



**Higher National/SQA Advanced Qualifications (China)**

**Qualification Verification Summary Report 2019**

# **Accounting and Finance**

**Verification group: 266**

## **Introduction**

This report will focus on the delivery, assessment and internal verification (IV) of Higher National/SQA Advanced Diploma units which are delivered in China. There has been a mixture of visiting and remote verification during this session. In general, there is evidence to suggest that the assessors and internal verifiers in centres are growing in confidence following several years of support at the annual Professional Development Conferences. There is also more evidence of sharing of resources and assessment instruments across centres.

The improvement in the understanding of the content of unit specifications has continued, and there has generally been an improvement in the understanding of the unit specifications, with fewer requests for clarification to the external verification (EV) team.

There are a number of recommendations noted in the content of the report below, but the overall feedback from the EV activity is one of improvement. Teams continue to benefit from much support from the SQA teams who have worked with centres in recent years.

This document reports on the findings of qualification QA activity, both in country and remotely, covering the qualifications offered in China.

The report will look at Higher National/SQA Advanced Diploma units. There is no graded unit within this remit.

## Category 2: Resources

### **Criterion 2.1: Assessors and internal verifiers must be competent to assess and internally verify, in line with the requirements of the qualification.**

This criterion is reviewed during all QA events at centres in China, both visits and remote reviews. On the whole most tutors/assessors/internal verifiers who are involved in the delivery, assessment and IV of any of the Accounting units present relevant qualifications and undertake CPD. However, the requirement to undertake at least two Accounting-specific CPD activities has been missed by many. The CPD activity can take the form of updating materials following the reading of articles, or taking part in some professional body workshops which focus specifically on Accounting. Quite often those who are delivering Taxation units tend to have sufficient CPD, as they are required to update their materials and assessments annually.

The evidence presented for verification included certification of the professional and university qualifications of assessors and internal verifiers. Most certificates had been translated into English and most tutors had given their English names in documentation.

It is recommended that CPD records are not maintained merely as lists of events and meetings, but should show how the assessor/internal verifier will use the skills learned in their roles. This should apply to all of those involved in supporting candidates for any subject area.

In addition, it is recommended that the assessors and internal verifiers for units covering Tax should keep their knowledge up to date by using resources designed for UK taxation legislation and not US legislation. Although there has been an improvement in this particular item, there is still evidence that tutors are referring to US tax legislation, though the two are different. It should also be noted that the Income Tax unit should be amended, as the Scottish Government have amended Scottish tax legislation, resulting in different tax bands, coding and taxation rates for Scottish residents. Centres offering Taxation units can either choose to offer UK taxation or Scottish taxation, with many using UK.

The following recommendations have been made during QA activity this session:

- ◆ Centres must ensure that all staff complete relevant subject specific CPD annually for every unit they teach. This can be relevant reading and internet research as well as more formal learning at seminars and events.
- ◆ Assessors and internal verifiers should record all CPD they undertake and, more importantly, identify at least two Accounting-specific CPD events during an academic session. This might include accessing UK Government websites to ensure their information is up to date; attending Accounting-specific events; updating their knowledge in other ways. For each item of CPD the team must identify how it will help them improve their delivery, support and assessment of candidates.

**Criterion 2.4: There must be evidence of initial and ongoing reviews of assessment environments; equipment; and reference, learning and assessment materials.**

Again a range of evidence was presented for review, but most were checklists. Some checklists reviewed this session were annotated with additional information about the initial reviews.

Teams must prepare alternative assessments for each of the outcomes, and submit them for prior verification for each unit. There should be alternative assessments in place at the beginning of the delivery for each unit in order to avoid disadvantaging candidates by delay while assessments are prepared. There is still insufficient evidence that alternative assessments are available for all outcomes prior to the start of delivery. This is an area for improvement, and one where a number of action points were raised in last year's report.

It is therefore recommended that the initial IV review for any unit covers the availability of alternative assessments for re-assessment purposes.

Teams should remember that changes in UK legislation may affect essential content of units and assessments. Some assessment instruments must therefore be updated on an annual basis.

Pre-delivery checklists, and other documentation used in centres, should be amended to remove any reference to other centres.

Most centres are submitting re-assessment instruments which are of a higher quality than in the past. But when preparing an alternative assessment instrument, the writer must refer to the unit specification. Problems could be avoided here if the internal verifier checks the proposed assessment instrument against the unit specification prior to it being submitted for review.

Teams are reminded that IV documentation should be submitted with assessment instruments for review.

The following recommendations were made during the period:

When preparing documentation relating to planning, the centre should identify the relevant units, or at least the programme of study, on these documents. The teaching and learning checklists and the IV planning documents, lessons plans and IV sampling records did not always identify the relevant unit.

## Category 3: Candidate support

### **Criterion 3.2: Candidates' development needs and prior achievements (where appropriate) must be matched against the requirements of the award.**

Once again in most cases the only evidence presented for this criterion was the scheduled class contact details, in the form of timetables or calendars.

Most centres visited assured the verifiers that candidates entering the programme should hold IELTS 4.5, or an equivalent, before starting their chosen SQA programme of study. However, there was not always documentation to support this.

Following a recommendation in previous reports that centres must provide records of ongoing support for candidates, more evidence has been provided during QA reviews.

In many cases, records appear to be kept of topics that candidates had asked for help with, so that the teaching of units may be amended to ensure sufficient coverage of topics which candidates find challenging.

### **Criterion 3.3: Candidates must have scheduled contact with their assessor to review their progress and to revise their assessment plans accordingly.**

In most cases the centres provided evidence of scheduled contact with candidates in the form of term timetables or teaching schedules for a semester/term/block, or class lists with attendance records. This evidence was corroborated during discussions with candidates.

Recommendations for Business Accounting (F84M 34/HP7K 47) include:

- ◆ Teams should review their assessment planning for the first two outcomes of the unit. Candidates need not be assessed for both outcome 1 and outcome 2 at the same event. This is merely a suggestion. Evidence suggests that centres are still assessing candidates for both outcomes together, with detrimental effects for candidates.
- ◆ It is once again recommended that teams review their teaching of this unit and consider whether the delivery order of outcomes 1–5 should be changed, with outcome 2 being taught before or after all the other outcomes. This means that all of the Financial Accounting topics (outcomes 1, 3, 4 and 5) are covered together, and the Management Accounting topic is separate. This is not essential, but evidence presented during the reviews suggests that candidates do not do particularly well when outcomes 1 and 2 are assessed together. This change has been shown to allow them better results.
- ◆ Teams are reminded that it is possible also to assess outcomes 3 and 4 together, then outcome 5 at a separate event, using a different case study. This is noted in the updated unit specification.

It was recommended that assessors ask the candidates to sign and date feedback documents to confirm that they have received feedback. While candidates who were interviewed during the reviews confirmed that they receive feedback, the external verifiers were not presented with

hard copy documentation of this. This makes it very difficult to confirm this matter when the review is undertaken remotely.

This criterion has always been well documented and this continues to be the case for most centres.

## Category 4: Internal assessment and verification

### Criterion 4.2: Internal assessment and verification procedures must be implemented to ensure standardisation of assessment.

Once again, for most centres there was evidence of teams adhering to their own IV procedures. Sample sizes were documented. For most of the visits the EV team were provided with handbooks for all of those involved in the delivery, assessment and IV of programmes.

There were still some cases where the internal verifiers had not indicated on any of the scripts submitted that they had reviewed them. It is recommended that internal verifiers sign and date the scripts that they have reviewed.

In one of two cases there were records of internal verification but the reports mainly contain the same text for each learning outcome with little narrative on the performance. The internal verifier has not identified that the submissions for different outcomes replicate the narrative solution in the ASP. In one case the internal verifier had not identified that the assessor did not use the required error type identification or highlight the fact that many candidates had not stated the correct ratio narratives such as times or days when completing outcome 5 of Business Accounting.

In one or two centres the internal verifier had used a stamp with his signature on it. While this avoids having to sign all documents, the scripts reviewed should have the date that the activity took place noted on IV sampling plans and the scripts.

The teams should provide a list of candidates selected for IV, showing clearly if the internal verifier agrees with the assessor decision, and providing any feedback. If the internal verifier and assessor disagree about an assessment decision then the external verifiers would expect to see this recorded in IV documentation, and the overall decisions recorded.

Overall, there has been an improvement in assessors identifying errors, both type and number, and communicating their assessment decisions clearly, but there is still room for improvement in some centres.

The following were the main recommendations during the session:

- ◆ Documentation submitted for review should be fully completed — in one or two cases, there was no evidence on any of the candidate submissions that the internal verifier had reviewed them. It is essential that the name of the internal verifier and his/her signature appears on the documents.
- ◆ Teams should record the actual topics discussed during meetings — for example, not just that the ASP was discussed, but what aspect in particular of the ASP.
- ◆ Teams in centres should carefully review their IV handbook to make sure it correctly reflects the requirements in the unit specification. In a few cases documentation, as well as the teaching and assessment plans and the teaching plans, related to a previous version of the units and was incorrect. These must be updated in line with the SQA requirements to update to the SQA Advanced Diploma.

- ◆ Internal verifiers should identify themselves by signing and dating each of the scripts reviewed, and noting whether or not the assessor decisions are appropriate, to show that IV has actually taken place. It was not obvious in some cases whether the internal verifier had reviewed scripts or agreed with decisions.
- ◆ It is recommended that the IV checklists include reference to an alternative assessment instrument being available in their pre-delivery checklists.
- ◆ Internal verifiers should ensure that the assessor has identified the number and type of errors on each candidate's script, as well as providing the detailed feedback that has been given. This will enable the internal verifier to identify quickly if the candidate is required to undertake re-assessment or has a 'straight pass'. With Business Accounting, for outcomes 1 and 2 there should only be straight pass or re-assessment. However for outcomes 3–5 there is the opportunity to redo where the candidates need to amend reports or narrative tasks.
- ◆ All of the materials used to support candidates undertaking tax units should be brought up to date and include reference to the tax year being taught. Assessments and re-assessments, as well as teaching materials, should be carefully reviewed prior to the next delivery to ensure that they refer to the tax year being taught, and that the figures included are for the correct tax period. All of the materials and assessment instruments should be subject to internal verification, which should then be recorded on the centre documentation.
- ◆ Centres should record on the documentation the actual units which are being discussed during meetings to enable an internal verifier/external verifier to identify that all units are covered over time.

An area of good practice was identified in one centre:

There was clear evidence of the internal verifier supporting the assessor who is new to a unit. This is good practice. There was clearly open ongoing discussion, and the internal verifier recorded any issues with the assessor decisions, identifying what could be done to rectify the situation.

**Criterion 4.3: Assessment instruments and methods and their selection and use must be valid, reliable, practicable, equitable and fair.**

Once again, as in the UK, most centres have chosen to use the SQA Assessment Support Packs as their first assessment (some referred to as China Assessment Support Packs — CASPs). Clearly this gives a degree of confidence that the assessments used meet the requirements of the unit specification. However, a number of units require assessments to be updated on an annual basis, and this has been less evident during reviews. In particular, CASPs which assess any area of Taxation must be updated on an annual basis, based on the UK Finance Act in place. The Finance Act which should have been used in the 2018–19 session is Finance Act 2018. There was some evidence that not all centres had updated the assessments.

Once again, few centres presented evidence of any discussions relating to the selection of assessment instruments. This should be clearly documented in IV documentation and there should be some reasonable basis for the choice of assessment instrument.

In order to avoid any delays in providing candidates with the opportunity to undertake re-assessment, an appropriate alternative assessment instrument should be available at the start of the session, and this should be reviewed annually to ensure that it still meets the relevant unit specification. This has been covered in section 2.4 above. Any alternative assessment instruments must be subject to review by the internal verifier on an outcome by outcome basis and particular attention paid to the error tolerance thresholds for each outcome. Teams in centres should review any information communicated from the SQA qualifications manager to identify whether any unit specification has been amended or updated, and if so, they should ensure that the assessment instruments still meet the updated unit specification. This is of particular importance now to ensure that the assessment instruments meet the requirements of the SQA Advanced Diploma unit specifications.

Teams are strongly recommended to use the prior verification service provided by SQA to review any centre-devised assessment instrument and give them confidence that it meets the requirements of the unit specification and is appropriate to use. It is worth noting at this point that there appear to have been improvements in the assessment instruments submitted for prior verification, and fewer are being returned for amendments.

The following are some of the recommendations that have been made during the session:

- ◆ The content of assessment instruments must not be used as teaching materials.
- ◆ All assessment instruments used to assess Taxation units must be updated annually in line with current UK tax legislation. It is recommended that teams submit these assessment instruments for prior verification to ensure that they are valid, reliable, practicable, equitable and fair.
- ◆ It is recommended that teams have available appropriate alternative assessment instruments to avoid any delay in re-assessment for candidates. It is recommended that any alternative assessment instruments are submitted for prior verification
- ◆ It is recommended that any centre-devised alternative assessments for any of the outcomes be submitted to SQA for prior verification.
- ◆ Teams in centres should issue the pro forma documentation provided within the CASP for candidates to complete while preparing for, and taking assessments. This is designed to help candidates apply knowledge and to complete the task within the time allowed. The pro forma layout only can be copied and issued to candidates to use when practising for the assessment to allow them time to familiarise themselves with it. This is particularly intended for Business Accounting outcomes 1 and 2.

**Criterion 4.4: Assessment evidence must be the candidate's own work, generated under SQA's required conditions.**

Once again there appears to have been a marked improvement under this criterion. However, there are still some cases where candidates' work is not their own, despite most centres requiring candidates to sign declarations to that effect.

Teams in centres are reminded that the security of assessment instruments is of paramount importance. They should also avoid coaching candidates towards the specifics of assessment

tasks. Teams are reminded to ensure that the assessment conditions of each outcome are adhered to.

It is important to ensure candidates use their English name as well as the Chinese name on documentation declaring that work submitted is their own to ensure that internal and external verifiers can identify them on the list of candidates.

In most centres that were subject to review candidates complete a statement of authenticity with every assessment submission.

While candidates appear to complete a statement of authenticity or similar document for each unit, they may be unaware of the implications of their actions should they copy each other or use sources without identifying them as such. It is strongly recommended that, during their induction to the programme, students are made aware of what types of action are classed as plagiarism, in order to ensure that they fully understand that using inappropriate resources is unacceptable in their studies. This is an ongoing comment, and reported upon in previous years.

**Criterion 4.6: Evidence of candidates' work must be accurately and consistently judged by assessors against SQA's requirements.**

As in the past, in most centres the teams include at least one member with an Accounting focus. Many centres have tutors/assessors/internal verifiers who hold a professional accounting qualification. Most maintain their CPD although as per comments in section 2.1, there is a requirement to undertake at least 2 CPD events which are Accounting-specific.

There are support materials on the China SQA website for Accounting and Finance units which use the error tolerance principles and not cut-off scores. This was introduced first in China and has been in place for a period of time. Most teams are now experienced in the application of the error tolerance principles, and there are fewer issues with this than have been seen in the past.

Assessors and internal verifiers must continue to check intermediate steps in calculations. For example, in some centres for the cash budget (outcome 2 in Business Accounting F84M 34/HP7K 47) only the closing balances had been marked. Assessors and internal verifiers must check that all of the intermediate steps in the calculations have been carried out correctly and no errors have been made. Similarly, there was evidence in a few centres that consequential marking had not been applied to this task. As a result some candidates made an error which carried through to other parts of their submission, and these later instances were also marked as errors — exactly the situation consequential marking is intended to avoid. There is support documentation on consequential marking on the SQA website from one of the early conferences.

The following recommendations were made during the QA visits in this session:

- ◆ For Business Accounting outcome 1 it is strongly recommended that candidates are required to do a re-assessment if they have not completed all three financial statements.

The statement of changes in equity is as important as the other two statements, and candidates must complete all three within the error tolerance threshold.

- ◆ Internal verifiers should identify themselves on each script they review to show they have reviewed the script and whether they agree or disagree with the assessor decision.
- ◆ In the Financial Reporting and Analysis unit candidates must provide an explanation of the purpose of each journal that they prepare. For outcome 2 it is not enough just to complete the required journals correctly in terms of the figures, and candidates should include a 'narrative' or explanation as to the purpose of each journal. In future, this should be stressed during teaching. All notes of workings for outcome 2 should be submitted as part of the candidate assessment.
- ◆ Candidates must be encouraged to avoid using abbreviations in the disclosure notes for financial statements.
- ◆ Candidates must not have access to any materials during the assessment of outcomes 2 and 3 to complete the narrative tasks, other than the pro forma documents that are included in the assessment pack. No candidate should have access to class notes or text books or other materials during these assessment events. During the teaching of outcome 4 the tutor should encourage candidates to identify any interrelationships between ratios in their analysis.
- ◆ Teams are strongly recommended to consider issuing the pro forma documents included in the CASPs at assessment events, remembering that it is the candidate's choice to use them or not. The documents are designed to help the candidates complete the tasks within the limited time.
- ◆ It is recommended that assessors of Cost Accounting mark tasks by stages. For example, it is recommended that the inventory valuations be marked for each entry to identify if the closing balances are correct for each of the entries and methods. With the labour costing it is recommended that each line of the wages summary be marked separately. For the costing methods each intermediate stage of job and service costing should be marked to show that intermediate steps are correct. The same applies to the overhead absorption task and the interlocking accounting.
- ◆ For future submissions, the material submitted for review should include a range of candidate scripts across assessment results and groups. The sample submitted for review should include candidates from all class groups.
- ◆ Assessors should identify on each script the type and number of each error made by each candidate on their script. This will make it easy to identify whether the candidate has met the requirements identified in the unit specification, or is required to undertake re-assessment.
- ◆ Centres must use the error tolerance criteria as specified in the unit specification. The types of errors must be clearly identified and feedback provided to the candidates in relation to these errors.
- ◆ Teams should consider providing candidates with the pro forma layout documents included in the CASP for Business Accounting for use during assessments, if necessary with amendments to be in line with the layouts taught to the candidates. During preparation for assessment only the pro forma from the CASP can be used, and no other part should be given to candidates for outcomes 1 and 2 (though the ratio formulae can still be provided for outcome 5).

- ◆ Candidates who exceed the error threshold should only be re-assessed on that outcome/task. Only candidates who exceed error thresholds for all outcomes/tasks should sit a re-assessment of the entire unit.
- ◆ For outcomes 1 and 2 of Business Accounting it is suggested that teams review the success rates and consider splitting these into two separate events to enable candidates to focus on one topic at a time and therefore improve their possibility of success.
- ◆ In all Accounting units, if candidates are within the error tolerance they should not be required to redo to achieve a pass. The number of errors and tolerance level should be identified on the feedback sheet.
- ◆ Prior to the next delivery of units, re-assessment documents should be updated and submitted for prior verification clearly identifying the taxation year which is being used. Any reference to previous tax years should be removed from all teaching and assessment documentation. The documents should be subject to internal verification.

**Criterion 4.7: Candidate evidence must be retained in line with SQA requirements.**

For most centres the retention policy goes beyond what SQA requires. Many centres retain evidence from candidates for at least one year beyond the completion of the candidate programme of study. All the centres reviewed met this criterion, as in previous years.

**Criterion 4.9: Feedback from qualification verifiers must be disseminated to staff and used to inform assessment practice.**

Most of the centres submitted documentation referring to staff meetings, and in most cases there was note of SQA conferences or EV activity being an agenda point. There was little by way of detail about how the information gathered from these events would be used by the teams in their roles. This could be improved greatly by assessors/tutors/internal verifiers detailing what specifically they had learned from each event and how it might impact on their day-to-day role.

During the EV reviews, teams were encouraged to include detail of such meetings, which often takes place at the start of a session, in their CPD records and in their IV documentation reflecting the past year.

Again this is a similar comment to those made in previous years.

## **Areas of good practice reported by qualification verifiers**

Various aspects of good practice is noted within the relevant section in the report above.

## **Specific areas for development**

Areas for development and recommendations were reported in the sections above. Below are the main points.

- ◆ Developing alternative assessment instruments for use, but having them ready at the start of the session rather than waiting until they are needed and then delaying candidate completion.
- ◆ Centres are required to update teaching materials and assessments for tax units annually — the Finance Act to be used for 2019–20 session is Finance Act 2019.
- ◆ Documentation recording IV or standardisation activity should always include details of the units reviewed, and it is important to ensure that the correct unit codes are used on all documentation.
- ◆ All documentation submitted should be translated into English to allow qualification verification reviews to review the content.
- ◆ Internal verifiers and assessors should consider using different coloured ink to enable the external verifier to identify who has added comments to the candidate scripts.