



# **IAAP Xero Digital Accounting Level 2 Certificate**

## **Specification & Syllabus**



# IAAP Xero Digital Accounting Level 2 Certificate Specification & Syllabus – October 2022

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# IAAP Xero Digital Accounting Level 2 Certificate

## Specification & Syllabus – October 2022

### 1. Overview

The Level 2 qualification is available to learners who have completed the IAAP Xero Digital Accounting Level 1 Award qualification or who already possess some finance knowledge. The Level 1 qualification is therefore not a prerequisite for the Level 2 qualification.

The main focus of the Level 2 qualification is to equip learners with double entry bookkeeping knowledge and to make them proficient users of the increasingly popular Xero cloud accounting software.

The Level 2 qualification will **provide a thorough grounding in accounting concepts and the Xero Accounts software**. Learners will therefore not only be able to work with Xero software but also understand the double entry undertaken by the software. Learners will be able to maintain accounts for a sole trader business, carry out reconciliations and prepare various management reports.

As the qualification has been developed in conjunction with employers, accountancy practices, business owner-managers and training providers, it is very practical and hands-on. Learners will require use of the Xero Accounts software for the duration of the qualification as they will be processing a range of accounting transactions on the Xero software. 24/7 access to the Xero software for the duration of the course will be included in the course fees.

**The qualification will provide learners with the required knowledge, skills and competencies in order to manage the finance function of a business that uses Xero Accounts software.**

As such, on successful completion of the qualification, learners will be in a position to apply for a variety of occupations including:

Bookkeeper	Accountant
Accounts Administrator	Assistant Accountant
Cost Accountant	Accounting Technician
Accounts Payable Clerk	Accounts Receivable Clerk
Sales Ledger Clerk	Purchase Ledger Clerk
Credit Controller	Accounts Assistant
Finance Assistant	Assistant Financial Accountant
Assistant Financial Controller	Assistant Management Accountant
Finance Officer	Management Accountant

Additionally, the qualification is also suitable for business owners who wish to take control and manage their own business finances and for those wanting to progress to higher education.

## 2. Market Need

It has been evident for some time that more and more businesses are migrating their accounting systems to the cloud. **Desktop based accounting legacy software is now considered to be antiquated and “not fit for purpose”**. The recent pandemic and HMRC’s Making Tax Digital (MTD) initiative have also accelerated the demand for digital financial skills.

The qualification has been developed in collaboration with employers, finance professionals, Chartered Accountants and awarding bodies in order to ensure that the content remains current, appropriate and industry-led. As cloud software is continuously being updated, **the qualification will be regularly reviewed to ensure that it remains “fit for purpose”**. **The course material and assessments have been designed by ICAEW Chartered Accountants, Grover & Co. Chartered Accountants & Registered Auditors, who have over 30 years of accounting, auditing and taxation experience**. Grover & Co. have been Xero Accredited advisors since August 2017.

London School of Accountancy is an **award-winning** financial training provider with over 25 years of training experience. They have trained up thousands of learners, business owners and staff and clients of accountancy practices in the UK and internationally. London School of Accountancy were honoured to be **awarded the IAB (Institute of Accountants and Bookkeepers) Top United Kingdom Centre in the January 2007 examinations of the IAB Level 3 Diploma in Computerised Bookkeeping**.

## 3. Entry Requirements & Prerequisites

It will be useful if learners have achieved the IAAP Xero Digital Accounting Level 1 Award qualification. However, learners from a finance background or with some accounting knowledge will be able to fast-track to the Level 2 qualification without undertaking the Level 1 qualification

## 4. Progression

On successfully completing the IAAP Xero Digital Accounting Level 2 Certificate qualification, learners can progress to the IAAP Xero Digital Accounting **Level 3 Diploma** qualification.

Achievement of the Level 3 qualification will enable learners to undertake more senior financial roles and to apply for membership of the IAAP (International Association of Accounting Professionals) and **use the designatory letters MIAAP**.

Holders of the Level 3 Diploma will also be in a position to set up their own accountancy and bookkeeping practice.

## 5. Qualification Syllabus

The Level 2 qualification comprises the following 10 mandatory units:

<b>IAAP Xero Digital Accounting Level 2 Certificate</b>	
Unit 1 – Introduction to Double Entry Principles	<ul style="list-style-type: none"> <li>Understanding accounting terms</li> <li>Accounting ledgers</li> <li>Accounting categories</li> <li>The duality of accounting transactions</li> <li>T Accounts</li> <li>Accounting equation</li> <li>Control accounts</li> </ul>
Unit 2 – Principles of VAT	<ul style="list-style-type: none"> <li>Introduction to VAT (UK) or GST (Goods &amp; Services Tax) internationally</li> <li>VAT rates – standard, zero, lower and exempt</li> <li>Terms such as input tax, output, tax , HMRC, out of scope, etc.</li> <li>VAT Schemes – Standard, cash, flat rate, accrual, etc.</li> <li>VAT registration threshold</li> <li>Registering for VAT</li> <li>Quarterly VAT return preparation</li> <li>VAT return submission and deadlines</li> <li>VAT return penalties</li> <li>MTD (Making Tax Digital)</li> </ul>
Unit 3 – Xero Accounts Setup	<ul style="list-style-type: none"> <li>Introduction to Xero Dashboard</li> <li>Organisation settings</li> <li>Financial settings</li> <li>Invoice settings</li> <li>Chart of Accounts - Advanced</li> </ul>
Unit 4 – Housekeeping and Error Correction in Xero	<ul style="list-style-type: none"> <li>Types of Xero subscriptions</li> <li>Setting up users</li> <li>Access rights</li> <li>Customising email templates</li> <li>Data integrity</li> <li>Backing up data</li> <li>Editing transactions</li> <li>Correcting transactions</li> </ul>
Unit 5 – Working with Customers in Xero	<ul style="list-style-type: none"> <li>Creating and editing customer records</li> <li>Setting and reviewing customer credit limits</li> <li>Preparing draft sales invoices</li> <li>Approving sales invoices</li> </ul>

	<p>Emailing sales invoices to customers</p> <p>Preparing stand-alone sales credit notes and assigning to invoices</p> <p>Crediting invoices for overcharges, damaged goods, etc.</p> <p>Editing customer invoices</p> <p>Deleting and voiding customer invoices</p> <p>Customer statements</p> <p>Credit control</p> <p>Adding notes re expected invoice payment dates</p>
Unit 6 – Working with Suppliers in Xero	<p>Creating and editing supplier records</p> <p>Uploading supplier invoices</p> <p>Entering supplier invoices</p> <p>Saving supplier invoices as draft or for approval</p> <p>Approving supplier invoices</p> <p>Entering supplier credit notes and assigning to invoices</p> <p>Editing supplier invoices</p> <p>Deleting and voiding supplier invoices</p> <p>Preparing remittance advice</p> <p>Reconciling supplier accounts</p>
Unit 7 – Recording Bank Transactions in Xero	<p>Entering customer receipts</p> <p>Entering supplier payments</p> <p>Entering non-customer receipts</p> <p>Entering non-supplier payments including one-off payments, owner’s drawings, etc.</p> <p>Working with Xero bank feeds</p> <p>Bank feeds reauthentication</p> <p>Reconciling bank transactions</p> <p>Recording bank transfers</p>
Unit 8 – Recording Cash Transactions in Xero	<p>The imprest petty cash system</p> <p>Setting up a dedicated bank account to record petty cash transactions</p> <p>Entering cash receipts</p> <p>Entering cash payments</p> <p>Petty cash reconciliation</p> <p>Topping up the cash balance</p> <p>Transferring between accounts</p>
Unit 9 – VAT Return Processing in Xero	<p>Selecting the relevant VAT scheme in Xero</p> <p>Understanding and assigning the correct VAT to accounting transactions including:</p> <p>20% (VAT on Income)</p> <p>20% (VAT on Expenses)</p> <p>5% (VAT on Income)</p> <p>5% (VAT on Expenses)</p> <p>No VAT</p>

	Exempt Income Exempt Expenses Zero Rated Income Zero Rated Expenses VAT on Imports MTD (Making Tax Digital) VAT reconciliation Submitting VAT returns to HMRC Dealing with late vat claims
Unit 10 – Xero Management Reports	Trial Balance Profit & Loss Balance Sheet Aged debtors summary Aged debtors detailed Aged creditors summary Aged creditors detailed Account transactional reports Contact transactional summary

## 6. Delivery & Support

The qualification can be delivered in-person in a classroom setting, online or as blended learning. It is recognised that in-person sessions are more engaging and maintain the motivation of the learners and for this reason higher success rates may be achieved by offering this option.

Ongoing support will be available via email, telephone, in-person and live online calls.

As learners will have 24/7 access to the Xero Accounts software throughout the duration of their course (as part of their course fees), they will be set regular assignments to complete in their own time in order to complement the structured training sessions.

London School of Accountancy have a dedicated Xero training centre near Ealing, west London which is equipped with 14 PCs, trainer PC, flipchart, etc.

## 7. Assessment

Learners will be assessed continuously throughout the course programme. The Level 2 qualification consists of 10 mandatory units; learners will complete a Skills & Knowledge test (open book) at the end of each unit in order to test their understanding of the subject matter of the relevant unit.

**A two hour final summative assessment will be undertaken under exam conditions** which will test the learners' practical skills. The final assessment will be a case study undertaken using the Xero software whereby the learners will assume the role of a finance officer and undertake various business transactions. Learners will be required to produce various reports as evidence of the tasks performed.

Learners successfully completing the final assessment will achieve either a Pass, Merit or Distinction; **the certificate will be issued by IAAP (International Association of Accounting Professionals).**

A minimum of 60% is required in the final assessment in order to achieve a Pass, 75% to achieve a Merit and 90% to achieve a Distinction.

## 8. Duration

The IAAP Xero Digital Accounting Level 2 qualification has been designed to be completed within 55 GLH (Guided Learning Hours) and 130 hours of TQT (Total Qualification Time) by a learner who does not have a finance background.

However, learners who have a finance background or some experience of the Xero software will be able to complete the programme more quickly.

### Definitions

GLH (Guided Learning Hours) is the amount of time that the average learner is expected to spend undertaking structured lessons under the supervision of a lecturer but may vary by learner.

TQT (Total Qualification Time) is the total time (including GLH) that the average learner is expected to spend in undertaking the qualification. This therefore includes formal lessons but also self-study, private research, undertaking work placements, on-the-job work experience, undertaking assignments and examinations, etc.

## 9. Accreditation

The IAAP Xero Digital Accounting Level 2 Certificate is accredited by the prestigious IAAP (International Association of Accounting Professionals) which has a global membership. As such, the qualification has to meet the high standards of the IAAP and **will inevitably be highly valued by employers and the finance industry as it will demonstrate the successful learners' competencies in the Xero Accounts software**. Such skills are currently in high demand as there are over 3 million subscribers to the software; **more and more employers are migrating to Xero with the demand for Xero qualified staff expected to increase further.**

Accreditation will be achieved by the learner on:

1. Completing the course programme, and
2. Undertaking all 10 of the Skills and Knowledge tests, and
3. Successfully completing the final summative assessment and achieving a set standard.

## 10. International Delivery

As double entry principles are the same the world over, the Xero Digital Accounting qualification can be delivered in any country where the Xero software is in use or is gaining popularity. Since its inception in 2006, the Xero software already has in excess of 3 million subscribers in over 180 countries. **It therefore makes sound sense for finance students, business owners, accountants and bookkeepers around the world to master the software.**

The qualification can be adapted in accordance with local tax laws and regulations.

## 11. Support for Training Providers

For additional information on the qualification or if you wish to deliver the qualification at your training centre, please contact London School of Accountancy where we can arrange “Train-the-Trainer” classes.

“Train-the-Trainer” training sessions can be delivered online or in-person and “hand-holding” can be provided to those who are new to the Xero Accounts software.

Telephone: 020 8567 7733 (UK) or 00 44 208 567 7733 (Internationally)

[www.XeroQualifications.org](http://www.XeroQualifications.org).

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