



Qualifications and  
Curriculum Authority



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government

# **Post-accreditation monitoring report: Pensions Management Institute (PMI)**

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# Introduction

## Regulating external qualifications

Responsibility for regulating external qualifications lies jointly with three regulatory authorities:

- Qualifications and Curriculum Authority (QCA)
- Department for Education, Lifelong Learning and Skills (DELLS) the body for Wales
- Council for the Curriculum, Examinations and Assessment (CCEA), the authority for Northern Ireland.

Following the accreditation of a qualification, the regulatory authorities systematically monitor awarding bodies against the requirements set out in the statutory regulations. The aim of this activity is to promote continuing improvement and public confidence in the quality of external qualifications.

Where an awarding body is found not to comply with relevant criteria, the regulatory authorities set conditions of accreditation. Even if an awarding body is compliant, the monitoring team may make observations on ways that the awarding body could change its systems and procedures to improve clarity or reduce bureaucracy.

Accreditation conditions and observations arising from this monitoring activity are specified at the end of each section of this report. Awarding bodies are required to produce an action plan to show how they will deal with accreditation conditions imposed as a result of a monitoring activity. The action plan will be agreed by the regulatory authorities and its implementation monitored.

The regulatory authorities will use the outcomes of monitoring and any subsequent action taken by awarding bodies to inform decisions on the re-accreditation of qualifications, or, if necessary, the withdrawal of accreditation.

## About this report

This report is the outcome of monitoring activity carried out on the Pensions Management Institute (PMI) awarding body, by QCA on behalf of the regulatory authorities, between May and July 2006.

It draws together the regulatory authorities' findings on the resources and expertise available for the delivery of qualifications, PMI's arrangements for quality assurance and control of internal assessment and the level of customer service offered.

This is the second post-accreditation monitoring activity on PMI's activities and is focused on National Vocational Qualifications (NVQs) in the pension industry.

Consultants visited five centres in England and contacted two in Scotland. The activities included interviewing staff, reviewing portfolios, examining records and collecting information on customer service satisfaction. Information was gathered on how centres were complying with the approved centre criteria and on how PMI manages the quality assurance and control of internal assessment. These centres were chosen from different geographic regions to ensure a cross section of external verifiers and centres by size and type. The findings from these visits were collated, and the issues identified followed up with the awarding body at the monitoring visit.

### **About the Pensions Management Institute (PMI)**

The PMI qualifications are aimed at anyone who works in the pensions industry. For more information on PMI and the qualifications it offers, visit its website at [www.pensions-pmi.org.uk](http://www.pensions-pmi.org.uk).

## Resources and expertise

This is subject to the *NVQ code of practice* (2001), paragraphs 35, 52(part), 53, 54(part), 55 and 57 and *The statutory regulation of external qualifications in England, Wales and Northern Ireland* (2004), paragraphs 8, 10, 97e and 98.

### Findings

1. The last year has seen much change at PMI, including the loss of a significant number of staff, the appointment of a new chief executive and an organisational restructure. The restructuring means that the head of vocational qualifications, responsible for day-to-day awarding body operations, no longer directly manages the staff involved in the administration of awarding body activities. PMI plans to expand the role to include qualification development and promotion within the industry.
2. Most of the five administrative staff are new in post and only one works solely for PMI. Their jobs include candidate registration and contact with centres. The work now falls within the remit of the programme delivery unit and these staff are line managed by the head of this unit.
3. Although not directly managing these staff, the head of vocational qualifications oversees awarding body work and is currently providing both group and individual support and training. There are comprehensive documented procedures for use by internal staff and these have been invaluable to new staff. At the same time, PMI has used this as an opportunity to review these procedures.
4. The PMI database has information from centres including details of assessment staff and candidates. Awarding body staff have limited ability to amend incorrect entries as changes have to be made by the organisation that owns the system. Another issue concerning the IT system is that candidates receive different registration numbers for each qualification they register to take. This means that PMI cannot provide reports that track candidates' progress through its qualification structure. PMI staff recognise the problems and the system is under review.
5. New staff are appraised after three months as part of their induction and all staff are appraised annually.

6. PMI has contracts with 28 external verifiers for the 200 approved assessment centres and there is one chief external verifier who primarily provides technical expertise. All the external verifiers are occupationally competent and vocationally qualified. Continual professional development (CPD) records are kept and are reviewed annually at the same time as external verifier caseloads.
7. No new external verifiers have been recruited for some time. When there is recruitment, potential external verifiers are likely to come either from the PMI educational register, which has contact details of individuals who have expressed an interest in working for the awarding body or from within the industry. The PMI *Code of practice for external verifiers* contains the criteria for external verifiers.
8. The *Code of practice for external verifiers* is a comprehensive document that includes information about roles and responsibilities, training and support, CPD requirements and copies of all the forms. However, there is no single document for external verifiers to sign confirming that they accept the conditions of, and will comply with, the code of practice.
9. PMI requires external verifiers to attend one update meeting a year and they also receive an annual newsletter. The chief external verifier creates standardisation tasks for the annual meeting. Three external verifiers have missed the last two annual meetings and PMI is considering how to deal with them.
10. PMI also contracts staff for the externally assessed units of the Level 4 NVQ in Pensions Administration (QPC) and the Level 4 Vocationally Related Qualification (VRQ) Diploma in Pensions Calculations (DPC). The externally assessed units are the same for both qualifications. There is one senior examiner for each of the four units. The number of examining staff for each exam session depends on the number of candidates. Potential examiners and independent reviewers receive an introductory pack explaining the level of experience and occupational competence requirements for the role. Contracted staff provide CVs and appointments are approved by the examinations committee.

### **Accreditation conditions**

1. PMI must ensure that its external verifiers sign a code of practice to confirm that they will comply with the requirements (*NVQ code of practice (2001)*, paragraph 55).
2. PMI must require external verifiers to attend a minimum of two standardisation events annually (*NVQ code of practice (2001)*, paragraph 57).

### **Observations**

1. In reviewing its IT arrangements, PMI should consider systems that allow for continued development of the database requirements and control of their data.

# The quality assurance and control of internal assessment

This is subject to the *NVQ code of practice (2001)*, paragraphs 22-33, 36-51, 52(part), 54(part), 56, 58(part), 59-65, 66(part), 67-69 and *The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraphs 13, 36, 56, 57 and 59-62.

## Findings

1. Completion rates for the PMI NVQs are low and there is limited activity at some centres. In addition, the Financial Skills Sector Council (FSSC) has decided not to support a re-accreditation application for the Level 3 Qualification in Public Sector Pensions Administration (QPSPA).
2. Four units of the QPC are assessed by examination. Feedback from centres showed that NVQ candidates often gained the four examined units that the industry sees as essential core knowledge. However, there was no incentive to gain the remaining work-based units that complete the qualification. PMI developed the DPC to give candidates some flexibility and an opportunity to achieve a qualification.
3. Due to the nature of the industry PMI centres are often part of large national organisations and they can be set up in different ways. Centres may have several sites plus satellite sites or one site. When they are part of a larger organisation there may be a number of individual centres. Findings from centre visits showed that one satellite site was in Scotland, which is contrary to the statutory regulations.
4. One organisation with eight centres demonstrated good practice. Although each centre was dealt with individually, one person was responsible for maintaining a national oversight of centre qualification activity. There was also an intranet system that allowed all its centres to share standard forms and information.

5. All PMI approved centres have the document *Regulations and guidance notes for centres*. The document details the criteria, roles and responsibilities for assessors and internal verifiers and has information on external verification and the responsibilities of approved centres. Centres receive copies of the qualification specification and standards separately.
6. To be approved centres are required to have a designated centre contact, an assessor and an internal verifier. Centres can use peripatetic assessment staff and PMI is able to provide a list of suitable occupationally competent and qualified assessors and internal verifiers to assist centres.
7. At one satellite site visited, the peripatetic internal verifier from a multisite centre had never visited and internal verification was done by post. Although portfolios can be verified remotely, it is not possible to cover the full scope of internal verification activities in this way and site visits are essential. An external verifier had visited the same site but the internal verifier was not present. This is bad practice and contrary to PMI's guidance in the *Regulations and guidance notes for centres*. Staff at this site were also unclear about whether it was a centre or a satellite site.
8. PMI holds courses for assessors and internal verifiers to meet demand or on request. These can be focused on the assessor or internal verifier qualifications or on how to assess and verify the QPA or QPSPA. Slow candidate activity has impacted on some assessors and internal verifiers trying to achieve their A1 and V1 qualifications. This can leave centres with unqualified staff for long periods. Visits to centres confirmed that there are, where it was necessary, appropriate countersigning arrangements for unqualified assessment staff.
9. PMI offer an optional distance learning route to enable assessors and internal verifiers to achieve their qualifications. It has an arrangement with an external training provider to carry out the assessment and internal verification. The training provider is an approved centre for another awarding body and candidates are registered through PMI to the training provider. The head of vocational qualifications acts as the independent assessor for the A1.
10. Staff at three centres visited were not satisfied with the level of support received from the distance learning service. The head of vocational

qualifications said that help and support is available for anyone who requires it but it was not clear if candidates were told of this. Documents seen by the monitoring team showed that there had been no routine checks by PMI to track candidates' progress. Recent PMI staff losses seem to have disrupted the scheduling of progress checks. It is also not clear if there is a formal contract between PMI and the training provider clarifying their respective roles and responsibilities. The view of the monitoring team is that there is some confusion as to who is looking after the interests of these candidates. PMI sees a need to encourage A1 and V1 candidates but the training provider seems to be very remote from the distance learning system. The provider does not appear to be taking responsibility for supporting its registered candidates.

11. The evidence requirements for the QPA work-based units and QPSPA units are laid out in the standards. The *Code of practice for external verifiers* outlines the sampling strategy that external verifiers should use to monitor the quality and consistency of assessment decisions. The external verification visit reports and sampling lists seen by the monitoring team showed that different types of assessment are being used.
12. The evidence record sheet has a statement that confirms authenticity and is signed by the candidate. However, PMI guidance does not require centres to confirm that assessment evidence is authentic in the form of a written declaration signed by both assessor and candidate. Visits to centres confirmed that such a declaration has not been requested at external verifier monitoring.
13. Three centres visited were unclear about how long to keep assessment records, although guidance is provided in the *Regulations and guidance notes for centres* and external verifiers check records when they visit centres. PMI has identified this and intends to put this on the agenda for the next update meeting and ensure this is highlighted during centre visits.
14. External verifier visits are planned by the PMI awarding body administrator. External verifier caseloads are discussed annually and depend on the location and availability of the external verifier. PMI criteria for visits relate to the size and type of centre and the amount of activity. If there is no activity at a centre, the head of vocational qualifications may decide to make a support visit and

may meet the centre's management staff to encourage movement of candidates and longer-term planning.

15. There was good evidence at centres visited of visit planning. Evidence also showed that action points identified at centre visits were reviewed, communicated to centre staff and followed up with appropriate action. However, external verification reports seen at centres showed that some action points relating to the achievement of A1 and V1 qualifications had been repeatedly transferred from one report to the next. This finding confirms some of the difficulties in getting assessment staff qualified.
16. Despite PMI guidance that there should be annual internal verifier observation of assessors, findings from centres showed that this was not happening annually. The lack of overall activity in some centres may explain this, although the PMI external verification visit report form does not specifically state the need to check this. The *NVQ code of practice* requires internal verifier sampling to include direct observation and that assessment records be kept in line with awarding body guidance.
17. On the day of an external verification visit centre staff are told about any action they need to take and they agree to this in writing. The main report is sent to the centre and to PMI within 10 days of the visit.
18. Staff organisation at PMI means that a number of different administrators perform quality assurance checks on completed external verifier reports. Reports are circulated for two weeks with an internal checklist attached, which administrators sign when their check is completed. For example, one administrator will check that the action plan has been signed and will update the database, a second that candidate numbers from the sampling tally with those on the database and a third that the assessor and internal verifier details match the database. Although actions given to each centre are logged there is no overall monitoring of a centre's performance through its actions and tariffs.
19. The head of vocational qualifications oversees individual centre performance by reviewing visit reports. In some cases poor performance has resulted in centre closure. When this has happened it has usually been because of a lack of activity. PMI does not have a formal centre risk management system nor does it impose the tariff of sanctions. External verifiers are not required to

recommend an appropriate level of sanction or penalty, although they do write comments on the external verification visit report form. Some centres know about sanctions but have not received any guidance on how PMI may apply them.

20. The head of vocational qualifications monitors external verifier performance by analysing reports. PMI do not currently carry out any additional performance monitoring of external verifiers using supervised visits and no annual performance reports are compiled.
21. Once a candidate has received a certificate for each unit that makes up the NVQ, a final qualification certificate is issued. Unit certificates are issued weekly and qualification certificates are issued monthly.

### **Accreditation conditions**

3. PMI must ensure that approved assessment centres limit their operations to England, Wales and Northern Ireland (*NVQ code of practice* (2001), paragraph 9).
4. PMI must require centres to appoint internal verifiers who will be responsible for the full range of activities, including sampling, which includes direct observation, and for providing feedback to the external verifier (*NVQ code of practice* (2001), paragraph 38).
5. PMI must provide each centre with documentation and guidance that makes explicit the centre's responsibilities, including the effective management of satellite sites (*NVQ code of practice* (2001), paragraph 19).
6. PMI must require assessors and candidates to provide a written declaration that the evidence is authentic and was conducted in the specified conditions (*NVQ code of practice* (2001), paragraph 29).
7. PMI must ensure that centres maintain accurate assessment records as required by the awarding body (*NVQ code of practice* (2001), paragraph 26).

8. PMI must monitor and maintain the quality and consistency of assessment practices and decisions within and between their approved centres (*NVQ code of practice (2001)*, paragraph 20).
9. PMI must create and implement a risk management system for monitoring its approved assessment centres. The system must include a tariff of sanctions (*NVQ code of practice (2001)*, paragraph 2).
10. PMI must ensure that external verifiers recommend the imposition of appropriate sanctions and penalties on centres that fail to meet the requirements of the approved centre criteria (*NVQ code of practice (2001)* paragraph 52).
11. PMI must monitor the performance and judgements of external verifiers for accuracy and consistency. Monitoring must include supervised external verifier visits and checks on the consistency of applying the tariff of sanctions (*NVQ code of practice (2001)*, paragraph 54).

## **Observations**

2. PMI should consider formalising arrangements with the training provider to ensure that both parties are clear about their obligations and that adequate support and guidance is provided to candidates working towards their A1 and V1 qualifications.

# The quality assurance and control of independent assessment

This is subject to the *NVQ code of practice (2001)*, paragraphs 34 and *The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraphs 36, 55–58.

## Findings

1. Candidates are given an open book case study, which is assessed under controlled examination conditions for the qualifications that require external assessment. They are given fictitious pension schemes and scenarios of varying complexity. Examples are available on the PMI website and PMI also offers online learning assistance and examination preparation workshops. Candidates can take reference material into the examination.
2. There are two examination sessions per year for candidates taking the QPA or the DPC. The four units of the QPA have seven examinations as three units each have two examinations.
3. In the past, question writers wrote and submitted questions but more recently examiners have been amending examination papers to reflect recent changes in legislation. At question review meetings senior examiners are asked if they need any questions written or whether they can write their own.
4. Senior examiners review question papers before the review meeting. The senior examiners work in pairs to check each other's answers and make any further revisions. Completed papers are also sent to an independent reviewer.
5. Candidates register to take the examinations through their centres. There is clear guidance on the conduct of the examinations and the timescale for the whole process in the *Regulations and guidance notes for centres*. PMI has not carried out any spot checks at centres to ensure their compliance with the guidance.

6. Examination papers are sent to centres in two batches. One batch contains the non-confidential material and is sent about five weeks before the examination. The second batch of confidential papers is sent a week before the examination.
7. After the examination, completed scripts are sent to the relevant examiner. As part of its standardisation process PMI tells a sample of centres to send their completed scripts directly to them. PMI then selects three scripts representing each unit and sends copies to each examiner for immediate marking. The copies then go to the relevant senior examiner for standardisation. The senior examiners tell PMI if any marking adjustments are needed or if they need to request further samples. PMI passes on the judgements of senior examiners to the examiners to let them know whether they can continue to mark or whether to adjust their marking before continuing. Examiners then send a further three scripts to the senior examiners for a second consistency check. The chief examiner monitors examiner performance and poorly performing examiners are not contracted again.
8. Completed examination scripts must have no more than two errors in each performance criterion and no more than six errors in total. Candidates either pass or fail and there is no limit to the amount of times a candidate can retake the examination.
9. The examiners committee (the chief examiner and senior examiners), the head of the programme delivery unit and a PMI administrator attend the examination review meeting. The examiners committee reviews the results paying particular attention to borderline marks. The chief examiner amends marks in different coloured ink to create an audit trail and PMI staff note all changes.
10. The review meeting also refers to previous examination statistics to compare pass rates and levels of demand. An examiners report is produced after each examination series, which is sent to centres and is published on the PMI website. Some scripts are kept to monitor provision over time.

## **Accreditation conditions**

12. PMI must have centre monitoring procedures in place to monitor the work of centres to be assured that examinations are being conducted in line with awarding body guidance (*The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraph 35).

## **Observations**

There are no observations for this section.

# Customer service

This is subject to The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004), paragraphs 32 and 33b.

## Findings

1. PMI recognises that the loss of continuity in staffing levels has affected its customer service. This was confirmed by visits to four centres where staff stated that they had experienced delays in responses to queries and in the issue of certificates. However, centre staff also appreciated that customer service was usually good and was improving.
2. Staff at all centres visited knew about the PMI complaints procedure and that it was included in the *Regulations and guidance notes for centres*.
3. External verifiers collect feedback from centres at visits and this is noted on reports. The head of vocational qualifications reviews this feedback and usually makes an immediate response. PMI does not collect feedback from centres or candidates in a way that could be used to measure achievement of its own customer service targets or the performance of qualifications.

## Accreditation conditions

13. PMI must provide opportunities for centres to contribute to monitoring of their customer service targets (*The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraph 34).

## Observations

There are no observations for this section.