INSTITUTE OF ACCOUNTANTS AND BOOKKEEPERS

Qualification Specification

IAB Level 1 Award in Bookkeeping

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iab.org.uk

Document history

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Introduction

The objective of this Qualification Specification is to provide an overview of the IAB Level 1 Award in Bookkeeping.

This document includes the aim, size, level, structure and content, including learning outcomes and assessment criteria.

There is guidance relating to the centre approval requirements, delivery and assessment for this qualification, and details of grading criteria and the grading of units.

Purpose of the qualification

Learners who complete the qualification successfully will have knowledge and understanding of basic and technical terms used by bookkeepers and will be able to apply concepts that are fundamental to the function of bookkeeping.

They will be able to recognise the common source documents from which transactions are recorded in the books of account and be able to use source documents for the purpose of recording transactions in a manual bookkeeping system using double entry processing techniques.

Successful completion of the qualification will give learners the skills required to classify business income and expenditure so that they will be able to record capital income and expenditure, account for purchases and sales, the payment of business expenses and the taking of drawings.

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. Learners will also have the skills to account for VAT.

On completing the qualification, learners will have progressed to the stage whereby they can verify the accuracy of their work by carrying out the routine tasks of balancing off ledger accounts, preparing a trial balance, and carrying out other checks on accuracy by reconciling the bank current account and petty cash account balances.

Target learners

The Level 1 Award in Bookkeeping has been designed to appeal to learners who are:

- starting their studies in the subject of bookkeeping from a point of no previous knowledge or experience
- employed at a junior level with some limited basic bookkeeping knowledge and skills, who want to formalise their competence by gaining a recognised accredited qualification in bookkeeping
- returning to study and/or work after a study or career break

- considering a change in career
- considering a career as a self-employed practitioner
- wanting an introduction to the function of bookkeeping with a view to keeping financial records for their own small business.

Entry requirements

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

Approved IAB Centres are responsible for checking applications against the following entry requirements and ensuring learners can fulfil the demands of the qualification before registration.

There are no formal entry requirements for the Level 1 Award in Bookkeeping qualification. However, it is recommended that prospective learners have acquired basic skills in both numeracy and literacy prior to starting their studies in this subject area.

Progression

Holders of the Level 1 Award in Bookkeeping qualification may progress to another qualification at:

- Level 1 carrying with them credits for units achieved to expand their knowledge and skills in the subject area
- a higher level, thereby developing their knowledge and skills in the subject area.

Qualification size, level and structure

The Office of Qualifications and Examinations Regulation (Ofqual), and CCEA regulate qualifications, examinations, and assessments in England, and Northern Ireland. The IAB Level 1 Award in Bookkeeping is a vocationally-related qualification on the Ofqual and CCEA Register of Regulated Qualifications.

Qualification size

The Total Qualification Time (TQT) and Guided Learning Hours (GLH) for this qualification are as follows:

Total Qualification Time (TQT)	Guided Learning Hours (GLH)
50 hours	32 hours

TQT, including GLH, is calculated by considering the different activities that learners would typically complete to achieve and demonstrate the learning outcomes of the qualification.

Individual learners' requirements and individual teaching styles mean there may be variation in the actual time taken to complete a qualification.

Values for TQT, including GLH, are estimates.

Some examples of activities that can contribute to TQT include:

- independent and unsupervised research/learning
- unsupervised e-learning
- unsupervised e-assessment
- unsupervised coursework
- watching a pre-recorded podcast or webinar
- unsupervised work-based learning
- all GLH.

Some examples of activities that can contribute to GLH include:

- classroom-based learning supervised by a teacher
- work-based learning supervised by a teacher
- live webinar or telephone tutorial with a teacher in real time
- e-learning supervised by a teacher in real time
- all forms of assessment that take place under the immediate guidance or supervision of a teacher, supervisor, tutor or other appropriate provider of education or training.

Qualification level

This qualification is at Level 1 on the Register of Regulated Qualifications in England and Northern Ireland.

IAB qualifications comply with level descriptors set by Ofqual, 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.

Knowledge descriptor The holder:	**Skills descriptor** The holder can:
• has basic factual knowledge of a subject and/or knowledge of facts, procedures, and ideas to complete well-defined routine tasks and address simple problems • is aware of aspects of information relevant to the area of study or work.	• use basic cognitive and practical skills to complete well-defined routine tasks and procedures • select and use relevant information • identify whether actions have been effective.

Qualification structure

The qualification is made up of three mandatory units. The structure, units, sizing information and assessment types for the IAB Level 1 Award in Bookkeeping are set out in the following table. Further details of the units are included later in the specification.

Unit title	GLH	Assessment method
Introduction to bookkeeping	6	Online knowledge test (1 hour)
Keep double entry records and prepare a trial balance	20	Online assignment (2 hours)
Prepare reconciliations	6	Online assignment (1 hour)
Total	32	

Assessment, achievement and grading

Methods of assessment

The assessments for each unit are delivered online via the IAB Education platform. Pilot assessments are provided for the purposes of practice and revision. Pilot assessments are not timed and can be undertaken as many times as the learner chooses. Once the pilot assessment is passed, the learner can attempt the live assessment. Live assessments are timed.

Non-programmable calculators are required to complete the assessments.

Please note that mobile phones cannot be used to sit these assessments as some required functionality will not be available.

Delivering assessments

The IAB 'Assessment Delivery Policy' applies to all IAB qualifications and assessments and must be followed by approved centres to ensure that IAB assessments are delivered in accordance with the requirements.

A copy of this policy is made available to centres upon approval. The policy can also be requested from the IAB Awarding Organisation team at ao@iab.org.uk.

Marking and moderation

All marking is completed automatically by the IAB Education platform against the relevant assessment criteria and mark scheme. Moderation is a process undertaken following the marking of assessments prior to a result being released to learners. Moderation acts as a filter, which ensures that an assessment outcome (for example a mark and / or grade) is fair, valid, and reliable. Moderation ensures that the mark scheme was applied correctly, all parts of the assessment were marked and that the marks were totalled and recorded correctly.

Achievement and grading

To achieve the qualification, learners must take and pass the assessments for the three 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.

Certification

Upon confirmation of achievement of the three mandatory units, the learner will receive an IAB Level 1 Award in Bookkeeping certificate. The certificate will carry the full name of the learner as registered.

Reasonable adjustment

As an Awarding Organisation, the IAB has a duty not to discriminate against individuals in relation to conferring qualifications regarding 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 of 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 must take steps to mitigate that disadvantage.

Please refer to the Centre Area of the IAB website www.iab.org.uk for a copy of the Policy and associated procedure.

Results enquiries and appeals

Please refer to the Centre Area of the IAB website www.iab.org.uk for further information about the process, procedures and policies for making a results enquiry and/or an appeal.

Unit specifications

The unit specifications (*see* below) indicate the content, in terms of learning outcomes and assessment criteria, of each of the three mandatory units within the Level 1 Award in Bookkeeping qualification.

All the learning outcomes and assessment criteria must be covered by providers when delivering the qualification. Each live assessment covers a selection of the unit learning outcomes and assessment criteria and full coverage is achieved across the live assessment variations for each unit.

The content of the assessments is subject to ongoing review by the IAB and changes periodically.

Unit	Introduction to Bookkeeping		
Level	1		
GLH	6	TQT	10

Learning Outcomes	Assessment Criteria
1. Understand the basics of double entry bookkeeping	1.1 Understand the function of bookkeeping 1.2 Understand the system of recording business transactions known as 'double entry bookkeeping' 1.3 Recognise the term 'sole trader' and understand the characteristics of a sole trader type entity in terms of ownership, control and owner's personal financial liability 1.4 Understand the purpose of the following within a manual double entry bookkeeping system: • the journal • the ledger • ledger accounts • petty cash book 1.5 Recognise elements within the accounting equation and understand the terms assets (fixed and current), capital and liabilities (long-term and current) 1.6 Understand the basic accounting concepts of: • business entity • dual aspect 1.7 Understand how the bookkeeping system links with the preparation of financial statements (trading and profit or loss account and balance sheet - an overview only of financial statements is required, learners will not be required to prepare financial statements) 1.8 Understand how coding is used in a bookkeeping system to identify accounts and as the basis of a chart of accounts 1.9 Understand the need for security of the bookkeeping system and the confidentiality of information and data
2. Understand bookkeeping terms	2.1 Understand the use of the following bookkeeping terms: • income (capital and revenue) • expenditure (capital and revenue) • drawings • stock • 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)

	• single transaction processing • batch processing • discounts (trade and prompt payment) • wages and salaries (gross pay, deductions from pay, and net pay) • petty cash • imprest system (petty cash)
3. Recognise source documents and understand their purpose	3.1 Understand the purpose of the following source documents and files: • customer and supplier files • invoice • credit note • customer/supplier statement of account • remittance advice • receipt (to support a payment made in cash, by cheque or plastic card) • end of day sales summaries (to support payments received in cash, by cheque or plastic card) • cheque book counterfoil • paying-in slip • bank statement • petty cash voucher • payroll analysis 3.2 Understand the HMRC rules relating to the retention of source documents
4. Understand the basics of VAT	4.1 Recognise the government agency responsible for administration of the VAT system 4.2 Understand the terms 'input tax' and 'output tax' 4.3 Recognise the rates of VAT 4.4 Understand the terms 'exempt' and 'outside the scope' 4.5 Understand the requirements of HMRC VAT legislation relating to the calculation of VAT where prompt payment discounts are offered
5. Understand the purpose of the trial balance and petty cash and bank reconciliations	5.1 Recognise the format of the trial balance 5.2 Understand the purpose of a trial balance and the process of preparing the trial balance 5.3 Understand the purpose of a petty cash reconciliation statement 5.4 Understand the purpose of the bank reconciliation statement and the process of preparing the statement

Unit	Keep double entry records and prepare a trial balance		
Level	1		
GLH	20	TQT	30

Learning Outcomes	Assessment Criteria
1. Use the journal	2.1 Prepare a journal entry as the basis of recording opening account balances for a sole trader in a double entry bookkeeping system
2. Record transactions in a double entry bookkeeping system	2.1 Use an entry in the journal to record balances in ledger accounts to set-up a double entry bookkeeping system for a sole trader 2.2 Use invoices issued and received to record credit based sales and purchases 2.3 Use credit notes issued and received to record sales and purchases returns 2.4 Use an invoice received from a supplier to record the purchase of a fixed asset 2.5 Use summaries of cash sales (till summaries/takings summaries) to record cash sales 2.6 Use information provided by the owner of a business, and/or supporting documentation, to record additional capital introduced by the owner 2.7 Record loan capital in the bookkeeping system 2.8 Use a petty cash voucher to record petty cash expenditure in a petty cash book 2.9 Total and balance off the petty cash book, transfer totals from the petty cash book into appropriate ledger accounts 2.10 Record the top-up of the petty cash float 2.11 Record payments made to a supplier for cash purchases, the payment of business expenses, net pay to employees and proprietor drawings 2.12 Use a remittance advice issued to a credit supplier to record a payment made by cheque or BACS, in full settlement or part payment of an invoice 2.13 Use a remittance advice received from a credit customer to record a payment received by cheque or BACS, in full settlement or part payment of an invoice 2.14 Record the transfer of cash from the cash account to the bank current account 2.15 Use a bank statement to record bank charges, a BACS payment to a supplier, a BACS receipt from a customer, and automated

	payments by standing order and direct debit.
3. Prepare a trial balance	3.1 Balance off ledger accounts clearly showing closing balances carried down and brought down 3.2 Correctly enter closing ledger account balances on a trial balance 3.3 Total the trial balance debit and credit columns and prove the arithmetic accuracy of the double-entry bookkeeping system.

Unit	Prepare reconciliations		
Level	1		
GLH	6	TQT	10

Learning Outcomes	Assessment Criteria
1. Reconcile the petty cash balance	1.1 List the results of a physical count of petty cash on a petty cash reconciliation statement 1.2 Record the closing balance on a petty cash ledger account, or in a petty cash book on a cash reconciliation statement 1.3 Agree the total of physical cash held by a business with the balance in the petty cash book
2. Prepare a bank reconciliation statement	2.1 Match transactions recorded in the bank current account in the ledger of a business with the transactions posted on a statement of account received from the bank 2.2 Identify time-lag differences between transactions recorded in a bank current account in the ledger of a business and those recorded on a statement of account received from the bank 2.3 Prepare a statement to reconcile the closing balance on the bank current account in the ledger of a business with the closing balance on a statement of account received from the bank 2.4 Update the bank current account in the ledger of a business following reconciliation

Sample assessments

The IAB has deliberately not included sample assessment questions within this qualification specification. Pilot assessments for the knowledge tests, assignments and final exam are provided on the IAB Education platform for the purposes of practice and revision. Pilot assessments are not timed and can be undertaken as many times as the learner chooses.

Delivering IAB qualifications

Staffing and physical resource requirements for centres

The IAB, in line with regulatory requirements, has a Centre Agreement in place which covers the two-way obligations between the IAB as the Awarding Organisation and each centre delivering our qualifications. A key section of this agreement is to ensure a professional approach to the delivery of teaching, learning and assessment, leading to the best learner experience.

Each centre engaged with the IAB is required to ensure viable levels of staffing, managerial and financial resources are in place to enable it to effectively and efficiently deliver the qualifications as required by the Awarding Organisation.

Quality assurance

Any centre approved to offer IAB qualifications is subject to a rigorous quality assurance regime to ensure compliance with the requirements set out in the Centre Agreement and any regulatory conditions. This regime includes, but is not limited to, policy and procedure review, performance review, on-site monitoring visits and virtual interviews to assess how well that centre operates in delivering IAB qualifications.

IAB policies and procedures

Policies and procedures are in place to provide a framework and outline the IAB's approach and objectives for key areas along with defined processes to be followed. These documents ensure credibility, compliance, consistency, and quality in the design, delivery, and awarding of qualifications. Relevant policies are issued to approved centres alongside Centre Agreements. These can also be accessed by contacting our awarding organisation team via ao@iab.org.uk

Examples of the Policies that can be found include, but are not limited to:

- Adverse Effects
- Anti-Bribery and Anti-Corruption
- Assessment Delivery
- Complaints
- Conflict of interest
- Contingency Plan

- Enquiries and appeals
- Equality, Diversity and Inclusion
- Malpractice and Maladministration
- Plagiarism, Collusion and Cheating
- Reasonable Adjustments
- Recognition of Prior Learning
- Results and Certification
- Sanctions
- Special Considerations
- Withdrawal of approval

Centres delivering IAB qualifications should refer to the relevant policy for guidance as appropriate.

Equality and diversity

The IAB is committed to ensuring an inclusive, safe and welcoming environment for all learners undertaking its qualifications. Our Equality, Diversity and Inclusion Policy requires all learners to have equal opportunity to access our qualifications and assessments, and our qualifications to be awarded in a way that is fair to every learner.

Approved centres delivering IAB qualifications must have a policy relating to equal opportunities, diversity and inclusion to ensure a positive learning environment is provided to all learners. This is reviewed and assessed as part of our monitoring process which may include on-site inspections.

Contact us

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