



**Higher National Qualifications
Internal Assessment Report 2016
Accounting and Finance**

The purpose of this report is to provide feedback to centres on verification in Higher National Qualifications in this subject.

Higher National units

General comments

This was the first year of the implementation of updated units within the HN Accounting framework to bring our qualifications into line with current practice within the profession. The SCQF level 7 HN units were updated and introduced for the 2015–16 session. The SCQF level 8 units will be brought in during the 2016–17 session.

The unit revisions have been developed following extensive consultation with colleagues from within the sector. There have been two network events which focused solely on the implementation of FRS102 and delegates were given opportunities to share experiences across the sector. Group discussions were encouraged and comments from practitioners informed the unit revisions.

The revised and updated SCQF level 7 HNC year framework has been running during this session with apparently relatively few difficulties. The revised SCQF level 8 HND framework will be implemented during this coming session. It is anticipated that this will be a smooth transition as teams within centres have built up confidence over the last year so the changes being introduced should be relatively straightforward to implement.

There have been some changes to unit content for the overall framework which again reflect changes in legislation and current professional practice.

The sector has the luxury of having an annual network event which enables widespread sharing of good practice and ideas and this has proven to be invaluable during the last few years whilst centres have been in the midst of major re-organisation.

With the continued changes taking place across the sector it should be noted as staff leave the sector much of the experience has also gone thus the support from colleagues that is available through the annual network events is invaluable. Widespread sharing of experience is facilitated during the events and this is appreciated by all who attend.

Unit specifications, instruments of assessment and exemplification materials

The HNC (level 7) framework has been updated, but the unit numbers remain unchanged. Unfortunately, there were one or two centres that used the old unit specifications and consequently used the old assessment exemplars/assessment support packs (ASPs). This resulted in candidates being in the unfortunate position where they had to be re-assessed using the correct assessment standards. Whilst every effort is made to ensure that the correct information is provided to centres, it is not possible to ensure that this information reaches the correct staff within the colleges in good time, or indeed at all.

The information required to keep up to date is all available on the SQA web page for HN Accounting and advice around this is given at the annual network events and in the update letters.

There are SQA-produced ASPs for every mandatory or core unit in the framework for both SCQF levels 7 and 8.

During this year, however, there have been some issues with centres not updating taxation data for the Business Tax unit (F7R6 35), Income Tax (F86X 35) and Graded Unit 3 (F8KG 35) in line with current taxation legislation.

The requirements are set out in the unit specifications which state that the most up-to-date legislation and taxation data must be used to deliver all of the units. This can be challenging in that many textbooks are not available until well into September and teaching for HN generally commences in late August/early September.

The advice has always been to update the Graded Unit 3 assessment instrument and teaching materials at the same time as those for the Business Tax and Income Tax units and this advice remains unchanged. The general rule is that, when selecting the appropriate Finance Act for use in delivery and assessment, centres must ensure that the Act current at the time that the academic session commences is applied. This should be the case irrespective of the amendments which may have been brought in, for example, if there has been a change of government or if any emergency budgets have been delivered. It is a good rule of thumb to ensure that candidates are using the current legislation as they would in practice when preparing client taxation computations. This is one of the areas that the external verification activity will focus on again in the coming year.

There have been few changes to VAT in recent years other than the treatment of Cash or Prompt Payment Discount. These should have prompted the updating of teaching and assessment materials for the SCQF level 7 units.

Evidence requirements

The evidence requirements remain largely unchanged and centres are, on the whole, familiar with these. The general findings have been that most centres are working well with the principles of error tolerance and have been well schooled at the annual network events to check the tolerance thresholds at every delivery. There are reminders in update letters and at network events that, where appropriate, the error tolerance thresholds may be changed for individual outcomes within units and this should be checked at the start of each academic session.

There have been some instances of assessment decisions not being taken promptly and this can have an adverse effect on candidates being given feedback on their performance. This is especially important where the units involved are those which are included in the graded units. In order to be able to prepare properly candidates need to be aware of what their strengths and weaknesses are in terms of the tasks to be completed.

Administration of assessments

The conditions of assessment and their administration are by now familiar to those delivering the programmes in centres. Based on discussions during quality assurance activity it appears that candidates are being assessed in the correct conditions on the whole. There is still some debate about what candidates may take with them into open-book assessments for some outcomes, in particular in Business Accounting (F84M 34). There has been more guidance provided on this over the last year that will hopefully provide clarification.

The management of the security of ASPs has been covered in depth during network events, guidance and update letters, and during quality assurance activity. The ASPs produced by SQA give guidance on one of the ways in which candidates can be assessed in order to gather evidence towards a particular requirement. It is not required that these ASPs are used; however, they are on the whole the first assessment instrument to be used by most centres as they have the benefit of having been approved by SQA for use against the standards specified within each of the units. Any breach of security means that this opportunity is lost by all, and the assessment instrument must be withdrawn.

It is still recommended that centres submit any assessment instruments used for re-assessment purposes for prior verification as these will be reviewed by SQA prior to their use to ensure that they meet the required standards. There are risks to using non-reviewed assessment instruments in that it is easy to miss a small part of a criterion when preparing an assessment which then makes it invalid. The result is that candidates must be re-assessed using an alternative valid assessment instrument.

General feedback

Most general feedback has been covered in the general comments section and in the other sections.

The practice of identifying the types and number of errors is becoming more widespread and is an essential part of candidate feedback, as well as forming the basis of discussions between assessors and internal verifiers. It is essential practice to record the type of error and the number to ensure that candidates have met the criteria of the outcome.

Areas of good practice

Much of what was previously good practice is now embedded in many college systems and so it is difficult to highlight any new practice. However, there are some areas which warrant mention:

- ◆ One or two centres are recording internal verification discussions in a more robust manner to inform future assessment and internal verification decisions, thus facilitating more consistent decisions over time.

- ◆ One centre has taken the step of scanning and saving candidate scripts as part of its quality assurance. This enables assessors to review good, bad and average submissions — and the assessor and internal verifier decisions based on the submissions. This will help to facilitate consistent decision making.

Specific areas for improvement

- ◆ The most pressing area for improvement is to ensure that centres carry out internal verification throughout the delivery schedule of the units they are covering, and not just at the end when sometimes it can be too late to rectify any issues.
- ◆ The identification of the type of error made by candidates should by now be common practice but these should be clearly identified. This is not always the case.
- ◆ The use of the most up-to-date unit specification should be carefully monitored.
- ◆ Correct legislation and updates must be used where noted in unit specifications.

Higher National graded units

Titles/levels of HN graded units verified:

F8KE 34 Accounting Graded Unit 1

F8KF 35 Accounting Graded Unit 2

F8KG 35 Accounting Graded Unit 3

General comments

There are three graded units in the HNC/D Accounting framework.

The ASPs for Graded Unit 1 have been updated and there are now a range of these available to ensure that they can be rotated within centres on a year by year basis.

Unit specifications, instruments of assessment and exemplification materials

The unit specification for Graded Unit 1 has been updated in terms of FRS102 and the other two graded units will be updated for the coming session.

There are plans to introduce another ASP for Graded Unit 2 during the early part of the 2016–17 session.

There have been issues this year with the updating of Graded Unit 3 on an annual basis in line with current taxation legislation. This has been covered in the section above, but it is essential that the same legislation used in the delivery and assessment of Business Taxation is used in the Graded Unit 3 assessment. In order to meet the required assessment standards it is vital that the legislation used is the most up-to-date legislation which is in place at the time of the commencement of the delivery of the Taxation units in the academic session.

Evidence requirements

For two of the three graded units an examination takes place to gather evidence and this is called in for central verification on a regular basis. The other graded unit is reviewed on a visiting verification basis. Most centres use the SQA-produced ASPs for the assessment of these units.

Administration of assessments

There is evidence that the new larger centres are standardising their exam dates. This was identified during verification activity. It appears that an exam date is chosen, an ASP is selected and this is applied in all campuses of the now larger and geographically widespread colleges. This will ensure that candidates are neither advantaged nor disadvantaged and it means that it is further evidence of teams working across campuses in a standardised fashion.

General feedback

Covered in the other sections.

Areas of good practice

- ◆ The use of specific exam booklets tailored to the centre is now widespread and was identified as good practice a number of years ago.
- ◆ Detailed marking schedules tailored to the specifics of the case study used for Graded Unit 2 are employed in some centres. This allows for detailed marking feedback and consistency across assessors.

Specific areas for improvement

- ◆ It is essential that consequential marking is applied at all times to accounting submissions. Despite this being noted at network events and in update letters there are still one or two instances where this is not the case.
- ◆ It is essential that the Graded Unit 3 papers are updated in line with the taxation legislation which is used in the Taxation units leading into the graded unit.