

Regulatory Report: Spring Audits 2015



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1. Introduction and summary

This report explains our regulatory approach and sets out our conclusions following our first substantial audits of awarding organisations carried out using this approach.

Earlier this year, we looked at 22 awarding organisations' compliance with our requirements for the design and development of qualifications. We decided to start with the beginning of the qualifications life cycle. Later audits will look at delivery and review arrangements.

This report sets out the main findings from that work. In most cases, the evidence we collected indicated that the awarding organisations had in place approaches that could secure compliance with our requirements.

However, we did find some poor practice. In some instances, awarding organisations had documented arrangements that met our requirements, but we did not find evidence that they always complied with them.

To put these findings into context, this report starts by explaining our regulatory approach and the role of audits.

2. Our regulatory approach

Our overall approach

We want awarding organisations to produce good qualifications that are valid and that meet user needs. Good qualifications support high-quality teaching and help achieve a wide range of curriculum aims and objectives. They help to define and recognise skills, understanding and knowledge; and are relied on by employers, education providers and others when making recruitment and admissions decisions.

This is the objective of our regulatory requirements and approach. Central to our regulation are our *General Conditions of Recognition*¹ ('the Conditions') and the associated guidance. The Conditions set the minimum requirements for regulated qualifications and the awarding organisations that offer them. It is for each awarding organisation to decide what qualifications to award, how to develop and deliver them, and to satisfy itself that they are of the right quality and standard. Awarding organisations are responsible for ensuring that they and their qualifications comply with the Conditions.

If a qualification is to be fit for purpose, each stage in the qualification's life cycle must be right. It is not enough, for example, for a qualification to be well designed if it is then implemented poorly. Our Conditions therefore set requirements for each stage in the life cycle, and we may check compliance with requirements relating to any of those stages. The life cycle includes how an awarding organisation decides on the objectives of its qualifications; how it designs and develops its qualifications; how it delivers assessments and sets standards; how it deals with appeals; and how it evaluates the qualifications and makes changes and improvements where necessary. The spring audits, on which we report below, focused on the early stages of the life cycle.

We refer regularly to the 'validity' of qualifications. Validity is the degree to which a qualification measures what needs to be measured by implementing an assessment procedure. Assessment can take many forms, including written exams or observation and assessment of performance in a specific task. We will review the validity of qualifications at different points in the life cycle through our compliance work.

We take account of the wider policy and funding context, and the risks it creates, when we consider which qualifications, awarding organisations and points of the life cycle to review. There are a number of developments affecting qualifications at the moment. We have withdrawn the Qualifications and Credit Framework rules (QCF rules), which required qualifications to be unitised. Skills policy has been evolving in

¹ www.gov.uk/government/publications/general-conditions-of-recognition

both England and Northern Ireland, with changes in England to funding, to school and college accountability measures, and to apprenticeships. All of this will have an impact on qualification development and delivery.

Compliance and beyond

We set Conditions that we judge will tend to lead to the award of sufficiently valid qualifications, but we hope that awarding organisations see the Conditions as a starting point, not a destination. Good awarding organisations focus on developing and awarding valid qualifications, and make sure that in doing so they comply with the Conditions. It will often be appropriate for them to go beyond the requirements in our Conditions to produce particularly effective qualifications, and we welcome and encourage that.

We do not define how awarding organisations must comply with the Conditions, although we publish guidance relating to some Conditions, which awarding organisations must have regard to. Awarding organisations should use their judgement and expertise to decide on the best ways of complying, given their particular circumstances and the qualifications they are awarding. Awarding organisations should be confident about innovating where appropriate, rather than being limited by what they and others have done before. Our Conditions generally focus on what awarding organisations and their qualifications should achieve, not on how they should achieve them.

Audits and other checks

With limited resources, we have to target our activities. We cannot look at all awarding organisations or qualifications in one go, so we take a risk and intelligence-based approach. We make judgements about which awarding organisations and qualifications have particular risks, including by systematically analysing data and information. We also gather intelligence from other agencies, stakeholders and elsewhere about qualifications and awarding organisations.

We use this, along with findings from previous audits and our other work, to make judgements about which awarding organisations and qualifications we should look at. Our audits and other work are all aimed at testing out compliance with our requirements. Unless we have evidence to the contrary, we start from the assumption that all awarding organisations are compliant with the Conditions and we test this premise. Where we find evidence of non-compliance, whether from audits or from follow-up investigations, we take action if it is proportionate to do so.

We have developed a rolling programme of audit work that enables us to assess levels of assurance about the compliance of the awarding organisations and qualifications we regulate. An important part of this programme is reviewing what resources and arrangements awarding organisations have in place, given the

requirements set out in our Conditions. Recognised awarding organisations may be audited at any time, although we make sure that the burden on any particular awarding organisation is not disproportionate. If we require additional assurance following an audit, perhaps because we have identified risks to future compliance, we may carry out follow-up audits to check that due regard has been given to any feedback we gave.

Awarding organisations are given reasonable notice that they have been selected. The audit team uses all the evidence gathered from the audit to give an audit opinion. This sets out whether the evidence indicates that the awarding organisation has systems and processes in place in line with the requirements of the Conditions being tested, and whether these are followed in practice.

We then form a regulatory opinion drawn from the evidence provided by the audit team and collected during the audit. The regulatory opinion will be one of the following:

- The awarding organisation was able to demonstrate that it had resources and arrangements in place to show compliance with the Conditions tested and that could be considered good practice.
- The awarding organisation was able to demonstrate that it had resources and arrangements in place to show compliance with the Conditions tested. (As set out below, 20 of the awarding organisations in this audit programme fell into this category.)
- The awarding organisation was able to demonstrate that it had resources and arrangements in place to show compliance with the Conditions tested, but we identified some poor practice that puts the awarding organisation at risk of future non-compliance. (In this audit programme, two of the awarding organisations demonstrated some specific poor practice that was highlighted to them.)
- The awarding organisation was not able to demonstrate that it had resources and arrangements in place to show compliance with the Conditions tested.

We share our specific findings with the awarding organisation. When we find that an awarding organisation's approach carries risks to future compliance, they are required by the Conditions to have regard to the feedback we provide² and to consider whether a change of approach is required. There may be a strong case for

² Condition D3.2.

regulatory action against an awarding organisation that ignores such feedback and consequently, for example, awards qualifications that were not valid.

In the light of our findings, we may review whether we should consult on changes to our Conditions – for example, if an awarding organisation could demonstrate compliance with our Conditions but we still had concerns about the validity of its qualifications.

Good practice

As regulator, we have a role to help awarding organisations to understand what compliance looks like, in particular by publishing guidance. Beyond that, we will encourage them to identify and follow good practice. By good practice, we mean examples of ways of meeting the Conditions that the evidence suggests are particularly effective.

Where we identify what we consider to be good practice as part of an audit or other work, we propose to highlight this in the report on our regulatory findings, and consider whether to include it in guidance. If we incorporate good practice in guidance it will be necessary for all awarding organisations to have regard to it.

If we judge that our requirements are insufficiently stretching or not specific enough to secure our objectives, and that the good practice we have found should become an expectation, we will consider whether we should consult on amending the Conditions themselves.

Publishing reports

This is our first published regulatory report following an audit. We plan to publish further reports after similar audits. Some smaller and more specialised audits, as well as other regulatory activities, may not lead to published findings where we decide that publication would be inappropriate. We publish reports such as this both to report our findings to awarding organisations, and so that a wider audience can see our approach and levels of concern.

3. The spring 2015 audits

This audit programme focused on the beginning of the qualification life cycle – the design and development of qualifications. Specifically, we were testing how awarding organisations comply with Conditions³ that require:

- that proposed qualifications have objectives, which lead to benefits for students, and have support;
- that the assessments they design are fit for purpose and can be delivered efficiently;
- that the awarding organisations have adequate resources and arrangements to develop and deliver qualifications in accordance with the Conditions, in relation to the bullets above.

We carried out a risk analysis and selected 22 awarding organisations for audit. We gathered evidence about each awarding organisation's resources and arrangements to see how they complied with the above Conditions. We did this using common questions against standardised key lines of enquiry. As well as gathering evidence about the approach of each awarding organisation to securing compliance, we reviewed three qualifications offered by each organisation to see how that approach operated in practice. The audit did not evaluate whether the qualifications themselves complied with the Conditions. They were used as a means to test the resources and arrangements the awarding organisation had in place in order to develop and deliver the qualifications in accordance with the Conditions.

The audits took place between March and May 2015. For each awarding organisation, we selected its qualification with the most certifications, the one with the fewest certifications and the one most recently submitted to the Register of Regulated Qualifications⁴. This was based on the information available at the time the audit was commissioned. The full list is in Appendix 1. Since the audit, we have been using the findings to help develop our regulatory approach, and considering how we should report on what we found.

³ *General Conditions of Recognition*: www.gov.uk/government/publications/general-conditions-of-recognition. The Conditions tested in these audits were E1, E4 and A5.1–A5.3.

⁴ <http://register.ofqual.gov.uk>

4. Summary of our findings

Overall, in most cases the evidence we collected indicated that the awarding organisations had in place approaches that could secure compliance with our requirements.

However, we did find some poor practice that could lead to risks to compliance in the future. In two instances awarding organisations were able to demonstrate that they had apparently robust arrangements in place to secure compliance with the Conditions tested, but it was not clear from the evidence that those arrangements had been followed for some of the qualifications sampled.

We saw some approaches to qualification development that were inconsistent and underpinned by differing arrangements. Without careful management, adopting a divergent and inconsistent approach could lead to inefficiency and ineffectiveness, and might represent risks to future compliance.

We were concerned about some of the processes and controls seen for establishing that a proposed qualification has an objective, a benefit for students and has sufficient support.

Below are the overall findings by each specific Condition. We set out first our broad findings where awarding organisations were able to demonstrate that they had resources and arrangements in place to show compliance with the Condition tested. We then give any relevant examples of poor practice we found that put the awarding organisations concerned at risk of future non-compliance.

We have given each awarding organisation audited on this occasion its individual findings. However, all awarding organisations, whether or not they were audited on this occasion, should have due regard to the findings of this report that suggest that a particular approach gives rise to risks to future compliance. We would strongly advise all awarding organisations to consider the findings of this report and whether there are lessons for their approaches, systems and qualifications.

Qualifications having an objective (Condition E1.1)

We found the following:

- All the qualifications sampled had an objective.
- An example that an awarding organisation had tested those objectives with stakeholders at the development stage to ensure that the qualifications were relevant and had support.

However, we identified some poor practice:

- Two examples where the awarding organisations had not followed its qualification development processes for the qualifications sampled.
- An instance where an awarding organisation did not have written processes for defining an objective as part of qualification development. Although there is no explicit requirement to have a written process, an unwritten process is less likely to be consistently applied or followed.

Qualifications having a benefit (Condition E1.2)

We found the following:

- Awarding organisations gathering feedback about how effective a qualification had been and what subsequent progress students had made.
- Awarding organisations defining a qualification's benefit to students as part of its qualification development process.

Proposed qualifications having support (Condition E1.3)

We found the following:

- As with objectives and benefits, awarding organisations embedding 'gaining support' for a qualification as part of their qualification development process.
- Awarding organisations that had engaged with employers at an early stage in the development process in order to gain active support for a qualification.

However, we identified some poor practice:

- An example of support for qualifications being sought from centres⁵ by the awarding organisation in a formulaic way, which included providing centres with template letters where the benefit to students was set out by simply copying the wording from the Conditions.
- Examples of awarding organisations having inconsistent approaches for establishing qualification objectives and benefits, and ascertaining support for these qualifications. We saw some instances of some of the qualifications sampled being subject to differing arrangements without it always being clear whether these differences were necessary.

⁵ Colleges, schools or other training providers.

Ensuring an assessment is fit for purpose and can be delivered (Condition E4)

We found the following:

- Awarding organisations had systems in place that appeared capable of effectively developing assessments that are fit for purpose.
- The assessment method being driven by the qualification objective and the development process resulting in what appeared to be appropriate methods of assessment.
- Examples of awarding organisations having named individuals, alongside clear quality assurance and control functions, responsible for ensuring that an assessment is fit for purpose.

However, we identified some poor practice:

- A number of the qualifications in the audit sample had been developed in conjunction with others, such as national working groups, Sector Skills Councils or in partnerships between awarding organisations. In these cases, the qualifications had assessment strategies prescribed by the relevant sector skills council or other body and which the awarding organisation had apparently assumed to be fit for purpose. However, the awarding organisation is responsible for assuring itself that all assessments within each of its qualifications are, and remain, fit for purpose. While a sector skills council assessment strategy, for example, may be fit for purpose, the awarding organisation needs to satisfy itself of that and keep it under review.
- An example of an awarding organisation not implementing all of its internal controls for the three qualifications sampled. One of the qualifications sampled, which was subject to the QCF rules, had included an assessment where a pass mark could be achieved without scoring any marks against one of the learning outcomes.

In some cases we found that awarding organisations were not prescriptive in the guidance they offered to centres about assessment methods, especially in situations where centres had been delegated responsibility for designing their own assessments within a qualification. The assessments of these qualifications were then signed off by the awarding organisation. While this may be appropriate for some qualifications, we require awarding organisations to ensure, through their arrangements with centres, that the flexibility to use different assessment methods does not compromise compliance with the Conditions.

While Conditions C1 and C2 did not specifically form part of this audit programme, these Conditions oblige an awarding organisation to ensure that the arrangements

that it establishes with a third party, such as a centre, enable the awarding organisation to develop, deliver and award qualifications in accordance with its Conditions of Recognition. The evidence we collected during this audit confirmed our assessment that there are significant risks relating to compliance with these Conditions (C1 and C2). We therefore plan to audit the levels of compliance with these Conditions in the coming months.

Availability of adequate resources and arrangements (A5.1–A5.3)

We found the following:

- Based on the evidence examined at the time of the audits, all the awarding organisations appeared to have adequate resources and arrangements in relation to the design and development of qualifications.
- A range of formal controls, which included processes for reviewing the ongoing resources needed during the life cycle of a qualification.
- Awarding organisations planning their future resource needs. This included reviewing emerging trends, maintaining internal and external competence of personnel, and contingency planning.
- Awarding organisations using external subject specialists to develop qualifications. We found awarding organisations with systems in place to ensure that subject specialists have the relevant academic and industry experience.

However, we identified some poor practice:

- One example of an awarding organisation having internal controls as part of its qualification development process, but these controls not always being implemented. Documentation for the three qualifications in the sample was not always fully completed.

5. What we will do next

As outlined in the introduction of this report, these audits are part of a rolling programme, with a focus on particular aspects of the qualification life cycle in each specific audit. We will use future audits to look at how the awarding organisations, where we identified risks to future compliance, have had regard to the findings we set out here and in our feedback to them, and where appropriate, improved their practice.

We would welcome views from awarding organisations on whether they believe there would be benefit in us developing further guidance on any of the Conditions we audited on this occasion.

Appendix 1: Awarding organisations and qualifications included in the audit

This audit did not evaluate whether the qualifications themselves comply with the Conditions. The qualifications listed below were chosen as a means to test the resources and arrangements an awarding organisation has in place in order to develop and deliver the qualifications in accordance with the Conditions.

For each awarding organisation, its qualifications are listed below in order of its qualification with the most certifications, the one with the fewest certifications and the one most recently submitted to the Register of Regulated Qualifications. (Based on the information available at the time the audit was commissioned.)

AIM Awards	Level 2 Certificate in Design (QCF)
AIM Awards	Level 1 Award in Induction to College (QCF)
AIM Awards	Level 2 Certificate in Developing Skills for Employment (QCF)
AoFAQ	Level 2 Award in Activity First Aid (QCF)
AoFAQ	Level 2 Award in Emergency First Aid at Work (QCF)
AoFAQ	Level 3 Award in Paediatric First Aid (QCF)
Ascentis	Level 2 Certificate in Childminding Practice (Northern Ireland) (QCF)
Ascentis	Level 1 Award in Internet Safety for IT Users (QCF)
Ascentis	Level 2 Award in IT User Skills (ITQ) (QCF)
ASDAN	Level 3 Award in Coordinating Activities for an Event (QCF)
ASDAN	Level 2 Certificate of Personal Effectiveness
ASDAN	Level 2 Award in Opening Minds for Citizenship (QCF)
BCS	Entry Level Award in Digital Skills (ITQ) (Entry 3) (QCF)
BCS	Level 2 Certificate in IT User Skills (ECDL Extra) (ITQ) (QCF)
BCS	Level 3 Diploma in IT User Skills (ITQ) (QCF)
BIIAB	Level 2 Certificate in Libraries, Archives and Information Services (QCF)
BIIAB	Level 1 Award in Responsible Alcohol Retailing (QCF)
BIIAB	Level 3 Award in Supervising Food Safety in Catering (QCF)
CFA UK ⁶	Level 4 Certificate in Investment Management (QCF)
CFA UK	Level 3 Certificate in Investment Management
CIEH	Level 2 Award in Legionella Awareness (QCF)
CIEH	Level 2 Award in Health and Safety in the Workplace (QCF)
CIEH	Level 2 Award in Health and Safety in Hair and Beauty (QCF)
CII	Level 3 Certificate in Financial Services (QCF)
CII	Level 3 Certificate in Insurance (QCF)

⁶ CFA UK has a total of two qualifications on the Register of Regulated Qualifications.

CII	Level 4 Certificate in Insurance (QCF)
Cskills	Level 2 NVQ Diploma in Construction Plant or Machinery Maintenance (Construction) (QCF)
Cskills	Level 2 NVQ Certificate in Plant Operations (Construction) (QCF)
Cskills	Level 2 Certificate in Plant Operations (Cranes/Lifting) (QCF)
FAA	Level 2 Award in Basic Life Support and Safe Use of an Automated External Defibrillator (QCF)
FAA	Level 2 Award in Emergency First Aid at Work (QCF)
FAA	Level 3 Award in Health and Safety in the Workplace (QCF)
FAQ	Level 3 Certificate for Ambulance Service Community First Responding (QCF)
FAQ	Level 2 Award in Emergency First Aid at Work (QCF)
FAQ	Level 2 NVQ Certificate in Sales (QCF)
HABC	Level 5 Diploma in Leadership and Management for Residential Childcare (England) (QCF)
HABC	Level 2 Award in Emergency First Aid at Work (QCF)
HABC	Level 2 Award in Swimming Pool Water Testing (QCF)
IFS	Level 3 Certificate in Supervising in a Regulated Environment (QCF)
IFS	Level 2 Certificate in Personal Finance (QCF)
IFS	Level 3 Diploma in Financial Studies (QCF)
IQ	Level 2 Award in Occupational Health and Safety (QCF)
IQ	Level 3 Award in First Aid at Work (QCF)
IQ	Level 2 NVQ Diploma for the Installation of Photovoltaic Panels (QCF)
ITC	Level 2 Diploma in Safe Working Practice in the Wind Turbine Industry (QCF)
ITC	Level 2 Award in Emergency First Aid at Work (QCF)
ITC	Level 4 Award in Understanding the Internal Quality Assurance of Assessment Processes and Practice (QCF)
Laser	Level 2 Award for Working as a Cash and Valuables in Transit Operative within the Private Security Industry (QCF)
Laser	Level 1 Award in Induction to College (QCF)
Laser	Entry Level Award in Independent Living – Accessing Community Facilities (Entry 2) (QCF)
NCFE	Level 3 Diploma in Performance Skills (OG)
NCFE	Level 2 Certificate in Understanding the Safe Handling of Medicines (QCF)
NCFE	Entry Level Award in Personal and Social Development (Entry 2) (QCF)
NOCN	Level 3 Certificate in Principles of Facilities Management (QCF)
NOCN	Level 2 Award in General Religious Education (QCF)
NOCN	Level 2 Certificate in Cleaning Principles (QCF)

Qualsafe	Level 2 Award in Principles of Manual Handling (QCF)
Qualsafe	Level 3 Award in First Aid at Work (QCF)
Qualsafe	Level 3 Award in Fire Safety Risk Assessment and Control (QCF)
Skillsfirst	Level 2 Certificate in Computerised Payroll for Business (QCF)
Skillsfirst	Level 1 Award in Principles of Customer Service (QCF)
Skillsfirst	Level 4 NVQ Diploma in Recruitment (QCF)
STA	Level 2 Award in Safety Award for Teachers
STA	Level 2 Award in Emergency First Aid at Work (QCF)
STA	Level 3 Award in First Aid at Work (QCF)

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