



Qualifications and
Curriculum Authority



Post-accreditation monitoring report: Chartered Insurance Institute's arrangements for developing and delivering accredited vocational qualifications

August 2006

QCA/06/2929

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Introduction

Regulating external qualifications

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

- the Qualifications and Curriculum Authority (QCA), the authority for England
- the Department for Education, Lifelong Learning and Skills (DELLS), the authority for Wales
- the 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 regulatory 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 a post-accreditation monitoring activity carried out on the Chartered Insurance Institute (CII) awarding body by QCA on behalf of the regulatory authorities in July 2006. It focuses on the high-level systems underpinning CII's arrangements for delivering accredited vocational qualifications. The monitoring activity also looked at the arrangements for qualifications development, as the regulatory authorities allowed CII access to the five-day accreditation process in October 2005.

About CII

The CII was granted its royal charter in 1912. It is a major player in the fields of insurance and financial services, offering examinations in a number of subjects relevant to these industries.

For more information on CII and its qualifications, visit its website at www.cii.co.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.

1. The CII is the world's largest professional body in the insurance, savings and financial services sector with nearly 90,000 members. As a recognised awarding body it has six qualifications in the national qualifications framework, all vocationally related qualifications (VRQs). The awarding body operations are spread across two locations in London: the city and South Woodford. Both of these were visited during the monitoring activity.
2. The CII does not offer accredited qualifications in partnership or consortium with any other body nor does it have any franchised or licensed organisations offering its qualifications. It uses services provided by another awarding body to deliver its multiple-choice examinations and in turn provides examination-hall facilities to a different awarding body.
3. The Council is the controlling body of the CII, and the awarding body reports to it through the deputy director general, who is the awarding body's named point of accountability responsible for maintaining the quality and standards of all accredited CII qualifications.
4. The CII provides other services such as learning aids and training courses for its own qualifications (eg revision courses leading up to the examinations) but there are procedures to keep those functions separate from the awarding body. Despite this, the regulatory monitoring team attended an examination moderation meeting that took account of an error in one of the CII study packages sold to candidates. The error had emerged from candidate answers to a multiple-choice question. Reference was made by those present at the meeting to getting this information through the 'Chinese wall' so that it could be corrected.
5. The awarding body had a Breaches Register, which logged inappropriate activity and action taken to address it. In addition, there was regular internal audit activity and CII gave the monitoring team copies of the reports. These revealed that the CII

compliance section placed great importance on the integrity of the examinations process as well as checking all other aspects of the regulatory criteria.

6. The regulatory monitoring team was satisfied that the combination of internal audit and the Breaches Register was sufficient to maintain the integrity of CII's 'Chinese walls'.
7. It emerged during the monitoring that a member of staff reporting to the deputy director general had responsibility for both examination operations and learning solutions although training activities reported to another director. After this was pointed out to the awarding body they reconsidered the structure and a new organisation chart was provided. This chart clearly identified a split in the responsibilities for examinations operations and learning solutions following a recent movement of staff.
8. The regulatory monitoring team considered that the new structure provided more effective management of the potential for conflict of interest within the awarding body. The team also considered that, given the potential for conflict of interest, the CII should ensure that the separation continues to be monitored regularly by internal audit. The team commended the Breaches Register as good management practice.

Accreditation conditions

There are no accreditation conditions for this section.

Observations

1. The CII should ensure that its internal audit continues to focus upon the potential for conflicts of interest, and reports annually to the regulatory authorities on this aspect through its self-assessment submission.

Resources and expertise

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

1. The CII has three aspects: awarding body, membership and learning. It has just under 200 permanent employees with approximately a third of its staff working on examinations and customer service. If required, temporary staff are recruited for low-level activities.
2. Investors in People (IIP) have accredited the CII since 2003. There are procedures for recruitment, with job descriptions for most posts. The CII offers its staff a wide range of training opportunities and evidence was seen of the internal audit training provided to the compliance team as well as the content of the examiner training days. There are many work-aids to guide staff on topics like multiple-choice question writing and editing.
3. An interesting solution to coping with the peaks and troughs of examination activity has been to recruit two graduates to build a career in the examinations world. These graduates are “learning on the job.” The expectation is that they will be appointed to full-time positions.
4. The CII has a formal performance and development review process for all examination department staff. Examiners are subject to supervision by their own hierarchy and senior examiners report to and are supervised by the Examiners committee, which reports through a Management committee to the Council.
5. Faculty boards, consisting of members prominent in their field, assist the CII to estimate the number of candidates for qualifications. The planning cycle begins in July for the following calendar year and the Council signs off the business plan in late autumn.
6. The IT facilities are out-sourced and the CII makes use of another awarding body’s computer resource to provide its on-line examinations. The CII has a network of local

institutes across the UK that provide assistance in setting up examination centres including the provision of invigilators from its membership base.

7. The regulatory monitoring team was satisfied that the awarding body had sufficient resources and expertise.

Accreditation conditions

There are no accreditation conditions for this section.

Observations

There are no observations for this section.

Plan of provision

This is subject to *The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraphs 1, 2, 3, 4, 43 and 44.

1. For the purposes of this section the regulatory monitoring team focused, where necessary, upon the Level 3 Certificate in Financial Planning qualification. The CII provides the regulatory bodies with updated plans of provision each year. These plans review their current suite of qualifications and any proposed changes.
2. The CII has been admitted to the five-day accreditation system, which allows recognised organisations to have proposed courses accredited more quickly than usual. The CII has been allowed to use this system because they have in the past submitted satisfactory plans of provision with appropriate sector support and development documentation to the regulatory authorities and kept them up to date, submitting necessary evidence when it wanted to extend its range of provision. This has included submitting suitable plans when accredited qualifications are to be withdrawn and replaced by other qualifications.
3. An example of a detailed business case was provided to the regulatory monitoring team showing how a prospective qualification is evaluated. The evaluation covered areas such as educational reasons, market requirements, options and benefits expected. The CII takes into account the requirements of the Financial Services Authority (FSA) and the Financial Services Skills Council (FSSC) when developing qualifications, and it uses its finance industry connections to establish the need for a particular qualification.
4. Some of the CII's qualifications are licences to practice in the finance industry. Membership of the CII is not compulsory for students to achieve the qualification but they need to become members if they wish to have the letters after their name once successful.
5. The CII has established various societies and faculty boards, such as the Faculty of Life and Pensions, which have advisory boards comprising senior executives in the relevant professional area. The CII also liaises closely with trade associations such

as the Association of British Insurers. This puts it in a good position to check that existing provision meets current needs. The CII is currently testing and trialling a qualification in connection with development work on the proposed credit framework (a unit-based method of recognising achievement underpinned by a system of credit accumulation and transfer) that is being developed by the regulatory authorities.

6. The CII markets its qualifications actively in a number of ways including direct marketing and use of its annual conference.

Accreditation conditions

There are no accreditation conditions for this section.

Observations

There are no observations for this section.

Content of qualifications

This is subject to *The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraphs 45–52.

1. The regulatory monitoring team explored the creation of qualification content, paying special attention to the Level 3 Certificate in Financial Planning. The names of qualifications must comply with regulatory authority and FSA requirements. Evidence showed that there had been communication with the regulatory authorities' sector specialists about naming the Level 3 Certificate in Financial Planning.
2. The Level 3 Certificate in Financial Planning qualification is an entirely unitised qualification containing four units assessed by four multiple-choice question papers and a fifth synoptic written paper, based on case studies, that assesses the knowledge and understanding of all four units.
3. The CII uses a variety of methods to assist in deciding the appropriate level descriptor for a qualification. These include comparison with existing qualifications and informed judgement by practitioners against the FSSC's occupational standards.
4. The content of CII qualifications is determined by the market's needs, including new financial regulatory requirements. Once the need is established, the CII commissions a senior examiner to develop specific learning outcomes, content and assessment criteria. Close liaison is always maintained with the FSSC, but especially if this is a development likely to be included in the FSSC's list of appropriate examinations.
5. The regulatory monitoring team saw examples of communication between the awarding body and all those involved in the industry and its regulation. One example of this was a letter of support from the FSSC when a qualification was submitted for accreditation. The FSSC confirmed that the units had a strong link to the occupational standards and that the learning outcomes and content were covered.
6. As well as CII staff, a wider team of technical experts and industry practitioners bring the qualification to a point where it is signed off by the named point of accountability for the awarding body. Typically, these contributions come from focus groups of

senior training and compliance managers from a range of firms in the financial services sector and not exclusively of those based in London. Once a qualification is accredited, the CII asks examiners to ensure it remains accurate and current through annual review.

7. The regulatory monitoring team saw evidence of comprehensive procedures for qualification development and of their application. For the Level 3 Certificate in Financial Planning qualification, there is no required prior knowledge or experience (but the awarding body was quick to point out that it would recognise a previous qualification if it existed and could be used as evidence of prior achievement). A record of achievement is provided upon unit completion and the combination of units to achieve the full qualification is clearly stated in the candidate handbooks. Achievement of some of the units is a financial industry regulatory requirement for people working in particular fields.
8. The submission for accreditation of the Level 3 Certificate in Financial Planning qualification had identified opportunities for generating evidence of key skills. Ethical issues were made relevant by reference to the need for business integrity as specified in the syllabus.

Accreditation conditions

There are no accreditation conditions for this section.

Observations

There are no observations for this section.

Design of assessment

This is subject to *The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraphs 53–55.

1. Due to the nature of the finance industry, the CII's methods for designing assessment have been scrutinised by others, including financial regulators, in the past. For example, its development of multiple-choice questions has been scrutinised by both the Training and Competence panel of the Securities and Investments Board and the National Foundation for Educational Research.
2. The assessment method is designed to ensure candidate competence in their job role. The CII uses multiple-choice questions extensively. This form of assessment is common in the finance industry, ensuring that, for example, product knowledge is tested in depth. The CII also uses synoptic assessment papers to ensure that the individual facts learned can be applied correctly to the individual circumstances. These papers are of a more conventional nature being free format written papers, often based upon a complex scenario.
3. Procedures for all types of assessment used by the CII were provided to the regulatory monitoring team and these were augmented by guidance documents on issues such as item writing and editing for multiple-choice questions. Guidance incorporated the regulatory requirements e.g. the avoidance of overt or covert discrimination in wording or content. The team considered that the existence of these comprehensive procedures was evidence of good practice by the awarding body's administrators. The importance of full syllabus coverage was stressed with comprehensive matrices in use for creating multiple-choice examinations.
4. Documents examined, including internal audit reports, showed that the CII's procedures were followed and internally monitored by the compliance team. There was evidence of regular contact with appropriate officers at the FSSC and regulatory authorities' sector officers during the development and accreditation of qualifications.

5. The CII has joined forces with another awarding body to make use of its on-line delivery capability to offer candidates greater accessibility of assessment and plans to extend this facility over the next year or so.
6. The regulatory monitoring team was satisfied with the content of training events for examiners. Examination guides for candidates explain how the assessments are created and this was considered good practice by the regulatory monitoring team.
7. The accredited qualifications that the CII offers are all independently assessed at examination centres. Where there are optional units the CII aims to make these comparable, for example in terms of difficulty and volume of work required. The qualification monitored did not have an optional route.

Accreditation conditions

There are no accreditation conditions for this section.

Observations

There are no observations for this section.

Application of assessment methods: Quality assurance and control of independent assessment

This is subject to *The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraphs 13, 36, 38 – 42, 56, 57 and 58.

1. The regulatory monitoring team discussed the control of independent assessment and looked at the management structures the CII has in place including how the senior management team and board are assured that the independent assessment procedures and processes produce valid and reliable results.
2. The regulatory monitoring team was provided with documents, such as qualification handbooks, to support the comments made by the CII staff interviewed. These documents identified the administration, assessment and moderation requirements as well as specifications for qualifications.
3. The regulatory monitoring team found that there are systems and structures in place to oversee and manage the operations of independent assessment within CII. The review of qualification development had shown the regulatory monitoring team how the awarding body aims to address the syllabus and make it relevant to the workplace so that candidate evidence is itself relevant and sufficient to demonstrate competence.
4. All accredited CII qualifications are independently assessed at an examination centre. Candidate scripts are held at the South Woodford operations base for one year after the examination and some of these are kept for longer if selected as part of the sample for moderation. These are held in the City.
5. The CII has comprehensive procedures for monitoring the work of its examiners both in respect of multiple-choice examinations and written papers. There are full job descriptions for key roles. Clear rules govern the potential conflicts of interest. For example, individuals are prohibited from working for both examinations and learning solutions and a minimum amount of time must elapse before an individual can transfer between the two.

6. The Examiners committee is responsible for ensuring that standards are maintained and the Qualifications and Compliance team carry out audits that cover the degree to which:
 - Candidates have been treated fairly
 - Regulatory criteria have been met
 - Standard operating procedures have been followed.
7. Where examiner performance is unsatisfactory the CII is alert to transferring the work to others who are competent.
8. All CII assessment is currently carried out through the medium of English but the awarding body is willing to provide assessment in other languages where there is demand.
9. Candidates are required to identify themselves at the examination centres to prevent impersonation. Anonymity of candidates in respect of the markers is ensured by means of identity numbers but examiners and markers are still contractually required to declare any conflicts of interest.
10. The CII has documented its staff selection and training processes along with information on the reporting requirements placed on examiners/markers and moderators. There are annual training events and exemplars are provided to examiners.
11. Questions and mark schemes are set by suitably qualified examiners and independently reviewed. Scrutineers are used to check this work further. The CII strives wherever appropriate to meet the *Code of practice* published by the regulatory authorities for general qualifications even though it is not mandatory for vocational qualifications.
12. The CII keeps a record of each question's performance in the case of multiple-choice questions. Statistical techniques are employed to ensure that the level of difficulty is maintained across time. Items held in the item bank are regularly reviewed. The regulatory monitoring team attended two moderation events and saw how people

independent of that particular examination subjected the multiple-choice questions to statistical and professional analysis.

13. Similarly for the written papers, statistics are used to assist in adjusting the pass mark to keep the standard constant over time. Examiners meetings look at samples of script marking and suggest adjustments if necessary to ensure standardisation. There is a minimum of two examiners for any paper. For large entry examinations an examiner marks no more than 180 scripts. The CII is aware of the danger of using too many markers but commercial considerations make it unlikely that this would occur.
14. Papers are moved securely to and from examination centres and invigilators have instructions on their control whilst at the centre. Question bank security was discussed but not monitored in its entirety. The regulatory monitoring team was satisfied with the in-house arrangements but increasingly the CII will be relying upon another awarding body's delivery systems as it moves to on-line assessment. However, assurance was asked for on the controls required by the CII and it is clear from the contract seen that the CII has specified the necessary security and has the power to audit it.
15. By these means the CII aims to ensure that its systems and procedures produce results that are reliable.

Accreditation conditions

There are no accreditation conditions for this section.

Observations

There are no observations for this section.

Determination and reporting of results

This is subject to *The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraphs 63 - 67.

1. For the purposes of this section the regulatory monitoring team focused, where necessary, upon the Level 3 Certificate in Financial Planning qualification. The CII does not grade passes in its accredited qualifications and has no approved centres but does have a network of examination centres.
2. The CII has a nominal pass mark of 70% for its multiple-choice examinations and 55% for the written papers. In all cases the awarding body applies its procedures for marking and moderation that can lead to an amendment of these figures. The regulatory monitoring team attended moderation meetings where the multiple choice pass mark was amended using the correct procedures. Records of the process were available for audit.
3. Similarly, for the written papers, various factors are taken into account to adjust the pass mark. Management reports are prepared and discussions take place on the performance of each cohort of candidates and examination, taking into account, for example, statistical information comparing the current examination with past examinations; professional judgement of the quality of work in the current examination compared with previous; and professional judgement of the pass standard required for this examination.
4. The CII has procedures in place to ensure that standards are comparable from year to year. Candidates are made aware of the way in which qualification results are arrived at and reported in the relevant examination guide. This was considered to be good practice.
5. The regulatory monitoring team is satisfied that the CII produces results that are valid and reliable.

Accreditation conditions

There are no accreditation conditions for this section.

Observations

There are no observations for this section.

Registration

This is subject to *The statutory regulation of external qualifications in England, Wales and Northern Ireland (2004)*, paragraphs 11 and 12.

1. The CII does not register or approve centres other than examination venues and for this reason any omissions are treated as observations rather than conditions. Within the category of CII examination centre there are three sub-divisions:
 - CII examination centres
 - Employer centres
 - Other awarding body online centres.Another recognised awarding body uses the CII centres for its candidates.
2. All centres have a coordinator appointed who is responsible for the conduct of the examination. The CII's own centres are selected and run by its local institutes and intermittently visited by the CII but not to a comprehensive programme. Employers' centres are subject to similarly loose arrangements. This results in the CII not being able to evidence that its buildings are accessible to all candidates nor that the regulatory authorities have an acknowledged access to premises, people and records. The CII have, however, made these arrangements for their newest centres where they are contracting to use another awarding body's online delivery centres.
3. The CII has written comprehensive notes for invigilators that set out clearly their responsibilities but the version provided had a number of typographical errors including cross-references that were incomplete. The CII invigilates at its own centres and those of employers. Online arrangements are those that the awarding body running the system uses but over which the CII has contractual control.
4. Candidates are allocated a personal identification number that remains theirs for life. In addition, they are given a candidate number for each examination sitting. At the end of online multiple-choice examinations the candidates receive a provisional result on screen.

Accreditation conditions

There are no accreditation conditions for this section.

Observations

2. The CII should ensure that all the buildings it uses for assessment purposes provide access for all candidates in accordance with relevant legislation.
3. The CII should ensure that access to premises, people and records is available to the regulatory authorities at all the buildings it uses for assessment purposes.
4. The CII should ensure that it reviews the wording of its document entitled *Regulations for Examination Co-ordinators and Invigilators*.
5. The CII should consider setting up a plan of regular visits to inspect its examination venues' suitability and operation.