



## **IAB LEVEL 1 AWARD IN MANUAL BOOKKEEPING**

Qualification Accreditation Number **500/9406/3**

(Accreditation end date - 31<sup>st</sup> December 2012)

### **QUALIFICATION SPECIFICATION**

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# **Level 1 Award in Manual 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.

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.

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 Manual Bookkeeping aims to:

- 1 Act as an introduction to the practical elements 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 skills to assess their own competence 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 skills to assess the implications of maintaining accuracy when performing any practical 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:
- Completing the units necessary to receive the full Level 1 Award in Bookkeeping
  - 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 PS-1, FA-1 and FA-2

### **4 Target groups**

The IAB Level 1 Award in Manual 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 some of the underpinning knowledge required for the processing of financial transactions using a computerised accounting system.

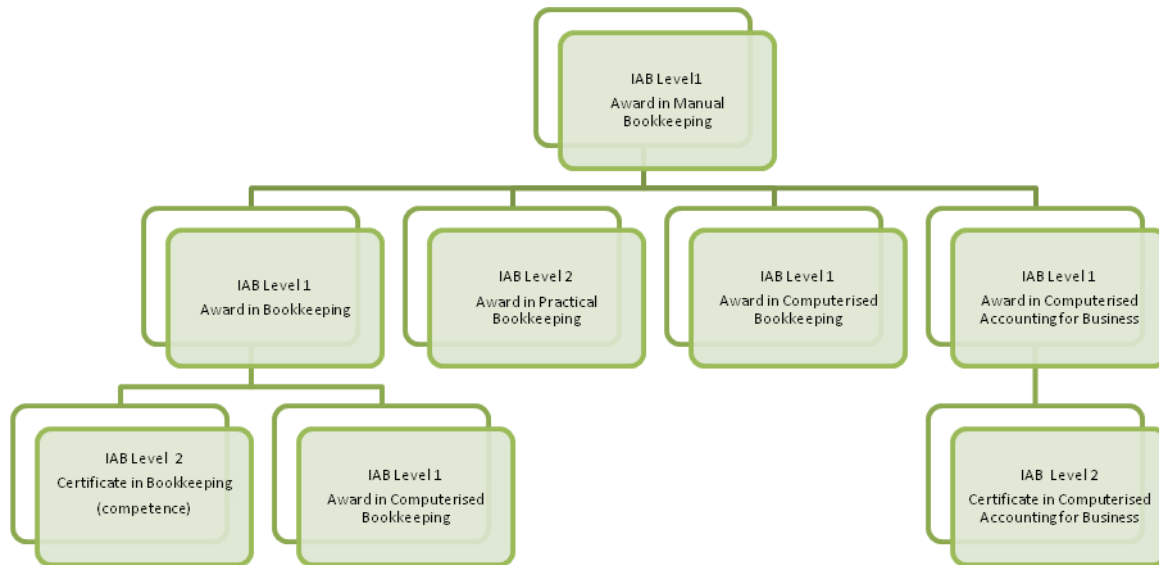
### **5 Statement of level**

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 Manual 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, only the **mandatory** units consisting of 5 credits must be achieved. The additional option units are provided purely as a progression opportunity, but are not a compulsory element of the qualification. The accreditation number, level and credit value of each unit is as follows:

### Mandatory units

**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/600/8746 (level 1 – 1 credit)

### Option units

**Principles of recording and processing financial transactions** - A/600/8756 (level 2 – 2 credits)

**Professional values and basic business legislation** - F/600/8757 (level 2 – 1 credit)

## 9 Assessment and Grading

With the introduction of the QCF the IAB has introduced additional assessments to supplement the standard form of examination. The additional 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 the knowledge tests, assignment and examination. For assessments other than the examination 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. IAB examinations will be offered as standard sittings in January and June, or on an 'on demand' basis. All 'on demand' sittings are subject to a minimum period of notice.

### 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
<b>Mandatory</b>	
Recording receipts and payments	<b>Assignment 1</b>
Preparing and processing bookkeeping documents	
Recording credit transactions	<b>End examination 1</b>
Making and receiving payments	
Maintaining petty cash records	
<b>Option</b> (additional and not required to obtain the qualification)	
Principles of recording and processing financial transactions	<b>Knowledge test 1</b>
Professional values and basic business legislation	

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 test	70%
Assignment	70%
Examination	70%

On successful completion of the **mandatory** units, the learner will be awarded one of the following grades for the qualification:

70 - 80	B
80 – 90	A
90+	A*

Successful completion of the 2 option units will not affect the grade for the overall qualification, but these units will be transferred to the Personal Learner Record (if applicable) and can be used against other qualifications including the IAB level 2 Certificate in Bookkeeping.

## **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 Manual 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](http://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](http://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

<b>RECORDING RECEIPTS AND PAYMENTS – L6008745</b>	
<b>Credit value: 1</b>	<b>Level: 1</b>
<b>Learning Outcomes</b>	<b>Assessment criteria</b>
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

<b>PREPARING AND PROCESSING BOOKKEEPING DOCUMENTS – M6008740</b>	
<b>Credit value: 1</b>	<b>Level 1</b>
<b>Learning Outcomes</b>	<b>Assessment criteria</b>
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  2.1 Check that agreed trade and bulk discounts have been applied accurately  2.2 Code supplier invoices and credit notes

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

<b>Learning Outcomes</b>	<b>Assessment criteria</b>
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"><li>• Sales Day Book</li><li>• Sales Returns Day Book</li><li>• Purchases</li><li>• Purchases Returns Day Book</li></ul> 1.2 Total and cross check the Day Books for accuracy

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

<b>Learning Outcomes</b>	<b>Assessment criteria</b>
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	1.1 Identify whether cheques received are valid  1.2 Check supporting documents against payments received  1.3 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	3.1 Complete a cheque correctly
5 Prepare a remittance advice	5.1 Complete a remittance advice



**MAINTAINING PETTY CASH RECORDS – R6008746****CREDIT: 1      Level: 1**

<b>Learning Outcomes</b>	<b>Assessment criteria</b>
1 Complete a petty cash voucher	1.1 Prepare petty cash vouchers 1.2 Calculate the purchase tax (e.g. VAT) where the expense includes it
2 Maintain an analysed petty cash book	2.1 List the petty cash vouchers into an analysed petty cash book ensuring that the expenses are entered and analysed 2.2 Account for any tax paid e.g. VAT 2.3 Total and cross cast the petty cash book
3 Maintain the petty cash balance	3.1 Balance off the petty cash book using the imprest system. 3.2 Reconcile the petty cash book with cash in hand 3.3 Prepare a petty cash reimbursement request or equivalent 3.4 Show the reimbursement of the petty cash expenditure in the petty cash book.

**Option** (additional and not required to obtain the qualification)

<b>PRINCIPLES OF RECORDING AND PROCESSING BUSINESS TRANSACTIONS – A6008756      Credit value: 2      Level 2</b>	
<b>Learning Outcomes</b>	<b>Assessment criteria</b>
1 Understand the role of the books of prime entry	1.1 Outline the purpose, content and format of the books of prime entry  1.2 Outline the purpose and content a range of business documents to include: <ul style="list-style-type: none"> <li>• petty cash voucher</li> <li>• invoice</li> <li>• credit note</li> <li>• remittance Advice</li> </ul> 1.3 Identify when authorisation is required  1.4 Explain how transactions are entered in the following books of prime entry: <ul style="list-style-type: none"> <li>• sales and sales returns day books</li> <li>• purchase and purchase return day books</li> <li>• cash book</li> <li>• petty cash book</li> </ul>
2 Understand the principles of coding	2.1 Describe the need for a coding system for financial transactions within a double entry book-keeping system  2.2 Describe the use of coding within a filing system.
3 Understand the double entry bookkeeping system	3.1 State the accounting equation  3.2 Explain how the accounting equation relates to a double entry book-keeping system  3.3 Outline how the books of prime entry integrate with double entry book-keeping system  3.4 Explain how to process financial transactions from the books of prime entry into the double entry book-keeping system  3.5 Define, and distinguish between, capital income and capital expenditure.  3.6 Define, and distinguish between, revenue income and revenue expenditure
4 Understand the various types of discount	4.1 Explain the difference between settlement, trade and bulk discount  4.2 Describe the effect that settlement discount has on the sales tax (e.g. VAT) charged

5 Understand the use of the Journal	5.1 Describe the reasons for maintaining a Journal 5.2 Describe the content and format of the Journal 5.3 Give examples of the types of transactions that might be entered into the bookkeeping system by using the Journal: <ul style="list-style-type: none"> <li>• bad debts</li> <li>• wages/salaries</li> <li>• PAYE/NIC liability</li> <li>• opening balances</li> </ul>
6 Understand control accounts	6.1 Describe the purpose of control accounts as a checking device to aid management and help identify book-keeping errors 6.2 Describe the specific purpose of the following control accounts: <ul style="list-style-type: none"> <li>• sales ledger</li> <li>• purchase ledger</li> <li>• sales tax account (e.g. VAT)</li> </ul> 6.3 Explain why it is important to reconcile the Sales and Purchase ledger control accounts regularly 6.4 Describe the usefulness of an aged debtor analysis for monitoring debtors 6.5 Explain the need to deal with discrepancies quickly and professionally

**PROFESSIONAL VALUES AND BASIC BUSINESS LEGISLATION - F6008757**

**Credit value: 1 Level: 2**

<b>Learning Outcomes</b>	<b>Assessment criteria</b>
1 Understand the importance of Integrity and professionalism	1.1 Explain why each of the following professional values is important to a book-keeper: <ul style="list-style-type: none"> <li>• confidentiality</li> <li>• security of data</li> <li>• competency</li> <li>• duty of care</li> <li>• integrity</li> </ul> 1.2 Explain why it is important for a book-keeper to comply with the Code of Ethics of a professional body
2 Understand that legislation exists relating to the workplace	2.1 Explain the importance of maintaining security over computerised and manual information held on individuals or businesses 2.2 Identify and describe principles of data protection including: <ul style="list-style-type: none"> <li>• adequate, relevant and not excessive</li> <li>• not kept longer than necessary</li> <li>• not transferred to countries without adequate data protection laws</li> </ul>

	<p>2.3 Describe the main duties and responsibilities of employers and employees under health and safety legislation</p>
<p>3 Know the fundamental principles of money laundering legislation</p>	<p>3.1 Define the term 'money laundering'</p> <p>3.2 Give examples of offences under the money laundering regulations</p> <p>3.3 Outline the risks for book-keepers associated with the money laundering legislation</p> <p>3.4 Identify internal procedures that businesses can introduce to lessen risks</p> <p>3.5 Outline the requirements to report suspicions of money laundering to the appropriate authorities</p>