Awarding body monitoring report for: International Association of Book-keepers (IAB)

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Regulating external qualifications

Responsibility for regulating external qualifications lies jointly with three qualifications regulators:

- the Office of the Qualifications and Examinations Regulator (Ofqual)

- the Department for Children, Education, Lifelong Learning and Skills (DCELLS), the body for Wales

- and the Council for the Curriculum, Examinations and Assessment (CCEA), the authority for Northern Ireland.

Following the accreditation of a qualification, the regulators 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 regulators 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 regulators will agree the action plan and monitor its implementation.

The regulators 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.

Banked documents

As part of their awarding body recognition processes, the regulators require awarding bodies to submit certain documents to Ofqual for the purposes of 'banking' them centrally. Information from banked documents will be used to inform monitoring activities and may also affect the awarding body's risk rating.

A suite of documents has been identified as suitable for banking and are those that are considered to be most crucial in supporting an awarding body's ability to operate effectively.

To maintain the currency of the banked documents, awarding bodies are responsible for updating them as and when changes occur. They are also reminded to review them at least annually at the time of completion of the self-assessment return.

About this report

This report is the outcome of a monitoring activity on the International Association of Book-keepers (IAB) awarding body and was carried out by Ofqual on behalf of the regulators in December 2008. It draws together the regulators' findings on the IAB's access to the five-day accreditation, which was approved in 2007.

This is the second post-accreditation monitoring activity on the IAB's activities. In addition an Awarding Body Recognition Update was completed in 2006 for which there are no outstanding accreditation conditions.

The monitoring activities included desk research of information already held by the regulators, the five-day submission, self-assessment return and scrutiny of the IAB website. The monitoring team visited the IAB's head office to conduct interviews with staff and review documentation. They also observed a training event for markers and moderators to check how the awarding body's quality assurance systems worked in practice.

About the IAB

The IAB provides access to a range of vocationally related qualifications in the finance sector. For more information on the IAB and the qualifications it offers visit the IAB website at www.iab.org.uk.

Corporate governance

This is subject to *The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraphs 5, 6 and 7.

Findings

1. There have been no changes to the structure, ownership or legal identity of the awarding body since five-day accreditation was agreed in 2007. Awarding body staff currently share job roles with the Institute of Financial Accountants (IFA) and the IAB has identified that these working arrangements are not effective. The chief executive confirmed that there will be a restructure of staffing and a move to new premises in 2009. The new arrangements will include a physical separation and a single line management system. Retained awarding body staff will only work on awarding body functions and membership of the IAB.

2. The IAB does not intend to change its existing corporate, governance or reporting arrangements. The chief executive reports to the Council which has a strategic overview and will continue in its current format. Members will be elected from the membership of the IAB and must also be fellows of the association. Additionally, they may be members of the IFA. The monitoring team noted that the IAB has suitable arrangements to ensure there is no conflict of interest if council members are members of both organisations.

3. The chief executive is the single named point of accountability for maintaining the quality and standards of the qualifications but the job description does not make clear reference to this responsibility. Job descriptions for all staff will need to be reviewed when the restructure is finalised.

4. The current strategic objectives were determined by the corporate development team (CDT) and agreed by the Council. The CDT is made up of senior managers and staff from each section. Information from these meetings was passed to staff by the chief operating officer. However, this role has ceased to exist. The IAB will need to review how information will be shared with staff after the restructure.

5. There are three standing groups that support the work of the awarding body the editorial, risk management group and chairman's advisory group. The latter advises the chairman on decisions to be made between Council meetings. A resolution was passed so that only Council members make decisions. The IAB also sets up focus and working groups for specific projects. These report to the Council and make recommendations. For example, a strategic objectives group was set up in December 2006 and reported its recommendations to the Council in November 2007. The qualifications development group

has responsibility for looking at and making recommendations about qualifications under development.

6. The monitoring team was given full access to awarding body documentation, including the strategic objectives, minutes of meetings, reports and banked documents.

Accreditation conditions

1. The IAB must inform the regulators when the restructure is confirmed. They must provide an organisational chart showing the lines of reporting and accountability, and the job description of the chief executive must show that he has the responsibility for the quality and standards of the accredited qualifications (*The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraphs 5b and 6).

Observations

1. The IAB is reminded to review and update the banked documents as agreed with the monitoring team.

2. The IAB should, as part of the restructure, have documented terms of reference for the key groups which support the awarding body.

Resources and expertise

This is subject to *The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraphs 8 and 10.

Findings

1. The IAB currently has 17 joint staff with the IFA. When the restructure is completed the IAB will employ seven staff for awarding body activities. The monitoring team were advised that this number reflected the current amount of staff time allocated to the awarding body. During the last year the IAB recruited an additional member of staff to deal with the increased volume of work and minimise the need to bring in temporary staff.

2. The monitoring team noted that the education and membership teams were brought together two years ago to deal with potential sickness and holidays which might leave the awarding body with insufficient cover. All staff learnt the work of their colleagues. The awarding body work processes are due to be rewritten with the introduction of new information technology systems after the restructure.

3. IAB staff have annual appraisals but these are on hold until the restructure and relocation are completed.

4. There are 40 consultants in the assessment team. Their roles vary from examiners who write the assessment materials to moderators who review assessment materials and candidate scripts. There are also markers and test sitters. This final category of consultants is used to check assessments in high-risk qualifications. The test sitter actually sits the examination and reports back to the examiner with their feedback and amendments are made prior to the examination. This is good practice.

5. Potential members of the assessment team are identified or recruited by word of mouth or advertisement. Potential markers submit their curricula vitae, which are matched with the person specification. If they are suitable they are included in the bank of markers. All markers are invited to training events which the IAB runs with senior people in the industry. The monitoring team noted that the training of markers and examiners did not include any reference to the equality of opportunity. The awarding body must develop guidance on these for both the process of devising assessments and qualifications development.

6. New markers are given a limited number of scripts to mark and then attend a standardisation event. The qualification and assessment leader (QAL) reviews their

progress. Markers who perform well may be approached to become an examiner. There is also a mentoring system in place for new examiners. This is good practice.

7. All markers are recruited on a rolling contract. Examiners are contracted on an annual basis dependent on performance. Moderators complete a report on the performance of markers and examiners. This is submitted to the QAL, who carries out annual appraisals based on this feedback.

8. Some members of the assessment team have been involved with work on the QCF and have attended training days organised by the regulators.

Accreditation conditions

2. The IAB must provide guidance and procedures to its assessment team on producing assessment materials and processes for developing qualifications with a view to promoting equal opportunities (*The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraph 10).

Observations

There are no observations for this section.

Qualifications development: planning

This is subject to *The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraphs 1–4, 43 and 44.

Findings

1. The IAB has several sources of input for identifying ideas for potential new qualifications. These include requests from colleges, business advisers, sector skills councils (SSCs) and the IAB council itself.

2. The awarding body confirmed that the SSC has recently started to look at labour market intelligence. Additionally, the work of the SSC is not focused directly in line with the IAB skills base so the awarding body monitors changes in legislation and industry systems in order to update its qualifications.

3. The IAB reviews qualifications that are already available in order to minimise excess provision. If the idea is considered worth pursuing, a consultant is contracted to write the learning outcomes. These are then put out to consultation with interested parties. The feedback from centres in this consultation process gives an indication of predicted uptake. The awarding body advised that the qualification needs to become known in the market place before it really takes off and there may also be funding implications that affect the take up of the qualification.

4. Financial plans are put in place with targets for new qualifications. These are reviewed at council meetings. Whether targets are met or not a qualification is run for two years.

5. When qualifications are due to expire and be replaced by new qualifications the IAB communicates with centres. They are informed by letter or via the biannual college update magazine. Sample assessment materials for the new qualification are also sent at this stage.

6. The monitoring team noted that whilst the IAB has arrangements for informing centres about the expiry of qualifications, there are no formal arrangements for withdrawing qualifications midway.

Accreditation conditions

There are no accreditation conditions for this section.

Observations

3. The IAB should have arrangements in place for withdrawing qualifications prior to expiry.

Qualifications development: content and design of qualifications

This is subject to *The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraphs 45–55.

Findings

1. To check the robustness of these arrangements the monitoring team looked at the process the IAB uses for qualifications development. The learning outcomes and assessment criteria for qualifications are written by a subject specialist consultant. They are based on the national occupational standards (NOS) where they are available. On occasions the required focus of the qualification is slightly different to that of the NOS. The IAB employs a consultant who reviews the qualification requirements against the NOS specification.

2. The qualifications development team assesses the learning outcomes and assessment criteria to judge the size of the qualification. They are usually 30 or 60 hours of learning. The level of the qualification is determined by reference to the outcomes specified by the NOS where appropriate. The IAB was involved in the Welsh credit framework trials and the IAB's assessment team received training on assigning credit which has helped with the preparation for the QCF.

3. Once the structure of the qualification is confirmed the IAB consults with relevant parties who provide feedback. Approval is then sought from the relevant SSC. At this stage the awarding body maps any evidence of key skills and the NOS to the qualification. This information is provided in the qualification specification.

4. Draft assessment materials are moderated and circulated amongst the examination team for comment. In developing assessment materials, the IAB pays due attention to the level of the qualification. For example, although technical language must be used it was toned down for the recently developed level 1 qualification.

5. The IAB stipulates that each examination and assignment must cover 75% of the syllabus and that the full syllabus must be covered within four sessions. Where assignments are marked by centres the IAB provides guidance on the essential and desirable information candidates should be providing in their answers.

6. The awarding body considered the disruption to centres to be minimal in administering these qualifications as all the assignment briefs are provided by the awarding body.

Additionally, there is no need for specific equipment other than access to a computer for some of the qualifications.

Accreditation conditions

There are no accreditation conditions for this section.

Observations

There are no observations for this section.

Quality assurance and the qualifications development process

This is subject to *The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraph 33(a).

Findings

1. The IAB has suitable procedures for qualifications development. The staff, teams and groups involved in the qualifications process are clearly identified. For example, the qualifications and assessment leader co-ordinates each stage of the process, checking that the IAB's quality assurance procedures are complied with.

2. Each stage of the development process is shown on a flow chart. The final stage of the flow chart indicates that the qualification will be submitted to the regulators for accreditation. It is not clear what final checks are made to the documentation to ensure that it is complete. Discussion with IAB staff highlighted some informal arrangements in the process. The chief executive is kept informed about the status of new qualifications by the QAL, but this is not documented.

3. The monitoring team noted the IAB procedure to ensure continued compliance with the criteria, which details the quality assurance checks to be made. They are confident that the process is robust but it needs to be fully documented.

4. The IAB aims to have a lead-in time of 12 months before qualifications are accredited so that the supporting information and materials are issued prior to the launch of the qualification. Information was available on the website in April 2008 for qualifications with a start date of September 2008. Centres were issued with CDs containing the specifications and relevant guidance documents. This is good practice.

Accreditation conditions

There are no accreditation conditions for this section.

Observations

4. The IAB should include a final signing-off process for each qualification developed.

Quality assurance and control of internal and independent assessment

This is subject to *The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraphs 13, 36, 38–42 and 56–62.

Findings

1. The IAB offers a range of accredited qualifications in book-keeping which are internally or independently assessed. Qualifications assessed by examination are single-unit qualifications. They are available on set dates or on demand if required. The IAB has three newly accredited qualifications that are internally assessed. The assignments are set by the IAB. One unit is independently assessed and one unit from each candidate is externally moderated.

2. When new qualifications are launched the regulators expect awarding bodies to have suitable guidance and quality assurance arrangements in place to promote reliable and consistent results. This will include for example, information and guidance for item writers, examiners, moderators, external verifiers and centres. The effectiveness of these procedures was not fully tested as recently accredited qualifications have not been through a full cycle and no assignments have been completed to date.

3. The monitoring team looked at examples of the guidance documents to support the IAB level 3 Diploma in small business financial management. Guidance documents include the centre handbook and specification detailing the standards to be assessed, assessment methods and evidence required. These can be downloaded from the IAB website and are available for all accredited qualifications. In addition, sample guidance for assessors is issued which includes the mark scheme for the assignments.

4. The IAB checks centre quality assurance arrangements during the centre approval stages and that internal verification procedures are in place. However, the IAB does not stipulate its requirements for the moderation of assignments by centres. The IAB has introduced quality assurance arrangements through the independent assessment of one unit and its chosen external moderation sample. The awarding body is able to track if the independent assessor is truly independent as all assessor details are held by the IAB. The monitoring team has some concerns about the consistency of marking assignments with different assessors and across centres if additional moderation of assignments is not included and checked.

5. The regulators require candidates and centres to confirm the authenticity of evidence presented for assessment. The existing arrangements for assignments do not include this requirement nor does the IAB formally require centres to check candidate identity prior to examinations.

6. The IAB confirmed that all moderated assignments will be returned to candidates whereas all examination scripts are kept for 12 months with samples of each grade kept for three years. The regulators require awarding bodies to retain sufficient evidence of candidate work to monitor provision over time and the IAB recognises that it needs to develop arrangements for retaining a sample of assignments.

7. There are arrangements in place to protect the security of assignments, question papers and mark schemes during the development and evaluation stages. Examiners send draft papers and schemes to the moderator for checking. Amendments to papers or assignments are made as required and forwarded to the QAL who controls the process.

8. Completed papers are securely stored and kept on the database with secure log in. None of the administrative staff can access the papers until they are signed off by the QAL. Printing is done offsite although the IAB can print small numbers of papers on demand. IAB staff deliver the papers direct to the printers who return the finished product to the IAB for distribution. Examination papers and assignments are sent to centres and returned to the IAB by special delivery.

9. The regulators asked the IAB what they would do if examination papers were lost in the post. The awarding body confirmed that it could use another paper earmarked for an on demand exam or arrange for a new paper to be written within two weeks. None of these arrangements is documented. The IAB needs to document its security arrangements and develop contingency plans so that candidates are not disadvantaged if the security of examination papers or assignments is breached.

10. The IAB specifies the security arrangements for examinations and carries out spot checks to ensure that centres are meeting its invigilation requirements and storing papers securely.

11. There are suitable arrangements in place to monitor the work of examiners and moderators. The regulators saw evidence of examiners not being used where their performance had been identified as inconsistent.

Accreditation conditions

3. The IAB must specify arrangements for the internal moderation of assignments (*The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraph 61b).

4. The IAB must keep examples of assignments so that it can monitor provision over time (*The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraph 36).

5. The IAB must require candidates and centres to confirm the authenticity of evidence presented for internal assessment and check candidate identity prior to examinations (*The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraphs 57a and 60g).

Observations

5. The IAB should review and document its security arrangements for the development and evaluation of all assessment tasks and mark schemes during the development phase. In addition the IAB should explain its contingency plans if there were to be a security breach during the development or transition of assessment tasks and mark schemes.