

## S248: Account for Income and Expenditure

**Overview:** Understand an organisation's accounting processes and identify and correct or refer any errors or discrepancies as well as maintain security and confidentiality of information at all times. This standard is imported from the **FSSC Accountancy and Finance suite**.

**Links:** Business Resource; Finance

**Specific skills:**

- Checking
- Communicating
- Monitoring
- Problem Solving
- Managing time
- Using technology

### Performance Indicators

1. Record details from the relevant primary records in the cashbook and ledgers;
2. Correctly calculate totals and balances of receipts and payments;
3. Compare individual items on the bank statement and in the cashbook for accuracy and identify discrepancies;
4. Prepare a bank reconciliation statement that illustrates any discrepancies;
5. Make and record authorised adjustments;
6. Balance relevant accounts in the main ledger;
7. Reconcile control accounts with the totals of the balance in the subsidiary ledger accounts;
8. Reconcile the petty cash book with cash in hand and subsidiary records;
9. Identify discrepancies arising from the reconciliation of control accounts and either resolve them or refer to the appropriate person;
10. Draft a trial balance and open a suspense account to record any imbalance where necessary;
11. Identify reasons for imbalance, rectify them and make accurate corrections in the journal;

### Knowledge & Understanding

#### The Business Environment

- A. Types of business transactions and the documents involved;
- B. The general principles of VAT;
- C. Relevant bank services and the operation of the bank clearing system;
- D. The function and form of banking documentation.

#### Accounting Techniques, Principles and Theory

- E. Capital and revenue expenditure;
- F. How to identify different types of errors;
- G. How to make adjustments to correct errors and write off bad debts;
- H. Methods of posting from books of prime entry to ledger accounts;
- I. Double entry bookkeeping and balancing accounts;
- J. The inter-relationship of accounts and the double entry system;
- K. The use of journals;
- L. How to identify discrepancies through control account reconciliation;
- M. The function and form of a trial balance;
- N. How to rectify imbalances and adjust errors not requiring a suspense account;
- O. The purpose and function of a suspense account;
- P. How to rectify imbalances by creating and then subsequently clearing a suspense account.

#### The Organisation

- Q. The organisation's accounting, administrative and filing systems and procedures;
- R. The nature of the organisation's business transactions;