

ARGYLL & BUTE COUNCIL

Internal Audit Section

INTERNAL AUDIT REPORT

CUSTOMER DEPARTMENT	COMMUNITY SERVICES
AUDIT DESCRIPTION	RISK BASED AUDIT
AUDIT TITLE	EDUCATION – SQA SUBMISSIONS
AUDIT DATE	AUGUST 2015

2015/2016



1. BACKGROUND

This report has been prepared as a result of the Internal Audit review of Education SQA (Scottish Qualification Authority) Submission within Community Services as part of the 2015/2016 Internal Audit programme.

The Scottish Qualifications Authority (SQA) is the national accreditation and awarding body in Scotland. The SQA authorise all vocational qualifications that are available in Scotland and approve organisations that wish to deliver them.

Argyll and Bute Council pay a fixed fee of £443k for all SQA examinations from each of the 10 secondary schools. To address uncertainties around costs, activities and volumes arising from the introduction of Curriculum for Excellence (CfE) qualifications, SQA agreed with the Scottish Government and local authorities (via COSLA) to charge local authorities the same amount they had paid during 2012-13 for National Qualifications for a three year transitional period.

2. AUDIT SCOPE AND OBJECTIVES

The main objective of the audit was to undertake the following:

- A review of SQA submission procedures and policy;
- A review of the application of the SQA submission procedures and policies; and
- A review of the governance, reporting and review protocols including data quality checking, payment controls and late submissions.

3. RISKS CONSIDERED

- Audit Risk: Non –compliance with legislative requirements - change to Statutory /prescribed guidance;
- Non-compliance with operational policy; and
- Inefficient use of resources.

4. AUDIT OPINION

The level of assurance given for this report is substantial.

Level of Assurance	Reason for the level of Assurance given
High	Internal Control, Governance and the Management of Risk are at a high standard with only marginal elements of residual risk, which are either being accepted or dealt with.
Substantial	Internal Control, Governance and the Management of Risk have displayed a mixture of little residual risk, but other elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Limited	Internal Control, Governance and the Management of Risk are displaying a general trend of unacceptable residual risk and weaknesses must be addressed within a reasonable timescale, with management allocating appropriate resource to the issues.
Very Limited	Internal Control, Governance and the Management of Risk are displaying key weaknesses and extensive residual risk above an acceptable level which must be addressed urgently, with management allocating appropriate resource to the issues.

This framework for internal audit ratings has been developed and agreed with Council management for prioritising internal audit findings according to their relative significance depending on their impact to the process. The individual internal audit findings contained in this report have been discussed and rated with management.

A system of grading audit findings, which have resulted in an action, has been adopted in order that the significance of the findings can be ascertained. Each finding is classified as High, Medium or Low. The definitions of each classification are set out below:-

High - major observations on high level controls and other important internal controls. Significant matters relating to factors critical to the success of the objectives of the system. The weakness may therefore give rise to loss or error;

Medium - observations on less important internal controls, improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system and items which could be significant in the future. The weakness is not necessarily great, but the risk of error would be significantly reduced if it were rectified;

Low - minor recommendations to improve the efficiency and effectiveness of controls, one-off items subsequently corrected. The weakness does not appear to affect the ability of the system to meet its objectives in any significant way.

5. FINDINGS

The following findings were generated by the audit:

SQA Submission Procedures and Policy

- 5.1 Argyll & Bute Council has an identified Education Officer with responsibilities for SQA, further support is given via SQA co-ordinators in each of the ten secondary schools who have responsibility for the co-ordination of all SQA submissions within their school. The SQA co-ordinators are generally deputy Head Teachers who undertake this responsibility.
- 5.2 Submissions procedures and policies have been issued by SQA. A document 'Delivering National Qualifications – Guide for SQA Co-ordinators 2015/2016 in June 2015 was available and is used as the main procedural guide by all secondary schools.

Application of the SQA Submission Procedures and Policies

- 5.3 It was found that the schools reviewed are adhering to the detailed procedures set by SQA. This includes complying with specific data submission content and timetable. An area of good practice which was identified was the distribution of an SQA timetable to all teaching staff. This is distributed by the SQA co-ordinator providing teachers with information on what requires to be completed by specified key dates.
- 5.4 Registration for individual candidates is a once-only process with all candidates requiring to be registered before being entered for any SQA exam. It was found that student details are uploaded onto SEEMIS (Education database) and that the SQA Co-ordinator has responsibility for transmitting the information to the SQA portal.
- 5.5 SQA Connect is an online customer portal that allows access to a range of SQA services, it is the main point of interaction between the school and SQA. To access SQA Connect, you are required to read and sign an SQA Connect User Agreement and the school require to nominate an SQA Connect Administrator. The Administrator is responsible for creating additional users within the school and can set different levels of access for other school staff. We were unable to evidence copies of signed agreements (due to office move).

- 5.6 Electronic files are transmitted to SQA and a processing report is generated with a confirmation report sent to the school. The report lists the amount of data successfully processed and accepted, and any data that has been rejected. It was evidenced that rejections are dealt with on a timely basis and resubmitted for upload.
- 5.7 The final deadline for confirmation of submissions and updates for SQA examinations is the 31st March thereafter any amendments, additions or withdrawals are considered to be late entries. A late entry fee of £30 is applied to each adjustment. It was found that schools were incurring late entry fees as a result of candidate withdrawals or candidate changes in exam level.
- 5.8 Late fees are charged to a central code and apportioned to schools at a later date. It was not evidenced that Schools are asked to report on late charges incurred in respect of underlying reasons. The late charge information for the two years was as follows:

2014/2015: £2,886 (97 late charges)

2015/2016: £1,249 (42 late charges)

It is worth noting that in August 2014 there were 9399 exam entries recorded.

Governance, Reporting and Review Protocols

- 5.9 Appropriate monitoring procedures are in place between SQA, the Education Officer and the Schools. The Education officer is the contact person for SQA. Verification reports are copied to the Education Officer and also to the Executive Director these are also forwarded to the Head of Education. The Head of Education then follows through requests for further information as required with individual schools through the Education Officer.
- 5.10 There are appropriate governance arrangements in place with regards to support for SQA co-ordinators. Co-ordinators meet quarterly with the Education Officer and minutes are taken as a record of this meeting. There is good peer support between the SQA co-ordinators throughout Argyll & Bute Council schools.

- 5.11 It was not evidenced that there are procedures to verify the accuracy of invoices received for late entry submissions. Invoices are coded to a centralised 'SQA' account code. The fixed fee invoice for £443K is appropriately signed off by an authorised signatory.
- 5.12 It was evidenced that SQA and SEEMIS are considered as critical activities in terms of the relocation of exam venues in the event of the closure of a school and are identified within the CARP (Critical Activity Recovery Plan) for each school.
- 5.13 SQA co-ordinators have very good knowledge of the procedures and processes required by SQA and this knowledge is shared through peer support across the schools. It was evidenced that knowledge of the SQA processes is held with a limited number of staff in each school and in the event of absence of the SQA co-ordinator there may be a potential risk to business continuity in respect of SQA submission processes, however, effective support exists for all schools from the Education Officer and peer SQA co-ordinators.

Review Prococols

- 5.14 There are a number of post SQA results discussions and review of SQA results. These discussions focus on outcomes for young people. It was not evidenced that there was a review of the submission process that allows SQA Co-ordinators to highlight any areas that worked well, areas of challenge or processes that could be improved.

6. CONCLUSION

This audit has provided a substantial level of assurance. There were a number of recommendations for improvement identified as part of the audit and these are set out in Appendix 1 and 2. There is 1 medium recommendation set out in Appendix 1 which will be reported to the Audit Committee. There are 2 low recommendations that are not reported to the Audit Committee. Appendices 1 and 2 set out the action management have agreed to take as a result of the recommendations, the persons responsible for the action and the target date for completion of the action. Progress with implementation of actions will be monitored by Internal Audit and reported to management and the Audit Committee.

Thanks are due to the Education staff and management for their co-operation and assistance during the Audit and the preparation of the report and action plan.

APPENDIX 1

ACTION PLAN

Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
1. Payment Controls		High/ Medium or Low		
It was not evidenced that there are procedures to verify the accuracy of invoice received for late submissions.	Failure to ascertain legitimacy of charge leading to ineffective use of resources.	Medium	Introduction of review including random sampling of all related SQA invoices. Remedial actions to be discussed with Education Manager Policy and Performance	Education Officer Secondary June 2016



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