INSTITUTE OF ACCOUNTANTS AND BOOKKEEPERS

Qualification Specification

IAB Level 2 Certificate in Computerised Bookkeeping

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Introduction

The objective of this Qualification Specification is to provide an overview of the IAB Level 2 Certificate in Computerised 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 the knowledge and skills to use a commercial computerised accounting package. They will recognise the advantages of using a computerised accounting system. They will understand the need for measures to be in place to maintain the security of computer hardware, software, and data. They will also set up a computerised accounting system for a business by inputting opening account balances. They will also be able to set up accounts for customers and suppliers. They will develop skills that will enable them to create a variety of business documents. They will also be able to input the data from source documents to account for transactions with a business's cash as well as credit suppliers and customers.

The qualification aims to give the learner the skills required to use a journal by preparing journal entries and processing transactions from the journal through the accounting system. Successful completion of the qualification will give learners the skills required to be able to process receipts from a business's customers and payments to its suppliers in cash, by cheque, plastic card, BACS or other automated payment methods through a bank current account and have the skill to be able to reconcile the balance on the bank current account against the balance on a statement of account received from a bank. They will also be able to process payments made by a business from petty cash.

On completing the qualification, learners will have progressed to a stage whereby they understand how the VAT system operates, the skill to calculate VAT and use accounts to record VAT purchase tax and sales tax. They will also generate several reports for general use or use by management.

Target learners

The IAB Level 2 Certificate in Computerised Bookkeeping qualification has been designed to appeal to learners:

- who wish to further their studies of computerised accounting and gain a qualification at Level 2 of the regulated qualification framework, either from the point of no previous knowledge or having already achieved the IAB Level 1 Award in Computerised Bookkeeping

- who already have some practical knowledge and skills and wish to gain an accredited qualification in the subject of computerised accounting.
- who are considering a career as a self-employed practitioner, and
- owners of small businesses as it gives coverage of the use of commercially available computerised software suitable for maintaining accounts for a 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 2 Certificate in Computerised 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 2 Certificate in Computerised Bookkeeping qualification may progress to another qualification at:

- Level 2 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 2 Certificate in Computerised 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)
130 hours	55 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 2 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 learner:	Skills descriptor The learner can:
• 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 • is aware of a range of information relevant to the area of study or work • can interpret relevant information and ideas.	• 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 qualification is made up of two mandatory units. The structure, units, sizing information and assessment types for the IAB Level 2 Certificate in Computerised Bookkeeping are set out in the following table.

Unit title	GLH	Assessment method
Principles of computerised accounting and VAT	15	Online knowledge test (1 hour)
Use a computerised accounting system	40	Sage Business Cloud online assignment (3 hours)
Total	55	

Assessment, achievement and grading

Methods of assessment

The online knowledge test is delivered online via the IAB Education platform and the online assignment via the Sage 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 and must be completed under controlled conditions.

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 and Sage platforms 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 two mandatory units of which the qualification is comprised. To pass an assessment, the learner must achieve:

- 60% or above for the online knowledge test
- 70% or above for the online assignment

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

Certification

Upon confirmation of achievement of all the mandatory units, the learner will receive an IAB Level 2 Certificate in Computerised 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 two mandatory units within the Level 2 Certificate in Computerised 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	Principles of computerised accounting and VAT		
Level	2		
GLH	15	TQT	30

Learning Outcomes	Assessment Criteria
1 Understand the basics of computerised accounting	1.1 Understand the following accounting functions: • financial accounting • management accounting 1.2 Understand the characteristics of a sole trader, partnership, and limited company entities in terms of ownership, control, and owner's financial liability. 1.3 Understand the system of recording business transactions known as 'double entry.' 1.4 Recognise elements within the accounting equation and understand the terms assets, capital, and liabilities and how the accounting equation relates to the principle of double-entry. 1.5 Understand how the following accounting concepts are applied – business entity, dual aspect, and money measurement. 1.6 Recognise the advantages of using a computerised accounting system. 1.7 Understand the use of account codes and the purpose of the chart of accounts. 1.8 Understand the purpose of the following within a computerised accounting system: • ledger accounts • the nominal ledger • debtor and creditor control accounts • supplier and customer files • customer and supplier activity/history reports • aged debtor and creditor reports • trial balance • summary audit trail • bank statement reconciled and unreconciled transactions. 1.9 Understand the terms 'single transaction processing' (real-time processing) and 'batch processing', and know-how bookkeepers use these processing techniques. 1.10 Recognise the following security measures designed to protect computer hardware, software and restrict access to the computerised accounting system:

	• 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. 1.11 Recognise the principles which apply to the keeping and confidentiality of data. 1.12 Understand the need for a backup policy as a safeguard against the loss of data due to unforeseen circumstances
2 Understand terms used in accounting	2.1 Have a knowledge and understanding of the following terms: • business transaction • income (capital and revenue) • expenditure (capital and revenue) • cash purchases and sales • credit purchases and sales, and purchases and sales returns • profit and loss • drawings • stock • trade debtors and creditors • bad debt • discounts (trade, bulk, and prompt payment discounts) • wages, salaries, gross pay, net pay, and statutory and voluntary deductions
3 Recognise source documents and understand their purpose	3.1 Recognise the following documents and know how they are used as the source of recording transactions in a bookkeeping system: • invoice • credit note • statement of account (customer and supplier) • remittance advice • receipt • takings/sales summary • cheque counterfoil • paying-in slip • bank statement 3.2 Understand how the following are used in the preparation of invoices and credit notes:

	• supplier and customer files • purchase order • delivery note • goods returned note. • catalogues, price lists and quotations 3.3 Know the HMRC rules for retaining source documents
4 Understand the basics of the VAT system	4.1 Understand how VAT is collected and passed on. 4.2 Recognise the government department responsible for the administration of the VAT system. 4.3 Understand who needs to register for VAT. 4.4 Understand the following VAT terms: • taxable supplies • input tax (purchase tax) • output tax (sales tax) 4.5 Recognise the three rates of VAT (standard, zero and reduced rate) 4.6 Understand the VAT terms 'exempt' and 'outside the scope.' 4.7 Recognise VAT tax codes
5 Understand HMRC VAT rules	5.1 Understand the HMRC VAT rules relating to: • the keeping of VAT records • the preparation and presentation of invoices (including the invoicing options and the calculation of VAT where prompt payment discounts are offered) • the VAT tax point • accounting for VAT bad debt relief • surcharges and penalties for mistakes and delays 5.2 Understand the HMRC VAT rules relating to options for preparing invoices where a supplier offers a prompt payment discount to a customer and the rules for accounting for a VAT adjustment where the offer of a prompt payment discount is taken-up
6 Understand the purpose of VAT accounts and the VAT return	6.1 Understand the purpose of the VAT purchase tax and sales tax accounts. 6.2 Understand the function of the VAT return (VAT 100)

Unit	Use a computerised accounting system		
Level	2		
GLH	40	TQT	100

Learning Outcomes	Assessment Criteria
1 Be able to enter and/or restore data using a computerised accounting package	1.1 Enter and/or restore data accurately, for example: • company name and address • financial year • program date • customer details • supplier details • nominal accounts • VAT scheme
2 Be able to set up assets, capital, and budgets	2.1 Enter nominal account opening balances. 2.2 Enter budgets
3 Be able to record customer and supplier invoices and credit notes	3.1 Enter invoices and credit notes into the correct customer and supplier accounts, using the correct data and appropriate reference and details
4 Enter invoices and credit notes into the correct customer and supplier accounts, using the correct data and appropriate reference and details	4.1 Allocate monies received by cheque, cash, and automatic transfer to the correct customer account, for example: • part payment • payments made on account. • payments taking account of credit notes. • payments taking account of previous payments on account. • settlement discount 4.2 Enter the correct reference and date. 4.3 Identify amounts owed by customers. 4.4 Process bad debts, contra entries and dishonoured cheques
5 To be able to process payments to suppliers	5.1 Allocate monies received by cheque, cash, and automatic transfer to the correct supplier account, for example: • part payment • payments made on account. • payments taking account of credit notes. • payments taking account of previous payments on account. • settlement discount

	5.2 Enter the correct reference and date. 5.3 Identify amounts due for payment to suppliers. 5.4 Process contra entries
6 To be able to process non-credit payments and receipts	6.1 Process cash and cheque payments and receipts for expenditure and income made on a non-credit basis. 6.2 Process recurring payments and receipts such as direct debits, standing orders, credit transfers, etc. 6.3 Calculate the tax element (e.g., VAT) where the gross amount and the rate of tax is given for both payments and receipts
7 Be able to process journals	7.1 Process journals for at least three of the following transactions: • record the purchase of new fixed assets. • make simple corrections to nominal ledger accounts • record goods taken by the owner for own use where tax (e.g., VAT) is not involved • record assets introduced by the owner • process bad debts from non-credit customers
8 Be able to produce reports using selection criteria and parameters	8.1 Produce a variety of routine reports using correct selection criteria and parameters, for example: • customer and supplier address lists • customer and supplier histories/activity • aged debtors and aged creditors analysis • remittance advice notes • customer statements • budget reports • nominal account activity • audit trail • trial balance
9 Be able to process petty cash payments and receipts	9.1 Introduce or restore and/or increase a petty cash float. 9.2 Enter petty cash voucher and receipt details, ensuring that they are coded to the correct nominal code. 9.3 Calculate the tax element (e.g., VAT) where the gross amount and rate of tax is given for both payments and receipts
10 Be able to correct transaction errors	10.1 Make simple corrections to nominal ledger transactions, for example: • changes of account

	• references • amounts • tax codes
11 Be able to process salary journals	11.1 Enter details from wages and salary information provided, including: • gross wages and salaries • net wages and salaries • statutory deductions owed to HM Revenue & Customs • Payments to the Collector of Taxes • Non-statutory deductions
12 Be able to carry out bank reconciliation	12.1 Match individual items on the bank statement against the computer bank record. 12.2 Update the computer bank record with additional items from the bank statement

Sample assessments

The IAB has deliberately not included sample assessment questions within this qualification specification. Pilot assessments for the knowledge tests and assignments are provided on the IAB Education and Sage platforms 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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