



The Institute of Certified Bookkeepers

ICB Level 2 Certificate in Bookkeeping
From January 2019

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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 II 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.

5. Qualification Structure

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

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

The learning outcomes for each topic are listed below:

Topic 1 - Underpinning Knowledge

Learning Outcomes:

- 1.1 Understand the importance of adhering to a code of professional ethics
- 1.2 Understand the legal differences between the structure of different types of businesses
- 1.3 Understand the specific accounting requirements for different accounting systems
- 1.4 Understand the basic accounting concepts
- 1.5 Understand the importance of legislation that applies to bookkeepers
- 1.6 Understand the importance of the Chart of Accounts
- 1.7 Understand the importance of IT systems in a modern bookkeeping world
- 1.8 Understand the basic principles involved in double entry bookkeeping including the format of the accounting equation
- 1.9 Identify the various methods of payments and receipts to and from a bank account

Topic 2 - Prepare Business Documents

Learning Outcomes:

- 2.1 Understand the purpose and range of business documents
- 2.2 Understand the need to accurately prepare business documents for goods and services supplied
- 2.3 Understand the need to check business documents received

Topic 3 – Accounting for VAT

Learning Outcomes:

- 3.1 Understand the various Rates of VAT
- 3.2 Understand how to correctly account for VAT in a bookkeeping system
- 3.3 Understand how to account for VAT transactions with customers in, and suppliers from, other countries

Topic 4 – Entering Transactions

Learning Outcomes:

- 4.1 Understand the purpose of, and making entries into, a bookkeeping system
- 4.2 Calculate the value of equity
- 4.3 Understand how to upload and match bank transactions
- 4.4 Understand the use of control accounts in the system
- 4.5 Understand the purpose and need to record petty cash
- 4.6 Post appropriate journal entries into the system

Topic 5- Reconciliation and Reporting

Learning Outcomes:

- 5.1 Understand the purpose and use of the trial balance
- 5.2 Reconcile relevant account balances
- 5.3 Understand the need to correct errors
- 5.4 Produce relevant reports

6. January 2019 Syllabus Updates

The Level 2 Certificate in Bookkeeping syllabus has undergone a full review to take into account modern day bookkeeping and the ever-evolving computerised bookkeeping systems being used in today's world. Below is an overview of the changes between the 2014 and 2019 Level 2 Certificate in Bookkeeping syllabus:

2019 Learning Outcome	2019 Assessment Criteria
1.1 & 1.2	No change
1.3	Combination of Learning Outcomes 1.2 and 1.6 from 2014 Level II Certificate syllabus. Addition of: Understand and Explain the difference between financial and management accounts.
1.4	Learning Outcome 1.9 from 2014 Level II Certificate syllabus
1.5	Learning Outcome 1.3 from 2014 Level II Certificate syllabus Addition of General Data Protection Regulations and The Fraud Act
1.6	New Learning Outcome
1.7	New Learning Outcome
1.8	Combination of Learning Outcomes 1.5 and 3.2 from 2014 Level II Certificate syllabus Addition of: Describe the various elements of a chart of accounts and understand how they interact
1.9	Learning Outcome 1.7 from 2014 Level II Certificate syllabus
2.1, 2.1 & 2.3	No change
3.1, 3.2 & 3.3	Learning Outcome 5.1 from 2014 Level II Certificate syllabus
4.1	Learning Outcome 3.1 from 2014 Level II Certificate syllabus Updated to take into account computerised bookkeeping systems
4.2 & 4.3	New
4.4	Updated to take into account computerised bookkeeping systems
4.5	Learning Outcome 6.2 from 2014 Level II Certificate syllabus
4.6	Learning Outcome 4.1 from 2014 Level II Certificate syllabus
5.1	Learning Outcome 7.1 from 2014 Level II Certificate syllabus
5.2 & 5.3	New – from ICB Level III Certificate in Bookkeeping and Accounts Syllabus 2014
5.4	Learning Outcome 8.4 from 2014 Level II Certificate syllabus

7. 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 a computerised system. The content of each assessment is listed below.

Paper A1 – Basic double-entry bookkeeping to trial balance

Home /place of work based assessment to include:

- Underpinning knowledge
 - Knowledge of the different categories of business that exist
 - Terms in bookkeeping (assets, liabilities etc.)
 - Banking procedures
 - Understanding the different categories of VAT (standard, reduced, zero, exempt, outside the scope)
- Calculation the value of the capital investment for a sole trader
- Calculation of business documents including calculation of VAT
- Showing an understanding of the effect of entering transactions into a bookkeeping system for sales, purchases, overheads, capital items, returns, personal items etc.
- 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

Paper A2 – Further double entry bookkeeping to trial balance

Home /place of work based assessment to include:

- Underpinning knowledge
 - Ethics
 - Legislation relevant to the bookkeeper
 - Accounting concepts
- Further double entry including the following
 - Topics from paper 1
 - The content of control accounts
 - Writing off a bad debt
 - Construction Industry Scheme
 - Posting non-sole trader entries (subscriptions, donations, drawings of partners, directors' loan accounts etc)
- Entry of payroll journals
- Calculation of the value of a suspense account in a system that does not balance
- Reconciliation of debtors, creditors and bank balances

- Correction of errors that do not affect the trial balance
- Production and explanation of a trial balance

Paper A3 – Data entry to trial balance using a computerised accounts package

Home /place of work based test to include the use of a computerised accounting 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

The three assessments should be taken in the order listed above. Each assessment will generate an accreditation notification. Successful candidates will need to pass all three assessments to gain the full qualification.

8. Grading

The full qualification will be graded at Distinction with Honours, Distinction, Merit or Pass

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

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

Once all assessments have been successfully completed a final certificate can be applied for which 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

9. Level of Membership

Successful achievement at the full qualification will lead to the offer to upgrade to Associate Member of ICB and the award of the designatory letters AICB.

10. 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.

Topic 1 - Underpinning Knowledge	
Learning Outcome	Assessment Criteria
1.1 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
1.2 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
1.3 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 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 • 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

Topic 1 - Underpinning Knowledge (continued)	
Learning Outcome	Assessment Criteria
1.4 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
1.5 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 - The Bribery Act - The Fraud Act - Health and Safety at Work
1.6 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 – Equity
1.7 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 <ul style="list-style-type: none"> - Direct data entry - Using add-on applications

Topic 1 - Underpinning Knowledge (continued)	
Learning Outcome	Assessment Criteria
1.8 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 (Ltd company) - Profit and Loss Account • 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 how VAT is recorded in the system and the importance of the VAT Control Account(s) • State the Accounting Equation and explain how it relates to a modern bookkeeping system
1.9 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

Topic 2 – Prepare Business Documents

Learning Outcome	Assessment Criteria
2.1 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 - Returns note - Remittance note - Statement - Cash receipts • Understand the importance of source documents • Explain the action to be taken where no source document exists
2.2 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 • Where applicable, ensure that they are correctly coded • Prepare statements for despatch to debtors
2.3 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

Topic 3 – Accounting for VAT

Learning Outcome	Assessment Criteria
3.1 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 • Extract the VAT from a VAT inclusive amount
3.2 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
3.2 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 and from suppliers outside the EU that are zero rated - Invoices to customers and from suppliers outside the UK but within the EU that are not registered for VAT in their own country - Are registered for VAT in their own country

Topic 4 – Entering transactions

Learning Outcome	Assessment Criteria
4.1 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 treatment of wages and salaries - The drawings of a sole trader or partner via drawings accounts - Withdrawal of funds by a director of a company (salary, dividends, loans) via a director's loan account • Check the balance of an account • Post opening entries • Write off of 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
4.2 Calculate the value of equity	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none"> • Calculate the value of equity invested into a business by its owner
4.3 Understand how to upload and match bank transactions.	<p>On successful completion the candidate will be able to:</p> <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

Topic 4 – Entering transactions (continued)

Learning Outcome	Assessment Criteria
4.4 Understand the use of control accounts in the system	On successful completion the candidate will be able to: <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 – Wages control account
4.5 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
4.6 Post appropriate journal entries into the system	On successful completion the candidate will be able to: <ul style="list-style-type: none"> • Prepare an opening journal entry for a business • Enter the wages journal

Topic 5 – Reconciliation and Reporting

Learning Outcome	Assessment Criteria
5.1 Understand the purpose and use of the trial balance.	On successful completion the candidate will be able to: <ul style="list-style-type: none"> • Understand the purpose and importance of a trial balance from the system • Understand the reasons for their being a balance in a suspense account
5.2 Reconcile relevant account balances	On successful completion the candidate will be able to: <ul style="list-style-type: none"> • Reconcile debtors and creditors balances with the relevant control accounts • Compare individual items on the bank statement with those in the system • Up-date the system as required • Produce the bank reconciliation statement
5.3 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
5.4 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

11. Diversity and Equality Policy

ICB is committed to ensuring fair and equal access to its qualifications, examinations, support materials and all other services. ICB strives to maintain professional standards for the benefit of all its 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 it provides 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 Enquires and Appeals policies.



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