

Association of Taxation Technicians

Tax Technician Level 4 Apprenticeship

Examiner's report

Winter 2018

Portfolio including Reflective Statement

The Independent Assessors have given feedback on each portfolio individually for ATT to share with candidates and their training provider where appropriate. This report draws together points to note for the 2019 sittings based on the performance of the first cohort.

Knowledge, Skills and Behaviours

All headings of the Standard – knowledge, skills and behaviours – must be met within the Portfolio and Reflective statement. This is stated in the Apprenticeship Institute assessment plan and is in ATT's current guidance. However as the qualification developed towards this first sitting, I understand that there was some discussion of this, therefore this is an appropriate time to provide clarification.

Most candidates had not referred to the five knowledge requirements specifically, and focused only on skills and behaviours. Fortunately, most knowledge headings are closely linked to one or more of the skills or behaviours, and credit could be given for competence based on what was submitted on this occasion.

Candidates and their tutorial body were often working to learning outcomes. These are more detailed than the requirement headings in the Standard. Grading has been done with reference to the requirements (see Appendix), and I gather that the learning outcomes (some of which are arguably not the best fit for tax) are anyway under review. Clarity that ATT are grading based on requirements, not learning outcomes, should help candidates to keep their submissions shorter and more focused, and tutorial bodies to support them to ensure that all headings, including knowledge, are met.

Content

As an absolute minimum, ATT expected two pieces of evidence in each portfolio. All candidates did provide at least two.

Some candidates included extracts from client computations or advice letters to which they had contributed. Manager or client (with name redacted) 'testimonials' received after a task is completed would also be good evidence.

An internal work presentation is an excellent example to use in this context and several submissions included work of this sort. This is a valuable opportunity for employers to offer apprentices as they develop their knowledge and skills and is to be encouraged.

It was pleasing to see that some submissions included reference to non-technical aspects of work such as dealing with fees, administrative work tasks, and contact with the training provider: these are entirely valid alongside tax-specific evidence, and show that the candidate has a full understanding of their role. These may also usefully be less sensitive than client work in terms of confidentiality.

I was surprised that not all candidates included extracts from a training log or annual employer review, written or signed off by their manager. While not compulsory, this is a useful piece of evidence and as discussed previously with training providers, might in some cases form the starting point for a portfolio.

Most candidates included a CV. While they are free to include whatever they like, CVs will rarely add value. Instead, relevant specific points should be brought into the Reflective Statement where appropriate (or if a CV is submitted, clearly referenced). Candidates should refer to ATT exams already

passed somewhere within their statement, to show that the technical knowledge requirement is met. Note, though, that tax-technical exam passes will only ever cover K1, not the other knowledge requirements (see Appendix).

Some candidates included in their CV or statement some detail on activities outside work. While this may give context to the statement, grading focuses very much on the candidate in their current job.

Length and structure of portfolios and reflective statements

For this first sitting, although considerable guidance has been given on expected content, less has been said on structure and layout of soft-copy submissions. Having seen the first offerings, I can offer the following.

Several candidates could have submitted something half the length or shorter with success. Where overlong submissions (40 pages+) are poorly structured, with few headings and no contents list, there is a risk of valid points being lost among extraneous material. As a rough guide, between 15 and 30 pages of quality, including a title page with name and portfolio candidate number (not the role simulation reference), and several short, contrasting pieces of work evidence, should be sufficient to show competence in all aspects of the Standard.

Some of the best submissions used fewer examples, with examples demonstrating two or more elements of the Standard. It will not always be necessary to select a fresh example for every single category.

In some cases, candidates may have added material surplus to requirement where they lacked confidence in the original material. Particular areas where too much was given were 1) client computations or other work giving every page, rather than 1-2 representative pages, and 2) repeating points from the reflective statement, which should be written once and concisely. There were also queries as to whether academic certificates (including ATT passes) needed to be scanned and included: this is not needed, but the reflective statement should refer to the relevant exam passes.

Going forward, future candidates can be more confident, with input from training providers, that what is submitted is appropriate and does not need padding.

If the second cohort submit overlong portfolios despite this guidance, I shall recommend setting a strict limit on page numbers later in 2019.

Advice for layout is as follows:

- The pdf for final submission should include in the document's title the candidate number, name and date.
- The candidate's name should be shown clearly on the front page
- Appropriate headings should be included
- The best submissions included margin notes or subheadings, flagging relevance to particular aspects of the Standard (if wished, using K1, K2 etc as shown in the Appendix). This is a useful layout to adopt and if trainers see that this has not been done, they should ask for this (or equivalent referencing) to be added in.
- Notes added as Word tracked change comments in some cases made the document harder to read, and gave an unfinished appearance. A submission does not need to be laid out like a professional client report, but candidates should aim for clarity, legibility and ease of navigation through the document.
- The use of multiple Word notes or excessive bright highlighting results in a pdf of a heavily shaded text which is harder to read.
- Where screenshots or scans are included, these should be of sufficient size and resolution to be easily legible.
- Redacting is best done by using a black marker pen on a hard copy and then scanning the redacted version to pdf. Soft-copy redacting is not always reliable: in particular, if shaded boxes are added to

obscure text, their effectiveness may depend on whether or not the final document is viewed in the same application.

- Any references to appendices or cross-references within the submission should be accurate.

Quality of communication

Some submissions had poor written style and errors in grammar and spelling. The content and meaning were however clear enough overall in these cases.

The occasional slip is not an issue, but beyond a certain point, the flow of a document is lost and the meaning can become obscured. If future submissions contained written reflections which overall appeared to fall short of the Gateway standard for English (Level 2, usually evidenced with a candidate's GCSE result at an appropriate grade, at least a C or grade 6) I would consider sending these back for checking and improvement before being resubmitted for grading during the next submission window, with feedback that they failed to meet the 'Communication' skill in the Standard. As this is a written element of the EPA, it is implicit that candidates must demonstrate that they have retained their certificated Level 2 written skills in their submission.

Confidentiality and GDPR

There were discussions with stakeholders early on as to the sensitivity of providing product evidence in terms of client work. Candidates should take advice on what may and may not be included and how to redact material where needed. Training providers reviewing work can assist candidates and protect employers and their clients by ensuring that submissions are not likely to breach confidentiality or data regulations. Candidates are generally at an early stage of their careers and support is needed here.

Where portfolios are received which clearly include unredacted information, these will be failed and feedback will indicate that they need to be redacted and resubmitted at the next session. Otherwise, certain aspects of the Standard relating to regulatory compliance and ethical behaviour cannot be judged to have been met, however well the reflective statement may cover these areas elsewhere.

In particular, candidates must ensure that all client names are fully redacted. If, exceptionally, an employer does not regard these as confidential, and clients have explicitly consented to this disclosure (eg in providing a testimonial), a statement from the appropriate person(s) to this effect should be included in the submission.

It is assumed that any names and contact details of individuals who are employed by the candidate's employer or tutorial body come with consent for use in the submitted portfolio.

I am very aware of the challenges of presenting meaningful client product evidence which can lawfully be submitted. On occasion, we saw some 'evidence' which was so heavily redacted as to add little real value. One portfolio included a statement that the employer had forbidden the use of any client work, even if redacted. A more effective approach in such instances would be to ask a manager for a short, no-names summary of the task undertaken, or for the candidate themselves to write this and ask the manager to confirm and give brief feedback, and to look to other types of evidence as suggested in the 'content' section above.

Follow-up discussion

There will be opportunities for tutorial bodies to discuss any points coming out of this sitting early in February, before the next set of portfolios are finalised and submitted.

Role Simulation Exercise

Introduction

As this is a new qualification, this first report will include some information on the structure of the exercise as well as candidate performance.

Recommended materials

Candidates have several weeks to work on the published Advance Information. On the day the exercise is sat, they receive a small amount of Additional Information, plus the five written tasks for completion within 2 ½ hours.

The Role Simulation is an open-book exercise. Candidates must take with them the Advance Information. They may take any other hard-copy material they choose, but the recommended additional materials are the specified editions of:

- ATT Paper 1 study manual
- ATT Paper 2 study manual
- Professional Responsibilities and Ethics for Tax Practitioners
- Essential Law for Tax Practitioners

The exercise is specifically designed to be answerable using the above materials, so I was surprised to learn that not all took the two tax study manuals on the day. The approach to use of these is rather different to the way candidates use (or do not use) legislation in Certificate papers. The best-prepared candidates will have reviewed the topics suggested by the Advance Information and have their copies flagged and annotated to help them locate relevant sections quickly on the day of the exercise. Also know their way around the four texts to enable them to find any points tested which were not directly suggested by the Advance Information. One or more issues not suggested by the Advance Information will be tested on the day, though not for a large proportion of the total marks. Candidates need to develop the experience and confidence to look these points up if they are not immediately familiar.

Good use of the recommended materials is particularly important for candidates who have not passed both Paper 1 and Paper 2, or who took either or both of these, but some time ago.

Professional marks

Roughly a quarter of the marks for each task are 'professional' marks. Professional marks are awarded for quality of communication. What this entails varies from task to task, but includes using a suitable format, writing for the intended recipient, clarity, courtesy, appropriate written style, directly addressing the task set, structure and flow, relevance to the information available and avoiding superfluous material.

The December scenario and Tasks

For this exercise, candidates took the role of Alex, a tax technician employed by Hill & Dale, a small firm of tax advisers. Alex was set tasks both by line manager Sam and indirectly by the department head, Bettina. The key client figures were the business Eco & Co Cleaning Ltd and several of its personnel, including the financial director and two other directors, one of them about to retire and one looking to start a new business venture.

The Additional Information amended a figure given previously and moved forward an ethical issue already flagged.

Task 1

This required candidates to produce a capital allowances calculation with some written notes.

Most scored full marks for the calculation and scores overall were high. Correct pro formas and labelled workings were used, but candidates not showing a name and date as a heading here lost a professional mark. The best answers had clear, relevant written notes, including some on non-qualifying items as the client had requested.

Some included written notes which added little to their answer, eg stating that an item was in a certain capital allowance pool, which was apparent in the calculation, and without explaining this.

Task 2

The main part of this task was to produce some guidance for employees to receive from HR about four specific benefits. The task requirement centred particularly on administrative aspects and what reports employees should receive or make regarding these.

The best answers showed their benefit information in a separate summary, answering the other part, on bicycle mileage payments, directly to Harley.

A number of candidates gave a lot of information about the tax or national insurance treatment of the given benefits. This was not rewarded, and took up time which should have been used for the requirement as outlined.

Some wrote their information on the benefits in the body of their communication to Harley, losing professional marks for writing a separate summary suitable for employees.

The Advance Information listed all the benefits which were tested. Candidates seemed in some cases to have decided what would be tested (tax calculations of current employee benefits) and did not fully adapt to focus on the requirement on the day.

Task 3

This task required candidates to write a letter to a client letting them know that the firm would be unable to advise on an issue because of a conflict of interest. This needed to be carefully worded because it was made clear that the client, who had also been ill, would be disappointed.

Perhaps not surprisingly this was the lowest scoring task, though not disappointingly so. Candidates made a good attempt at writing in a sensitive way and acknowledging that the news would be unwelcome. One answer was too colloquial and came across as less professional.

The best answers picked up on and explained both the conflict of interest and why they could not best serve the client in the circumstances.

Task 4

This task concerned a new business venture planned by a director wishing to run a restaurant with the help of her niece.

This was the highest-scoring task, with the capital gains implications of disposal of Jaina's share of the restaurant after a few years well outlined. All gave some good points on both Entrepreneurs' Relief and Gift Relief. The best answers gave information on claims for these, and something on which took priority where both were claimed. A few answers dwelled on relief of capital losses which was not an issue strongly suggested in the scenario.

The best candidates stated correctly that death would not give rise to a chargeable gain, a point which confused most.

Legal points tested included comment on Kareena's likely status as an employee rather than self employed. This was answered well, but the requirement asked only for the reasons that Kareena was likely to be seen as an employee, so any time spent on factors pointing towards self employment was wasted here.

Most answered correctly regarding the need for a statement to be issued to employees detailing key employment terms.

One candidate wrote here that they declined to give 'legal advice'. There was a professional mark available for directing Jaina to clarify legal points with a lawyer. But I also wanted candidates to show their legal knowledge here. The note was also for Alex's manager within the firm, not addressed to the client. Basic legal points will continue to appear as a minor part of Role Simulation tasks, and candidates should answer these (with a disclaimer if appropriate about legal advice to clients).

Task 5

This task asked for notes for Alex's own use covering a range of further topics relating to the new restaurant business.

I understood why some candidates chose to combine parts a and b, on income tax and national insurance for Jaina and Kareena. But this made it easier to miss the interaction between Kareena's income as employee and Jaina's taxation, both the deduction from her trade profits, and her employer national insurance payments.

Part c asked for the VAT treatments of four food or catering supplies. Answers could be very short here, but I did want to see 'standard rated' or 'zero rated'. In particular, 'no VAT' is not acceptable to describe a zero-rated supply.

Part d asked candidates to identify any one further point for Jaina to consider in starting her business. This could be any sensible tax, commercial or legal issue and could be answered in one sentence, for one mark. Several candidates referred to the need to decide on an accounting date for the trade, which was fine. A short requirement of this sort has featured in the sample and mock papers.

Time allowed

The 2 ½ hour time allowed for the Role Simulation Exercise was raised by tutors as being tight timing for candidates to complete the tasks successfully on the basis of the published sample paper. I am pleased to say that in the event, none of the exercises showed signs of being affected by undue time pressure.

Candidates should divide their time based on the total marks for each of the five tasks. Within these, no breakdown of marks is given, so some judgment is needed in a multipart requirement as to how much to write for each section before moving on. A requirement to 'identify' or 'state' should be answerable with a sentence (or short bullet point depending on context) per item, whereas 'explain' will need more detail.

CONCLUSION

Overall I was pleased with how candidates completed the End Point Assessment, in particular how they tackled the Role Simulation, where they rose to the challenge of an exercise which is very different from exams they will have taken before, and produced some high quality and properly professional answers.

I look forward to the opportunity to meet representatives from tutorial bodies early in 2019 and to working on the 2019 EPAs. In the meantime, any feedback on this sitting provided to ATT will be considered, for discussion and for future sittings generally.

APPENDIX

REPRODUCED FROM STANDARD ST0003 as approved 21 July 2016

KNOWLEDGE

These are listed below, with extracts from the requirements.

K1 Technical knowledge

...knowledge and understanding of the core elements of personal and business taxation principles...

K2 Business awareness

...understand the industries and environments in which an organisation operates...

K3 Ethical standards

...will understand and apply the relevant Ethical Standards...

K4 Regulation and compliance

...understand and apply professional standards and legal regulations...

K5 Systems and processes

...understanding of... systems and processes such as tax systems, internal control systems and IT systems...

SKILLS

These are listed below, with the requirements.

S1 Analysis

Create and interpret information, and show how that information can be used most effectively to add value to the organisation

S2 Communication

Effectively communicate relevant information across the organisation and to appropriate stakeholders in both written and verbal formats

S3 Leadership

Proactively manage their own development and is committed to the job and their profession

S4 Planning and prioritisation

Work to tight deadlines and respond to changing priorities. Effectively plan and prioritise time co-ordinate the input of others in order to meet both deadlines and changing priorities

S5 Produces quality and accurate information

Apply accounting/tax knowledge to consistently deliver high quality, accurate data and information in a timely fashion

S6 Team working and collaboration

Work effectively in a team with others, maintaining effective, professional working relationships both internally and externally across organisations

S7 Uses systems and processes

Understand the systems and processes of the organisation sufficiently, and applicable to the role. Proficient in the IT system applicable to the role

BEHAVIOURS

These are listed below, with the requirements.

B1 Adaptability

Willing to both listen and learn and to accept changing priorities and working requirements and has the flexibility to maintain high standards in a changing environment

B2 Adding value

Actively engage in the wider business, as appropriate, and look to provide information that positively contributes to influencing business decisions. Continually strives to improve own working processes and those in the organisation

B3 Ethics and integrity

Honest and principled in all of their actions and interactions. They will respect others and meet the ethical requirements of their profession

B4 Proactivity

Takes responsibility. Demonstrates the drive and energy to get things done, even under pressure

B5 Professional scepticism

Demonstrate an attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement of financial information due to error or fraud