



Audit Report

**Association of Chartered Certified Accountants
(ACCA)**

31 July 2012

Note

Restricted or commercially sensitive information gathered during SQA Accreditation monitoring activities is treated in the strictest confidence. However:

- ◆ The findings of this report will be presented to SQA's Accreditation Committee and made available to colleagues from the Welsh Government, the Council for the Curriculum, Examinations and Assessment (CCEA) and the Office of Qualifications and Examinations Regulation (Ofqual), with a view to the contents informing future accreditation and re-accreditation submissions by the awarding body
- ◆ The report will be published on SQA Accreditation's website

Please note that SQA Accreditation monitoring activity is conducted on a sampling basis. As a consequence, not all aspects of an awarding body's performance in quality assurance, contract compliance, implementation, awarding of certificates and fee arrangements have been considered in this report to the same depth.

Contents

Executive summary	1
1.1 Scope and approach	4
1.2 Awarding body timeline	2
1.3 Background	2
1.4 Overview	2
1.5 Good practice	3
2 Audit findings	4
2.1 Issues	7
2.2 Recommendations	8
3 Outstanding approval and accreditation conditions	6
4 Risk rating of issues	7
5 Table of awards	8
6 List of documents reviewed pre-audit and post-audit	9
7 Action plan	11
8 Acceptance of audit findings	
Error! Bookmark not defined.	

Executive summary

This was the first audit of the Association of Chartered Certified Accountants (ACCA) since it was approved as an awarding body by SQA Accreditation on 11 January 2012.

1.1 Scope and approach

The audit was designed to review and evaluate ACCA's strategies, policies and procedures to ensure compliance under SQA Accreditation's *Regulatory Principles* (2011).

As this was a full audit of ACCA, all Principles were included within the scope of the audit.

An issue has been recorded where the Lead Accreditation Auditor found evidence that the awarding body has failed to meet the standards of one of the Regulatory Principles or any of the conditions attached to the qualification(s) accredited by SQA Accreditation at the time of accreditation.

- ◆ SQA Accreditation has issued this report within 30 working days of the audit date.
- ◆ The awarding body must sign the report within 30 working days of the audit report being issued.
- ◆ The awarding body must submit the associated Action Plan for any issues identified within 30 working days of receipt of the Audit Report.
- ◆ SQA Accreditation will confirm whether the Action Plan proves fit for purpose within a further 15 working days of receipt. This will be subject to the actions proving appropriate to the issues raised.
- ◆ Agreed management actions should be conducted within six months of the agreed Action Plan date.
- ◆ SQA Accreditation will monitor progress towards completion.

Recommendations are noted to ensure that any recommendations agreed during the audit are recorded for future reference. As recommendations are recorded for awarding body consideration only, it is not necessary to agree either actions or timescales to resolve these in the awarding body Action Plan.

1.2 Awarding body timeline

ACCA Audit Date	31/07/2012
SQA Accreditation Audit Report Date	04/09/2012
ACCA Signed Date	16/10/2012
ACCA Action plan required by	16/10/2012
SQA Accreditation confirmation of Action Plan	Linked to above
Agreement that issues closed	Linked to above

1.3 Background

ACCA is a globally recognised awarding body dealing with accountancy qualifications. ACCA is a designated Professional Body under the Financial Services and Markets Act, business activities.

ACCA's headquarters are in London with the principal administrative office in Glasgow. The audit team was provided with full access to the awarding body Glasgow premises, staff and documentation.

1.4 Overview

As a result of the audit and post-audit activities, three issues have been recorded and two recommendations noted.

The three issues and two recommendations form the basis of the ACCA Action Plan. This must be completed and submitted to SQA Accreditation for agreement within 30 working days of receipt of this Audit Report. The Action Plan must be submitted by 16/10/2012.

Principle	No. of Issues	No. of Recommendations	Risk rating
3	1		Medium
7	1		Medium
20	1		Low
10		1	
21		1	
TOTAL	3	2	

1.5 Good practice

The auditors identified the following areas of good practice:

- ◆ Process for the application of exemptions

ACCA were also able to demonstrate a strong commitment to continuous improvement and technology, specifically in relation to the online certification process.

2 Audit findings

The following sections detail issues raised and recommendations noted against the SQA Accreditation *Regulatory Principles (2011)* through the course of the awarding body audit.

2.1 Issues

Principle 3: The awarding body must ensure that they employ robust processes to protect their own business interests as well as the interests of their approved centres and learners.

The awarding body publishes a list of Approved Learning Partners and Subscribers in their *Tuition Provider Directory*. The Subscribers do not hold formal approval from ACCA as they have not been formally assessed by ACCA, therefore, the quality of tuition that students may receive from Subscribers cannot be guaranteed.

The evidence available confirms that ACCA does not meet the requirements of Principle 3.
Issue 1 refers.

Principle 7: The awarding body must ensure that SQA Accreditation is granted access to the awarding body, their approved centres, assessment locations, staff, learners, premises, meetings, documents, data, analysis and evaluations on request.

During discussion, it became apparent that the awarding body had not notified their Approved Learning Partners that SQA Accreditation requires access to carry out centre monitoring activity.

The evidence available confirms that ACCA does not meet the requirements of Principle 7.
Issue 2 refers.

Principle 12: The awarding body must ensure that assessments are accessible and produce results that are valid, reliable, transparent and fair.

The awarding body has documented systems in place which allow for quality assurance checks on their Approved Learning Partners. The audit team requested to view the records of checks, however ACCA were unable to produce the evidence of external verification. The evidence available confirms that ACCA does not meet the requirements of Principle 12.
Issue 3 refers.

2.2 Recommendations

Principle 10: The awarding body must ensure that, where possible, progression or outcome opportunities for learners are clearly identified in terms of qualification pathways or employment opportunities.

ACCA did not inform SQA Accreditation that they would be picking up the SCQF levels for the qualifications approved at ACG on 25 July 2012.

The evidence available confirms that ACCA meets the requirements of Principle 10.

Recommendation 1 refers.

Principle 21: The awarding body must take measures in the design and issuing of their certificates to protect against fraudulent use.

The awarding body has systems in place which allow for students to request duplicate certificates through their own online portal. The audit team noted that these certificates are not marked as duplicate and the number of requests is not controlled.

The evidence available confirms that ACCA meets the requirements of Principle 21.

Recommendation 2 refers.

3 Approval and accreditation conditions

A condition will be recorded at the time of approval of the awarding body or at the time of accreditation for an SQA-accredited qualification. A condition is recorded when SQA's Accreditation Co-ordination Group finds evidence that the awarding body does not fully meet SQA Accreditation's *Regulatory Principles* (2012).

Principle	Condition	Date closed
4. The awarding body must ensure that they conduct their operations ethically, taking account of any legislation, including but not limited to equalities, competition and data protection laws.	2. ACCA must produce and submit a record retention policy relating to qualification management and candidate assessment records to SQA Accreditation by 30 April 2012.	30/04/12
10. The awarding body must ensure that, where possible, progression or outcome opportunities for learners are clearly identified in terms of qualification pathways or employment opportunities	3. Include a reference to the SCQF in each exam syllabus/study guide to the SCQF. Electronic copies of, or links to, revised guides to be submitted to SQA Accreditation by 31 March 2012.	09/07/12
10. The awarding body must ensure that, where possible, progression or outcome opportunities for learners are clearly identified in terms of qualification pathways or employment opportunities	4. Update the document 'ACCA and FIA Regulatory and Educational Status' to include reference to SQA Accreditation and the SCQF, explaining the purpose and requirements of the SCQF. Revised document to be submitted to SQA Accreditation by 30 June 2012.	09/07/12
18. The awarding body and their centres must deal with complaints on a fair and equitable basis, in line with their published procedures and timescales, and without unreasonable delay. The awarding body, their centres and learners must be made aware of how and when they can complain to SQA Accreditation. Where a complaint is upheld, the awarding body and/or centre must take appropriate, corrective and/or preventative action.	1. ACCA must amend the content of the Complaints and Appeals Policy to include details of the circumstances under which candidates may take their complaint or appeal to SQA Accreditation. A revised copy of the document should be submitted by 30 April 2012.	29/05/12

4 Risk rating of issues

SQA Accreditation assigns a risk rating to each issue recorded as a result of an awarding body audit activity. The table below illustrates how the rating for an issue is assigned, and identifies the possible impact of the issue on qualifications and/or the learner.

The assignment of a risk rating allows an awarding body to target their resources to areas which have been identified as having a major impact in these areas. The risk rating also allows SQA Accreditation to target its resources to support awarding bodies in improving their performance.

Risk	Impact of issues
Very Low	The issue is likely to cause minimal concern and would not threaten the integrity of the qualification or impact adversely on the learner. Any overall effect is likely to be small scale and/or localised, rather than widespread. The issue identified is unlikely to recur once resolved and no long lasting damage would be anticipated.
Low	The issue is of low impact but of sufficient importance to merit intervention, with a low threat to the systems or procedures associated with the qualification and/or impact on the learner. Disruption may not just be localised but more widespread and would possibly cause residual damage; however, this could be easily corrected without further consequence.
Medium	The issue could potentially damage the credibility of the qualification and/or be detrimental to the learner. There may be some impact to the systems or procedures that support the qualification or the operational effectiveness of the awarding body.
High	The issue could have a high impact on the integrity and reliability of the qualification or the effective operation of the awarding body as a whole if corrective action is not quickly taken. There is a high probability that the qualification and/or learner will be negatively affected.
Very High	The issue will have a serious impact on the integrity and reliability of the qualification or the effective operation of the awarding body if corrective action is not immediately taken. There is a very high probability that the qualification and/or learner will be negatively affected.

In assigning a risk rating, each issue is considered on its own merit, taking account of the context in which it was identified.

5 Table of awards

Accredited qualifications currently offered by ACCA.

Award title	SCQF Level	Code	Accreditation date	Re-accreditation date
Introductory Certificate in Financial and Management Accounting	5	R205 04	11 January 2012	31 January 2013
Intermediate Certificate in Financial and Management Accounting	6	R206 04	11 January 2012	31 January 2014
Diploma in Accounting and Business	N/A	R207 04	11 January 2012	31 January 2014
Certificate in Auditing	7	R208 04	11 January 2012	31 January 2014
Certificate in Taxation	7	R209 04	11 January 2012	31 January 2014
Certificate in Financial Management	7	R210 04	11 January 2012	31 January 2014

6 List of documents reviewed pre-audit and post-audit

Document title	Date of issue	Version number
ACCA corporate Plan 2012-2013		
ACCA Data Retention and Destruction Policy		V1.0
ACCA Examiner Role on Quickr		
ACCA Payment Card Data Handling Guidelines	17/05/10	
ACCA Product Management Summary 2011		
ACCA Qualification Design	April 2012	V2
ACCA Strategy to 2015		
ACCA Scotland Strategy	2011	
Adjustments Letter – template		
Admin Review template		
Administrative Reviews Document on Quickr		
Appeals Letter Response – Template		
Appeals Meeting – Education Recognition	April 2011	
Appeals Meeting document on Quickr		
CBE architectural overview and system requirements	January 2011	
CBE Centre Lists	1 April – 31 March	

Document title	Date of issue	Version number
CBE Invigilator Report	8 August 2011	
CBE Invigilator Report Template		
Complaints letter response - Template		
Completed Examination Centre Visit Checklist	Glasgow 8 Dec 2011	
CBE – CBE Centre User		
Guide – CBE Software and Exams Administration	5 December	V10
Computer based exams licenced centre terms and conditions 2011/12		
Diploma Certificates Flow diagram		
Education Policy Committee Minutes	7 March 2011	
Exam Certificates Flow Diagram		
Examination Centre List – June 2012		
Examination centre visit checklist – template		
Foundations in accountancy – Essential Information for Students		
Full CBE list		
Guideline Disciplinary Sanctions		
Kaplan Financial FIA Timetable (draft) Glasgow live online Autumn/Winter 2012		
List of all ACCA Centres in Scotland		

Document title	Date of issue	Version number
List of FIA complaints to date	31/07/12	
List of Regular Centres in Scotland		
Marker Instructions – Script scanning and electronic marking Examination Market Team Leader	June 2012	
Instructions – Script Scanning and electronic marking		V1.0
Qualification Committee Minutes	2 February 2012	
Replacement Certificates – Diploma – Flow Diagram		
Replacement Certificates Flow Diagram		
Results Process Flow Diagram		
Sample ACCA/SQA Letter to students		
Sample ACCA/SQA Letter to students 06/07/12	06/7/12	
Sample ACCA/SQA Letter to students 25/07/12	06/7/12	
Tuition Provision in Scotland for FIA Suite		
Worldwide 2012/13 CBE RE-licence BPP University College	05/03/12	
Worldwide 2012/13 CBE RE-Licence Template		
Worldwide 2012/2013 CBE New Licence Form Template		