe the organisation's financial regulations and security procedures</p> <p>3.2 Take accounts of trends in the economic and financial environment in managing cash balances</p> <p>3.3 Manage cash, overdrafts and loans in order to maintain an adequate level of liquidity in line with cash forecasts</p> <p>3.4 Anticipate cash requirements and arrange overdraft and loan facilities on the most favourable terms available</p> <p>3.5 Invest surplus funds according to organisational policy and within defined financial authorisation limits</p>

PREPARING AND COMPLETING VAT RETURNS

J6004953 Credit value: 2

Learning Outcomes	Assessment criteria
1 Complete VAT Returns accurately and in a timely manner	1.1 Correctly identify and extract relevant data for a specific period from the accounting system 1.2 Calculate accurately relevant inputs and outputs <ul style="list-style-type: none">• Standards supplies• Exempt supplies• Zero rate supplies• Imports• Exports 1.3 Calculate accurately the VAT due to, or from, the relevant tax authority 1.4 Make adjustments and declarations for any errors or omissions identified in previous VAT periods 1.5 Complete accurately and submit a VAT return within the statutory time limits along with any associated payments
2 Communicate VAT information	2.1 Inform managers of the impact that the VAT payment may have on the company cash flow and financial forecasts 2.2 Advise relevant people of the impact that any changes in VAT legislation, including the VAT rate, would have on the organisation's recording systems 2.3 Communicate in a courteous manner with the relevant tax authority when seeking guidance

COMPUTERISED ACCOUNTING
L5024403 Credit value: 5

Learning Outcomes	Assessment criteria
1 Access, enter and edit accounting information	1.1 Set up procedures for entry of accounting data accurately into records to meet requirements 1.2 Explain how to code new entries 1.3 Locate and display accounting data records to meet requirements 1.4 Check data records meet needs using IT tools, making corrections as necessary 1.5 Explain the risks to data security and procedures used for data protection 1.6 Manage data files effectively in line with local or legal guidelines and conventions for the storage and use of data where available 1.7 Interpret and respond appropriately to a range of data and applications error messages
2 Process business transactions from source documents	2.1 Select and use appropriate tools and techniques to process transactions 2.2 Use software tools to monitor accounts 2.3 Respond appropriately to any transaction errors and problems 2.4 Process period and year end routines
3 Develop and interpret management information reports	3.1 Explain what information is required and how to present it 3.2 Generate and interpret management reports as required 3.3 Customise and format accounting documents and reports according to requirements 3.4 Import and export data and link to other systems and software
4 Set up a computerised accounting system ready for use	4.1 Install and update accounting software as required 4.2 Configure accounting software for use 4.3 Set up package parameters 4.4 Set up initial account balances