



Department
for Education

Standards and Testing Agency Framework Document

August 2022

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Introduction and background

1. Purpose of document

- 1.1. This framework document (the “framework document”) has been agreed between the Department for Education (DfE) and the Standards and Testing Agency (STA) in accordance with HM Treasury’s handbook Managing Public Money¹ (“MPM”) (as updated from time to time) and has been approved by HM Treasury.
- 1.2. The framework document sets out the broad governance framework within which STA and the DfE operate. It sets out STA’s core responsibilities; describes the governance and accountability framework that applies between the roles of the DfE and STA and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.
- 1.3. The document does not convey any legal powers or responsibilities but both parties agree to operate within its terms.
- 1.4. References to STA include all its subsidiaries and joint ventures that are classified to the public sector and central government for national accounts purposes. If STA establishes a subsidiary or joint venture, there shall be a document setting out the arrangements between it and STA agreed with the DfE.
- 1.5. Copies of the document and any subsequent amendments have been placed in the libraries of both Houses of Parliament and made available to members of the public on STA’s website².
- 1.6. This framework document should be reviewed and updated at least every 3 years unless there are exceptional reasons that render this inappropriate that have been agreed with HM Treasury and the Principal Accounting Officer of the DfE. The latest date for review and updating of this document is September 2025.

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1000670/MPM_Spring_21_with_annexes_080721.pdf

² <https://www.gov.uk/government/organisations/standards-and-testing-agency>

2. Objectives

- 2.1. The DfE and STA share the common objective of developing and delivering national curriculum tests and assessments in England, under statutory instruments. To achieve this STA and the DfE will work together in recognition of each other's roles and areas of expertise, providing an effective environment for STA to achieve its objectives through the promotion of partnership and trust and ensuring that STA also supports the strategic aims and objective of the department and wider government as a whole.

3. Classification

- 3.1. STA has been classified as a central government organisation by the Office for National Statistics/HM Treasury Classifications Team.
- 3.2. It has been administratively classified by the Cabinet Office as an executive agency.

Purposes, aims and duties

4. Purposes

- 4.1. STA has been established by the DfE and as an executive agency, does not have a separate legal personality to the department.
- 4.2. The purpose of STA is to have responsibility, on behalf of the Secretary of State for Education, for the development and delivery of statutory assessment and testing in England pursuant to orders made under s.87 Education Act 2002 ³and Chapter 2 of the Childcare Act 2006⁴. STA is also responsible for the 'yellow label' logistics service for general qualifications.

5. Aims

- 5.1. STA's primary purpose is to provide an effective and robust testing, assessment and moderation system, to measure and monitor pupils' progress through primary school, from reception to the end of key stage 2 (KS2).
- 5.2. In carrying out these functions, STA:
 - develops and implements assessment policy in England, in line with ministerial priorities
 - develops high-quality and rigorous national curriculum tests and assessments, in line with government policy
 - develops pre-key stage standards for the assessment of pupils working below the standard of the national curriculum
 - undertakes operational delivery of national curriculum tests and assessments (including printing, supporting test administration, distribution, provision of systems, marking and data capture and investigations of maladministration)
 - sets and maintains test standards, including standards related to marking
 - produces test administration guidance for the reception baseline assessment, phonics screening check, multiplication tables check, key stage 1 (KS1) and KS2 tests

³ <https://www.legislation.gov.uk/ukpga/2002/32/section/87>

⁴ <https://www.legislation.gov.uk/ukpga/2006/21/part/3/chapter/2>

- produces administration guidance and exemplification materials for KS1 in science, mathematics and English writing, and English writing and science at KS2, to support teacher assessment
 - supports the moderation of teacher assessment judgements of pupil performance so the data it generates is reliable and can be used for national statistics and in school accountability measures
- 5.3. STA's Chief Executive has a specific, fully delegated role with respect to test standards and standard setting and maintenance. The Chief Executive signs off the content of the national curriculum tests and the setting and maintenance of standards, acting independently of the department and ministers, to ensure confidence in the validity of test outcomes.
- 5.4. In addition to the development and delivery of national curriculum assessments and testing in England, STA is also responsible for managing:
- the general qualifications logistics service provided to exam centres and examiners, which collects exam scripts from schools and delivers them to awarding organisations for marking
 - assessment arrangements for those pupils working below the standard of national curriculum tests
- 5.5. Each financial year, STA publishes a business plan setting out its annual and long-term objectives, as agreed with the Secretary of State.

Governance and accountability

6. Governance and accountability

- 6.1. STA shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this framework document or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.
- 6.2. In particular (but without limitation), STA should:
- comply with the principles and provisions of the Corporate Governance in Central Government Department's Code of Good Practices⁵ (as amended and updated from time to time) to the extent appropriate and in line with their statutory duties or specify and explain any non-compliance in its annual report
 - comply with MPM
 - in line with MPM have regard to the relevant Functional Standards⁶ as appropriate and in particular those concerning Finance, Commercial and Counter Fraud
 - take into account, the codes of good practice and guidance set out in Annex A of this framework document, as they apply to arm's length bodies (ALB)
- 6.3. In line with MPM Annex 3.1, STA shall provide an account of corporate governance in its annual governance statement including STA's assessment of its compliance with the code with explanations of any material departures. To the extent that STA does intend to materially depart from the Code, the senior sponsor should be notified in advance.

⁵ <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

⁶ <https://www.gov.uk/government/collections/functional-standards>

Role of the department

7. The responsible Minister

- 7.1. The Minister of State for School Standards is accountable to Parliament for all matters concerning STA.
- 7.2. The Ministers' powers and rights in respect of STA are set out in Part 6 of the Education Act 2002 and Chapter 2 of the Childcare Act 2006.
- 7.3. These are:
 - the power to specify by order, in respect of the first, second and third key stages and in relation to each of the foundation subjects, such assessment arrangements as he considers appropriate for that subject

Appointment of the Chief Executive

- 7.4. The Chief Executive of STA is appointed by the Secretary of State in consultation with the responsible Minister. This appointment is subject to the Public Appointments Order in Council and as such must comply with the Governance Code on Public Appointments.

Other Ministerial powers and responsibilities

- 7.5. The Minister is also responsible for:
 - the policy framework within which STA operates
 - setting the performance framework within which STA will operate including approving STA's Strategy and Annual Plan
 - matters regarding spending approvals, acquisitions, disposals, and joint ventures in line with delegations as set out in the delegation letter
 - such other matters as may be appropriate and proportionate

8. The Principal Accounting Officer

- 8.1. The Principal Accounting Officer (PAO) is the Permanent Secretary of the department.

PAO's specific accountabilities and responsibilities

- 8.2. The PAO of the DfE designates the Chief Executive as STA's Accounting Officer (AO) and ensures that they are fully aware of their responsibilities. The PAO issues a letter appointing the AO, setting out their responsibilities and delegated authorities.

- 8.3. The respective responsibilities of the PAO and AOs for ALBs are set out in Chapter 3 of MPM.
- 8.4. The PAO is also responsible, usually via the senior sponsor, for advising the responsible Minister on:
- an appropriate framework of objectives and targets for STA in the light of the department's wider strategic aims and priorities
 - an appropriate budget for STA in the light of the DfE's overall public expenditure priorities
 - how well STA is achieving its strategic objectives and whether it is delivering value for money
 - the exercise of the Ministers' statutory responsibilities concerning STA as outlined above
- 8.5. The PAO via the sponsorship team is also responsible for ensuring arrangements are in place in order to:
- monitor the ALB's activities and performance
 - address significant problems in the ALB, making such interventions as are judged necessary
 - periodically, and at such frequency as is proportionate to the level of risk, carry out an assessment of the risks both to the department and the ALB's objectives and activities in line with the wider departmental risk assessment process
 - inform the ALB of relevant government policy in a timely manner
 - bring ministerial or departmental concerns about the activities of STA to the departmental Board as appropriate, requiring explanations and assurances that appropriate action has been taken

9. The role of the senior sponsor

- 9.1. The Chief Executive is the primary contact for STA. The responsible senior civil servant for this relationship is the Director General of the Schools Group, who acts as the senior sponsor. They are the main source of advice to the responsible Minister on the discharge of their responsibilities in respect of STA. They also support the PAO on their responsibilities toward STA.
- 9.2. The Director General of the Schools Group performs an oversight role, on behalf of the Secretary of State, through quarterly Strategic Performance Reviews, to review and challenge STA's progress, financial management and risk management.

10. Resolution of disputes between STA and department

- 10.1. Any disputes between the DfE and STA will be resolved in as timely a manner as possible. The DfE and STA will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the senior sponsor, will be used to resolve the issue. Failing this, the senior sponsor will ask the relevant policy Director General to oversee the dispute. They may then choose to ask the Permanent Secretary to nominate a non-executive member of the department's Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the Secretary of State.

11. Freedom of Information requests

- 11.1. Where a request for information is received by either party under the Freedom of Information Act 2000⁷, or the Data Protection Act 1998⁸ or 2018⁹, the party receiving the request will consult with the other party prior to any disclosure of information that may affect the other party's responsibilities.

12. Reporting on legal risk and litigation

- 12.1. STA shall provide a quarterly update to the senior sponsor on the existence of any active litigation and any threatened or reasonably anticipated litigation. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the senior sponsor in a timely manner.
- 12.2. In respect of each substantial piece of litigation involving STA, the parties will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of the litigation and the protection of legally privileged information transmitted to the senior sponsor to facilitate this. Until such time as a protocol is agreed, the parties will ensure that:
- material developments in the litigation are communicated to the senior sponsor in an appropriate and timely manner

⁷ <https://www.legislation.gov.uk/ukpga/2000/36/contents>

⁸ <https://www.legislation.gov.uk/ukpga/1998/29/contents>

⁹ <https://www.legislation.gov.uk/ukpga/2018/12/contents>

- legally privileged documents and information are clearly marked as such
- individual employees handling the legally privileged documents are familiar with principles to which they must adhere to protect legal privilege
- circulation of privileged information within government occurs only as necessary

STA governance structure

13. The Chief Executive

- 13.1. STA does not have a Board due to its operating closely to its parent department. In its place, the Accounting Officer and senior sponsor are responsible for providing the department's management committee and ministers with assurance on all aspects of STA's operations.

Responsibilities of the STA's chief executive as accounting officer

- 13.2. The Chief Executive as AO is personally responsible for safeguarding the public funds for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of STA. In addition, they should ensure that STA as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management, that are set out in Box 3.1 of MPM. These responsibilities include the below and those that are set in the AO appointment letter issued by the PAO of the DfE.

Responsibilities for accounting to Parliament and the public

- 13.3. Responsibilities to Parliament and the public include:
- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State
 - preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts
 - ensuring that effective procedures for handling complaints about the ALB in accordance with Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling are established and made widely known within the ALB and published on STA's pages on GOV.UK
 - acting in accordance with the terms of MPM and other instructions and guidance issued from time to time by the department, the Treasury and the Cabinet Office
 - ensuring that as part of the above compliance they are familiar with and act in accordance with:
 - any governing legislation

- this framework document
- any delegation letter issued to STA as set out in Annex B
- any elements of any settlement letter issued to the DfE that is relevant to the operation of STA
- any separate settlement letter that is issued to STA from the DfE
- ensuring they have appropriate internal mechanisms for monitoring, governance and external reporting regarding non-compliance with any conditions arising from the above documents
- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee on the ALB's stewardship of public funds

Responsibilities to the DfE

13.4. Responsibilities to the DfE include:

- establishing, in agreement with the department, STA's corporate and business plans in the light of the department's wider strategic aims and agreed priorities
- informing the department of progress in helping to achieve the department's policy objectives and in demonstrating how resources are being used to achieve those objectives
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the department; that the department is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the department in a timely fashion

Managing conflicts

13.5. In executive agencies, final decisions, responsibility and accountability rest with the Chief Executive as accounting officer.

13.6. Where there is course of action involving a transaction which the Chief Executive considers would infringe upon the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, is of questionable feasibility, or is unethical the chief executive in their role as AO should reject that course of action. If the responsible Minister agrees with the course of action, it may be appropriate for the Minister to direct the AO in the manner as set out in MPM paragraph 3.6.6 onwards.

Management and financial responsibilities and controls

14. Delegated authorities

- 14.1. STA's delegated authorities are set out in the delegation letter at Annex B. This delegation letter may be updated and superseded by later versions which may be issued by the DfE in agreement with HM Treasury.
- 14.2. In line with MPM Annex 2.2 these delegations will be reviewed on an annual basis.
- 14.3. STA shall obtain the department's and where appropriate HM Treasury's prior written approval before:
 - entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in STA's annual budget as approved by the department
 - incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications
 - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the department
 - making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required
 - carrying out policies that go against the principles, rules, guidance and advice in MPM

15. Spending authority

- 15.1. Once the budget has been approved by the DfE, STA shall have authority to incur expenditure approved in the budget without further reference to the DfE, on the following conditions:
 - STA shall comply with the delegations set out in the delegation letter. These delegations shall not be altered without the prior agreement of the DfE and as agreed by HM Treasury and Cabinet Office as appropriate
 - STA shall comply with MPM regarding novel, contentious or repercussive proposals
 - inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any

proposed expenditure is outside the delegated limits or is for new schemes not previously agreed

- STA shall provide the DfE with such information about its operations, performance, individual projects or other expenditure as the DfE may reasonably require

16. Banking and managing cash

- 16.1. STA must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking).
- 16.2. STA should only hold money outside Government Banking Service accounts where a good business case can be made for doing so and HM Treasury consent is required for each account to be established. Only commercial banks which are members of relevant UK clearing bodies may be considered for this purpose.
- 16.3. Commercial accounts where approved should be operated in line with the principles as set out in MPM.
- 16.4. The AO is responsible for ensuring STA adheres to the DfE's banking policy as set out in MPM and ensuring that policy is complied with.

17. Procurement

- 17.1. STA shall ensure that its procurement policies are aligned with and comply with any relevant UK or other international procurement rules and in particular the Public Contracts Regulations 2015.
- 17.2. STA shall adhere to its procurement policies and document these in a Procurement Policy and Procedures Manual.
- 17.3. In procurement cases where STA is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the senior sponsor.
- 17.4. Goods, services, and works should be acquired by competition. Proposals to let single-tender or restricted contracts shall be limited and exceptional, and a quarterly report explaining those exceptions should be sent to the department.
- 17.5. Procurement by STA of works, equipment, goods, and services shall be based on a full option appraisal and value for money (VfM), i.e. the optimum combination and whole life costs and quality (fitness for purpose).

17.6. STA shall:

- engage fully with department and government wide procurement initiatives that seek to achieve VfM from collaborative projects
- comply with all relevant Procurement Policy Notes issued by Cabinet Office
- co-operate fully with initiatives to improve the availability of procurement data to facilitate the achievement of VfM

17.7. STA shall comply with the commercial¹⁰ and grants standards¹¹. These standards apply to the planning, delivery, and management of government commercial activity, including management of grants in all departments and ALBs, regardless of commercial approach used and form part of a suite of functional standards that set expectations for management within government.

18. Risk management

18.1. STA shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the Treasury guidance Management of Risk: Principles and Concepts¹².

19. Counter fraud and theft

19.1. STA should adopt and implement policies and practices to safeguard itself against fraud and theft.

19.2. STA should act in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set in in MPM Annex 4.9 and the Counter Fraud Functional Standard¹³. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter a contract or to provide grant or grant-in-aid.

19.3. STA should keep records of and prepare and forward to the department an annual report on fraud and theft suffered by STA and notify the DfE of any

¹⁰ <https://www.gov.uk/government/publications/commercial-operating-standards-for-government>

¹¹ <https://www.gov.uk/government/publications/grants-standards>

¹² http://www.hm-treasury.gov.uk/orange_book.htm

¹³ <https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>

unusual or major incidents as soon as possible. STA should also report detected loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the counter fraud centre of expertise in line with the agreed government definitions as set out in Counter Fraud Functional Standard.

20. Staff

Broad responsibilities for staff

20.1. Within the arrangements approved by the responsible Minister, and the Treasury, STA will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit; there is no discrimination against employees with protected characteristics under the Equality Act 2010 ¹⁴
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness
- the performance of its staff at all levels is satisfactorily appraised and STA's performance measurement systems are reviewed from time to time
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve STA's objectives
- proper consultation with staff takes place on key issues affecting them
- adequate grievance and disciplinary procedures are in place
- whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place

Staff costs

20.2. Subject to its delegated authorities, STA shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

¹⁴ <https://www.legislation.gov.uk/ukpga/2010/15/contents>

Pay and conditions of service

- 20.3. STA's staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by the DfE and the Treasury. STA has no delegated power to amend these terms and conditions.
- 20.4. If civil service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the staff and to any other party entitled to payment in respect of travel expenses or other allowances, payment shall be made in accordance with the Civil Service Management Code¹⁵ and the annual Civil Service Pay Remit Guidance¹⁶, except where prior approval has been given by the department to vary such rates.
- 20.5. Staff terms and conditions should be set out in an Employee Handbook, which should be provided to the department together with subsequent amendments.
- 20.6. STA shall abide by public sector pay controls, including the relevant approvals process dependent on the organisations classification as detailed in the Senior Pay Guidance¹⁷ and the Public Sector Pay and Terms Guidance¹⁸.
- 20.7. STA shall operate a performance-related pay scheme that shall form part of the annual aggregate pay budget approved by the department, or the general pay structure approved by the department and the Treasury, where relevant with due regard to the Senior Pay Guidance.

Pensions, redundancy and compensation

- 20.8. Compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments.
- 20.9. STA staff shall normally be eligible for a pension provided by PCSPS. Staff may opt out of the occupational pension scheme provided by STA, but that employers' contribution to any personal pension arrangement, including

¹⁵ <https://www.gov.uk/government/publications/civil-servants-terms-and-conditions>

¹⁶ <https://www.gov.uk/government/publications/civil-service-pay-remit-guidance-2022-to-2023/civil-service-pay-remit-guidance-2022-to-2023>

¹⁷ <https://www.gov.uk/government/publications/senior-civil-service-pay-and-reward>

¹⁸ <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>

stakeholder pension, shall normally be limited to the national insurance rebate level.

- 20.10. Any proposal by STA to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the department. Proposals on severance must comply with the rules in chapter 4 of MPM.

Business plans, financial reporting and management information

21. Business plans

- 21.1. STA shall annually review its business plan covering at least three years ahead. The draft should be submitted at least a month prior to the period covered by the plan. STA shall agree with the department the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect STA's statutory and/or other duties and, within those duties, the priorities set from time to time by the responsible Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how STA contributes to the achievement of the department's medium-term plan and priorities and aligned performance metrics and milestones.
- 21.2. The business plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the department. Subject to any commercial considerations, a digest of the corporate and business plans should be published by STA on its website and separately be made available to staff.
- 21.3. The following key matters should be included in the plans:
- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives
 - key non-financial performance targets
 - a review of performance in the preceding financial year, together with comparable outturns for the previous 2-5 years, and an estimate of performance in the current year
 - alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast
 - other matters as agreed between the department and STA

22. Budgeting procedures

- 22.1. Each year, in the light of decisions by the department on the updated draft corporate plan, the department will send to STA by the agreed date:

- a formal statement of the annual budgetary provision allocated by the department in the light of competing priorities across the department and of any forecast income approved by the department
 - a statement of any planned change in policies affecting STA
- 22.2. The approved annual business plan will take account of approved funding provision. It will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any departmental funding and/or other income over the year. These elements form part of the approved business plan for the year in question.

23. Annual report and accounts

- 23.1. STA must publish an annual report of its activities together with its audited accounts after the end of each financial year. STA shall provide the department its finalised (audited) accounts by an agreed date each year in order for the accounts to be consolidated within the DfE's. A draft of the report should be submitted to the department two weeks before the proposed publication date. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the department as well as the Treasury's Financial Reporting Manual (FReM).
- 23.2. The annual report must:
- cover any corporate, subsidiary or joint ventures under its control
 - comply with the FReM and in particular have regard to the illustrative statements for an executive agency¹⁹
 - outline main activities and performance during the previous financial year and set out in summary form forward plans
- 23.3. Information on performance against key financial targets is included within the annual report and subject to the auditor's consistency opinion. The report and accounts shall be laid in Parliament and made available on STA's website, in accordance with the guidance in the FReM.

¹⁹ <https://www.gov.uk/government/publications/government-financial-reporting-manual-2020-21>.

24. Reporting performance to the department

- 24.1. STA shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the business plan.
- 24.2. STA shall inform the DfE of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver Ministers' policies, and the achievement of key objectives regularly.
- 24.3. STA's performance shall be formally reviewed by the department twice a year.
- 24.4. The responsible Minister will meet the Chief Executive at least once a year.
- 24.5. The PAO will meet the Chief Executive at least once a year.

25. Information sharing

- 25.1. The department has the right of access to STA records and personnel for any purpose including, for example, sponsorship audits and operational investigations.
- 25.2. STA shall provide the DfE with such information about its operations, performance, individual projects or other expenditure as the DfE may reasonably require.
- 25.3. The department and HM Treasury may request the sharing of data held by STA in such a manner as set out in central guidance except insofar as it is prohibited by law. This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.
- 25.4. As a minimum, STA shall provide the department with information monthly that will enable the department satisfactorily to monitor:
 - STA's cash management
 - forecast outturn by resource headings
 - other data required for the Online System for Central Accounting and Reporting (OSCAR)
 - data as required in respect of its compliance with any Cabinet Office Controls pipelines or required in order to meet any condition as set out in any settlement letter

Audit

26. Internal audit

26.1. STA shall:

- ensure that the DfE's internal audit team have complete access to all relevant records
- ensure that any arrangements for internal audit are in accordance with the Public Sector Internal Audit Standards (PSIAS) as adopted by HM Treasury²⁰
- forward the audit strategy, periodic audit plans and annual audit report, including Head of Internal Audit opinion on risk management, control and governance as soon as possible to the DfE
- keep records of and prepare and forward to the department an annual report on fraud and theft suffered by STA and notify the DfE of any unusual or major incidents as soon as possible
- will share with the DfE information identified during the audit process and the Annual Audit Opinion Report (together with any other outputs) at the end of the audit, in particular on issues impacting on the department's responsibilities in relation to financial systems within STA

27. External audit

- 27.1. The Comptroller & Auditor General (C&AG) audits STA's annual accounts and lays them before Parliament, together with their report.
- 27.2. In the event that STA has set up and controls subsidiary companies, STA will, in the light of the provisions in the Companies Act 2006²¹, ensure that the C&AG has the option to be appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. STA shall discuss with the DfE the procedures for appointing the C&AG as auditor of the companies.

²⁰ <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

²¹ <https://www.legislation.gov.uk/ukpga/2006/46/contents>

27.3. The C&AG:

- will consult the department and STA on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000²², held by another party in receipt of payments or grants from STA
- will share with the DfE information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the department's responsibilities in relation to financial systems within STA
- will consider requests from departments and other relevant bodies to provide regulatory compliance reports and other similar reports at the commencement of the audit. Consistent with the C&AG's independent status, the provision of such reports is entirely at the C&AG's discretion

27.4. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the ALB has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983²³. In addition, STA shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

²² <https://www.legislation.gov.uk/ukpga/2000/20/section/25>

²³ <https://www.legislation.gov.uk/ukpga/1983/44/section/8>

Review and winding up arrangements

28. Review of STA's status

- 28.1. STA will be reviewed as part of the wider Public Bodies Reviews programme, at a time determined by the department's ministers and their PAO.

29. Arrangements in the event that STA is wound up

- 29.1. The DfE shall put in place arrangements to ensure the orderly winding up of STA. In particular it should ensure that the assets and liabilities of STA are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the assets and liabilities should revert to the DfE.) To this end, the department shall:

- have regard to Cabinet Office guidance on winding up of ALBs²⁴
- ensure that procedures are in place in the STA to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body
- specify the basis for the valuation and accounting treatment of STA's assets and liabilities
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that, for non-Crown bodies funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts
- arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB AO should sign the closing accounts. In the event that the department inherits the role, responsibilities, assets and liabilities, the DfE's AO should sign

- 29.2. STA shall provide the department with full details of all agreements where STA or its successors have a right to share in the financial gains of developers. It should also pass to the department details of any other forms of claw-back due to STA.

²⁴https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690952/Public_Bodies_-_a_guide_for_departments_-_chapter_10.pdf

Other matters

30. Machinery of government

- 30.1. If a Machinery of Government change results in STA being sponsored by a new department before the framework document is due for review, the Department will notify STA of the relevant relationship changes. The provisions of the framework document will continue to have effect until the framework document is replaced, unless otherwise stated by the new DfE.

31. Procedure for public complaints

- 31.1. STA has established, and published on its website, a procedure to investigate and deal with complaints from providers and members of the public, including students, about STA 's actions. This shall be in accordance with [Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling](https://www.ombudsman.org.uk/about-us/our-principles/principles-good-complaint-handling)²⁵.

32. Subsidiary companies

- 32.1. STA does not have delegated authority to establish any subsidiary companies without prior written agreement from the Department.
- 32.2. In the event that STA has set up and controls subsidiary companies, STA will ensure the following:
- The Cabinet Office should be informed so it can be assured as to whether a subsidiary constitutes a new public body.
 - If the subsidiary is a new public body, then HM Treasury will always consider this to be novel and will require HM Treasury's prior approval, Cabinet Office controls relating to the establishment of new public bodies will also apply.
 - STA shall discuss with the Department the procedures for appointing the C&AG as auditor of the subsidiary companies and in line with the Companies Act 2006 the C&AG is appointed auditor of those company subsidiaries that it controls and/or whose activities are consolidated into its own ARA.

²⁵ <https://www.ombudsman.org.uk/about-us/our-principles/principles-good-complaint-handling>

33. Severance payments

- 33.1. Any proposal by STA to make a severance payment must comply with the rules in Chapter 4 of HM Treasury *Managing Public Money*²⁶ and Cabinet Office guidance on severance payments²⁷. Any proposal for special severance payment (i.e. non-contractual) must be submitted to the Department first, for written approval before making payment.

34. Better regulation, consultation, and impact assessments

- 34.1. STA shall follow the Government's commitment to efficient and effective regulation. Where possible and certainly whenever necessary STA shall follow the [Consultation Principles](#) and comply with the Government's Better Regulation agenda and the Regulator's Code. Where necessary STA shall produce Impact Assessments on any proposal that imposes or reduces costs on businesses, community, and voluntary bodies. Impact Assessments and any related material should be produced in accordance with statutory guidance produced by the Better Regulation Executive.

²⁶ <https://www.gov.uk/government/publications/managing-public-money>

²⁷ <https://www.gov.uk/government/publications/civil-service-settlement-agreements-special-severance-payments-and-confidentiality-clauses>

Annex A: Guidance

STA shall comply with the following guidance, documents and instructions:

Corporate governance

- This framework document
- Corporate governance code for central government departments (relevant to Arm's Length Bodies) and supporting guidance:
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>
- Code of practice for partnerships between Departments and arm's length bodies:
<https://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice#:~:text=This%20code%20of%20good%20practice,partnership%20approach%20to%20shaping%20relationships.>

Financial management and reporting

- Managing Public Money (MPM):
<https://www.gov.uk/government/publications/managing-public-money>
- Government Financial Reporting Manual (FReM):
www.gov.uk/government/collections/government-financial-reporting-manual-frem
- Relevant Dear Accounting Officer (DAO) letters:
www.gov.uk/government/collections/dao-letters
- Relevant guidance and instructions issued by HM Treasury (HMT) in respect of Whole of Government Accounts:
<https://www.gov.uk/government/collections/whole-of-government-accounts>
- The most recent letter setting out the delegated authorities, issued by the parent department.

Management of risk

- Management of risk: www.gov.uk/government/publications/orange-book and <https://www.gov.uk/government/publications/management-of-risk-in-government-framework>

- Public Sector Internal Audit Standards:
www.gov.uk/government/publications/public-sector-internal-audit-standards
- HM Treasury approval processes for Major Projects above delegated limits: <https://www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects>
- The Government cyber-security strategy and cyber security guidance:
<https://www.gov.uk/government/publications/national-cyber-strategy-2022/national-cyber-security-strategy-2022> and
<https://www.gov.uk/government/collections/cyber-security-guidance-for-business>

Commercial management

- Procurement Policy Notes:
<https://www.gov.uk/government/collections/procurement-policy-notes>
- Cabinet Office spending controls:
<https://www.gov.uk/government/collections/cabinet-office-controls>
- Transparency in supply chains - a practical guide:
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040283/Transparency in Supply Chains A Practical Guide 2017 final.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040283/Transparency_in_Supply_Chains_A_Practical_Guide_2017_final.pdf)

Public appointments

The following are relevant where public bodies participate in public appointments processes.

- Guidance from the Commissioner for Public Appointments:
<https://publicappointmentscommissioner.independent.gov.uk/>
- Governance Code on Public Appointments:
www.gov.uk/government/publications/governance-code-for-public-appointments
- Procurement Policy Note 08/15 – tax arrangements of public appointees: <https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees>

Staff and remuneration

- HM Treasury guidance on senior pay and reward:
www.gov.uk/government/publications/senior-civil-service-pay-and-reward
- Civil Service pay guidance (updated annually):
www.gov.uk/government/collections/civil-service-pay-guidance
- Public sector pay and terms:
<https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>
- Whistleblowing guidance and code of practice:
<https://www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers>
- The Equalities Act 2010: www.gov.uk/guidance/equality-act-2010-guidance

General

- Freedom of Information Act guidance and instructions:
www.legislation.gov.uk/ukpga/2000/36/contents and
<https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration: <https://www.ombudsman.org.uk/about-us/our-principles>
- Other relevant instructions and guidance issued by the central Departments (Cabinet Office and HM Treasury)
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, which have been accepted by the Government and are relevant to STA
- Guidance from the public bodies team in Cabinet Office:
www.gov.uk/government/publications/public-bodies-information-and-guidance
- The Civil Service diversity and inclusion strategy (outlines the ambition, to which ALBs can contribute):

<https://www.gov.uk/government/publications/civil-service-diversity-and-inclusion-strategy-2022-to-2025>

- Guidance produced by the Infrastructure and Projects Authority (IPA) on management of major projects:
www.gov.uk/government/organisations/infrastructure-and-projects-authority
- The Government Digital Service:
www.gov.uk/government/organisations/government-digital-service
- The Government Fraud, Error, Debt and Grant Efficiency function:
www.gov.uk/government/collections/fraud-error-debt-and-grants-function
and www.gov.uk/government/publications/grants-standards
- Code of Practice for Official Statistics:
<https://code.statisticsauthority.gov.uk/#:~:text=The%20Code%20of%20Practice%20for%20Statistics%20sets%20the,produced%20by%20people%20and%20organisations%20that%20are%20trustworthy.>
- Accounting Officer System Statements (AOSS are produced by departments with input from ALBs):
www.gov.uk/government/publications/accounting-officer-system-statements

Annex B: Delegation letter



Department
for Education

Andrew McCully

Early Years and Schools Group

Department for Education

Date: 10 August 2021

Dear Gillian

Delegation of authorities, Chief Executive for the Standards and Testing Agency, effective from 03 August 2021.

This letter formally sets out the authorities I am delegating to you in your role as Chief Executive for the Standards and Testing Agency. It enables you to commit resources and incur expenditure in order to deliver your directorate priorities and objectives as set out at a high level in our [Single Departmental Plan](#).

By accepting these delegations, you take full accountability for making sure all resources under your control are managed within the rules of [Managing Public Money](#), that is, with regularity, propriety, value for money and feasibility, and in an economic, efficient and effective manner. The department has control processes relating to all the authorities delegated to you, which you must comply with at all times. You must maintain a record of assurance by completing the department's [Assurance Framework Record](#).

You should contact your finance business partners and/or commercial business partner respectively for advice on any finance or procurement / Cabinet Office requirements and for advice on committing resources in future years before budgets are allocated.

If you are unsure of what you can or cannot do in terms of the delegations set out in this letter, please contact the [Financial Governance Team](#) (FGT). Additional guidance is also available in the [delegated authority handbook](#).

Allocated budget

Details of your allocated budget can be found in the [Resource Allocation Model \(RAM\)](#). Any changes in your allocated budget will be communicated to you in a timely manner as set out below. I expect you to manage within these budgets.

Authorities delegated to you

Budget / Financial authority – the authority to make decisions, commit resources and incur expenditure within your allocated budget. As an Accountable Budget Holder, you are responsible for ensuring compliance with internal controls and external approval from HM Treasury and Cabinet Office as appropriate. Your Delegated Financial Authority level (DFA) (to authorise a single transaction, net of VAT) is set out in the [delegation controls matrix](#).

You are required to forecast the cost of your activities against the budget as part of the monthly finance reporting process. You will be measured against your forecast as set out in your personal objectives, and the Leadership Team will regularly review in-year forecasting performance.

If there are any changes to your allocated budget throughout the year, the RAM will be updated by Central Strategic Finance following budget movement windows and you will be informed of the change. You must keep all communications/record of changes to show a clear audit trail. I will only reissue your delegation letter if any there are any material and/or significant changes in your required delegated authorities.

Commercial authority – if relevant, Delegated Commercial Authority (DCA) - this is the authority to sign, vary or extend any contracts or grants on behalf of the Secretary of State, entering the Department into a commercial agreement with a third party provider. DCA limits are separate from your DFA. Your DCA is set out in the [delegation controls matrix](#).

You do have the authority to manage and approve spend of your allocated budget on commercial activity that you consider necessary to achieve your outcomes and objectives.

You are required to ensure that all commercial activity is carried out in accordance with the [Commercial Delegation and Decision Making guidance](#), procurement regulations²⁸, [Cabinet Office Efficiency Controls](#) and the [department's commercial policy and standards](#). You must commission commercial expertise at the earliest opportunity to ensure robust commercial planning and compliance with relevant spending controls and reporting requirements. You must ensure that all commercial arrangements ensure delivery of the department's priorities and objectives.

Senior Responsible Owner (SRO) – if relevant, the Major Projects Directorate will issue a separate letter to you setting out your accountabilities and responsibilities as a designated SRO of one of the department's major projects. Your budget for delivering your SRO responsibilities is included within the budgets set out in the RAM. Guidance on the role and accountability of SRO is available [here](#).

Cash Financing Transactions – if relevant, the authority for approving/making cash financing transactions including reimbursing other government departments following a machinery of government change or funding payments to other departments.

Further controls around expenditure of budgets

Accountable budgets holders must operate within their delegated authority, these include a number of spending controls.

Investment Committee – any agreed or new expenditure which meets the department's thresholds for internal approval will require clearance by the Investment Committee

²⁸ [The Public Contracts Regulations 2015](#)

before resources can be committed and expenditure incurred. Further guidance on the committee including the current thresholds can be accessed [here](#).

Agreed Expenditure – expenditure on projects or programmes that have been agreed as part of the Spending Review or subsequent fiscal events are subject to restrictions on who may authorise expenditure on the department's finance systems. The DFA limits that the department has assigned to each grade are set out in the Delegation Matrix [here](#). Your finance and/or commercial business partner can advise further regarding the limits on your ability to authorise expenditure on the finance systems.

Cost Conscious Culture – I expect you to support and encourage those around to maximize opportunities following insightful information on cost drivers to make this department even more efficient.

New Expenditure – expenditure on new projects or programmes, or expenditure beyond your agreed budget and / or the Spending Review period are subject to additional controls.

Financial Strategy Unit (FSU) clearance - FSU clearance is required for new proposals above the *de minimis* levels set out in the Delegation Matrix. FSU clearance is also required for any proposal that cannot be funded from existing budgets, regardless of value. Your finance business partner or FSU account manager can provide further guidance.

HM Treasury Delegation Limits - HM Treasury impose spending limits on the department in respect of all new expenditure. These are detailed in the HM Treasury Delegation Limits letter, which can be found [here](#) and which is summarised in the [Delegation Matrix](#). You only have the authority to make decisions, commit resources and incur expenditure up to the limits set out for each category of expenditure. Business Cases requesting HM Treasury approval for expenditure outside delegated limits must have Investment Committee approval. The limits do not apply to expenditure that has already been agreed as part of the Spending Review or subsequent fiscal events.

Cabinet Office Efficiency Controls - the Cabinet Office introduced efficiency controls across Government in 2010. The department has a [full guide](#) to ensure compliance with those controls that apply to the department, its executive agencies and arm's length bodies. The full detail of all Cabinet Office thresholds can be found [here](#), and a summary of the categories and associated limits are set out in the Delegation Matrix.

Further delegation

Delegating some or all of your delegated authorities to SCS - you may choose to further delegate some or all of your delegated authorities to your Directors and/or Deputy Directors. The authority may be delegated to civil servants only. Please use the relevant template which can be accessed in the [delegated authority handbook](#) and ensure that any budgets allocated are consistent with the requirements set out therein. You must keep a record of all such delegations in the Record of Delegated Authorities, which can be found at **Annex A below** or at section 3.2.1 of the [delegated authority handbook](#).

Delegating responsibility to grades below SCS - responsibility for the day-to-day management and delivery of activity associated with these authorities may be delegated to grades below SCS using the Responsible Officer template that can be accessed in the [delegated authority handbook](#), but *accountability* always remains with you. You must keep a record of all such delegations in the Record of Delegated Responsibilities that can be found at section 3.2.2 in the [delegated authority handbook](#).

Temporary or one-off delegated authority - any request for a temporary or one-off delegation to civil servants or non-permanent staff must be referred to the *Strategic and Operations Finance Directors or ESFA Finance Director* for consideration/clearance, before seeking formal sign-off by me as Principal Accounting Officer. Please use the relevant template available in the [Delegated Authority Handbook](#). You must keep a record of all such delegations in the Record of Delegated Authorities at **Annex A** or at section 3.2.1 of the [delegated authority handbook](#).

Record of delegations – completing the Record of Delegated Authorities at **Annex A** is the start of ensuring that all delegations down through your group/agency are fully reflected for accountability and audit trail purposes. You must review the delegations recorded in **Annex A** throughout the year to make sure that they are up to date and comply with the requirements set out in this letter. You should ensure that you link the budget delegations to the framework for authorising expenditure via the department's finance systems.

You should also ensure your business area maintains a Record of Delegated Responsibilities for any delegations to grades below SCS. Your finance business partners and/or commercial business partners will work with you to embed that process.

Financial capability

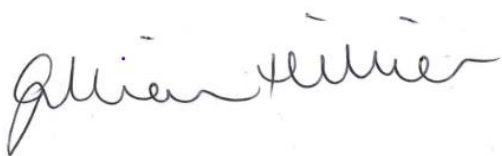
The department has strengthened its financial management capability and, as such, I expect all senior civil servants and those with financial responsibility to complete training to become a budget licence holder. This training was rolled out by Finance Group during 2019-20 for existing budget holders. Sessions for new starters will be held regularly in the future. Going forward, I expect all staff with delegated financial authority to hold this licence. To give effect to the authorities that I have delegated to you, please acknowledge your acceptance by returning a signed copy.

I am copying this email to your finance business partners; commercial business partners; Strategic and Operations Finance Directors; FPRE, FSU and FGT.

Yours sincerely

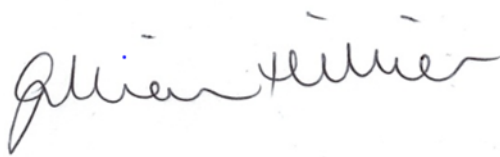
A handwritten signature in black ink, appearing to be 'AMC' followed by a stylized flourish.

Acknowledged/signed by:

A handwritten signature in dark ink, appearing to read "John Miller", written in a cursive style.

Chief Executive Officer

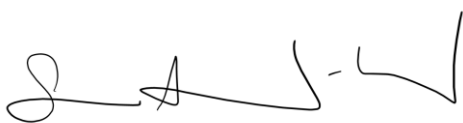
Signed:

A handwritten signature in dark ink, appearing to read "Oliver Turner". The signature is fluid and cursive, with the first name "Oliver" and the last name "Turner" clearly distinguishable.

Date: 21 July 2022

(on behalf of STA)

Signed:

A handwritten signature in dark ink, appearing to be an acronym or initials "S. A. V. L.". The signature is written in a stylized, cursive manner with distinct loops and a final vertical stroke.

Date: 22 July 2022

(on behalf of DfE)



Department
for Education

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