

SQA Accreditation Regulatory Framework 2019

Publication date: August 2019

Publication code: AA 8071

Published by the Scottish Qualifications Authority

SQA Accreditation

The Optima Building, 58 Robertson Street, Glasgow, G2 8DQ

<https://accreditation.sqa.org.uk>

The information in this publication may be reproduced in support of SQA qualifications. If it is reproduced, SQA should be clearly acknowledged as the source. If it is to be used for any other purpose, then written permission must be obtained from SQA. It must not be reproduced for trade or commercial purposes.

© Scottish Qualifications Authority 2019

Contents

1	Introduction	1
2	About SQA Accreditation	3
3	Regulatory activity	4
3.1	Regulatory vision	4
3.2	Regulatory responsibilities	4
	3.2.1 Awarding body approval	4
	3.2.2 Approval and qualification conditions	5
	3.2.3 The Accreditation Licence	5
4	How we regulate	6
4.1	Awarding body risk assessment	6
4.2	Audit and provider monitoring strategy	7
	4.2.1 Frequency of activity	7
	4.2.2 Regulatory visit types	8
4.3	Planning for and scope of audits and provider monitoring visits	8
	4.3.1 Budget	8
	4.3.2 Scope	9
	4.3.3 Planning	9
	4.3.4 Recording	10
4.4	Regulatory Requirements	10
4.5	Sanctions	11
5	Overview of lifecycle of awarding body approval	12
6	Awarding body activities	13
6.1	Self-assessment	13
6.2	Data returns	13
6.3	Withdrawal of awarding body approval	14
7	Thematic work	15
8	Our policies	16
9	Version control	17

1 Introduction

SQA Accreditation's Regulatory Framework has been shaped with reference to:

- ◆ The Scottish Government's Business Regulation agenda¹, which aligns to the five principles of Better Regulation:
 - Proportionality
 - Accountability
 - Consistency
 - Transparent
 - Targeted
- ◆ The Scottish Regulator's Strategic Code of Practice²
- ◆ National Performance Framework³
- ◆ Scottish National Outcomes⁴

SQA Accreditation recognises that the way it operates and interacts with those that it regulates can make a significant contribution to sustainable economic growth in Scotland's educational landscape. Knowing this, it will seek to continuously improve its understanding of regulated organisations.

Aligned to the Scottish Regulator's Strategic Code of Practice and National Performance Framework, we will focus on the following strategic objectives from the Scottish National Outcomes:

- ◆ We are well educated, skilled and able to contribute to society.
- ◆ We have a globally competitive, entrepreneurial, inclusive and sustainable economy.
- ◆ We grow up loved, safe and respected so that we realise our potential.
- ◆ We live in communities that are inclusive, empowered, resilient and safe.
- ◆ We are creative and our vibrant and diverse cultures are expressed and enjoyed widely.
- ◆ We value, enjoy, protect and enhance our environment.
- ◆ We have thriving and innovative businesses, with quality jobs and fair work for everyone.
- ◆ We are healthy and active.
- ◆ We respect, protect and fulfil human rights and live free from discrimination.
- ◆ We tackle poverty by sharing opportunities, wealth and power more equally.
- ◆ We are open, connected and make a positive contribution internationally.

In undertaking its work, SQA Accreditation will seek to:

- ◆ adopt a positive enabling approach in pursuing outcomes
- ◆ be aware of other interests within the vocational education and training sector
- ◆ adopt risk-based and evidence-based protocols
- ◆ develop effective relationships with those that we regulate
- ◆ commit to advice and support for those who wish to comply

¹ <https://www.gov.scot/policies/supporting-business/business-regulation/>

² <https://www.gov.scot/publications/scottish-regulators-strategic-code-of-practice/>

³ <https://nationalperformance.gov.scot/>

⁴ <https://nationalperformance.gov.scot/national-outcomes>

SQA Accreditation Regulatory Framework

- ◆ recognise the five principles of Better Regulation
- ◆ pursue continuous improvement in regulatory practice
- ◆ deliver an efficient, effective and timely service
- ◆ work collaboratively with other regulators to understand and address future challenges

SQA Accreditation has four separate functions:

- 1 Accreditation
- 2 Regulation
- 3 Information and Research
- 4 Administration

This document sets out our framework for regulating awarding bodies which are approved to deliver SQA accredited qualifications. Responsibility for this framework falls under the remit of the Regulation section.

2 About SQA Accreditation

Under the Education (Scotland) Act 1996⁵, SQA Accreditation has a statutory remit to independently accredit and quality assure qualifications and regulate approved awarding bodies, thereby safeguarding the interests of learners, employers, parents, funding bodies, government and end-users of services.

The work of SQA Accreditation is overseen by the Accreditation Committee (AC). The AC is accountable to Scottish Ministers, and ensures that there are appropriate governance mechanisms in place with regards to SQA Accreditation's functions. The AC delegates responsibility for decision-making on all Accreditation and Regulation operational activity to the Accreditation Co-ordination Group (ACG).

SQA Accreditation carries out its regulatory functions providing the Scottish Government, the Chief Executive and the Accreditation Committee with assurances of compliance and quality across the accredited provision. SQA Accreditation also ensures that its regulatory function is carried out economically with efficient use of public funds and in line with the organisation's risk management and governance arrangements.

In line with SQA Accreditation's Quality Assurance Policy⁶, we take a risk-based approach to regulation and will use all resources, tools and techniques available to help identify areas of greatest risk and concern. We have at our disposal tools such as:

- ◆ awarding body audits
- ◆ provider monitoring
- ◆ self-assessments
- ◆ risk profiling
- ◆ regular meetings
- ◆ accreditation submissions
- ◆ any other relevant information available to SQA Accreditation

This will help deliver compliance and quality assurance in a focused way, targeting issues where evidence indicates that there is a risk.

This approach assures that SQA Accreditation will deliver:

- ◆ effective regulatory compliance
- ◆ high standards of quality assurance
- ◆ promotion of continuous improvement
- ◆ the safeguarding of the interests of learners, employers, parents, funding bodies and the Scottish Government

⁵ https://www.legislation.gov.uk/ukpga/1996/43/pdfs/ukpga_19960043_en.pdf

⁶ https://accreditation.sqa.org.uk/accreditation/accreditationfiles/Policies/20190326_Quality_Assurance_Policy_V7.pdf

3 Regulatory activity

3.1 Regulatory vision

Our regulatory vision is to:

- ◆ raise our profile and reputation with other sector regulators
- ◆ build memoranda of understanding with stakeholders where possible to enable the sharing of information to raise quality within the vocational education and training sector
- ◆ ensure ongoing staff professional development that is relevant to our role and auditing strategy
- ◆ have a standardised approach to ensure consistency

3.2 Regulatory responsibilities

SQA Accreditation's Regulation section has responsibility for:

- ◆ approval of awarding bodies
- ◆ conducting awarding body audits and provider monitoring visits to ensure that awarding bodies conform to the Regulatory Principles, Directives and Accreditation Licence
- ◆ reviewing and managing the quality enhancement rating of awarding bodies
- ◆ reviewing and agreeing awarding body self-assessment reports
- ◆ managing awarding body action plans
- ◆ investigating complaints about awarding bodies, compliance issues and cases of malpractice or maladministration
- ◆ dealing with any extraordinary circumstances that involve approved awarding bodies outside of planned visit activities

3.2.1 Awarding body approval

SQA Accreditation will accept enquiries relating to becoming an SQA accredited awarding body from those organisations that meet our General Approval Requirements⁷. Before proceeding to the formal application stage, we initially require potential awarding bodies to demonstrate that:

- (a) they have a track record of delivering qualifications
- (b) they are based in and operate within the European Union and/or European Free Trade Association
- (c) they can provide evidence of financial stability
- (d) there are no grounds to believe that directors, persons with significant control and/or senior managers are unfit to be in charge of the organisation

⁷ https://accreditation.sqa.org.uk/accreditation/accreditationfiles/Awarding_Body_Approval/General_Approval_Requirements_October_2015.pdf

SQA Accreditation Regulatory Framework

Following the enquiry stage, the process for approval is as follows:

- 1 Initial checks are made to ensure General Approval Requirements are met:
 - ◆ SQA Accreditation will undertake initial checks to ensure that the organisation meets our General Approval Requirements and conduct an initial risk assessment before accepting that an awarding body is in a position to complete the Approval Submission form (AC1 form).
- 2 AC1 form is submitted along with the Qualification Accreditation form (AC2 form).
- 3 Risk assessment of the organisation:
 - ◆ Once the AC1 form is received, SQA Accreditation will undertake a further risk assessment of the organisation aligned to specific industry sector, fraud, delivery and resource risks before granting any awarding body status.
 - ◆ There will be regular dialogue and engagement with the organisation at this stage.
- 4 Approval submission is presented to ACG:
 - ◆ Once all checks have been conducted the proposed approval will be presented to ACG to approve, reject or defer.
 - ◆ Qualifications will also be accredited at this point.

3.2.2 Approval and qualification conditions

Where it is appropriate, SQA Accreditation reserves the right to apply conditions to awarding body approval where there are perceived risks and weaknesses that may need to be addressed through the course of regulation.

Additionally, SQA Accreditation may apply an extraordinary issue that needs to be addressed, at any point during the lifetime of awarding body approved status, where a perceived risk and/or issue may need monitoring to ensure the integrity of accredited qualifications and/or to protect the interests of learners, employers, parents, funding bodies, government and end-users of services.

3.2.3 The Accreditation Licence

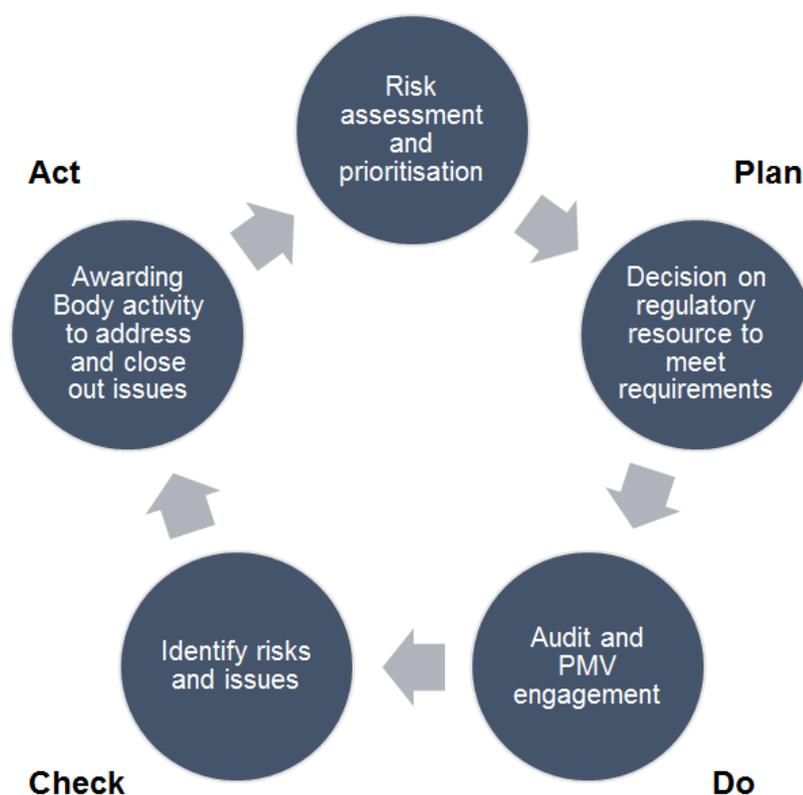
Once awarding body approval status has been granted by ACG, an Accreditation Licence will be issued to be signed by the licensee (the awarding body). The licence will set out the terms of the regulatory relationship moving forward as well as all rights and obligations on both parties. The Accreditation Licence grants SQA Accreditation awarding body approval to the organisation.

4 How we regulate

Once awarding body status is approved, the organisation will fall into our regulatory cycle. Audit and provider monitoring visits (PMVs) will commence to ensure compliance with our Regulatory Principles and Directives⁸.

We follow the model of continuous improvement — Plan Do Check Act (PDCA) — which sets out how we will plan our audits in line with our risk-based approach, allocate resource, conduct and carry out visits, and require approved awarding bodies to act on our findings.

Figure 1: SQA Accreditation regulatory cycle



4.1 Awarding body risk assessment

Throughout the awarding body approval process, as well as after approval, SQA Accreditation will undertake periodic risk assessment of awarding bodies to ensure their ongoing compliance with the General Approval Requirements, Accreditation Licence and Regulatory Principles and Directives. Any negative outcomes of the risk assessment will be managed between SQA Accreditation and the awarding body, and may lead to the application of conditions or sanctions, applied in line with our Regulatory Sanctions Policy⁹.

⁸ https://accreditation.sqa.org.uk/accreditation/Regulatory_Activity/Regulatory_Principles_2014_Version_2_Dec_2014.pdf

⁹ https://accreditation.sqa.org.uk/accreditation/accreditationfiles/Policies/Regulatory_Sanctions_Policy_and_Guidelines_V2.pdf

4.2 Audit and provider monitoring strategy

In line with the Scottish Government’s Business Regulation agenda, SQA Accreditation follows the five principles of Better Regulation. SQA Accreditation’s risk-based approach to quality assurance includes the use of an information management system, Quality Enhancement Rating Database (QERD).

The QERD informs our risk assessment of each awarding body and is used to consider the focus of audit activity.

4.2.1 Frequency of activity

The frequency of our audit activity is determined by SQA Accreditation’s approved Quality Assurance Policy.

SQA Accreditation will conduct quality assurance activity of every approved awarding body by:

- ◆ carrying out audits of approved awarding bodies, a least once in a three-year period and where the risk determines the activity
- ◆ conducting PMVs of an awarding body’s providers on an annual basis (where appropriate)

For audits, the three-year cycle is subject to the assigned level of risk. This takes account of the findings of each audit as well as other factors, including outcomes from PMVs.

Based on the overall risk from the QERD, the audit activity cycle will be established on the following as part of annual planning activities:

Risk level	Activity
Low	Audit will be carried out within three years
Medium	Audit will be carried out within two years
High	Audit will be carried out annually

Additionally, SQA Accreditation reserves the right to audit outside the three-year audit cycle where we perceive there is a significant risk.

This approach allows SQA Accreditation to schedule awarding bodies on the basis of greatest risk first.

Both audit and PMV activities will evaluate an awarding body’s level of compliance with SQA Accreditation’s Regulatory Requirements.

4.2.2 Regulatory visit types

There are various types of visit that can be carried out, including:

- ◆ pre-approval visits
- ◆ post-approval visits
- ◆ full audits
- ◆ full provider monitoring visits
- ◆ scoped audits
- ◆ scoped provider monitoring visits
- ◆ thematic audits
- ◆ thematic provider monitoring visits

SQA Accreditation may conduct approval visits to newly-approved awarding bodies as part of our enabling approach to regulation. This type of visit will be seen as an opportunity to ensure awarding bodies understand their role as an approved awarding body, and will support them through the early stages of being an approved awarding body. Regardless, all awarding bodies will be subject to a full audit 12 months after approval.

4.3 Planning for and scope of audits and provider monitoring visits

As part of the planning and scoping of regulatory activities SQA Accreditation Regulation section aims to:

- ◆ carry out awarding body audit and provider monitoring visits to ensure compliance and provide regulatory assurances to protect learners, employers, parents, funding bodies and the Scottish Government
- ◆ ensure the integrity of accredited qualifications, through objective evaluation of an awarding body's compliance with our Regulatory Requirements
- ◆ conduct all regulatory activities in accordance with the principles of Better Regulation — proportionate, accountable, consistent, transparent and targeted
- ◆ carry out any relevant activities to ensure the quality and integrity of all SQA Accreditation's accredited qualifications

There are certain considerations that need to be deliberated when determining the who, what, where and why when it comes to audit and provider monitoring visits.

4.3.1 Budget

In today's ever-changing financial climate, as a public sector organisation we will ensure that all activities are carried out making the most efficient and effective use of public funds.

All audit and provider monitoring activity will continue to be subject to the level of financial funding provided in the form of grant-in-aid.

SQA Accreditation Regulatory Framework

All audit and provider monitoring activities will be based upon the position that there will be three Regulation Managers carrying out audits, and three Regulation Officers carrying out second auditor roles and provider monitoring activity.

To maintain an open and transparent approach to regulation, SQA Accreditation publicly reports its regulatory activities and, where appropriate, requires awarding bodies to take responsibility to resolve and prevent issues that do not meet our Regulatory Requirements.

4.3.2 Scope

SQA Accreditation aims to ensure that it uses its resources effectively. We will carry out our activities depending upon our priorities and understanding of the areas of high risk.

The scope of any audit and/or provider monitoring activity should be tailored to take account of each awarding body's risk rating. This information will, in the main, be sourced from the QERD. SQA Accreditation will also consider the content of an awarding body's self-assessment submissions and any qualification submissions to identify any areas of concern or interest.

SQA Accreditation will also focus on those areas where trend analysis has highlighted a risk of non-compliance with the Regulatory Requirements across approved awarding bodies and their providers. This may mean that some areas of the Regulatory Requirements may not always be fully covered during any audit or provider monitoring activity. However, all principles and directives will be continually monitored to identify trends.

There will be occasions where SQA Accreditation will carry out thematic audits and provider monitoring activity. These may occur where there are concerns around a specific theme and it is recognised that this will need to be managed outside the normal parameters of audit and provider monitoring.

4.3.3 Planning

SQA Accreditation Auditors and the Senior Regulation Manager will meet annually to determine the audit schedule for the following financial year (April to March). The following factors from the QERD will be taken into account when considering those awarding bodies and providers that will be selected for audit:

- ◆ Overall awarding body Risk Rating — this is the weighted total of all open issues. It will vary from Low to Medium and High.
- ◆ Last audit date — if an awarding body is in year three of the audit cycle, an audit will be required.
- ◆ Last provider monitoring visit date.
- ◆ Number of providers approved by the awarding body.
- ◆ Active qualification delivery of the awarding body — ie no zero uptake.
- ◆ Any thematic reviews that need to be undertaken.

All of these factors will allow the Regulation section to agree a ranking with regards to the next audit and provider monitoring schedules. As part of this planning meeting, the

Regulation section will also determine a proposed visit month for the audit of the awarding body, and an anticipated quarter for provider monitoring visits.

4.3.4 Recording

All regulatory related activity will be recorded and closed out on the SQA Accreditation QERD.

The QERD will be used to monitor and evaluate regulatory activities and inform potential areas for future regulatory activity.

4.4 Regulatory Requirements

SQA Accreditation's Regulatory Requirements include the Regulatory Principles, Regulatory Principle Directives and the Accreditation Licence.

The Regulatory Requirements are intended for use by existing organisations, new organisations seeking approval as an awarding body, and awarding bodies seeking accreditation of qualifications. SQA Accreditation has designed the Regulatory Requirements to encompass the five key principles of Better Regulation to ensure that we are transparent, accountable, proportionate, consistent and targeted in carrying out our regulatory duties.

There are 15 Regulatory Principles in total, each one defining a standard which awarding bodies must meet. There are also 'Supplementary Information' and 'Guidance Notes' which will assist awarding bodies in meeting the Regulatory Principles.

Where appropriate, awarding bodies must also meet the requirements of the Regulatory Directives that contain specific obligations that awarding bodies must adhere to.

It is SQA Accreditation policy that all audit and provider monitoring activity will result in a report to the relevant awarding body highlighting any areas that need to be addressed. These reports will only highlight those areas where issues or recommendations have been identified.

Audit and provider monitoring reports will contribute to the overall risk rating of awarding bodies. Awarding bodies will be required to demonstrate and provide evidence of any corrective action they have taken to mitigate their risk level.

SQA Accreditation publishes all audit and provider monitoring reports and associated action plans on the SQA Accreditation public website, following approval by the ACG.

4.5 Sanctions

SQA Accreditation has the power to apply sanctions in line with our Regulatory Sanctions Policy.¹⁰ As the regulator we need to ensure that all approved awarding bodies conform to all of our requirements to ensure the integrity of accredited qualifications and/or to protect the interests of learners, employers, parents, funding bodies, government and end-users of services.

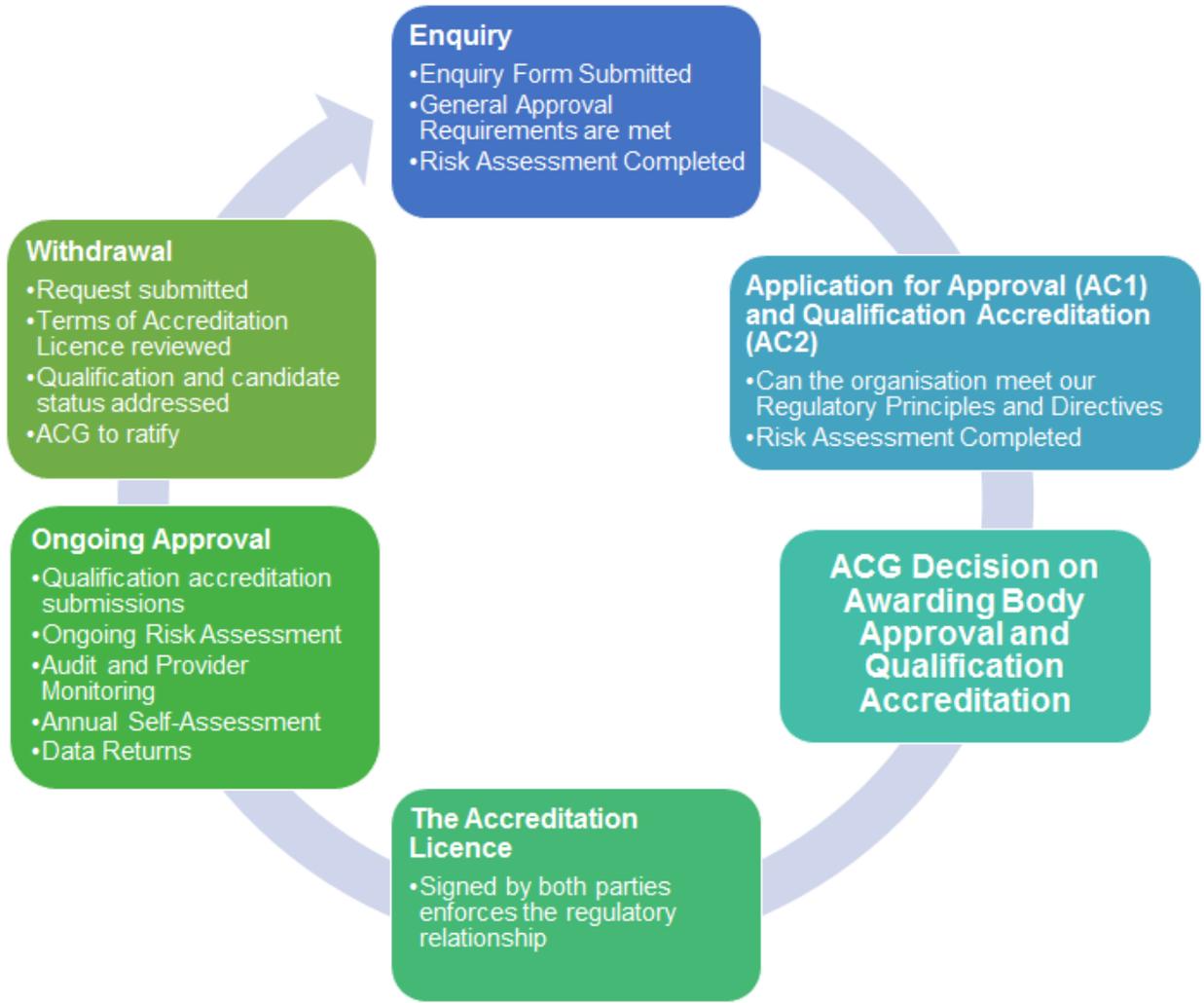
Where an awarding body fails to meet our requirements, a Regulatory Sanction may be proposed to ACG by the Regulation or Accreditation Manager. It may be that ACG considers that a regulatory warning letter (not a sanction) would be sufficient to bring the awarding body into compliance. This would be determined based upon the seriousness and perceived level of risk of the issue. SQA Accreditation can apply three Regulatory Sanctions:

- ◆ **Category 1 Regulatory Sanction** — suspension of qualification accreditation
- ◆ **Category 2 Regulatory Sanction** — withdrawal of qualification accreditation
- ◆ **Category 3 Regulatory Sanction** — removal of approved awarding body status

10

https://accreditation.sqa.org.uk/accreditation/accreditationfiles/Policies/Regulatory_Sanctions_Policy_and_Guidelines_V2.pdf

5 Overview of lifecycle of awarding body approval



6 Awarding body activities

To meet our Regulatory Requirements, approved awarding bodies are responsible for providing SQA Accreditation with information on their processes, procedures and qualifications.

6.1 Self-assessment

SQA Accreditation encourages all awarding bodies to foster a culture of continuous improvement. To this end, over and above our audit and PMV strategy, we require all awarding bodies to submit an annual self-assessment return setting out how well they are meeting the standards. These self-assessments are reviewed by both the Accreditation and Regulation sections, and feedback is delivered back to the awarding body within 30 working days highlighting whether there are any concerns.

6.2 Data returns

All approved awarding bodies are required to submit data returns to SQA Accreditation on a quarterly basis. Using the template supplied on our website, the awarding bodies provide a list of all accredited qualifications and the total number of candidate registrations and certifications.

The schedule for data returns is:

Quarter	Submission deadline
Quarter 1 (1 April–30 June 2019)	12 July 2019
Quarter 2 (1 July–30 September 2019)	14 October 2019
Quarter 3 (1 October–31 December 2019)	14 January 2020
Quarter 4 (1 January–31 March 2020)	14 April 2020

This data enables SQA Accreditation to ensure that qualification uptake remains sufficient to ensure continued accreditation of qualifications, as well as satisfy that there is activity to demonstrate ongoing compliance with our Regulatory Requirements. Qualifications with no candidate activity will be monitored and may be withdrawn, in accordance with our Zero Uptake Policy¹¹.

¹¹ https://accreditation.sqa.org.uk/accreditation/accreditationfiles/Policies/20160927_Zero_Uptake_Policy_V5.pdf

6.3 Withdrawal of awarding body approval

To withdraw approval from an awarding body a number of considerations have to be made with regards to the:

- ◆ Accreditation Licence
- ◆ status of all qualifications currently accredited by SQA Accreditation and being offered by the awarding body (live/due to lapse)
- ◆ number of candidates registered and/or due to be certificated on the qualifications

The general process for withdrawal or approval status is:

- 1 The awarding body should be advised to complete and submit an AC2 form to formally withdraw all qualifications, and this will be brought to ACG by the Accreditation Manager for a decision.
- 2 The Regulation Manager will also bring a paper to ACG outlining the reasons that the awarding body has set out for withdrawing.
- 3 ACG will decide next steps and set a withdrawal date within the 18-month period set out within the Accreditation Licence. In practice, however, the withdrawal date will tend to be the same as the date that the qualifications are withdrawn (if there is zero uptake), all other factors considered.
- 4 Once the withdrawal date has been confirmed this will be logged in the QERD.

7 Thematic work

In line with our ongoing risk-based approach to regulation, we may come across identified themes or trends which may, in turn, trigger further investigation and reporting. These themes can come from external sources, such as networking with stakeholders, and not necessarily just through our schedule of audit and provider monitoring activities.

As part of our annual planning activities, SQA Accreditation will reflect on any specific issues that we may wish to explore in more detail. Having done this, we will set up a process to account for any findings outside of our ordinary audit and provider reporting.

We will use thematic work to raise awareness of any significant risks or issues.

8 Our policies

Detailed information on all policies which SQA Accreditation and approved awarding bodies must follow can be found on our website: <https://accreditation.sqa.org.uk>.

9 Version control

This allows SQA Accreditation to maintain a record of who performed each review and the changes that were made.

Version	Date	Author	Amendment details
1	25/06/2019	Senior Regulation Manager	First version