

ICB



The Institute of Certified Bookkeepers

ICB Level 2 Certificate in Bookkeeping From Jan 2020

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1. About ICB

The Institute of Certified Bookkeepers (ICB) is the largest bookkeeping institute in the world. It promotes and maintains the standards of bookkeeping as a profession through the establishment of relevant qualifications and the award of grades of membership that recognise academic attainment, working experience and competence.

In ICB's role as a membership body it provides ongoing support to members to ensure they are knowledgeable and up to date with the latest legislation, mindful of their ethical obligations, and best placed to provide a trusted and exemplary service to business.

ICB Objectives:

- to promote bookkeeping as a profession
- to increase recognition for bookkeeping as an integral part of the financial profession
- to promote education and learning
- to enable the achievement of a recognised bookkeeping qualification
- to provide a trusted benchmark for the profession
- to improve the career prospects of ICB members

ICB Principles

ICB believes that sound financial management can have a profound effect on society at a personal, professional and global level. ICB is passionate about empowering students of all ages and backgrounds to learn new skills, find fulfilling employment or set up their own businesses. By creating a pool of highly qualified bookkeeping talent ICB endeavours to help business owners take control of their finances at the right cost and, in turn, support the economy as a whole.

2. Introduction to ICB Level 2 Certificate in Bookkeeping

The Level 2 Certificate in Bookkeeping covers the basic principles of single and double entry bookkeeping and its application to business. Upon completion of this qualification candidates will be able to carry out the role of an employed assistant bookkeeper under supervision.

3. Qualification Aims

The Level 2 Certificate in Bookkeeping is aimed at those who are new to bookkeeping and have little or no previous knowledge or experience. Successful candidates will be able to demonstrate a full understanding of the concepts of double entry bookkeeping and its place in modern business, enter transactions into a bookkeeping system and produce an initial trial balance. They should be able to reconcile sales and purchases ledger balances against the relevant control accounts and reconcile the bank account. They should also be able to identify and correct errors present in the system.

4. Pre-requisites

There are no formal entry requirements to the Level 2 Certificate in Bookkeeping and no prior bookkeeping knowledge is assumed at this level. However, candidates must have basic numerical skills and a good understanding of the English language.

5. Qualification Structure

The Level 2 Certificate in Bookkeeping is made up of five topics:

- Underpinning Knowledge
- Preparation of Business Documents
- Accounting for VAT
- Entering Transactions
- Reconciliation and Reporting

Assessment

The testing of knowledge and skills for the qualification will comprise three online assessments, all of which are taken in the candidate's home or place of work. The first two will test the concepts that underpin the double entry system for a variety of types of businesses; the third will test the set up and data entry to trial balance using software. The content of each assessment is listed below.

A1 – Basic double entry bookkeeping to trial balance

- Underpinning knowledge
 - Knowledge of the different business types that exist
 - Terms in bookkeeping (assets, liabilities, etc)
 - Banking procedures and security
 - Understanding the different categories of VAT (standard, reduced, zero, exempt, outside the scope)
 - Understanding the different categories of discounts (trade, bulk, prompt payment etc)
 - Understand the difference between financial and management accounts
 - Understand the concept of reporting on a cash basis for income tax purposes
- Calculation of the value of the capital investment for a sole trader
- Performing opening entries journal
- Creation of business documents including calculation of VAT
- Understanding of the effect of entering transactions into a bookkeeping system for sales, purchases, overheads, capital items, returns, personal items, etc.
- Recording the effect of making and receiving payments including bank, cash and petty cash transactions
- Calculation of account balances
- Production and explanation of a trial balance

A2 – Further double entry bookkeeping to trial balance

- Underpinning knowledge
 - Professional Ethics
 - Legislation relevant to the bookkeeper
 - Accounting concepts
- Further double entry including the following
 - Topics from A1
 - The content of control accounts
 - Understanding and posting discounts allowed/received
 - Writing off a bad debt
 - Construction Industry Scheme (CIS)
 - Posting non-sole trader entries (subscriptions, donations, drawings of partners, directors' loan accounts, etc.)
- Performing journal entries (payroll, bad debt etc)
- Calculation of the value of a suspense account in a system that does not balance
- Reconciliation of debtors, creditors and bank balances
- Understanding the treatment of imports and exports
- Correction of errors that do not affect the trial balance
- Production and explanation of a trial balance

A3 – Data entry to trial balance using software

Use of a computerised accounting software package to include:

- Opening of entries
- Entry of cash and credit transactions
- Production of a trial balance
- Production of reports for debtors, creditors, bank, VAT and the audit trail
- Bank reconciliations
- Correction of errors

The three assessments should be taken in the order listed above. Candidates will receive notification of results by email. All three assessments must be achieved to gain the full qualification.

6. Results

The A1 and A2 assessments are computer marked and therefore results are available immediately after completion by logging into MyICB. Results for A3 may take up to 28 days as this assessment is manually marked.

7. Grading

All assessments are taken at home or at the place of work, and each assessment will be graded as follows:

Distinction	95 -100%
Merit	90 - 94%
Pass	85 - 89%
Fail	0 - 84%

Once all assessments have been successfully completed an overall qualification certificate is awarded. The qualification certificate will be graded at Distinction with Honours, Distinction, Merit or Pass. Unit results will be aggregated. To achieve the relevant grade in the full qualification, the following aggregate marks must be achieved:

Distinction with Honours	295 marks and above
Distinction	285 – 294 marks
Merit	270 – 284 marks
Pass	255 – 269 marks

8. Level of Membership

Successful achievement of the full qualification will lead to the offer of Associate Membership of ICB with the designatory letters AICB.

9. Level 2 Certificate in Bookkeeping – detailed syllabus

The following detailed syllabus provides the Learning Outcomes and Assessment Criteria for each topic which make up the Level 2 Certificate in Bookkeeping qualification.

A1 - Underpinning Knowledge	
Learning Outcome	Assessment Criteria
Identify the various methods of payments and receipts to and from a bank account	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Identify the different types of receipts and payments available through banks and building societies including: <ul style="list-style-type: none"> - Cash - Cheques - Direct debits - Standing orders - BACS - CHAPS - Credit and debit cards - Paypal and other online methods
Understand the legal differences between the structures of different types of businesses	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Explain the basic structure and reasons for operating as one of the following types of businesses: <ul style="list-style-type: none"> - Sole Trader - Partnership - Limited Company - Limited Liability Partnership - Not-for-Profit Organisation
Understand the specific accounting requirements for different accounting systems	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Understand and explain the difference between financial and management accounts • Understand the concept of reporting on a cash basis for income tax purposes and explain when the use of a cash-based system is sufficient for the smallest of businesses to enable them to correctly report income and expenditure for taxation purposes
Understand the importance of the Chart of Accounts	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Identify into which section of the Chart of Accounts the following will fall: <ul style="list-style-type: none"> – Assets – Liabilities – Capital/Equity

A1 - Underpinning Knowledge (continued)

Learning Outcome	Assessment Criteria
Understand the basic principles involved in double entry bookkeeping including the format of the accounting equation	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Describe the various elements of a chart of accounts and understand how they interact <ul style="list-style-type: none"> - Fixed Assets - Current Assets and Current Liabilities - Long Term Liabilities - Capital and Reserves - Profit and Loss Account • Understand how VAT is recorded in the system and the importance of the VAT Control Account • State the Accounting Equation and explain how it relates to a modern bookkeeping system

A1 – Prepare Business Documents

Learning Outcome	Assessment Criteria
Understand the purpose and range of business documents	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Explain the purpose and flow of documents between seller and buyer for both cash and credit transactions including: <ul style="list-style-type: none"> - Quotation - Purchase order - Delivery note - Invoice - Credit note - Remittance slip - Statement - Cash receipts • Understand the importance of source documents • Explain the action to be taken where no source document exists
Understand the need to accurately prepare business documents for goods and services supplied	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Accurately prepare invoices and credit notes including the treatment of VAT and cash discount allowed • Ensure that these are correctly authorised

A1 – Accounting for VAT

Learning Outcome	Assessment Criteria
Understand the various Rates of VAT	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Explain the difference between the following levels of VAT: <ul style="list-style-type: none"> - Standard rate - Reduced rate - Zero rate - Exempt of VAT - Outside the scope of VAT • Calculation of VAT at different rates • Extract the VAT from a VAT inclusive amount
Understand how to correctly account for VAT in a bookkeeping system	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Correctly account for input and output tax in the system including amounts that are VAT inclusive • Explain the significance of debit and credit balances in the VAT accounts

A1 – Entering transactions

Learning Outcome	Assessment Criteria
Understand the purpose of, and make entries into, a bookkeeping system	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Enter invoices and credit notes including the treatment of VAT • Record income including: <ul style="list-style-type: none"> - Income from trading and supply of services - Receipts from customers - Income from capital invested - Loans - Sale of capital items - Donations - Subscriptions • Record expenditure into the accounts including <ul style="list-style-type: none"> - Capital and revenue expenditure - Payments to suppliers - The drawings of a sole trader or partner via drawings accounts • Check the balance of an account • Post opening entries

A1 – Entering Transactions (continued)

4.2 Calculate the value of equity	On successful completion the candidate will be able to: <ul style="list-style-type: none">• Calculate the value of capital/equity invested into a business by its owner
Understand the purpose and need to record petty cash	On successful completion the candidate will be able to: <ul style="list-style-type: none">• Explain the purpose of the imprest system• Prepare petty cash vouchers• Seek authorisation for a petty cash payment• Code the expenditure• Record the transactions in the petty cash system• Restore the imprest/balance• Post petty cash summaries to the main system

A2 - Underpinning Knowledge

Learning Outcome	Assessment Criteria
Understand the importance of adhering to a code of Professional Ethics	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Explain why each of the following professional values is important to bookkeepers and why they should adhere to a code of ethics <ul style="list-style-type: none"> - Confidentiality - Security of data - Competency - Duty of care - Integrity
Understand the basic accounting concepts	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Explain the concepts of: <ul style="list-style-type: none"> – business entity – duality – historic cost
Understand the importance of legislation that applies to bookkeepers	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Understand the basics of current legislation such as: <ul style="list-style-type: none"> - Anti-Money Laundering - Data Protection Act and the General Data Protection Regulations (GDPR) - The Bribery Act - The Fraud Act - Health and Safety at Work
Understand the importance of IT systems in a modern bookkeeping world	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Understand the need for keeping a system secure including <ul style="list-style-type: none"> - Passwords - Secure storage of records - 2-stage verification (or similar) • Understand the threats from cyber-fraud • Describe the various forms of security that relate to the different forms of bank payments including: <ul style="list-style-type: none"> - PIN numbers - Online passwords - Telephone banking passwords - Dual signatures - Payment value restriction • Understand the various modern methods for posting transactions to the system

A2 - Underpinning Knowledge (continued)

Understand the specific accounting requirements for different accounting systems	<ul style="list-style-type: none">• Understand the use of control accounts in the accounting system and the links between Debtors and Creditors Control Accounts and the accounts of customers and suppliers• Understand and explain the basic principles behind the Construction Industry Scheme (CIS)<ul style="list-style-type: none">- Understand the duties of a contractor to verify sub-contractors- Explain the criteria under which some sub-contractors are paid gross- Understand the different levels of tax that might be deducted at source from a CIS invoice
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A2 – Prepare Business Documents

Learning Outcome	Assessment Criteria
Understand the need to accurately prepare business documents for goods and services supplied	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Accurately prepare invoices and credit notes including the treatment of VAT and cash discount allowed • Ensure that these are correctly authorised • Prepare statements for despatch to debtors
Understand the need to check business documents received	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Check supplier invoices and credit notes with relevant documents • Check calculations on supplier invoices and credit notes including treatment of VAT and discount received • Correctly code invoices and credit notes • Identify and resolve discrepancies • Identify when and why authorisation may be required to process such documents

A2 – Accounting for VAT

Learning Outcome	Assessment Criteria
Understand how to correctly account for VAT in a bookkeeping system	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Correctly account for and balance the VAT Control Account • Explain the significance of a debit or credit balance
Understand how to account for VAT transactions with customers in, and suppliers from, other countries	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Understand how VAT is calculated and entered into the books of account for the following additional types of invoices: <ul style="list-style-type: none"> - Invoices to customers (exports) and from suppliers (Imports) outside the UK that are not registered for VAT in their own country - Invoices to customers (exports) and from suppliers (Imports) outside the UK that are registered for VAT in their own country

A2 – Entering transactions

Learning Outcome	Assessment Criteria
Understand the purpose of, and make entries into, a bookkeeping system	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Record expenditure into the accounts including <ul style="list-style-type: none"> - The treatment of wages and salaries - Withdrawal of funds by a director of a company (salary, dividends, loans) via a director's loan account • Write off a bad debt including the treatment of VAT • Enter relevant CIS invoices, credit notes, receipts and payments showing how to deal with any tax deducted at source for sole traders, partnerships and limited companies
Understand the use of control accounts in the system	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Understand the use of control accounts in a double entry system: <ul style="list-style-type: none"> – Sales and purchases control accounts – VAT control accounts
Post appropriate journal entries into the system	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Create the wages journal and post to the relevant ledgers • Correction of errors Journal • Bad debt Journal

A2 – Reconciliation and Reporting

Learning Outcome	Assessment Criteria
Understand the purpose and use of the trial balance.	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Understand the purpose and importance of a trial balance from the system • Understand the reasons for there being a balance in a suspense account
Reconcile relevant account balances	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Reconcile debtors and creditors balances with the relevant statements • Compare individual items on the bank statement with those in the system • Up-date the system as required • Produce the bank reconciliation statement
Understand the need to correct errors	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Identify and correct errors, including the correct treatment for VAT (note errors will not involve the suspense account at this level) • Produce a corrected trial balance

A3– Data Entry & Reporting

Learning Outcome	Assessment Criteria
Direct Data Entry	On successful completion the candidate will be able to: <ul style="list-style-type: none"> • Use add-on applications • Enter opening balances including debtors, creditors, fixed assets, bank balances, stock etc • Enter various cash and credit transactions
Understand how to upload and match bank transactions	On successful completion the candidate will be able to: <ul style="list-style-type: none"> • Understand the reasons for uploading bank statements directly to the system • Be able to 'match' entries from an uploaded bank statement and reconcile
Understand the need to correct errors	On successful completion the candidate will be able to: <ul style="list-style-type: none"> • Identify and correct errors, including the correct treatment for VAT (note errors will not involve the suspense account at this level) • Produce a corrected trial balance
Produce relevant reports	On successful completion the candidate will be able to: <ul style="list-style-type: none"> • Produce reports from a system including: <ul style="list-style-type: none"> - Trial balance - Audit trail - Nominal account transactions - Credit sales and purchases transactions - Banking details and a bank reconciliation statement - Detailed VAT Report

10. What will this qualification lead to?

Skills developed through this qualification could lead to employment as:

- An Accounts Administrator
- An Accounts Assistant
- A Purchase/Sales Ledger Clerk
- A Trainee Bookkeeper
- A Trainee Finance Assistant.

The bookkeeping skills developed by studying this qualification will enable a student to seek employment with confidence and/or to progress to the next level of learning.

A student completing this qualification will develop skills in double-entry bookkeeping and will understand how to use journals, control accounts and a trial balance. Students will also gain an understanding of accounting software packages, how to process financial data, and how to provide information to colleagues, suppliers and/or customers as required.

The bookkeeping and finance knowledge developed in this qualification is also the underpinning knowledge needed for the higher levels of bookkeeping.

11. Diversity and Equality Policy

ICB is committed to ensuring fair and equal access to our qualifications, examinations, support materials and all other services. ICB strives to maintain professional standards for the benefit of all students, members, suppliers, stakeholders and ICB staff.

Please refer to the ICB website for a copy of our Diversity and Equality policy.

12. Customer Service Statement

ICB is committed to providing a high standard of customer service and ensuring all customers are dealt with promptly and in a professional and helpful manner. To achieve this, ICB commits to ensure that:

- All customers are treated with courtesy and respect
- All customers are treated individually, equally and in a professional manner
- All customer information will be treated confidentially and only used in a way which has been agreed in advance, unless ICB is informed of something that places them or others at risk or harm

Please refer to the ICB website for a copy of our Customer Service Statement policy.

13. Reasonable Adjustments and Special Considerations Policy and Procedure

ICB is keen to ensure we provide a fair and consistent assessment process for all students. ICB recognises that there are sometimes circumstances beyond the control of the student that may have an impact on their level of ability whilst undertaking assessment. ICB will consider all appropriate Reasonable Adjustments and Special Consideration requests.

Please refer to the ICB website for a copy of our Reasonable Adjustment and Special Considerations policy.

14. Enquiries and Appeals Policies

ICB is continually working to uphold a high level of service by ensuring quality assurance standards are maintained at all times. ICB aims to ensure that all assessment outcomes are fair, consistent and reliable. However, occasions may arise where a student may wish to question a decision.

Please refer to the ICB website for a copy of our Enquiries and Appeals policies.



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