Level 2 - Unit 32 - Computerised Accounting Software (3 credits)

Relevant LINKS

BACK TO ITQ UNITS **[1]**

Handbook home page **[2]**

Overview

The candidate can understand and use accounting software to fulfill a task for work based activities. They can describe the main characteristics of accounting used in software packages and use these to carry out accounting procedures. They will select the correct tools and actions to enter data and process accounts and deal with any errors and problems. They will be able to output the data as reports that are useful and clearly laid out.

A work activity will typically be 'non-routine or unfamiliar' because the task or context is likely to require some preparation, clarification or research to separate the components and to identify what factors need to be considered. For example, time available, audience needs, accessibility of source, types of content, message and meaning, before an approach can be planned; and the techniques required will involve a number of steps and at times be non-routine or unfamiliar.

Example of context – an accounting system for a small business or local organisation.

Assessor's guide to interpreting the criteria

General Information

QCF general description for Level 2 qualifications

- Achievement at RQF level 2 (EQF Level 3) reflects the ability to select and use relevant knowledge, ideas, skills and procedures to complete well-defined tasks and address straightforward problems. It includes taking responsibility for completing tasks and procedures and exercising autonomy and judgement subject to overall direction or guidance.
- Use understanding of facts, procedures and ideas to complete well-defined tasks and address straightforward problems. Interpret relevant information and ideas. Be aware of the types of information that are relevant to the area of study or work.
- Complete well-defined, generally routine tasks and address straightforward problems. Select and use relevant skills and procedures. Identify, gather and use relevant information to inform actions. Identify how effective actions have been.
- Take responsibility for completing tasks and procedures subject to direction or guidance as needed.

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

Requirements

- Standards must be confirmed by a trained Gold Level Assessor or higher
- Assessors must at a minimum record assessment judgements as entries in the on-line mark book on the INGOTs.org certification site.
- Routine evidence of work used for judging assessment outcomes in the candidates' records of their day to day work will be available from their e-portfolios and on-line work. Assessors should ensure that relevant web pages are available to their Account Manager on request by supply of the URL.
- When the candidate provides evidence of matching all the criteria to the specification subject to the guidance below, the assessor can request the award using the link on the certification site. The Account Manager will request a random sample of evidence from candidates' work that verifies the assessor's judgement.
- When the Account Manager is satisfied that the evidence is sufficient to safely make an award, the candidate's success will be confirmed and the unit certificate will be printable from the web site.
- This unit should take an average level 2 learner 40 hours of work to complete.

Assessment Method

Assessors can score each of the criteria N, L, S or H. N indicates no evidence. L indicates some capability but some help still required. S indicates that the candidate can match the criterion to its required specification. H indicates performance that goes beyond the expected in at least some aspects. Candidates are required to achieve at least a S on all the criteria to achieve the full award.

Expansion of the assessment criteria

1. Candidates will access, enter and edit accounting information

1.1 I can describe the sources and characteristics of accounting data

Candidates should be able to describe the basics of accounting.

Evidence: will be provided by portfolio work and assessor feedback.

Additional information and guidance

At its core, accounting is relatively simple as it involves tracking what money comes in and what goes out and making sure they match. With larger companies this becomes more complicated as they often have double entry book-keeping where some negatives are actually positive, in terms of the balance sheet, while some negatives are positive. At this level, candidates just need to be able to describe some of the data that is used in an accounts system. This would be much easier if they are working already with some kind of client or company as these will be clearly defined. The sources of data will vary, but will usually be the aforementioned profit and loss sources. A company or organisation will get some income from some where. This might be through loans, but in most cases will be through sales and services. The other side will be loses or bills. A company needs to

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

pay its people wages to work there, it needs to pay for the lights and heat and other expenses. They may well be renting their office space and leasing their equipment, rather than buying it. The nature of the company or organisation the candidate works with will mean these sources and characteristics will vary greatly, but they will need to list them and describe some of their characteristics.

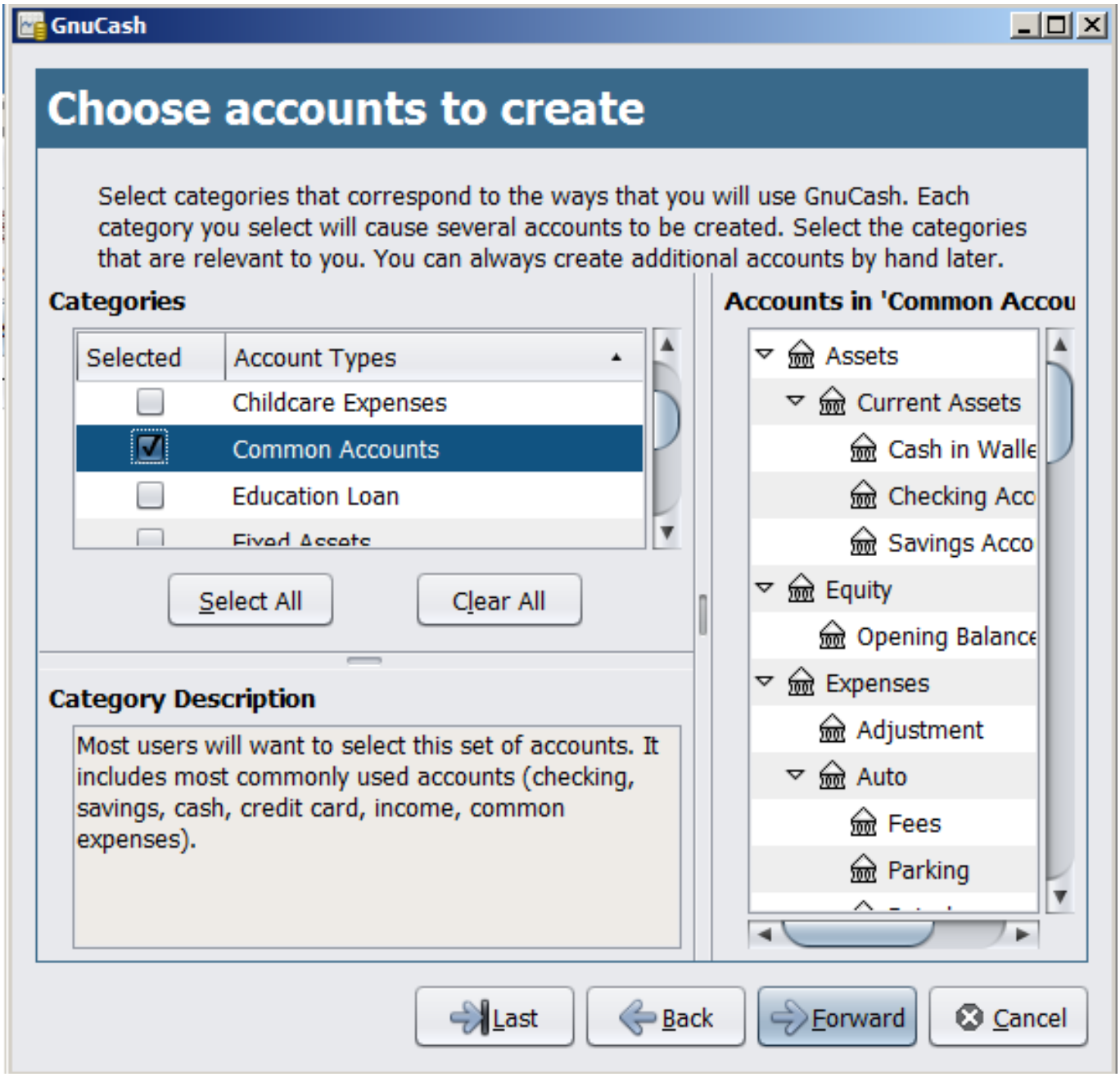
1.2 I can setup and create new accounting data records to meet requirements

Candidates should be able to set up a functioning system based on 1.1.

Evidence: will be provided by portfolios or presentations as well as assessor feedback.

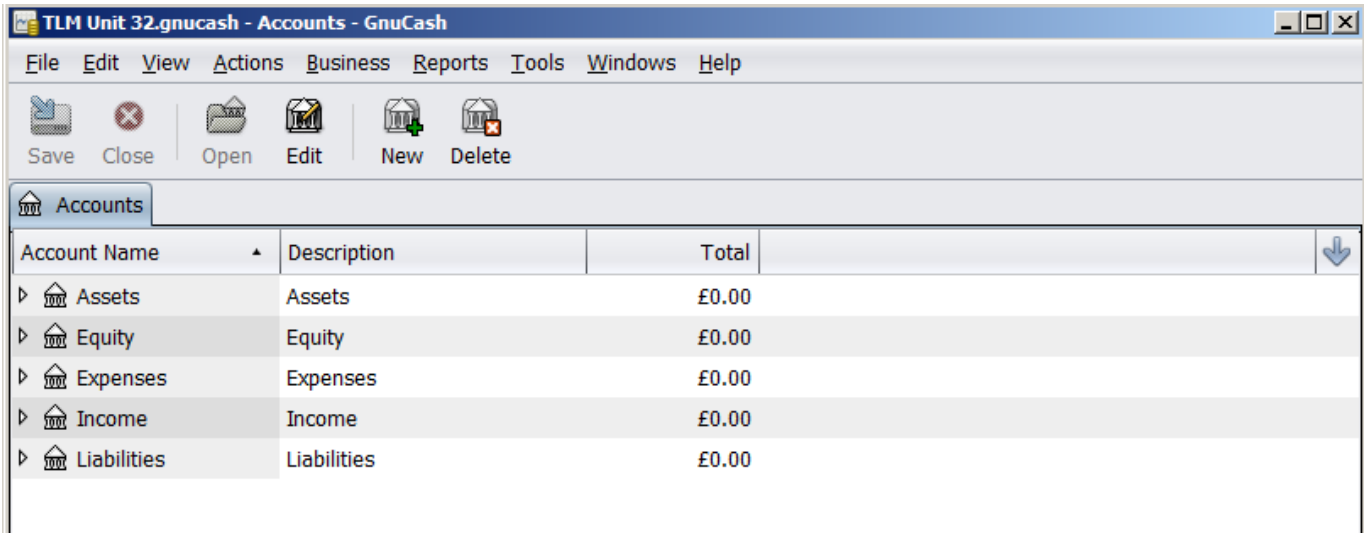
Additional information and guidance

Many accounting software packages, such as the Open Source system GnuCash [3] will have pre-set categories and titles for income and outcomes for a company and some will even have pre-set company formats that have everything required for a company of a certain type. In accounting these are sometimes known as account hierarchies as in the following screen shots.



(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

As you can see, there are pre-defined types of accounts. In the example here it is the default one of a common accounts hierarchy which will have most of the income and expenses of an average account. There are also educational loans and other incomes and expenditures such as investments or mortgages etc. All of these can be adjusted later as required, but offers a good starting point. Most of the expenses categories will be things like petrol, electricity, rent, food etc. After this selection has been made, the system can be set up with pre-existing balances. This might be something like a loan that was given to start a business or money that is already in the bank to start off. After the choices have been made and saved, there will be a basic accounting interface to work with.



1.3 I can locate and display accounting data records to meet requirements

Candidates should be able to show competence in using the accounting software.

Evidence: will be provided by client and assessor feedback.

Additional information and guidance

Using a straight-forward "common" system as described in 1.2, candidates should be able to show they know their way around the system and can find and display basic accounts and explain what they mean. They should be able to identify what accounts are money going out and what ones are money coming in. Each interface will be slightly different, but there should be a common layout as they are designed to match an accounts ledger which were the pre-digital versions of this software. As mentioned already a number of times, the accounts displayed will vary depending on what type of client the candidate works with.

1.4 I can check data records meet needs using IT tools, making corrections as necessary

Candidates should be able to ensure their data is accurate.

Evidence: will be provided by portfolio work and portfolio reflections.

Additional information and guidance

Most IT applications are about minimising the GIGO (garbage in garnage out) effect, or in UK terms the RIRO (rubbish in rubbish out) effect. In any application if you enter data incorrectly it causes a great deal of additional problems, but that is brought into sharp relief when dealing with accounting. A typo in accounting could mean a large difference in outcomes. If a payment of £100 gains an extra 0 by mistake, your company is now 10 times worse off. There are various tools built in to IT systems to check for mistakes and candidates should use some method to make sure they are entering the correct data.

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

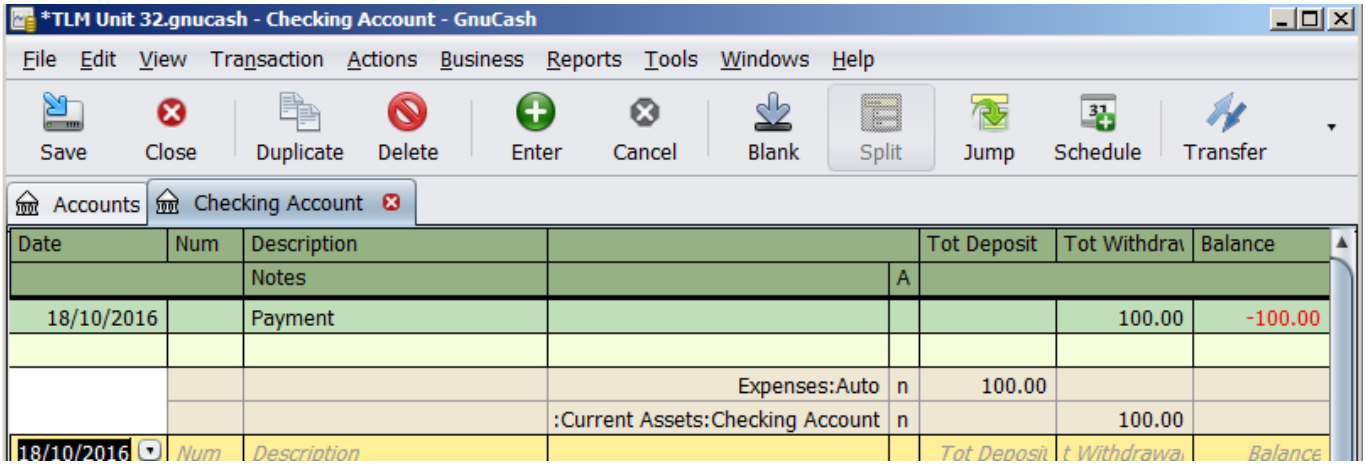
1.5 I can respond appropriately to data entry error messages

Candidates should be capable of fixing issues when they receive warnings.

Evidence: will be provided by portfolio evidence and assessor feedback.

Additional information and guidance

Most systems will have built in tools to make sure that data is entered correctly. An obvious one would be some for of field control so that text can't be entered in a number field and vice versa. There are also tools to check for balance issues. If the system shows that some numbers do not add up, for example when running a reconcilliation utility, candidates should be able to show that they have an idea where the problem might be and how to address it. One common expression relating to accounts is being, "in the red". The graphic below shows that if you pay money that you don't actually have in the organisation, you will see that it is in the red. This is one obvious visual clue to a problem.



This would be easy to spot and fix as it is all based on one area of the system, but if it was linked to other accounts that were not visible in this view, the candidate would need to know where to look for the issue.

1.6 I can describe the risks to data security and procedures used for data protection

Candidates should be able to describe the threats and how to minimise them.

Evidence: will be provided by portfolio work and assessor or client feedback.

Additional information and guidance

Candidates might produce a presentation showing what the threats are and how they can be reduced. There is probably no way to completely eliminate them as there will always be human errors and people trying to take advantage of ways to make easy money, but some indication of ways to deal with these would be helpful. If a company looses a document file, it might be an inconvenience, but may not necessarily disrupt the entire company. if the company's accounts get lost or damaged, however, it might even mean the end. Therefore, it is important to protect all the data as much as possible. This means restricting physical access to machines with accounting data on and the roles and permissions of people who work on the system. The data files need to be regularly backed up and these back-ups need to be test restored now and then to make sure they are usable. The systems themselves will sometimes have protections such as password protection for entry and the files themselves can have permissions set to only be read by certain people. Many small businesses might be using cloud based accounting packages due to the cost and this will add another layer of complexity in terms of securing the data.

1.7 I can apply local and/or legal guidelines for the storage and use of data

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

Candidates should be able to work to the rules and regulations required by the company they work with or the government.

Evidence: will be provided by portfolio work.

Additional information and guidance

Candidates will be required to comply with various internal regulations when working on an accounting system, as well as national regulations, in particular the Data Protection Act. The data will also be subject to UK tax laws if it is a company or charity and each of these will vary depending on what the company does. Candidates just need to show that they understand what these are and do their best to work within them.

2. Candidates will select and use tools and techniques to process business transactions

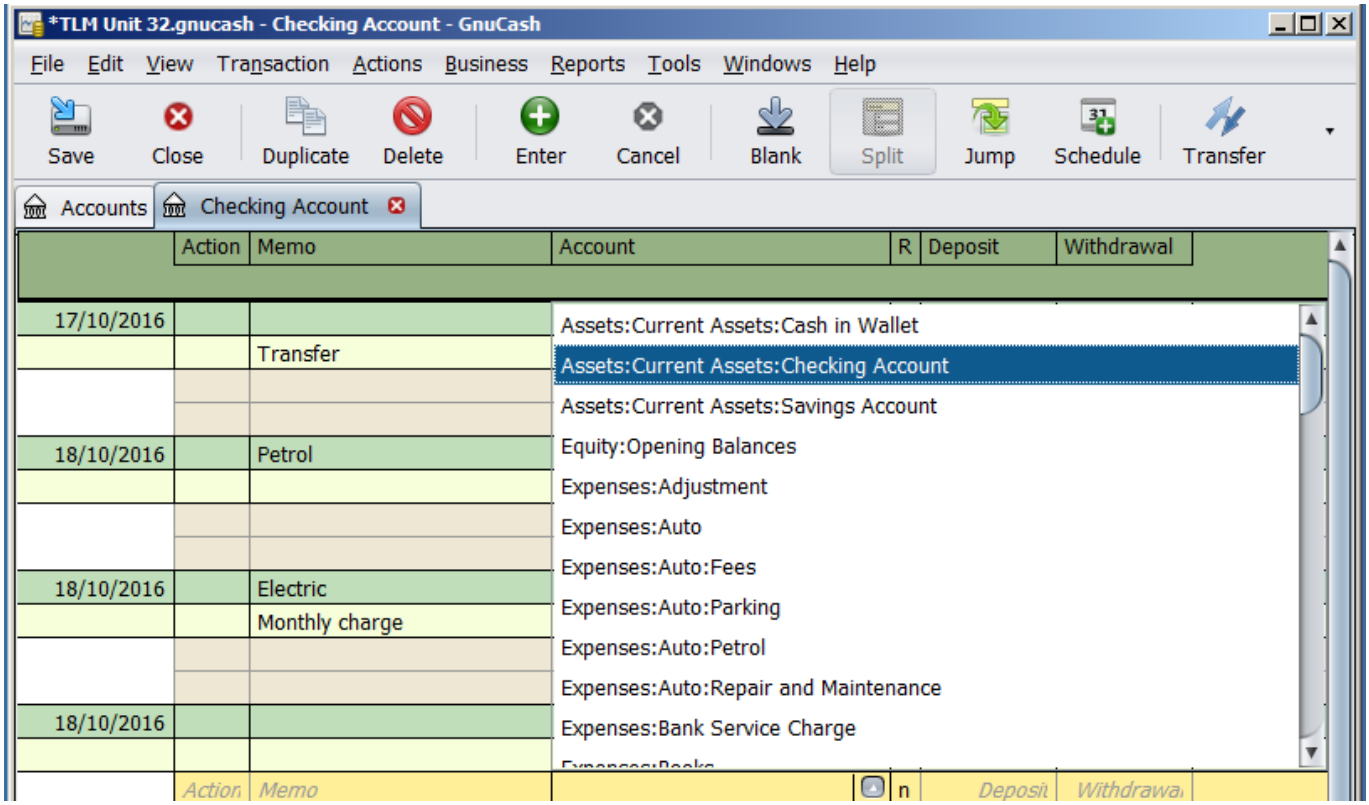
2.1 I can select and use appropriate tools and techniques to enter and process transactions

Candidates should be able to demonstrate competence with the accounting software for specific tasks.

Evidence: will be provided by portfolio work and client feedback.

Additional information and guidance

Candidates need to show that they can be given a list of transactions to enter and they can enter these appropriately into the right categories and in the right way. For example, the client should be able to give the candidate a stack of invoices and bills and have them enter them correctly and accurately.



The candidate will need to show that they understand what receipts relate to which accounts and

whether they are reducing the overall balance or adding to it.

2.2 I can review transaction processes and identify any errors

Candidates should be able to find and correct any problems that arise when entering data.

Evidence: will be provided by client or assessor feedback or via reflective portfolio work.

Additional information and guidance

Candidates should be able to show that they are careful when entering data and double check their entries, or even treble check, before they hit the save buttons. If they make mistakes, they should know how to correct them before they become permanent. They might carry out a monthly reconciliation report with the client to see how to look for any entries that do not match and which therefore cause imbalances in the numbers generated.

2.3 I can respond appropriately to any transactions errors and problems

Candidates should be able to show competence and confidence in their working actions.

Evidence: will be provided by client feedback.

Additional information and guidance

Candidates need to show that they are aware that errors occur and are constantly checking their data entries to make sure they are accurate and correct and to go back over entries to check for problems to change these before too late. Some of these errors may appear later, in reconciliation reports, but at least candidates can show that they know how to go in and fix these quickly and effectively. Over time, they should make less errors and will be more efficient.

2.4 I can select and use appropriate tools and techniques to process period end routines

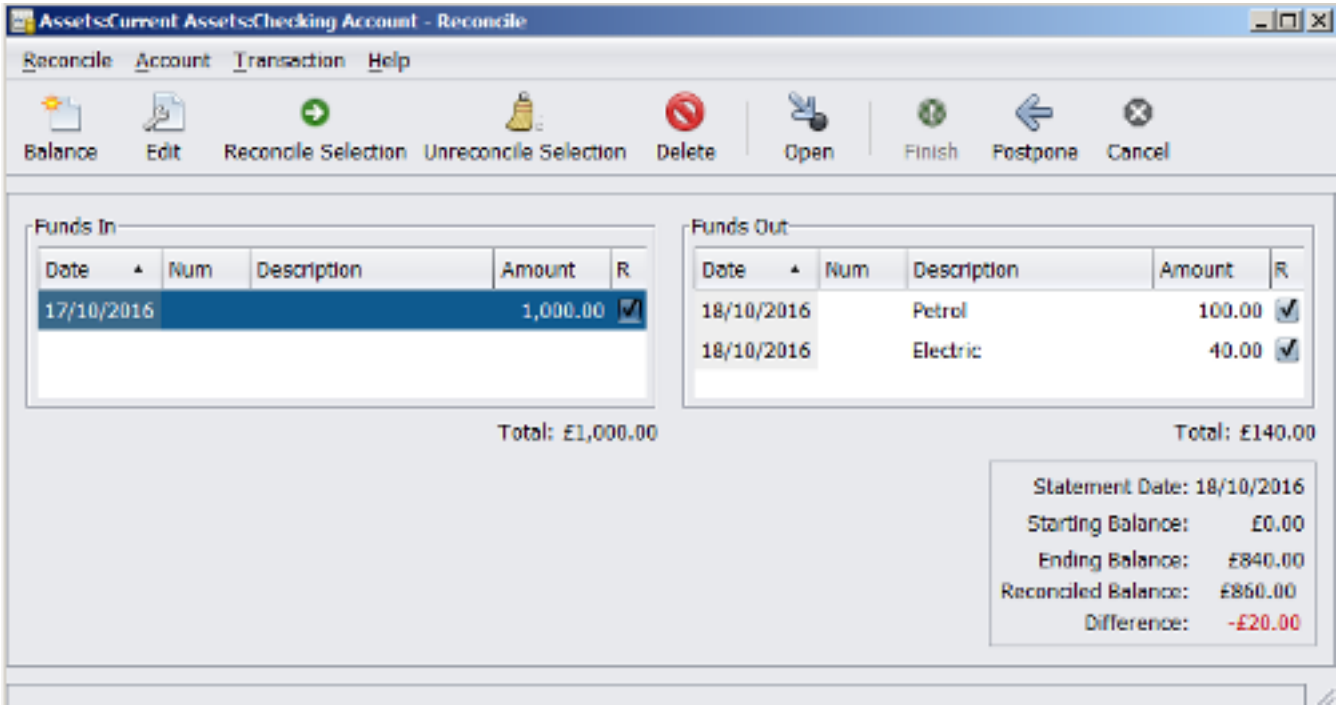
Candidates should be able to carry out an end of month/quarter etc reconciliation.

Evidence: will be provided by client feedback and candidate reflections.

Additional information and guidance

Depending on how a company works, the bank will send or publish on-line their monthly or quarterly reports and the internal system needs to match this exactly. This is a reconciliation report. Both systems need to match and if any errors are evident, the candidate will need to determine if the error lies in the company system or with the bank. In the following screen shot, the reconciliation has been carried out, using the bank statement that there is £840 left in the bank, but the internal system shows that there are only 2 transactions and the total should be £860.

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');



The problem here could be with the bank, but the candidate would need to go back over their paper work and make sure that the 2 transactions were for the amounts shown and if they were, then the bank will need to be notified to launch an investigation.

3. Candidates will produce accounting document and summary reports to meet requirements

3.1 I can describe what information is required and how to present it

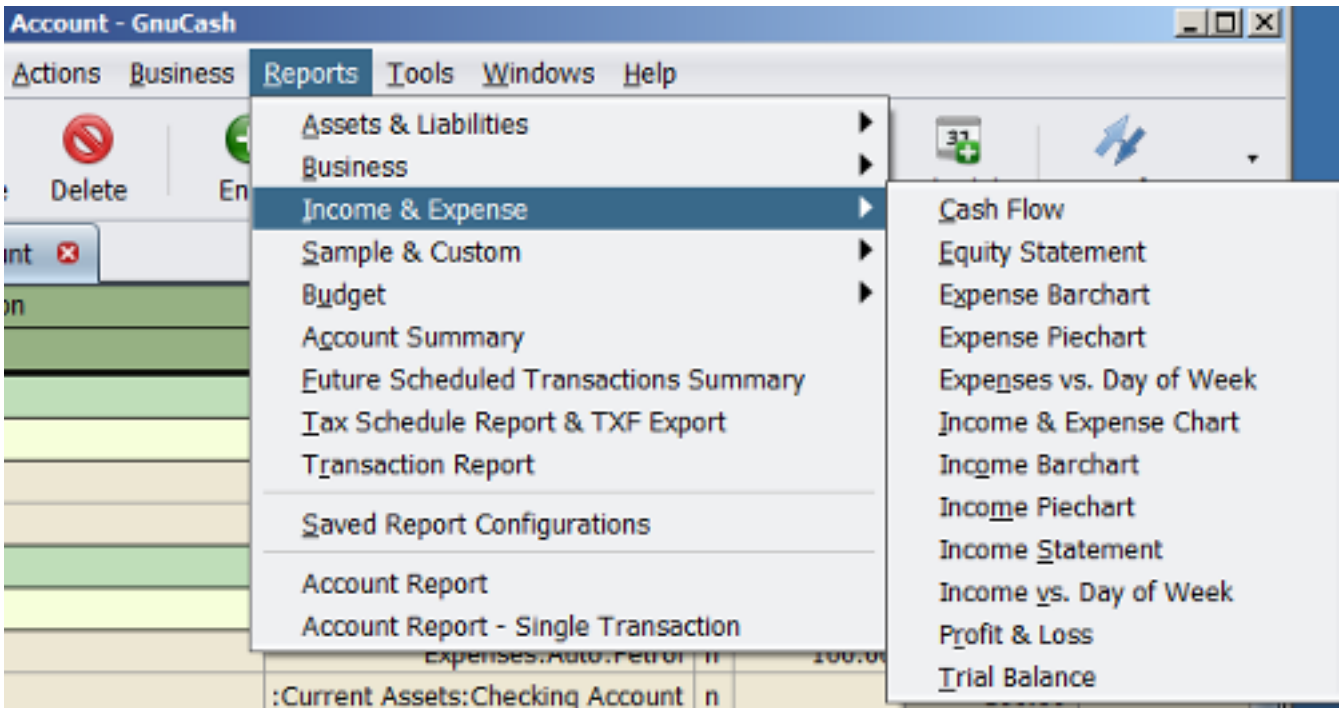
Candidates should be able to describe the types and style of report required.

Evidence: will be provided directly from the presentation of work in portfolios or client feedback.

Additional information and guidance

Candidates might need to discuss with their client what their specific needs are. In most cases, the data in the accounting system will be used for decision making: do we have enough money in the bank to hire someone in sales; how much did we sell in Wales last quarter etc. Different accounting systems will have a range of pre-set reports and also have the ability to make custom reports to exactly match what information is needed to be output to be presented. The presented material can either be directly via a projector or as graphics or spreadsheets to be printed on papers, such as for management or financial reports.

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');



There are lots of pre-set reports on this system that are related to different areas of the company such as basic assets and liabilities or income and expenses. Candidates can talk about a range of these report forms and say what they show and how the data is presented, i.e. the main purpose.

3.2 I can prepare and generate accounting documents

Candidates should be able to generate the required documents requested by their client.

Evidence: will be provided by portfolio work and client feedback.

Additional information and guidance

This criterion will depend on the candidate's client as they may request different kinds of report and in different format. They just need to show that they can respond to these requests in the appropriate way.

3.3 I can prepare and generate management reports as required

Candidates should be able to produce management reports as required.

Evidence: will be provided by portfolio evidence and client feedback.

Additional information and guidance

As above, this will vary with the client, but in general terms the candidates should be able to output or compile management reports so that management can make long term decisions. These reports could be with introductions and summaries and will incorporate a range of data and charts. The following is a basic balance sheet which could be incorporated into a word processed report as an image. On the right is a bar chart with a more graphical representation of the current balances.

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');

TLM Unit 32 Balance Sheet 31/12/2016

Assets

Assets		£0.00
Current Assets	£0.00	
Cash in Wallet	£0.00	
Checking Account	£860.00	
Savings Account	£0.00	
Total Assets		**£860.00**

Liabilities

Liabilities		£0.00
Credit Card		£0.00
Total Liabilities		**£0.00**

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');



Either of these reports can be customised and exported in different formats to suit the type of management report required by the client.

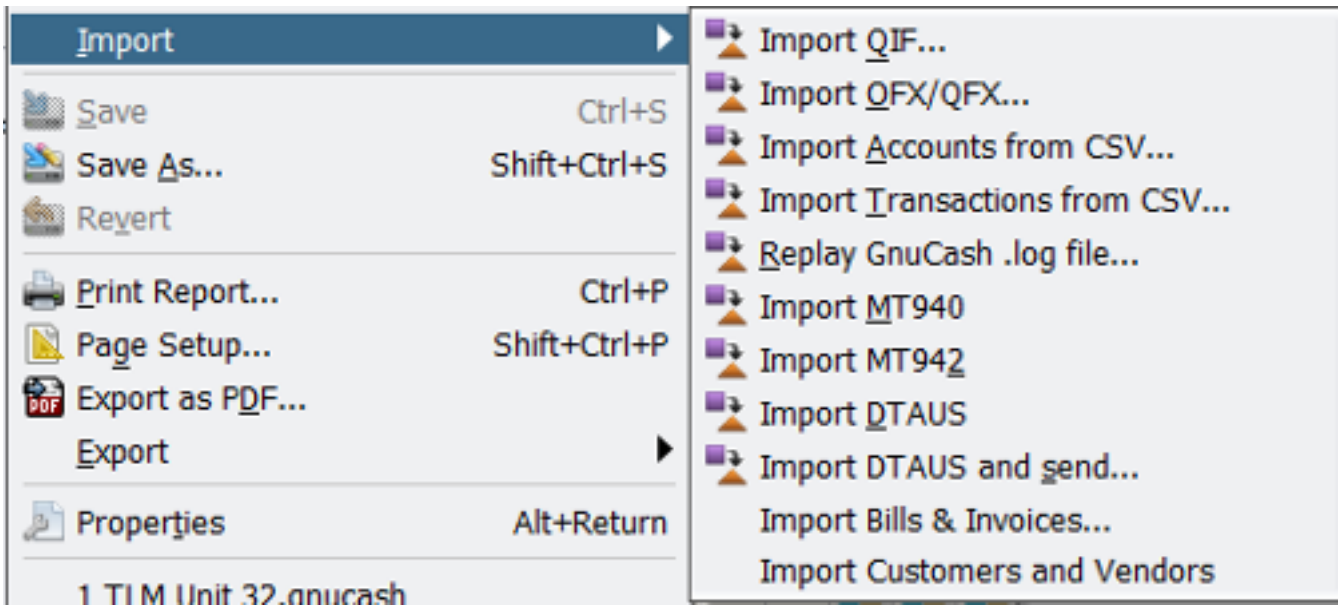
3.4 I can import and export data and link to other systems and software

Candidates should be able to work with other systems.

Evidence: will be provided by portfolio work and assessor/client feedback.

Additional information and guidance

Many companies may change their accounting system for various reasons. It might be that the current system is not sophisticated for their recent growth and does not have all of the features. In this instance, they need to be able to migrate their system without losing any data. Most systems have the ability to import from other packages and there are some standard file formats, such as QIF (Quicken Interchange Format) or CSV (Comma Separated Values).



Some systems may need to link to external systems, such as an online banking system or a live currency converter if the company does a lot of international transactions.

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');



Moderation/verification

The assessor should keep a record of assessment judgements made for each candidate and make notes of any significant issues for any candidate. They must be prepared to enter into dialog with their Account Manager and provide their assessment records to the Account Manager through the on-line mark book. They should be prepared to provide evidence as a basis for their judgements through reference to candidate e-portfolios and through signed witness statements associated with the criteria matching marks in the on-line markbook. Before authorizing certification, the Account Manager must be satisfied that the assessors judgements are sound.

Source URL: https://theingots.org/community/sil2u32x

Links
[1] http://theingots.org/community/ITQ_unit_development
[2] http://theingots.org/community/handbook2
[3] http://www.gnucash.org/download.phtml

(function(i,s,o,g,r,a,m){i['GoogleAnalyticsObject']=r;i[r]=i[r]||function(){ (i[r].q=i[r].q||[]).push(arguments)},i[r].l=1*new Date();a=s.createElement(o), m=s.getElementsByTagName(o)[0];a.async=1;a.src=g;m.parentNode.insertBefore(a,m) })(window,document,'script','//www.google-analytics.com/analytics.js','ga'); ga('create', 'UA-46896377-2', 'auto'); ga('send', 'pageview');