



Guidance on updating Units with tax content in line with UK legislation for HND Frameworks

- ◆ GM2W 16 HND Administration and Information Technology
- ◆ GE7X 16 HND Business
- ◆ GE7Y 16 HND Business with Accounting
- ◆ GE7V 16 HND Business with Human Resource Management
- ◆ GE81 16 HND Business with Information Technology
- ◆ GE80 16 HND Business with Marketing
- ◆ GE9R 16 HND Financial Services
- ◆ GG5F 16 HND Global Trade and Business

Introduction

The HND frameworks (listed above) were introduced August 2012. These frameworks all include one or more Units which have a content related to tax. It is important that all centres update the relevant materials which support each Unit including learning and teaching materials, any locally devised instruments of assessment and SQA produced Assessment Support Packs on an annual basis to reflect any changes to UK or Scottish Tax legislation. This will ensure students are taught and assessed using the most up to date information, as is required by the profession.

The Units are:

- ◆ HH81 33 Recording Financial Transactions (RFT)
- ◆ F7JV 34 Recording Financial Information (RFI)
- ◆ HC43 35 Financial Reporting and Analysis (FRA)
- ◆ F84M 34 Business Accounting (BA)
- ◆ F82J 35 Management Accounting for Decision Making (MADM)
- ◆ F86X 35 Income Tax (IT)
- ◆ H0Y7 35 Financial Services: Graded Unit 2
- ◆ H7VA 35 Financial Services: Graded Unit 3

Background

UK taxation legislation changes each year. This is based on the UK Government's Annual Budget which now takes place in October of each year. In Scotland, taxation legislation is devolved which means the Scottish Government has the power to make their own changes to the tax system. As an SQA centre, you are permitted to use either UK or Scottish tax legislation, but you must be consistent in your approach. It would be useful if centres identified in their internal verification of tax units whether they have taught and assessed using UK or Scottish legislation. Despite this, when delivering the Unit: *Income Tax (F86X 35)* within centres, the main update of material should be based on the tax rates which are current at the

start of the academic session when the unit is taught. The need to regularly update the materials to support Units with tax content is twofold:

- ◆ To ensure that students are covering material which is current and relevant to the financial world at any one point in time
- ◆ To ensure that those teaching and those learning are aware that they must keep up to date with current legislation which is subject to constant change in the business environment

This is good practice within the sector and will ensure that all students entering the workplace in a financial role understand the requirement to maintain currency and undertake Continuing Professional Development (CPD).

The Process

It is important that all centres ensure that the correct Unit Specification is used for the delivery of every Unit. The correct and most up to date Unit Specification for each Unit can be found on the SQA website.

Centres should note that not all of the Units listed will require to be updated on an annual basis but they are subject to changes periodically based on current legislation. Examples of this include:

- ◆ *Recording Financial Transactions, Recording Financial Information, and Financial Reporting and Analysis* may change depending on the rate of VAT which is operating in the UK.
- ◆ *Financial Reporting and Analysis, and Business Accounting* may change depending on legislation governing the disclosure of accounting information.
- ◆ *Income Tax* will change on an annual basis, but the level of changes cannot be predicted. Some years the changes may be minor and other years there may be widespread change to the Taxation legislation.
- ◆ In addition, HND Graded Units which include any of the above Units must be reviewed on a regular basis to ensure that any changes to the contributing Units are incorporated into the Graded Unit assessment.

Content included in the Units: *Income Tax (F86X 35)* and *Financial Services: Graded Unit 3 (H7VA 35)* is governed by annual changes to the Taxation regulations in the UK based on the annual Finance Acts. As a result the materials which support each Unit must be updated **every** academic session.

Current Practice

SQA centres which are UK based generally update the materials which support the Units which have a taxation element in the autumn of each year. This involves updating all materials which are used in the delivery and assessment of the Unit(s) in question including teaching and learning materials, practice exercises, locally devised instruments of assessment and, most importantly, SQA produced Assessment Support Packs (ASPs).

It is good practice for centres to revise instruments of assessment on an annual basis in line with current legislation. In some instances the changes in legislation will have a knock on effect on other Units and it is important that centre staff consider this when updating Units. Revised

instruments of assessment should be subject to a centre's Internal Verification process and then be submitted to SQA for Prior Verification. Prior Verification is carried out by the External Verification (EV) team (in Scotland) responsible for subject area in question.

The following timetable provides guidance to centres on the academic session and relevant tax year for updating materials. This relates to instruments of assessment (including Assessment Support Packs) and any teaching and learning materials.

Academic Session	UK Finance Act
2017-2018	2017
2018-2019	2018
2019-2020	2019
2020-2021	2020
2021-2022	2021

