



Qualifications
and Curriculum
Development
Agency

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Annual Report and Accounts 2010 – 2011



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Presented to Parliament pursuant to The Apprenticeships Skills, Children and Learning Act 2009.

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Management Commentary

Background

- 1 The Qualifications and Curriculum Authority (QCA) was established on 1 October 1997 as a statutory body under Section 21 of the Education Act 1997.
- 2 In September 2007 the Secretary of State for Children, Schools and Families announced that the QCA regulatory functions would become statutorily independent (as Ofqual), and that the remaining functions of the QCA would be established as the Qualifications and Curriculum Development Agency (QCDA). Through 2009-10 QCA and Ofqual worked with colleagues at the Department of Children, Schools and Families (DCSF) to define the relationship between the two organisations and contribute appropriately to the legislative process. The Apprenticeships Skills, Children and Learning Act 2009 (ASCL) received Royal Assent on 12 November 2009 and both QCDA and Ofqual were vested on 1 April 2010.
- 3 With effect from 1 April 2010, Ofqual demerged from QCA. The demerger has been treated in accordance with the requirements of financial reporting under Machinery of Government Changes and International Financial Reporting Standard 3. Where functions are transferred between Government departments as a result of demerger, the results and cash flows for the comparative financial period of the remaining entity, QCDA, are restated to remove the separating body. During 2010-11 QCDA has comprised of a number of operating groups and a wholly owned subsidiary company, QCDA Enterprises Limited, the main function of which is to deliver optional test materials for schools. The results for the QCDA Group are consolidated in accordance with Financial Reporting Standard 2.
- 4 QCDA is financed by Grant-in-Aid from the DfE¹. Accounts are prepared in accordance with the accounts direction issued by the Secretary of State for Department for Education. The accounts are prepared in accordance with the Government Financial Reporting Manual (FReM) for Non Departmental Public Bodies.

¹ In May 2010 the Department for Children, Schools and Families was renamed the Department for Education (DfE). Reference will therefore be made to DfE and the Secretary of State for Education for the remainder of this document.

Management Commentary

QCDA Board

5 Members of QCDA's Board are appointed by the Secretary of State for Education. The period of office for each member is set out in the table below.

QCDA Board Membership

QCDA Board	Period of office at QCDA	Committee member
<u>Chairman</u> Mr Christopher Trinick	1 November 2008 to 31 October 2011	Nominations (Chair) (from November 2008) Remuneration (from November 2008)
<u>Deputy Chairman</u> (from December 2008) Mr Mike Beasley	1 October 2003 to 31 March 2012	Remuneration (Chair) (from November 2008) Risk (Chair) (from July 2009 to December 2010) Risk Advisory Group member (from January 2011) Nominations
Professor Michael Arthur	1 December 2007 to 9 June 2010	Remuneration
Ms Rose Collinson	1 February 2009 to 31 January 2012	
Mr Scott Dobbie	1 February 2009 to 31 January 2012	Audit (from March 2009) Risk (from July 2009 to December 2010) Risk Advisory Group member (from January 2011)
Mr Maurice Smith	1 February 2009 to 31 January 2012	Audit (from May 2009 – Chair from 17 June 2010)
Mr Nick Stuart	5 December 2002 to 17 June 2010	Audit (Chair to 17 June 2010) Nominations Remuneration (from November 2008)
Mrs Elizabeth Reid	19 October 2009 to 31 October 2012	Risk (from June 2010 to December 2010) Risk Advisory Group member (from January 2011)
Mr John Fairhurst	19 October 2009 to 31 October 2012	
Mr Roy Clare	19 October 2009 to April 2011	Audit (from May 2010)
Ms Lin Hinnigan Acting Chief Executive	1 April 2010	Audit (from April 2010) Risk (from April 2010) Remuneration (from April 2010)

6 Each member completes a register of interests, which is available for inspection at QCDA offices at Earlsdon Park, Butts Road, Coventry by prior arrangement during normal business hours.

Management Commentary

- 7 The QCDA Board is responsible for supervising and directing the organisation's affairs. In ensuring that QCDA fulfils its remit, the Board has a number of key functions including: monitoring the performance of the QCDA Executive and Senior Management Team; providing input and advice to the Executive on major strategic and operational issues including transition and closure activities; approval of policy advice to be submitted to Ministers; and ensuring that all governance and fiduciary responsibilities are discharged.
- 8 The QCDA Board has a number of sub-committees. The Audit Committee deals with the development and implementation of policies for auditing, financial and management controls and monitors the effectiveness of all levels of management in the use of QCDA's resources. The Risk Committee provided challenge and review to the evaluation and identification of risk, and the controls put in place to mitigate it. In recognition of QCDA's changing role from delivery to transition and closure, the QCDA Board took a decision in December 2010 to dissolve the Risk Committee and formulate a Risk Advisory Group to provide direct and flexible support to the Transition and Closure Programme. The Remuneration Committee deals with pay of the Executive and Directors, along with maintaining oversight of pay and conditions for the next tier of staff.

Headquarters and staff

- 9 QCDA's headquarters are 53-55 Butts Road, Earlsdon Park, Coventry, CV1 3BH. Staff involved in delivering tests were based in 83 Piccadilly, London, W1J 8QA until September 2010 when they relocated to Coventry. The office in Piccadilly was then closed and the relocation to Coventry completed. QCDA employed an average of 470 (2009-10: 670 restated) staff during the period covered by this report.

Payment of creditors

- 10 QCDA remains fully committed to the prompt payment of its bills and observes the CBI's Better Payment Practice Code. QCDA aims to pay bills in accordance with agreed contractual conditions or, where no conditions exist, within 30 days of receipt of goods and services or the presentation of a valid invoice, whichever is the later. In the year April 2010 to March 2011, 95.5% (2009-10: 97.3%) of valid invoices were paid within 30 days of the date of the invoice.

Working cash balance

- 11 The Group working balance, being the cash balance that the DfE allows to be carried forward to the following financial year, is calculated in accordance with the Financial Memorandum as 2% of total Grant-in-Aid received from the DfE during the year. As at 31 March 2011 this amounted to £2.6m. QCDA cash balance as at 31 March 2011 was £490k.

Auditors

- 12 Under paragraph 18 (3) schedule 4 of the Education Act 1997, the Comptroller and Auditor General is required to examine, certify and report on the financial statements of account. The cost of the statutory audit for the year to 31 March 2011 including the audit of the restatement of opening balances as part of the Machinery of Government changes is £59,000. The financial statements for QCDA Enterprises Limited for the year ended 31 March 2011 were audited by KPMG LLP. The fee for this audit is £14,000. The total audit fee for the Group is £73,000. Taxation services provided by KPMG LLP to QCDA Enterprises Limited amounted to £3,312.

Management Commentary

- 13 As far as the Accounting Officer is aware, there is no relevant audit information of which QCDA's auditors are unaware. The Accounting Officer has taken all the steps that ought to have been taken to ensure awareness of any relevant audit information and to establish that QCDA's auditors are aware of that information.

The Future of QCDA

- 14 In May 2010, the new Coalition Government announced its intention to introduce legislation to abolish QCDA. In line with the Government's vision for education reform it was felt that some of the functions then performed by QCDA should be discharged differently in future with some functions continuing, but delivered by the DfE with direct Ministerial accountability, or through other bodies, with other functions ceasing.
- 15 Legislation is required to be passed before QCDA can be abolished and statutory responsibilities ceased or transferred. The Government has subsequently introduced an Education Bill which will, subject to approval by Parliament, abolish QCDA, with an anticipated closure date of 31 March 2012.
- 16 The key objectives for QCDA during the 2010 -11 financial year were outlined in a revised remit letter from the Secretary of State for Education received by the Chairman in September 2010.

These are:

- the continuation and successful delivery of business as usual activity until December 2011, by which time all functions will have ceased or transferred;
 - transferring functions which remain a priority for the Government to the DfE, other partner organisations, or the new Standards and Testing Agency;
 - decommissioning of QCDA, in anticipation of its planned abolition, and full closure once the relevant legislation has been successfully approved by Parliament;
 - sensitive and successful transition of QCDA staff to the DfE, the Standards and Testing Agency and other destinations.
- 17 These objectives have been reflected in a new remit letter for 2011-12, which was received on 28 March 2011. The performance measures shown at Appendix 1 and 2 are associated with this new remit and will cease prior to the anticipated closure of QCDA on 31 March 2012. Most will transfer to the DfE or the Standards and Testing Agency, with any remaining performance measures to be delivered by the end of the calendar year.
- 18 On this basis, from December 2011, QCDA will cease to be a delivery agency in that it will no longer be responsible for delivery of Government determined activity and will instead be focused solely on closure and decommissioning of the organisation. Legislation, if passed, is unlikely to receive Royal Assent before July 2011. Given the lack of clarity regarding the implications of the abolition of QCDA, management concluded that there was a material uncertainty that cast significant doubt on QCDA's ability to continue as a going concern. Nevertheless, following investigation and the outcome of discussions with DfE, management have a reasonable expectation that QCDA will have adequate resources to continue in operational existence and meet its obligations as they fall due. For these reasons QCDA continues to adopt the going concern basis in preparing the annual report and accounts.

Results for the QCDA Group

- 19 Net expenditure for the year amounted to £82.2m before taxation. Grant-in-Aid received in the year amounted to £128m. Expenditure less than Grant-in-Aid is a result of a comparative reduction in liabilities between March 2010 and March 2011, (see note 15 on page 74-75) and the release in 2010-11 of provisions made in prior years which are no longer required (see note 15 on page 74-75).
- 20 The profit for the year on ordinary activities before taxation for QCDA Enterprises Ltd amounted to £1.2m.
- 21 The Statement of Financial Position at 31 March 2011 shows net liabilities of £9.8m. This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not to be met from QCDA's other sources of income, may only be met by future grants or grants-in-aid to QCDA from the sponsoring department. Under the normal conventions applying to Parliamentary control over income and expenditure, such grants may not be issued in advance of need.
- 22 Grant-in-Aid for 2011-12, taking into account the amounts required to meet the QCDA's liabilities falling due in that year, has already been included in the DfE's estimates for that year.
- 23 On 29 March 2010, the then Government set out the priorities and funding for the 2010-11 financial year. The remit included a total of eighty-six success measures, which covered the full range of QCDA programme activity: curriculum, assessment, qualifications, corporate services and research. The performance measures are shown in Appendix 1 on pages 8 to 19.
- 24 Following the general election, in accordance with the new Coalition Government's policies, there was a consequential change to remit. Jointly with DfE, QCDA worked through the success measures remitted in March 2010, to secure a policy decision for each individual area, with the purpose of arriving at a new remit and agreed set of targets for delivery post-September. This work resulted in a new remit letter and revised performance measures² for the second half of the financial year, which were aligned to the Government's priorities. The remit letter and performance measures were drafted on the basis of:
- confirmed policy decisions for work ceasing immediately;
 - confirmed policy decisions for work to be completed by the end of the financial year;
 - areas of work confirmed as required to continue in year and in preparation for delivery in the next financial year.
- 25 A total of 29 performance measures were confirmed. These performance measures were formally communicated to the QCDA Chair by the Secretary of State on 15 September 2010. A further 3 performance measures were agreed with DfE, and subsequently communicated to the Chair on 8 October 2010 by DfE officials. The revised set of performance measures are set out in Appendix 2 on pages 20 to 24.

² For the purposes of clarification, measures were deliberately named performance measures to distinguish them from those measures agreed earlier in the financial year.

Appendix 1 - Performance Measures – March to September 2010

No	March 2010 to September 2010 Success Measures
Early Years foundation Stage (EYFS)	
1	<p>EYFSP: 2010 Early Years Foundation Stage Profile (EYFSP) results are robust and reliable as a consequence of improved moderation by September 2010.</p>
2	<p>EYFS Exemptions: All applications for exemption from the EYFS learning and development requirements are handled within 12 weeks of receipt and as per the process agreed between DfE and QCDA.</p>
3	<p>EYFS Monitoring:</p> <p>(i) To provide evidence-based interim advice by July 2010 and final advice by August 2010 on how the areas of learning in the EYFS support the development of children with special education needs (definition to be agreed with DfE), and whether any changes should be made to the existing assessment processes to ensure that the development of children with special educational needs is accurately assessed.</p> <p>(ii) To provide, as part of the statutory monitoring duty on EYFS, evidence-based interim advice by July 2010 and final advice by August 2010 on whether there is any duplication between the different educational programmes within the EYFS, identifying where this duplication occurs and what impact removing this duplication would have on the purpose of the EYFS to lay secure foundations from birth for future learning and to support the transition of young children into formal learning.</p>
Curriculum	
4	<p>Primary Curriculum Monitoring: To provide a report to DfE by March 2011 on baseline evidence of curriculum in primary schools related to the agreed impact measures by December 2010.</p>
5	<p>S96 Primary Consultation: Carry out a statutory S96 curriculum consultation on the new primary curriculum between June and August 2010 and provide formal advice to the Secretary of State by end of October 2010.</p>
6	<p>Secondary Curriculum Monitoring: Report to DfE on trends in secondary schools' curriculum related to the agreed impact measures by December 2010.</p>
7	<p>Information and Updating for Schools and Local Authorities I: Update secondary curriculum website and produce PSHE and Design & Technology curriculum handbook updates for schools by March 2011.</p>
8	<p>Information and Updating for Schools and Local Authorities II: Dissemination to the sector of work on raising standards in ICT by March 2011.</p>
9	<p>National Curriculum Disapplications: All applications for disapplication from the national curriculum are handled within agreed timescales in accordance with the agreed process by March 2011.</p>

No	March 2010 to September 2010 Success Measures
Curriculum	
10	<p>Mathematics: In partnership with the mathematics community, produce high quality guidance (as judged by the DfE and partners) and examples of the teaching of mathematics, key stages 1-3, which integrates the use and application of mathematics with the learning of content to engage learners and advise on the implications of these approaches by March 2011.</p>
11	<p>MFL and Inter-cultural Understanding: In partnership with the languages community, produce and disseminate high quality guidance (as judged by the DfE and partners) on the teaching and assessing of intercultural understanding across the curriculum and including Modern Foreign Languages in particular, by December 2010 for production and March 2011 for dissemination.</p>
12	<p>Science: In partnership with the science community, produce high quality guidance (as judged by the DfE and partners) and examples of the teaching of sciences, key stages 1-3, which show the integration of 'How Science Works' with the learning of content and advise on implications of these approaches, by December 2010.</p>
13	<p>PLTS: Working with the sector and appropriate partners, to produce and disseminate high quality guidance (as judged by the DfE and partners) and examples of consistent and effective approaches to the teaching and assessing of personal, learning and thinking skills in primary and secondary schools by March 2011.</p>
14	<p>S96 Secondary Consultation: Carry out a statutory curriculum consultation on the key stages 3&4 PSHE and key stage 3 Design & Technology (cooking) programmes of study between June and August 2010 and provide formal advice to the Secretary of State by end October 2010.</p>
15	<p>Primary Curriculum: More than 70% of schools and local authorities engaged with QCDA:</p> <ul style="list-style-type: none"> • rate the QCDA curriculum support and guidance as good or better by July 2010 • rate the curriculum design web tool as good or better by January 2011 • have specific plans in place for implementation of the new curriculum by March 2011.
16	<p>Exemplification of KS3 National Standards at L1&2: Produce exemplification of national standards at levels 1 and 2 for key stage 3 for National Curriculum foundation subjects by March 2011.</p>
17	<p>Disseminate Revised Level Descriptions and new KS3 Exemplification of National Standards Materials: Disseminate revised level descriptions and new KS3 exemplification of national standards materials to secondary schools by Dec 2010.</p>
18	<p>Curriculum Design Resources: Publish additional resources to support curriculum design, teaching Areas of Learning and RE and embedding the essentials by September 2010.</p>

No	March 2010 to September 2010 Success Measures
Curriculum	
19	<p>Examples of Primary Teaching Areas of Learning/ Progression: Use a network of primary schools to produce examples of teaching areas of learning and RE securing progression. Case studies published by March 2011.</p>
20	<p>Secondary Curriculum Impact Outcomes and Measures:</p> <ul style="list-style-type: none"> • We will provide DfE with a high quality report that sets out case studies and exemplifies how the new secondary impact outcomes and measures have been working in secondary schools and the impact they are having. • Publish guidance principles and best practice examples of how primary and secondary schools use data relating to the curriculum impact measures to inform their self evaluation of how the curriculum is driving improvement in pupil outcomes by March 2011.
21	<p>PSHE Assessment Trialling: Trialling of PSHE assessment to be completed in at least 15 secondary and in at least 10 primary schools. Materials to be approved by Assessing Pupils' Progress Advisory Group. Timings for completion of these stages as set out in March 2009 proposal. Deadline for completion is for publication and dissemination by March 2011.</p>
National Curriculum Assessment	
22	<p>KS2 NCT Delivery & 2011 Procurement: KS2 National Curriculum Tests are delivered successfully in May 2010, with 99.9% of results available to schools by the agreed date, and comparable levels of lost scripts and missing results to 2009. Quality of marking, as described within QCDA's self-assessment report to Ofqual, is at least as good as previous years. Secure timely preparation and procurement of National Curriculum test contracts for 2011 delivery.</p>
23	<p>Data collection: QCDA meets targets for collecting Optional Test data, as set out in the ADSR, for all data, except data collected for year 9 Optional Tests in English, where QCDA will make best endeavours to meet the ADSR target and will ensure that the sample collected is increased from last year. Teacher assessment data is collected from schools, with a target of 99.7% of data collected from maintained schools, by 27 July 2010.</p>
24	<p>KS1 Moderation: 2010 Key Stage 1 (KS1) results are robust and reliable as a consequence of moderation by September 2010.</p>
25	<p>KS1 Test Materials: KS1 test materials are provided to those schools that order them by the agreed date.</p>
26	<p>2010 KS2 Science Sample Test: A Science sample test, to monitor national standards at Key Stage 2, is implemented in 2010.</p>

No	March 2010 to September 2010 Success Measures
National Curriculum Assessment	
27	<p>National KS3 Sampling: National KS3 sample tests are developed to monitor standards over time, with accuracy that a 1% change in sample results would be nationally significant both for the cohort as a whole and for sub-groups specified by the Department; test items should be linked to international comparison surveys in which England already participates (e.g. TIMSS); to be introduced as a pilot in 2011 and implemented nationally from 2012.</p>
28	<p>2012 KS2 Science Sample Test: National KS2 sample tests are developed for science to monitor standards over time, with accuracy that a 1% change in sample results would be nationally significant both for the cohort as a whole and for sub-groups specified by the Department; to be introduced as a pilot in 2011 and implemented nationally from 2012.</p>
29	<p>KS2 Science tasks: Develop, in consultation with relevant partners, tasks to promote the effective teaching of science in key stage 2 and to support teacher assessment, in particular APP in primary science (March 2011).</p>
29 a	<p>Moderation of KS2 Teacher Assessment: Light-touch local moderation of KS2 teacher assessment is introduced in summer 2011, following consultation [subject to Ministerial decisions].</p>
29 b	<p>Moderation Guidance: QCDA will lead on the development of moderation guidance and best practice examples. Guidance and best practice will be drafted in collaboration with all partners involved in delivery of AfL strategy, including DfE. The guidance will recognise the need to keep schools burdens to a minimum and will demonstrate how moderation can have a positive impact on curriculum planning and pedagogy.</p>
30	<p>Single Level Tests (SLTs) I: Single level tests are developed and successfully delivered in June 2010, with tests and associated processes reflecting evaluation and finding from earlier pilot rounds, secure marking standards, and high levels of school satisfaction with both process and content.</p>
31	<p>Single Level Tests (SLTs) II: June 2010 mathematics SLTs to be delivered successfully, and to replace 2010 Key Stage 2 Mathematics National Curriculum tests for pilot schools. Measures to be implemented to support this to include delivery of a reviews service for mathematics. QCDA to deliver timely technical evaluation and advice on SLTs, to inform Ministerial decisions. QCDA to begin development of SLTs for December 2010 and June 2011, pending Ministerial decisions about future direction of the pilot.</p>
32	<p>On-screen Marking: QCDA to provide advice on the scalability of onscreen marking to National Curriculum Tests.</p>
33	<p>Standard Files: Renew standards files for reading, writing and mathematics in key stage 2 to bring them in line with the new primary curriculum by March 2011.</p>

No	March 2010 to September 2010 Success Measures
National Curriculum Assessment	
34	Assessment: Develop standards files for reading, writing and mathematics for levels 1 and 2 in key stage 3 by March 2011.
35	Assessing Pupils' Progress (APP) Criteria Review: In collaboration with the National Strategies, carry out a review of APP criteria in the light of amendments to statutory Level Descriptions from 2011; agree necessary changes with DfE and modify existing APP materials accordingly by December 2010..
36	Assessing Pupils' Progress (EAL): Develop advice and guidance on the use of Assessing Pupils' Progress with EAL pupils (to be completed autumn 2010).
Exams Delivery	
37	QCDA Centre Support for General Qualifications: <u>Outcomes:</u> To improve the quality and timeliness of exams administration in centres by March 2011 for all GQs, including new GCSEs and Functional Skills.
38	GQ Logistics contract: <u>Outcomes:</u> To manage the logistics contract to meet the agreed KPIs of the GQ contract.
39	Access Arrangements Online (AAO): <u>Outcomes:</u> To deliver the modified papers additional to the Access Arrangements Online tool by September 2010. Liaison with unitary awarding bodies to ensure that the new functionality is accepted by them and incorporated into guidance. To support the ongoing delivery of AAO, modified papers and "quick win tools" functionality.
40	Chartered Institute of Educational Assessors (CIEA): QCDA to: 1. implement a strategy for achieving the full independence of the CIEA, in the light of the QCDA-commissioned report on the future of the Institute, by May 2010; 2. reduce funding of the CIEA by 25% in 2010/11, and initiate a further gradual reduction in funding as the Institute moves towards being fully self-funded; 3. ensure the Institute operates within its Service Level Agreement.
41	Achievement and Attainment Tables: To ensure that in maintaining and developing all matters relating to measuring, scoring and discounting qualifications in the Achievement and Attainment Tables, all relevant annual deadlines (as agreed with DfE) are met to the appropriate quality standards. To be proactive in offering a range of methodological improvements, for consideration by the DfE, to address emerging issues and ensure succession planning is in place in the event of key staff leaving.

No	March 2010 to September 2010 Success Measures
General Qualifications (GQs)	
42	<p>Mathematics Pathways Project: QCDA manage the mathematics pathways project to bring it to an effective conclusion by December 2010 by:</p> <ol style="list-style-type: none"> a. Using the awarding bodies' evaluation reports due March 2010 and October 2010 to inform the development and implementation of level 3 mathematics qualifications b. Using independent evaluators report due April 2010 and December 2010 to inform the development and implementation of level 3 and GCSE mathematics qualification development c. Review reports and use in producing a collated end of project report which identifies the impact on learners, teachers and centres and makes recommendations into future mathematics qualification development March 2011.
43	<p>GCSE Science: To review awarding body submissions on GCSE science as commissioned by Ofqual and providing appropriate and timely feedback in accordance with the arrangements made by the interfaces work.</p>
44	<p>General Qualifications Review: In accordance with the arrangements made by the interfaces work, to carry out any reviews of general qualifications requested by Ofqual.</p> <p>To review awarding body submissions in relation to all qualifications as requested by Ofqual and providing appropriate and timely feedback in accordance with the arrangements made by the interfaces work.</p>
45	<p>General Qualifications Guidance:</p> <p>To publish guidance on general qualifications within timescales and to quality standards agreed with DfE, and outlined in agreed project plans, and provide robust quality assurance of the guidance products of workforce partners, ensuring that they reflect general qualifications policy, promote good practice and are accepted as fit for purpose by key stakeholders including learners, exams officers, senior leadership teams and head teachers/college principals.</p>
46	<p>GCSE Mathematics Linked-pair Pilot: To secure the smooth implementation of the GCSE mathematics linked pair pilot qualifications in September 2010 by:</p> <ul style="list-style-type: none"> • Working with awarding bodies to ensure contractual terms are met • Working with awarding bodies to ensure that the maximum no of pilot centres are engaged (250 – 300) and they encompass the full range of learners (Sept 2010) • Working with delivery partners and the wider mathematics community to maintain a robust communications strategy that deliver key messages and guidance throughout the year to maintain stakeholder engagement.
47	<p>A Level/GCSE Evaluation: To provide advice and recommendations in respect of the implementation of all aspects of A level and GCSEs based on evidence gathered through a robust evaluation process.</p>

No	March 2010 to September 2010 Success Measures
General Qualifications (GQs)	
48	<p>GCE Reform I:</p> <ul style="list-style-type: none"> • If not complete in FY 2009-10, to complete work on a set of criteria for A levels in mathematics subjects on which Ofqual and DfE are content to go to consultation • To support Ofqual, if commissioned, during the post consultation process on A level mathematics criteria development in accordance with the arrangements made by the interfaces work • To review awarding body submissions in relation to A level mathematics as requested by Ofqual and providing appropriate and timely feedback in accordance with any commissioning brief.
49	<p>GCE Reform II:</p> <ul style="list-style-type: none"> - To build on the outputs from the A level evaluation, review the A level suite in all subjects except mathematics to ensure that the 2008 reforms to qualifications were implemented effectively, reporting any findings to the DfE by November 2010; - Subject to Ministers' agreement, to plan for the redevelopment of A levels based on recommendations in that report, to enable revised criteria for consultation to be submitted to Ofqual for approval by 31 March 2011.
50	<p>Withdrawal of Applied A Levels:</p> <p>To continue work on withdrawing applied A levels in line with the recommendations contained in the report to DfE submitted in March 2010 by:-</p> <ul style="list-style-type: none"> • Producing an action plan on the withdrawal of Applied A levels (July 2010) • Producing a stakeholder engagement strategy to inform key stakeholders of the position regarding withdrawal. (Sept 2010) • Providing a suite of information for stakeholders in relation to withdrawal processes and requirements in relation to the withdrawal of Applied A levels (March 2011).
51	<p>Awarding Body Data Archive:</p> <p>To continue to collect assessed student work and unit-level data from all GCE and GCSE awarding organisations in respect of identified qualifications to enable effective evaluation of the impact of changes to assessment model and introduction of A* in GCE. Awarding organisations to submit candidate work and assessment data in respect of 2010 examination series by January 2011 for reporting by QCDA by March 2011.</p>
52	<p>Functional Skills:</p> <p>QCDA provide DfE officials with evidence on the impact of the introduction of Functional Skills qualifications and associated recommendations for action;</p>

No	March 2010 to September 2010 Success Measures
Functional Skills (FS)	
53	<p>Promoting Functional Skills Development: QCDA promote the development of Functional Skills qualifications at all levels for all skill areas, accredited to the NQF, sufficient to fulfil the needs of all learners from September 2010 and that satisfy policy objectives, including:</p> <ul style="list-style-type: none"> • Accredited qualifications at all five levels for each of the three skill areas by end April 2010 • A choice of accredited qualifications at all five levels for each of the three skill areas by September 2010 • The assessment opportunities proposed by AOs for 2010/11 provide sufficient flexibility across all five levels and for each of the three skill areas to allow all learners to access the qualifications as defined by DfE's demand forecasting • QCDA contribute to DfE's demand forecasting by end June 2010.
54	<p>Qualification Reports: QCDA provide Ofqual with timely and evidence-based Qualification Reports on accreditation submissions from awarding organisations via a Service Level Agreement (SLA) by end July 2010.</p>
55	<p>Accreditation of functional skills onto QCF: QCDA support the FS AOs to develop Functional skills qualifications for accreditation on the QCF framework to a timetable to suit the needs of learners via:</p> <ul style="list-style-type: none"> • Providing a suite of information for stakeholders in relation to withdrawal processes and requirements in relation to the withdrawal of applied A levels (March 2011) • Strategy & outline plan agreed with DfE, BIS and Ofqual by end July 2010 • Detailed plan for QCF implementation by end Sept 2010 • AOs contracted for QCF trial assessment provision by Dec 2010 • Shared units developed for QCF • Develop a transition plan for migration to QCF.
56	<p>Communications: QCDA prepare and deliver high quality communications to support learners, centres, higher education, employers and other stakeholders in understanding and valuing Functional Skills qualifications.</p>
14 – 19 Diplomas	
57	<p>Diploma Policy I: Provide effective support to the DfE in developing robust, evidence-based Diploma policy including the development of recommendations for policy development based on the first year review of 2009 and any subsequent review(s) undertaken in 2010/11, including planning for re-accreditation. Milestones measuring the required outcomes with acceptance criteria defined and agreed with DfE. Feedback from DfE sought on a quarterly basis.</p>
58	<p>Diploma Policy II: Phase 4 Advanced Science Diploma – Line of Learning statement complete and published on DDP web site by the end of July 2010. Line of Learning criteria complete and adopted by Ofqual by the end of July 2010. Begin developing materials to support Advanced Science Diploma with partners – working towards completion in December 2011.</p>

No	March 2010 to September 2010 Success Measures
14 – 19 Diplomas	
59	<p>Diploma Policy III: Key communication messages and curriculum guidance developed for the Extended Diploma and available to all consortia and centres by September 2010.</p>
60	<p>Qualification Development I: Provide effective development support to DDPs and awarding organisations in developing Principal learning qualifications including: ensuring a minimum of one Phase 4 Diploma qualification specification at each level in each line is developed by June 2010; ensuring draft specifications are available to schools and colleges within 3 months of accreditation by Ofqual; supporting ongoing qualification development work with DDPs and awarding bodies as required for other phases, including the Extended Diploma.</p>
	<p>Qualification Development II: Manage the processes to populate (and depopulate) the ASL catalogue(s) in line with agreed policy decisions and secure the publication of the updated catalogues in May 2010, September 2010 and February 2011. Develop a new ASL Catalogue “front-end” for use by September 2010.</p>
62	<p>Diploma Assessment: Provide improved guidance that clarifies expectations for the assessment of Principal Learning components in order to improve practice in consortia. Enable assessors in all consortia to access training and/or support required to underpin improved quality assurance of assessment in consortia. Specifically, 95% of active consortia will have received training and /or support by March 2011 with at least 80% of those reporting a high level of confidence in managing internal assessment as a result of the training.</p>
63	<p>Diploma Guidance: Publish guidance, within timescales and to quality standards agreed with DfE, and outlined in agreed project plans, that meet properly identified curriculum and assessment needs; and provide robust quality assurance of the guidance products of workforce partners, ensuring that they reflect Diploma qualifications policy and promote good practice.</p>

No	March 2010 to September 2010 Success Measures
14 – 19 Diplomas	
64	<p>Diploma Interim Measures and Centre Support:</p> <p>1. Deliver Additional Centre Support:</p> <ul style="list-style-type: none"> (i) To support all Diploma home centres to minimise the risk of them making administrative errors that could lead to failures in awarding. (ii) To build centre capability in the practical and detailed administrative processes required for successful awarding. (iii) To refer centres to CABs, DfE Workforce Partners and QCDA field team where specific issues have been identified that fall within respective remits. (iv) To determine and report on the profile of perceived risk in individual centres and the cumulative risk <p>2. Agree content for training and guidance for DAS Rel 4 and new ROC Validator tool that includes DLSP by end of April. Produce collaterals and guidance for use by the CSOs by end of September.</p> <p>3. Wave 3 on-boarding to DAS</p> <p>4. Wave 3 Administering the Diploma training events for September 2010 delivery centres</p> <p>5. Wave 4 Getting Ready for the Diploma training events for September 2010 delivery centres</p> <p>6. 100% of Wave 1 and Wave 2 Exam office staff receive updated information on the Diploma including the new lines of learning by end of March 2011.</p>
65	<p>Diploma Delivery Operations:</p> <p>Improvements are made to the Diploma delivery operation to further secure and safeguard it, and issues in the live operation are identified and resolved to the satisfaction of stakeholders.</p>
66	<p>Diploma Communications:</p> <p>Develop and deliver high quality communication and guidance activities that reflect Diploma policy and priorities and meet the needs of the users (including curriculum planners, Practitioners, Exams Officers and awarding bodies) and that are captured as outcome-based plans by May 2010. The effectiveness of communications will be measured by a series of feedback mechanisms that include user testing panels for guidance products, third-party evaluation of communications strategies and tactics, and peer review internally and with other key partners, including DfE.</p>
67	<p>Level 1, Level 2 and Extended Projects – to work with centres and providers to promote and support the delivery of projects by:</p> <ul style="list-style-type: none"> • Commissioning an evaluation of the roll out of projects. The evaluation will identify issues in scaling to larger cohorts in centres and any issues relating to Diplomas including appropriate progression between levels by September 2010 • An evaluation report will be sent to DfE by 31 December 2010 and guidance for centres will be produced by 31 March 2011.
JACQA and 2009 Biennial Review	
68	<p>Scrutiny of Qualifications to support 14-19 Reform Strategy:</p> <p>JACQA provides effective scrutiny of qualifications against the Section 96 criteria and robust, well evidenced and timely advice is provided to the DfE Secretary of State on their eligibility for public funding for 2010.</p>
69	<p>Implementing Actions from the Biennial Review:</p> <p>Develop an action plan in collaboration with LSC and DfE for the implementation of agreed actions arising from the 2009 Biennial Review. Ensure that actions affordable within the funding provided are implemented by March 2011.</p>

March 2010 to September 2010 Success Measures	
5 – 19 Careers Education, Engagement and Work Related Learning	
70	<p>Information and Updating for Schools and Local Authorities I:</p> <p>Careers Education Guidance: Developing the Primary Curriculum for 2011: Implementing agreed recommendations from the evaluation of the KS2 pathfinders with a view to embedding them within the new primary curriculum. Sept 10 - March 11.</p>
71	<p>Information and Updating for Schools and Local Authorities II:</p> <p>All-Age Careers Blueprint: considering the recommendations from the LSIS-led work to March 2010 and proposing how they develop a Careers Blueprint (working closely with LSIS who will lead), considering the implications and proposing how it might be applied to the curriculum for careers-related learning, including PSHE. April 10 - March 11.</p>
72	<p>Information and Updating for Schools and Local Authorities III:</p> <p>Work-related learning: carry out a broad review of Work Related Learning provision across the 5-19 age range. Final report to the Secretary of State with recommendations to be produced by September 2010.</p>
Foundation Learning (FL)	
73	<p>Foundation Learning 14-19 Pilots:</p> <ul style="list-style-type: none"> • Foundation Learning 14-19 pilots are delivered successfully to July 2010 with on-going contacts/relationships after that
74	<p>Foundation Learning Extended Network:</p> <p>The FL extended network (33LAs) is successfully managed to July 2010 and beyond.</p>
75	<p>Foundation Learning (QCF):</p> <p>Ensure QCF qualifications at Entry level and Level 1 are high quality and sufficient to cover the range of FL learners' needs (including by level, sector and progression destination).</p> <p>Publishing or making otherwise available the FL qualification strategy to providers and others by September 2010 and September 2011.</p>
76	<p>FL Curriculum Guidance/Communications:</p> <p>FL curriculum guidance is successfully developed and communicated to target schools, colleges and other learning providers.</p> <p>Resources are made available via the 14-19 support website by April 2010 and through coordination with other delivery partners continuing to autumn 2010 and beyond.</p>
Sustainability	
77	<p>Sustainability Development Action Plan (SDAP):</p> <p>QCDA to publish (SDAP) by the end of April 2010 and detailed action plans by June 2010 that links with the new DfE SDAP 2010-12, and provides support for DfE objectives on supporting sustainable schools. This should cover both internal operations and external influence.</p>
Research	
78	<p>ReferNet:</p> <p>Maintain ReferNet in the UK as the leading VET policy reporting organisation and network in Europe with JIU and under contract to CEDEFOP.</p>

No	March 2010 to September 2010 Success Measures
Research	
79	<p>INCA:</p> <p>Up-to-date, authoritative and comparable on-demand international evidence, via a bespoke service, supports QCDA's development of the curriculum and assessments, and policy advice is provided as requested by the Department for Education (for itself or partner agencies).</p>
Equality and Diversity Policy	
80	<p>Disability Equality:</p> <p>To provide an annual update in Dec 2010 for the Secretary of State's report on progress towards disability equality.</p>
QCDA Corporate Measures	
81	<p>QCDA / Ofqual interface:</p> <p>Complete transformation and interface work to support the delivery of Ministerial objectives through a 3 way protocol document which sets out an agreed, clear and shared view of QCDA's role and relationships with Ofqual, the Department and other stakeholders. The protocol will cover all areas of interfaces between the organisations.</p> <p>From June 2010 disseminate the agreed protocol document setting out how the organisations will interface in the development of qualifications and during the regulation of NC and EYFS assessment arrangements internally and across stakeholder groups to ensure clarity for stakeholders and improved confidence in public qualifications and assessment arrangements for NC and EYFS.</p> <p>Agree and set out a clear plan and arrangements for qualification criteria development between April 2010 and March 2011 to ensure no qualification delivery is jeopardised within agreed timescales and put in place governance arrangements between QCDA, Ofqual and DfE to monitor and report on the plan on a quarterly basis.</p>
82	<p>Working with Ministers:</p> <p>QCDA provides effective and timely support to Ministers in their accountability to Parliament and public, in particular through meeting DfE deadlines for contributing to Parliamentary Questions and correspondence.</p>
83	<p>Corporate Support Services:</p> <p>QCDA provides corporate support services to Ofqual for the first three months of 2010-11 pending Ofqual developing and putting in place its own independent arrangements.</p>
QCDA Customer and Citizen Perception/System Reform	
84	<p>Stakeholder Perception:</p> <p>Monitoring and measuring of key stakeholder perceptions demonstrates QCDA has become an agency focused on supporting delivery of Ministerial objectives. Measurement taken at end of quarter 2 and 4.</p>
85	<p>Financial Management:</p> <p>QCDA manages within the agreed budget and can meet an increased efficiency savings target of 5% in the use of administrative costs.</p>
86	<p>2009-2010 Accounts:</p> <p>Lay 2009-10 accounts, unqualified, before Parliament by the end of July 2010.</p>

Appendix 2 - Performance Measures – September 2010 to March 2011

No	September 2010 to March 2011 Success Measures
EYFS and National Curriculum Assessment	
1	<p>EYFS Exemptions</p> <p>All applications for exemption from the EYFS learning and development requirements are handled within 12 weeks of receipt (as per the process agreed by future management arrangements) between DfE and QCDA up to March 2011.</p>
2	<p>EYFS Profiles</p> <p>2011 Early Years Foundation Stage Profile (EYFSP) results are robust and reliable as a consequence of improved moderation by October 2011.</p>
3	<p>KS2 NCT Delivery</p> <p>KS2 National Curriculum Tests are delivered successfully in May 2011 with 99.9% of results available to schools by the agreed date, and comparable levels of lost scripts and missing results to 2010. Quality of marking, as described within QCDA's self-assessment report to Ofqual, is at least as good as previous years.</p> <p>KS2 2012 Procurement. Secure timely preparation and procurement of National Curriculum test contracts for 2012 delivery.</p>
4	<p>Optional Test Data Collection</p> <p>QCDA will make best endeavours to meet the targets for collecting Optional Test data, as set out in the ADSR.</p>
5	<p>KS1 Moderation</p> <p>2011 Key Stage 1 (KS1) results are robust and reliable as a consequence of moderation by September 2011.</p>
6	Withdrawn from remit letter.
7	<p>Teacher Assessment</p> <p>Publish and disseminate guidance on statutory national assessment arrangements (Early Years Foundation Stage to Key Stage 3), provide a helpdesk to deal with enquiries and make appropriate arrangements to collect statutory teacher assessment data for Key Stages 2 and 3 with target rates of 99.7% in both phases by the end of July 2011.</p>
8	<p>2011 KS2 Science Sample Test</p> <p>A Science sample test, to monitor national standards at KS2 is implemented in 2011.</p>
9	<p>Assessing Pupils' Progress (EAL)</p> <p>QCDA to submit to DfE the completed filmed case-study materials together with any drafts of related text by end of November 2010.</p>
10	<p>Exemplification Of National Standards</p> <p>Produce exemplification of national standards at Levels 1 & 2 for KS3 National Curriculum foundation subjects by March 2011.</p>

September 2010 to March 2011 Success Measures	
Curriculum	
11	<p>Section 96 Consultation</p> <p>To carry out, if requested, one or more S96 consultations on such elements of the National Curriculum as the Secretary of State requires and to a timetable set out by the Secretary of State.</p>
12	<p>Keeping The Curriculum Under Review</p> <p>To provide DfE, by December 2010, with an agreed report that sets out the capability at local and regional levels to deliver a revised curriculum based on local authorities' approaches to curriculum development and a sample of how schools are clustering together to co-develop their curriculum, share materials and provide support to one another.</p> <p>By December 2010, to provide to DfE an agreed report on examples of the actions schools have taken to meet the essential principles of the statutory inclusion statement since its appearance in the National Curriculum (The Education 'Reform' Act 2000).</p> <p>To agree with the DfE a report to be published by December 2010, based on the CUREE evidence project of trends in curriculum 2008-2010.</p>
Exams Delivery	
13	<p>Centre Support For General Qualifications</p> <p>To improve the quality and timeliness of exams administration in centres by March 2011 for all GQs, including new GCSEs and Functional Skills.</p>
14	<p>GQ Logistics Contract</p> <p>Outcomes: To manage the logistics contract to meet the agreed KPIs of the GQ contract.</p>
15	<p>Access Arrangements Online</p> <p>To deliver the modified papers additional to the Access Arrangements Online tool by September 2010. Liaison with unitary awarding bodies to ensure that the new functionality is accepted by them and incorporated into guidance.</p> <p>To support the ongoing delivery of AAO, modified papers and "quick win tools" functionality.</p>
16	<p>Achievement & Attainment Tables</p> <p>To ensure that in maintaining and developing all matters relating to measuring, scoring and discounting qualifications in the Achievement and Attainment Tables until function is transferred all relevant annual deadlines (as agreed with DfE) are met to the appropriate quality standards. To be proactive in offering a range of methodological improvements, for consideration by the DfES, to address emerging issues and ensure succession planning is in place in the event of key staff leaving.</p>

No	September 2010 to March 2011 Success Measures
Qualifications Delivery	
17	<p>Mathematics Pathways Project</p> <p>QCDA manage the Mathematics Pathways Project to bring it to an effective conclusion by 31 December 2010 by:</p> <ul style="list-style-type: none"> • Providing DfE with a report which draws together the awarding bodies' evaluation reports and the independent evaluator's reports, in order to inform future policy development.
18	<p>Qualifications Review</p> <p>Up to 31 December 2010, carry out reviews of qualifications as agreed with Ofqual:</p> <ul style="list-style-type: none"> • To review awarding body submissions in relation to all qualifications as commissioned by Ofqual according to an agreed plan and providing appropriate and timely feedback in accordance with the commissioning briefs • To review all qualifications for pre-16 use.
19	<p>GCSE Maths Linked-Pair Pilot</p> <p>To secure the smooth implementation of the GCSE Mathematics Linked Pair Pilot qualifications from September 2010 until this can be transferred to an appropriate organisation by a date to be agreed.</p>
20	<p>Evaluation Of The GCSE Maths Linked Pair Pilot</p> <p>To manage, until this work can be transferred to an appropriate organisation by a date to be agreed, the independent evaluation contract in respect of the implementation of the GCSE Mathematics Linked Pair Pilot as specified within the contract.</p>
21	<p>Awarding Body Data Archive (ABDA)</p> <p>To continue to collect assessed student work and unit-level data from all GCE and GCSE awarding organisations in respect of identified qualifications to enable effective evaluation of the impact of changes to assessment model and introduction of A* in GCE.</p>
22	<p>Diploma ASL Catalogue</p> <p>QCDA to manage the process to populate (and depopulate) the ASL catalogue in line with agreed policy decisions and secure the publication of the updated catalogues in September 2010 and February 2011.</p> <p>QCDA to ensure the successful transfer of the ASL catalogue to the Office of Qualifications and Examinations Regulation (Ofqual) within an agreed timescale, but prior to April 2011.</p>

No	September 2010 to March 2011 Success Measures
Qualifications Delivery	
23	<p>Functional Skills</p> <p>QCDA to provide DfE with a report by no later than Feb 2011 on the outcome of the development of Functional Skills qualifications through the national functional skills pilot project and associated recommendations for action;</p>
24	<p>Securing Diploma Awarding</p> <ol style="list-style-type: none"> 1. Agree QCDA 2011 awarding deployment plan: 2. Support administration of the Diploma within schools and colleges. Support all active Diploma home centres to minimise the risk of them making administrative errors that could lead to failures in awarding. <ol style="list-style-type: none"> a. Build centre capability in the administrative processes required for successful awarding. b. Working with DfE, review all QCDA guidance documentation on Diploma administration to determine how it can be reduced 3. Train Examinations Officers in administration of the Diploma <ol style="list-style-type: none"> a. Deliver Administering the Diploma training events for Wave 3 centres. b. Wave 1 and Wave 2 Exam office staff receive updated information on the Diploma including the new lines of learning. 4. Close and/or transfer Diploma IT systems 5. Train awarding bodies in essential Diploma systems
25	<p>Foundation Learning (Extended Network)</p> <p>QCDA to support and evaluate the final phase of the learning visits programme (pilot and extended network areas working with other LAs) until December 2010.</p>
26	<p>Foundation Learning (QCF)</p> <p>To ensure QCF qualifications at Entry level and Level 1 are high quality, meet learners' needs and can be selected appropriately by schools/other providers.</p>
Research	
27	<p>Research (ReferNet)</p> <p>Maintain ReferNet in the UK as the leading VET policy reporting organisation and network in Europe with JIU and under contract to CEDEFOP – until such time as the function is transferred to suitable replacement body post- QCDA closure.</p>
28	<p>Research (INCA)</p> <p>Provide up-to-date, authoritative and comparable on-demand international evidence, via a bespoke service, supporting evidence based decision making on curriculum and replacement body post- QCDA closure.</p>

September 2010 to March 2011 Success Measures	
QCDA Corporate Measures	
29	<p>Financial Management</p> <p>QCDA manages its revised remit and operational business within the agreed budget set by DfE from 1 September 2010 to 31 March 2011. Within this budget QCDA meets agreed efficiency savings targets in the use of administrative costs during the same period.</p>
National Curriculum Assessment	
30	<p>Single Level Tests (SLTs):</p> <p>Successful completion of June 2010 single level test round, covering English reading, English writing and mathematics, with tests and associated processes reflecting evaluation and findings from earlier pilot rounds, secure marking standards, and high levels of school satisfaction with both process and content.</p> <p>June 2010 Mathematics SLTs to replace 2010 Key Stage 2 Mathematics National Curriculum tests for pilot schools, with all associated processes - including reviews service and successfully managed to completion.</p> <p>Timely technical evaluation and advice on SLTs.</p> <p>Completion of a lessons learned exercise.</p> <p>Work with DfE to determine an approach on L6 tests, pending detailed Ministerial decisions.</p>
31	<p>Age 6 Reading Test</p> <p>Support the development of an age 6 reading test by:</p> <ul style="list-style-type: none"> • Providing psychometric support for the group of phonics experts and practitioners designing the test • Leading on developing the standard setting and equating process for trial of the reading test so that this work can be successfully carried out during September 2011.
32	<p>KS1 Test materials</p> <p>KS1 Test materials are provided to those schools that order them by the agreed date.</p>
33	<p>Optional Test Materials</p> <p>Optional test materials are provided to those schools that order them by the agreed date.</p>

Statement of Accounting Officer's Responsibilities

- 26 Under paragraph 17(1) and (2) of schedule 17 of the Apprenticeship, Skills, Children and Learning Act (2009), QCDA is required to prepare a statement of account for each financial year in the form and on the basis determined by the Secretary of State for Education. QCDA accounts have been prepared on an accruals basis and show a true and fair view of QCDA's state of affairs at the end of the period and of its income and expenditure, cash flows and changes in taxpayers' equity, for the financial period.
- 27 In preparing the accounts QCDA was required to:
- observe the accounts direction issued by the Secretary of State for Education, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
 - make judgements and estimates on a reasonable basis;
 - state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements;
 - prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the organisation will continue in operation.
- 28 Lin Hinnigan was appointed as Accounting Officer of the QCDA with effect from 1 April 2010. The relevant responsibilities, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officers Memorandum issued by the Treasury and published in *Managing Public Money*. The Accounting Officer is required to sign the statement of accounts, including a statement on internal control.

Staff relations

- 29 To ensure that strategic and operational decisions are understood throughout the organisation, QCDA remains committed to communicating information as widely as possible and using a wide range of means to encourage effective two-way communication with staff.
- 30 In order to ensure the best possible staff relations, QCDA has actively engaged with the recognised trade union through regular consultation and negotiation between management and union representatives. Issues covered included transition and closure, pay and HR policies.
- 31 In the light of the announcement to close QCDA, a management and staff support programme was implemented to ensure development opportunities were available to all employees. This included a number of support seminars and training opportunities provided by external agencies such as employment agencies, Better West Midlands, Business Link and Jobcentre Plus to offer advice and guidance for all staff at risk of redundancy.
- 32 QCDA has a dedicated Diversity and Inclusion Programme Manager and team of staff. In its published single equalities scheme, QCDA set out an action plan in relation to the protected characteristics covered by the Equality Act 2010. Progress against this was monitored and reported during the year in line with QCDA's diversity strategy. This forms part of a broader diversity and inclusion framework for the organisation.

Sickness absence

- 33 During 2010-11 the total number of working days lost due to sickness absence amounted to 2,048.5 (2009-10: 1,849 days) which is an average of 5.38 days per employee (2009-10: 4.39 days).

Performance assessment

- 34 The performance management and assessment system linked performance objectives to personal development, as part of a general strategy to ensure that managers were fully involved in the performance of their staff.

Pay Policy

- 35 QCDA's performance management system determines pay increases on an annual basis. There is no entitlement to automatic salary increases or performance bonus. Where QCDA determines to award a salary increase and/or performance bonus to an individual member of staff, it is made on the basis of an assessment of that individual's overall performance and conduct during the year. The parameters of the pay award were agreed centrally with the DfE. A non consolidated performance bonus was made on 30 April 2010 and applied across the organisation according to each individual's performance. A salary increase was made on 31 December 2010 to anyone earning less than £21k.
- 36 QCDA remains committed to the principle of equal pay. An Equal Pay Audit was conducted in 2009.
- 37 Details of the company pension scheme and pension liabilities are disclosed in the Remuneration report on pages 39 to 44 and note 3 to the accounts on page 59.

Our Stakeholders

- 38 QCDA had a central role in England's education and training systems, and a role in Northern Ireland where it regulated National Vocational Qualifications (NVQs). QCDA worked with its stakeholders with the primary aim of ensuring benefits to the learner.

39 The principal external organisations with which QCDA collaborated were:

- Department for Children, Schools and Families – until 12 May 2010;
- Department for Education – from 12 May 2010;
- Department for Business, Innovation and Skills;
- Department for Employment and Learning in Northern Ireland;
- Department for Children, Education, Lifelong Learning and Skills in Wales;
- UK Commission for Employment and Skills;
- Ofqual;
- Training and Development Agency for Schools;
- Young People's Learning Agency;
- Chartered Institute of Educational Assessors;
- awarding organisations;
- suppliers, notable strategic suppliers being Edexcel, Parcellforce Worldwide, Steria UK and NFER;
- sector skills councils;
- employers;
- teacher associations;
- local authorities;
- schools and colleges.

Freedom of Information

40 QCDA has been compliant with the Freedom of Information Act 2000. During the year 2010-11 QCDA responded to 62 separate requests for information under the terms of the Act (2009-10:102)

Environmental, social and community

- 41 The new offices at Earlsdon Park were developed to achieve a Building Research Establishment Environmental Assessment Method (BREEAM) Excellence rating. As part of the design philosophy all lighting at Earlsdon Park is controlled by light sensors and time clocks controlled by the Building Management System which automatically switches off lights after a period of time. A computerised asset management system ensures that all building assets are maintained properly, operate efficiently and their performance is optimised. Around 80 per cent of all waste is recycled (exceeding the UK Government's target of 40 per cent).
- 42 Employees are encouraged to think about energy efficiency and reducing energy consumption, for example, by printing and photocopying double-sided to reduce paper and by switching off computer monitors.
- 43 QCDA continued to encourage employees to volunteer to become governors of their local schools. QCDA encourages employees to take opportunities to visit schools and colleges with members of our Centre Support Team, which operates across England.

Organisational objectives and Performance Management 2010–11

- 44 QCDA has undertaken a number of changes to its organisational structure over the last year. The establishment of QCDA in April 2010 initially saw the replacement of the six organisational groups with the introduction a matrix management structure. This structure was designed to be responsive to changing requirements and consisted of a number of capability groups which comprised staff with critical skill sets. These staff could be deployed flexibly across several programmes or to create new programmes upon remit by Government.
- 45 In response to the announcement of the Government's plans for closure of QCDA and reduction in remit mid-year, changes were introduced to the management structure in July 2010. The matrix structure was dismantled and separate responsibilities allocated to Executive Directors for ongoing operational delivery of remit and for transition, closure and decommissioning. A comprehensive Transition and Closure Programme was established to manage the closure of programmes and transfer of functions to other organisations. Throughout the year QCDA has kept under review the internal management structure and, as programmes have closed or transferred, made appropriate changes to ensure that on-going delivery and the Transition and Closure programme are managed and delivered effectively.
- 46 QCDA will continue in existence as long as the Apprenticeships Skills, Children and Learning Act 2009 (ASCL) Act remains in force. However, the mandatory duties for QCDA set out in the ASCL Act are largely qualified by requiring a request or direction from the Secretary of State. Accordingly, as the Secretary of State has requested QCDA to cease work in respect of qualification and curriculum development this does not conflict with any statutory duties of QCDA, as those legal duties have been de-scoped/redefined by the Secretary of State as permitted under the ASCL Act.
- 47 The exceptions to this requirement for a request or direction from the Secretary of State are Sections 179(1), 181(1), 182 (1) and 183 (1). These sections require QCDA to keep under review, respectively: qualifications, the curriculum, early learning goals and educational programmes, and assessment arrangements. Correspondence supplementary to the new Remit Letter 2011-12 confirmed the agreed level and depth of activity, outside the remitted Performance Measures, which QCDA will carry out to meet these statutory functions.

Efficiency review programme

- 48 The original QCDA allocation for 2010-11 represented a 15% reduction on the 2009-10 allocation on a like for like basis. Following the issuing of the reduced remit the budget was reduced by a further £20m at mid year. QCDA has successfully delivered all its business objectives well within the agreed budgetary limits. The Government's future targets for public spending will require QCDA to continue to set challenging targets for the reduction of its budget for the remainder of its existence as a statutory body.

Delivery Outcomes/Performance Review 2010-11

49 QCDA has successfully delivered all of its performance measures in 2010-11. Particularly noteworthy were:

- Successful delivery of National Curriculum assessments in summer 2010 with an unprecedented 100% of results from Key Stage 2 tests delivered to schools by the target dates in July 2010;
- Successful safeguarding of Diploma awarding in August 2010. All participating centres and awarding bodies were supported to ensure that every learner entitled to a Diploma award received their award on time;
- The development of qualification and subject criteria and review of specifications for a new suite of GCSE qualifications which included greater but more structured unitisation and replaced coursework with controlled assessment;
- Completion of a set of standards files exemplifying achievement at levels 1 and 2 in the foundation subjects at Key Stage 3 to support schools in meeting their statutory requirements in inclusion and teacher assessment;
- The creation of the foundation learning catalogue containing 1,300 accredited qualifications. More than 24,000 learners took part in the foundation learning national pilot – four times more learners than the target;
- The national roll out of 150 new accredited functional skills qualifications and publication of the Evaluation of the Functional Skills Pilot Summative Report, a summary of key findings from the pilot, recommendations and lessons learnt.

50 QCDA also continued to provide information and evidence to the DfE and to key reviews commissioned by the government including:

- A submission to the Bew review of Key Stage 2 testing, assessment and accountability focussing on operational considerations in delivery of national assessment;
- A review of evidence held by QCDA on 14-19 vocational education for the Wolf review of vocational education;
- Engagement on the Tickell review of the Early Years Foundation Studies (EYFS), in particular the proposals around assessment and slimming down of the early learning goals;
- Preparation of a series of briefing papers setting out the development of the National Curriculum since 1988 for policy colleagues in the Curriculum Review and Policy units at DfE.

Risk management

- 51 The principal risks facing the organisation in 2010-11 arose from two main sources. Firstly, the completion of major structural changes and operational challenges that continued from the previous year. These included the completion of the separation of the regulatory function of QCA and its transfer to Ofqual and the set up of QCDA, the completion of the relocation of the organisation to Coventry and the establishment of a matrix management structure with associated policies and procedures, whilst ensuring business continuity. Secondly the announcement by the Secretary of State for Education of the abolition of QCDA, has led to the withdrawal and closure of work as well as the commencement of planning for transition and closure. Key challenges have included lack of clarity on specific policies and plans for each programme area, maintaining corporate governance, information management and security, staff retention and maintaining delivery whilst planning for transition and closure. The introduction of cross Government controls in May 2010 resulting in a recruitment freeze and a moratorium on some types of expenditure have exacerbated the challenges of a closing organisation.
- 52 Risk management has remained integral to QCDA's business planning and reporting systems and has been supported by the introduction of a risk, programme and project management tool coupled with training for all individuals within the Programme Delivery Support capability group and other key teams within QCDA. This has led to benefits of a more standardised approach to identifying and managing risks across the organisation. Strategic, programme, project and operational risk management have been integrated and the approach to risk management has remained under review as part of a closing organisation. Risk registers were maintained at executive, group, programme, project and team level.
- 53 The Audit Committee has advised the Board on the adequacy and effectiveness of risk management within QCDA. This advice was supported by assurance provided by the internal auditors for 2010-11.

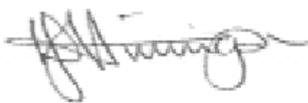
Information Security Measures

- 54 QCDA has an Information Security Management System (ISMS) team that addresses information security risk. The ISMS team have worked to assure the security of QCDA's information assets through application of the HMG Security Policy Framework (SPF), HMG Information Assurance Standards and HMG good practice guides. QCDA self-assesses:
- compliance to the HMG SPF;
 - information assurance maturity using the CESG Information Assurance Maturity Model toolkit.
- 55 QCDA has a good compliance with SPF and reasonable IA maturity.
- 56 QCDA employs a number of functions to minimise the risks of an information security breach:
- appropriate governance and information security risk management;
 - information security and assurance for physical and digital platforms;
 - mature business continuity arrangements;
 - identification and recording of information assets;
 - personnel controls.

- 57 QCDA also prioritises key information risks held by test suppliers and employs rigorous and extensive measures to provide information assurance down the supply chain. The HMG SPF is mandated appropriately for suppliers to ensure a consistent and continuous approach to securing information assets.

Information Security Incidents

- 58 There have been various information security incidents throughout the year. The most significant of these are summarised here:
- A set of examination papers was stolen along with a van whilst awaiting delivery to a marker. The papers have not been recovered;
 - There have been two laptop thefts, one from a public eatery and a second from a domestic location. In both cases the information risk was minimal since neither device was hosting sensitive information;
 - There has been a paper based information loss as a result of inadequate care resulting in information being left upon a train. This did not include any sensitive information;
 - 5 packages were unaccounted for, of which 2 were declared lost, during the distribution of materials to schools for the national Key Stage 2 tests in April 2011. There is no evidence to suggest that there was any unauthorised access to test materials.
- 59 All incidents are fully recorded and assessed to see if they indicate any wider information security risks. Appropriate mitigating measures are delivered to address any weaknesses.
- 60 QCDA's level of information risk will remain higher due to transition and closure. To date, transition and closure has not been a factor behind any information security incidents. However, this risk is on-going and QCDA has put in place new controls to manage key risks as large numbers of staff exit QCDA or transfer to other organisations throughout the next financial year.



Lin Hinnigan
Acting Chief Executive and Accounting Officer
Qualifications and Curriculum Development Agency

Date: 20 June 2011

Statement on Internal Control

Statement on Internal Control

Scope of responsibility

- 61 As Accounting Officer, I have responsibility for maintaining an effective system of internal control that supports the achievement of the QCDA policies, aims and objectives, whilst safeguarding the public funds and Departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.
- 62 QCDA's objectives for 2010-11 were linked to several of the DfE's strategic objectives. I, and my Executive Director colleagues, have regular meetings with DfE senior officials at which we discuss any risks or deal with any issues that could affect the attainment of these objectives. A process for strategic and operational planning is also in place with DfE to support the formal agreement of objectives and funding, and putting appropriate risk management in place
- 63 QCDA received its initial remit letter and funding for 2010-11 from the then Secretary of State on 29 March 2010. Following the establishment of a Coalition Government in May 2010 the Secretary of State for Education wrote to the QCDA Chairman advising of a proposal to introduce legislation to abolish QCDA. In line with the Coalition Government's vision for education reform it was felt that some of the functions then performed by QCDA should be discharged differently in the future with some functions continuing in other bodies and others stopping completely.
- 64 QCDA officials worked closely with DfE to scale down our original remit for the year 2010-11 to better fit with the education policies of the Coalition Government prior to the closure of the organisation. Decisions about QCDA work were fed in as the government formulated its detailed policies. In some areas this led to uncertainty in planning, however this has been managed with the support of officials. In order to protect learners and maintain a clear focus on ongoing operational delivery pending transition, closure and decommissioning of QCDA's assets, planned restructuring of our management arrangements has been undertaken. The revised internal governance structure fits within a broader set of governance activities within the DfE for QCDA's closure. Clarification of accountabilities within the new management structure has been a key focus of activities throughout the 2010-11 financial year.

The purpose of the system of internal control

- 65 The system of internal control is designed to manage risk to a level acceptable to the QCDA Board rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore provide only reasonable, rather than absolute, assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of QCDA's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically.
- 66 The system of internal control has been in place in QCDA for the year ending 31 March 2011 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to handle risk

- 67 QCDA's strategic risks are derived from its annual remit for the organisation, which was provided by the Secretary of State at the start of the financial year and was further revised in September 2010 in line with the Coalition Government's vision for education reform. The remit sets out the organisational objectives of the QCDA. As part of QCDA's Risk Management Framework all members of the Executive and QCDA's senior management team provide assurance that the strategic risks and programme risks allocated to them have been managed in accordance with QCDA's Risk Management Framework and within QCDA's risk appetite, as set out by a series of tolerances approved by the QCDA Board.
- 68 At the QCDA Board meeting on 15 December 2010 the Board approved a proposal, in the light of the forthcoming closure of QCDA, to dis-establish the Risk Committee leaving the Audit Committee with a continuing clear role in oversight of financial probity and mitigation of risk. However, at the Board's request, a Risk Advisory Group has been formed to focus on transition and closure issues. It is linked to the Audit Committee via Board membership of both groups.
- 69 A risk management competency is incorporated into all job descriptions for programme and project managers. Risk management training, as part of QCDA's corporate training package, is offered to all staff; there is risk training during the induction of new staff; and both forms of training are based on the information provided in QCDA's Risk Management Framework documentation.
- 70 Since the introduction in May 2010 of a Programme and Project Management framework, which includes the enterprise project management tool PRIME, we have developed guidance, standards and templates to help ensure consistent assessment and reporting of risk throughout the organisation. The outcome of a self assessment of risk management presented to the Audit and Risk Committees in June reported an increased focus on risk management within the organisation.
- 71 Where appropriate QCDA uses OGC Gateway reviews as a means of providing independent external assurance to the organisation and external stakeholders that the programme/project is meeting its objectives and that QCDA is on track to deliver the specified outcomes and benefits.
- 72 All Gateway Reviews, including the progress on implementing the recommendations arising from the Reviews, are reported to the Audit Committee, who report to the Board. During the year enhancements have been made to the process to enable OGC review actions to be logged and tracked by individual programmes and reported on centrally.

The risk and control framework

- 73 Programme risks that exceed a pre-determined tolerance are reviewed by the Executive and, if appropriate, escalated to the Board. The Executive also reviews cross cutting strategic risks and all strategic risks are reported to the Board.
- 74 The Board has published to the organisation its internal *Statement of Risk Appetite*. Risk management is handled primarily at programme/function level through the maintenance of programme/function and project risk registers. Directors have completed an end-of-year statement on internal control that confirms their compliance with QCDA policies on risk management, finance, governance and personnel control, and with the requirements set out in the risk management framework and government accounting procedures.

Statement on Internal Control

- 75 Directors and Programme/Function leads have reported on risk to both our Audit Committee and Risk Committee/Risk Advisory Group. A number of Directors have left the organisation during the year. In order to ensure that an effective system of internal control is maintained a process has been implemented to identify and capture letters of assurance from those Directors who have left the organisation during 2010-11. There has been vigilance to ensure that departing senior staff do not gain advantage from knowledge gained inside the organisation in subsequent commercial interactions with QCDA. No incidents of this nature have been detected.
- 76 The Board approves the strategic risk register at the beginning of the year, and monitors it throughout the course of the year. The Board also receives regular reports from myself and from its Committees.
- 77 The role of the Audit Committee is to advise the Board on the adequacy and effectiveness of QCDA's risk management systems, internal controls and related practices. The Audit Committee receives risk management updates and reports by exception on the progress of projects and growing risks. The Chairman of the Audit Committee reports to the Board following each Committee meeting, giving him an opportunity to alert the Board to any matters of concern.
- 78 During the April 2010 to December 2010 period, the role of the Risk Committee complemented that of our Audit Committee by reviewing the effectiveness of the implementation of risk management, and the integrity of risk information reported by projects and programmes within the organisation. The Risk Committee received regular presentations from individual Directors on the management of risk, and it scrutinised and challenged their practical management and reduction of risk. In December 2010 it was decided the Risk Committee should be abolished, with responsibility for oversight of risk management and appropriate assurance to the Board, being managed through the Audit Committee. In addition a Risk Advisory Group was established to focus specifically on supporting the Transition and Closure Programme. This arrangement provides a more responsive approach during a period of significant change.

Review of effectiveness

- 79 I have responsibility for reviewing the effectiveness of the system of internal control. My on-going review of the effectiveness of the system on internal control is informed by the work of our internal auditors; Directors; the Corporate Office team, which has had responsibility for the development and maintenance of the internal control framework; and comments made by our external auditors in their management letter and other reports.
- 80 The Senior Information Risk Owner (SIRO) has provided an assessment of information risk, drawing on material from information asset owners and from our Information Security Management Systems team, which has responsibility for ensuring that the QCDA has effective information management and security which complies with legislation and government best practice. We are fully compliant with 47 of the 70 security requirements set out in the Cabinet Office Security Policy Framework, to which all Government Departments and Agencies must adhere. QCDA is partially compliant with nine (9) of the remaining requirements, non-compliant with one (1) and thirteen (13) are not applicable. The SIRO has also provided evidence that the Information Security Management System is achieving a level of information assurance appropriate to the needs of QCDA during its closure whilst also preparing transition units for the new organisation.

Statement on Internal Control

- 81 Five instances of theft/loss of electronic/paper data have been reported in the course of the year including a Blackberry, laptops, memory stick and QCDA papers/information. The Blackberry, laptops, and USB memory stick were all encrypted with controlled access and none of these incidents has resulted in identified misuse of personal or corporate information. Two of the five instances were as a result of theft and were reported to the Police. The loss of QCDA information was reported to the DfE and Cabinet Office who advised no further action was required.
- 82 QCDA's Information Management functions have advised the Information Commissioner (ICO) of a potential loss of paper based archived records. The incident was reported to the ICO on the basis that QCDA cannot provide assurance that the items have not been lost.
- 83 Following the theft of a parcel delivery van on 11 January 2011, containing examination scripts, various recommendations have been implemented to improve incident command, control and communications. Improvements in driver awareness have also been implemented.
- 84 Electronic tracking of over 60,000 deliveries of national Key Stage 1 and 2 test materials to schools identified that five packages were not delivered to schools as expected in April 2011. Extensive searches of suppliers' premises, vehicles and delivery routes failed to identify the packages. There is no evidence of unauthorised access to the materials in the packages and work is in hand with suppliers to identify process improvements to reduce further the risk of similar incidents in future years.
- 85 QCDA has addressed the mandated HMG SPF policies and has in place appropriate governance and information security risk management; information security and assurance for physical and digital platforms; mature business continuity arrangements; identification and recording of information assets and personnel controls. The SIRO was thus able to provide assurance that our information security arrangements put us in a reasonable and justifiable position. However the SIRO has identified that there is a limited and diminishing resource in a closing organisation and the following, whilst not significant risks, are areas of concern: maintaining accurate records of information security risks for all information assets and the lack of accreditation documentation for our ICT systems.
- 86 Improved control of internal procurement processes has been achieved this year and the threshold for delegation to managers to enter into contracts without the involvement of the procurement team has been reduced from £30k to £10k. All recommendations from an internal audit of procurement carried out in June 2010 have been implemented.
- 87 The QCDA internal auditors have delivered an audit plan, as agreed by the Audit Committee. The auditors have reviewed QCDA's progress against the 58 recommendations resulting from the 10 audits carried out up to February 2011 and found that all had been addressed. 70% had been fully implemented, 18% were in progress and 12% had been superseded. The Audit Committee considers reports on each audit as well as the internal auditors' annual report on the effectiveness of the overall system on internal control. Our internal auditors have provided QCDA with their annual report setting out their overall positive opinions in the areas of Corporate Governance, Risk Management and Internal Control and noting the areas where QCDA can strengthen its control environments.

88 Last year I identified six internal control issues:

1. Business Continuity Planning

Progress has been made in the area of Business Continuity Planning with our Incident Management Plan being updated and distributed on a bi-monthly basis to ensure an accurate reflection of the continual personnel changes. Business Continuity Plans continue to be maintained, practical exercises and awareness training are carried out, with the primary focus on the Programmes and Central & Support Services areas that are continuing beyond March 2011.

2. Relocation of QCDA

The relocation of QCDA from its London headquarters to Coventry was successfully completed in October 2010. However the retention issues identified in the last financial year still apply but now in the context of closure as opposed to relocation. This has become a key issue within National Curriculum Assessment and the corporate services areas. The Executive are currently considering strategies for retaining critical staff who have the knowledge for delivery as well as transition and closure.

3. Back-office support to Ofqual

The limited back office support provided to Ofqual, following vesting of the independent regulator, reported in last year's statement, was successfully completed in December 2010.

4. Procurement

The Commercial Team has been operating in its revised form for a year. Notwithstanding the loss of permanent staff following the closure announcement, the team has delivered better customer focus through Commercial Advisers, an integrated procurement plan, tightened compliance controls and has secured significant savings from our suppliers.

5. IT strategy

Following the announced closure of QCDA, it was decided that it was no longer appropriate to undertake the planned work on the development and testing of QCDA's ICT Strategy.

6. QCDA Closure announcement and additional government expenditure controls.

The system of internal control has been reviewed. The Scheme of Delegation has been updated and levels of authority have been revised to support transition and closure.

Internal control issues

89 My attention has been drawn to the following areas of internal control during the 2010-11 year, and I have put arrangements in place to address these.

1. Finance

The loss of key finance staff due to the transition and closure of QCDA was escalated to a red risk and became an issue in year and this was shared with both Audit Committee and the Board. In response to this, QCDA sought and received from the Parliamentary Under-Secretary of State for Schools, authority to recruit interim finance personnel to support both mandatory and operational activity. Despite the challenges this presented I can report that the core functions were maintained throughout. Some peripheral work did have to be deprioritised in year when resource was not available but this position has now been recovered as demonstrated with a number of substantial Internal Audit reviews.

Through the year, to reflect the closure announcement and the introduction of the Government's Moratorium on spending, work has been done to strengthen financial control including implementation of a revised Scheme of Delegation and updating the finance system controls.

2. ICT

ICT exceptions have been identified which cover areas such as backup coverage, offsite storage, support levels, access arrangements, unsecured solutions and a lack of test environments which result in a risk to operational continuity and compliance. The ICT function has been proactive in addressing these issues and service management and tactical delivery improvements have been made which have resulted in improved performance, stronger information security and significant cost savings. A strategic review of closure requirements has enabled us to develop plans to deliver a much reduced and more manageable technology footprint during the summer of 2011.

3. HR Policy and Process

Following the announced closure of QCDA and the implementation of new government policies, it was recognised that some of the policies and procedures that were in place were not reflective of an organisation in closure. This presented a risk of non-compliance with policy and the risk of inconsistency in relation to the use of policy and process. It is recognised that the management of this area is critical during the transition and closure period of the organisation and as such policies have been updated and will be kept under review to mitigate challenges associated with non compliance. Work has been undertaken to ensure all staff are made aware of, and become familiar with, any new and amended policies and processes.

4. Commercial

As reported in 2009-10 the Commercial and Procurement Team was planning a restructuring to strengthen controls in this area. Due to the announced closure and following the identification of other potential risks, some of which were beyond QCDA's control, the commercial approach to closure and transition was reviewed and was endorsed by the Risk Committee on 30 June 2010. This promoted the use of a best practice approach to closure and transition whilst recognising the need to continue to deliver the agreed remit in a value for money ethos. The Commercial Team has put in place a plan for closure and transition activities with identified timescales to ensure a professional and compliant closure. The risk appetite and approach was integral to this plan and created a clear framework for the business on tolerance levels. The Commercial Team has developed positive supportive relationships with both the DfE sponsor and commercial teams to ensure agreement on approach. A summary commercial assessment has been undertaken on all programmes/functions for early identification of associated commercial risk to be managed.

5. Safeguarding Assets (including Information Assets) during transition and closure

A potential issue was identified with governance arrangements which were appropriate for a business that was ongoing but did not include clear protocols for closing or transferring work. Therefore an agreed framework and set of business protocols for the transfer of people, contracts and other assets to nominated organisations has been put in place. In support of this key staff have received compliance training to raise awareness of roles and responsibilities in ensuring asset and information management, financial, commercial, legal and governance compliance.



Lin Hinnigan
Acting Chief Executive and Accounting Officer
Qualifications and Curriculum Development Agency

Date: 20 June 2011

Remuneration Report

a) Unaudited information

Remuneration Committee

- 90 The remit of the Remuneration Committee, as described on page 4, was to agree pay and conditions for the Chief Executive with reference to the recommendations of the Senior Salaries Review Body; to agree pay awards, bonuses, benefits, severance packages and pension arrangements for the posts reporting to the Chief Executive; and to maintain oversight of pay and conditions for the next tier of staff.

Members of the Remuneration Committee were:

Mr Mike Beasley (Chair) (from December 2008)
Mr Christopher Trinick (from November 2008)
Ms Lin Hinnigan (Acting Chief Executive) (from April 2010)

Left during the year

Mr Andrew Hall (ex officio) (to March 2010) – left in June 2010
Mr Nick Stuart – left in June 2010
Professor Michael Arthur – left in June 2010

- 91 The Committee met in May 2010 to agree the 2009-10 pay award for staff earning below £21,000 and to approve the 2009-10 bonus for all staff.

Salaries

- 92 In 2010-11 QCDA implemented a pay freeze in line with Government guidelines on public sector pay.
- 93 The salaries paid in relation to senior managers comprised gross salary; performance pay; retention bonus; reserved rights to London weighting; additional housing cost allowances and relocation costs for the period. The performance related bonus paid in 2010-11 relates to performance for 2009-10. Payroll costs for 2010-11 include an allowance for bonuses which will be paid in 2011-12.
- 94 All senior managers are employed on permanent or fixed-term employment contracts, with a notice period of three months. No senior manager is employed on a service contract.
- 95 The annualised salary costs do not include relocation costs.
- 96 Total remuneration, including benefits in kind, paid to senior managers during 2010-11 amounted to £839,490 (2009-10: £1,499,908).

Bonuses

- 97 In 2010-11 the annual performance-related bonus for 2009-10, of up to 15% of basic salary, was paid. Bonus objectives based on team and individual performance were set at the start of the financial year by way of a Performance Agreement between the individual senior manager and QCDA. Objectives reflected performance levels required to achieve QCDA's organisational objectives. Bonuses relating to 2010-11 have been accrued in the year and will be paid in 2011-12.

Benefits in Kind

- 98 The monetary value of benefits in kind covers any benefits provided by QCDA and treated by HM Revenue and Customs as a taxable emolument. Benefits in kind were received by Mick Walker of £11,599 for hotel accommodation and travel expenses (2009-10: £47,546); Andrew Hall £nil (2009-10: £54,689) for the provision of living accommodation and travel expenses.

b) Audited information**Remuneration of the Chief Executive and the Executive**

(Figures in brackets refer to 2009-10):

Name	Annualised salary	Salary paid	Benefits in Kind (to nearest £100)	Real Increase in pension at 60 and related lump sum	Total accrued pension at 60	Total accrued pension at 60 – related lump sums	CETV at 31/03/11	CETV at 31/03/10	Real increase in CETV
	£000 (a)	£000 (b)		£000	£000	£000	£000 (c)	£000 (d)	£000 (e)
Lin Hinnigan Acting Chief Executive from 1 April 2010	125-130 (120– 125)	125-130 (20-25)	(0) (0)	40-45 (10-15)	45-50 (30-35)	135-140 (100-105)	1,002	723	222
Sylvia McNamara Executive Director for Policy Implementation from 1 February 2010	120-125 (120– 125)	120-125 (20-25)	0 (0)	2.5-5 (0-2.5)	2.5-5 (0-2.5)	0 (0)	46	6	36
Mick Walker Executive Director of Education from 1 August 2009	150-155 (125– 130)	130-135 (125-130)	11,600 (47,500)	10-15 (35-40)	50-55 (45-50)	155-160 (140-145)	1,229	1,096	77
Anthony Grimshaw Director of Finance and Central Services from 1 January 2011	80-85	80-85	0	15-20	15-20	55-60	268	198	51
David Gamble Director of Organisational Development from 1 January 2011 and resigned on 31 March 2011	95-100	95-100	0	2.5-5	5-10	25-30	174	142	18

Remuneration of the Chief Executive and the Executive (continued)

(Figures in brackets refer to 2009-10):

Name	Annualised salary	Salary paid	Benefits in Kind (to nearest £100)	Real Increase in pension at 60 and related lump sum	Total accrued pension at 60	Total accrued pension at 60 – related lump sums	CETV at 31/03/11	CETV at 31/03/10	Real increase in CETV
	£000 (a)	£000 (b)		£000	£000	£000	£000 (c)	£000 (d)	£000 (e)
Andrew Hall Chief Executive to 31 March 2010 and left in June 2010	40-45 (185– 190)	40-45 (185-190)	0 (54,700)	0-2.5 (0-2.5)	5-10 (5-10)	0 (0)	117	110	5
Sally Deighan Executive Director for Operational Support from 7 December 2009 to December 2010	75-80 (120– 125)	70-75 (35-40)	0 (0)	0-2.5 (0-2.5)	0-2.5 (0-2.5)	0 (0)	18	10	8
Darryl Nunn Executive Director of Corporate Services from 1 November 2009 and left in December 2010	145-150 (140–145)	145-150 (140-145)	0 (0)	2.5-5 (2.5-5)	10-15 (5-10)	0 (0)	168	119	38

Note 1: Pension information is not provided for members with less than one year's service.

Note 2:

The actuarial factors used to calculate Cash Equivalent Transfer Values (CETVs) were changed in 2010-11. The CETVs at 31/3/10 and 31/3/11 have both been calculated using the new factors, for consistency. The CETV at 31/3/10 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors. Taking account of inflation, the CETV funded by the employer has decreased in real terms.

Civil Service Pensions

- 99 Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (**classic**, **premium** or **classic plus**); or a whole career scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).
- 100 Employee contributions are set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.
- 101 The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).
- 102 The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.
- 103 Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/my-civil-service/pensions/index.aspx>

Cash Equivalent Transfer Values

- 104 A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

Remuneration Report

105 The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

106 This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Remuneration of the Chairman and other Board members

107 The Board consisted of up to 13 members with 11 in post at the start of the year and 9 remaining as at 31 March 2011. A list of the current Board members can be found on page 4. With exception of the Acting Chief Executive (ex officio member), members were appointed for a term of up to three years by the Secretary of State for Education.

The Chairman was the only Board member remunerated for his services:
(Figures in brackets refer to 2009-10):

Name	Annualised salary	Salary paid	Benefits in Kind (to nearest £100)	Real Increase in pension at 60 and related lump sum	Total accrued pension at 60	Total accrued pension at 60 – related lump sums	CETV at 31/03/11	CETV at 31/03/10	Real increase in CETV
	£000 (a)	£000 (b)		£000	£000	£000	£000 (c)	£000 (d)	£000 (e)
Christopher Trinick Chairman	60-65 (65-70)	70-75 (30-35)	5,800 (18,200)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)

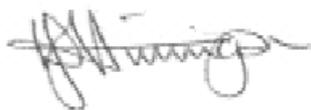
108 Benefits in kind were received by Christopher Trinick in respect of the provision of hotel accommodation and travel.

109 With the exception of the Chairman listed above and the Acting Chief Executive, Board members were reimbursed only for expenses incurred. During the year a total of £4,016 (2009-10: £7,450) was reimbursed.

Related Party Interests.

110 The following Board members and senior staff have listed their interests in organisations that fall under QCDA's normal contracting procedures:

- Christopher Trinick is a non-executive director of Ofsted;
- Mike Beasley is a non-executive director of the Coventry University Enterprises and chairman of the West Midlands Regional Skills Partnership. Mike Beasley's wife is employed by RM Education plc;
- Nick Stuart is Chair of Trustees of NIACE;
- Maurice Smith is the Director of Education for the Manchester Diocese of the Church of England and is contracted to CfBT Education Trust in an advisory capacity;
- John Fairhurst is Head Teacher at Shenfield High School;
- Elizabeth Reid is Chief Executive of the Specialist Schools and Academic Trust;
- Andrew Hall is the Director General of Assessment and Qualifications Alliance;
- Sylvia McNamara's partner is linked to ASPECT and Tribal Education Limited;
- Mick Walker is a member of Chartered Institute of Educational Assessors.



Lin Hinnigan

Accounting Officer
Qualifications and Curriculum Development Agency

Date: 20 June 2011

Certificate and Report of the Comptroller and Auditor General

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements of the Qualifications and Curriculum Development Agency for the year ended 31 March 2011 under the Apprenticeship, Skills, Children and Learning Act 2009. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Apprenticeship, Skills, Children and Learning Act 2009. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Qualifications and Curriculum Development Agency's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Qualifications and Curriculum Development Agency; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

the financial statements give a true and fair view of the state of Qualifications and Curriculum Development Agency's affairs as at 31 March 2011 and of its net expenditure for the year then ended; and

the financial statements have been properly prepared in accordance with the Apprenticeship, Skills, Children and Learning Act 2009 and Secretary of State directions issued thereunder.

Certificate and Report of the Comptroller and Auditor General

EMPHASIS OF MATTER PARAGRAPH REFLECTING GOING CONCERN UNCERTAINTY

In forming my opinion, which is not qualified, I have considered the adequacy of the disclosures made in note 1(n) and note 28 to the financial statements concerning the application of the going concern principle in light of the announcement to abolish the Qualifications and Curriculum Development Agency, which is subject to legislation. This proposal indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Qualifications and Curriculum Development Agency to continue as a going concern. The financial statements do not include the adjustments that would result if the Qualifications and Curriculum Development Agency was unable to continue as a going concern.

Opinion on other matters

In my opinion:

the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under by the Apprenticeship, Skills, Children and Learning Act 2009; and

the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP
Date: 24 June 2011

**Statement of Comprehensive Net Expenditure
for the year ended 31 March 2011**

		2010-11	2010-11	2009-10	2009-10
	Notes	QCDA £000	Group £000	Restated QCDA £000	Restated Group £000
Expenditure					
Staff costs	3a	(32,155)	(32,155)	(43,090)	(43,090)
Depreciation and amortisation	8 & 9	(2,402)	(2,402)	(2,726)	(2,726)
Programme expenditure	4	(49,344)	(49,344)	(92,592)	(92,592)
Other expenditure	5	(14,951)	(16,716)	(25,407)	(27,698)
Relocation and redundancy costs	5	(806)	(806)	(7,941)	(7,941)
		(99,658)	(101,423)	(171,756)	(174,047)
Provisions written back		14,055	14,055	-	-
Total Expenditure		(85,603)	(87,368)	(171,756)	(174,047)
Grant income	24	-	-	465	465
Other income	6	2,232	5,191	1,873	6,362
		2,232	5,191	2,338	6,827
Net expenditure		(83,371)	(82,177)	(169,418)	(167,220)
Interest receivable	6	-	1	37	37
Net expenditure after interest		(83,371)	(82,176)	(169,381)	(167,183)
Net expenditure for the financial year before tax		(83,371)	(82,176)	(169,381)	(167,183)
Taxation	7	-	(334)	-	(615)
Net expenditure for the financial year after tax		(83,371)	(82,510)	(169,381)	(167,798)
Other Comprehensive Expenditure					
		2010-11	2010-11	2009-10	2009-10
	Notes	QCDA £000	Group £000	Restated QCDA £000	Restated Group £000
Net gain/(loss) on revaluation of Property, Plant and Equipment	8	(4)	(4)	12	12
Net gain/(loss) on revaluation of Intangibles	9	-	-	902	902
Net gain/(loss) on revaluation of available for sale financial assets		-	-	-	-
		(4)	(4)	914	914
Total Comprehensive Expenditure for the year ended 31 March 2011		(83,375)	(82,514)	(168,467)	(166,884)

All of the above results derive from continuing operations.

The notes on pages 53 to 80 form part of these accounts.

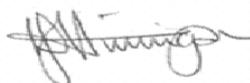
Statement of Financial Position for QCDA

Statement of Financial Position for QCDA

as at 31 March 2011

	Notes	31 March 2011 QCDA £000	31 March 2010 Restated QCDA £000	1 April 2009 Restated QCDA £000
Non-current assets				
Property, plant and equipment	8	3,192	6,039	1,614
Intangible assets	9	3,381	6,038	7,455
Total non-current assets		6,573	12,077	9,069
Current assets				
Trade and other receivables	12	1,755	1,854	3,023
Cash and cash equivalents	13	490	764	1,685
Total current assets		2,245	2,618	4,708
Total assets		8,818	14,695	13,777
Current liabilities				
Trade and other payables	14	(14,589)	(32,141)	(27,412)
Total current liabilities		(14,589)	(32,141)	(27,412)
Non-current assets less net current assets/liabilities		(5,771)	(17,446)	(13,635)
Non-current liabilities				
Provisions	15	(1,500)	(33,117)	(32,795)
Pension liabilities	14	(2,497)	(1,136)	-
Other payables falling due after more than one year	14	(2,467)	(2,667)	(646)
Total non-current liabilities		(6,464)	(36,920)	(33,441)
Assets less liabilities		(12,235)	(54,366)	(47,076)
Reserves				
National Occupational Standards' Development Reserve		22	46	275
General Reserves		(12,257)	(54,412)	(47,351)
		(12,235)	(54,366)	(47,076)

The financial statements on pages 47 to 52 were approved by the Board on 20 June 2011 and were signed on its behalf by:



Lin Hinnigan
Accounting Officer
Qualifications and Curriculum Development Agency

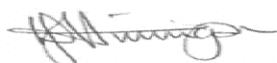
The notes on pages 53 to 80 form part of these accounts.

Statement of Financial Position for the Group

as at 31 March 2011

	Notes	31 March 2011 Group £000	31 March 2010 Restated Group £000	1 April 2009 Restated Group £000
Non-current assets				
Property, plant and equipment	8	3,192	6,039	1,614
Intangible assets	9	3,381	6,038	7,455
Total non-current assets		6,573	12,077	9,069
Current assets				
Inventories	11	30	214	140
Trade and other receivables	12	3,058	3,804	3,321
Cash and cash equivalents	13	3,064	1,961	2,077
Total current assets		6,152	5,979	5,538
Total assets		12,725	18,056	14,607
Current liabilities				
Trade and other payables	14	(15,881)	(33,274)	(28,212)
Corporation tax	14	(141)	(615)	-
Total current liabilities		(16,022)	(33,889)	(28,212)
Non-current assets less net current assets/liabilities		(3,297)	(15,833)	(13,605)
Non-current liabilities				
Provisions	15	(1,500)	(33,117)	(32,795)
Pension liabilities	14	(2,497)	(1,136)	-
Other payables falling due after more than one year	14	(2,467)	(2,667)	(646)
Total non-current liabilities		(6,464)	(36,920)	(33,441)
Assets less liabilities		(9,761)	(52,753)	(47,046)
Reserves				
National Occupational Standards' Development Reserve		22	46	275
General Reserves		(9,783)	(52,799)	(47,321)
		(9,761)	(52,753)	(47,046)

The financial statements on pages 47 to 52 were approved by the Board on 20 June 2011 and were signed on its behalf by:



Lin Hinnigan
Accounting Officer
Qualifications and Curriculum Development Agency

The notes on pages 53 to 80 form part of these accounts

Statement of Cash Flows

Statement of Cash Flows

for the year ended 31 March 2011

		2011	2011	2010	2010
	Notes	QCDA £000	Group £000	Restated QCDA £000	Restated Group £000
Cash flows from operating activities					
Net expenditure after interest		(83,371)	(82,176)	(169,381)	(167,183)
Corporation tax paid in year		-	(808)	-	-
Adjustments for depreciation and amortisation	8 & 9	2,402	2,402	2,726	2,726
Impairments on property, plant and equipment	8 & 9	2,239	2,239	-	-
Loss on disposal of property plant and equipment	8 & 9	859	859	75	75
Decrease / (increase) in trade and other receivables	12	99	746	1,169	(483)
Decrease / (increase) in inventories	11	-	184	-	(74)
(Decrease) / increase in trade payables (excluding Corporation tax)	14	(17,552)	(17,393)	4,729	5,062
Increase in long term payables	14	1,161	1,161	3,157	3,157
Use of provisions	15	(31,617)	(31,617)	322	322
Net cash outflow from operating activities		(125,780)	(124,403)	(157,203)	(156,398)
Cash flows from investing activities					
Purchase of property, plant and equipment	8	-	-	(6,191)	(6,191)
Purchase of intangible assets	9	-	-	1,296	1,296
Proceeds of disposal of property, plant and equipment	8	-	-	-	-
Net cash outflow from investing activities		-	-	(4,895)	(4,895)
Cash flows from financing activities					
Grants from parent department		128,000	128,000	179,886	179,886
Cash transfer to UKCES		(24)	(24)	(269)	(269)
Cash outflow to settle Ofqual balances		(2,470)	(2,470)	(18,440)	(18,440)
Net financing		125,506	125,506	161,177	161,177
Total		(274)	1,103	(921)	(116)
Net (decrease) / increase in cash and cash equivalents in the year		(274)	1,103	(921)	(116)
Cash and cash equivalents at the beginning of the year	13	764	1,961	1,685	2,077
Cash and cash equivalents at the end of the year	13	490	3,064	764	1,961

The notes on pages 53 to 80 form part of these accounts.

Statement of Changes in Taxpayers' Equity for QCDA

for the year ended 31 March 2011

	Restated General Reserve QCDA £000	National Occupational Standards' Development Reserves QCDA £000	Restated Total Reserves QCDA £000
Balances at 1 April 2008	(44,475)	15,204	(29,271)
Changes in reserves 2008-09			
Net loss on revaluation of property, plant and equipment	(3)	-	(3)
Net expenditure for the financial year	(134,761)	849	(133,912)
Grant-in-aid from Parent - Capital	4,854	-	4,854
- Revenue	139,036	-	139,036
Cash transferred to UKCES	-	(15,778)	(15,778)
MOG adjustment - Ofqual	(12,002)	-	(12,002)
Balance at 31 March 2009	(47,351)	275	(47,076)
Changes in reserves 2009-10			
Net gain on revaluation of property, plant and equipment	12	-	12
Net gain on revaluation of intangible assets	902	-	902
Net expenditure for the financial year	(169,421)	40	(169,381)
Grant-in-aid from Parent - Capital	7,207	-	7,207
- Revenue	172,679	-	172,679
Cash transferred to UKCES	-	(269)	(269)
MOG adjustment - Ofqual	(18,440)	-	(18,440)
Balance at 31 March 2010	(54,412)	46	(54,366)
Changes in reserves 2010-11			
Net loss on on revaluation of property, plant and equipment	(4)	-	(4)
Net expenditure for the financial year	(83,371)	-	(83,371)
Grant-in-aid from Parent - Capital	-	-	-
- Revenue	128,000	-	128,000
Cash transferred to UKCES	-	(24)	(24)
Cash outflow to settle Ofqual balances	(2,470)	-	(2,470)
Balance at 31 March 2011	(12,257)	22	(12,235)

National Occupational Standards' Development Levy

A Statutory Instrument was laid before Parliament on 8 April 2008 to abolish the National Vocational Qualifications (NVQ) levy. QCA was required to transfer responsibility for National Occupational Standards Development to the UK Commission for Employment and Skills (UKCES) as at 30 September 2008. The balance at 31 March 2011 represents funds due to UKCES.

The notes on pages 53 to 80 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the Group

for the year ended 31 March 2011

	Restated General Reserve Group £000	National Occupational Standards' Development Reserves Group £000	Restated Total Reserves Group £000
Balances at 1 April 2008	(44,445)	15,204	(29,241)
Changes in reserves 2008-09			
Net gain on revaluation of property, plant and equipment	(3)	-	(3)
Net expenditure for the financial year	(134,761)	849	(133,912)
Grant-in-aid from Parent - Capital	4,854	-	4,854
- Revenue	139,036	-	139,036
Cash transferred to UKCES	-	(15,778)	(15,778)
MOG adjustment - Ofqual	(12,002)	-	(12,002)
Balance at 31 March 2009	(47,321)	275	(47,046)
Changes in reserves 2009-10			
Net gain on revaluation of property, plant and equipment	12	-	12
Net gain on revaluation of intangible assets	902	-	902
Net expenditure for the financial year	(167,838)	40	(167,798)
Grant-in-aid from Parent - Capital	7,207	-	7,207
- Revenue	172,679	-	172,679
Cash transferred to UKCES	-	(269)	(269)
MOG adjustment - Ofqual	(18,440)	-	(18,440)
Balance at 31 March 2010	(52,799)	46	(52,753)
Changes in reserves 2010-11			
Net gain on revaluation of property, plant and equipment	(4)	-	(4)
Net expenditure for the financial year	(82,510)	-	(82,510)
Grant-in-aid from Parent - Capital	-	-	-
- Revenue	128,000	-	128,000
Cash transferred to UKCES	-	(24)	(24)
Cash outflow to settle Ofqual balances	(2,470)	-	(2,470)
Balance at 31 March 2011	(9,783)	22	(9,761)

National Occupational Standards' Development Levy

A Statutory Instrument was laid before Parliament on 8 April 2008 to abolish the National Vocational Qualifications (NVQ) levy. QCA was required to transfer responsibility for National Occupational Standards Development to the UK Commission for Employment and Skills (UKCES) as at 30 September 2008. The balance at 31 March 2011 represents funds due to UKCES.

The notes on pages 53 to 80 form part of these accounts.

NOTES TO THE ACCOUNTS**1 STATEMENT OF ACCOUNTING POLICIES**

The Qualifications and Curriculum Development Agency (QCDA) is a statutory body set up under The Apprenticeships Skills, Children and Learning Act 2009. These financial statements have been prepared in accordance with the 2010-11 Government Financial Reporting Manual (FReM) issued by HM Treasury and in accordance with the Accounts Direction issued by the Secretary of State for the Department of Education on 1 October 2008. The accounting policies contained in the FReM apply international Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy the accounting policy which is judged to be most appropriate to the particular circumstances of QCDA for the purpose of giving a true and fair view, has been selected. The particular policies adopted by the QCDA are described below. They have been applied consistently in dealing with items that are considered to be material to the accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

a) Subsidiary undertaking

QCDA Enterprises Limited is a wholly owned subsidiary of QCDA. Its principal activity is the sale of QCDA publications and products. The consolidated accounts include the operating results of QCDA Enterprises Limited, on an acquisition accounting basis. The accounts for the subsidiary have been prepared on a non-going concern basis. In February 2011, the Board for QCDA Enterprises Limited decided to cease trading by the autumn of 2011 transferring trading activities where possible.

b) Income**Grant-in-Aid from the Department for Education**

All Grant-in-Aid (GIA) from the Department for Education has been treated as financing. It is a contribution from a controlling party used to finance activities and expenditure which support the statutory and other objectives of QCDA. It is recorded as financing in the cash flow statement and credited to General Reserves. No Capital grant was received in 2010-11.

Other income

Income is accounted for on an accruals basis.

The turnover of QCDA Enterprises Limited is stated net of value added tax and trade discounts.

c) Expenditure

Expenditure is accounted for in the period to which it relates. Expenditure is stated net of recoverable VAT. Where VAT is irrecoverable expenditure is stated gross.

d) Non-current assets

(i) Property, plant and equipment

Expenditure on the acquisition of property, plant and equipment is capitalised at cost where the cost for an individual asset is in excess of £1,000. Certain items whose collective cost exceeded the capitalisation threshold (£1,000) have been included in the property, plant and equipment register as grouped assets.

Property, plant and equipment are carried at fair value and depreciated historic cost is used as a proxy for current value for all classes of assets listed below on the basis that the assets have short useful lives and low values. Assets are revalued annually using relevant indices provided by the Office for National Statistics. Where an asset's value is increased as a result of revaluation, the increase is credited to General Reserves. Where an asset is impaired as a result of downward revaluation the charge is taken to the Statement of Comprehensive Net Expenditure.

Depreciation is provided on a straight-line basis so as to write off the cost over their useful economic lives. These have been estimated as follows:

Leasehold fixtures & fittings	length of lease
Refurbishment	length of lease
Furniture	7 years
Office equipment	4 years
Motor vehicles	4 years
Information technology	3 years

A full year's depreciation charge is provided for in the year of acquisition and none in the year of disposal.

(ii) Intangible assets

Intangible assets comprises of a) development expenditure of the Diploma Aggregation Service (DAS) that was generated internally and b) purchased software licences. Development expenditure and software licences are carried at fair value and amortised historic cost is used as a proxy for current value for these classes of assets listed below on the basis that the assets have short useful lives and low values. Assets are revalued annually using relevant indices provided by the Office for National Statistics. Where an asset's value is increased as a result of revaluation, the increase is credited to General Reserves. Where an asset is impaired as a result of downward revaluation the charge is taken to the Statement of Comprehensive Net Expenditure.

Amortisation is provided on a straight-line basis so as to write off the cost over their useful economic lives. These have been estimated as follows:

Software licences	3 years
Development expenditure	7 years

A full year's amortisation charge is provided for in the year of acquisition and none in the year of disposal.

e) Impairment

IAS 36 and chapter 8 of the FReM requires that where there has been an impairment reflecting a permanent diminution in the value of an asset as a result of a clear consumption of economic benefit or service potential, the reduction in value is reflected in the Statement of Comprehensive Net Expenditure.

f) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first in first out (FIFO) basis. Net realisable value is the amount that can be realised from the sale of the inventory in the normal course of business after allowing for the costs of realisation.

An allowance is recorded for obsolescence. In arriving at the valuation of stock at 31 March 2011, the Directors of QCDA Enterprises Limited have considered potential future sales up to the cessation of trading. It is estimated that stock costing £30,000 will be used to generate sales in 2011-12.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, call and current balances with banks, which are readily convertible to known amounts of cash and which are subject to insignificant risk changes. This definition is also used for Cash Flow statement.

h) Taxation

Taxation on the profit or loss for the year comprises current and deferred tax in respect of the wholly owned subsidiary, QCDA Enterprises Limited. Taxation is recognised in the Statement of Comprehensive Net Expenditure.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted as at the Statement of Financial Position date and any adjustment to tax payable in respect of previous years.

i) Value Added Tax

QCDA and QCDA Enterprises Limited are registered as a group for the purposes of Value Added Tax, registration no. 706 7645 21.

j) Provisions

Provisions are recognised where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can reasonably be estimated. Provisions are recorded for the estimated ultimate liability that is expected to arise, taking into account the time value of money. A contingent liability is disclosed where the existence of the obligations will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable certainty.

k) Notional costs

Until 31 March 2010 QCDA was required per the FReM (Chapter 11) to charge a notional cost of capital to the Statement of Comprehensive Net Expenditure. This requirement has been removed for 2010-11 and future years. No charge has been made in 2010-11. As this is a change in accounting policy, the prior period comparatives have been restated and there is no effect on the Statement of Financial Position.

l) Foreign currency transactions

QCDA has dealings in Euros, and holds a Euro account to hedge against significant fluctuations in exchange rates. Transactions denominated in foreign currencies are translated into their sterling equivalent at the rate ruling on the transaction date. At the Statement of Financial Position date, monetary assets and liabilities denominated in a foreign currency are translated by using the rate of exchange ruling at that date.

m) Liquid resources

IAS 32 (Financial Instruments and Derivatives) requires organisations to disclose information on the possible impact of financial instruments on its risk profile, and how these risks might affect the organisation's performance and financial condition. As an NDPB funded by the Department and BIS, QCDA can confirm that it is not exposed to any liquidity or interest rate risks.

n) Going concern

On 27 May 2010 Rt. Hon Michael Gove MP, the Secretary of State for the Department for Education, wrote to Christopher Trinick DL, Chair of QCDA, confirming that the Government propose to introduce legislation to abolish the QCDA. The remit and funding for QCDA remained in place for 2010-11 in order to cover those continuing activities, to manage the transition of non-continuing activities and to maintain non-continuing statutory activities until new legislation is in place. Remit and funding continues on a similar basis for 2011-12.

Management note that legislation is required to be passed before QCDA can be abolished and statutory responsibilities ceased or transferred. Any such legislation, if passed, is unlikely to receive royal assent before July 2011. In the interim period, Management are satisfied that sufficient funding is in place to enable QCDA to continue trading and meet its obligations as they fall due.

Given the announced intentions of the Government and the lack of clarity regarding the implications of the abolition of the QCDA, Management have concluded that there exists a material uncertainty that casts significant doubt upon QCDA's ability to continue as a going concern. In such circumstances QCDA may be unable to continue realising its assets and discharging its liabilities in the normal course of business. Nevertheless after making enquiries, and considering the circumstances described above, together with the outcome of their discussions with the Department for Education, Management have a reasonable expectation that QCDA will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The accounts do not include the adjustments which would result if QCDA were unable to continue as a going concern.

o) Statement of Cashflows

The revised IAS7 and chapter 5 of the FReM, require that only expenditure which results in the recognition of an asset (rather than simply to generate future income and cash flows) should be classified as a cash flow from investing activities. QCDA has applied the revised IAS7 with effect from 1 April 2010. The impact is not significant.

p) Machinery of Government Changes

With effect from 1 April 2010 Ofqual and QCDA demerged from QCA. The demerger has been treated in accordance with the requirements for financial reporting under Machinery of Government Changes, IFRS3 and chapter 4 of the FReM. Where functions are transferred between Government Departments as a result of demerger, the results and cash flows for the comparative accounting period of the remaining entity, QCDA, are restated to remove the separating body.

Ofqual's strategic priorities are regulating qualifications, examination and National Curriculum Assessments.

q) Employee Benefits

IAS 19 prescribes the accounting and disclosure for employee benefits, short-term benefits such as salaries and wages, post-employment benefits that result from employment and termination benefits.

In accordance with IAS 19, QCDA recognises the cost of providing employee benefits in the period in which the benefit is earned by the employee, rather than when it is paid or payable.

The costs of bonuses earned in 2010-11, payable in 2011-12, have been accrued.

Provision has been made for employee benefits where QCDA has committed irrevocably to a formal plan for the termination of an individual or groups of employees.

r) IFRS issued but not yet effective

In line with the requirements of IAS 8, QCDA has identified the following IFRS issued which may have an impact on the accounts but have not been applied as they are not yet effective.

IFRS 9 Financial Instruments

The classification of financial assets under IFRS 9 will be on the basis of the entity's business model for the management and contractual cash flow characteristics. The effective date is 1 January 2013. The impact of application is uncertain as additional instalments covering financial liabilities and impairment methodology have not yet been published.

IAS 24 Related Party Disclosures

The revised IAS 24 simplifies and clarifies the definition of a related party and there is partial exemption from disclosure of transactions and outstanding balances. The effective date is 1 January 2011. QCDA intends to apply the revised IAS 24 in the financial year to 31 March 2012 however the impact is not likely to be significant. Some transactions and outstanding balances may become exempt from disclosure.

IAS 17 Leases

The revised IAS 17 requires leases including both land and buildings to be separately assessed, with the land treated as a finance lease, even if title is not expected to pass to the lessee. Unexpired leases should be reassessed and accounted for retrospectively. The effective date is 1 January 2010. Whilst QCDA has applied the revised IAS 17 in the financial year ending 31 March 2011, it has not had a significant impact on the accounts.

2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

QCDA has adopted IFRS 8 Operating Segment as revised in April 2009 (chapter 5 of the FReM). The amendment clarifies that segmental information for total assets is required only if such amounts are regularly reported to the Chief Operating Decision Maker.

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate the resources to the segment and to assess its performance.

QCDA reports segmental information based on the principal Performance Areas. The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1.

The following table presents gross expenditure, income and net expenditure regarding the Group's operating segments for the year ended 31 March 2011 based on management information produced in accordance with IFRS 8.

All activities are undertaken in the UK.

	2010-11			2009-10
	Gross	Income	Net	Restated
	Expenditure		Expenditure	Net
	£000	£000	£000	£000
QCDA				
Operations	71,626	(601)	71,025	114,807
Corporate Services	13,977	(1,631)	12,346	54,651
National Occupational Standards'	-	-	-	(40)
QCDA Total (agrees to SoCNE)	85,603	(2,232)	83,371	169,418
Capital expenditure	-	-	-	4,895
QCDA Segmental Total	85,603	(2,232)	83,371	174,313
Group				
Operations	85,603	(2,232)	83,371	169,418
Corporate Services	(883)	883	-	-
National Occupational Standards'	2,648	(3,842)	(1,194)	(2,198)
Group Total (agrees to SoCNE)	87,368	(5,191)	82,177	167,220
Capital expenditure	-	-	-	4,895
Group Segmental Total	87,368	(5,191)	82,177	172,115

The restated balances include an adjustment for the transfer of functions from QCA to Ofqual. The expenditure for Ofqual when part of QCA did not include the following items however these have been incorporated into Ofqual's Statement of Comprehensive Net Expenditure:

- Depreciation for Property, plant and equipment assets
- Charges for accommodation related expenditure
- Additional costs for the supply of goods and services.

3 STAFF NUMBERS AND RELATED COSTS

3a) Staff costs comprise

	2010-11	2009-10
	QCDA	Restated
	£000	QCDA
	£000	£000
Wages and salaries	20,794	26,372
Social security costs	1,861	2,515
Pension costs	3,810	4,703
Agency/contract staff and secondment costs	5,652	9,591
Sub total	32,117	43,181
Plus / (less) recoveries in respect of outward secondments	38	(91)
Total net costs	32,155	43,090

QCDA Enterprises Limited had no employees during the period.

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. QCDA is unable to identify its share of the underlying assets and liabilities. The scheme's Actuary valued the scheme as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2010-11, employers' contributions of £4,425,348 were payable to the PCSPS (2009-10: £5,748,473) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands (the rates in 2009-10 were between 17.1% and 25.5%). The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2010-11 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, i.e. a stakeholder pension with an employer contribution. Employer contributions of £68,832 (2009-10: £73,320), were paid to a panel of four appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £493 (2009-10: £540), 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the statement of financial position date were £nil (2009-10: £4,796). Contributions prepaid at that date were £nil (2009-10: £nil).

3b) Average number of persons employed

				2010-11	2009-10
				Total	Restated
	Staff	Senior Staff	Agency	QCDA	QCDA
	Number	Number	Number	Number	Number
Operations	234	-	13	247	497
Corporate	173	7	43	223	173
	407	7	56	470	670

QCDA Enterprises Limited had no employees during the period.

**3.1 REPORTING OF CIVIL SERVICE AND OTHER COMPENSATION SCHEMES
- EXIT PACKAGES**

1	Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
2	< 10,000	-	19	19
3	£10,000 - £25,000	-	29	29
4	£25,000 - £50,000	-	42	42
5	£50,000 - £100,000	-	35	35
6	£100,000 - £150,000	-	7	7
7	£150,000 - £200,000	-	-	-
8	> £200,000	-	4	4
9	Total number of exit packages by type	-	136	136
10	Total resource cost / £	-	6,370,446	6,370,446

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the DfE has agreed early retirements, the additional costs are met by the DfE and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme (PCSPS) and are not included in the table.

4 ANALYSIS OF COSTS BY PROGRAMME

QCDA's statutory responsibilities for Curriculum, Qualifications and Assessment for the year to 31 March 2011 was the basis for the Chief Executive's Performance Agreement:

	2010-11	2009-10
		Restated
	QCDA	QCDA
	£000	£000
Curriculum	315	6,029
Qualifications	3,882	16,866
Assessment	40,356	60,091
Corporate support	4,791	9,606
Total QCDA Programmes	49,344	92,592

Included in the above charges are consultancy fees totalling £6,777,326 (2009-10: £22,488,000).

The reduction in expenditure on the programmes reflects the winding down of activity following the notice of closure in May 2010.

5 OTHER EXPENDITURE

QCDA	2010-11	2009-10
	QCDA	Restated
	£000	QCDA
		£000
Running Costs	8,058	11,763
Rentals under operating leases	7,915	6,962
Professional services and training	656	2,605
Travel and subsistence	887	2,417
Other accommodation costs	2,097	1,339
Other charges	10	112
External audit fees	59	46
Authority expenses	13	10
<u>Non-cash items</u>		
Rent provision utilised	(7,847)	-
Impairment on property, plant and equipment	790	-
Impairment on intangible assets	1,449	-
Loss on disposal of property, plant and equipment	859	75
Loss on foreign currency	5	3
Unwinding of discount on provisions & pensions	-	75
	14,951	25,407
Relocation and redundancy costs (not included above)	806	7,941

5 OTHER EXPENDITURE (continued)

Group	2010-11	2009-10
	Group	Restated
	£000	Group
		£000
Running Costs	8,058	11,763
Rentals under operating leases	7,915	6,962
Professional services and training	684	2,629
Travel and subsistence	887	2,417
Other accommodation costs	2,097	1,339
Other charges	1,733	2,362
External audit fees	73	63
Authority expenses	13	10
<u>Non-cash items</u>		
Rent provision utilised	(7,847)	-
Impairment on property, plant and equipment	790	-
Impairment on intangible assets	1,449	-
Loss on disposal of property, plant and equipment	859	75
Loss on foreign currency	5	3
Unwinding of discount on provisions & pensions	-	75
	16,716	27,698
	806	7,941
Relocation and redundancy costs (not included above)		

External audit fees for QCDA only, amounting to £59,000 including £6,000 in respect of audit work undertaken for Machinery of Government Changes, with the Group showing £73,000 which included £14,000 for QCDA Enterprises Limited. Differences between the actual fees for the year and the amount shown in the above note are due to accruals adjustments. The external auditors of QCDA Enterprises Limited received £3,312 for taxation services. (2009-10: £1,763).

Professional services and training of £684,423.86 includes legal costs of £46,962 (2009-10: £1,933,935).

The year on year decrease in running costs relates to relocation.

6 OTHER INCOME

QCDA	2010-11	2009-10
		Restated
	QCDA	QCDA
	£000	£000
NVQ/SVQ certification income	-	41
Qualifications, Curriculum and Assessment Authority for Wales	47	97
Northern Ireland Council for the Curriculum Examinations and Assessment	34	130
Contract Income	72	85
Other Income	641	679
Rent and Service Charge Receivable	911	315
Management and support services recharge to QCDA Enterprises Limited	527	526
	2,232	1,873
Interest receivable (not included above)	-	37

Group	2010-11	2009-10
		Restated
Group	Group	Group
	£000	£000
NVQ/SVQ certification income	-	41
Qualifications, Curriculum and Assessment Authority for Wales	47	97
Northern Ireland Council for the Curriculum Examinations and Assessment	34	130
Contract Income	72	85
Other Income	285	464
Rent and Service Charge Receivable	911	315
QCDA Enterprises Limited gross turnover	3,842	5,230
	5,191	6,362
Interest receivable (not included above)	1	37

6 a) Trading Activities

QCDA Enterprises Limited is a wholly owned trading subsidiary of QCDA selling QCDA publications and products.

QCDA Enterprises Limited acts as a trading vehicle for QCDA and during the year continued to sell educational materials, and to license the use of intellectual property arising from QCDA activities. The surplus for the year exceeded the target established within the annual operating plan.

Group	2010-11	2009-10
	Group	Group
	£000	£000
Income (including interest receivable)	3,842	5,231
Costs	(2,648)	(3,033)
Surplus before taxation	1,194	2,198
Taxation	(334)	(615)
Surplus after taxation	860	1,583

This analysis conforms to HM Treasury's Fees and Charges Guide and is not intended to comply with IFRS 8 Segment Reporting.

7 TAXATION

Group	2010-11	2009-10
	Group	Group
	£000	£000
Reconciliation of effective tax rate		
Trading profit for the year subject to tax	1,194	2,198
Total tax expense	334	615
Recognised in the Statement of Comprehensive Net Expenditure		
Current tax expense - Current year	334	615
	334	615

Tax using the UK Corporation Tax rate of 28%.

8 PROPERTY PLANT AND EQUIPMENT for QCDA and Group

	Fixtures and Fittings	Refurbishment	Information Technology	Total
	£000	£000	£000	£000
Cost or valuation				
As at 1 April 2010	5,460	4,754	4,459	14,673
Additions	-	-	-	-
Disposals	(1,606)	(4,754)	-	(6,360)
Impairments	-	-	-	-
Revaluations	(1)	-	(7)	(8)
As at 31 March 2011	3,853	-	4,452	8,305
Depreciation				
As at 1 April 2010	(1,915)	(3,921)	(2,798)	(8,634)
Charged in year	(326)	-	(868)	(1,194)
Disposals	1,580	3,921	-	5,501
Impairments	-	-	(790)	(790)
Revaluation	-	-	4	4
As at 31 March 2011	(661)	-	(4,452)	(5,113)
Net book value				
As at 31 March 2011	3,192	-	-	3,192
As at 31 March 2010	3,545	833	1,661	6,039
Asset financing:				
Owned	3,192	-	-	3,192
Net book value at 31 March 2011	3,192	-	-	3,192

QCDA Enterprises Limited held no non-current assets during the year.

8 PROPERTY PLANT AND EQUIPMENT for QCDA and Group (continued)

	Restated Fixtures and Fittings £000	Restated Refurbishment £000	Restated Information Technology £000	Restated Total £000
Cost or valuation				
As at 1 April 2009	1,672	4,882	2,134	8,688
Additions	3,820	-	2,371	6,191
Disposals	(32)	(128)	(83)	(243)
Revaluations	-	-	37	37
As at 31 March 2010	5,460	4,754	4,459	14,673
Depreciation				
As at 1 April 2009	(1,599)	(3,600)	(1,875)	(7,074)
Charged in year	(345)	(408)	(950)	(1,703)
Disposals	29	87	52	168
Revaluation	-	-	(25)	(25)
As at 31 March 2010	(1,915)	(3,921)	(2,798)	(8,634)
Net book value				
As at 31 March 2010	3,545	833	1,661	6,039
As at 31 March 2009	73	1,282	259	1,614
Asset financing:				
Owned	3,545	833	1,661	6,039
Net book value at 31 March 2010	3,545	833	1,661	6,039

QCDA Enterprises Limited held no non-current assets during the year.

8 PROPERTY PLANT AND EQUIPMENT for QCDA and Group (continued)

	Restated Fixtures and Fittings £000	Restated Refurbishment £000	Restated Information Technology £000	Restated Total £000
Cost or valuation				
As at 1 April 2008	1,813	4,830	3,363	10,006
Additions	36	52	257	345
Disposals	(177)	-	(1,477)	(1,654)
Revaluations	-	-	(9)	(9)
As at 31 March 2009	1,672	4,882	2,134	8,688
Depreciation				
As at 1 April 2008	(1,743)	(3,177)	(3,115)	(8,035)
Charged in year	(33)	(423)	(243)	(699)
Disposals	177	-	1,477	1,654
Revaluation	-	-	6	6
As at 31 March 2009	(1,599)	(3,600)	(1,875)	(7,074)
Net book value				
As at 31 March 2009	73	1,282	259	1,614
As at 31 March 2008	70	1,653	248	1,971
Asset financing:				
Owned	73	1,282	259	1,614
Net book value at 31 March 2009	73	1,282	259	1,614

With effect from 1 April 2010 Ofqual and QCDA demerged from QCA. QCA has donated Property, plant and equipment to Ofqual as at 1 April 2010 with a net book value of £189,000.

QCDA Enterprises Limited held no non-current assets during the year.

9 INTANGIBLE ASSETS for QCDA and Group

	Development Expenditure £000	Software Licences £000	Total £000
Cost or valuation			
At 1 April 2010	8,454	465	8,919
Additions	-	-	-
Impairments	-	-	-
At 31 March 2011	8,454	465	8,919
Amortisation			
At 1 April 2010	(2,416)	(465)	(2,881)
Charge in year	(1,208)	-	(1,208)
Impairments	(1,449)	-	(1,449)
At 31 March 2011	(5,073)	(465)	(5,538)
Net book value			
Net book value at 31 March 2011	3,381	-	3,381
Net book value at 31 March 2010	6,038	-	6,038
Restated figures			
	Development Expenditure £000	Restated Software Licences £000	Restated Total £000
Cost or valuation			
At 1 April 2009	8,697	465	9,162
VAT adjustment	(1,296)	-	(1,296)
Additions	-	-	-
Revaluations	1,053	-	1,053
At 31 March 2010	8,454	465	8,919
Amortisation			
At 1 April 2009	(1,242)	(465)	(1,707)
VAT adjustment	185	-	185
Charge in year	(1,208)	-	(1,208)
Revaluations	(151)	-	(151)
At 31 March 2010	(2,416)	(465)	(2,881)
Net book value			
Net book value at 31 March 2010	6,038	-	6,038
Net book value at 31 March 2009	7,455	-	7,455

QCDA Enterprises Limited held no non-current assets during the year.

9 INTANGIBLE ASSETS for QCDA and Group (continued)

	Development Expenditure	Restated Software Licences	Restated Total
	£000	£000	£000
Cost or valuation			
At 1 April 2008	4,238	494	4,732
Additions	4,459	-	4,459
Disposals	-	(29)	(29)
At 31 March 2009	8,697	465	9,162
Amortisation			
At 1 April 2008	-	(492)	(492)
Charge in year	(1,242)	(2)	(1,244)
Disposals	-	29	29
At 31 March 2009	(1,242)	(465)	(1,707)
Net book value			
Net book value at 31 March 2009	7,455	-	7,455
Net book value at 31 March 2008	4,238	2	4,240

With effect from 1 April 2010 Ofqual and QCDA demerged. QCA has donated Intangible Assets to Ofqual as at 1 April 2010 with a net book value of £814,000.

QCDA Enterprises Limited held no non-current assets during the year.

10 FINANCIAL INSTRUMENTS

As the cash requirements of QCDA are almost wholly funded through Grant-in-Aid provided by the DfE, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with QCDA's expected purchase and usage requirements and the organisation is therefore exposed to little credit, liquidity or market risk.

11 INVENTORIES

	31 March 2011	31 March 2010	1 April 2009
	Group	Group	Group
	£000	£000	£000
Inventories - held by QCDA Enterprises Limited	30	214	140
	30	214	140

12 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

QCDA	31 March	31 March	1 April
	2011	2010	2009
	QCDA	Restated QCDA	Restated QCDA
	£000	£000	£000
Amounts falling due within one year			
Trade receivables	102	434	449
Amount receivable from subsidiary undertaking	602	111	1,857
Other receivables	270	43	170
VAT	312	367	-
Prepayments and accrued income	469	899	547
Total	1,755	1,854	3,023

Group	31 March	31 March	1 April
	2011	2010	2009
	Group	Restated Group	Restated Group
	£000	£000	£000
Amounts falling due within one year			
Trade receivables	1,798	2,005	2,176
Other receivables	271	45	322
VAT	454	594	-
Prepayments and accrued income	535	1,160	823
Total	3,058	3,804	3,321

As at 31 March 2010, nil (2009-10: 3) members of staff had loans outstanding in excess of £2,500. The total value of these loans was £7,890 (2009-10: £8,472).

No interest is charged on receivables. The carrying amount of trade and other receivables approximates their fair values.

Trade receivables include amounts provided for doubtful debts in respect of all transactions outstanding more than 90 days. Full provision is made for all such debts and amount to £12,489 for QCDA and £25,224 for the Group (2009-10: £87,410 QCDA and £135,086 Group).

12 TRADE RECEIVABLES AND OTHER CURRENT ASSETS (continued)

As at 31 March 2011, 5 balances (2009-10: 9) were outstanding with other government bodies:

QCDA	31 March	31 March	1 April
	2011	2010	2009
		Restated	Restated
	QCDA	QCDA	QCDA
	£000	£000	£000
Other central government bodies	377	213	36
Local authorities	130	-	7
Balances with bodies external to the government	1,248	1,641	2,980
Total	1,755	1,854	3,023

Group	31 March	31 March	1 April
	2011	2010	2009
		Restated	Restated
	Group	Group	Group
	£000	£000	£000
Other central government bodies	519	213	36
Local authorities	1,759	-	7
Balances with bodies external to the government	780	3,591	3,278
Total	3,058	3,804	3,321

13 CASH AND CASH EQUIVALENTS

QCDA	31 March	31 March	1 April
	2011	2010	2009
		Restated	Restated
	QCDA	QCDA	QCDA
	£000	£000	£000
Balance at 1 April	764	1,685	15,936
Net change in cash and cash equivalent balances	(274)	(921)	(14,251)
Balance at 31 March	490	764	1,685

The following balances at 31 March were held at:
Office of Paymaster General and Government Banking Service

Office of Paymaster General and Government Banking Service	462	755	1410
Commercial banks and cash in hand	8	8	1
National Occupational Standards' Development	20	1	274
Balance at 31 March	490	764	1,685

Notes to the Accounts

13 CASH AND CASH EQUIVALENTS (continued)

Group	31 March	31 March	1 April
	2011	2010	2009
	Group	Restated Group	Restated Group
	£000	£000	£000
Balance at 1 April	1,961	2,077	16,098
Net change in cash and cash equivalent balances	1,103	(116)	(14,021)
Balance at 31 March	3,064	1,961	2,077

The following balances at 31 March were held at:
Office of Paymaster General and Government Banking
Service

Office of Paymaster General and Government Banking Service	462	755	1,410
Commercial banks and cash in hand	2,582	1,205	393
National Occupational Standards' Development	20	1	274
Balance at 31 March	3,064	1,961	2,077

QCDA has a separate bank account for National Occupational Standards' Development.

14 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

QCDA	31 March	31 March	1 April
	2011	2010	2009
	QCDA	Restated QCDA	Restated QCDA
	£000	£000	£000
Amounts falling due within one year			
VAT	-	-	240
Other taxation and social security	-	860	700
Trade payables	5,839	21,805	11,980
Other payables	991	-	-
Accruals and deferred income	7,031	8,882	14,098
Pension liabilities (Annual compensation payments)	728	594	394
	14,589	32,141	27,412
Amounts falling due after more than one year			
Pension liabilities (Annual compensation payments)	2,497	1,136	-
Deferred income	2,467	2,667	646
	4,964	3,803	646
Total Trade Payables and Other Current Liabilities	19,553	35,944	28,058

14 TRADE PAYABLES AND OTHER CURRENT LIABILITIES (continued)

Group	31 March 2011	31 March 2010	1 April 2009
		Restated	Restated
	Group	Group	Group
	£000	£000	£000
Amounts falling due within one year			
VAT	-	-	240
Other taxation and social security	-	860	700
Trade payables	6,799	22,897	12,738
Other payables	999	41	42
Accruals and deferred income	7,355	8,882	14,098
Pension liabilities (Annual compensation payments)	728	594	394
	15,881	33,274	28,212
Amounts falling due after more than one year			
Pension liabilities (Annual compensation payments)	2,497	1,136	-
Deferred income	2,467	2,667	646
	4,964	3,803	646
Total Trade Payables and Other Current Liabilities	20,845	37,077	28,858
Corporation Tax Creditor (not included above)	141	615	-
Total Trade Payables and Other Current Liabilities (including Corporation Tax)	20,986	37,692	28,858

Trade payables and other payables comprise of amounts outstanding for goods and services purchased and ongoing costs. The carrying amount of trade payables approximates their fair value.

Accruals and deferred income includes deferred income in the amount of £2,616,667 in respect of a contribution received from the landlord/developer of the property at Earlsdon Park against the lease costs. £200,000 was released to the Statement of Comprehensive Net Expenditure account in the current year, as an offset against total rental costs. The remainder has been deferred and is being released over the 14 year period of the lease.

14 TRADE PAYABLES AND OTHER CURRENT LIABILITIES (continued)

As at 31 March 2011, 10 balances (2009-10: 60) were outstanding with other government bodies:

QCDA	31 March 2011	31 March 2010	1 April 2009
	QCDA £000	Restated QCDA £000	Restated QCDA £000
Other central government bodies	1,075	4,671	2,202
Local authorities	487	282	68
Balances with bodies external to the government	17,991	30,991	25,788
Total	19,553	35,944	28,058

Group	31 March 2011	31 March 2010	1 April 2009
	Group £000	Restated Group £000	Restated Group £000
Other central government bodies	1,216	5,286	2,202
Local authorities	487	282	68
Balances with bodies external to the government	19,283	32,124	26,588
Total	20,986	37,692	28,858

15 PROVISIONS FOR LIABILITIES AND CHARGES

QCDA and Group	Relocation Programme - Redundancy £000	Rent - 83 Piccadilly London W1J £000	Annual Compensation Payments £000	Total £000
Balance at 1 April 2010	12,561	20,556	-	33,117
Provisions utilised in the year	(9,715)	(7,847)	-	(17,562)
Provisions written back	(1,346)	(12,709)	-	(14,055)
Balance at 31 March 2011	1,500	-	-	1,500

The Piccadilly office lease was transferred to the Department of Education at 31 March 2011. Provisions utilised have been set off against rent, rates, service charges and landlord dilapidations at the end of the lease. The original term of the lease was until 31 December 2012. Provision for these costs was made in previous years when it was anticipated QCDA would still be responsible for this property. Provision against the future costs has been released to reflect the end of QCDA's liability for this property.

15 PROVISIONS FOR LIABILITIES AND CHARGES (continued)

	Relocation Programme - Redundancy	Rent - 83 Piccadilly London W1J	Annual Compensation Payments	Total
QCDA and Group	£000	£000	£000	£000
Balance at 1 April 2009	15,346	17,449	-	32,795
Provided in the year	3,761	4,191	-	7,952
Provisions utilised in the year	(6,546)	(1,084)	-	(7,630)
Balance at 31 March 2010	12,561	20,556	-	33,117

	Relocation Programme - Redundancy	Rent - 83 Piccadilly London W1J	Annual Compensation Payments	Total
QCDA and Group	£000	£000	£000	£000
Balance at 1 April 2008	15,482	15,699	1,397	32,578
Provided in the year	960	1,750	120	2,830
Provisions utilised in the year	(1,096)	-	(542)	(1,638)
Unwinding of discount	-	-	65	65
Transfer to creditors	-	-	(1,040)	(1,040)
Balance at 31 March 2009	15,346	17,449	-	32,795

ANALYSIS OF EXPECTED TIMING OF DISCOUNTED FLOWS

	Relocation Programme - Redundancy	Rent - 83 Piccadilly London W1J	Annual Compensation Payments	Total
	£000	£000	£000	£000
Not later than one year	1,500	-	-	1,500
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Balance at 31 March 2011	1,500	-	-	1,500

16 CAPITAL COMMITMENTS

Contracted capital commitments at 31 March 2011 not otherwise included in these financial statements:

	2010-11	2009-10
	QCDA & Group	Restated QCDA & Group
	£000	£000
Property, plant and equipment	-	1,145
Intangible assets	-	259
	-	1,404

17 COMMITMENTS UNDER LEASES

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

	2010-11	2009-10
	QCDA & Group	QCDA & Group
	£000	£000
Obligations under operating leases comprise:		
<u>Building</u>		
Not later than one year	1,423	7,710
Later than one year and not later than five years	5,693	16,694
Later than five years	10,437	13,284
	17,553	37,688
<u>Other</u>		
Not later than one year	30	30
Later than one year and not later than five years	17	47
Later than five years	-	-
	47	77
Total commitments under leases	17,600	37,765

For the premises at Coventry an annual rent of £1.423m per year is effective to 31 July 2024.

There are no commitments under finance leases.

18 OTHER FINANCIAL COMMITMENTS

QCDA has entered into non-cancellable contracts (which are not leases or PFI contracts), for the provision of services to QCDA. The payments to which QCDA is committed during 2010-11, analysed by the period during which the commitments expire are as follows:

	2010-11 QCDA & Group £000	2009-10 QCDA & Group £000
Not later than one year	22,699	55,773
Later than one year and not later than five years	1,364	18,838
Later than five years	-	-
	24,063	74,611

19 CONTINGENT LIABILITIES DISCLOSED UNDER IAS 37

Due to the announced closure of QCDA there will be redundancy payments for Coventry based staff in 2011-12. As the redundancy was not agreed by 31 March 2011, no provision has been made in the 2010-11 accounts. It is estimated the liability will be between one and two million pounds. There were no contingent liabilities in 2009-10.

20 RELATED PARTY TRANSACTIONS

The following transactions were made for work awarded under QCDA's normal contracting procedures for organisations linked to Board Members and Executive staff plus bodies within the Department for Education boundaries:

	Debit Transactions Value 2010-11 £	Credit Transactions Value 2010-11 £	Total Transactions Value 2010-11 £	Balance Outstanding as 31 March 2011 £	Balance Outstanding as 31 March 2010 £
RM Education plc	-	(1,401,681)	(1,401,681)	-	(51,250)
Assessment & Qualifications Alliance	8,510	(232,087)	(223,577)	737	-
Chartered Institute of Educational Assessors	-	(11,200)	(11,200)	-	(88,142)
NIACE	-	-	-	-	(9,988)
BookTrust	-	-	-	-	(5,500)
CfBT Education Trust	44	-	44	-	-
University of Coventry Education	-	(13,822)	(13,822)	-	(3,722)
Manchester Diocese Church of England	-	(2,762)	(2,762)	-	-
Shenfield High School	-	(1,950)	(1,950)	(1,950)	-
Tribal Education Limited	-	(451,656)	(451,656)	-	-
Aspect	-	(484)	(484)	-	-
Department for Education - Grant in Aid	128,000,000	-	128,000,000	-	179,900,000
Department for Education	483	(6,582,648)	(6,582,165)	483	-
Young People's Learning Agency	44,351	-	44,351	(3,906)	-
	128,053,388	(8,698,290)	119,355,098	(4,636)	179,741,398

20 RELATED PARTY TRANSACTIONS (continued)

The following transactions were made for work awarded under QCDA's normal contracting procedures in relation to Other Government Departments (not included above):

	Debit Transactions Value 2010-11 £	Credit Transactions Value 2010-11 £	Total Transactions Value 2010-11 £	Balance Outstanding as 31 March 2011 £	Balance Outstanding as 31 March 2010 £
National School of Government	-	(30,109)	(30,109)	(895)	-
Inland Revenue	-	(5,383,183)	(5,383,183)	(50,459)	-
Contributions Agency	-	(3,669,874)	(3,669,874)	(238,225)	-
Civil Superrannuation Vote	-	(4,693,177)	(4,693,177)	(290,111)	-
Her Majesty's Court Service	-	(510)	(510)	(51)	-
Department for Education, Lifelong Learning Skills in Wales	47,173	-	47,173	47,173	-
Learning & Skills Improvement Services	40,574	-	40,574	40,574	-
House of Commons	9,764	-	9,764	9,764	-
	97,511	(13,776,853)	(13,679,342)	(482,230)	-
Total Related Party Transactions	128,150,899	(22,475,143)	105,675,756	(486,866)	179,741,398

Balances outstanding at 31 March 2011 have been paid subsequent to the year end.

21 THIRD PARTY ASSETS

The third party asset shown below has not been included in the QCDA accounts as the ownership is in dispute between QCDA, Ofqual and DfE. It represents income received in 2010-11 for a grant relating to 2009-10 for an area of work transferred to Ofqual on demerger from QCA on 1 April 2010.

	31st March 2011 QCDA £000	Gross Inflows £000	Gross Outflows £000	31st March 2010 QCDA £000
Monetary assets (cash held)	35	35	-	-
	35	35	-	-

22 LATE PAYMENT OF COMMERCIAL DEBTS

There were 4 (2009-10: 4) instances of late payment penalties being incurred during the year totalling £195 (2009-10: £249).

23 LOSSES AND SPECIAL PAYMENTS

There was 1 (2009-10: 2) instances of special payments being incurred during the year amounting to £2,333 (2009-10: £10,350). These were approved by the Department.

24 DEPARTMENT FOR EMPLOYMENT & LEARNING EXPENDITURE BY QCA NORTHERN IRELAND OFFICE

	2010-11	2009-10
	QCDA	QCDA
	£000	£000
Grant Income	-	465
Salaries	-	(376)
Travel and subsistence	-	(27)
Office costs	-	(56)
Project costs	-	(67)
Total costs	-	(526)
Net values	-	(61)

25 EVENTS AFTER THE REPORTING PERIOD

The financial statements were authorised for issue on 24 June 2011 by Lin Hinnigan (Accounting Officer).



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