



TRAINING STANDARDS COUNCIL

INSPECTION REPORT MAY 2000

# Accounting Technician Training Services Ltd

## SUMMARY

Accounting Technician Training Services Limited offers good training in accounting. It has effective links with local accountancy practices, and ensures that trainees experience good training and support, both on and off the job. Assessment is focused on written work and external testing, rather than on observation of trainees in the workplace. There is little use of work-based evidence and assessment. Accounting Technician Training Services Limited offers training to all trainees with the ability and aptitude for the training programme, but it does little to promote equal opportunities issues to employers. Its management processes are adequate, and although quality assurance arrangements are satisfactory, processes are largely informal and unwritten.

### GRADES

OCCUPATIONAL AREAS	GRADE
Business administration	2

GENERIC AREAS	GRADE
Equal opportunities	3
Trainee support	2
Management of training	3
Quality assurance	3

### KEY STRENGTHS

- ◆ good achievement and retention rates
- ◆ excellent teaching staff
- ◆ thorough induction to basic accounting
- ◆ strong individual support for trainees
- ◆ excellent links with local employers
- ◆ celebration of trainees' successes
- ◆ clear organisational values and aims

### KEY WEAKNESSES

- ◆ lack of use of evidence from the workplace
- ◆ incomplete key skills training
- ◆ fragmented review process
- ◆ inadequate administration and recording systems
- ◆ incomplete internal verification

## INTRODUCTION

1. Accounting Technician Training Services Limited (ATTS) is a private training company specialising in the training of accounting technicians. It has been operating for 12 years and has been offering modern apprenticeships since 1996. The organisation is about to expand its activities to offer evening as well as daytime classes, and increase its range of programmes. The managing director and two part-time lecturers, all professionally qualified accountants, provide the training. They are supported by two part-time administrative staff, and a caretaker. There are 92 students, of whom 49 are government-funded trainees. All but one are modern apprentices. The organisation also provides privately funded training programmes. Trainees work in accountancy practices across the Wirral, ranging in size from local branches of national companies, to smaller local companies. Some trainees work in the public sector. The organisation has contracts with both Cheshire, Ellesmere Port and Wirral Training and Enterprise Council (CEWTEC), and Merseyside TEC.

2. The Merseyside area served by the organisation has a high level of unemployment. Traditional heavy manufacturing industries have been in decline for some years. In November 1999, it was 8.1 per cent, compared with the national rate of 3.8 per cent. In the Liverpool area, it is slightly higher at 8.4 per cent. The rate of improvement over the previous 12 months was slower than for the country as a whole. At 3.8 per cent, there is a higher proportion of people from minority ethnic groups in Liverpool than the rest of Merseyside, compared with 1.8 per cent for Merseyside. In 1999, the proportion of school leavers achieving five or more general certificates of education (GCSEs) at grade C and above was 46.9 per cent in the Wirral, and 32.4 per cent in Liverpool, compared with the national average of 47.9 per cent. Sixty-nine per cent of 16 year olds stay on in full-time education.

## INSPECTION FINDINGS

3. The managing director of ATTS produced an early self-assessment report following training provided by the local TECs. The report was substantially altered and rewritten after a validation exercise conducted by CEWTEC. All staff in the organisation contributed their views to the self-assessment process.

4. Two inspectors spent a total of seven days at ATTS in May 2000. They observed two training sessions and a feedback session following an assessment. They also observed two trainees' reviews. They interviewed 13 trainees and their employers in the workplace, visiting nine accountancy firms in Birkenhead, Liverpool and Warrington. They interviewed the managing director, both trainers, and one of the administrators. They examined 24 portfolios of work produced by trainees.

Grades awarded to instruction sessions

	GRADE 1	GRADE 2	GRADE 3	GRADE 4	GRADE 5	TOTAL
Business administration	2	1				3
<b>Total</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>

## OCCUPATIONAL AREAS

### **Business administration (accounting)**

### **Grade 2**

5. ATTS has 49 modern apprentices in accounting. They are working in 36 different organisations made up of professional accounting practices, health trusts, local authorities, manufacturing and service companies. These employers vary in size from small businesses with fewer than five employees to larger organisations with more than 1,000 employees. Trainees are working towards national vocational qualifications (NVQs) at levels 2, 3 and 4. The accounting schemes requirements include twice-yearly external central assessments, frequent internal assessments and the production of a portfolio of evidence for each level of the NVQ. The modern apprentices attend the training centre one day a week. They also attend for periods of block study prior to assessments. These training sessions take place in teaching rooms, some of which are being equipped with industry-standard desktop computers. The managing director and two part-time members of staff provide the training. Two of the trainers have assessor and internal verifier qualifications, and the third is working towards these qualifications. Inspectors agreed with the majority of strengths and weaknesses given in the self-assessment report. They identified other strengths and awarded a higher grade than that given by ATTS.

### *STRENGTHS*

- ◆ employment matched well to trainees and qualification level
- ◆ effective training methods
- ◆ good achievement, progression and retention rates
- ◆ excellent teaching staff

### *WEAKNESSES*

- ◆ poor use of evidence from the workplace
- ◆ incomplete key skills training and assessment

6. ATTS takes great care to place its modern apprentices in employment which is relevant to the accounting qualifications. Some trainees have gone on to become managers in their firms, and are using ATTS to recruit and train new accounting modern apprentices.

7. ATTS's teaching staff are extremely knowledgeable and experienced. They all have good professional qualifications. They either maintain a small portfolio of clients in an accountancy practice or teach in other local further education colleges, as well as working for ATTS. Their continuing professional contact means that they are up to date on accountancy practice, and their links with local colleges give them a perspective on other ways of offering accounting training. The company provides effective off-the-job training. The schedule for this training is produced in September and is distributed to the modern apprentices and their employers. The trainers use consistent schemes of work and lesson plans. These schemes of work have been designed to allow modern apprentices to take advantage of both the December and June assessments operated by the awarding body. Training sessions are effective and supported by good teaching materials and varied tasks for the trainees. ATTS ensures that trainees have a thorough grounding in the necessary background knowledge before they are assessed. On-the-job training is good. Trainees are expected to work on real jobs within weeks of being employed. They contribute to clients' work as soon as they can demonstrate competence in a particular area, and are soon able to work without direct supervision. As they gain proficiency in accounts preparation they are given more responsibility for completing a larger proportion of the job.

8. ATTS has consistently good achievement, progression and retention rates. Its success rates are significantly higher than the awarding body's average for this qualification. Of the 19 trainees who started their modern apprenticeship at level 2 (foundation) in 1996-97, 16 have completed their qualifications. Three of the four who started at level 3 (intermediate) in the following year have also completed, and the other trainee is still in training. Over the past four years, of the 82 trainees who have started the programme, 10 have left early. Only three of these left with no qualifications. Twenty-one have completed their membership and their modern apprenticeship, and 51 are still in training. Most of the modern apprentices who failed to complete their programme have decided that they wish to change their

career. ATTS is aware of the reasons behind the choices made by each trainee who has left the programme without completing. Over the past three years, achievement rates compared with national averages were as follows:

	1999		1998		1997	
	ATTS %	Average %	ATTS %	Average %	ATTS %	Average %
Foundation	96	80	96	80	89	75
Intermediate	93	63	94	58	81	55
Technician	92	70	76	58	82	56

9. Despite the good on- and off-the-job training the training plan does not fully cover training on the job. Some of the employers have very little awareness of their modern apprentices' overall training programme. Most on-the-job training is reactive and unplanned, relating to the task the trainee happens to be starting at work. Most trainees make their own links between what they are learning at work, and the theory they are being taught in their off-the-job sessions. However, in one company, the manager and ATTS consult with the trainees about rotating work experience and the order of assessments, to enable the trainees to make the most useful connections between their theory and practice.

10. Many opportunities are missed to use evidence from the workplace for trainees' portfolios. Portfolios are all similar, and there is an over-reliance on simulated work tasks. Trainees and their assessors view work-based evidence as an optional extra in building their portfolios, rather than the core, to be supplemented with simulations when necessary. The quality of assessments varies from excellent to unsatisfactory. The comments on work which is marked are detailed and helpful, but this is based entirely on externally set exercises, rather than tasks arising from real work activities. Verbal feedback and questions and answers are used to explain to trainees whether they have achieved competence in a certain area. There is little assessment by observing trainees at work. Some assessment and verification processes are not properly recorded, with no records of the feedback given to trainees or assessors. In some cases, where a trainee's assessor is working towards verifier qualifications, the assessment and internal verification is carried out by the same person.

11. Although trainees have been completing their modern apprenticeships, key skills training is not as well structured or planned as the accounting training. Modern apprentices who are nearing the end of their programme have little appreciation of the importance of key skills, and little understanding of their application in the workplace. Some of the performance criteria for the key skills requirements are missed and assessment of key skills lacks rigour. However, trainees who have started more recently are more aware of their key skills work, and have had training sessions to develop their skills in areas such as communication and working with others. They, and their managers, understand the importance of key skills in their overall career development.

## GENERIC AREAS

### Equal opportunities

**Grade 3**

12. ATTS has an equal opportunities policy which was written in 1997. Over the last three years, roughly equal numbers of young men and women have started as new trainees, and completed their programmes. The gender balance in the staff of the organisation is also roughly equal, although there are no women tutors. The proportion of trainees from minority ethnic groups is close to that of the local population. One trainee has a disability. ATTS monitors the gender and ethnicity of trainees who start on programmes, but it does not keep such records for those who make initial enquiries and then do not apply, or for unsuccessful applicants. The self-assessment report identified four strengths, which inspectors considered were more appropriate to other generic areas. It also identified four weaknesses, with which inspectors agreed. Some action to address two of the weaknesses had been taken by the time of inspection. Inspectors awarded the same grade as that given by ATTS.

#### *STRENGTHS*

- ◆ regular discussions on equal opportunities issues
- ◆ good advice given on bullying and harassment

#### *WEAKNESSES*

- ◆ out-of-date equal opportunities policy
- ◆ lack of access to training centre for wheelchair users

13. The level of awareness of equal opportunities in the organisation is high among both trainees and staff. Although trainees have little recollection of having been given information about equal opportunities at induction, they have responded to the recent arrival of posters which has stimulated discussion of equality issues. Trainees participate in debates on issues such as the different treatment of men and women in the workplace. Some of the key skills case-study work involves issues surrounding sexual discrimination and fairness. However, trainees are given little accurate information about current legislation. New ways to raise trainees' awareness of equality of opportunity are discussed regularly at performance team-review meetings and staff meetings. In the case of formal planned meetings, this is every quarter, while more informal meetings are held daily. There is adequate monitoring of equal opportunities practices in the workplace.

14. The trainees' handbook contains good advice about harassment and bullying. Trainees are aware of their rights and responsibilities. The policy on harassment and bullying is written in the context of activity in the training centre, but trainees are able to interpret its meaning in the context of their individual workplaces. Detailed advice is available on action to take if trainees are subject to harassment.

The company uses the awarding body's appeals procedure, which is copied for all trainees. It has a complaints procedure which is not recorded. Trainees are aware of both procedures.

15. ATTS's equal opportunities policy has not been updated since it was written in 1997. It does not incorporate recent legislation. It is not referred to in the trainees' handbook, which instead includes the awarding body's policy. Although staff do not use the policy, they promote equal opportunities in their work. One member of staff has recently been on a TEC training session on deafness awareness and the *Disability Discrimination Act 1995*. Staff have also produced guidance for trainees on bullying in the workplace. ATTS does little to promote equal opportunities to employers who have a poor awareness of equal opportunities issues and their own policies. The training centre is up a steep and narrow staircase and is inaccessible to anyone with serious mobility problems.

## Trainee support

## Grade 2

16. Most trainees are recruited through the local careers service, advertising campaigns in newspapers and by recommendation from current and former trainees. Others are recruited directly by employers and are then sent to ATTS for training. The managing director interviews all applicants and tests their numeracy and literacy skills. Applicants who successfully complete this selection process and who do not already have an employer are sent for interview. Those successful applicants who are not immediately accepted by an employer are kept on file and are informed of employment opportunities as they arise. Modern apprentices receive an induction, either as a group, or individually. Inspectors agreed with the strengths and weaknesses listed in the self-assessment report and awarded a higher grade than that given in the report.

### GOOD PRACTICE

*The three-week induction programme for new trainees at intermediate and foundation level provides a thorough grounding in the principles of double-entry book-keeping and the use of individual account books, ledgers and journals. Trainees then start their employment having had some practice in the use of these methods and are able to make a secure and rapid start to their career.*

### STRENGTHS

- ◆ effective recruitment process
- ◆ good individual support for trainees
- ◆ good networking among trainees
- ◆ celebration of trainees' successes

### WEAKNESSES

- ◆ fragmented review process
- ◆ training plans not individual

17. ATTS invites all applicants to interview. At the interview, potential trainees are given a clear explanation of the training programme, and applicants take numeracy and literacy tests. This process allows the managing director to assess whether an applicant has the aptitude to be an accountant and complete the

training scheme, and for the applicant to make an informed choice as to whether they want to follow this career path. Applicants with A levels or other relevant qualifications are informed of their right to start the programme at the intermediate level. They are carefully counselled on the advantages and disadvantages of this before they make their final decision.

18. Trainees are given a thorough three-week full-time induction into the basics of accounting and double-entry book-keeping before they start in the workplace. This is valued by the modern apprentices and their employers as it provides the apprentices with a firm foundation and allows them to make a rapid contribution in their first job. The induction also covers the essential information that trainees need about their modern apprenticeships, although trainees find this less memorable than the accounting information they receive.

19. ATTS offers a high standard of support to all trainees and provides additional individual support for those with special requirements. Trainers provide extra one-to-one coaching for individuals who are having particular difficulties with parts of their training programme. They also provide additional off-the-job training for any trainee who misses the regular training owing to sickness, pressures of work or other personal reasons. ATTS has an effective informal system of contacting employers about trainees who have unexplained absences from off-the-job training. ATTS is particularly good at finding new employment for the small number of trainees who lose their jobs or are having particular problems in their current employment. In the cases where new employment cannot be found, trainees are allowed to continue with the training programme at ATTS' expense.

20. The training environment is good. Social facilities, such as table football, are provided in the training centre. This encourages trainees to form good interpersonal relationships and develop early networking skills. Trainees are encouraged to share their knowledge about work issues, particularly where some trainees are not gaining as much experience in a particular aspect of the work as others. All the employers provide good opportunities for employment and progression.

21. ATTS celebrates the successes of its trainees. Several employers donate prizes and these are awarded at an annual awards event along with the accounting certificates. ATTS publicises the successful completion of training programmes to employers and other interested parties.

22. The review process is fragmented. There are no planned meetings between trainees, employers and reviewers, as the review takes place in two separate parts. The trainee meets with one of the staff at the centre during the off-the-job training day. The managing director has a separate meeting, three times a year, with the employer. Each of these parts of the review process concentrates on past performance and on dealing with problems as they arise, rather than on development of the individual trainee. ATTS has a new system, set up recently in response to requests from employers, of providing a report on trainees' progress off the job. Communication between employers and trainers is good and reviews at

work are rigorous. However, they do not take into account trainees' progress on the training programme as a whole.

23. Individual training plans are used primarily to satisfy administrative and contractual requirements. They are not used as working documents to plan and review training. Because of the rigid structure of the training programme, ATTS' trainees and employers do not use a separate written plan for each trainee. The wording on the individual training plans is specified by the local TEC, and there is no detail recorded about the way the training is to be carried out, and who is to be responsible for the separate elements of the on- and off-the-job programme. However, projected completion dates are constantly updated.

### **Management of training**

### **Grade 3**

24. ATTS's managing director is supported by two administrative assistants and two part-time lecturers. A business plan is produced annually with clear targets for recruitment, and achievement and retention rates. To cope with expansion, the company is appointing new staff. ATTS meets the contractual and administrative requirements of the TECs. It achieved the Investors in People Standard in 1995 and was re-accredited in 1999. Inspectors agreed with the strengths and weakness in the self-assessment report and awarded the same grade as that given by ATTS.

#### *STRENGTHS*

- ◆ clear organisational values and aims
- ◆ excellent links with local employers

#### *WEAKNESSES*

- ◆ lack of reliable administrative and recording systems

25. ATTS has clear organisation values and aims, which are well understood and supported by staff. Communication is mainly informal and unwritten, as the company is so small. There is a system to review staff training needs, which is appropriate to the size of the company. Training staff are required to take part in continuous professional development to maintain their professional practising status. This system is linked to the annual staff appraisals, and to the company's business plans.

26. ATTS has excellent links with local employers. Many trainees have produced good-quality work early on in their training programme, which, in professional offices, can be charged to a client's account. Many have gone on to take management roles in their companies and to become supervisors. Others have moved companies and, in many cases, introduced their new employer to ATTS.

27. In the past, ATTS has relied on informal management and administrative systems which were appropriate to its small size. However, the company is now larger, and these systems are inadequate. Some of the administrative documents are inadequate. Not all areas of training are given the same amount of attention by management. Little attention has been given to developing an overall training plan for individual trainees. Schemes of work and lesson plans for key skills do not match those provided for the accounting elements of the training programme. There is insufficient written feedback provided to trainees following assessment, and to trainees and assessors following verification. There are also some gaps in the feedback to employers about their modern apprentices. Information about trainees is kept in different places, spread throughout the filing system. For example, all trainees' reviews are in one file, and all the individual training plans in another. Forms of the same type (such as individual training plans) are kept together in one place, and it is easy for staff to locate information on trainees' progress. However, there is no way to be sure that complete information about any one modern apprentice is available, as the company does not have a file containing these forms for each trainee.

### Quality assurance

### Grade 3

28. ATTS meets the requirements of the TECs and awarding body. It has met all the points on its awarding body's action plan. It uses its regular visits to employers, and its trainees' reviews, to gather qualitative information on its programmes. It monitors local accounting employers informally, to ensure that it is getting the expected amount of local business. It uses informal networks to obtain information on the work of other providers, for benchmarking purposes. The self-assessment report identified three strengths, two of which inspectors agreed with. The other was considered to be a weakness. The self-assessment report also identified two weaknesses with which inspectors agreed. They awarded the same grade as that given by ATTS.

#### *STRENGTHS*

- ◆ good use of feedback from trainees and employers
- ◆ rigorous self-assessment process

#### *WEAKNESSES*

- ◆ no comprehensive written quality assurance system
- ◆ incomplete internal verification processes

29. Trainees and employers are surveyed regularly for their opinions, through personal contact with employers at quarterly visits and through comment sheets filled in after training sessions, and ATTS acts on the findings. For example,

trainers have made more use of the whiteboard in response to trainees' comments that they wanted to see worked examples, and there are plans to meet employers' requests for more regular written feedback on trainees' progress. There are regular, minuted meetings to review performance, which are attended by trainees as well as staff. Employers, TECs, and officers from the careers service are also invited and sometimes attend.

30. Training sessions are recorded on video, so that discussions of training techniques can be based on evidence. Trainees can also comment and make suggestions informally, and their opinions are valued, and where appropriate, acted on.

31. ATTS used the self-assessment process to focus on its areas of strength and weaknesses. The report itself is self-critical and perceptive. The strengths and weaknesses given were similar to those identified by inspectors.

32. The organisation does not have a comprehensive written quality assurance system. It has started to draft a quality assurance manual and some accompanying procedures, but these have not yet been implemented. The existing quality assurance system is effective while the organisation remains small, but it relies on the goodwill and memories of individual members of staff.

33. The internal verification process is unusual, because of the type of assessment which is being undertaken. Most assessments take the form of marking trainees' work, and so the main internal verification activity is that of second marking in the case of borderline decisions. In these cases, the discussion of the assessment decision is thorough and minuted. Where the assessor is not in doubt about the assessment decision, the internal verifier samples assessments and indicates an acceptance of the decision. However, no other discussions between internal verifiers and assessors, for example to share good practice in assessment, have taken place. Observations of assessment are infrequent, and so no recorded feedback is given to the assessor. There is an internal verification plan to ensure that samples are taken from across the trainees and qualification levels, but no comment is made. The only evidence of internal verification having taken place is an initialled sticker on the NVQ unit in the portfolio. In one case, the same person had internally verified and assessed a unit containing work-based evidence. For one portfolio, the internal verifier signed the assessment front sheet on behalf of the assessor.