



# **Audit Report**

**Association of Accounting Technicians (AAT)**

**23 May 2019**

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# **1 Background**

This was the fourteenth audit of the AAT since it was approved as an awarding body by SQA Accreditation in 1992.

AAT is an awarding and membership body for accountants. As an awarding body it operates globally offering a range of bookkeeping and accountancy qualifications to the financial sector. AAT's headquarters are in London.

## **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.

As this was a full audit of AAT, 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 AAT complies with SQA Accreditation's regulatory requirements namely:

- ◆ *SQA Accreditation's Regulatory Principles (2014)*
- ◆ *all Regulatory Principles Directives*
- ◆ the awarding body's Accreditation Licence

Awarding body documentation considered for review by the Audit Team includes all documents banked on AAT's 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**

AAT audit date:	23 May 2019
Audit Report approved by Accreditation Co-ordination Group on:	3 July 2019
Audit Report to be signed by AAT:	15 August 2019
Action Plan to be e-mailed to <a href="mailto:regulation@sqa.org.uk">regulation@sqa.org.uk</a> by AAT:	15 August 2019

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

- ◆ The awarding body will be sent two signed copies of the Audit Report by post.
- ◆ The awarding body must sign both copies of the Audit Report and return one by post to SQA Accreditation in accordance with the timescale specified above.
- ◆ The awarding body will also be e-mailed a copy of the Audit Report (for information only) and an electronic copy of the Action Plan.
- ◆ The awarding body must complete and return the Action Plan in accordance with the timescale specified above and e-mail 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 two signed copies of the approved Action Plan by post.
- ◆ The awarding body must sign both copies of the Action Plan and return one by post 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 e-mailed to AAT 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 two Recommendations have been noted.

Issue	Detail of Issue recorded	Risk rating
1. Principle 4, 10	The written guidance and processes regarding providers' external quality assurance activities differ from practice, and the retention periods noted for providers to adhere to, does not fit appropriately with the quality assurance activity.	Low
2. Regulatory Principles Directive 2 – Data Submissions; Principle 15	Incorrect recording of registration data.	Medium

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 4	It is recommended that, while conducting their review of the incident escalation processes, the awarding body considers clarifying the process to show all inputs and outputs clearly.
2. Principle 10	It may be beneficial for the awarding body to carry out trend analysis activities to provide further insights to potentially inform better practice in areas.

## **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 AAT's 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 4. The awarding body shall continually review the effectiveness of its business services, systems, policies and processes.**

And

**Regulatory Principle 10. The awarding body shall ensure that it has the necessary arrangements and resources for the effective delivery, assessment and quality assurance of SQA accredited qualifications.**

Prior to the audit, the Accreditation Auditors reviewed awarding body policy and processes pertaining to external quality assurance activities, which stated that a training provider and assessment centres will receive a quality assurance visit as a minimum once every three years. However, when compared with the practice detailed during discussions with awarding body representatives, it was noted that it would not be as long as the stated three years. Therefore, the policy and training provider guidance misrepresents actual practice. Furthermore, training providers are required to keep documentation for a minimum of two years. This means that, if quality assurance activity takes place as per the awarding body policy in year three, there may be insufficient documentation for the awarding body's external quality assurer (EQA) to verify at the time of their visit.

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

### **Regulatory Principles Directive (RPDIR) 2 – Data Submissions**

And

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

The Accreditation Auditors reviewed the data return statistics provided by the awarding body to SQA Accreditation. There appeared to be significantly higher number of registrations compared to certifications. This suggested incorrect recording of registration data, which was confirmed by awarding body representatives. If a Scottish provider is delivering via a remote model, all learners will be registered on the SQA accredited qualification, regardless of where they are based. It is only at the point of certification that the awarding body separates the registrations into the appropriate qualification a learner will receive. Only those learners with a Scottish postcode will be provided with an SQA accredited qualification, with all others certificated with another regulator's version of the qualification.

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

## **2.2 Recommendations**

**Regulatory Principle 4. The awarding body shall continually review the effectiveness of its business services, systems, policies and processes.**

The Accreditation Auditors reviewed the awarding body incident escalation process and policy, which was made available prior to the audit. This was discussed with awarding body representatives, and the steps used in practice are more detailed than the current process and policy lays out. There are various inputs of incidents that factor into the process that are not clear, nor is to whom incidents should be escalated clear. The awarding body currently has this area under review, therefore it is recommended at this time that consideration is given to clarifying the process to show all inputs and outputs clearly.

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

**Regulatory Principle 10. The awarding body shall ensure that it has the necessary arrangements and resources for the effective delivery, assessment and quality assurance of SQA accredited qualifications.**

The awarding body records a large amount of data pertaining to conflicts of interest declared by staff and also actions identified by EQA activities. This information is recorded and closed out appropriately. However, the awarding body does not appear to use this information to inform itself of wider or systematic concerns. It may be beneficial for the awarding body to carry out trend analysis to provide further insights and potentially inform better practice in these areas.

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

### 3 Acceptance of Audit Findings

For and on behalf of AAT:

For and on behalf of SQA Accreditation:

**Print name**

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**Print name**

**ANDY CRONE**

**Signature**

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**Signature**

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**Designation**

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**Designation**

**SENIOR ACCREDITATION MANAGER**

**Date**

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**Date**

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