

IAOP Certification Standards & Requirements

Certified Outsourcing Specialist™ – Finance & Accounting (COS-F&A)

A Certified Outsourcing Specialist for Finance & Accounting (COS-F&A) has the knowledge and capabilities necessary to perform tasks and deliver services at a basic entry-level proficiency in the Finance and Accounting domain of the outsourcing industry.

Certification Requirements

In order to get the COS-F&A certification an individual has to successfully pass and get validated the online test comprising 100 multiple choice questions (MCQ) with each having four options. The time allotted for the exam is 1.25 hours. The MCQs will be generated randomly from the question bank provided. The minimum score required for passing the test and achieving the certification is 70%. Recertification is required every three years by retesting.

Recommended Background

It is recommended, but not required that the candidate should have had prior education – Higher Education/ Associate Degree/ Foundation Degree/ Bachelor's Degree or other equivalent qualification. This is to ensure a minimum aptitude and education level. The optional course will give the candidate a good exposure to handle Finance and Accounting responsibilities smoothly. Finance and Accounting can be quite a technical subject and it would be recommended, but not required for the candidate to have had exposure to the fundamentals of Finance and Accounting before undertaking the test. A formal training, or some input on F&A would be reasonably expected to fare well in the test. It will also be preferred that the candidate has had some prior exposure to Finance and Accounting as a function in order to respond to questions that are about core F&A processes. While this is not a prerequisite towards understanding the domain, it will greatly help the candidate fare better in the test from an industry application point of view.

Certification Standards

COS-F&A demonstrates basic understanding of the various business processes in Accounting and concepts in Financial Accounting, and shall test the candidate on the following skills and knowledge areas

Knowledge Area 1: Introduction to Accounting

- Define accounting
- Explain the purpose of accounting reports
- Identify the users of accounting information
- Know the history of accounting
- Know the major accounting and professional bodies

Knowledge Area 2: Accounting Principles and Standards

- Understand the accounting framework and process
- Define the various business entities and understand their characteristics
- Define accounting concepts and conventions, and know the applicability of concepts while preparing accounting books and statements
- Define GAAP
- Understand the functions of the accountant
- Understand the various types of accounting

Knowledge Area 3: Rules of Bookkeeping

- Understand the concept of debit and credit
- Apply the rules for double entry bookkeeping

Knowledge Area 4: Types of Accounts

- Distinguish the various types of accounts
- Understand the charting of accounts
- Understand the coding of accounts

Knowledge Area 5: Source Documents and Books of Accounts

- Describe the various types of source documents and their importance in accounting
- Explain the primary and secondary books of accounts

Knowledge Area 6: Subsidiary Books of Accounts

- Understand the types of subsidiary books of accounts
- Record business transactions into the subsidiary books

Knowledge Area 7: Recording Business Transactions – Journals

- Understand the information flow for an accounting system
- Explain the purpose of a journal
- Understand the rules of debit and credit
- Enter transactions in a general journal.

Knowledge Area 8: Posting to Ledgers and Preparing Trial Balance

- Define what a ledger is
- Explain the purpose of a ledger
- Post transactions from journals to ledgers
- Balance ledgers
- Prepare a trial balance

Knowledge Area 9: Adjustment Entries

- Distinguish between cash and accrual basis of accounting
- Explain the purpose of adjusting entries
- Prepare entries to accrued revenues and expenses
- Prepare entries for deferrals

Knowledge Area 10: Bank Reconciliation

- Define the meaning of bank reconciliation
- Understand the need for bank reconciliation
- Understand the format of a bank reconciliation statement
- Prepare bank reconciliation

Knowledge Area 11: Meaning and Preparation of Financial Statements

- Understand the concept of financial statements
- Prepare income statement, statement of retained earnings, balance sheet and cash flow statements
- Understand the purpose of financial statements

Knowledge Area 12: Elements of Financial Statements

- Understand the five elements of financial statements:
 - Assets
 - Liabilities
 - Equity
 - Income
 - Expenses

Knowledge Area 13: Financial Statement Analysis

- Analyze a business' financial performance
- Define the various categories of ratios used in financial statement analysis
- Compute the financial ratios used for decision-making
- Understand the limitations of financial analysis

Knowledge Area 14: Time Value of Money

- Understand time value and its financial implications
- Understand the process of compounding and discounting, effective and nominal interest rates
- Calculate present value and future value of cash flows and annuities
- Calculate the present value of perpetuity
- Apply TVOM in capital budgeting and bond valuation

Knowledge Area 15: Capital Markets

- Distinguish the various types of financial markets
- Understand the structure of the Malaysian Financial System
- Understand the operations of the primary and secondary financial markets

Knowledge Area 16: Derivatives

- Define what derivatives are
- Distinguish the various types of derivatives
- Understand the meaning and purpose of derivatives