



IAAP Xero Digital Accounting Level 3 Diploma

Specification & Syllabus



IAAP Xero Digital Accounting Level 3 Diploma Specification & Syllabus – October 2022

| Contents | Page |
|---------------------------------------|-------------|
| 1. Overview | 3 |
| 2. Market Need | 4 |
| 3. Entry Requirements & Prerequisites | 4 |
| 4. Progression | 4 |
| 5. Qualification Syllabus | 5 |
| 6. Delivery & Support | 7 |
| 7. Assessment | 8 |
| 8. Duration | 8 |
| 9. Accreditation | 8 |
| 10. International Delivery | 9 |
| 11. Support for Training Providers | 9 |

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1. Overview

The Level 3 qualification is available to learners who have completed the IAAP Xero Digital Accounting Level 2 Certificate qualification or who already have extensive knowledge of Xero Accounts software. The Level 3 qualification builds on the Level 2 qualification and introduces learners to more advanced accounting concepts and the advanced features of the Xero software including stock (inventory) management, purchase orders and quotations. The emphasis will not only be on processing a wide range of business transactions from source documents but also on running KPIs and providing insightful analysis to the business owners/directors. Learners will therefore be able to undertake various period-end accounting adjustments and prepare financial statements for a private limited liability (LTD) company, carry out reconciliations and customise various management reports.

The main focus of the Level 3 qualification is to equip learners with advanced accounting knowledge and to make them SUPERUSERS of the increasingly popular Xero cloud accounting software.

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 solely 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:

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|-------------------------------|------------------------|
| Senior Bookkeeper | Senior Accountant |
| Accounts Payable | Accounts Receivable |
| Sales Ledger Clerk | Purchase Ledger Clerk |
| Credit Controller | Financial Accountant |
| Financial Controller | Finance Partner |
| Fixed Asset Accountant | Senior Finance Officer |
| Chief Financial Officer (CFO) | Comptroller |
| Cost Accountant | Accounts Supervisor |
| Management Accountant | Year End 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 2 Certificate qualification. However, learners with extensive knowledge of the Xero Accounts software will be able to fast-track to the Level 3 qualification without undertaking the Level 2 qualification

4. Progression

On successfully completing the IAAP Xero Digital Accounting Level 3 Diploma qualification, learners can progress to the Xero Payroll qualifications.

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 3 qualification comprises the following 12 mandatory units:

| IAAP Xero Digital Accounting Level 3 Diploma | |
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| Unit 1 – Advanced Accounting Concepts | <ul style="list-style-type: none"> Suspense accounts Journals Accruals Prepayments Depreciation methods including straight line, reducing balance, sum of digits, etc. Additions and disposal of fixed assets Irrecoverable and doubtful debts Stock valuation principles |
| Unit 2 – Advanced Xero Accounts Setup | <ul style="list-style-type: none"> Chart of Accounts 5customisation Accounts watchlist Conversion balances on migrating to Xero from another accounting system Entering customer opening balances Entering supplier opening balances Entering bank opening balances Setting up cost centres Xero market store Xero integrations – over 1,000 Connecting Xero to other apps Xero Network Key Merging contacts |
| Unit 3 – Stock (Inventory) Management | <ul style="list-style-type: none"> Setting up products Setting up services Tracking inventory items Monitoring stock levels Setting stock reorder levels Manual adjustments to stock quantities Revaluing stock items Stock write-offs Stock journal |
| Unit 4 – Quotations and Purchase Orders in Xero | <ul style="list-style-type: none"> Preparing purchase orders Editing purchase orders Entering supplier invoices from purchase orders Updating stock (inventory) Preparing customer quotations |

| | |
|--|---|
| | <ul style="list-style-type: none"> Dealing with customer acceptance or non-acceptance of the quotation Generating sales invoices for successful quotations Updating stock (inventory) |
| Unit 5 – Working with Customers in Xero | <ul style="list-style-type: none"> Creating and editing customer records Preparing sales invoices and credit notes Repeating sales invoices Batch customer deposits Advanced credit control Customer email reminders Customer overpayments Customer and supplier contra payments Writing off customer bad debts Importing sales invoices via CSV files |
| Unit 6 – Working with Suppliers in Xero | <ul style="list-style-type: none"> Creating and editing supplier records Entering supplier invoices and credit notes Repeating supplier invoices Using Xero’s auto-populate feature to minimise data input and improve efficiencies Scheduling supplier payments Batch multiple supplier payments Generating bank payment files re supplier payments Dealing with supplier overpayments Supplier and customer contra payments Reconciling supplier accounts |
| Unit 7 – Recording Bank Transactions in Xero | <ul style="list-style-type: none"> Setting up bank feeds Refreshing bank feeds Batch coding of bank transactions Setting up and editing bank rules Entering customer and non-customer receipts Entering supplier and non-supplier payments Setting up multiple bank accounts Importing bank transactions via CSV, QIF, OFX, etc. files Bank reconciliation report Resolving differences in Xero and actual bank statement balances |
| Unit 8 – Working with Fixed Assets in Xero | <ul style="list-style-type: none"> Recording fixed asset additions Setting up fixed asset categories Entering/updating depreciation policy Processing monthly depreciation under straight line and reducing balance basis Disposal of fixed assets Writing off fixed assets due to obsolescence |

| | |
|--|--|
| Unit 9 – Accounting Adjustments in Xero | Monthly salaries journal Processing prepayments for rent, rates, insurance, etc. Processing accruals for telephone, utility costs, accountancy fees, etc. Suspense account postings |
| Unit 10 – Working with Budgets in Xero | Setting sales budgets in Xero Setting an overall budget Budgets by cost centre Importing budgets directly from Excel Actual v budget report |
| Unit 11 – Month End and Year End Procedure in Xero | Clearing the suspense account Deferred income adjustments Accrued income adjustments Accountancy fee accruals Find and recode transactions Processing the financial year end Locking transactions |
| Unit 12 – Xero Management Reports Customisation | KPIs – Key Performance Indicators Generating management reports by cost centre Customising the Profit & Loss Statement Customising the Balance Sheet Budget report Cash forecast Exporting data to Excel for additional analysis |

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 3 qualification consists of 12 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 three 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 manager 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 3 qualification has been designed to be completed within 160 GLH (Guided Learning Hours) and 325 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 3 Diploma 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 12 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.

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