



Institute of
accountants &
bookkeepers

Qualification Specification

IAB Level 1 Award in
Computerised Bookkeeping

February 2023

Qualification Number: 601/9050/4

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Introduction and purpose of the qualification

Learners who complete the qualification successfully will have basic knowledge, understanding and skills that will enable them to use a commercial computerised accounting package to carry out routine accounting tasks from data they are given. They will be able to recognise the concept on which double-entry processing is based and be able to use some of the basic terms associated with bookkeeping and accounting.

They will also understand the need to maintain the security of a computerised accounting system, the importance of the confidentiality of data, and be able to use a backup function to safeguard against the loss of data.

The qualification introduces learners to some of the source documents commonly used in business for recording transactions in an accounting system. It will give them the skills to process data from source documents. They will be able to use the functions within a computerised accounting package to process purchases and sales, the payment of business expenses and the taking of drawings by the business owner. They will also be able to process receipts and payments through the business bank account and petty cash account, where payment is made or received in cash, by cheque, plastic card, BACS or other automated payment methods. They will also have the skills to account for VAT.

Successful completion of the qualification will give learners the skills required to set up a computerised accounting system for a sole trader by entering opening account balances onto the system. They will also be able to set up customer and supplier accounts. On completing the qualification, learners will have progressed to the stage whereby they can reconcile the balance on the bank current account of the business and use the computerised accounting system to generate simple reports.

Access and Entry Requirements

The entry requirements below are intended for guidance only as applicants may apply with various backgrounds and qualifications.

Approved IAB Centers are responsible for checking applications against the following admission requirements and ensuring learners can fulfil the demands of the qualification before admission and enrolment.

Learners must have appropriate academic skills or be given support by centres to acquire the relevant study skills required for this qualification.

Requirements		Recommended Admission requirements
All learners	Minimum age	14 at enrolment
	English Language	All learners without English as a first language must hold at least IELTS 5.0 or other evidence of competence in English at this level. This course is taught and assessed in English.
	Education	This is an open-access qualification with admission at the discretion of approved IAB Centers for learners they consider able to complete the qualification.

Qualification Level, Size and Structure

The Office of Qualifications and Examinations Regulation (Ofqual), Qualification Wales and CCEA Regulation regulates qualifications, examinations, and assessments in England, Wales, and Northern Ireland. The IAB Level 1 Award in Computerised Bookkeeping is a vocationally related qualification on Qualification Wales, CCEA Regulation and Ofqual Regulated Qualification Frameworks. It adheres to the regulations set out in the regulators' Handbooks.

Regulated qualifications are recognised and trusted by parents, employers and educational establishments globally due to the stringent controls and quality assurance requirements the regulators place on awarding organisations, qualifications and approved delivery centres.

Qualification Size

The qualification is designed to be delivered in 60 hours of TQT (Total Qualification Time), of which 35 are Guided Learning Hours (GLH). TQT is the total amount of time, in hours, expected to be spent by a learner to achieve a qualification.

Definitions:

- **Guided Learning Hours – GLH**
This is the amount of time the average learner is expected to spend in supervised learning and practice but may vary by learner.
- **Total Qualification Time – TQT**
TQT is made up of Guided Learning Hours plus all other time taken in preparation, study or any form of participation in education and training but not under the direct supervision of a lecturer or centre marker.

The following activities are indicative of those included in TQT:

- Guided Learning (GLH) when the lecturer is present, e.g. formal classes, lectures, seminars, tutorials, supervised assessment such as exams or observed practice.
- Independent and unsupervised learning or research.
- Unsupervised coursework or directed activity.
- Watching pre-recorded webinars or podcasts.

- Work placement, self-study, visits to accounting or finance firms, revision and time spent on written assignments.

Learners completing this qualification should be able to demonstrate their ability as independent learners.

Qualification Level

This qualification is at

- Level 1 on the Regulated Qualifications Frameworks in England, Wales, and Northern Ireland.

IAB qualifications comply with level descriptors, which are divided into two categories:

- Knowledge and Understanding.
- Skills.

The descriptors below set out the generic knowledge and skills associated with the typical holder of a qualification at that level.

Level 1 Knowledge descriptor: The holder...	Level 1 Skills descriptor: The holder can...
<ul style="list-style-type: none"> • Has knowledge and understanding of facts, procedures and ideas in an area of study or field of work to complete well-defined tasks and address straightforward problems. • Can interpret relevant information and ideas. • Is aware of a range of information that is relevant to the area of study or work. 	<ul style="list-style-type: none"> • Select and use relevant cognitive and practical skills to complete well-defined, generally routine tasks and address straightforward problems. • Identify, gather and use relevant information to inform actions. Identify how effective actions have been.

Qualification Structure

The following table sets out the qualification structure, units, sizing information, and assessment types for the IAB Level 1 Award in Computerised Bookkeeping. Further details of each unit are included later in the specification.

IAB Level 1 Award in Computerised Bookkeeping				
Learners must achieve the following units, providing 6 credits, all at level 1.				
Credit Value (CV): 6			QAN: 601/9050/4	
Guided Learning Hours (GLH) for Qualification: 35			Total Qualification Time (TQT) for Qualification: 60	
Mandatory Units				
Unit Title	L	CV	GLH	Assessment Method
Introduction to Computerised Accounting	1	1	5	Online knowledge test

Using a Computerised Accounting Application	1	5	30	Sage Business Cloud online assessment
Diploma Total		6	35	

This qualification allows progression to other qualifications, particularly to IAB’s qualifications at Level 2 or further study opportunities.

Qualification Grading Criteria

To achieve the qualification, learners must take and pass the assessments for the two mandatory units of which the qualification is comprised. To pass an assessment, the learner must achieve a minimum of 60% in each assessment to be awarded the certificate.

There are no grade scales – learners will receive either a pass or a fail result.

Assessment Methodology

The assessment methodology implemented by the IAB has been designed to ensure that learners are familiar with the format of the final assessment and ensure that continuous learning and assessment takes place.

The IAB uses a variety of assessment methodologies to ensure learners' competence. These methodologies include online multiple-choice knowledge tests, assignments (if applicable) and a final online summative assessment.

Reasonable Adjustment

As an Awarding Organisation, the IAB has a duty not to discriminate against individuals in relation to conferring qualifications in respect of the protected characteristics set out in the Equality Act 2010. The IAB will take steps when developing specifications, identifying the assessment criteria, and drafting assessment content to minimise the impact on individuals with differing protected characteristics.

The duty for the IAB to make a reasonable adjustment will apply where assessment arrangements would put a learner who has a disability or learning need at a substantial disadvantage compared to a learner who does not have a disability or learning need. In such circumstances, the IAB is required to take steps to mitigate that disadvantage.

Qualification Units

Introduction to Computerised Accounting				
Unit Level 1				
Unit Size	Guided Learning Hours (GLH)	5	Credit Value: (1 credit is 10 hours total study/TQT)	Credits 1
Unit assessed by	Online multiple-choice questions			
Learning Outcome 1	Understand the basics of computerised accounting			

<p>Assessment Criteria</p>	<ul style="list-style-type: none"> • Understand the system of recording business transactions known as ‘double entry’ and recognise the dual aspect concept as being the concept on which double-entry is based • Recognise the elements within the accounting equation and understand the terms assets, capital and liabilities • Recognise the term ‘sole trader’ and understand the characteristics of a sole trader type entity in terms of ownership, control and owner’s financial liability • Understand the purpose of the following within a computerised accounting system: <ul style="list-style-type: none"> ○ the nominal ledger ○ ledger accounts ○ debtor and creditor control accounts ○ supplier and customer files • Understand the use of account codes and the purpose of the chart of accounts • Understand the purpose of the trial balance • Understand the purpose of the bank reconciliation statement • Understand the purpose of the summary audit trail • Understand the link between the processing system and the financial statements (profit and loss account and balance sheet) • Recognise the following security measures designed to protect computer hardware, software and restrict access to the computerised accounting system: <ul style="list-style-type: none"> ○ measures to restrict unauthorised access to premises and offices where computer and confidential information is kept ○ measures to protect the computer system and software from corruption viruses, hackers and predators ○ the use of passwords to restrict access to computer systems
<p>Learning Outcome 2</p>	<p>Understand accounting terms</p>
<p>Assessment Criteria</p>	<ul style="list-style-type: none"> • Understand the following accounting terms: <ul style="list-style-type: none"> ○ income (capital and revenue) ○ expenditure (capital and revenue) ○ drawings ○ cash purchases and sales ○ credit purchases, sales and returns ○ cash (notes and coins), cheque, automated payment (BACS, plastic card, debit and credit card), standing order and direct debit ○ discounts (trade and prompt payment) ○ wages and salaries (gross pay, deductions from pay, and net pay) ○ petty cash

	<ul style="list-style-type: none"> ○ imprest system (petty cash)
Learning Outcome 3	Recognise source documents
Assessment Criteria	<ul style="list-style-type: none"> ● Recognise the following source documents and understand their purpose: <ul style="list-style-type: none"> ○ invoice credit note ○ customer/supplier statement of account ○ remittance advice ○ receipt (to support a payment made in cash, by cheque or plastic card) ○ summaries of takings (to support cash sales) ○ cheque book counterfoil ○ paying in slip ○ bank statement ○ petty cash voucher ● Understand the HMRC rules relating to the retention of source documents
Learning Outcome 4	Understand the basics of the VAT system
Assessment Criteria	<ul style="list-style-type: none"> ● Recognise the government agency responsible for the administration of the VAT system ● Understand the terms 'input tax/purchase tax' and 'output tax/sales tax.' ● Recognise rates of VAT ● Understand the VAT terms 'exempt' and 'outside the scope.' ● Recognise VAT Tax codes ● Understand the requirements of HMRC VAT legislation relating to the calculation of VAT where prompt payment discounts are offered ● Understand the use of VAT sales tax and purchase tax accounts

Using a Computerised Accounting Application				
Unit Level	1			
Unit Size	Guided Learning Hours (GLH)	30	Credit Value: (1 credit is 10 hours total study/TQT)	Credits 5
Unit assessed by	Online assignment using Sage Cloud Business			
Learning Outcome 1	Enter data into a Computerised Accounting Package			
Assessment Criteria	<ul style="list-style-type: none"> ● Enter data accurately, for example: <ul style="list-style-type: none"> ○ Company Name and Address ○ Financial Year ○ Program Date 			

	<ul style="list-style-type: none"> ○ Customer Details Supplier Details Nominal Account name VAT scheme
Learning Outcome 2	Record customer and supplier invoices and credit notes
Assessment Criteria	<ul style="list-style-type: none"> ● Enter information taken from invoices and credit notes into the correct customer and supplier accounts, ensuring the following information is entered accurately: <ul style="list-style-type: none"> ○ Nominal code ○ Invoice/credit note date ○ Appropriate unique reference ○ Appropriate details ○ Amount
Learning Outcome 3	Process payments received from customers and made to suppliers
Assessment Criteria	<ul style="list-style-type: none"> ● Identify amounts due from customers and amounts due to suppliers ● Allocate cash, cheques, and direct bank payments received to the correct customer and nominal accounts ensuring the correct reference and date is used, for example: <ul style="list-style-type: none"> ○ Full payment ○ Part-payment ○ Allocation of relevant credit notes Payments on account ○ Relevant or appropriate settlement discount
Learning Outcome 4	Correct transaction errors
Assessment Criteria	<ul style="list-style-type: none"> ● Make simple corrections to Sales, Purchase and Nominal accounts, for example: <ul style="list-style-type: none"> ○ Change the customer, supplier or nominal account used ○ Change the document reference ○ Change the amount
Learning Outcome 5	Carry out a bank reconciliation
Assessment Criteria	<ul style="list-style-type: none"> ● Match individual items on the Bank Statement against the computer Bank record as at a given date ● Reconcile the computer Bank record as at a given date
Learning Outcome 6	Prepare and produce financial documents to be sent to credit customers
Assessment Criteria	<ul style="list-style-type: none"> ● Use appropriate source documents to prepare service invoices and credit notes to include sales tax (e.g., VAT) and trade discount ● Update the appropriate ledgers
Learning Outcome 7	Maintain the petty cash account
Assessment Criteria	<ul style="list-style-type: none"> ● Introduce a Petty Cash float

	<ul style="list-style-type: none"> • Enter petty cash vouchers ensuring that the correct amount is entered into nominal and tax accounts • Ensure that petty cash transactions are entered into the correct nominal code • Calculate the net value of a petty cash transaction to ensure the sales tax (e.g., VAT) is recorded accurately using the relevant software tool • Identify the amount required to restore the petty cash float and carry out the transaction necessary to do so
Learning Outcome 8	Produce reports using selection criteria and parameters
Assessment Criteria	<ul style="list-style-type: none"> • Produce a variety of routine reports using correct selection criteria and parameters, for example: <ul style="list-style-type: none"> ○ Customer and Supplier Address List ○ Customer and Supplier Histories/Activity Reports ○ Aged Debtor and Aged Creditor Analysis ○ Nominal Account Histories/Activity Report ○ Remittance Advice Note ○ Customer Statements ○ Bank Statement ○ Trial Balance ○ Audit Trail (summary only) ○ Reconciled and non-reconciled bank transactions
Learning Outcome 9	Identify simple data protection, storage and security issues
Assessment Criteria	<ul style="list-style-type: none"> • Identify data security risks when operating a computerised accounting system • Identify how the data may be protected against fire, theft or computer breakdown • Identify how data may be used and stored in accordance with legal requirements or guidelines

Sample Assessments and practice exercises

The IAB has deliberately not included sample assessment questions within this qualification specification. The bespoke material developed will provide sufficient sample questions and practise exercises to ensure that learners are well prepared for the questions covered in the tests, assignments and final exam.

Furthermore, as the curriculum is updated to ensure that learners exiting with the qualification are meeting the needs of business and the latest regulations, legislation and practices, the bespoke material will encompass these changes, whilst any sample paper produced here could become obsolete over time.

About IAB

Introduction

Setting world-class standards and offers learners worldwide the chance to gain the very best financial qualifications – as well as lifelong skills. The IAB is one of the most prestigious not-for-profit organisations for professional bookkeepers in the world. With qualifications regulated by Ofqual, the IAB is a statutory supervisory body under the Money Laundering Regulations. The IAB is also a professional body for bookkeepers.

Founded in 1973, the IAB is both an awarding and professional body. Today, celebrating 50 years of success, it offers a host of regulated bookkeeping and business qualifications and supports and regulates professionals on their career path.

With membership attracting learners, business owners and accounting professionals alike, the IAB's sights are on the future – helping members maintain their skills and respected status.

At the forefront of benchmarking, the IAB works with the government and standard-setting bodies to promote the professional integrity of bookkeepers.

Under the UK Money Laundering Regulations, the IAB is a statutory supervisor – ensuring members in practice comply with the law. Alongside this, it also plays a key role in developing national qualifications too.

Policies

IAB Policies are available to Approved Centres and learners to refer to in the administration and the delivery of the programme.

Location

IAB offices are in central London, United Kingdom, within easy walking distance of underground and bus stops. We always welcome visits from Centres and encourage this wherever possible.

Website

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