



# **Audit Report**

**SFEDI Awards**

**23 March 2023**

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# 1 Background

This was the fourth audit of SFEDI Awards since it was approved as an awarding body by SQA Accreditation in January 2013.

SFEDI Awards is the awarding body for Business Support and Enterprise. The organisation develops and delivers a range of qualifications as a means of enabling those who wish to start or grow their own business and the business support professionals who work with them.

SFEDI Awards' headquarters are in Darlington.

## 1.1 Scope

SQA Accreditation carries out quality assurance activity in line with its *Quality Assurance of Approved Awarding Bodies Policy*. This states the type and frequency of our quality assurance activities, describes our reporting procedures, and indicates how the awarding body's Quality Enhancement Rating is calculated.

This was a remote audit of SFEDI Awards, and all regulatory requirements were included within the scope of the audit. Our quality assurance activities are conducted on a sampling basis and, consequently, not all aspects of the awarding body's systems, procedures and performance have been considered in this report to the same depth.

SQA Accreditation audit reports are written by exception focusing only on those areas where corrective action is required or recommended. Consequently, this approach to audit reporting does not detail areas where compliance or good practice was found.

The audit was designed to ensure SFEDI Awards complies with SQA Accreditation's regulatory requirements namely:

- ◆ *SQA Accreditation Regulatory Principles (2021)*
- ◆ *all Regulatory Principle Directives*
- ◆ the awarding body's Accreditation Licence

Awarding body documentation considered for review by the Audit Team includes all documents banked on SFEDI Awards' SharePoint site at the time of audit and information supplied to support audit activity. Restricted or commercially sensitive information gathered during SQA Accreditation's quality assurance activities is treated in the strictest confidence.

## **1.2 Audit Report and Action Plan Timescales**

SFEDI Awards audit date:	23 March 2023
Audit Report approved by Accreditation Co-ordination Group on:	10 May 2023
Audit Report to be signed by SFEDI Awards:	21 June 2023
Action Plan to be emailed to <a href="mailto:regulation@sqa.org.uk">regulation@sqa.org.uk</a> by SFEDI Awards:	21 June 2023

The process will apply in relation to the timescales specified above:

- ◆ The awarding body will be sent a signed copy of the Audit Report by email.
- ◆ The awarding body must sign the copy of the Audit Report and return by email to SQA Accreditation in accordance with the timescale specified above.
- ◆ The awarding body will also be emailed a copy of the Action Plan.
- ◆ The awarding body must complete and return the Action Plan in accordance with the timescale specified above and email this in Microsoft Word format to [regulation@sqa.org.uk](mailto:regulation@sqa.org.uk).
- ◆ SQA Accreditation will confirm when the Action Plan is appropriate to address the Issues and present it to Accreditation Co-ordination Group (ACG) for approval.
- ◆ Following approval by ACG, the awarding body will be sent a signed copy of the approved Action Plan by email.
- ◆ The awarding body must sign the copy of the Action Plan and return by email to SQA Accreditation.

The findings of this Audit Report and the associated Action Plan will be published on SQA Accreditation's website following signed agreement.

SQA Accreditation will continually monitor progress towards completion of the proposed actions identified in the Action Plan and update the awarding body's Quality Enhancement Rating as appropriate.

## 1.3 Summary of Audit Issues and Recommendations

An Issue has been recorded where evidence shows that the awarding body is not compliant with SQA Accreditation's regulatory requirements. The awarding body must address the Issues and specify corrective and preventative measures to address them through its Action Plan.

The Action Plan is emailed to SFEDI Awards as a separate document to the Audit Report and must be submitted to SQA Accreditation in accordance with the timescale specified in 1.2.

As a result of the audit and post-audit activities, two Issues have been recorded and eight Recommendations have been noted.

Issue	Detail of Issue recorded	Risk rating
1. Principles 10 and 15	SFEDI Awards must resolve the inconsistencies across policies in respect of the centre risk rating deemed acceptable for granting direct claim status.	Low
2. Principles 12 and 13	SFEDI Awards must review hyperlinks/references used in policies, procedures, and associated guidance documentation relating to SQA Accreditation, where appropriate, to ensure that they are accurate and fit for purpose.	Low

A Recommendation has been noted where SQA Accreditation considers there is potential for enhancement. The awarding body is advised to address any Recommendations in order to reinforce ongoing continuous improvement. However, measures to correct or prevent these are not mandatory and therefore do not form part of the Action Plan.

Recommendation	Detail of Recommendation noted
1. Principle 1	SFEDI Awards may wish to consider a standardised approach to completing SFEDI Conflict of Interest Declaration Forms and ensure that the information provided by individuals fully reflects all requirements as stated on the form.
2. Principle 1	SFEDI Awards may wish to provide SQA Accreditation with revised Terms of Reference (ToR) for the SFEDI Advisory Council when completed.
3. Principle 3	Using the Business Model Canvas, SFEDI Awards should provide SQA Accreditation with a copy of the completed business plan, incorporating objectives for Scotland and SQA accredited provision, when completed.
4. Principle 4	SFEDI Awards may wish to consider taking account of government advice and/or legislative changes of the relevant devolved administrations when implementing its Business Continuity Plan.
5. Principle 5	As part of its quality monitoring activities, SFEDI Awards may wish to review how approved centres promote SQA accredited provision, ensuring consistent and accurate use of qualification titles, SCQF status and level, and allocated code, as determined by SQA Accreditation.
6. Principles 9 and 10	SFEDI Awards may wish to review the <i>Diploma in Business and Enterprise Support at SCQF Level 8 Qualification Specification, v1.0</i> , updating start/registration dates to reflect current accreditation timescales, also ensuring that learner options for recognised prior achievement (RPA) are not unnecessarily limited, and that SQA Accreditation is provided with access to the Business Gateway Assessment Strategy.
7. Principle 11	SFEDI Awards may wish to consider 'weighting' or risk rating individual actions, identified during quality monitoring, as a means of further supporting EQAs' decision making and further enhancing the standardised approach to the allocation of centre risk ratings.
8. Principle 11	SFEDI Awards should endeavour to provide SQA Accreditation with evidence of the activities undertaken as part of the

	qualification review for the SQA accredited <i>Diploma in Business and Enterprise Support</i> at SCQF Level 8, R276 04.
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## 1.4 Risk Rating of Issues

SQA Accreditation assigns a rating to each Issue recorded, depending on the impact on or risk to the awarding body's operations, its SQA accredited qualifications and/or the learner. Issues recorded during the audit will count towards SFEDI Awards' Quality Enhancement Rating which will, in turn, contribute towards future quality assurance activity. Further detail on how the Quality Enhancement Rating is calculated can be found on the [SQA Accreditation website](#).

## 2 Detail of Audit Issues and Recommendations

The following sections detail Issues recorded, and Recommendations noted against SQA Accreditation's regulatory requirements.

### 2.1 Issues

**Regulatory Principle 10. The awarding body must ensure that its systems and processes for the identification, design, development, implementation and review of qualifications and assessments are fit for purpose.**

And

**Regulatory Principle 15. The awarding body must have effective, reliable, and secure systems for the registration and certification of learners.**

In reviewing SFEDI Awards' approach to the allocation of Direct Claims Status (DCS), the Audit Team were content that there was a sufficient degree of rigour in the process of allocating and removing DCS status for approved centres. In essence, DCS is awarded on a per qualification basis to an approved centre and is retained or removed subject to the findings of ongoing quality assurance activities.

One of the key factors in determining DCS status is the centre risk rating and the auditors noted that there were inconsistencies, stated in a number of policies, regarding the designated centre risk rating which was deemed acceptable for gaining DCS.

For example, the awarding body's *Registration and Certification Policy, v2.1*, notes that a centre must have 'received a risk rating no higher than green.' However, the awarding body's *Direct Claim Status (DCS) Policy, v2.0*, notes that the centre risk rating must be 'no lower than amber.'

During audit discussions, awarding body representatives acknowledged the inconsistency, as well as the potential for confusion that could lead to the incorrect allocation of DCS, and confirmed that approved centres must hold a risk rating of green as one of the factors in determining DCS.

It should be noted that this inconsistency has no current impact on the delivery, quality assurance and certification of the accredited *Diploma in Business and Enterprise Support at SCQF level 8, R276 04*. Nonetheless, SFEDI Awards must resolve the inconsistencies across policies in respect of the centre risk rating deemed acceptable for granting DCS.

This has been recorded as **Issue 1**.

**Regulatory Principle 12. The awarding body and its providers must ensure that they have the necessary arrangements and resources required to manage and administer qualification delivery and assessment.**

And

**Regulatory Principle 13. The awarding body and its providers must ensure that they have systems and processes which ensure the effective quality assurance of accredited qualifications.**

Although not always meeting published timescales, the Audit Team were able to find sufficient evidence of SFEDI Awards undertaking a review of awarding body policies, procedures, and associated guidance documentation.

A number of minor points for clarification, and possible amendment, were identified which will be addressed through a meeting between SFEDI Awards representatives and SQA Accreditation's Regulation Manager on completion of the audit process.

Of more importance was the identification of a number of instances of incorrect hyperlinks/references, in respect of SQA Accreditation, being used in documentation, which could have negative reputational consequences for the awarding body as a result of possible regulatory complaints from learners.

For example, in respect of the awarding body's *Complaints Policy, v2.0*, the associated *Complaints Process, v2.0*, contains a number of exemplar letters addressing potential outcomes for complaints in respect of a number of UK Regulators. The letters devised in respect of SQA Accreditation contain incorrect hyperlinks which direct complainants to SQA Awarding Body's complaints handling process instead of that of the qualification regulator.

Likewise, in respect of the awarding body's *Appeals Process, v2.0*, the exemplar letters for potential outcomes in respect of SQA accredited provision contain incorrect weblinks for SQA Accreditation, directing appellants to SQA Awarding Body's website. This could result in appellants incorrectly assuming that the qualification regulator can consider appeals over academic decisions.

Therefore, SFEDI Awards must review hyperlinks/references used in policies, procedures, and associated guidance documentation in respect of SQA Accreditation, where appropriate, to ensure that they are accurate and fit for purpose.

This has been recorded as **Issue 2**.

## 2.2 Recommendations

**Regulatory Principle 1. The awarding body must have an accountable officer and demonstrate that it has clearly defined and effective governance arrangements.**

In reviewing SFEDI Awards management of potential conflicts of interest, the Audit Team sampled a number of completed *SFEDI Conflict of Interest Declaration Forms, v2.1*, for staff and contractors.

In terms of information, there was sufficient correlation between the forms and the awarding body's current *Conflict of Interest Log*, which formed part of the *SFEDI Incident Log*.

However, it was noted that there was a variable approach taken by individuals in completing the declaration forms. For example, certain forms were left completely blank, or individual questions left unanswered, other than being signed and dated by the staff member. Other staff members answered every question, using 'not applicable' for areas that they deemed not relevant.

Across all sampled forms, it was also noted that there was an inconsistent approach to providing information in respect of 'interest/involvement with other Awarding Organisations, and/or Regulators (eg IOEE, Ofqual, CCEA, SQA, QW)' with little or no references to roles/project work carried out for the Institute of Enterprise and Entrepreneurs (IOEE), despite the close relationship between this particular organisation and SFEDI Awards.

Therefore, SFEDI Awards may wish to consider a standardised approach to completing SFEDI Conflict of Interest Declaration Forms and ensure that the information provided by individuals fully reflects all requirements as stated on the form.

This has been noted as **Recommendation 1**.

During discussions around the governance arrangements for SFEDI Awards, it was noted that the awarding body's Advisory Council is subject to review — the aim being to reconstitute the council to better support and influence skills and training development across the UK. This will result in a review of membership and a reconstituted Terms of Reference (ToR).

SFEDI Awards may wish to provide SQA Accreditation with revised ToR for the SFEDI Advisory Council when completed.

This has been noted as **Recommendation 2**.

**Regulatory Principle 3. The awarding body must have the necessary resources to effectively carry out their operational functions to meet regulatory requirements.**

Prior to the audit, SFEDI Awards provided the Audit Team with the *SFEDI Awards Business Plan 2023* for review. It was noted that this was in the form of a presentation, totalling nine slides, covering the awarding body's mission statement, stakeholders, customers, strategic

objectives, offer (qualifications, enterprise support and IOEE membership), revenue streams, financial review, and review process.

The auditors found the information to be very high level and relatively generic in nature, lacking in specific operational detail, key performance indicators (KPIs), as well as anything relating to Scotland or SQA accredited provision. The latter being somewhat surprising given recently accredited qualifications such as the *SFEDI Awards in Understanding Enterprise at SCQF level 5, R798 04*, and the *SFEDI Awards Extended Award in Passport to Enterprise and Employment at SCQF level 5, R799 04*.

During the discussions on the business plan, awarding body representatives acknowledged its somewhat static and generic nature. It was noted that the organisation is moving away from producing a 'traditional' business plan in favour of using a Business Model Canvas, believing this approach to be more agile and responsive to 'ad hoc' developments.

The lack of references to Scotland and SQA accredited provision were considered to be a consequence of the impact of the COVID-19 pandemic over the last few years, in which the small offer in Scotland, being stable, allowed the awarding organisation to concentrate on the retention of business and income in the rest of the UK.

It was noted that the development of a business plan, using the Business Model Canvas, had yet to be completed. Therefore, SFEDI Awards should provide SQA Accreditation with a copy of the completed plan, incorporating objectives for Scotland and SQA accredited provision, when completed.

This has been noted as **Recommendation 3**.

#### **Regulatory Principle 4. The awarding body must demonstrate an effective approach to the identification and management of risk.**

The Audit Team were afforded the opportunity to review SFEDI Awards *Business Continuity Plan, v2.0*. The Audit Team found it to be detailed, well-structured, and coherent, using a red/amber/green risk rating model to determine levels of escalation and response.

Areas for consideration as part of the Business Continuity Plan included terrorist threat, cyber security breaches, critical IT failures, theft or criminal damage, loss of records, fraud, as well as infectious disease outbreaks.

Given the impact of the COVID-19 pandemic, discussions with awarding body representatives considered how the Business Continuity Plan was implemented during this time. It was noted that the inclusion of the infectious diseases outbreak factor was a consequence of the pandemic based on lessons learned as the business sought to remain operational.

It was noted that responding to government guidance and potential legislative changes in such situations was an area for consideration when determining the level of response to ensure business continuity. However, it was clear that this related to the UK government, and not necessarily those of the devolved administrations.

Therefore, as appropriate, SFEDI Awards may wish to consider taking account of government advice and/or legislative changes of the relevant devolved administrations when implementing its Business Continuity Plan.

This has been noted as **Recommendation 4**.

**Regulatory Principle 5. The awarding body and its providers must provide clear information on their procedures, products and services and ensure that they are accurate and appropriate to accredited qualifications.**

A review of website information used by SFEDI Awards approved centres to promote SQA accredited provision highlight a number of minor inconsistencies around qualification titles and SCQF levels.

Therefore, as part of its quality monitoring activities, SFEDI Awards may wish to review how approved centres promote SQA accredited provision, ensuring consistent and accurate use of qualification titles, SCQF status and level, and allocated qualification code, as determined by SQA Accreditation.

This has been noted as **Recommendation 5**.

**Regulatory Principle 9. The awarding body and its providers must maintain accurate documents, records, and data.**

**Regulatory Principle 10. The awarding body must ensure that its systems and processes for the identification, design, development, implementation and review of qualifications and assessments are fit for purpose.**

A review of SFEDI Awards *Diploma in Business and Enterprise Support at SCQF level 8 Qualification Specification, v1.0*, noted that accredited timescales contained in the footer have not been updated to reflect the most recent extension of current accredited timescales on 21 December 2022. The document indicates that the last start date is the 31 December 2021 despite a current accreditation end date of 31 December 2025.

The qualification specification also provides guidance around recognised prior achievement (RPA) which focuses on the achievement of 'SCQF units.' In the opinion of the auditors, the use of this nomenclature is potentially limiting for learners, stopping them from presenting appropriate non-SCQF and/or non-SQA accredited units for consideration.

It was also noted that the qualification specification refers to a Business Gateway Assessment Strategy which is not currently available to SQA Accreditation.

Therefore, SFEDI Awards may wish to review the *Diploma in Business and Enterprise Support at SCQF level 8 Qualification Specification, v1.0*, updating start/registration dates to reflect current accreditation timescales, also ensuring that learner options for RPA are not unnecessarily limited, and that SQA Accreditation is provided with access to the Business Gateway Assessment Strategy.

This has been noted as **Recommendation 6**.

**Regulatory Principle 11. The awarding body must ensure that its qualifications portfolio is effectively managed, maintained and reviewed.**

The Audit Team were provided with an opportunity to review various reports produced through SFEDI Awards quality monitoring activities at approved centres.

Awarding body representatives took the time to talk through a range of action points from 'live' reports, explaining how they supported and contributed to the External Quality Assurer's (EQAs) allocation of an overall centre risk rating. The process was clear, the findings robust and sensible, with the Audit Team identifying no obvious inconsistencies leading to inappropriate centre risk ratings.

However, SFEDI Awards may wish to consider 'weighting' or risk rating individual actions, identified during quality monitoring, as a means of further supporting EQAs' decision making and further enhancing the standardised approach to the allocation of centre risk ratings.

This has been noted as **Recommendation 7**.

Following a request from SQA Accreditation's Accreditation Co-ordination Group (ACG), the Audit Team sought details of the review process undertaken in respect the *Diploma in Business and Enterprise Support at SCQF level 8, R276 04*, which has been subject to six accreditation extensions since being originally accredited in January 2013.

The Audit Team were provided with a detailed description of the review process which matched that outlined in the awarding body's *Qualification Review Policy, v2.0*, as well as details of key stakeholders consulted as part of the process. However, the Audit Team was unable to see any documentary evidence, such as a completed *Qualification Review Questionnaire*, during the audit.

Therefore, SFEDI Awards should endeavour to provide SQA Accreditation with evidence of the activities undertaken as part of the qualification review for the SQA accredited *Diploma in Business and Enterprise Support at SCQF level 8, R276 04*.

This has been noted as **Recommendation 8**.

# **3 Acceptance of Audit Findings**