



Audit Report

Institute of Revenues Rating and Valuation (IRRV)

20 November 2014

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1 Background

This was the eighth audit of the Institute of Revenues Rating and Valuation (IRRV) since it was approved as an awarding body by SQA Accreditation in 2003.

IRRV is a professional institute operating in the field of revenues, benefits and valuation. IRRV's headquarters are situated on High Holborn, 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 IRRV, 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 an awarding body's systems, procedures and performance have been considered in this report to the same depth.

The audit was designed to ensure IRRV 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 IRRV's Quickr Place 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

IRRV audit date: 20 November 2014

Audit Report approved by
Accreditation Co-ordination Group on: 14 January 2015

Audit Report to be signed by IRRV: 25 February 2015

Action Plan to be e-mailed
to regulation@sqa.org.uk by IRRV: 25 February 2015

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.
- ◆ 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 IRRV 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, six Issues have been recorded and six Recommendations have been noted.

Issue	Detail of Issue recorded	Risk rating
1. Principle 3	IRRV was unable to produce draft business planning documentation containing measurable objectives and key performance indicators (KPIs). Likewise, there was insufficient evidence of an effective business planning process.	Very High
2. Principle 4	The Auditors do not consider there to be sufficient evidence of a full, current and ongoing risk assessment of all aspects of IRRV's business operations. They also consider what was available within the <i>IRRV Risk Management Procedure</i> document in respect of qualification management not to accurately reflect the high risk status allocated to this area by SQA Accreditation.	Medium
3. Principle 7	SQA Accreditation retains ongoing concerns regarding IRRV's ability to communicate with the qualification regulator in a timely and effective manner.	High
4. Principle 12	The version of the <i>Customer Service & Complaints Policy</i> which has been uploaded to Quickr is not available to stakeholders on IRRV's website.	Low
5. Principle 14	IRRV's document <i>Current Procedures for dealing with cases of Alleged Malpractice</i> is not sufficiently clear in stating the awarding body's responsibility to inform SQA Accreditation when any cases, or suspected cases, of malpractice and/or maladministration are discovered.	Low
6. Principle 15	The Auditors were unable to see evidence of exemplar certificates for IRRV's four accredited qualifications.	Low

A Recommendation has been noted where SQA Accreditation considers there is potential for improvement. The awarding body is advised to address any Recommendations noted as good practice. 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	The Auditors consider the Terms of Reference for IRRV's <i>Qualification Management Board (QMB), January 2013</i> , to be arguably misleading in the apportioning of responsibility for a range of core operational activities around qualification management and delivery. The awarding body may wish to review and amend the document accordingly.
2. Principle 2	At the audit, discussions around the newly created Scottish centre indicated that it had not been approved using the range of documentation produced by IRRV to support the centre approval process. This included the <i>Application for Centre Approval, January 2014</i> . The awarding body may wish to ensure that all relevant approval paperwork is completed.
3. Principle 2 and 15	IRRV may wish to update the APT system which records candidate registrations and certifications to reflect its currently accredited Diplomas as a matter of urgency to minimise the chance of incorrect registrations in the future.
4. Principle 5	IRRV may wish to undertake a review of all documentation and materials supporting the marketing and promotion of SQA accredited provision to ensure that they remain current and fit for purpose.
5. Principle 6	IRRV may wish to review all awarding body policies, procedures and documentation to ensure current and appropriate references to accredited qualifications, external regulatory bodies and published guidance.
2. Principle 10	IRRV may wish to consider reviewing the <i>IRRV Conflict of Interest Policy</i> to ensure that it is fit for purpose relative to vocational qualifications and SQA accredited provision in particular.

1.4 Risk Rating of Issues

SQA Accreditation assigns a rating to each Issue recorded depending on the impact or risk on the awarding body's operations, its SQA accredited qualifications and/or the learner.

Issues recorded during the audit will count towards IRRV'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.
<http://www.sqa.org.uk/sqa/42387.2733.html>

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 3. The awarding body shall have clearly defined business planning processes which show evidence of management commitment, decision making and ongoing review.

Prior to the audit, the audit team undertook a review of documentation that had been placed on Quickr in respect of business planning. This consisted of a document titled *List of Business Planning Processes*, which noted the following:

Annual Accounts

Management Commitment shown through Committee and QMB meetings

Business Planning in the form of new and continuing qualifications review

Measurables – take-up of qualifications are logged via reports to regulators

Promotion of interests through marketing at conferences and through local authority and other contacts

Risk Management policy operative

No rationale was provided by the awarding body to explain why the above processes constituted business planning. Equally, in a number of cases, no supporting evidence was made available for scrutiny by the Auditors that would have allowed them to determine whether business planning elements were present. A lack of annual accounts being a case in point.

Other processes for which evidence was made available were not considered to be particularly relevant and, in some cases, would arguably suggest a lack of business planning. For example, a measurable such as the take-up of qualifications would seem to be counter-productive in evidencing effective business planning given the fact that there is still no candidate activity in respect of IRRV's four accredited qualifications.

Discussion with the awarding body's representatives on the day of the audit confirmed that no business plan was available. The current Terms of Reference document for IRRV's Governing Council notes that the council has responsibility to 'approve the institute's annual budget and business plan' and this has yet to take place.

Consequently, IRRV's Qualification and Membership Manager indicated that no financial planning or target setting had taken place in respect of IRRV's educational responsibilities to

date. However, it was noted that there was an intention to begin the process of producing a draft budget in the two weeks following the audit.

IRRVs audit report for 13 August 2013 noted concerns around a draft business plan produced by the awarding body. The Auditors believed that the document in question contained too much historical information regarding the performance of SVQs and lacked sufficient detail on the need to effectively resource and market the currently accredited SQA provision as means to resolve a lack of delivery.

One year on, IRRV were unable to produce draft business planning documentation containing measurable objectives and key performance indicators (KPIs). This, along with the lack of evidence of an effective business planning process, must be viewed as an ongoing major concern for SQA Accreditation.

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

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

The Auditors were provided with a document titled *IRRV Risk Management Procedure*. The document has eight categories covering a range of business areas: Strategic, Operational, Financial, People, Regulatory, Governance, Hazard and Qualifications.

In respect of the first seven categories, It was noted that that each sub-clause and associated possible risks had been allocated a risk rating, mitigating factors, possible further actions and a responsible person. However, in every case the related timescale for review was given as 'annual' and with no adjusted level of risk provided, it was impossible to determine if this was an exemplar of how risk management would be conducted by IRRV or was a current and ongoing process.

Indeed, with the exception of information linked to category eight regarding qualifications, the document was undated.

The Auditors identified a number of areas of concern around the allocation of risk in certain categories. For example, in Category 5 which addresses regulatory risk, the following risk has been identified in respect of Clause 5.2 Qualifications:

Institute fails in compliance with the qualification regulators, threatening its accredited qualifications

Despite a difficult few years for the awarding body, in which it has seen the crumbling of any discernible infrastructure on the ground in Scotland for the delivery of its SQA accredited provision, no candidate uptake and ongoing resourcing issue which has seen it fail to deliver the required actions to close out the 2013 audit action plan, the Auditors were somewhat surprised to see the risk identified as low.

With respect to Category 8 regarding Qualifications, a degree of currency could be established as it was dated March 2014. However, the Auditors still had concerns over the type of potential risks identified and associated risk rating, as well as the currency a number of procedural references.

For example, in respect of Organisational requirements, a 'Lack of Strategy/adequate Business Plan has been identified as a possible risk, noted as medium-level' and the action has been identified as 'Review Plans with Committees'. IRRV's risk management procedure states that risks at this level should be addressed within the normal committee cycle, which would suggest a report sometime in July 2014. This would appear to be at odds with SQA Accreditation's major concerns around this area over the last two awarding body audits which has resulted in a high risk rating.

Also, in respect of the requirements for candidate registration and certification, four potential risks have been identified around inconsistencies in the registration/certification process, but this fails to identify the lack of candidate registrations as a concern. This is a matter that SQA Accreditation considers to be an ongoing concern.

To conclude, the Auditors do not consider there to be sufficient evidence of a full, current and ongoing risk assessment of all aspects of IRRV's business operations. They also consider what was available within the *IRRV Risk Management Procedure* document in respect of qualification management not to reflect accurately the high risk status allocated to this area by SQA Accreditation.

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

Regulatory Principle 7. The awarding body shall have effective arrangements for communicating with its staff, stakeholders and SQA Accreditation.

SQA Accreditation retains ongoing concerns regarding IRRV's ability to communicate with the qualification regulator in a timely and effective manner.

Since the 2013 audit, the awarding body has been subject to two Advisory letters regarding a failure to submit a signed action plan linked to the said audit, and a failure to update Quickr in respect of policies and procedures to meet *SQA Accreditation's Regulatory Principles (2014)*, by a given deadline (8 April 2014 and 8 October 2014 respectively).

The Lead Auditor has also experienced ongoing difficulties around IRRV not providing sufficient updates on progress to meet the specified actions within the 2013 audit action plan, resulting in a number of e-mails going unanswered for some considerable time. There were also minor difficulties around confirming the provisional date for the 2014 audit.

In terms of the 2013 audit action plan, SQA Accreditation was left to conclude that there was considerable slippage in meeting the agreed timescales for closing out specific actions. To a large extent, this was borne out by the fact that awarding body representatives provided an array of evidence during the 2014 audit.

The Lead Auditor has yet to consider this evidence to determine if it is suitable to close out specific action points linked to the previous audit action plan but has advised IRRV representatives that the need to manage two simultaneous audit action plans does not place the awarding body in a favourable position.

The Auditors are conscious that the ongoing resourcing issues with IRRV are largely responsible for these communication issues, with only two staff members carrying much of the operational responsibility for qualification management and delivery. However, emphasis was placed on the awarding body's need to meet deadlines set by the qualification regulator or to proactively negotiate an extension, should workloads dictate that they are unlikely to be met.

IRRV has availed itself of developmental support from SQA Accreditation in the past, principally provided by the relevant Accreditation Manager, and it was pointed out that this level of support remains available from both the Regulation and Accreditation sections should it be requested in a timely manner. There is also the opportunity to benefit from the networking opportunities provided by attendance at events such as SQA Accreditation's annual awarding body information event if possible.

This has been recorded as **Issue 3**.

Regulatory Principle 12. The awarding body and its providers shall have open and transparent systems to manage complaints.

A review of IRRV's website under the heading of 'Complaints and Grievance' evidenced the following:

Important Note

If your complaint is principally concerned with examinations or vocational qualifications then please [click here](#)

However, doing so results in an error message indicating that the relevant document has either been removed, had its name changed or is temporarily unavailable.

Therefore, the version of the *Customer Service & Complaints Policy* which has been uploaded to Quickr is not available to stakeholders.

This has been recorded as **Issue 4**.

Regulatory Principle 14. The awarding body and its providers shall ensure that it has safeguards to prevent and manage cases of malpractice and maladministration.

IRRV's document *Current Procedures for dealing with cases of Alleged Malpractice* is not sufficiently clear in stating the awarding body's responsibility to inform SQA Accreditation when any cases, or suspected cases, of malpractice and/or maladministration are discovered.

More specifically, although the document does acknowledge a requirement to notify the relevant qualification regulator, it contains an indication that the awarding body's Qualification Management Board (QMB) has a right to determine if and when such an action is appropriate.

Only in cases of invalid certificates being issued to candidates is there a firm statement of intent to report all such issues to the relevant qualification regulator.

In all cases, the process of resolving instances of malpractice/maladministration fails to include notification of suspected cases to the qualification regulator at the point of discovery.

This is recorded as **Issue 5**.

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

The Auditors were unable to see evidence of exemplar certificates for IRRV's four accredited qualifications. It was noted by the awarding body's representatives on the day of the audit that certificates had not been updated to reflect the change from SVQs to the currently accredited Diplomas in Revenues and Benefits.

This has been recorded as **Issue 6**.

2.2 Recommendations

Regulatory Principle 1. The awarding body shall have clearly defined and effective governance arrangements.

The Terms of Reference for IRRV's *Qualification Management Board (QMB), January 2013*, indicates that it has 'sole and independent authority in all matters relating to the assessment and certification of all qualifications for which IRRV is the awarding body'.

Moreover, 'Specific Terms of Reference of the Qualifications Management Board' are outlined within Point 12 of the above document, which suggests that the Board has a particularly operational role in the managing of qualification delivery within the awarding body. The functions are detailed in eighteen sub-clauses, and these include: 'Maintaining liaison with Ofqual/SQA and ensuring compliance with their regulations'; 'Accrediting and validating assessment centres'; 'Accrediting External Verifiers and registering Internal Verifiers and Assessors'; 'Ensuring, in cases of malpractice, that sanctions are applied according to Ofqual and SQA processes and reported appropriately'; as well as 'Assisting the Institute in marketing qualifications with a view to maximising take-up'.

At the 2013 audit, the Auditors considered limited staff resources tasked with delivering such a wide range of operational objectives to be a contributing factor in the awarding body's lack of success in respect of SQA accredited provision. Therefore, clarification was sought around the operational role of the QMB given the difficulties that the awarding body had experienced over the last few years in terms of qualification delivery, marketing and candidate recruitment. The indicative existence of more operational staff resources through the functions of the QMB raises further questions on how the awarding body finds itself in such difficulties.

However, discussions with IRRV representatives during the audit indicated that the QMB was not operational in any sense of the word, but in effect delegated all of the functions described under Point 12 to IRRV's Qualification and Membership Manager and Qualifications and Assessment Officer. This confirms the accuracy of the Auditor's concerns over resourcing as noted in the 2013 audit report.

Point 10 within the broader Terms of Reference for the QMB noted that 'The Board shall have the power to establish appropriate Sub Committees or Working Groups in order to discharge their Specific Terms of Reference'. The Auditors asked if the delegation of functions to staff was governed by this point and therefore potentially a temporary arrangement. However, IRRV representatives indicated that Point 10 was not devised for this purpose, and that the range of operational functions described were accounted for in the relevant job descriptions for both the Qualification and Membership Manager and the Qualifications and Assessment Officer.

Therefore, the Auditors concluded that the Terms of Reference for IRRV's *Qualification Management Board (QMB), January 2013*, are arguably misleading in the way they apportion responsibility for a range of core operational activities around qualification management and delivery. The awarding body may wish to review and amend the document accordingly.

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

Regulatory Principle 2. The awarding body shall ensure it has the necessary resources to effectively carry out its operational functions to meet regulatory requirements.

At the audit, discussions around the newly created Scottish centre indicated that it had not been approved using the range of documentation produced by IRRV to support the centre approval process. This included the *Application for Centre Approval, January 2014*.

Whilst the Auditors accept that urgent concerns around the awarding body's ongoing ability to deliver its SQA accredited provision dictated a somewhat radical approach through the creation of what constitutes a 'virtual' centre, at least for the short term, IRRV may wish to ensure that all relevant approval paperwork is completed. Although this would be a retrospective process, the Auditors would argue that it would allow IRRV to ensure that the documentation remains fit for purpose, as well as establishing an acceptable benchmark against which to measure any future centre applications.

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

Regulatory Principle 2. The awarding body shall ensure it has the necessary resources to effectively carry out its operational functions to meet regulatory requirements.

And

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

On the day of the audit, IRRV representatives provided a demonstration of the awarding body's APT system, which is used for candidate registration and certification, amongst other things. It was noted that the system still makes reference to SVQs/NVQs and has not been updated to reflect the current SQA accredited Diplomas. It was stated that this would be amended at the point of actual candidate registrations. However, the Auditors would suggest that the awarding body may wish to make such changes as a matter of urgency to minimise the chance of incorrect registrations in the future that may result in further issues being raised at awarding body audit or as a consequence of provider monitoring.

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

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

IRRV may wish to undertake a review of all documentation and materials supporting the marketing and promotion of SQA accredited provision to ensure that they remain current and fit for purpose.

For example, it was noted that the promotional leaflet supporting SQA accredited provision is entitled *Work-based Qualifications for Scotland 2013*. The Auditors would contend that the reference to 2013 implies that the qualifications are no longer currently available and therefore may discourage any ongoing interest from potential candidates. IRRV were asked to consider making such a change in 2013 when a draft version of the leaflet was provided for comment prior to the audit.

IRRV has also produced a prospectus for its qualifications in Scotland entitled *IRRV Professional Qualifications, Prospectus for IRRV qualifications available in Scotland in 2014–15*. The Auditors considered this document to contain a range of very useful information regarding all qualifications available in Scotland, including the SQA accredited work-based Diplomas, as well as detailing the structures and units for the respective routes in Revenue and Benefits, Local Taxation, Benefits and Advice. However, the promotional benefit of this document has been undermined by two particular pieces of information. Firstly, the inclusion of minimal information on associated fees for the qualifications. The document notes that candidate registration for a full qualification is £850. Unit registration is stated as being £35. Therefore, a twelve unit qualification such as the Level 6 Diploma in Local Taxation, undertaken on a unit by unit, basis costs £420.

The Auditors appreciate that the awarding body is keen to stimulate interest in the qualifications by encouraging initial unit registration at a low cost. However, the Auditors would contend that such a disparity between total unit registration cost and that for full qualification registration may constitute a barrier to full uptake of the qualifications in the shortest timescale — particularly as the awarding body has not indicated that full qualification is its preferred choice or provided a clear rationale for the additional costs surrounding full qualification registration.

Furthermore, the figures in respect of full qualification registration costs would appear to be at odds with figures given in a document titled *Resources Review 2014*, which quotes a fee of '£325.00 per qualification' which 'has been calculated to ensure that all costs to the Awarding Organisation are covered'.

The document also carries the following statement in relation to the Scottish work-based qualifications:

The Institute is preparing learning material to support the knowledge units of the qualifications. Further information will be released in Autumn 2014.

The Auditors enquired if such support material was available and were advised by IRRV representatives that the task of producing such material had not yet begun. It was also suggested that this work may not take place until appropriate budgets have been agreed for the awarding body's educational responsibilities. The Auditors would contend that a failure to update this information may lead to a negative impact on potential interest as candidates delay any enquiries awaiting the availability of the support material.

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

Regulatory Principle 6. The awarding body and its providers shall maintain accurate documents, records and data.

IRRV may wish to review all awarding body policies, procedures and documentation to ensure current and appropriate references to accredited qualifications, external regulatory bodies and published guidance.

For example, the *Articles of Association of the Institute of Revenues, Rating and Valuation* notes that membership can include occupationally relevant individuals if they are 'registered as an NVQ/SVQ candidate at an assessment centre approved and accredited by the Institute'.

IRRV no longer holds accreditation for SVQ qualifications.

The *IRRV Risk Management Procedure* referenced in Issue 2 above contains a number of references that the Auditors considered no longer current. For example, the procedure notes that risk assessments would be reviewed twice-yearly, in January and July, by the NVQ/SVQ Management Committee. However, this committee no longer exists. Also, there is a reference to the sanctions policy contained in the *NVQ Code of Practice* as underpinning procedural activity around risk. Again, there is an issue around the referencing of this document from a currency standpoint.

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

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.

On reviewing the *IRRV Conflict of Interest Policy*, the Auditors noted the following clause:

Where a member of QMB, an examiner, assessor, IQA or EQA is aware that s/he is participating in the assessment of a candidate known to him/her personally (eg work colleague, friend, relative), this interest must be declared, so that the QMB can take it into account and, if necessary, make changes to the assessment arrangements.

It was felt that the statement, whilst acknowledging the possibility of such conflicts arising, was not sufficiently clear-cut to ensure that they are identified prior to assessments taking place.

The Auditors also believed that the role of the QMB in such a process may not sit comfortably with the assessment processes surrounding vocational qualifications where such issues may be better addressed at centre level with the support of the External Quality Assurance Advisor (EQA).

Therefore, the awarding body may wish to consider reviewing the *IRRV Conflict of Interest Policy* to ensure that it is fit for purpose relative to vocational qualifications and SQA accredited provision in particular.

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

3 Acceptance of Audit Findings

For and on behalf of IRRV:

For and on behalf of SQA Accreditation:

Print Name

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Print Name

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Signature

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Signature

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Designation

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Designation

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Date

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Date

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