

Standards and Testing Agency Framework Document



**Standards and
Testing Agency**

An executive agency of the
Department for Education

Ministerial foreword



I am delighted to introduce the framework for the Standards and Testing Agency, an executive agency of the Department for Education. The Agency performs a key role in support of the Government's aims of raising standards and narrowing attainment gaps between pupils from wealthier and poorer backgrounds, providing the robust and fair external assessment system through which we will measure pupil progress and hold schools to account.

Over the coming year, the Agency will also begin to implement Lord Bew's recommendations for Key Stage 2 testing, assessment and accountability, and it will deliver changes to assessment in the early years, following Dame Clare Tickell's review.

I wish the Agency every success as it takes on this vital work.

A handwritten signature in black ink, reading 'Nick Gibb'. The signature is fluid and cursive, with the first name 'Nick' and last name 'Gibb' clearly distinguishable.

Nick Gibb MP
Minister of State for Schools

Introduction

1. The Standards and Testing Agency ('the Agency') is an executive agency of the Department for Education ('the Department'), created in 2011.
2. The Standards and Testing Agency has responsibility, on behalf of the Secretary of State for Education ('the Secretary of State'), for development and delivery of statutory assessment and testing in England under statutory instruments.
3. This Framework Document sets out the arrangements for the governance, accountability, financing, staffing and operation of the Standards and Testing Agency, agreed between the Secretary of State, the Director General for Education Standards and the Chief Executive of the Standards and Testing Agency, and approved by Her Majesty's Treasury (HMT).
4. This Framework Document and the operation of the Agency will be reviewed under arrangements agreed between the Secretary of State and the Chief Executive by 2013 at the latest.
5. Any amendments to this Framework Document must be agreed by the Secretary of State and the Chief Executive, and by HMT. Any departure from the provision of this Framework Document must be agreed in writing on a case-by-case basis between the Secretary of State, or delegate, and Chief Executive, and an HMT minister if appropriate.
6. Any questions concerning the interpretation of this Framework Document will be resolved, if possible, by agreement between the Chief Executive and the Director General with responsibility for the Agency and, in default of agreement, will be referred for decision to the Secretary of State.
7. Copies of this Framework Document will be published on the Department's website and placed in the libraries of both Houses of Parliament.

Aims and Objectives

8. The Department has five medium-term strategic aims, which are mutually reinforcing:
 - i. raising standards of educational achievement;
 - ii. closing the achievement gap between rich and poor;
 - iii. reforming the schools system;
 - iv. supporting all children and young people, particularly the disadvantaged;
 - v. improving the effectiveness and efficiency of the Department.
9. Central to achieving our aims is a system of testing and assessment which provides information about children's progress and which can underpin a sound system of accountability for schools. The job of the Standards and Testing Agency is to implement that system, effectively and safely.
10. In doing so, the Agency will:
 - i. develop high quality and rigorous National Curriculum tests in line with Ministerial policy;
 - ii. undertake operational delivery of assessment (including printing, distribution, marking and data capture as appropriate); and
 - iii. support schools and other stakeholders to deliver assessments.
11. In carrying out these functions, the Agency is responsible for setting and maintaining test standards, including standards related to marking. Although the policy framework set by Ministers will define the standards required for tests or assessments, such as through the national curriculum, the Agency will maintain independence from Ministers specifically in relation to standard setting and maintenance in National Curriculum tests to ensure confidence in the validity of the test outcomes.
12. The Agency will publish a business plan setting out its annual and longer-term strategic objectives as agreed with the Secretary of State at the start of each financial year.



Roles, responsibilities and governance

Permanent Secretary (Principal Accounting Officer)

13. The Permanent Secretary's responsibilities as Principal Accounting Officer include:
 - i. ensuring that the Department, including the Agency, uses its resources efficiently, economically and effectively;
 - ii. ensuring the Agency conforms to Departmental and Government policy;
 - iii. being satisfied that the Agency (as with the Department as a whole) has adequate financial management systems and procedures in line with Government standards, operates with propriety and regularity, and is using its funds for the purposes intended by Parliament.
14. The Permanent Secretary will appoint the Chief Executive as Accounting Officer of the Agency.

Director-General for Education Standards

15. The Secretary of State has asked the Director General for Education Standards to take responsibility for oversight of the Standards and Testing Agency and to line manage the Chief Executive. In doing so, the Director General will support the work of the Agency by:
 - i. setting the budget and agreeing the long-term and annual performance objectives (as set out in the annual business plan), strategic performance and management

framework, and impact indicators for the Agency before submitting these for agreement by the Secretary of State;

- ii. monitoring and challenging the Agency's performance against these objectives (including financial performance, risk management and forward planning);
- iii. advising Ministers, the Permanent Secretary and the Chief Executive on the Agency's performance;
- iv. ensuring the Agency has the overall delegations and authorities it needs for effective delivery and continuous improvement;
- v. ensuring that the Agency is engaged in Departmental policy developments that affect it and consulted in a timely way on Government-wide policy developments.

Chief Executive

16. The appointment of the Chief Executive is overseen by the Office of the Civil Service Commissioners with the process chaired by a Commissioner and the appointment made on merit¹. Chief Executive remuneration will be agreed in accordance with the performance and reward arrangements for members of the Senior Civil Service.

17. The Permanent Secretary, as Principal Accounting Officer, will designate the Chief Executive as Accounting Officer for the Agency. The Chief Executive will be accountable to the Permanent Secretary and to Parliament for those responsibilities, which are set out in an appointment letter and in HM Treasury and Cabinet Office guidance.

18. The Chief Executive is responsible to the Secretary of State for the performance, leadership and day to day management of the Standards and Testing Agency. Ordinarily, the Director General for Education Standards will perform an oversight role on behalf of the Secretary of State, but the Chief Executive and Secretary of State will meet in person at least once per year and may also raise matters of concern with one another directly as necessary. The Chief Executive will also have regular meetings with the Minister with responsibility for assessment.

19. The Chief Executive's responsibilities include:

- i. effectively implementing the strategic policy set by Ministers;
- ii. preparing the Standards and Testing Agency's annual business plan;
- iii. efficient and cost-effective management of the Standards and Testing Agency so as to ensure it achieves its objectives and targets within the financial parameters set out in the Delegation letter issued annually and supported by Departmental and HMT guidance;
- iv. effective leadership and management of the staff of the Standards and Testing

1 Subject to change by the Office of the Civil Commissioners

Agency;

- v. ensuring robust financial planning and a full understanding of the costs of the Agency's activities;
 - vi. reporting regularly to the Permanent Secretary via the Director General for Education Standards on Agency delivery performance, finance, risk management and forward planning;
 - vii. informing senior officials or Ministers of any novel or contentious issues which could give rise to substantial media, public, Parliamentary or Ministerial concern;
 - viii. ensuring that the Standards and Testing Agency and any providers it commissions comply fully with all relevant legislative and corporate governance arrangements.
20. The Chief Executive has a specific role in relation to test standards and level-setting. In this role the Chief Executive will:
- i. sign off the content of the National Curriculum tests, acting independently of the Department and Ministers;
 - ii. sign off the level-setting process, acting independently of the Department and Ministers. (This will include reviewing judgemental and statistical evidence, in the presence of Ofqual and Teacher Associations). This will be regulated by Ofqual, in line with that organisation's regulatory framework. Ofqual will notify the Department of any emerging concerns at an early stage and report to Parliament as appropriate;
 - iii. consider personally advising Ministers in the event of any Parliamentary Questions or other issues arising in relation to test standards and level-setting.
21. Responsibility for National Curriculum assessment policy rests with the Assessment Division in Education Standards Directorate.

External Support and Challenge

22. The Department will put in place arrangements to provide the Chief Executive with additional support and challenge. One of the Department's Non-Executive Directors will have oversight of the Agency for at least the first year of operation (October 2011 – October 2012).
23. An external expert with relevant private sector experience who is independent from any commercial conflict will provide support and challenge to both the Chief Executive and the Director General for Education Standards on an ongoing basis. The skills specification for this expert will be agreed between the Director General and the Chief Executive, and the appointment will be approved by the Department's Nominations and Governance Committee (a sub-committee of the Department's Board).
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Governance

The Agency Senior Management Team

24. The Agency will have a Senior Management Team (SMT) chaired by the Chief Executive. Senior officials from within the Department's Education Standards Directorate will attend as appropriate (and will be excluded from discussions on test standards and level-setting to maintain the Agency's independence in this area).

25. The SMT will be responsible for overseeing the delivery of the Agency's programme of work and managing risks and issues.

Department for Education Boards

26. The Department's Board provides strategic and operational leadership for the Department, with a major emphasis on monitoring progress against the Departmental Business Plan. All Ministers sit on this Board, along with the Permanent Secretary, the Directors General and four Non-Executive Directors.

27. The Executive Management Board (EMB) assists the Principal Accounting Officer (Permanent Secretary) in the discharge of his duties and ensures the efficient and effective management of the Department. At its monthly meetings, which consist of the Permanent Secretary and Directors General, the EMB monitors use of financial and human resource, risk management, and progress on outputs, outcomes and performance.

28. The Agency's work will feature in the Director General's regular reporting to both Boards as part of their work portfolio. The Chief Executive may be asked to attend either Board to answer questions about the Agency's work.

Education Single Programme

29. The Department manages delivery of its education strategy through the Education Single Programme. The monthly Education Programme Board (EPB), which is chaired by the Director General for Education Standards and the Director General for Infrastructure and Funding, is responsible for successful management and delivery of the overall Programme and management of programme-level issues and escalated risks. The EPB periodically reviews components of the Programme to monitor and manage dependencies, horizon scanning, possible pinch points and programme long-term and short-term affordability, as well as to refresh the Programme Delivery Plan.

30. The Agency is within the scope of the Curriculum, Assessment and Qualifications (CAQ) Programme Board, which is one of five Programme Boards that reports to the EPB. The Agency will report to CAQ regularly on performance, risk management and forward planning to allow the CAQ Board to fulfil its functions and to report and escalate issues to the EPB as necessary.

31. In addition, in recognition of the risks attached to test delivery, the Chief Executive and his senior team will report regularly to the Director General for Education Standards through the National Curriculum Assessment (NCA) Strategic Delivery Group (SDG). This will be a key forum for detailed oversight of NCA delivery.

Strategic Performance Reviews

32. The Director General for Education Standards will hold strategic performance reviews with the Chief Executive, the relevant Non-Executive Director, the Department's finance lead for the Agency and the appointed external expert. These meetings will be at least quarterly and will cover the Agency's delivery performance, expenditure, risk management and forward planning.

Delivery Assurance, Risk and Audit Committee

33. The Agency will report to and be scrutinised by the Department's Delivery Assurance, Risk and Audit Committee (DARAC). DARAC is a sub-committee of the Department's Board which provides scrutiny and challenge of key delivery programmes and risk areas within the Department. DARAC will make recommendations to the Principal Accounting Officer and the Board on the Agency's risk management.

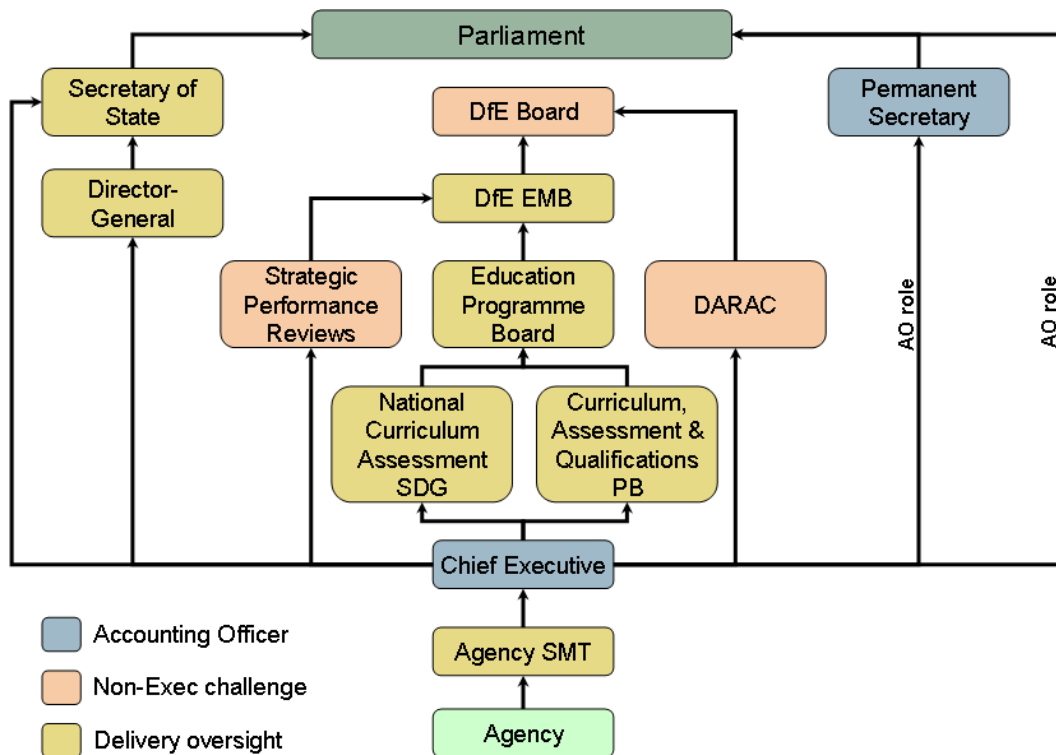


Figure 1: Standards and Testing Agency governance chart

Accountability to Parliament

Parliamentary Committees

34. The Chief Executive and the Permanent Secretary may be asked to appear before the Public Accounts Committee concerning their respective Accounting Officer responsibilities.

35. The Chief Executive may be asked to represent and answer for the Secretary of State at hearings of Parliamentary Committees when operational matters concerning the Agency are discussed.

Parliamentary Commissioner for Administration

36. The Standards and Testing Agency is subject to the jurisdiction of the Parliamentary Commissioner for Administration (PCA). Cases may be referred to the PCA by an MP once the Department's complaints procedure has been exhausted.

37. The Permanent Secretary is the Principal Officer of the Department for Education for the purposes of PCA referrals but delegates the responsibility for handling any matters concerning the Standards and Testing Agency to the Chief Executive through this Framework Document.

Parliamentary Questions and Parliamentary Correspondence

38. The Chief Executive, or nominated representative, will advise Ministers on Parliamentary Questions and Parliamentary Correspondence addressed to Ministers as required on all standards and testing delivery matters. The Chief Executive and other Agency staff may also respond directly to correspondence addressed to the Agency from an MP or peer on matters concerning marking and level-setting. The Agency and policy teams will work closely on responses to Parliamentary Questions and Correspondence.

Fulfilling the Accounting Officer role

39. As Accounting Officer, the Chief Executive is personally responsible and accountable to Parliament for propriety and regularity, value for money, efficient and effective use of available resources and the organisation and management of the Agency.

40. The Agency's Accounting Officer is required to provide assurance that the Agency's funds are used for the purposes intended by Parliament, are properly accounted for, and that the Agency has in place an effective and appropriate system of internal control. That assurance will be provided through the Agency's Statement on Internal Control which must be signed annually by the Accounting Officer.

Financial Management and Reporting

General Accounting Rules

41. The Agency is subject to public expenditure controls as well as the rules and policies laid down by the Department and by HMT in Managing Public Money, Consolidated Budgeting Guidance, Financial Reporting Manual and other accounting instructions that are issued from time to time.

Funding Allocation

42. The Secretary of State agrees the budget and resource allocation for the Agency on the advice of the Director General for Education Standards, as part of the Departmental Annual Business Planning or Spending Review process.

Delegations

43. The Principal Accounting Officer will delegate responsibility for all financial matters relating to the delivery of standards and testing to the Chief Executive (as Agency Accounting Officer) in a formal delegation letter. The Agency will operate within the limits confirmed in the letter, which will be reviewed at least annually.

44. The Chief Executive is accountable for expenditure incurred within the Agency in delivering its services and any income it receives. The Chief Executive has the right to approve all items of expenditure, use of receipts, write off losses and make special payments which are within the provision of the delegation letter and this Framework Document, and are consistent with the Agency strategic and business plans. This delegation is subject to the financial delegations, controls and approval processes set by the Department, HMT and the Cabinet Office.

Financial Management and Reporting

45. Monthly Financial Management reports will be provided as part of shared services provision. The Chief Executive will approve the report for submission to the Department's Executive Management Board.

46. The Chief Executive is responsible for raising concerns should the Agency's management information and accounting systems not allow for detailed and effective control over its use of resources. The Department's Corporate Finance and Commercial Director will work with the Agency to ensure the Agency can comply with its financial responsibilities.

Annual Report and Accounts

47. As part of shared services provision, the Department's Finance team will prepare the Annual Report and Accounts in accordance with the guidance and accounting policy set out by the Cabinet Office and HM Treasury. The Chief Executive, as Accounting Officer, is responsible for signing the Agency's Annual Report and Accounts and the Statement of Internal Control and passing them to the Comptroller and Auditor General for external audit.
48. DARAC will provide independent advice and challenge of the Accounts.
49. The Annual Report and Accounts will be prepared according to an agreed timeline and submitted to the Secretary of State following endorsement by the Permanent Secretary and the Director General of Education Standards Directorate. The Report and Accounts will form part of the Whole of Government Accounts return for the Departmental group.
50. The Secretary of State will lay the Annual Report and Accounts in Parliament.
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Audit and Assurance

Internal Audit

51. The Agency will receive internal audit and assurance services from the Internal Audit Unit (IAU). IAU will provide independent and objective assurance to the Accounting Officer on the adequacy and effectiveness of the Agency framework of governance, risk management and control by measuring and evaluating the Agency's effectiveness in achieving its agreed objectives. This will be timed to support the Accounting Officer's annual Statement of Internal Control.

52. The Agency will be included in any cross-Department compliance and themed audits where relevant, and in any audits based on the resource management (RM) system. Additional advice and guidance consultancy services are also available.

53. Work will be carried out in accordance with the Government Internal Audit Standards, the Institute of Internal Auditors Code of Ethics and relevant legislation.

External Audit

54. The Comptroller and Auditor General will, in line with an audit timetable agreed with the Department:

- i. conduct a financial audit of the Agency's accounts;
- ii. examine their regularity and propriety of transactions;
- iii. give an opinion on the accounts and transactions to Parliament; and may
- iv. carry out investigations into the value for money of Agency spending.

55. The Comptroller and Auditor General will have access to any books and records of the Agency in order to follow up any concerns over matters of regularity and propriety, and to carry out examinations into economy, efficiency and effectiveness with which the Agency has used its resources in discharging its functions.

Risk Management

56. The Standards and Testing Agency will develop and maintain a risk management process that is consistent with the Department's risk management policy and principles of good risk management. The Agency will share risk information with the Department and notify the Department of risks that need or may need action by the Department as necessary as part of its ongoing joint working.

57. The Agency's risk management will be scrutinised by DARAC, rather than having its own audit and risk committee (notwithstanding any operational arrangements the Chief Executive wishes to put in place to manage risk, such as through the Senior Management Team).

Standards and Testing Agency Staff

58. All staff working in the Standards and Testing Agency are civil servants employed by the Department for Education on Departmental terms and conditions of service (subject to harmonisation). As such, posts in central Department functions and the Department's Executive Agencies are open to all Departmental staff.

59. The Agency will follow Civil Service and Departmental human resources policy and guidance.



Shared Services

60. A number of corporate functions will be provided as a shared service across the Department reflecting the Department for Education operating model. The quality of service provision will be reviewed at regular intervals and any issues discussed between the Chief Executive and the Director responsible for the relevant shared service.

Human Resources

61. The Department's HR Group will be responsible for the delivery of HR services to the Agency, including the provision of advice and guidance on matters such as training and development, performance management, case work and recruitment/brokerage advice. In addition, the Agency will be able to call on the services of Education Standards Directorate's dedicated HR Business Partner for advice at a strategic level.

62. On behalf of the Agency, the Department's HR Group will also manage those elements of the HR service which are provided by third parties. This includes, for instance, payroll (provided by the Department of Work and Pensions) and administration of pensions (provided by the Cabinet Office), occupational health and childcare funding.

Estates and Facilities Management

63. The Department's Property Asset Management Unit (PAMU) will deliver Estates and Facilities Management services to the Agency and will also manage those elements of the facilities management service which are provided by third parties.

64. Services provided will include health and safety management, cleaning, security, helpdesk, building maintenance, reprographics, mail delivery and distribution, catering services where appropriate and the disaster recovery component of business continuity planning. The Agency will adopt the Department's Flexible Workspace policy.

65. PAMU will seek to run and maintain buildings to high environmental standards with environmental management programmes in place and sustainability being a key component of the building maintenance and operation regime.

Communications

66. The Department's Communications Group will provide communications activity and services including media handling, digital, web and social media communications, strategy and insight, publishing, and correspondence and call handling for public enquiries.

67. Communications for the Agency will be planned and co-ordinated in line with Agency and Departmental priorities set out in their respective business plans.

A Communications Adviser will represent the Agency's interests, liaising between the Chief Executive, management and operational teams and the Communications Group, to plan and execute the Agency's corporate and strategic communications and ensure fair access to the communications shared service.

68. The Agency will be responsible for the management and delivery of operational communications which are required to carry out the core business of testing and assessment.

Finance and Procurement

69. The Department's Finance & Commercial Group (FCG) will provide professional finance and commercial services, including provision of heads of profession for finance and procurement, to ensure that the Agency has the commercial skills and capability that it needs. FCG will set finance and commercial policy and standards for the Department as a whole, including the Agency.

70. Financial management support for the Agency will include production of the Agency's statutory annual report and resource accounts, Board Reporting, financial accounting, management accounting and budget loading. FCG will consolidate the Agency's annual report and accounts into the Department's Whole of Government Accounts return.

71. FCG will provide procurement policy and procurement advice to the Agency as well as procurement support for the Agency's Major Procurements. In addition FCG will ensure that the Agency has access to deals for common goods and services either from the Department's own deals or by providing access to the Government Procurement Service deals and, where necessary, FCG will put in place bespoke deals for the Agency.

72. FCG will provide advice on governance, propriety & regularity, and wider data and information solutions and processes.

73. All processing of finance and commercial transactions will be provided by the DWP Oracle RM system. As part of the Department, the Agency will be covered by the Department's assurance processes with DWP shared services.

74. The Department's Business Insight and Reporting team will interrogate the resource management system and provide routine workforce reports and analysis covering the Agency.

Legal Services

75. The Legal Adviser's Office (LAO) will provide the Agency with flexible, timely and high quality legal services to enable it to operate effectively within the law, achieve best legal outcomes and minimise legal risk. These services involve legal advice on operational issues, enhancing the legal awareness of staff and supporting the procurement,

management and quality assurance of external legal services."

76. The Legal Adviser's Office and the Agency will work in partnership to maximise the value for money of legal services. Service provision is specified in a Memorandum of Understanding between the LAO and the Department.

Information, Communication and Technology Services

77. All IT services will be provided under four categories ranging from core services to bespoke services developed in conjunction with the Agency. Agency staff will receive the same level of service as other Departmental staff.

78. The Chief Information Officer's Group (CIO Group) will work with the Agency to agree the arrangements for service delivery and supplier relationships. CIO group will appoint a Standards and Testing Agency Business Partner to manage and oversee these arrangements.

Internal Audit and Assurance

79. The internal audit service will be provided by the Department as described in paragraphs 50 to 52 as part of the shared service programme. In providing this service the Internal Audit Unit will have unrestricted access to Standards and Testing Agency staff, documents and records. It will be the responsibility of the Chief Executive, as the Agency's Accounting Officer, to agree the audit programme for the Agency with the Head of Internal Audit.



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