



International association of bookkeepers

IAB LEVEL 1 AWARD IN BOOKKEEPING

Qualification Accreditation Number 601/0470/3

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QUALIFICATION SPECIFICATION

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IAB (International Association of Bookkeepers)
Suite 5
20 Churchill Square
Kings Hill
West Malling
Kent ME19 4YU

Telephone: 01732 897750
Email: mail@iab.org.uk

Level 1 Award in Bookkeeping (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.

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 1 Award in Bookkeeping aims to:

- 1 Act as an introduction to the skills and underpinning knowledge of financial record keeping, giving the candidate the necessary skills to record financial transactions in a single entry, manual bookkeeping system.
- 2 Give candidates the necessary underpinning knowledge and skills to assess their own competence and understanding in carrying out a range of basic day-to-day bookkeeping routines and activities using a single entry manual book-keeping system. The activities will include entry of business transactions, and routine basic bookkeeping tasks.
- 3 Give candidates the necessary underpinning knowledge and skills to assess their understanding of the importance of maintaining accuracy, security and integrity in performing any bookkeeping tasks using a single entry manual bookkeeping system.
- 4 Give candidates the option of undertaking further units at Level 2 to enhance their understanding of the professional ethics of bookkeeping and the necessary legislation, at that Level and to gain underpinning knowledge of maintaining a double entry bookkeeping system.
- 5 Enable candidate to progress in their learning to further develop their knowledge, understanding and skills of dealing with financial transactions by:
 - Undertaking further studies of bookkeeping and accounting routines and procedures at Level 2
 - Widening their skills at this level by progressing to the IAB Level 1 Award in Computerised Bookkeeping.

3 Links to National Occupational Standards

Direct relationship based on NOS for Accountancy and Finance (2012) PS-1, FA-1 and FA-2.

4 Target groups

The IAB Level 1 Award in Bookkeeping is aimed at individuals who wish to begin their studies of bookkeeping and gain an entry level qualification at Level 1 of the National Framework from a point of no previous knowledge. It could also be used by those candidates who have some practical knowledge and skills at this level 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 the keeping of a single entry book manual keeping system, suitable for the production of small business accounts and also acts as the underpinning knowledge of bookkeeping for the processing of financial transactions using a computerised accounting system.

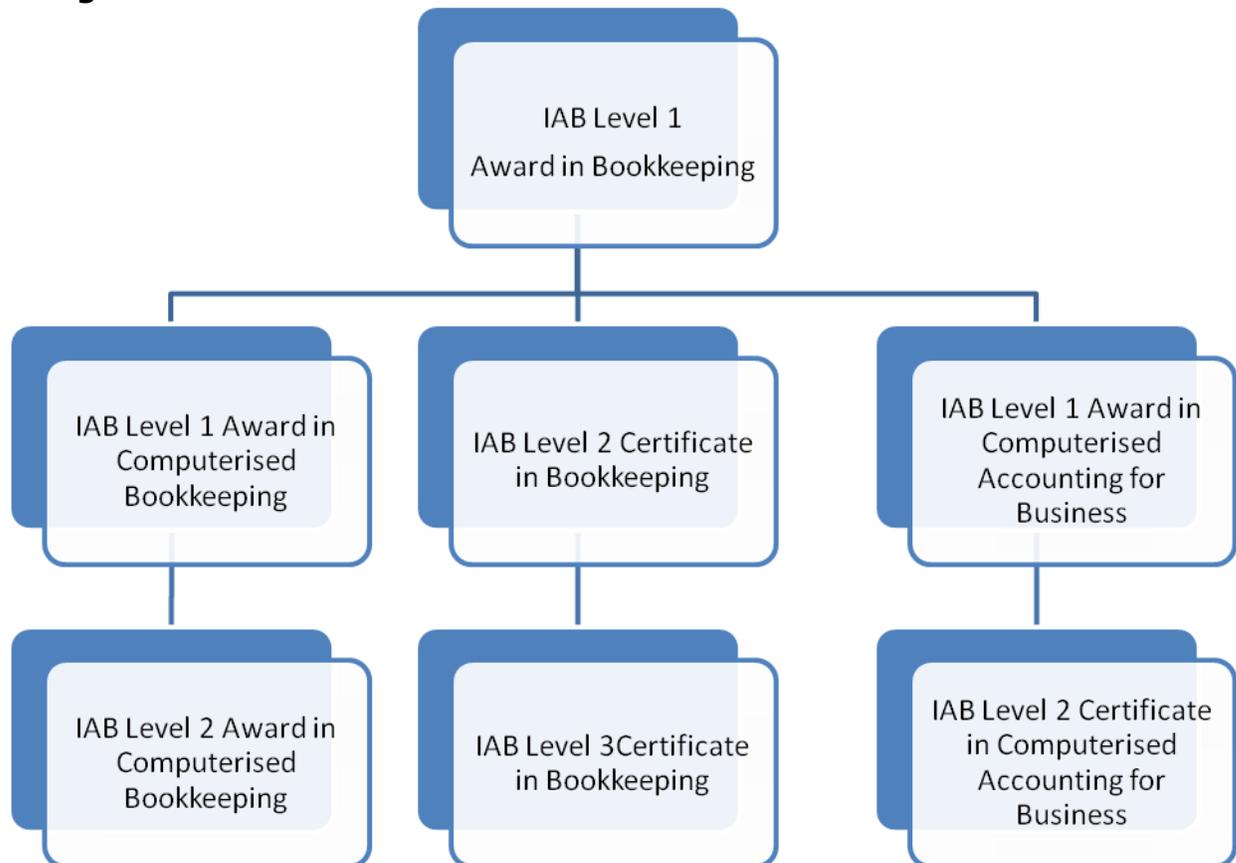
5 Statement of level

This is a level 1 qualification as defined within the regulations of the Qualification and Credit Framework.

6 Entry requirements

There are no formal entry requirements for the level 1 Award in Bookkeeping. However it is recommended that prospective candidates will already have basic skills in both numeracy and literacy prior to embarking on a course of study for this qualification.

7 Progression



8 Qualification Structure

To achieve this qualification, all the **mandatory** units consisting of 9 credits must be achieved. The accreditation number, level and credit value of each unit is as follows:

Mandatory units

Introduction to bookkeeping – M/600/8737 (level 1 – 1 credit)

Working within Bookkeeping - T/600/8738 (level 1 – 2 credits)

Banking procedures – R/505/1098 (level 1 – 1 credit)

Recording receipts and payments - L/600/8745 (level 1 – 1 credit)

Preparing and processing book-keeping documents - M/600/8740 (level 1 – 1 credit)

Recording Credit transactions - A/600/8742 (level 1 – 1 credit)

Making and receiving payments - J/600/8744 (level 1 – 1 credit)

Maintaining petty cash records – R/505/1120 (level 1 – 1 credit)

9 Assessment and Grading

Assessments can consist of a combination of knowledge tests, assignments or a project. In order to successfully complete the qualification all the modes of assessment listed in the table below must be successfully completed.

For this qualification the IAB will provide all assessment material including knowledge tests and assignments. For paper based assignments, it is expected that the accredited centre will mark the original scripts with a 20% sample being forwarded to the IAB for external moderation. Front sheets will be supplied with answer books which will allow the recording of the marks for the assessment and allow for details of internal verification and external moderation.

Internal verification of knowledge tests and assignments

The IAB needs to be assured that at least 25% of Centre based assessments have been internally moderated. A box to be signed by the Internal Verifier is provided for this purpose on the front sheet of the assessment answer booklet. In any batch of assignments forwarded for external moderation the IAB would expect to see some evidence of internal verification.

External moderation of knowledge tests and assignments

It is the responsibility of each centre to choose a cross section of scripts for moderation by the IAB. The IAB would expect to see a high proportion of marginal passes together with scripts that are good passes. If the centre has any doubt about which scripts 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	
Introduction to bookkeeping	Knowledge tests
Working within bookkeeping	
Banking procedures	
Recording receipts and payments	Assignment 1
Preparing and processing bookkeeping documents	Assignment 2
Recording credit transactions	Assignment 3
Making and receiving payments	Assignment 4
Maintaining petty cash records	Assignment 5

To successfully complete the qualification the candidate must pass each of the above **mandatory** elements of assessment. Units are graded as Pass or Fail and the minimum levels of achievement for each unit, within each mode of assessment, will be set as follows:

Knowledge tests	70%
Assignment	70%

The qualification is not graded and therefore on successful completion the learner will receive a Pass in the Level 1 Award in Bookkeeping (QCF) 601/0470/3.

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

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 1 Award in bookkeeping (QCF). The certificate will include the full name and accreditation number of the qualification and the grade obtained.

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 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 units

INTRODUCTION TO BOOKKEEPING – M6008737	
Credit Value: 1 Level: 1	
Learning Outcomes	Assessment criteria
1 Understand the job role and career path for a bookkeeper	1.1 Outline the job role of a book-keeper 1.2 Outline how the role of the book-keeper fits within the business organisation 1.3 Outline how bookkeeping can become a career pathway
2 Understand different types of business organisation	2.1 Give examples of different types of business organisation 2.2 Define the organisations known as <ul style="list-style-type: none"> • sole trader • partnership
3 Know the terminology used in bookkeeping	3.1 Identify the difference between a book-keeper and an accountant 3.2 Explain the correct use of two of the following (minimum) bookkeeping terms: <ul style="list-style-type: none"> • petty cash imprest system • sales • purchase • customer • supplier • receipt • payment • income • expenditure 3.3 State how two (minimum) of the following bookkeeping documents are used: <ul style="list-style-type: none"> • petty cash voucher • purchase order • invoice • credit note • statement of account • remittance advice

WORKING WITHIN BOOKKEEPING – T6008738**Credit value: 2 Level: 1**

Learning Outcomes	Assessment criteria
1 Understand single-entry bookkeeping	1.1 Explain single entry bookkeeping 1.2 Outline the books used in single entry bookkeeping
2 Know the general principles of VAT	2.1 State when a business must register for VAT 2.2 State the various rates of VAT in general use: <ul style="list-style-type: none">• reduced rate• standard rate• exempt• zero rate
3 Understand what is meant by both cash and credit transactions	3.1 Explain what is meant by cash sales 3.2 Explain what is meant by cash purchase 3.3 Explain what is meant by trading on credit 3.4 Identify the various documents needed to record a credit sale or purchase
4 Understand the principles of coding and batch control	4.1 Explain why a coding system is used for financial transactions 4.2 Outline the use of batch control
5 Understand how to process information in the books of prime entry (excluding the Journal)	5.1 State where to find financial information for entry into the bookkeeping system 5.2 State where to enter relevant information in the books of prime entry (excluding the Journal) 5.3 Outline the need to cross check totals for accuracy
6 Understand responsibilities when working in a bookkeeping environment	6.1 Outline the responsibilities relating to security of data when dealing with customers, suppliers and other external agencies 6.2 Identify where to gain authorisation for expenditure and when dealing with queries related to various financial transactions

BANKING PROCEDURES – R5051098

Credit value: 1 Level: 1

Learning Outcomes	Assessment criteria
1 Understand the banking process	<p>1.1 Identify the main types of account and services, offered by banks to their business customers. To include:</p> <ul style="list-style-type: none">• Deposit accounts• Current accounts• Business loans• Business overdrafts• Telephone and internet banking facilities• Foreign exchange and foreign currency• Safety deposit facilities <p>1.2 Explain the relationship(s) which exists between the bank and a business customer</p> <p>1.3 Describe how the bank clearing system works</p> <p>1.4 Identify the different forms by which payment is made and received by businesses, to include:</p> <ul style="list-style-type: none">• Payment in cash (notes and coins)• Payment by cheque• Payment by plastic card• Payment by standing order and direct debit• Payment by BACS and CHAPS• Payment by telegraphic transfer <p>1.5 Describe the security procedures applied by businesses in respect of the following receipt and payment methods:</p> <ul style="list-style-type: none">• Payment in Cash (notes and coins)• Payment by cheque• Payment by plastic card• Payment using telephone and internet banking <p>1.6 Identify problems for businesses associated with the physical security of monies in respect of forgery, theft, the safekeeping of monies on the business premises and in transferring monies to the bank</p> <p>1.7 Explain the use of automated payment systems and identify the advantages of telephone and internet banking</p>
2 Understand document retention and storage requirements.	2.1 Explain why it is important for an organisation to have a formal document retention policy for source documents supporting transactions processed through its bank account(s)

	<p>2.2 Identify systems commonly used for the filing and storage of banking documents, to include:</p> <ul style="list-style-type: none"> • paying-in books • cheque books • bank statements • loan agreements
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RECORDING RECEIPTS AND PAYMENTS – L6008745	
Credit value: 1	Level: 1
Learning Outcomes	Assessment criteria
1 Maintain a two column analysed cash book	1.1 Enter receipts and payment details from relevant primary records into the two column analysed cash book 1.2 Enter sales tax (e.g VAT) 1.3 Total, balance and cross check the cash book
2 Reconcile the bank statement with the cash book	2.1 Check individual items on the bank statement against the cash book 2.2 Update the cash book from the bank statement 2.3 Prepare a bank reconciliation statement

PREPARING AND PROCESSING BOOKKEEPING DOCUMENTS – M6008740	
Credit value: 1	Level 1
Learning Outcomes	Assessment criteria
1 Process sales invoices and credit notes	1.1 Prepare sales invoices and sales credit notes from source documents 1.2 Calculate relevant sales tax (e.g. VAT) and check it has been applied accurately 1.3 Code sales invoices and credit notes
2 Process supplier invoices and credit notes	2.1 Check the accuracy of supplier invoices and credit notes against Purchase orders, goods received and delivery notes 2.3 Check that agreed trade and bulk discounts have been applied accurately 2.4 Code supplier invoices and credit notes

RECORDING CREDIT TRANSACTIONS - A6008742**Credit value: 1 Level: 1**

Learning Outcomes	Assessment criteria
1 Complete the day books	1.1 Enter the information taken from invoices and credit notes into the following analysed Day Books: <ul style="list-style-type: none">• Sales Day Book• Sales Returns Day Book• Purchases• Purchases Returns Day Book 1.2 Total and cross check the Day Books for accuracy

MAKING AND RECEIVING PAYMENTS – J6008744**Credit value: 1 Level: 1**

Learning Outcomes	Assessment criteria
1 Process cash receipts	1.1 Check supporting documents against cash received 1.2 Prepare a till contents sheet or equivalent and reconcile daily takings 1.3 Prepare notes and coins for banking by completing a paying-in slip
2 Process cheques received and other forms of receipts	2.1 Identify whether cheques received are valid 2.2 Check supporting documents against payments received 2.3 Prepare cheques for banking by completing a paying-in slip
3 Process payment in cash	3.1 Check supporting documents to ensure correct cash payments are made
4 Make payments by cheque	4.1 Complete a cheque correctly
5 Prepare a remittance advice	5.1 Complete a remittance advice

MAINTAINING PETTY CASH RECORDS – R5051120

Credit value: 1 Level 1

Learning Outcomes	Assessment criteria
1 Complete a petty cash voucher	1.1 Prepare petty cash vouchers 1.2 Calculate the VAT element of a VAT inclusive petty cash payment
2 Maintain an analysed petty cash book	2.1 List petty cash vouchers into an analysed petty cash book ensuring that the expenses are entered and analysed and that any VAT input tax is accounted for 2.2 Total and cross cast the petty cash book 2.3 Code the petty cash book 2.4 Transfer column totals from the petty cash book into the double entry bookkeeping system
3 Maintain the petty cash balance	3.1 Balance off the petty cash book and restore the petty cash balance using the imprest system. 3.2 Reconcile the balance of petty cash per the petty cash book with cash in hand 3.3 Prepare a petty cash reimbursement requisition 3.4 Show the reimbursement of the petty cash expenditure in the petty cash book