

Guidance on Updating Advanced Qualification Units with Tax Content

Introduction

It is important that centres update learning and teaching materials including any locally devised instruments of assessment and SQA produced Assessment Support Packs (ASPs) on an annual basis to reflect any changes to tax legislation. This will ensure learners are taught and assessed using the most up to date information, as is required by the profession.

The Advanced Qualification units listed below have some content related to tax:

- ◆ HP7K 47 Business Accounting (BA)
- ◆ J11S 48 Business Taxation
- ◆ HP08 48 Financial Reporting and Analysis (FRA)
- ◆ HP15 48 Income Tax (IT)
- ◆ HP05 48 Management Accounting for Decision Making (MADM)
- ◆ HR17 47 Payroll
- ◆ HP6F 46 Recording Financial Transactions (RFT)
- ◆ HP04 47 Recording Financial Information (RFI)

Background

UK taxation legislation changes each year - based on the UK Government's Annual Budget held in the autumn of each year. This enable changes to be incorporated in the next financial year.

Some tax powers have been devolved to the Scottish Government. The Scottish Government can make changes to the rate and bands of income tax on earnings; the rates and bands of income tax on non-savings and non-dividend income; and Air Passenger Duty. However, they are not able to alter the rates of National Insurance, VAT, Corporation Tax or personal allowances.

As an SQA centre, you are permitted to use **either Scottish or UK tax legislation**, but you **must be consistent in your approach**. It would be useful if centres identified in their internal verification of Units with tax content whether they have taught and assessed using Scottish or UK legislation. Despite this, when delivering the Unit *Income Tax (HP15 48)*, 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 two-fold:

- ◆ To ensure that learners in centres 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 learners 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 centres ensure that the correct Unit Specification is used for the delivery of every Unit. The 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 change 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 change cannot be predicted. Some years the changes may be minor and other years there may be widespread change to the taxation legislation
- ◆ In addition, Advanced Diploma Graded Units which include content from 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 Unit *Income Tax (HP15 48)* 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 this Unit must be updated **every** academic session.

Current Practice

Centres generally update the materials which support the Units which have a taxation element 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 can also be submitted to SQA for Prior Verification. Prior Verification is carried out by the SQA External Verification (EV) team responsible for the 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 |
|-------------------------|-----------------------|
| 2019-2020 | 2019 |
| 2020-2021 | 2020 |
| 2021-2022 | 2021 |

