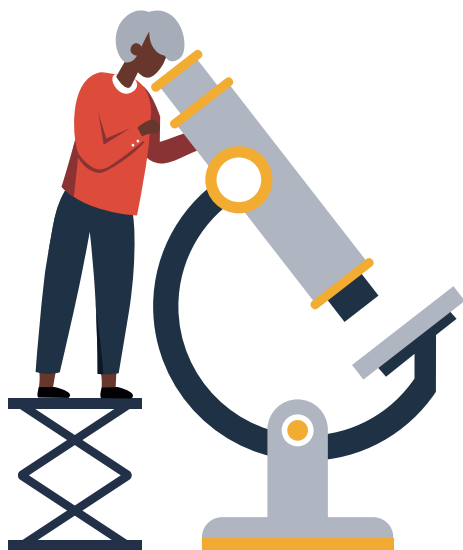


# Annual report and accounts: 2021 to 2022







**Office of Qualifications and  
Examinations Regulation  
(Ofqual)**

**Annual Report and Accounts  
2021 to 2022  
(For the year ended 31 March 2022)**

Accounts presented to the House of Commons pursuant to Section 6(4) of the Government Resources and Accounts Act 2000

Annual Report presented to the House of Commons by Command of Her Majesty

Ordered by the House of Commons to be printed on 14 July 2022

HC 195



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# CORRECTION SLIP

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## Correction:

### Text currently reads:

(Under the heading 'Complaints about Ofqual')

In the exceptional circumstances of the pandemic within this reporting period, 98% of these complaints related to the results and post-result outcomes achieved by candidates, with the remaining complaints being about external policy.

### Text should read:

In the exceptional circumstances of the pandemic within this reporting period, 19 related to external policy, 11 related to results and post-result outcomes achieved by candidates, and 7 cases related to service issues at Ofqual. The remainder were examination related.

Date of correction: 22 August 2022





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## Chair's foreword

Just over 2 years ago, the pandemic hit our shores; schools, colleges and workplaces were closed to many; our lives were disrupted in an unprecedented way. The summer exam series for GCSE, AS and A level has now returned for the first time in 2 years. Over a million students will take these exams. Vocational and technical qualifications (VTQs) and apprenticeship assessments have been taken by many more. This return to exams and formal assessments has been welcomed by students, parents and teachers despite the difficulties many have faced in these challenging times.

I would like, first of all, to applaud students of all ages, and apprentices, for their resilience and determination. I would also like to offer heartfelt thanks to the teachers, school and college leaders, exams officers, training providers and employers who have supported their students and apprentices every step of the way and worked in ways hitherto unimaginable.

At Ofqual, we have seen a great deal of change. What has not changed is our responsibility to everyone who takes, uses and relies on qualifications. Qualifications play a vital role in our education and training system. Qualifications need to be high quality, fair for those who take them, and stand the test of time.

In January 2021, the government decided that it would no longer be fair for GCSE, AS and A level exams to take place in summer 2021 because of the disruption to students' education caused by the coronavirus (COVID-19) pandemic. For the same reason, it was decided that it would also not be fair for timetabled exams and assessments for many VTQs to take place. Ofqual's challenge was to put in place arrangements to award qualifications in the absence of exams.

Ofqual worked at pace with the Department for Education (DfE). We consulted on parallel general and vocational qualification contingency frameworks, which saw a high degree of consensus from over 100,000 respondents. Our focus was on making sure that results were

issued on time and were, as far as possible, an accurate indication of student performance as judged by their teachers. Ofqual worked with exam boards to support staff at schools, colleges and other exam centres to determine GCSE, AS and A level grades for 2021. Those centres submitted 5.7 million teacher assessed grades in June 2021: a significant achievement and a difficult and important task. Similar arrangements were put in place for VTQs that gave awarding organisations the flexibility to award hundreds of thousands of VTQ certificates during 2021.

Our approach was driven by the interests of students and apprentices and our priority was to make sure all those who had been working towards exams and assessments in 2021 had the best possible chance to demonstrate their knowledge and skills. Grades were awarded as fairly as possible, enabling students to move on with confidence to the next stage of their lives, to further or higher education, training or employment.

I thank our interim Chief Regulator, Simon Lebus, in post from January to September 2021. I welcome Dr Jo Saxton's appointment to the role and the significant progress that has been made in her first 9 months. I am also very grateful for the engagement of so many stakeholders in our work. Only by working together can we secure qualifications that meet the interests of students, apprentices, employers and all those that use qualifications both today and well into the future.



**Ian Bauckham CBE**  
Chair  
5 July 2022



# Performance report

## Overview

In this section, we outline Ofqual's role and provide an assessment of our performance against our goals and objectives over the reporting period.

### Ofqual's role

The Office of Qualifications and Examinations Regulation (Ofqual) is the independent qualifications regulator for England. Ofqual is a Non-Ministerial Department and regulates around 205 awarding organisations, and about 12,250 qualifications for which certificates were issued last year. These include GCSEs, AS and A levels, and a broad range of VTQs.

Ofqual was created under the Apprenticeships, Skills, Children and Learning Act 2009. Parliament requires Ofqual to:

- secure standards in qualifications and apprenticeship end-point assessments
- promote public confidence in qualifications, apprenticeship end-point assessments and National Assessments
- oversee National Assessments and assure their validity
- improve public awareness and understanding of the range of qualifications available, to support clarity of choice in the market
- secure that qualifications are provided efficiently and that their price represents value for money
- raise awareness of the benefits of regulated qualifications, and of being a regulated awarding organisation

The coronavirus (COVID-19) pandemic has had a deep impact on the education and training of young people and adults across the country. The needs and interests of those students,

apprentices and all those that use and rely on qualifications continue to be at the heart of our work. In light of the pandemic, we focused on 4 priorities. These were:

1. Regulating GCSE, AS and A levels in response to the pandemic.
2. Regulating vocational and technical qualifications in response to the pandemic.
3. Supporting quality in regulated qualifications and assessments.
4. Managing our people, resources and systems.

As a Non-Ministerial Department, Ofqual receives its core funding directly from Her Majesty's Treasury (HM Treasury). Where we undertake specific activity to support the government's wide-ranging skills reform programmes, we receive additional funding from the DfE. In 2021 to 2022, our funding was secured through the 2020 Spending Review (SR20). We received funding of £25.531 million, including £5.490 million to deliver key milestones in the following programmes:

- regulation of apprenticeship end-point assessments (EPAs)
- strengthening non-GCSE performance table qualifications at Key Stage 4
- T Levels
- Digital Functional Skills
- review of qualifications at level 3 and below

### Regulatory approach

Ofqual has a range of regulatory tools to secure its objectives. Each year we undertake activities targeted at the greatest risks to our statutory objectives. We talk and listen to a wide range of stakeholders so that our work is targeted well and our decisions are properly informed by those they will affect.





Ofqual controls entry to the regulated market, creates rules and provides guidance for awarding organisations to ensure regulated qualifications are fit for purpose, valid and delivered safely. Ofqual monitors qualifications as they are delivered and evaluates how qualifications function to ensure they are meeting the needs of users and are being delivered safely and efficiently. Where qualifications are not meeting users' and learners' needs, we have a range of enforcement tools at our disposal to make sure the situation is put right.

Awarding organisations are required to report to us where incidents can or may occur that might have an impact on learners, standards or public confidence. Ofqual then monitors their management of those incidents with the ability to intervene where necessary to mitigate any adverse impact. We gather data and publish statistics to provide transparency on key features of qualifications and the qualifications market. Where appropriate, Ofqual uses the reform of qualifications as an opportunity to ensure that qualifications are well designed, threats to validity are minimised, and risks to safe delivery are anticipated and mitigated.

Qualifications regulators across the devolved administrations work closely together and align our approaches where possible in order to minimise the burden on those affected by our regulations.

## Summary of key activities

The main focus of Ofqual's work in 2021 to 2022 has been responding to the pandemic and the disruption it caused to students' education. In January 2021, the government decided that it would not be fair for GCSE, AS and A level exams to take place in summer 2021 due to the differential impact of the pandemic. Following a public consultation, Ofqual put in place an alternative approach that awarded grades as assessed by teachers. Again, in light of the pandemic, it was also government policy that it was not viable for timetabled exams and assessments for many VTQs to take place. After a parallel consultation, Ofqual implemented a flexible framework to enable and support the awarding of results to students throughout 2021.

Alongside responding to the pandemic, Ofqual continued to deliver a broad programme of reforms, including transitioning apprenticeship EPAs into regulation, the continued roll-out of T Levels, contributing to the government's review of post-16 qualifications at level 3 and below, and reviewing new higher-level technical qualifications at levels 4 and 5. Ofqual plays an active role in these reforms, working closely with the Institute for Apprenticeships and Technical Education (IfATE), to secure high quality qualifications for students of all ages and apprentices.



# Chief Regulator's review of the year

I joined Ofqual as Chief Regulator in September 2021, after a summer awarding season without the usual GCSE, AS and A level exams taking place. I pay tribute to all those working in schools, colleges and exam centres who worked so tirelessly throughout the spring and summer of 2021 to provide teacher-assessed grades so that 1.2 million students could progress with the next stage of their education or life plans.

In spring and summer 2021 alone, awarding organisations, working closely with centres, issued more than a million qualification results to students taking VTQs. This was a significant achievement, brought about through the swift introduction of innovative measures to mitigate the disruption caused by the pandemic. In some cases, teacher-assessed grades were used to assess performance and in others, students undertook adapted assessments.

The interests of students and apprentices are my compass and Ofqual's true north. Those interests inform all our decisions and actions. Qualifications are a passport to the future, and our role at Ofqual is to make sure that regulated qualifications are trusted, understood, good quality and fair. Qualifications open doors.

Since joining Ofqual, my most immediate priority has been to make sure qualifications can be delivered and awarded securely in 2022. I recognise the ongoing impact of the pandemic on students' education, and that many students who took A levels or other level 3 qualifications this summer had not sat a public exam before. I also know that students, parents and the public at large were keen to see the return of exams and formal assessments as we take steps back to normality.

Working alongside the DfE, one of my first acts as Chief Regulator was to introduce an unprecedented package of support for students, including advance information on exam content in many GCSE, AS and A level subjects and a generous approach to grading compared to pre-pandemic. For the diverse range of VTQs on offer, Ofqual kept the flexibility in place for awarding organisations to do what was right for

students, enabling a range of adaptations, such as remote assessment or remote invigilation.

I was glad to see the exceptional autumn exam series in October and November 2021, giving students the opportunity to try to improve their grade from summer 2021, if they wished. I was thrilled to see exams and assessments take place for a broad range of vocational and technical qualifications in January 2022. I congratulate all those involved.

Perhaps the most rewarding part of my role is listening to students, teachers and leaders in schools and colleges across England. I launched Ofqual's first ever listening tour last autumn, going to schools and colleges the length and breadth of the country, and joining people virtually when the pandemic got in the way. This enabled me to hear first-hand students' views on the return to exams, and to factor those views into our decision-making. I am very grateful to all those schools and colleges that have been so generous with their time, and to all the people who have engaged with Ofqual. We cannot be effective without them.

I am also grateful to IfATE. Our strategic partnership work on T Levels, Higher Technical Qualifications and Apprenticeship EPAs has continued at pace this year. Ofqual has also supported the introduction of the DfE's review of post-16 qualifications at level 3 and below, work on which is just beginning,

Throughout the year Ofqual's people and IT infrastructure have proved resilient and capable. I am grateful to all Ofqual colleagues for their professionalism, dedication and hard work.

We are now looking forward to this year's awarding and the outcomes of students' endeavours.



**Dr Jo Saxton**

Chief Regulator and  
Accounting Officer  
5 July 2022





# Performance analysis

Details about how we delivered each of our 4 organisational priorities in 2021 to 2022 are provided below.

## Regulating GCSE, AS and A levels in response to the coronavirus (COVID-19) pandemic

Ofqual is responsible for regulating GCSEs, AS and A levels in England, known as general qualifications. Our aims, based on our statutory objectives and duties, are set out in our [corporate plan 2021 to 2022](#).

Our regulation of general qualifications in England takes place in the context of government policy. In recent years, the majority of assessments for these qualifications have been carried out at the end of students' courses of study. For GCSEs and A levels this would normally involve exams at the end of a 2-year course (1 year for AS qualifications). In summer 2021, due to the pandemic, exams did not take place, therefore Ofqual oversaw arrangements for exam boards to award teacher-assessed grades (TAGs) for general qualifications and Project and Advanced Extension Award qualifications.

This was the second year of a significant change to the nature of our work compared to pre-pandemic years, where our focus would be on monitoring exam delivery, the quality of marking and moderation, and awarding.

### Preparing for summer 2021

On 4 January 2021, the government announced that exams could not go ahead fairly in 2021 due to the continuing impact of the pandemic. By the end of March 2021, Ofqual had confirmed arrangements for determining results. This followed a [joint policy consultation](#) with the DfE, which received over 100,000 responses, and a subsequent technical consultation on the regulatory rules we would put in place so that exam boards could deliver

and award qualifications in accordance with the policy decisions. We took our decisions in light of responses to our consultations and in the context of a formal direction to Ofqual from the Secretary of State for Education.

Ofqual published its regulatory framework on general qualifications awarding in summer 2021, the General Qualifications Alternative Awarding Framework, guidance for heads of centre, heads of department and teachers, and information for centres about making objective judgements. We also oversaw the exam boards and the Joint Council for Qualifications to ensure that their guidance on the processes centres should follow to generate and submit their TAGs, and the information about the quality assurance process, was comprehensive and as helpful as possible.

Ofqual therefore started the year on which we are reporting with a clear understanding of the basis on which general qualifications would be awarded in 2021. That is not to say, however, that there was no more preparation to complete. In April 2021, once the General Qualifications Alternative Awarding Framework had come into effect, we met with each exam board to assess their readiness to award grades to students.

Ofqual identified no serious concerns but used this opportunity to confirm our view of the key areas of risk for awarding results in the summer that they would need to manage. We met with the exam boards both individually and collectively throughout the spring and summer to discuss their preparations and progress.

### Quality assurance

The approach to awarding grades in summer 2021 permitted by Ofqual gave centres discretion to decide how to gather evidence of their students' performance on the content they had been taught. This allowed centres to take into account relevant work already undertaken, set new assessments written by teachers or use questions provided by the exam boards, and vary the approach used for individual students where that was appropriate for their individual circumstances.





Ofqual's rules required exam boards to ensure that centres put in place internal quality assurance arrangements, including a centre policy which set out each centre's approach. They were required to make sure at least 2 people were involved in each judgement and the head of each school or college had to sign-off the grades. They were also required to submit samples of students' work in different subjects and qualification levels to the exam boards. The samples were determined by the exam boards.

Exam boards put in place external quality assurance arrangements, checking each centre's policy, reviewing the profile of grades submitted, and reviewing samples of student work on both a targeted and random basis.

The exam boards looked at evidence of students' performance from 1,101 out of 5,864 centres in England (19%) with GCSE, AS and A level entries. Between them, these centres made 22% of the total GCSE, AS and A level entries recorded in England.

If the exam boards' quality assurance led to concerns with the TAGs awarded, the exam boards' subject experts looked at further evidence and discussed the centre's approach to determining grades more generally. Of the 1,101 centres whose students' work was looked at by the exam boards, 159 were subject to such additional scrutiny. 133 had their original TAGs upheld following further exemplification by centre staff, and 26 were asked to revisit their TAGs. We monitored the changes to TAGs as a result of the quality assurance process. Across the 26 centres asked to revisit their judgments, 195 TAGs changed, of which 179 TAGs decreased and 16 TAGs increased.

## Entries

Staff at school, college and other exam centres submitted 5.7 million grades for students taking GCSE, AS and A level qualifications in England in summer 2021. These comprised 4.9 million GCSE grades, 57,360 AS grades, and 754,520 A level grades.

Overall, GCSE entries remained stable (approximately 5.3 million) in 2021 (an increase

of 0.4% on 2020), though a rise in entries from year 11 students masked decreases in entries from lower year groups and from candidates older than 16. A level entries for summer 2021 increased by about 3% on 2020, partly reflecting a change in the size of the overall age cohort. AS entries for summer 2021 decreased by over 30% on 2020, continuing a trend seen in these qualifications since reforms decoupling them from A levels.

## Results days and outcomes

For the first time, both GCSE and AS and A level results were issued in the same week, on 10 and 12 August respectively.

Overall A level results were higher at grade A and above compared to 2020 (44.3% in 2021 compared with 38.1% in 2020, and 25.2% in 2019). Results were also higher at grade B and above compared to 2020 (69.8% in 2021 compared with 65.4% in 2020, and 51.1% in 2019), whereas results were relatively stable at lower grades (C to E).

Similarly, overall GCSE results were higher at grade 7 and above compared to 2020 (28.5% in 2021 compared with 25.9% in 2020, and 20.7% in 2019) and relatively stable at grade 4 and above compared to 2020 (76.9% in 2021 compared with 75.9% in 2020, and 67.1% in 2019).

For both GCSEs and A levels, the overall increase in outcomes this year compared to previous years is likely to reflect the change in assessment arrangements, for example, teachers may have given students some benefit of the doubt across the multiple opportunities many students had to show what they had learned and could do – quite different from end of course exams.





### [Ofqual results and equality analyses](#)

showed general stability in the differences in outcomes for students with different protected characteristics compared to previous years and increased grades for many groups. This suggests that the changes to the assessment arrangements have lessened the unevenness in outcomes we may otherwise have seen because of the differential impact of the pandemic if exams had taken place.

### Post-results

When Ofqual published decisions on how grades for GCSEs, AS and A levels should be determined in summer 2021, we confirmed that students would have the right to appeal. Unlike in other years, given that it was the centre itself that had determined students' grades, students (rather than their centres) could decide whether to appeal, with the appeal being submitted by the centre on the student's behalf.

Ofqual required exam boards to take a two-stage approach to appeals, firstly allowing students who believed their grade did not reflect their performance to ask their centre to check whether it made an administrative or procedural error when determining their TAG. If a student still believed their grade was wrong following the outcome of their centre review, they could ask their centre to submit an appeal on their behalf to the exam board. The student needed to state what they thought had gone wrong by selecting the appropriate grounds of appeal. The evidence centres were required to provide differed depending on the grounds on which the student appealed.

The [main findings in the provisional number of appeals](#) for GCSE, AS and A level in summer 2021 in England were:

- 17,490 of the 6 million grades certified for GCSEs, AS and A levels were challenged (0.3% of all grades certified)
- 6,000 of the 6 million grades certified for GCSEs, AS and level were changed as part of an upheld appeal in summer 2021 (0.1% of all grades certified)
- the most common ground for an appeal was unreasonable exercise of academic judgement

### Preparing for summer 2022 – exams

The government has been clear throughout the year that students entering GCSEs, AS or A levels in 2022 should expect to take exams in the summer and complete any non-exam assessments during their course.

With this in mind, Ofqual worked throughout the year to ensure that exams and other assessments could proceed as planned. We consulted, together with the DfE, on proposed arrangements for summer 2022 in July and August 2021.

In putting together the proposals, Ofqual and the DfE were able to draw on the feedback we received in response to consultations from July and December 2020 which set out proposals for adaptations to exams in 2021, had they gone ahead.

The DfE decided to implement the policy proposals set out in the consultation document. Ofqual confirmed that it could effectively regulate assessment arrangements for GCSEs, AS and A levels in summer 2022 in light of these decisions and changed its regulations as appropriate.

The package of support for students taking exams in summer 2022 is unprecedented. The wide range of adaptations, including optional content or topics in 4 GCSE subjects, advance information about the focus of the content of





the exams for all other GCSE, AS and A level subjects, the provision of equation and formulae sheets and modifications to the requirements for non-exam assessment and practical work in a number of subjects, were designed to mitigate some of the pressure on teaching time and the pressure that students experience when revising for and sitting exams. We believe that, taken together, this package of measures has supported teachers and students and enabled exams to go ahead in 2022.

## Preparing for summer 2022 – grading

Ofqual has statutory objectives to maintain standards and promote public confidence in exams and qualifications. We also have a duty to have regard to the interests of learners. Returning to the pre-pandemic standard is a priority, but in the interests of fairness, and balancing these objectives, we will not do so in one jump. Instead, 2022 will be a transition year to reflect that we are in a pandemic recovery period and students' education has been disrupted. In 2022 national outcomes will be awarded to reflect a midway point between those of 2021 and 2019.

As in any other year, exam boards will use data as a starting point, to align their standards in a subject. That will be based on an average of 2019 and 2021 results for each subject. The grade boundaries for each specification will be set by the senior examiners, of course, after they have reviewed the work produced by students. Results overall will likely be higher than in 2019, but not as high as in 2020. The exact position will vary by subject and by grade.

## Preparing for summer 2022 – contingencies

While planning for the safe and effective delivery of exams in summer 2022, we have simultaneously developed and refined plans for the contingencies which would be put in place if the pandemic took an unexpected turn and exams could not go ahead.

Ofqual consulted jointly with the DfE on proposed contingency arrangements for awarding TAGs, in the unlikely event that

exams were not able to go ahead as planned. We sought views in the consultation on draft guidance for teachers on how they should collect evidence that would inform TAGs, should they be needed. We proposed that teachers should collect evidence at points in the year that worked best for them and their students, by assessing students in ways that would help them prepare for the exams we expected them to take in the summer – for example by assessing in exam-like conditions wherever possible. This would both help to ensure that the work was authentic and give students exam experience.

Ofqual purposefully did not propose how teachers should use the evidence they collected to determine TAGs, for 2 reasons. Firstly, we did not want teachers to spend time creating TAGs unless exams were cancelled and TAGs were needed. Secondly, any approach we would take would need to take account of the timing of the decision, the reason for the decision and any public health restrictions in place at the time.

In November we published our decisions following this consultation. We decided to implement our proposals about the evidence that would be used to assess students' performance if exams were cancelled. We also published final guidance for teachers on how they should collect evidence of student performance.

## Stakeholder engagement

During the year we met with a wide range of stakeholders as we delivered arrangements for 2021 and prepared for delivery in 2022, including contingency arrangements. This included representatives of school and college leaders, teachers, home educators, exams officers, higher and further education, employers, students and parents, subject associations, equalities organisations. We engage with stakeholders to understand their views and to listen to the experiences of those taking, delivering and using qualifications. We also use engagement to increase understanding of, and confidence in, the arrangements for awarding qualifications.







Ofqual has also continued to provide clear information for centres, students and their parents, about the arrangements for the qualifications we regulate. This included information for centres, a guide for students, letters to centres and students, blogs and updates on our website. It is important that all those who use qualifications, particularly the students who take them, understand the arrangements in place and have access to clear information about them.

## Other policy work

As well as the wide range of work in response to the pandemic, we have moved forward on a variety of fronts in a way we were not able to during the previous year.

In some cases, this meant resuming work that had started before the pandemic. Having initially consulted in February 2020, in November 2021 we published updated and expanded guidance for awarding organisations on how they should comply with our rules on malpractice and maladministration, to reinforce our requirements that credible allegations are investigated with the necessary rigour and, where appropriate, action is taken against those who are responsible.

Ofqual also continued to advise the DfE in their development of subject content for a new GCSE in British Sign Language and started preparatory work with the DfE for the development of a new GCSE in natural history.

Other areas of policy development were new. In November 2021 we consulted on draft guidance for awarding organisations on producing accessible assessments, including exams. Our new guidance was published in May 2022. We also consulted on proposed changes to the assessment arrangements for GCSE French, German and Spanish to reflect the DfE's new subject content. Outcomes from our policy consultation on the assessment arrangements were published in January 2022, and the subsequent technical consultation on our regulations closed in April.

As was the case in 2020, however, we put on hold work that would have created significant additional burden for us or the exam boards so that we could focus on responding to the very significant changes due to the pandemic.

## Regulating vocational and technical qualifications in response to the coronavirus (COVID-19) pandemic

Vocational and technical qualifications (VTQs) are developed for a wide range of purposes and qualify people to work in all sectors of the economy, from construction to health, and from the arts and media to our public services. Offered by 205 recognised awarding organisations, VTQs allow students of all ages to progress, be that onto further study or within their careers. Some enable individuals to enter the workforce, others allow them to demonstrate higher-level professional expertise. Many of these qualifications provide a crucial licence to practise for those working in professions such as accountancy, engineering, or horticulture. They are the evidence-based indicators from which employers can confidently ascertain the skills and capabilities of an individual.

Regulating VTQs in the context of the pandemic has continued to be a substantial activity this year. Through 2020 and 2021 it was more important than ever that students were able to be awarded qualifications results in which there was confidence, so that they were able to progress to the next stage of their lives.

Ofqual worked at pace with the DfE to launch a [joint consultation on alternative awarding arrangements](#). Then, following [a further consultation](#), Ofqual put in place the Vocational Contingency Regulatory Framework (the VCRF).

The VCRF applied to all regulated qualifications from entry level to level 6, except for GCSE, AS, and A level qualifications, Advanced Extension Award, Project qualifications and apprenticeship end-point assessments. It permitted awarding organisations to adapt qualifications and assessments, or to issue





results using alternative arrangements, for example, based on TAGs. The VCRF was designed to accommodate the diversity of VTQs and gave awarding organisations the flexibility to successfully award hundreds of thousands of VTQ certificates during 2021.

## Features of the VCRF

Features of the VCRF include:

- qualifications divided into 2 broad categories with different approaches for each category
- category A qualifications included those that signalled occupational or professional competency, proficiency or were a licence to practise where results were awarded only based on assessment that had taken place as normal or with agreed adaptations
- category B qualifications included those that were important for progression into further or higher education or into employment, where timely provision of results was the priority
- results for category B qualifications could be awarded where not all assessments had taken place, including using TAGs
- for qualifications most similar to GCSE, AS and A levels, the approach to awarding should be most similar to that proposed for those qualifications meaning exams would not take place and results based on TAGs were issued
- for qualifications which are not similar to GCSE, AS and A levels, such as Functional Skills Qualifications (FSQs), learners should sit assessments where safe to do so, either remotely or in person before receiving an award using alternative evidence, including TAGs

Further information on the VCRF can be found in our [guidance for centres: awarding of vocational, technical and other general qualifications in summer 2021](#)

## Implementing the VCRF

Throughout the spring and summer, regular meetings were held with awarding organisations. Working together in this way, establishing a co-regulation approach, enabled Ofqual to gather insights from awarding organisations and centres, address them swiftly, as well as reducing burden on all in the system at a time when there were significant challenges.

Engagement with stakeholders – particularly, centres, employer groups and provider representative bodies – was crucial in making sure there was confidence in the regulatory arrangements and the VTQs awarded. Stakeholder briefings and webinars were supplemented by the establishment of a centre reference group and a cross-sector communication group that met weekly through the summer. This engagement provided insight and intelligence from those with on-the-ground experience and was invaluable in helping build confidence in the arrangements and mitigate any issues that were raised. The logistical challenges that teachers and leaders were facing in schools and centres across the country was evident.

The hard work and support of those who represent colleges, training providers and other types of centres, on behalf of their members, was integral to the successful implementation of the VCRF. All of this meant that the awarding of VTQs in 2020 to 2021 went well, with the vast majority of students achieving their qualifications to allow them to progress. Students taking level 3 VTQs, which were predominantly those used in performance tables, received their results as expected, by 10 August and 2 days later students taking level 2 VTQs received theirs. These dates aligned with those for GCSEs, AS and A levels.





## Monitoring the VCRF

The [GCSE, AS and A level summer report 2021](#) outlines how Ofqual monitored exam board processes that allowed students to be awarded teacher-assessed grades. [Delivery and award of vocational and technical qualifications in 2021](#) details how students and learners were awarded qualifications through assessments or alternative arrangements including teacher-assessed grades.

## Ongoing monitoring of awarding organisations

Each year awarding organisations provide Ofqual with an annual self-assessment of their compliance with our rules. In 2020 this process was postponed allowing awarding organisations to focus on the awarding of VTQs in the first year of the pandemic. In 2021 the process recognised the ongoing impacts of the pandemic. By the end of January 2022, 158 statements of compliance were received as expected. The remaining one awarding organisation withdrew its recognition shortly after the submission window. We asked awarding organisations for more detailed information across 3 key areas of interest – organisational stability, IT risk management and apprenticeship end-point assessments (where applicable). The self-assessments have been reviewed and follow up activities have been conducted to seek further assurance. Thirteen awarding organisations were asked for further information about their declarations of compliance with our rules, 11 awarding organisations were asked to provide additional detail about their organisational stability, 76 awarding organisations were questioned further about their processes linked with IT risk management, and 14 awarding organisations were asked to provide more information on their response to apprenticeship end-point assessment questions. Findings from these areas will be used to inform future operational delivery and messaging to awarding organisations.

## Evaluation of 2021 outcomes

As many results in 2021 were not based on a formal assessment, it was important to evaluate the results in the same way as for 2020 outcomes. Analysis focused on whether any particular groups of learners, including those with protected characteristics, were unfairly advantaged or disadvantaged by the approach taken in summer 2021. This analysis focused on Applied General and other performance table qualifications, other general qualifications and Functional Skills qualifications awarded in 2018, 2019 and 2020. Data was collected and analysed from 35 awarding organisations and 1,067 individual qualifications.

During results week, [results analysis and equalities analysis of VTQs](#) was published, and confirmed that grade distributions did not substantially change in summer 2021, when compared to previous years. The equalities analysis showed that there was no noticeable change in the likelihood of achieving a top grade in 2021 compared to the previous years between different groups of learners. This was important affirmation that no particular groups of students were disadvantaged or advantaged by the arrangements put in place this year.

Ofqual also carried out post-results evaluation meetings with awarding organisations to review how they delivered their assessments and results in 2021, responded to issues, and if there were any lessons learnt to carry into 2022.

## VTQ Arrangements, 2021 to 2022

Centres and students understandably wanted to know as soon as was feasibly possible what arrangements would be in place for VTQs in 2021 to 2022. To expedite this, [a joint DfE and Ofqual consultation on the proposed approach](#) was undertaken in July 2021. We considered over 250 responses to the consultation, from a wide variety of stakeholders. The decisions were published ahead of the publication of results in summer 2021, ready for the start of the new academic year. This provided the clarity that centres and students needed for VTQs. The consultation confirmed that, in line with government's expectations, all qualifications





would be awarded based on evidence from exams and other assessments. Results for exams and other assessments taken after 1 September 2021 would not be based on TAGs.

Many assessments and exams continue to be adapted. Our framework guides awarding organisations as to whether their adaptations remain appropriate in the context of the 2021 to 2022 academic year. It is expected that all content should be taught, as far as is feasible, so that students are as well-prepared as possible for progression to the next stage of their education, training, or employment. While awarding organisations will have different approaches, because of the variety of assessment methods, structures, and purposes of their VTQs, as last year, we expect awarding organisations that offer similar qualifications will continue to work with each other to ensure consistency is maintained where possible and appropriate.

Throughout the year close working with the awarding organisations in our co-regulation approach has been essential in making sure that they continue to provide colleges, training providers and schools with clear information as soon as possible to allow them to implement any adaptations consistently.

While not necessary to date, any decision that exams and other assessments are not viable – nationally, regionally, or locally – will be taken by the government. As with GCSEs, AS and A levels, if exams and other assessments are, at any stage, not considered viable, we believe that awarding qualifications based on alternative evidence, including TAGs, will be the best alternative. The VCRF includes provisions to enable awarding organisations to award results using alternative evidence including TAGs if that is needed in response to a government decision. In September a [statement on contingency arrangements](#), in support of the DfE’s published guidance, confirmed this approach.

A joint Ofqual and DfE review of awarding organisations’ proposals for adapting performance table qualifications brought efficiency of decision making and reduced burden on awarding organisations, while

allowing both organisations to operate independently and in line with their remit. The outcomes of this review were shared with awarding organisations before the start of the academic year allowing them to release information to their centres in September when it was most needed by teachers. Having these established arrangements further helps secure confidence in the arrangements for 2022 and allows for early sight of any potential issues impacting assessments.

Engagement with a wide range of stakeholders continues to play a part this year. This includes engagement with employers across a range of sectors, including hair and beauty, construction, and land-based engineering. This engagement has provided useful insight, in particular around adaptations to qualifications in their sector, and employers report increased confidence in qualifications. The established cross-sector communications and centre reference groups have continued to meet and provide with insight directly from schools, colleges, and other training providers and from those bodies that represent them. These groups continue to be invaluable for understanding the issues faced and ensuring our arrangements for assessments remain fit for purpose.







## Delivery and awarding, 2021 to 2022

Adaptations have enabled hundreds of thousands of assessments to be taken throughout this year so far, bringing some stability for teachers and students. Although exams and assessments are taking place, the pandemic continues to have impacts. Monitoring the delivery of VTQs therefore continues to be crucial to ensure that the arrangements for exams and assessment are fit for purpose and that awarding organisations remain on track to deliver.

Throughout December 2021, alert to the developing public health situation due to variants of COVID-19 emerging at that time, focus was on the potential impact and disruption on assessments due to take place from January to March 2022. Overall, the series was successful. Awarding organisations delivered 1,345 exams with 591 thousand entries as planned, all assessments went ahead, and most students were able to sit their exams as planned. We recognise the hard work of schools and colleges to deliver these assessments.

In preparation for the next substantive series of exams and assessments, monitoring is underway of awarding organisations' readiness to deliver high-stakes assessments including performance table qualifications and T Levels, which will be awarded for the first time in summer 2022. To date Ofqual is assured that they are prepared for delivery of VTQs this summer.

## Supporting quality in regulated qualifications and assessments

Considered regulation and reform, which pays particular attention to the purposes of qualifications and who they are for, plays a vital role in supporting the quality of qualifications as they are first developed and throughout their lifecycle. Ofqual regulation makes sure that qualifications and assessments, whatever level of education or training they apply to, continue to be fit for purpose and enable clear, secure choices upon their achievement.

Ofqual shares the government's ambition to create a world-class post-16 education system, with both technical and academic routes. Consultation on proposed regulatory arrangements that we believe will have benefits for students of all ages and apprentices has been a dominant feature of Ofqual's work this year. The intent is to bring greater clarity to the post-16 landscape, securing a more effective market with a clear and navigable system.

## National assessments

Ofqual regulates statutory early years foundation stage profile assessments and statutory national curriculum assessments, which together we refer to as national assessments. Ofqual meets its statutory objectives to promote standards and public confidence in national assessments by taking a risk-based approach. National assessments are designed and delivered by the Standards and Testing Agency (STA), which is an executive agency of the DfE.

As in 2020, statutory primary assessments at key stages 1 and 2 did not go ahead in 2021 due to the pandemic. They were not replaced by any other form of statutory assessments. Ofqual's regulatory activity was scaled back in March 2020 as STA activity diminished, though we maintained ongoing oversight of key STA activity, including in relation to assessments yet to be introduced and preparations for the following academic year. This level of focus was maintained until the start of this calendar year, when full regulatory activity was resumed.

While national assessments will return in 2022, the DfE has announced that school-level data from the key stage 2 tests will not be published in performance tables. Results will, however, be shared securely with primary schools, academy trusts, local authorities and Ofsted for school improvement purposes.





## Priorities in national assessments

In the last year, up to 31 March 2022, our priorities were as follows.

### Monitoring preparation for the delivery of national assessments

STA contracted with a new test operations supplier for the 2020 assessment cycle. As national assessments were cancelled in 2020 and 2021, 2022 is the first year the new supplier will be responsible for delivering them. It is also the first year that marker training will be conducted online.

While Ofqual is not responsible for quality assuring test delivery, as this rests with the Secretary of State for Education, we confirmed in letters to the chair of the Education Select Committee and Secretary of State in 2018 that the scope of our regulatory activity would include the monitoring of risks to validity that could arise from the change of supplier. As such, we have focused on a number of aspects of the preparations for delivery in summer 2022, including how the quality of marking will be secured by the new supplier, and to this end we have observed a number of online marker training meetings.

Ofqual has also monitored the STA's approach for potential risks to validity by reviewing relevant documentation provided by the STA or the contractor, as well as through regular meetings with senior STA staff, and the observation of internal STA meetings and meetings between the STA and the delivery contractor.

### Monitoring introduction of new assessments

Ofqual has monitored the introduction of reception baseline assessment, which is administered to reception pupils in the first 6 weeks of the academic year and became statutory this academic year. The assessment provides a snapshot of where pupils are when they arrive at school and is intended to provide a starting point to measure the progress schools

make with their pupils between reception and the end of primary school.

Ofqual is also monitoring the introduction of the multiplication tables check, an on-screen assessment designed to determine whether pupils are able to recall fluently their multiplication tables up to 12, through a set of timed questions. While optional in 2021, it will become a statutory assessment this year for all year 4 pupils registered at state-funded maintained schools, special schools or academies in England this academic year.

### Approach to standards maintenance

Ofqual has also engaged with the STA regarding their approach to the maintenance of standards in national assessments this year. They have set out to us the steps they are taking and have taken to ensure the robustness of the standards maintenance process given the challenges posed by the pandemic. There will be no adjustment to the expected standard in the light of pandemic-related disruption to pupils' learning. The government's intention is that this will enable an accurate measurement of the effect of the pandemic on pupils' learning.

### Moderation of key stage 1 and key stage 2 English writing teacher assessment

Standardisation of moderation work will take place again in 2022. This process is intended to provide assurance that local authority moderation teams have the required knowledge to moderate key stage 1 and key stage 2 English writing assessments. STA will only approve moderators who have successfully completed a standardisation exercise. We monitored the moderator standardisation process, and further details will be included in the next national assessment annual report.



## National assessments regulation annual report

Due to the cancellation of national assessments, we did not publish an annual report on our regulation of national assessments in January 2021 or 2022. The next annual report will be published in January 2023.

## Strengthened assessments for Technical Award qualifications at key stage 4

Performance table qualifications are part of DfE accountability measures for schools and colleges. In December 2021, the DfE published an interim list of Technical Award qualifications that will be eligible to appear in performance tables in 2024. Ofqual supported the DfE decision-making process for the qualifications in this list by reviewing the qualifications from awarding organisations and providing feedback to the DfE. Each qualification was considered against the relevant General Conditions of Recognition (GCR) and Qualification Level Conditions (QLC) and feedback was then provided to the DfE as to the level and nature of any potential issues in this respect. Ofqual review was one element of a range of information the DfE considered as part of the process.

## Digital Functional Skills qualifications

To support the introduction of Digital Functional Skills qualifications (FSQs) and ensure they meet their intended purposes, as set out by the government, Ofqual consulted on changes to its regulatory approach.

Focused on [improving adult basic digital skills](#), new Digital FSQs are being introduced for first teaching in August 2023. These new qualifications replace the existing Functional Skills qualifications in information and communication technology. They are to be available at entry level and level 1, and the subject content has been set by the DfE.

In November 2021, Ofqual published the [policy consultation outcome](#) with details of the regulatory approach to Digital FSQs,

together with its [technical consultation](#).

Following analysis of the responses, [decisions were published](#) at the end of March 2022, establishing the new regulatory approach for Digital FSQs. The framework balanced government expectation that employers and students should have confidence that the level of Digital FSQ achieved is comparable, irrespective of the awarding organisation they choose or the year in which the assessments are taken, while allowing awarding organisations to take innovative approaches to assessments.

Awarding organisations will now need to apply and gain approval for Ofqual recognition to deliver the reformed Digital FSQs. This will allow sufficient time for them to develop the qualifications and make them available to centres for first teaching in 2023. Ofqual will be conducting technical evaluation of the proposed qualifications ahead of delivery, with this commencing in autumn 2022.

## Regulation of apprenticeships

In 2020, IfATE chose to discharge its apprenticeships evaluation duty for all standards, except those that are integrated degrees, to Ofqual, who now secure it through regulation. This followed the publication of its [consultation response on a simplified External Quality Assurance \(EQA\) system](#). The decision brings the benefits of regulation to apprentices. The academic year 2021 to 2022 has seen the transition to these arrangements progress alongside the delivery of regulated end-point assessments (EPAs).

## Recognition

By the end of March 2022 over 90% of apprentices in phase 1 now benefit from the protection of Ofqual regulation. For 178 standards, employers can now choose an organisation for which Ofqual has the occupational and assessment expertise needed to deliver EPAs. At the end of March 2022, [EQA transition data](#) was published, detailing the progress made to date.





Phase 2 of this programme focuses on transitioning to Ofqual those standards from all other EQA providers. Of the 31 organisations active on these standards, one has already achieved Ofqual recognition, 11 are being assessed and others are in progress.

## EPA delivery

In addition to the quality assurance of organisations that happens through their recognition, a range of monitoring activity has been completed, in line with the EQA delivery plan agreed with IfATE to support quality in apprenticeship EPAs. A range of regulatory activities have been used throughout the year, considering EPAs before and during delivery. Direct engagement with organisations, including through inductions and a series of forums, has been at the heart of this holistic approach to ongoing regulation. This is to make sure that there is a consistent quality approach to assessment across an apprenticeship standard, regardless of which end-point assessment organisation is delivering the assessment and where and when this is carried out. Activities in this period include:

- technical evaluation of assessments materials for 42 EPAs, across 27 different standards
- reviews of the activity of over 40 organisations, delivering EPAs on nearly 60 standards
- appraisals of 44 draft assessment plans and resolution of 167 queries on queries on live assessment plans
- consideration and monitoring of notifications from 6 organisations, who made Ofqual aware of incident they felt had, or could have, an 'adverse effect' on apprentices

## T Levels

T Levels are high-quality programmes of education combining classroom learning with industry experience. They are developed in collaboration with employers and businesses

so that the content meets the needs of industry and prepares students for work or further study. Ofqual's role in T Levels is specifically around the regulation of the new Technical Qualifications (TQs) within the T Level programme.

Summer 2021 saw the first award of the core assessments for the 3 wave 1 TQs in education and childcare, design, surveying and planning for construction, and digital production, design and development, for students in the first year of their 2-year T Level programme. Across these pathways, the 2 awarding organisations, Pearson and NCFE, issued 1,148 results. These results were based on TAGs, ensuring that students taking these new qualifications were not disadvantaged compared to their peers taking A levels or other level 3 qualifications used for progression.

Reviews have taken place with Pearson, NCFE, and City & Guilds on their readiness to deliver TQs this year. These have related to the 3 TQs in wave 1 and the further 7 in wave 2. Preparations for the first award of the full T Levels in summer 2022 are on track, and, as with other VTQs this year, results will be based on assessments and examinations.

Joint working continues with IfATE on T Levels that are in the process of being rolled out. This year new TQs from wave 3 have been accredited in subjects ranging from accounting to engineering. This has enabled awarding organisations to make these qualifications available to the centres in good time, ready for first teaching in September 2022. Ofqual has also recognised the awarding organisations that IfATE contracted for the delivery of T Levels in wave 4 and are in the process of reviewing, with subject experts, the materials submitted for these qualifications. Full and effective use of our expertise and powers, alongside those of IfATE, means that TQs are available as expected and are of the high-quality that students and employers should expect of these flagship programmes.







## Reform of qualifications at level 3 and below

Working closely with IfATE and the DfE, Ofqual consulted on its [proposed approach to regulating those qualifications at level 3 that will sit alongside A levels and T Levels](#) as part of the high-quality choice for students. The consultation proposals consider these qualifications as 2 groups:

- alternative academic qualifications, which are intended to provide evidence of a student's attainment in relation to their course of study and allow for progression to further study
- alternative technical qualifications, which are intended to confirm that a student has the knowledge, skills and behaviours linked to competence in a given occupation

The consultation set out high level proposals for the regulation of qualifications in both of these groups. The proposals are intended to put in place arrangements that would ensure qualifications designed to meet these requirements are high quality, with particular consideration given to threats to assessment validity for the qualifications in question, as well as the roles of IfATE and Ofqual. The consultation closed on 20 April 2022. Decisions, alongside a second technical consultation on the conditions and requirements needed to implement the changes, will be confirmed in the summer.

In relation to the proposed reforms of post-16 qualifications at level 2 and below, Ofqual has worked closely with the DfE and IfATE as part of the initial policy development. We are in the process of developing our proposed regulatory approach and will consult on this in due course.

## Higher technical qualifications

In early 2021, Ofqual regulation extended to the higher technical qualifications (HTQs) that are being introduced to improve the quality of higher technical education. These are at the core of reform aimed at encouraging more

people to take higher technical education courses and strengthening the skill base of the workforce.

HTQs are either new or existing level 4 and 5 qualifications (such as Higher National Diplomas, Foundation Degrees and Diplomas of Higher Education) that have been developed by awarding bodies and approved by IfATE as meeting occupational standards for the relevant sector.

The first teaching of these approved HTQs will begin in September 2022, starting with those in the digital route. Ofqual plays its part in ensuring the quality of these qualifications. All awarding organisations that want to offer the newly branded HTQs must be recognised by Ofqual. HTQs can also be offered by higher education institutions, who must be recognised by the Office for Students. Awarding organisations have submitted qualification and assessment materials for approval as part of this process, which Ofqual has reviewed and then provided feedback to IfATE regarding the quality of these assessments.

The first approval cycles saw 23 submissions. The review of HTQs has required close working with IfATE, including the collection and sharing of data and feedback. This has helped in reducing duplication and burden for awarding organisations during the approval process.

## Recognition

Recognition of awarding organisations is an integral piece of Ofqual's regulatory approach. The recognition process ensures that only organisations with the capacity and capability to design, develop, deliver, and award qualifications and assessments can offer regulated qualifications. This year we have recognised 45 new organisations and received 111 first-time applications.

The growth in the awarding organisation market this year has been exceptional, driven primarily by end-point assessment organisations applying for Ofqual recognition. Recognition requires awarding organisations to meet a high-quality bar and means that students, apprentices and



employers can be confident that, when taking a regulated qualification or end-point assessment, the organisation has demonstrated it has the assessment and sector expertise needed to deliver quality assessments, and that they can benefit from the protection of Ofqual regulation.

The awarding organisations that have been recognised this year range from professional bodies, to employers, to those organisations that are solely focused on assessment. They include niche organisations like the Institute of Cast Metal Engineers, recognised for a single apprenticeship standard, the Metal Casting, Foundry and Patternmaking Technician, through to those that are broader in scope offering popular standards such as Business Administrator and Associate Project Manager.

Support, relationship management and guidance as organisations prepare their applications has been a substantive programme of work this year. Written and direct feedback have been offered to those whose applications have not met the standard required. This process has enabled applicants' representatives to meet with those that reviewed their application to discuss the reasons and seek further clarification, ahead of subsequent applications. Opportunities to attend forums, roundtables, and webinars on Ofqual recognition requirements have also been provided. This support has enabled applicants, from across the breadth of economic sectors, to understand the recognition process and appreciate that Ofqual's expectations of the quality are the same for every organisation, and for the benefit of every student and apprentice.

## Managing our people, resources and systems

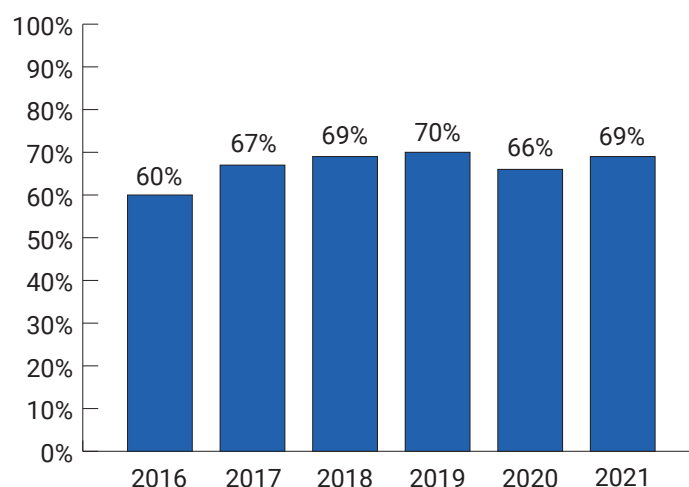
Ofqual achieves its goals through our people working effectively together and with others across the education and training system. Our priority has been, and continues to be, ensuring that our people are safe, working in line with appropriate government COVID-19 policy and advice, and that they have access to the technology and resources to fulfil their role, wherever they may be working. We have continued to make sure that our people have the

right skills, expertise, tools and information to achieve our corporate plan objectives, enabling us to achieve good value for public money and making the best use of our resources.

## Civil Service People Survey


Ofqual takes part in the annual [Civil Service People Survey](#). The survey looks at civil servants' attitudes to and experience of working in government departments. In 2021, our people engagement index increased by 3 percentage points from 66% to 69%, which is 3% higher than for the Civil Service as a whole. Our response rate was 79%, compared to the overall Civil Service response rate of 62%. The results showed improvements across a range of themes, and we are engaging with staff to develop our approach to areas for improvement. These will be underpinned by our refreshed people strategy, which we launched in April 2022.

### Civil Service People Survey Engagement Index



## Our technology

In line with our digital, data and technology strategy, we continue to grow, iterate and improve the technology solutions that enable Ofqual's regulatory processes and that support our staff to work effectively, particularly in a hybrid way. We have further extended our Portal so that more regulatory work is carried out in one place, and largely removed technical debt to make the best use of our Azure cloud platform. Our strong technology offer means



the organisation is able to operate without hindrance and focus on the things that matter, namely regulating on behalf of students and apprentices. Ofqual continues to develop its digital services to align with Website Content Accessibility Guidelines, as outlined in our [accessibility statement](#).

## Our estate

Ofqual operates across England from a central base in Coventry. We occupy one dedicated floor in Earlsdon Park with facilities shared with other government departments on one other floor. Throughout 2021 and 2022, we have followed the advice and guidance of the government regarding the pandemic to keep our people safe.

In common with many other organisations, we have considered our future ways of working, learning lessons from our experience over the past 2 years and using the opportunity to think about how we make the most of our office space to support collaboration and teamwork. The expansion of our reform work in VTQs and apprenticeships EPA has led to growth in our staff numbers. We have been able to absorb the additional headcount by using our office more flexibly in preference to expanding our floor space.

## Public enquiries

The continued disruption to the education of students caused by the pandemic in 2021 had an impact on our public-facing services. During the year, we received approximately 4,500 phone calls and 3,600 emails. Responses were managed through the employment of additional temporary resource. First-line call handling is now contracted to an expert provider to give greater scalable capacity to meet demand without impacting on our core work.

Ofqual continued to respond to written enquiries within 3 days and answered over 97% of the calls we received. The additional capacity for our public enquiries service has meant that we have been able to continue to meet the public's need with a focus on ensuring information is

available to signpost individuals correctly to the right place with their query.

## Whistleblowing disclosures

Ofqual is designated as a prescribed person for whistleblowing and workers can contact Ofqual about matters in relation to which we exercise functions under the Apprenticeships, Skills, Children and Learning Act 2009 (the Act). The Prescribed Persons (Reports on Disclosures of Information) Regulations 2017 (the Regulations) require prescribed persons to report annually on whistleblowing disclosures made to them by workers.

Ofqual received 76 whistleblowing disclosures during the reporting period which we considered were 'qualifying disclosures' and which concerned matters in relation to which we exercise functions under the Act. Of these disclosures 31 were related to centres or training providers. Six of these disclosures were referred to the relevant awarding organisation for further action. The remaining 45 disclosures were related to awarding organisations. We liaised with the relevant awarding organisations to ensure the concerns were investigated. Of the 76 disclosures: 14 resulted in further action being taken, 46 found no evidence to substantiate the claims, and 16 are still ongoing.

Ofqual has an objective to maintain standards and confidence in regulated qualifications. The disclosures received have provided us with information and intelligence to ensure that standards in regulated qualifications are maintained and allowed us to discharge our statutory obligations.

Ofqual did not receive notice of any whistleblowing disclosures during the past year which related to Ofqual.

## Complaints

### Complaints about Ofqual

Ofqual received 51 complaints in the reporting period. We upheld 5 complaints during the





reporting period. Apologies were issued and steps were taken to avoid a repeat of the issue.

In the exceptional circumstances of the pandemic within this reporting period, 19 related to external policy, 11 related to results and post-result outcomes achieved by candidates, and 7 cases related to service issues at Ofqual. The remainder were examination related.

### Complaints to the Parliamentary Ombudsman

Ofqual received enquiries from the Parliamentary Ombudsman about 4 complaints relating to Ofqual. Of these, none were taken forward for investigation.

### Complaints about awarding organisations

Ofqual aims to acknowledge complaints within 3 working days and to provide a final response within 40 working days in 80% of cases.

During the reporting period, we acknowledged 100% of complaints within 3 working days and provided a final response within 40 days in 89% of cases. The average number of days to close a complaint was 9 days.

Overall, we handled 420 new complaints, of which 343 were about awarding organisations. Where there are indications of non-compliance, we classify our outcome as either upheld or partly upheld. We upheld or partly upheld 10 complaints about awarding organisations during the year. These awarding organisations were referred to our relevant standards teams for further consideration of potential non-compliance.

Where a complainant is unhappy with the outcome of their complaint, they can request an internal review. We carried out internal reviews in 16 cases, which related to the way we investigated the original complaint. Of these one was upheld.

## Equalities

As a public body, Ofqual is required under the Equality Act 2010 (the Equality Act) to meet the Public Sector Equality Duty both as an employer and a regulator. This requires us to give due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Ofqual publishes an annual equalities report in the summer each year that summarises progress against Ofqual's equality objectives. The report can be found on the Ofqual website.

## Financial review

Funding for 2021 to 2022 was agreed through SR20, which recognised the significant impact of the pandemic on examinations and assessments for the second successive year. The settlement included funding to enable Ofqual to strengthen its core capacity in preparation for the demands of 2021. Ofqual's budget for the financial year 2021 to 2022 was £25.531 million, including £5.490 million to deliver key milestones in the programmes for apprenticeship EPA regulation, strengthening non-GCSE performance table qualifications at key stage 4, T Levels, Digital Functional Skills, and the review of qualifications at level 3 and below. This was 8% higher than in 2020 to 2021 due to the expanded reform programme and funding to strengthen core capacity. The budget also included capital funding of £0.4 million for the development of our digital infrastructure.

Net operating expenditure, including capital investment, for the year was £25.169 million (£22.711 million in 2020 to 2021), giving an outturn that was £0.362 million, 1.4%, under budget. The underspend results from salary savings where staff vacancies have arisen, combined with continuing lower travel and office facilities costs due to the pandemic. The impact of the pandemic on Ofqual's key priorities in 2021 to 2022 is detailed in the performance analysis section of this report.



Income from one fine was received in 2021 to 2022 of £50k (£0k in 2020 to 2021). Fines are not retained by Ofqual, and so the income was returned to the Consolidated Fund.

Staff costs for the year are slightly higher than in 2020 to 2021 due to building capacity for VTQ reforms and apprenticeship EPA, and as a percentage remain at 73% of total expenditure (73% in 2020 to 2021). Contract and agency staff accounted for just under 5% of staffing costs during the year, an increase of 2% from 2020 to 2021 to manage capacity while permanent staff were recruited.

Ofqual has remained within the spending limits, referred to as control totals, authorised through the Parliamentary vote. The control totals relate to specific elements of the resource budget including income, and to capital and annually managed expenditure, as detailed in the Statement of outturn against Parliamentary Supply.

## Departmental data reporting tables

Operationally, Ofqual is required to deliver its objectives within 3 financial targets as agreed with HM Treasury. These are set out in Table 1, which illustrates financial performance for the period 2017 to 2018 through to 2021 to 2022 compared to; Resource Departmental Expenditure Limit (RDEL), Capital DEL (CDEL) and Annually Managed Expenditure (AME).

The table shows that 98.4% of Ofqual's expenditure is incurred through its RDEL (96.6% in 2021 to 2022).

Parliament provides the legal authority to incur expenditure through the Estimates and Supply procedure. Parliament grants statutory authority both to consume resources and to draw cash from the Consolidated Fund to pay for resources consumed by an annual Appropriation Act and the Consolidated Fund Act.

Ofqual's annual expenditure is classified as either programme or administration for the purposes of Central Government Accounting, as defined in accounting note 1.2.5. Table 2 demonstrates that 62% of expenditure was incurred through the Administration classification in 2021 to 2022 (67% in 2020 to 2021).

Programme pay and other expenditure increased in 2021 to 2022 due to work to deliver reform of vocational and technical qualifications and will increase further in 2022 to 2023 as the scope of Ofqual's reform work continues to expand. The deferral of the National Reference Test from the last quarter of 2020 to 2021 to the first quarter of 2021 to 2022 due to the pandemic transferred the related costs into 2021 to 2022, contributing to the increase in programme spend.

Administration pay has increased in 2021 to 2022 due to recruitment to vacant posts, which will continue in 2022 to 2023. The increase in

Table 1: Annual expenditure trend

	2017-18 Outturn £000	2018-19 Outturn £000	2019-20 Outturn £000	2020-21 Outturn £000	2021-22 Outturn £000	2022-23 Planned £000
<b>Consumption of resources:</b>						
Regulation of qualifications	17,860	18,367	19,241	21,939	24,772	28,182
<b>Total RDEL</b>	<b>17,860</b>	<b>18,367</b>	<b>19,241</b>	<b>21,939</b>	<b>24,772</b>	<b>28,182</b>
<b>Resource AME:</b>						
Regulation of qualifications	177	-167	19	0	-	-
<b>Total resource</b>	<b>18,037</b>	<b>18,200</b>	<b>19,260</b>	<b>21,939</b>	<b>24,772</b>	<b>28,182</b>
<b>Total CDEL</b>	<b>266</b>	<b>100</b>	<b>169</b>	<b>772</b>	<b>397</b>	<b>707</b>
<b>Total public spending</b>	<b>18,303</b>	<b>18,300</b>	<b>19,429</b>	<b>22,711</b>	<b>25,169</b>	<b>28,889</b>





National Insurance costs from April 2022 is also reflected in the higher planned cost for 2022 to 2023.

### Long-term expenditure trends

Table 3 shows expenditure on major qualifications reforms delivered by Ofqual. The vocational and technical qualifications reform budget for 2021 to 2022 included delivery of reforms to apprenticeships, T Levels, Digital Functional Skills, review of qualifications at level

3 and below and strengthening performance table qualifications. The reform programmes continue to expand in the medium-term, with Ofqual receiving funding through the 2021 Spending Review (SR21) to undertake regulation of apprenticeships EPA, and reforms of T Levels, Digital Functional Skills and strengthening performance table qualifications. At SR20, our base budget was uplifted by £0.8 million to recognise the permanent impact of the reforms. The long-term financial impact of our apprenticeship regulation work has been

Table 2: Programme and administration resource expenditure

	2017-18 Outturn £000	2018-19 Outturn £000	2019-20 Outturn £000	2020-21 Outturn £000	2021-22 Outturn £000	2022-23 Planned £000
<b>Programme:</b>						
<b>Expenditure</b>						
Pay	1,028	1,318	1,993	4,076	5,855	7,542
Other expenditure	2,331	1,792	2,356	3,072	3,712	5,240
<b>Total expenditure</b>	<b>3,359</b>	<b>3,110</b>	<b>4,349</b>	<b>7,148</b>	<b>9,567</b>	<b>12,782</b>
Income	-	-	-	-	-	-
<b>Total net programme expenditure</b>	<b>3,359</b>	<b>3,110</b>	<b>4,349</b>	<b>7,148</b>	<b>9,567</b>	<b>12,782</b>
<b>Administration:</b>						
<b>Expenditure</b>						
Pay	11,042	10,800	11,925	12,057	12,221	12,813
Other expenditure	3,978	5,077	3,049	2,809	3,157	2,642
<b>Total expenditure</b>	<b>15,020</b>	<b>15,877</b>	<b>14,974</b>	<b>14,866</b>	<b>15,378</b>	<b>15,455</b>
Income	-342	-787	-63	-75	-173	-55
<b>Total net administration expenditure</b>	<b>14,678</b>	<b>15,090</b>	<b>14,911</b>	<b>14,791</b>	<b>15,205</b>	<b>15,400</b>
<b>Total resource expenditure</b>	<b>18,037</b>	<b>18,200</b>	<b>19,260</b>	<b>21,939</b>	<b>24,772</b>	<b>28,182</b>

Table 3: Expenditure on qualifications reform

	2017-18 Outturn £000	2018-19 Outturn £000	2019-20 Outturn £000	2020-21 Outturn £000	2021-22 Outturn £000	2022-23 Planned £000
General qualifications	404	-	-	-	-	-
Vocational and technical qualifications	711	1,266	1,889	4,149	5,535	8,820
<b>Total qualifications reform</b>	<b>1,115</b>	<b>1,266</b>	<b>1,889</b>	<b>4,149</b>	<b>5,535</b>	<b>8,820</b>



incorporated into our base budget from 2022 to 2023. Further information on each programme can be found earlier in the performance analysis section of the performance report.

## Payment of suppliers

The government is committed to paying 90% of undisputed and valid invoices from small and medium-sized enterprises within five days, and 100% of all undisputed and valid invoices to be paid within 30 days. During the year Ofqual paid 100% of all invoices within five days (100% in 2020 to 2021). In 2021 to 2022, no interest was payable under the Late Payment of Commercial Debts (Interest) Act 1998 (nil in 2020 to 2021).

## Sustainability

Ofqual considers sustainability in its work. Continuing investment in video conferencing equipment and cloud-native IT infrastructure enables Ofqual colleagues to work flexibly and

increase efficiency. Government restrictions on the use of office space for much of 2021 to 2022 has kept business travel low for a second successive year. There has also been a reduction on the use of office utilities. Both travel and use of utilities are expected to increase throughout 2022 to 2023.

Costs for utilities are included in the overall lease payment and are not available until after the reporting period. We will continue to work with the building management company to obtain timely information to understand our environmental impact, and alternative ways to measure sustainability continue to be explored. Ofqual's increased headcount brought it into scope of the [Greening Government Commitments](#) in 2022, and so we now provide the required information through the DfE. We will continue to develop our data collection and analysis to support these requirements through 2022.

Table 4: Energy costs and consumption

Notes: Information for 2021 to 2022 has not yet been made available to Ofqual

\* to October 2018 at Spring Place, from October 2018 at Earlsdon Park

\*\* information has not been made available to Ofqual

	2017-18	2018-19*	2019-20	2020-21
Total carbon	199	123	**	**
Electricity (kWh)	250,549	277,028	414,270	301,681
Electricity (tCO <sub>2</sub> )	134	94	115	106
Gas (kWh)	351,022	158,462	Not applicable	Not applicable
Gas (tCO <sub>2</sub> )	65	29	Not applicable	Not applicable
Water (m <sup>3</sup> )	1,033	1,244	885	645
Waste (tonnes)	**	**	29	12

Table 5: Business travel costs

	2017-18	2018-19	2019-20	2020-21	2021-22
	£	£	£	£	£
Rail	118,314	146,015	119,679	1,294	18,882
Hotel	49,437	40,455	55,062	2,102	0
Air and Ferry	5,022	5,843	2,953	200	0
<b>Total business travel costs</b>	<b>172,773</b>	<b>192,314</b>	<b>177,694</b>	<b>3,596</b>	<b>18,882</b>





Ofqual is working with the building management team and co-tenants to consider opportunities for increasing sustainability as we return to using our office space, including a focus on minimising waste and promoting green energy solutions.

Where appropriate, we use procurement frameworks from public sector buying organisations such as the Crown Commercial Service. This means that we use suppliers that have considered sustainability and other important social matters as part of their evaluation and contract award.

## Basis of accounts

The accounts for the year ended 31 March 2022 have been prepared under a direction issued by HM Treasury in accordance with the Government Resources and Accounts Act 2000. Ofqual was the sole entity within the departmental accounting boundary during 2021 to 2022 and is not responsible for any bodies outside the departmental accounting boundary.

In common with other government departments, funding for Ofqual will be met by future Grants of Supply to be approved annually by Parliament. The 2015 Spending Review (SR15) reduced Ofqual's core administration funding over the 2016 to 2020 period, which continued into 2020 to 2021 under SR19. SR20 delivered a settlement for 2021 to 2022 that recognised the important role that Ofqual plays in delivering government objectives, with additional baseline budget being provided to support increased capacity for our core business and reformed qualifications. A budget has been set that achieves this objective and continued regulatory intent, and therefore it is considered appropriate to adopt a going concern basis for the preparation of these financial statements.

The coronavirus (COVID-19) pandemic has had a substantial impact on Ofqual's planned activity in the last 2 years. Ofqual actively monitors the sufficiency of supply to meet the needs of the emerging corporate plan for the medium term and maintains regular positive discussions with the DfE and HM Treasury. Therefore the pandemic is not considered

to affect the going concern basis of these accounts. Ofqual's going concern policy is explained further in note 1, section 1.2.1.

## Pension liabilities

Ofqual's employees are covered by the provisions of the Civil Service Pension Scheme. Information on pension entitlements is provided in the remuneration report section. Information on pension liabilities is provided in the financial statements section of this report.

## Events after the reporting period

There have been no events after the reporting period that require an adjustment to the financial statements, nor any non-adjusting events to be reported. While the pandemic has had a significant impact on Ofqual's regulatory work, it has not required any adjustment to Ofqual's financial statements.

## Auditor

The Government Resources and Accounts Act 2000 appointed the Comptroller and Auditor General as Ofqual's auditor. He has retained the £72,000 charge for the audit in 2021 to 2022. There were no non-audit services provided by the C&AG.

## Future priorities

The funding agreed for Ofqual at the SR20 for 2021 to 2022 is intended to deliver 4 key priorities in response to the pandemic set out earlier in this report. The impact of the pandemic on exams and assessments for both general and vocational qualifications remains significant. Our corporate plan for 2022 to 2025 sets out our priorities for the medium-term, as supported by the SR21 funding settlement.

**Dr Jo Saxton**  
Chief Regulator and  
Accounting Officer  
5 July 2022





# Accountability report

The accountability report contains the following 3 sections:

- corporate governance report
- remuneration and staff report
- parliamentary accountability and audit report

The corporate governance report is divided into 3 parts: the directors' report, the statement of Accounting Officer's responsibilities, and the governance statement. The report explains the composition and organisation of Ofqual's governance structures and how they support the achievement of our objectives. It includes information regarding Ofqual's directors and their significant interests, confirms the Accounting Officer's responsibilities and how they have been assured, and outlines Ofqual's governance framework, including the board's committee structure, its attendance, and coverage of its work. The report also assesses the risks to Ofqual.

The remuneration and staff report sets out Ofqual's remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors and the link between performance and remuneration. It includes information on the cost and composition of staff and related activities.

The parliamentary accountability and audit report brings together the key parliamentary accountability documents within the Annual Report and Accounts. It comprises the Statement of Parliamentary Supply and supporting notes regarding the financial outturn and information on costs, regularity of expenditure, parliamentary accountability disclosures, and the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

# Corporate governance report

## Directors' report

Ofqual's executive leadership team, the Senior Management Group (SMG), included the following executive directors in 2021 to 2022:

- Simon Lebus, Interim Chief Regulator and Accounting Officer to 17 September 2021
- Dr Jo Saxton, Chief Regulator and Accounting Officer from 18 September 2021
- Sean Pearce, Chief Operating Officer
- Dr Michelle Meadows, Deputy Chief Regulator and Executive Director Strategy, Risk and Research to 10 September 2021
- Cath Jadhav, Executive Director Standards, Research and Analysis (formerly Strategy, Risk and Research) from 12 August 2021 as Acting Executive Director Strategy, Risk and Research (Research and Standards) then from 1 January 2022 as Executive Director Standards, Research and Analysis
- Julie Swan, Executive Director General Qualifications, and became Deputy Chief Regulator from 1 November 2021
- Catherine Large, Executive Director Vocational and Technical Qualifications
- Michael Hanton, Executive Director Strategy from 28 March 2022
- Daniel Gutteridge, General Counsel from 1 March 2022

The directorships and other significant interests of all who were members of the executive team in 2021 to 2022 is shown in Table 6.

The executive team at 31 March 2022 was as follows.



**Dr Jo Saxton**  
Chief Regulator and  
Accounting Officer



**Sean Pearce**  
Chief Operating Officer



**Julie Swan**  
Deputy Chief Regulator  
and Executive Director,  
General Qualifications



**Catherine Large OBE**  
Executive Director,  
Vocational and Technical  
Qualifications



**Cath Jadhav**  
Executive Director,  
Standards, Research and  
Analysis



**Michael Hanton**  
Executive Director, Strategy



**Daniel Gutteridge**  
General Counsel

Table 6: Executive team directorships and other significant interests

Name	Directorships and other significant interests in 2021 to 2022
<b>Simon Lebus</b>	Chairman, Sparx Ltd Chairman, Pamoja Education Director, Common Marketing Ltd Governor, Rugby School Governor, Perse School Member, Advisory Board of Open Classrooms Bye-Fellow, Emmanuel College Cambridge
<b>Dr Jo Saxton</b>	None
<b>Sean Pearce</b>	Member of the Chartered Institute for Public Finance and Accountancy (CIPFA) board member and non-executive director, GreensquareAccord Housing Group (ended 31 July 2021)
<b>Dr Michelle Meadows</b>	None
<b>Cath Jadhav</b>	None
<b>Julie Swan</b>	Fellow, University of Worcester Governor, Christopher Whitehead Language College, Worcester
<b>Catherine Large</b>	Governor, Manland Primary School
<b>Michael Hanton</b>	Director of Institute of Regulation
<b>Daniel Gutteridge</b>	Director of Better Futures Multi Academy Trust (since January 2022) Member of the Finance and Audit Committee, Better Futures Multi Academy Trust



## Board members

The appointment dates, directorships and other significant interests of all who were members of the board in 2021 to 2022 is shown in Table 7.



**Ian Bauckham CBE**  
Chair



**Dr Jo Saxton**  
Chief Regulator and  
Accounting Officer



**Hywel Jones**  
Director of Secondary  
Schools, Astrea Academy



**Dame Christine Ryan**  
Former Chief Inspector  
and Chief Executive  
Officer of the Independent  
Schools Inspectorate



**Frances Wadsworth CBE**  
Deputy Further Education  
Commissioner



**Mike Thompson**  
Former Director of Early  
Careers at Barclays Bank



**Susan Barratt**  
Former Audit Partner  
at Deloitte



**Matt Tee**  
Executive Director,  
Integration at Guy's and  
St Thomas's NHS  
Foundation Trust



**Dr Catherine McClellan**  
Deputy CEO (Assessment),  
Australian Council for  
Educational Research



Table 7: Board member appointments, directorships and other significant interests

Name	Date of appointment	Term of appointment, including extensions and departures	Directorships and other significant interests in 2021 to 2022
<b>Susan Barratt</b>	1 September 2019	Three years until 31 August 2022	Trustee, Nuffield Oxford Hospitals Fund Trustee, Eastleigh Youth & Community Trust (and director of wholly owned subsidiary) Trustee, Lime Walk Methodist Church Member of Management Committee, Great Milton Community Pub Ltd Independent Member, Audit & Risk Assurance Committee, Ministry of Housing, Communities and Local Government (renamed as Department for Levelling Up, Housing and Communities in November 2021) Independent Chair of the Group Audit & Risk Committee for the Lampton Group (LA trading company for London Borough of Hounslow) from January 2022
<b>Ian Bauckham</b>	1 March 2018	Three years until 28 February 2021 as ordinary board member Interim Chair from 1 January 2021 to 31 December 2021 Appointed Chair for 3 years from 1 January 2022 to 31 December 2024	CEO and Director, Tenax Schools Trust Trustee, Sabre Education Chair, Project Board Oak National Academy
<b>Delroy Beverley</b>	1 April 2018	Three years until 31 March 2021 Nine-month extension until 31 December 2021 Departed 31 December 2021	Managing Director, York Teaching Hospitals Facilities Management LLP Non-executive director and trustee, The British Library Chair, Regional Board for Chartered Management Institute Chair, Regional Board, Institute of Directors Council Member, The University of Huddersfield (from 1 August 2020)
<b>Lesley Davies</b>	1 April 2018	Three years until 31 March 2021 Nine-month extension until 31 December 2021 Departed 31 December 2021	Managing Director, Seymour Place Associates Interim Chair, Hull College Group Chair, UK Skills Partnership Chair, Royal British Legion in Cheshire Member, Education Advisory Group British Council Trustee, CVQO Board Member, Liverpool John Moores University
<b>Hywel Jones</b>	1 April 2017	Three years until 31 March 2020 Two-year extension from 1 April 2020 to 31 March 2022	Director, Secondary Schools, Astrea Academy Trust Founding Member of Parents and Teachers for Excellence



Name	Date of appointment	Term of appointment, including extensions and departures	Directorships and other significant interests in 2021 to 2022
<b>Simon Lebus</b> (Chief Regulator)	1 January 2021	Departed 17 September 2021	Chairman, Sparx Ltd Chairman, Pamoja Education Director, Common Marketing Ltd Governor, Rugby School Governor, Perse School Member of Advisory Board of Open Classrooms Bye-Fellow, Emmanuel College Cambridge
<b>Dr Catherine McClellan</b>	1 June 2020	Three years until 31 May 2023	Deputy CEO (Assessment), Australian Council for Educational Research Member, Board of Directors, ACER Indonesia Member, Measurement Advisory Group, Australian Curriculum, Assessment and Reporting Authority Member, American Educational Research Association Member, National Council on Measurement in Education Society for Research on Educational Effectiveness Psychometric Society
<b>Dame Christine Ryan</b>	1 April 2017	Three years until 31 March 2020 Three-year extension 1 April 2020 to 31 March 2023	Chair, Talent ED (Charity) Founding Partner, Ryan and Grunsell Ltd Chair, Ofsted Fellow, Royal Society of Biology Member, Institute of Directors
<b>Dr Jo Saxton</b> (Chief Regulator)	18 September 2021	5 years until 17 September 2028	None
<b>Matt Tee</b>	1 September 2019	Three years until 31 August 2022	Executive Director Integration, Guy's and St Thomas' NHS Foundation Trust Fellow, Chartered Institute of Public Relations
<b>Mike Thompson</b>	1 September 2019	Three years until 31 August 2022	Director & Owner, Sustain HR Ltd Director & Owner, Generation Healthy Minds Ltd
<b>Frances Wadsworth</b>	1 April 2017	Three years until 31 March 2020 Two-year extension 1 April 2020 to 31 March 2022 Six-month extension to 30 September 2022	Lay Advisor, Thames Valley Area Magistracy Deputy FE Commissioner Fellow, Royal Society of Arts







## Personal data-related incidents reported to the Information Commissioner's Office

There have been no incidents to report to the Information Commissioner's Office during the year. The Information Commissioner's Office has not yet concluded its consideration of Ofqual's approach to awarding in summer 2020.

## Summary of other personal data-related incidents

There have been 34 non-reportable incidents during this period. The Audit and Risk Assurance Committee (ARAC) received 4 reports in the year to provide assurance on the process and actions taken against themes identified. All incidents were resolved, and appropriate controls were put in place where necessary.

## Recruitment

The Civil Service Order in Council 1995 provides the legal basis for Ofqual's recruitment policies, and the Civil Service Commission sets mandatory principles for recruitment.

In 2021 to 2022 an average of 276.02 whole-time equivalent staff were employed (237.29 in 2020 to 2021). In addition, there have been an average of 11 agency members of staff to cover vacancies, maternity leave and long-term sick leave (3 in 2020 to 2021), with nine employed at 31 March 2022. Ofqual continues to be recognised as a Disability Confident employer, having achieved accreditation at level 2 in February 2020.

**Dr Jo Saxton**  
Chief Regulator and  
Accounting Officer  
5 July 2022





## Statement of Accounting Officer's responsibilities

Under the Resources and Accounts Act 2000, HM Treasury has directed Ofqual to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Ofqual and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the accounts direction issued by HM Treasury, 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 as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

HM Treasury has appointed the Chief Regulator as Accounting Officer of Ofqual. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Ofqual's assets, are set out in Managing Public Money published by HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Ofqual's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

**Dr Jo Saxton**  
Chief Regulator and Accounting Officer  
5 July 2022



## Governance statement

### Scope of responsibility

As Accounting Officer, the Chief Regulator is responsible for maintaining a sound system of internal control that supports the achievement of Ofqual's policies, aims and objectives, while safeguarding the public funds and our assets for which they are personally responsible, in accordance with the responsibilities assigned in Managing Public Money. This governance statement describes how these duties have been carried out by the Accounting Officer and the supporting structure in the 2021 to 2022 financial year.

### Overview

The Ofqual Board is the legal authority responsible for the regulation of qualifications, exams and assessments. The board provides leadership and direction, setting our strategic aims, values and standards. Its work is governed by the [Ofqual Governance Framework](#). The Chief Regulator has delegated responsibility from the board to undertake certain statutory functions. The Chief Regulator calls upon Ofqual's executive team, SMG, to advise as required in the discharge of those functions. Further details about the members and activities of the board, its sub-committees and SMG are provided in the detailed paragraphs below.

On 23 February 2021, the Secretary of State issued a Direction to Ofqual under section 129(6) of the Apprenticeships, Skills, Children and Learning Act 2009 relating to the government's policy for exams and other assessments in 2021. The performance analysis section of this report sets out the approach that was taken in response to the Secretary of State's Direction. The minutes of board meetings, including emergency board meetings, convened to decide and confirm the approach are published on the Ofqual website.

Ofqual is transparent in the advice given to individual applications for senior staff, in compliance with business appointment rules.

On 18 September 2021, Dr Jo Saxton was appointed Chief Regulator and Accounting Officer for Ofqual, succeeding Simon Lebus who held the role on an interim basis. A short period of handover enabled a seamless transition to take place.

On 9 December 2021, Ian Bauckham CBE was appointed as chair of the Ofqual Board. Ian had been acting as interim chair since 1 January 2021.

### Ofqual Board

Ofqual adheres to the Corporate Governance Code for central government bodies, and central standards of good governance practice for government boards where appropriate.

During 2021 to 2022 the board consisted of a chair, between 6 and 9 ordinary members (one as deputy chair) and the Chief Regulator. Ordinary members are appointed by the Secretary of State for Education for terms no longer than 5 years. Board members may be reappointed as their terms expire, but there is no automatic right to this. Ofqual runs a thorough induction programme for new board members.

Board membership and terms of appointment are detailed in Table 7 in the directors' report. Information about the committees on which board members served is provided in Table 8.

Both the interim Chief Regulator, Simon Lebus, and the Chief Regulator, Dr Jo Saxton, attended 100% of ARAC meetings held during their respective tenure. The chair of the board is not a member of ARAC or the Finance and HR Committee, but can be specifically invited to join the meetings. During the year, the chair attended one ARAC meeting.

Executive directors are invited to attend all board meetings and relevant committee meetings. Each committee reports on its work at the board meeting following the committee meeting.

Board and committee members are required to declare potential conflicts of interest on





Table 8: Board members and the committees on which they served in 2021 to 2022 including percentage attendance

Note: \* Denotes chair of committee

Name	Board 6 meetings	Audit & Risk Assurance Committee 5 meetings	Finance & HR Committee 5 meetings	Standards Advisory Group 3 meetings
Susan Barratt	100%		100%*	
Ian Bauckham	100%*			100%*
Delroy Beverley (until 31 December 2021)	100% (5 out of 5)		100% (4 out of 4)	
Lesley Davies (until 31 December 2021)	60% (3 out of 5)	75% (3 out of 4)		
Hywel Jones	100%		100%	
Simon Lebus (until 17 September 2021)	100% (3 out of 3)			
Dr Catherine McClellan	100%			100%
Dame Christine Ryan	66% (4 out of 6)	100% (until 31 July 2021, 3 out of 3)		
Dr Jo Saxton (from 18 September 2021)	100% (3 out of 3)			
Matt Tee	100%			
Mike Thompson	100%	100% (From 01 August 2021, 2 out of 2)		
Frances Wadsworth	100%	100%*		

appointment and at the beginning of each meeting they attend. They must confirm annually that the register of their interests is up to date. Where actual or potential conflicts of interests are identified, board members take no part in any discussion and are not involved in any decisions that relate to those interests. The register of interests is open to the public, and requests for information may be made in writing addressed to the board secretary. The appointments, directorships and other significant interests of board members are in Table 7.

## Committees of the board

During 2021 to 2022, there were 4 committees of the board.

The ARAC provides advice and assurance to the board, including the Chief Regulator as Accounting Officer, on the adequacy and effectiveness of internal controls, risk management processes, security and governance arrangements, and ensuring value for money. It also oversees internal and external audit arrangements covering both financial and non-financial systems. During 2021 to 2022 the committee reviewed the findings of internal audit reports on a range of operational areas, which are shown in Table 9. Maintaining assurance about the effective operation of Ofqual's risk framework at a time of dynamic risk management has remained a key focus for the committee in 2021 to 2022.





The Finance and Human Resources (HR) Committee considers and advises the board on strategic financial and HR matters. In 2021 to 2022, it received key metrics on financial and people resources, reviewed the management accounts and SR21 submission, considered the efficiency and effectiveness of commercial arrangements, reviewed the digital, data and technology strategy, and monitored implementation of the equality, diversity and inclusion strategy.

The Technical Committee provides technical and strategic advice in relation to the development of policy and technical proposals for regulated qualifications and the regulated qualifications market. Given the exceptional circumstances of awarding in 2021, the committee did not meet in 2021 to 2022, as all matters relating to policy were considered by the board.

The Standards Advisory Group advises the board about general qualifications, vocational and technical qualifications, and national assessments. Typical issues raised concern the comparability of standards between regulated qualifications, international comparisons, and the validity and reliability of assessments.

The Chief Regulator has the power to establish an Enforcement Committee to determine whether enforcement action should be taken against an awarding organisation. The committee was not convened in 2021 to 2022.

## Management control activities

The Chief Regulator has delegated responsibility from the board for leading the organisation on a day-to-day basis. The Chief Regulator determines which duties are discharged through members of the executive team individually through line management arrangements, and which are discharged collectively through the executive governance groups. Management control is governed by SMG. Financial approval is delegated through the Scheme of Financial Delegation, which is published in the Standing Financial Instructions.

## Senior management group

The senior management group (SMG) is attended by the Chief Regulator and the executive directors. Details of the executive directors that served on SMG in 2021 to 2022 are detailed in the directors' report. SMG is also attended by the Director of Communications and the Associate Director People and Culture.

The agenda includes the regular review of strategic risks, setting and monitoring delivery against organisational priorities, and other topics for strategic discussion, direction setting or decision making. In 2021 to 2022, particular focus has been given to the awarding arrangements for 2021 and 2022 as set out in the performance analysis section of this report, to medium-term planning, and to ensuring that appropriate arrangements are in place to enable the safe return of staff to the office.

SMG reviews key organisational performance indicators, including finance, legal, information technology, regulatory compliance and strategic human resources matters on a monthly basis.

## Risk management

A broad range of risks are managed across teams, projects and programmes related to Ofqual's regulatory and corporate objectives and delivery. Ofqual's approach to managing regulatory risks is set out in the published [regulatory risk framework](#).

Risks that may have a direct impact on statutory objectives or put at risk delivery of the corporate plan are escalated to the strategic risk register. These risks are actively monitored and have comprehensive programmes of activity in place to mitigate their impact or reduce their likelihood. SMG and the board regularly review the strategic risk register. ARAC scrutinises the register including through regular deep dives of the risk management approach for each risk and escalates matters to the board as necessary. This maintains active monitoring of key risks, and the effectiveness of mitigations.





The pandemic has impacted on Ofqual’s work, and the risks to Ofqual’s objectives. It created a heightened and dynamic risk environment and has required distinctly different mitigations approaches. Whilst the risks recorded changed, throughout 2021 to 2022 the strategic risk register included risks related to the following.

## Standards of GCSE, AS and A levels

Maintaining standards is important to public confidence in qualifications and the comparability of attainment by students and learners between exam boards and in different years. The technical approaches successfully used to mitigate this risk in a normal year were not possible in 2021 due to the absence of exams. Ofqual was, therefore, limited in its ability to control this risk. In 2022 the reintroduction of exams enables us to oversee standards in GCSEs, AS and A levels, using the full range of tools available pre-pandemic. Ofqual has taken the decision to begin the transition back to results in line with pre-pandemic levels with grading standards for 2022 to reflect a midway point between those of 2021 and 2019.

## Public confidence in GCSEs, AS, A levels and qualifications in school and college performance tables

Ofqual works with stakeholders to support public confidence through an improved understanding of key issues. An extensive communications programme is in place including blogs, publications and other materials, and use of social and visual media channels. In 2021 to 2022 the focus of these has been influenced by the circumstances created by the pandemic and has included explaining the new approaches and arrangements in place and how student anxiety about examinations might be managed. A longitudinal survey of public perceptions is used to measure public confidence in these qualifications. Alongside this, targeted research and engagement, including in depth conversations with qualifications users is used

to gauge public confidence and inform our approach.

## The safe delivery of GCSE, AS and A levels and vocational and technical performance table qualifications

In 2021, alternative arrangements for awarding qualifications were introduced following the decision that most exams could not go ahead fairly. This resulted in different risks to delivery. We maintained oversight of and closely monitored delivery through an extensive system of controls. Results were delivered securely and on time. As exams are re-introduced in 2022 extensive controls are in place to mitigate risks to delivery, including a range of preventative and reactive activity.

## The impact of new approaches to awarding qualifications on students with particular protected or other characteristics

Ofqual actively engaged with equalities bodies through our consultation and stakeholder engagement to inform our approach and decisions. A programme of research and evaluation also monitors the equalities impact of our regulation.

## Regulation of apprenticeship EPAs

Ofqual has an established regulatory approach to apprenticeship EPAs working closely with IfATE. The full range of Ofqual’s regulatory powers and tools are available to mitigate risks to validity and standards and to protect apprentices, in particular through the evaluation of the capacity and capability of applicants to deliver EPAs, and detailed technical evaluation of both assessment plans and EPAs.

## Vocational and technical education reform

Ofqual is playing an active part in the government’s reforms to vocational and technical qualifications, using its expertise and regulatory capabilities so that risks to





qualification standards and public confidence are mitigated, and so that qualifications meet the needs of employers and other qualification users. Ofqual is mindful that risks may manifest in individual qualifications, or as a result of simultaneous delivery of multiple reforms. Mitigating activity ranges from providing technical advice to government and the evaluation of reformed qualifications before they are made available, to close engagement with awarding organisations and users of qualifications about potential system-wide risk.

### Providing assurance on the validity of National Assessments

Ofqual's focus is on risks to validity, rather than delivery, in National Assessments, through oversight of the Standards and Testing Agency (an agency of the Department for Education), which manages the contract with the delivery partner. Monitoring takes place through observation and evaluation, raising risks where necessary so these can be addressed by responsible bodies. Areas of focus include the risks to validity introduced through reintroduction of assessments following 2 years of cancellation and the first year of delivery for a new test provider.

### Ofqual's capacity and capability

Allocation of resources is actively prioritised to ensure public money is used well and that priorities are delivered within budget. Ofqual monitors a number of indicators of financial, people and capacity risks, including taking part in the annual Civil Service People Survey. This informs strategic activity around motivating and retaining Ofqual's people and showed an improvement during the year.

### Cyber and information security

Ofqual actively develops and improves its approach to mitigating cyber and information security risks in a continually evolving threat environment. Mitigations include an extensive schedule of planned improvements to technical controls, continually improving the resilience of incident responses and ensuring a good

understanding of risks amongst our staff. Ofqual assesses the maturity of controls against established industry health checks, including the National Cyber Security Centre's cyber essentials plus and ISO 27001 accreditation.

### Impact of the Ukraine crisis

As part of Ofqual's approach to preparing for the summer exam series, and prior to the invasion of Ukraine, readiness reviews were held with the exam boards to check on their readiness for the series. Potential security risks or supply chain issues associated with the escalating tensions in Ukraine were discussed at these meetings, and in subsequent readiness activities with the exam boards.

### Internal audit

ARAC agreed the 2021 to 2022 internal audit plan on 3 February 2021. The plan encompassed securing assurance on a range of regulatory and corporate areas of work.



## Effectiveness of the internal control framework

Ofqual works well with both the internal and external audit teams. Our proactive engagement has enabled the successful completion of the 2020 to 2021 internal audit plan and the external audit of the 2020 to 2021 accounts entirely remotely for a second year.

The internal auditor increased the range of audit ratings from 3 to 4 from April 2021. The rating descriptions are:

- **Substantial:** the framework of governance, risk management and control is adequate and effective
- **Moderate:** some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control
- **Limited:** there are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective

- **Unsatisfactory:** there are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail

The individual audits and their ratings are provided in Table 9. The table shows that all audit reviews provided either substantial or moderate assurance. The annual audit opinion of the internal auditor for 2021 to 2022 assessed our framework of governance, risk management, and control as moderate in its overall adequacy and effectiveness.

In addition, an advisory review was carried out of Ofqual's corporate governance framework. A follow up audit was also carried out to confirm the status of previous audit actions. This confirmed that 16 of 17 actions were complete, and the remaining action has been implemented since the audit was completed. The number of audit actions that remained in progress at the year-end is shown in Table 10. These are actions from audits that took place during the fourth quarter of 2021 to 2022 and remain on track from completion by the agreed deadlines.

Table 9: Internal audit report ratings

Audit title	Report rating
Key Financial Systems – Management Accounts	Substantial
Key Financial Systems – Government Procurement Cards	Moderate
Staff Wellbeing	Moderate
Counter Fraud	Substantial
Information Technology	Moderate
Cyber Security	Substantial
C1(b) Recognition Reviews	Moderate
Stakeholder management	Substantial

Table 10: Internal audit actions in progress at the year end

Audit rating	2018-19	2019-20	2020-21	2021-22
Fundamental	-	-	-	-
Significant	5	4	-	2
Housekeeping	16	5	2	5
<b>Total</b>	<b>21</b>	<b>9</b>	<b>2</b>	<b>7</b>







Unless otherwise stated, these systems and controls have been in place for 2021 to 2022, and up to the date of approval of the Annual Report and Accounts.

## Accounting Officer system statement

As Accounting Officer of Ofqual, the Chief Regulator, substantive or interim, is personally responsible for safeguarding the public funds for which they have been given charge in the Ofqual Estimate. To support the Accounting Officer in discharging their responsibilities, the Ofqual Governance Framework sets out the scheme of delegation under which we operate.

As well as the opinion provided to the Accounting Officer by our internal auditor, each executive director and appropriate directors and associate directors have been required to review the controls that they have in place to manage governance, risk and control arrangements and to report by way of written assurance at the end of the financial year that these controls were effective. This supplements the regular reporting to the SMG on the stewardship of finances and risks. These letters of assurance support the preparation of this governance statement. No control failures or additional risks have been identified from these letters of assurance.

As Accounting Officer, I am accountable for ensuring compliance with Government Functional Standards in Ofqual. I am assured that Ofqual has a high level of compliance with the required and recommended elements of each relevant standard. A plan is in place to comply with the remaining elements of each relevant standard in a way that meets business needs and priorities so that the standards are embedded into directorate business plans for 2022 to 2023 onwards.

All the evidence that supports this governance statement has been considered and I am assured, as Accounting Officer, that Ofqual has strong governance, risk and internal control arrangements that support the delivery of our aims and objectives.

**Dr Jo Saxton**  
Chief Regulator and Accounting Officer  
5 July 2022







## Remuneration and staff report

### Remuneration report

Ofqual is a non-ministerial government department with no ministerial remuneration to report.

The chair and other non-executive board members are appointed by the Secretary of State for Education for renewable terms of not more than 5 years. The Queen-in-Council, on the advice of the Secretary of State for Education, appoints the Chief Regulator, including the Interim Chief Regulator, for a fixed term.

All other permanent staff are civil servants, appointed in accordance with the Civil Service Recruitment Code, which requires appointments to be made on merit on the basis of fair and open competition, except in specified circumstances. Unless otherwise stated, the staff covered by this report hold Civil Service appointments.

Further [information about the work of the Civil Service Commission is available on its website](#).

The Chief Regulator, board members and directors are covered by the Civil Service Management Code, and potential and actual conflicts of interest are managed in accordance with this code. The directors' report includes a list of the directorships and other significant interests held by these individuals. Ofqual maintains a register of interests that is open to the public and accessible by written request for information addressed to the Board Secretary.

Directors are paid in accordance with the Civil Service pay structure. Any change to directors' remuneration for the current and future years will reflect the work and recommendations of the Senior Salaries Review Body.

### Remuneration (including salary and benefits in kind)

This section is subject to audit.

Table 11 and Table 12 show the gross salary and other taxable allowances for Ofqual's board members and senior executives. Full-year salary equivalents for those who served part of the year are shown in brackets.



Table 11: Salary of board members for year ending 31 March 2022

Note: The Chief Regulator is also a member of the board. The salary of those holding the office of Chief Regulator during 2021 to 2022 are in Table 12.

Board Members	Salary 2021-22 £000	Salary 2020-21 £000	Perform- ance Related Awards 2021-22 £000	Perform- ance Related Awards 2020-21 £000	Pension Benefits 2021-22 £000	Pension Benefits 2020-21 £000	Total 2021-22 £000	Total 2020-21 £000
Roger Taylor (chair until 31 December 2020)	-	30-35 (40-45)	-	-	-	-	-	30-35 (40-45)
Mike Cresswell (until 30 September 2020)	-	0-5 (5-10)	-	-	-	-	-	0-5 (5-10)
Dame Christine Ryan	5-10	5-10	-	-	-	-	5-10	5-10
Hywel Jones	5-10	5-10	-	-	-	-	5-10	5-10
Frances Wadsworth	5-10	5-10	-	-	-	-	5-10	5-10
Ian Bauckham (acting chair from 1 January 2021 and substantive from 9 December 2021)	45-50 (55-60)	15-20	-	-	-	-	45-50 (55-60)	15-20
Delroy Beverley (until 31 December 2021)	0-5 (5-10)	5-10	-	-	-	-	0-5 (5-10)	5-10
Lesley Davies (until 31 December 2021)	0-5 (5-10)	5-10	-	-	-	-	0-5 (5-10)	5-10
Susan Barratt	5-10	5-10	-	-	-	-	5-10	5-10
Mike Thompson	5-10	5-10	-	-	-	-	5-10	5-10
Matt Tee	5-10	5-10	-	-	-	-	5-10	5-10
Catherine McClellan	5-10	5-10	-	-	-	-	5-10	5-10
Dame Glenys Stacey (from 1 to 28 January 2021)	-	5-10 (60-65)	-	-	-	-	-	5-10 (60-65)



Table 12: Salary of senior executives for year ending 31 March 2022

Note: \* Salaries are shown as whole time equivalent. Simon Lebus was 0.8 of whole time equivalent.

Senior Executive	Salary 2021-22 £000	Salary 2020-21 £000	Perform- ance Related Awards 2021-22 £000	Perform- ance Related Awards 2020-21 £000	Pension Benefits 2021-22 £000	Pension Benefits 2020-21 £000	Total 2021-22 £000	Total 2020-21 £000
<b>Sally Collier</b> Chief Regulator to 25 August 2020	-	110-115 (155-160)	-	-	-	21	-	135-140 (175-180)
<b>Dame Glenys Stacey</b> Interim Chief Regulator from 25 August 2020 to 31 December 2020	-	55-60 (155-160)	-	-	-	-	-	55-60 (155-160)
<b>Simon Lebus*</b> Interim Chief Regulator from 1 January 2021 to 17 September 2021	70-75 (175-180)	35-40 (175-180)	-	-	-	-	70-75 (175-180)	35-40 (175-180)
<b>Dr Jo Saxton</b> Chief Regulator from 18 September 2021	90-95 (160-165)	-	-	-	19	-	110-115 (180-185)	-
<b>Sean Pearce</b> Chief Operating Officer to 19 April 2022	120-125	120-125	-	0-5	49	49	170-175	170-175
<b>Michelle Meadows</b> Executive Director, Strategy, Risk and Research and Deputy Chief Regulator to 10 September 2021	50-55 (115-120)	115-120	-	0-5	21	47	75-80 (135-140)	160-165
<b>Cath Jadhav</b> Executive Director, Standards, Research and Analysis from 1 August 2021	60-65 (100-105)	-	-	-	16	-	75-80 (120-125)	-
<b>Daniel Gutteridge</b> General Counsel from 1 March 2022	5-10 (85-90)	-	-	-	3	-	10-15 (85-90)	-
<b>Michael Hanton</b> Executive Director, Strategy from 28 March 2022	0-5 (85-90)	-	-	-	-	-	0-5 (85-90)	-
<b>Julie Swan</b> Executive Director, General Qualifications	115-120	100-105	-	0-5	44	40	160 - 165	140 - 145
<b>Phil Beach</b> Executive Director, Vocational and Technical Qualifications to 18 September 2020	-	50-55 (100-105)	-	0-5	-	19	-	70-75 (140-145)
<b>Catherine Large</b> Executive Director, Vocational and Technical Qualifications acting from 15 January 2021, substantive from 1 March 2021	105-110	15-20 (95-100)	-	-	42	8	150-155	20-25 (100-105)



## Pension benefits

This section is subject to audit.

The information for the increases in pension, total accrued pension and cash equivalent transfer value (CETV) is provided by My Civil Service Pensions (MyCSP) in accordance with calculations and in the format determined by MyCSP and the Cabinet Office.

Non-executive board appointments are non-pensionable, so board members other than the Chief Regulator are excluded from this table.

## Fair pay in the public sector

This section is subject to audit.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the remuneration of the organisation's workforce. The median pay ratio for the relevant financial year is consistent with the pay, reward and progression policies for the entity's employees taken as a whole.

The banded remuneration of the highest-paid director in Ofqual on 31 March 2022 was £160,000 to £165,000 (2020 to 2021: £175,000 to £180,000) annual equivalent salary. The highest paid director's salary decreased by 8.5% following the appointment of a new Chief Regulator. This also reduced the median remuneration to 4.1 times the median remuneration of the workforce, which was £40,694 (2020 to 2021: 4.3 times, £40,576).

In 2021 to 2022 no employees received remuneration in excess of the highest-paid director (2020 to 2021: nil). Full-time equivalent remuneration ranged from £6,000 to £180,000 in the financial year (2020 to 2021: £3,000 to £180,000). The range starts at £6,000 due to payments made to the non-executive directors. For permanent employees the range starts at £13,978. The average employees' salary in 2021 to 2022 is £44,985 (2020 to 2021: £45,305), a decrease of 0.8%.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the CETV of pensions.

Table 13: Pension benefits of senior executives for year ending 31 March 2022

Senior Executive	Accrued pension at pension age at 31 March 2022 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31 March 2022 £000	CETV at 31 March 2021 £000	Real Increase in CETV £000
Simon Lebus	-	-	-	-	-
Dr Jo Saxton	5 - 10	0 - 2.5	66	52	9
Sean Pearce	5 - 10	2.5 - 5	104	70	23
Michelle Meadows	20 - 25	0 - 2.5	261	239	12
Cath Jadhav	25 - 30	0 - 2.5	350	320	13
Daniel Gutteridge	10 - 15	0 - 2.5	121	95	15
Michael Hanton	10 - 15	0 - 2.5	129	107	11
Julie Swan	25 - 30	2.5 - 5	436	387	26
Phil Beach	10 - 15	0 - 2.5	206	206	26
Catherine Large	10 - 15	0 - 2.5	117	92	15

Table 14: Highest paid director and lower quartile, median, and upper quartile ratio for 2021 to 2022

	25th percentile pay	Median pay	75th percentile pay
Ratio	4.9:1	4.1:1	3.3:1
Salary	£32,997	£40,194	£49,126
Total remuneration	£33,399	£40,694	£49,801





## Cash equivalent transfer values

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.

The figures include the value of any pension benefit in another scheme or arrangement that 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 in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 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

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or 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.

## Compensation for loss of office

This section is subject to audit

No compensation for loss of office was paid to senior members of staff included in the

remuneration report in 2021 to 2022 (2020 to 2021: nil). Exit payments to other staff are included in Table 18 on reporting of Civil Service and other compensation schemes – exit packages.

## Pension costs

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as 'alpha' – are unfunded multi-employer defined benefit schemes but Ofqual is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme at 31 March 2016. Details are in the [resource accounts of the Cabinet Office: Civil Superannuation](#).

Alpha was introduced from 1 April 2015, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the PCSPS. The PCSPS has 4 sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and 1 providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

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, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. The pension figures quoted for officials show pension





earned in PCSPS or alpha as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the 2 schemes.

There is now a single set of contribution rates across Civil Service Pensions, regardless of whether members are in classic, classic plus, premium, nuvos or alpha. Employee contributions are salary-related and range between 4.6% and 8.05% of pensionable earnings for members. Benefits in classic accrue at the rate of one-eightieth of final pensionable earnings for each year of service. In addition, a lump sum equivalent to 3 years' initial pension is payable on retirement. For premium, benefits accrue at the rate of one-sixtieth of final pensionable earnings for each year of service. In nuvos, a member builds up a pension based on their 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. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. 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.

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, 65 for members of nuvos, and the higher

of 65 or State Pension age for members of alpha. The pension figures quoted for officials show pension earned in PCSPS or alpha, as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the 2 schemes, but note that part of that pension may be payable from different ages.

Further details about the Civil Service pension arrangements can be found on the [Civil Service Pension Scheme website](#).

For 2021 to 2022, employers' contributions of £3.32 million were payable to MyCSP (2020 to 2021: £2.95 million) at 1 of 4 rates in the range 26.6% to 30.3% (2020 to 2021: 26.6% to 30.3%) of pensionable pay, based on salary bands.

The Scheme Actuary reviews employer contributions usually every 4 years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2021 to 2022 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employers' contributions of £39,539 (2020 to 2021: £14,354) were paid to one of the panel of appointed stakeholder pension providers. Contributions due to the partnership pension providers at the reporting period date were £2,891. Contributions prepaid at that date were nil.

There were no ill-health retirements during the year funded by Ofqual.





## Staff report

The following section is subject to audit.

Table 15: Staff costs

Cost type	2021-22	2021-22	2021-22	2020-21
	Permanently employed staff £000	Others £000	Total staff costs £000	Total staff costs £000
Wages and salaries	12,511	876	13,387	11,932
Social security costs	1,370	-	1,370	1,252
Other pension costs	3,319	-	3,319	2,949
<b>Sub total</b>	<b>17,200</b>	<b>876</b>	<b>18,076</b>	<b>16,133</b>
Less recoveries in respect of outward secondments	-50	-	-50	-19
<b>Total net costs</b>	<b>17,150</b>	<b>876</b>	<b>18,026</b>	<b>16,114</b>
<b>Of which:</b>	<b>Charged to Administration budgets £000</b>	<b>Charged to Programme budgets £000</b>	<b>Charged to capital budgets £000</b>	<b>2021-22 Total staff costs £000</b>
<b>Total net costs</b>	<b>12,171</b>	<b>5,855</b>	<b>-</b>	<b>18,026</b>

Gross Staff costs for 2021 to 2022 were £18.08 million (£16.13 million in 2020 to 2021) of which £0.88 million (£0.31 million in 2020 to 2021) related to agency staff. Net staff costs, after recoveries relating to outward secondments for 2021 to 2022 were £18.03 million (£16.11 million in 2020 to 2021). Further details are shown in Note 3 of the accounts.

The following tables include both permanent and fixed term contract (FTC) staff. FTC staff provide cover for substantive posts and new

short-term posts funded from project resources. Table 16 shows the average number of whole time equivalent (WTE) staff that were employed during the year.

The average headcount for the year is shown in Table 17, including by pay band for senior civil servants.

No consultants were employed in 2021 to 2022 (nil in 2020 to 2021).

Table 16: Average number of persons employed

Activity	2021-22	2021-22	2021-22	2020-21
	Permanently employed staff WTE	Others WTE	Total persons employed WTE	Total persons employed WTE
Resource activities	275.62	0.4	276.02	237.29
Capital activities	-	-	-	-
<b>Total</b>	<b>275.62</b>	<b>0.4</b>	<b>276.02</b>	<b>237.29</b>
Of which core department	275.62	0.4	276.02	237.29
<b>Total</b>	<b>275.62</b>	<b>0.4</b>	<b>276.02</b>	<b>237.29</b>



Table 17: Average headcount employed

Pay band	2021-22 Headcount	2020-2021 Headcount
Senior Civil Service Payband 3	1	1
Senior Civil Service Payband 2	3	2
Senior Civil Service Payband 1	14	18
<b>Total Senior Civil Servants</b>	<b>18</b>	<b>21</b>
Civil Servants – other grades	267	224
<b>Total Civi Servants</b>	<b>285</b>	<b>245</b>
Agency Staff	11	3
<b>Total headcount</b>	<b>296</b>	<b>248</b>

Table 18: Reporting of Civil Service & other compensation schemes – exit packages

Exit package cost band	2021-22 Number of compulsory redundancies	2021-22 Number of other departures agreed	2021-22 Total number of exit packages by cost band	2020-21 Number of compulsory redundancies	2020-21 Number of other departures agreed	2020-21 Total number of exit packages by cost band
<£10,000	-	-	-	1	-	1
£10,000-£25,000	-	-	-	-	-	-
£25,000-£50,000	1	-	1	-	-	-
£50,000-£100,000	-	-	-	-	-	-
£100,000-£150,000	-	-	-	-	-	-
£150,000-£200,000	-	-	-	-	-	-
<b>Total number of exit packages</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>
<b>Total cost (£000)</b>	<b>37</b>	<b>-</b>	<b>37</b>	<b>9</b>	<b>-</b>	<b>9</b>

## Other staff information

The following sections are not subject to audit unless otherwise stated.

### Off-payroll appointments

Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, departments must publish information on their high paid and/or senior off-payroll engagements.

Government departments are required to obtain assurances from individuals on contracts of more than 6 months' duration, where the annual cost is greater than £63,700, that tax due on contract payments will be paid. At 31 March 2022, all such contractors engaged by Ofqual met these conditions.

Ofqual holds contracts with the agency not the individual. The agencies are asked to seek assurances from the individuals before they are engaged by Ofqual. The agencies have provided evidence of clauses included within the agency contract with the individual stating the individual should ensure they correctly account for their tax and National Insurance liability.





Table 19: Off-payroll engagements at 31 March 2022, for more than £245 per day

Description	Number of engagements
<b>Number of existing engagements at 31 March 2022</b>	<b>10</b>
<b>Of which:</b>	
Number that have existed for less than one year at time of reporting	9
Number that have existed for between one and two years at time of reporting	1
Number that have existed for between two and three years at time of reporting	Nil
Number that have existed for between three and four years at time of reporting	Nil
Number that have existed for four or more years at time of reporting	Nil

Table 20: New off-payroll engagements, or those that reached 6 months in duration, between 1 April 2021 and 31 March 2022, for more than £245 per day

Description	Number of engagements
<b>Number of new engagements between 1 April 2021 and 31 March 2022</b>	<b>9</b>
<b>Of which:</b>	
Number assessed as caught by IR35	9
Number assessed as not caught by IR35	-
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	-
Number of engagements reassessed for consistency or assurance purposes during the year	-
Number of engagements that saw a change to IR35 status following the consistency review	-

Table 21: Off-payroll engagements of board members, and, or, senior officials, with significant financial responsibility, between 1 April 2021 and 31 March 2022

Description	Number of engagements
Number of off-payroll engagements of board members, and, or, senior officials, with significant financial responsibility, during the financial year	-
Total number of individuals on payroll and off-payroll who have been deemed 'board members and, or, senior officials, with significant financial responsibility', during the financial year. This figure should include both on payroll and off-payroll engagements	2

The Accounting Officer is identified as having significant financial responsibility in the year. During 2021 to 2022, there were 2 Chief Regulators, therefore 2 Accounting Officers are recorded in Table 21.

### The Trade Union Regulations 2017

The Trade Union (Facility Time Publication Requirements) Regulations 2017 requires public authorities to publish information in relation to facility time taken by trade union officials.

Total hours allowed between union officials is 9 hours per week for facility time, but as the time spent is usually negligible, it is not recorded, therefore, Ofqual does not record the cost of facility time separately.

### Sickness absence

In 2021 to 2022, 1,713 days were lost to sickness absence (468 days in 2020 to 2021), representing 2.4% of available staff working days. This is an average of 5.75 days per



Table 22: Relevant union officials

Number of employees who were relevant union officials during the period	WTE equivalent
1	1

Table 23: Facility time

Percentage of time spent on facility time	Headcount
0%	1
1% - 50%	-
51% - 99%	-
100%	-

Table 24: Staff gender breakdown

Staff grade	2021-22		2020-21	
	Women	Men	Women	Men
Senior Civil Servants	9	9	10	10
Civil Servants – other grades	169	103	144	95
<b>Total</b>	<b>178</b>	<b>112</b>	<b>154</b>	<b>105</b>

employee (1.89 days per employee in 2020 to 2021). The majority of this increase was due to staff who were long term sick (average of 4.6 staff) who accounted for 1,104 days of absence (2020 to 2021: 159). COVID-19 had a minimal impact on sickness absence in 2021 to 2022.

### Health, safety and wellbeing

Ofqual is committed to providing a safe and healthy working environment for staff. This includes involvement in a health and safety forum for all government bodies represented in Earlsdon Park and developing relationships with the local police to ensure staff safety is maintained. All employees have access to a confidential 24 hours a day, 7 days a week employee assistance programme and are offered the opportunity to take part in a variety of health screening and workplace wellness programmes, including mental health awareness sessions and flu vaccinations.

### Equality, diversity and inclusion

Ofqual promotes equality for all regardless of status, including age, disability, gender status, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual

orientation. Ofqual launched a diversity and inclusion strategy in January 2020, which embeds the commitment to enable all staff to realise their potential and for Ofqual to be an organisation that represents the diversity of the qualifications community we regulate and the Midlands community where we are based. Progress against this strategy is reported into the Finance and Human Resources Committee on a quarterly basis. The gender breakdown of staff, which includes both permanent and fixed term contracts, at 31 March 2022 was 178 women and 112 men (154 and 105 respectively in 2020 to 2021).

At 31 March 2022, 10.3% of staff identified as disabled (9.3% in 2020 to 2021), with 21.0% not declaring their disability status (24.7% in 2020 to 2021). 18.6% classified themselves as from an ethnic minority group (16.5% in 2020 to 2021), with a further 3.1% undeclared (3.8% in 2020 to 2021). Ofqual publishes [information on the gender pay gap](#) annually.



# Parliamentary Accountability and Audit Report

## Statement of Outturn against Parliamentary Supply

In addition to the primary statements prepared under IFRS, the government FReM requires Ofqual to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes. The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SOPS is a key accountability statement that shows, in detail, how Ofqual has spent against its Supply Estimate. Supply is the monetary provision for resource and capital purposes and cash, drawn primarily from the Consolidated Fund, that Parliament gives statutory authority for Ofqual to use. The Estimate details Supply and is voted on by Parliament at the start of the financial year.

Should Ofqual exceed the limits set by their Supply Estimate, called control totals, the accounts will receive a qualified opinion.

The format of the SOPS mirrors the [Supply Estimates, published on GOV.UK](#), to enable comparability between what Parliament approves and the final outturn. The SOPS contains a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following:

- Outturn by Estimate line, providing a more detailed breakdown (Note 1)
- a reconciliation of outturn to net operating expenditure in the Statement of Comprehensive Net Expenditure (SOCNE), to tie the SOPS to the financial statements (Note 2)
- a reconciliation of net resource outturn to net cash requirement (Note 3)
- an analysis of income payable to the Consolidated Fund (Note 4)

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided in the financial review section of the performance report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the [Consolidated Budgeting Guidance](#).

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The financial review section of the performance report also provides a summarised discussion of outturn against Estimate and functions as an introduction to the SOPS disclosures.



Table 25: Summary table – amounts approved in accordance with Parliamentary expenditure limits

Type of spend	SOPS Note	2021-22 Outturn voted £000	2021-22 Outturn non-voted £000	2021-22 Outturn total £000	2021-22 Estimate voted £000	2021-22 Estimate non-voted £000	2021-22 Estimate total £000	2021-22 Voted outturn compared to Estimate: saving or (excess) £000	2020-21 Outturn total £000
<b>DEL:</b>									
Resource	1.1	24,772	-	24,772	25,131	-	25,131	359	21,939
Capital	1.2	397	-	397	400	-	400	3	772
<b>Total DEL</b>		<b>25,169</b>	<b>-</b>	<b>25,169</b>	<b>25,531</b>	<b>-</b>	<b>25,531</b>	<b>362</b>	<b>22,711</b>
<b>AME:</b>									
Resource	1.1	-	-	-	-	-	-	-	-
Capital	1.2	-	-	-	-	-	-	-	-
<b>Total AME</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total budget:</b>									
Resource	1.1	24,772	-	24,772	25,131	-	25,131	359	21,939
Capital	1.2	397	-	397	400	-	400	3	772
<b>Total budget</b>		<b>25,169</b>	<b>-</b>	<b>25,169</b>	<b>25,531</b>	<b>-</b>	<b>25,531</b>	<b>362</b>	<b>22,711</b>
<b>Non-budget</b>	<b>1.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total budget &amp; non-budget</b>		<b>25,169</b>	<b>-</b>	<b>25,169</b>	<b>25,531</b>	<b>-</b>	<b>25,531</b>	<b>362</b>	<b>22,711</b>

Ofqual requests resources to undertake our statutory duties as the regulator of qualifications, exams and statutory assessments. The figures described as 'voted' in Table 25 are totals subject to Parliamentary control. The [Supply Estimates guidance manual](#), contains further detail about the control limits voted by Parliament.

Explanations of variances between Estimate and outturn are given in SOPS Note 1.1. Departmental expenditure limits cover all programme and administration costs.

The Net Cash Requirement is the amount of cash that Ofqual requires to support expenditure. It excludes non-cash items such as depreciation and notional charges.

Table 26: Net cash requirement

Item	SOPS note	2021-22 Outturn £000	2021-22 Estimate £000	2021-22 Outturn compared to Estimate: saving or (excess) £000	2020-21 Outturn £000
Net cash requirement	3	24,690	25,170	480	23,717

In addition, although not a separate voted limit, any breach of the administration budget will also result in an excess vote.



Table 27: Administration costs

Item	SOPS note	2021-22 Outturn £000	2021-22 Estimate £000	2021-22 Outturn compared to Estimate: saving or (excess) £000	2020-21 Outturn £000
Administration Costs	1.1	15,205	15,510	305	14,791

Ofqual has had no Prior Period Adjustments in 2021 to 2022.

## Notes to the Statement of Outturn against Parliamentary Supply

### SOPS Note 1: Outturn detail, by Estimate line

#### SOPS 1.1 Analysis of resource outturn by Estimate line

Type of spend (Resource)	2021-22 Resource Outturn Admin Gross £000	2021-22 Resource Outturn Admin Income £000	2021-22 Resource Outturn Admin Net £000	2021-22 Resource Outturn Prog Gross £000	2021-22 Resource Outturn Prog Income £000	2021-22 Resource Outturn Prog Net £000	2021-22 Resource Outturn compared to Estimate: saving or (excess) £000	2020-21 Resource Outturn Total £000
<b>Spending in DEL - Voted</b>								
A. Regulation of qualifications and statutory assessments	15,378	-173	15,205	9,567	-	9,567	359	21,939
<b>Spending in AME - Voted</b>								
Provision for dilapidations	-	-	-	-	-	-	-	-
<b>Total Voted expenditure</b>								-
Non-Voted expenditure	-	-	-	-	-	-	-	-
<b>Total resource</b>	<b>15,378</b>	<b>-173</b>	<b>15,205</b>	<b>9,567</b>	<b>-</b>	<b>9,567</b>	<b>359</b>	<b>21,939</b>

An explanation of the outturn compared to Estimate is provided in the financial review section of the performance report.

Ofqual continues to have a £29k provision relating to office dilapidations at Earlsdon Park (2020 to 2021: £29k). A review of the provision in 2021 to 2022 confirmed that the existing provision was deemed sufficient to settle any future dilapidation costs, particularly given that office occupancy has been limited due to coronavirus (COVID-19) restrictions in the last 2 years. The estimate of the provision will be revised if circumstances change that could have a major impact on the cost.



## SOPS 1.2 Analysis of capital outturn by Estimate line

Type of spend (Capital)	2021-22 Capital Outturn Admin Gross £000	2021-22 Capital Outturn Admin Income £000	2021-22 Capital Outturn Admin Net £000	2021-22 Capital Outturn Prog Gross £000	2021-22 Capital Outturn Prog Income £000	2021-22 Capital Outturn Prog Net £000	2021-22 Capital Outturn compared to Estimate: saving or (excess) £000	2020-21 Capital Outturn Total £000
<b>Spending in DEL - Voted</b>					-			
A. Regulation of qualifications and statutory assessments	-	-	-	397	-	397	3	772
<b>Spending in AME - Voted</b>	-	-	-	-	-	-	-	-
<b>Total Voted expenditure</b>	-	-	-	397	-	397	3	772
Non-Voted expenditure	-	-	-	-	-	-	-	-
<b>Total Capital</b>	-	-	-	397	-	397	3	772

## SOPS Note 2: Reconciliation of resource outturn to net operating expenditure

Item	SOPS Note	2021-22 Outturn £000	2020-21 Outturn £000
Total resource outturn	1.1	24,772	21,939
Less: income payable to the Consolidated Fund	4.1	-	-
<b>Net Operating Expenditure in Consolidated Statement of Comprehensive Net Expenditure</b>	<b>SOCNE</b>	<b>24,772</b>	<b>21,939</b>

As noted in the introduction to the SOPS above, the Estimates and outturn are compiled using the budgeting framework, which is similar to, but different from, IFRS. Therefore, this reconciliation bridges the resource outturn to net operating expenditure, linking the SOPS to the financial statements.



## SOPS Note 3: Reconciliation of net resource outturn to net cash requirement

Item	SOPS Note or Reference	2021-22 Outturn £000	2021-22 Estimate £000	2021-22 Outturn compared to Estimate: saving or (excess) £000
Resource outturn	1.1	24,772	25,131	359
Capital outturn	1.2	397	400	3
<b>Adjustments to remove non-cash items:</b>				
Depreciation		-298	-311	-13
Adjustments for provisions		-	-	-
Other non-cash items		-72	-50	22
<b>Adjustments to reflect movements in working balances:</b>				
Increase or (decrease) in receivables		-69	-	69
(Increase) or decrease in payables		-40	-	40
Use of provisions		-	-	-
<b>Net cash requirement</b>	<b>Table 26</b>	<b>24,690</b>	<b>25,170</b>	<b>480</b>

## SOPS Note 4: Analysis of income due to the Consolidated Fund

### SOPS 4.1 Analysis of income payable to the Consolidated Fund

Item	2021-22 Outturn Accruals Basis	2021-22 Outturn Cash Basis	2020-21 Outturn Accruals Basis	2020-21 Outturn Cash Basis
	£000	£000	£000	£000
Income outside the ambit of the Estimate	-	-	-	-
Excess cash surrenderable to the Consolidated Fund	-	-	-	-
<b>Total amount payable to the Consolidated Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Consolidated fund income shown in SOPS Note 4.1 above does not include any amounts collected by Ofqual where it was acting as agent for the Consolidated Fund rather than as principal. The amounts collected as agent for the Consolidated Fund, which are otherwise excluded from the financial statements, are shown in SOPS Note 4.2.

### SOPS 4.2 Consolidated Fund income

Item	2021-22 Outturn	2020-21 Outturn
	£000	£000
Fines and penalties	50	-
Other income	-	-
<b>Amount payable to the Consolidated Fund</b>		
Balance held at the start of the year	-	401
Payments into the Consolidated Fund	-50	-401
<b>Balance held on trust at the end of the year</b>	<b>-</b>	<b>-</b>





In 2021 to 2022 Ofqual received £58k from one awarding organisation following regulatory action, comprising of a £50k monetary penalty and £8k cost recovery. Ofqual retained the £8k cost recovery and paid the monetary penalty to the consolidated fund.

## Parliamentary Accountability Disclosures

### Losses and special payments

The following sections are subject to audit.

#### **Losses**

During 2021 to 2022, Ofqual incurred no material losses (nil in 2020 to 2021).

#### **Special Payments**

During 2021 to 2022, Ofqual incurred no special severance payments (nil in 2020 to 2021).

#### **Gifts**

No material gifts were received during 2021 to 2022 (nil in 2020 to 2021).

### Fees and Charges

This section is subject to audit.

No material fees and charges income was received during 2021 to 2022 (nil in 2020 to 2021).

### Remote contingent liabilities

This section is subject to audit.

In addition to contingent liabilities reported within the meaning of International Accounting Standard (IAS) 37, Ofqual also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. Ofqual has no contingent liabilities, remote or otherwise, that require disclosure under Parliamentary Reporting requirements.

**Dr Jo Saxton**  
Chief Regulator and Accounting Officer  
5 July 2022





# The Certificate and Report of the Comptroller and Auditor General to the House of Commons

## Opinion on financial statements

I certify that I have audited the financial statements of the Office for Qualifications and examinations Regulation (Ofqual) for the year ended 31 March 2022 under the Government Resources and Accounts Act 2000.

The financial statements comprise Ofqual's:

- Statement of Financial Position as at 31 March 2022
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended, and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of Ofqual's affairs as at 31 March 2022 and its net expenditure for the year then ended, and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn Against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2022 and shows that those totals have not been exceeded, and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Entities in the United Kingdom. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of Ofqual in accordance with the ethical requirements that are relevant to my audit





of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Conclusions relating to going concern

In auditing the financial statements, I have concluded that Ofqual's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Ofqual's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Ofqual is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

### Other information

The other information comprises information included in the Annual Report but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000.







In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of Ofqual and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

- I have not received all of the information and explanations I require for my audit, or
- adequate accounting records have not been kept by Ofqual or returns adequate for my audit have not been received from branches not visited by my staff, or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns, or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report subject to audit is not in agreement with the accounting records and returns, or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error, and
- assessing Ofqual's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Ofqual will not continue to be provided in the future.





## Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### ***Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud***

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### ***Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud***

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Ofqual's accounting policies and key performance indicators
- Inquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to Ofqual's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud, and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including Ofqual's controls relating to Ofqual's compliance with the Government Resources and Accounts Act 2000 and Managing Public Money
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Ofqual for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I also obtained an understanding of the Ofqual's framework of authority as well as other legal and regulatory frameworks in which Ofqual operates, focusing on those laws and regulations that





had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of Ofqual. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2021, employment law and tax legislation and the Apprenticeships, Skills, Children and Learning Act 2009.

### ***Audit response to identified risk***

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements
- enquiring of management and the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports, and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

### ***Other auditor's responsibilities***

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.





## Report

I have no observations to make on these financial statements.

### **Gareth Davies**

Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London, SW1W 9SP



# The financial statements

The notes following the financial statements form part of these accounts.

## Statement of comprehensive net expenditure

For the year ended 31 March 2022.

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure.

Item	Note (if material)	2021-22 £000	2020-21 £000
Other operating income	6	-173	-75
<b>Total operating income</b>		<b>-173</b>	<b>-75</b>
Staff costs	3	18,076	16,133
Purchase of goods and services	4, 5	4,679	4,059
Depreciation and impairment charges	7, 8	298	161
Other operating expenditure	4, 5	1,892	1,662
<b>Total operating expenditure</b>		<b>24,945</b>	<b>22,014</b>
<b>Net operating expenditure</b>		<b>24,772</b>	<b>21,939</b>
<b>Net expenditure for the year</b>		<b>24,772</b>	<b>21,939</b>
Other comprehensive net expenditure		-	-
<b>Comprehensive net expenditure for the year</b>		<b>24,772</b>	<b>21,939</b>

# Statement of financial position

As at 31 March 2022.

This statement presents the financial position of Ofqual at the end of the financial year. It comprises 3 main components: assets owned or controlled, liabilities owed to other bodies, and equity, the remaining value of the entity.

Item	Note (if material)	31 March 2022 £000	31 March 2021 £000
<b>Non-Current Assets:</b>			
Property, plant and equipment	7	250	273
Intangible assets	8	798	676
<b>Total Non-Current Assets</b>		<b>1,048</b>	<b>949</b>
<b>Current assets:</b>			
Trade and other receivables	10	362	431
Cash and cash equivalents	9	-	1
<b>Total current assets</b>		<b>362</b>	<b>432</b>
<b>Total Assets</b>		<b>1,410</b>	<b>1,381</b>
<b>Current liabilities:</b>			
Trade and other payables	11	-2,092	-2,053
Provisions	14	-29	-29
<b>Total current liabilities</b>		<b>-2,121</b>	<b>-2,082</b>
<b>Total assets less current liabilities</b>		<b>-711</b>	<b>-701</b>
Non-current liabilities		-	-
<b>Total assets less total liabilities</b>		<b>-711</b>	<b>-701</b>
<b>Taxpayers' equity and other reserves:</b>			
General Fund		-711	-701
<b>Total equity</b>		<b>-711</b>	<b>-701</b>



**Dr Jo Saxton**  
Chief Regulator and Accounting Officer  
5 July 2022





# Statement of cash flows

For year ended 31 March 2022.

The statement of cash flows shows the changes in cash and cash equivalents of Ofqual during the reporting period. The statement shows how Ofqual generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by Ofqual. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to Ofqual's future public service delivery.

Item	Note (if material)	2021-22 £000	2020-21 £000
<b>Cash flows from operating activities:</b>			
Net operating expenditure		-24,772	-21,939
Adjustment for non-cash transactions	4, 5	370	210
(Increase) or decrease in trade and other receivables	10	69	-7
Increase or (decrease) in trade and other payables	11	39	-1,210
Less movements in payables relating to items not passing through the SOCNE		1	-
<b>Net cash inflow or (outflow) from operating activities</b>		<b>-24,293</b>	<b>-22,946</b>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment	7	-130	-96
Purchase of intangible assets	8	-267	-676
<b>Net cash inflow or (outflow) from investing activities</b>		<b>-397</b>	<b>-772</b>
<b>Cash flows from financing activities:</b>			
From the Consolidated Fund (Supply) – current year		24,690	23,717
<b>Net financing</b>		<b>24,690</b>	<b>23,717</b>
<b>Net increase or (decrease) in cash and cash equivalents in the period (no adjustments are required for payments to the Consolidated Fund)</b>			
		<b>-1</b>	<b>-1</b>
Cash and cash equivalents at the start of the period	9	1	2
Cash and cash equivalents at the end of the period	9	0	1



# Statement of changes in taxpayers' equity

For year ended 31 March 2022.

Item	Note (if material)	General Fund £000	Total Reserves £000
<b>Balance at 31 March 2020</b>		<b>-2,530</b>	<b>-2,530</b>
Net Parliamentary funding drawn down		23,717	23,717
Comprehensive net expenditure for the year	SOCNE	-21,939	-21,939
Auditor's remuneration	4	49	49
Supply payable adjustment		1	1
Consolidated Fund Extra Receipts payable to the Consolidated Fund			
<b>Balance at 31 March 2021</b>		<b>-701</b>	<b>-701</b>
Net Parliamentary funding drawn down		24,690	24,690
Comprehensive net expenditure for the year	SOCNE	-24,772	-24,772
Auditor's remuneration	4	72	72
Supply payable adjustment		0	0
Consolidated Fund Extra Receipts payable to the Consolidated Fund			
<b>Balance at 31 March 2022</b>		<b>-711</b>	<b>-711</b>

## Notes to the Accounts

### Note 1 – Statement of accounting policies

These financial statements have been prepared in accordance with the 2021 to 2022 government FReM issued by HM Treasury. The accounting policies contained in the FReM apply IFRS as adapted or interpreted for the public sector. Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of Ofqual for the purpose of giving a true and fair view has been selected. The particular policies adopted by Ofqual are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires Ofqual to prepare an additional primary statement. The Statement of Parliamentary Supply and supporting notes showing outturn against Parliamentary Estimate in terms of the net

resource requirement and the net cash requirement.

#### 1.1 Accounting convention

These financial statements have been prepared under the historical cost convention. Ofqual has a small asset base, and property, plant, equipment and intangible assets are held at depreciated historic cost as a proxy for current value, as permitted by the 2021 to 2022 FReM. No revaluation adjustments have been made in these accounts.

#### 1.2 Accounting policies

##### 1.2.1 Going concern

In common with other government departments, funding for Ofqual will be met in the main by future Grants of Supply to be approved annually by Parliament. The 2020 Spending Review delivered a settlement for 2021 to 2022 that recognised the important role that Ofqual plays in delivering government objectives, with additional baseline budget being provided to support increased capacity for Ofqual's core business and reformed qualifications.





The 2021 Spending Review achieved a settlement for the next 3 financial years from 2022 to 2023 through 2024 to 2025. For the first time since 2015, Ofqual, alongside other government departments, is able to develop a comprehensive financial strategy beyond the immediate planning horizon. The settlement consolidated Ofqual's role in vocational and technical qualifications reforms through the transfer of permanent programme funding and continues to recognise the importance of appropriate capacity and capability for the effective delivery of objectives.

The coronavirus (COVID-19) pandemic created a heightened and dynamic risk environment that continues to be managed and reported through our Audit, Risk and Assurance Committee. Ofqual actively monitors the sufficiency of Supply to meet the needs of the corporate plan for 2022 to 2025 and maintains regular positive discussions with the DfE and HM Treasury. A budget has been set for 2022 to 2023 alongside a medium-term financial strategy to 2025 that enables Ofqual to deliver its objectives and continued regulatory intent. Our management of associated risks is outlined in the governance statement section of this report and Ofqual's continued existence remains a matter of policy. Therefore, it is considered appropriate to adopt a going concern basis for the preparation of these financial statements.

### **1.2.2 Valuation of non-current assets**

Property, plant, equipment and purchased software licences are capitalised if they are intended for use on a continuous basis for more than one year, and are held at depreciated historic cost. The threshold for capitalising non-current assets is £5,000 on an individual basis. When purchasing groups of assets that individually are valued at between £1,000 and £5,000 but taken together form a single collective asset, and are equal to or greater than £10,000, these are capitalised. Ofqual's capitalisation thresholds were set in 2017 and will therefore be reviewed in 2022.

### **1.2.3 Depreciation and amortisation**

Depreciation and amortisation are provided on all non-current assets on a straight-line basis to write off cost (less any estimated residual value) evenly over the asset's anticipated useful life. Asset lives are in the following ranges:

- information technology (hardware) – 3 to 5 years
- purchased computer software – 5 years

### **1.2.4 Operating and other income**

Operating and other income includes costs recovered by Ofqual on its directly provided services, on a full-cost basis. Operating income is stated net of VAT. Further detail is provided in Note 6.

Income is recognised with regard to the 5-step process required by IFRS 15 Revenue from Contracts with Customers. All fine and penalty income is paid over to the Consolidated Fund as shown in SOPS 4.2 in line with the Consolidated Budgeting Guidance 2021 to 2022. IFRS 15 does not apply to fines and penalties.

### **1.2.5 Administration and programme expenditure**

Costs have been separated between programme and administration. Programme costs are chiefly the costs associated with Ofqual's delivery of frontline reform activities and include certain staff and information systems costs. Administration costs are the costs incurred in running Ofqual.

### **1.2.6 Pensions**

Past and present employees are covered by a mixture of the provisions of the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS). Both schemes are unfunded multi-employer defined benefit schemes. Ofqual accounts for its participation in the schemes as if it were a defined contribution scheme. Annual contributions payable to the scheme are recognised in the Statement of Comprehensive



Net Expenditure. Further pension details are contained in the remuneration report and staff report.

### **1.2.7 Leases**

All leases are accounted for in accordance with the IAS 17 Leases. Classification is made at the inception of the relevant lease. Leases are regarded as operating leases, and the rentals are charged to the Statement of Comprehensive Net Expenditure over the term of the lease. Ofqual has one major category of operating lease, which relates to the payment of rent on property. IAS 17 has been replaced by IFRS 16, which will apply to Ofqual from 1 April 2022, as explained at Note 1.3 below.

### **1.2.8 Financial instruments**

Financial Instruments are recognised at fair value and charged to SOCNE in line with IFRS 9 Financial Instruments and Note 1.2.9 below. Ofqual does not have any complex financial instruments. Ofqual determines the classification of its financial instruments at initial recognition.

### **1.2.9 Financial assets**

Ofqual holds the following financial assets:

- cash and cash equivalents
- trade receivables – current

Cash and cash equivalents comprise Ofqual's closing bank account balance and are recognised in the Statement of Financial Position and Statement of Cashflow at fair value and charged to SOCNE.

Trade and other receivables have fixed or determinable amounts that are not quoted on an open market. Trade and other receivables do not carry any interest and are recognised at fair value and charged to SOCNE in the Statement of Financial Position.

Financial assets are recognised when a contractual provision arises, and derecognised

when the contractual rights to the cash flows from the financial asset expire.

### **1.2.10 Financial liabilities**

Trade and other payables including accruals are generally not interest bearing and are recognised in the Statement of Financial Position at fair value and charged to SOCNE on initial recognition. Financial liabilities are recognised when a contractual provision arises and are derecognised when the obligation specified in the contract has been discharged, cancelled or has expired.

### **1.2.11 Value Added Tax**

Many of Ofqual's activities are outside the scope of Value Added Tax (VAT) and, in general, output tax does not apply and input tax on purchases is often not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are recorded net of VAT.

### **1.2.12 Contingent liabilities and contingent assets**

In addition to contingent liabilities disclosed in accordance with IAS 37, Ofqual discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of [Managing Public Money](#).

Where the time value of money is material, contingent liabilities, which are required to be disclosed under IAS 37, are stated as discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament and included in the Parliamentary and Accountability Report.



### 1.3 Impending application of newly issued accounting standards not yet effective

In accordance with IAS 8, Ofqual has reviewed the IFRSs in issue but not yet effective, to determine if it needs to make any disclosures in respect of those new IFRSs that are or will be applicable.

Ofqual has considered the updates to the IFRS 16 Leases. The new standard replaces IAS 17 Leases and introduces a new single accounting approach for lessees for all leases, with limited exceptions. As a result, there is no longer a distinction between operating leases and finance leases, and lessees will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Ofqual has not adopted early and has assessed the impact on the financial statements. One property is leased for use as office space which is currently classified as an operating lease. The property lease will be recognised on the Statement of Financial Position from 1 April 2022.

HM Treasury has withdrawn the accounting policy choice to apply IFRS 16 retrospectively to each prior reporting period presented in accordance with IAS 8. At the date of initial application, therefore, Ofqual will recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of taxpayers' equity.

IFRS 16 does not require the recognition of assets or liabilities for leases where the underlying asset is of low value. HM Treasury has mandated the election of this option, and Ofqual will therefore recognise lease payments for low value assets as an expense. The threshold for low value assets will mirror that of

the capitalisation threshold in note 1 in section 1.2.2.

IFRS 16 similarly does not require the recognition of assets or liabilities for leases of 12 months or less. Again, HM Treasury has mandated the election of this option, requiring short term leases to be recognised as an expense. Ofqual has a small number of leases that will have fewer than 12 months remaining on initial application of IFRS 16.

There is no financial impact arising from IAS 8 considerations in this report.

### 1.4 Judgements and estimates

The preparation of financial statements requires Ofqual to make estimates and assumptions relating to uninvoiced goods or services that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Where judgement of material work in progress of goods and services has been required, these have been agreed with the supplier.

Ofqual moved to its office in Earlsdon Park, Coventry, in October 2018. In accordance with the Memorandum of Terms of Occupation, Ofqual is liable for the dilapidations cost relating to the occupied area at the end of the term. Ofqual has therefore recognised a non-material provision in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. A review of the provision took place in 2021 to 2022 and the existing provision was deemed sufficient to settle any future dilapidation costs. The estimate of the provision will be revised if, and when, circumstances change that could have a major impact on the cost.

Table 28: Expected lease liability to be recognised upon adoption of IFRS 16

Description	£000
<b>IAS 17 operating lease commitments at 31 March 2022 per note 12</b>	<b>6,522</b>
Less leases to be treated as short term on initial adoption of IFRS 16	-3
Less non-IFRS 16 lease elements included in IAS 17	-4,403
Add other lease elements not included in IAS 17	-
Adjustment for discounting of future cashflows	-59
<b>Expected IFRS 16 lease liability at 1 April 2022</b>	<b>2,057</b>





## Note 2 – Statement of operating costs by operating segment

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of an organisation that are regularly reviewed by the Chief Operating Decision Maker, which is the Chief Regulator in Ofqual, in order to allocate resources to the segments and to assess their performance.

The following table presents gross expenditure, income, depreciation and net expenditure regarding the operating segments, regulation, standards and other directorates, based on management information produced in accordance with IFRS 8. Assets and liabilities are not reported separately to the Chief Operating Decision Maker, and so are not disclosed separately by operating segment.

Note: in 2021 to 2022, the directorates were reorganised. Some functions were co-located into the Chief Regulator's Office that were previously part of the Strategy, Risk and Research directorate, which is now called the Standards, Research and Analysis directorate, and Corporate Services. Associated costs of £1.995 million from Standards, Research and Analysis and £1.421 million from Corporate Services have been reclassified accordingly.

Item	2021-22 General Qualifications £000	2021-22 Vocational & Technical Qualifications £000	2021-22 Standards, Research & Analysis £000	2021-22 National Reference Test £000	2021-22 Regulatory Compliance £000	2021-22 Corporate Services £000	2021-22 Chief Regulator's Office £000	2021-22 Total £000
Gross expenditure	3,110	6,976	1,392	2,233	1,108	5,587	4,241	24,647
Income	-54	-	-	-	-	-61	-58	-173
Depreciation	-	-	-	-	-	298	-	298
<b>Net expenditure</b>	<b>3,056</b>	<b>6,976</b>	<b>1,392</b>	<b>2,233</b>	<b>1,108</b>	<b>5,824</b>	<b>4,183</b>	<b>24,772</b>
Item	2020-21 General Qualifications £000	2020-21 Vocational & Technical Qualifications £000	2020-21 Strategy, Risk & Research £000 Reclassified	2020-21 National Reference Test £000	2020-21 Regulatory Compliance £000	2020-21 Corporate Services £000 Reclassified	2020-21 Chief Regulator's Office £000 Reclassified	2020-21 Total £000
Gross expenditure	2,487	5,478	2,703	1,596	746	5,403	3,440	21,853
Income	-	-	-	-	-	-51	-24	-75
Depreciation	-	-	-	-	-	161	-	161
<b>Net expenditure</b>	<b>2,487</b>	<b>5,478</b>	<b>2,703</b>	<b>1,596</b>	<b>746</b>	<b>5,513</b>	<b>3,416</b>	<b>21,939</b>





Ofqual has 5 directorates:

- **General Qualifications** provides dedicated resources for this specific qualification area
- **Vocational and Technical Qualifications** provides dedicated resources for this specific qualification area including continued delivery of the reform programme of vocational and technical qualifications
- **Standards, Research and Analysis** is responsible for the research and analysis functions to underpin the regulatory approach
- **Regulatory and Corporate Services** comprises management of the National Reference Test, collecting evidence and intelligence from awarding organisations and auditing their compliance with Ofqual’s regulations, public facing services, and business support services including finance, commercial, HR, information management – in the operating segments table above this is shown across three columns: National Reference Test, Regulatory Compliance, and Corporate Services as consistent with internal management reporting
- **Chief Regulator’s Office** includes the strategy team, the legal team, communications and the private office

### Note 3 – Staff costs

Description	2021-22 Permanently Employed Staff £000	2021-22 Others £000	2021-22 Total £000	2020-21 Total £000
Wages and salaries	12,511	876	13,387	11,932
Social security costs	1,370	-	1,370	1,252
Other pension costs	3,319	-	3,319	2,949
<b>Sub total</b>	<b>17,200</b>	<b>876</b>	<b>18,076</b>	<b>16,133</b>
Less recoveries for outward secondments	-50	-	-50	-19
<b>Total net costs</b>	<b>17,150</b>	<b>876</b>	<b>18,026</b>	<b>16,114</b>
<b>Of which:</b>	<b>2021-22</b>	<b>2021-22</b>	<b>2021-22</b>	<b>2021-22</b>
	<b>Charged to administration budgets £000</b>	<b>Charged to programme budgets £000</b>	<b>Charged to capital budgets £000</b>	<b>Total £000</b>
Core departments	12,171	5,855	-	18,026
<b>Total</b>	<b>12,171</b>	<b>5,855</b>	<b>-</b>	<b>18,026</b>



## Note 4 – Other Administration costs

Description	2021-22 Core Department £000	2020-21 Core Department £000
<b>Non-cash items:</b>		
Auditor's remuneration	72	49
<b>Total non-cash items</b>	<b>72</b>	<b>49</b>
<b>Other expenditure:</b>		
Direct operational expenditure	640	567
Rent and accommodation	959	936
IT	1,074	970
Recruitment, training and staff-related	411	284
Finance and governance	1	3
<b>Total other expenditure</b>	<b>3,085</b>	<b>2,760</b>
<b>Total other Administration costs</b>	<b>3,157</b>	<b>2,809</b>

## Note 5 – Other Programme costs

Description	2021-22 Core Department £000	2020-21 Core Department £000
<b>Non-cash items:</b>		
Depreciation	153	161
Amortisation	145	-
<b>Total non-cash items</b>	<b>298</b>	<b>161</b>
<b>Other expenditure:</b>		
Direct operational expenditure	3,019	2,266
Rent and accommodation	-	-
IT	371	561
Recruitment, training and staff-related	23	84
<b>Total other expenditure</b>	<b>3,413</b>	<b>2,911</b>
<b>Total other Programme costs</b>	<b>3,712</b>	<b>3,072</b>

The continuing increase in the programme cost base is due to the ongoing focus on the delivery of reforms to vocational and technical qualifications, including investment in supporting digital and data systems to underpin Ofqual's regulatory decisions and actions.



## Note 6 – Income

Note: \* represents recoveries for outward secondments also shown in Note 3

Description	2021-22	2020-21
	Core Department £000	Core Department £000
DfE	67	12
Qualifications Wales	-	-
Council for Curriculum, Examinations and Assessment	34	37
City & Guilds	9	-
Department for Business, Energy and Industrial Strategy*	50	19
Other income	13	7
<b>Total</b>	<b>173</b>	<b>75</b>

Income increased in 2021 to 2022 from 2020 to 2021 due mainly to an increase in recoveries of outward secondments and income received from the DfE.

Fines and penalties are collected as an agent for HM Treasury, and so are disclosed in SOPS 4.2 Consolidated Fund Income.



## Note 7 – Property, plant and equipment

Description	2021-22 Information Technology £000	2021-22 Total £000
<b>Cost or valuation:</b>		
At 1 April 2021	671	671
Additions	130	130
Disposals	-	-
At 31 March 2022	801	801
<b>Depreciation:</b>		
At 1 April 2021	398	398
Charged in year	153	153
Disposals	-	-
At 31 March 2022	551	551
<b>Carrying amount at 31 March 2022</b>	<b>250</b>	<b>250</b>
<b>Carrying amount at 1 April 2021</b>	<b>273</b>	<b>273</b>
<b>Asset financing:</b>		
Owned	250	250
Carrying amount at 31 March 2022	250	250
<b>Description</b>	<b>2020-21 Information Technology £000</b>	<b>2020-21 Total £000</b>
<b>Cost or valuation:</b>		
At 1 April 2020	575	575
Additions	96	96
Disposals	-	-
At 31 March 2021	671	671
<b>Depreciation:</b>		
At 1 April 2020	238	238
Charged in year	161	161
Disposals	-	-
At 31 March 2021	398	398
<b>Carrying amount at 31 March 2021</b>	<b>273</b>	<b>273</b>
<b>Carrying amount at 1 April 2020</b>	<b>337</b>	<b>337</b>
<b>Asset financing:</b>		
Owned	273	273
Carrying amount at 31 March 2021	273	273



## Note 8 – Intangible assets

Description	2021-22 Software Licenses £000	2021-22 Total £000
<b>Cost or valuation:</b>		
At 1 April 2021	676	676
Additions	267	267
Disposals	-	-
At 31 March 2022	943	943
<b>Amortisation:</b>		
At 1 April 2021	-	-
Charged in year	145	145
Disposals	-	-
At 31 March 2022	145	145
<b>Carrying amount at 31 March 2022</b>	<b>798</b>	<b>798</b>
<b>Carrying amount at 1 April 2021</b>	<b>676</b>	<b>676</b>
<b>Asset financing:</b>		
Owned	798	798
Carrying amount at 31 March 2022	798	798
Description	2020-21 Software Licenses £000	2020-21 Total £000
<b>Cost or valuation:</b>		
At 1 April 2020	-	-
Additions	676	676
Disposals	-	-
At 31 March 2021	676	676
<b>Amortisation:</b>		
At 1 April 2020	-	-
Charged in year	-	-
Disposals	-	-
At 31 March 2021	-	-
<b>Carrying amount at 31 March 2021</b>	<b>676</b>	<b>676</b>
<b>Carrying amount at 1 April 2020</b>	<b>-</b>	<b>-</b>
<b>Asset financing:</b>		
Owned	676	676
Carrying amount at 31 March 2021	676	676



## Note 9 – Cash and cash equivalents

Description	2021-22 £000	2020-21 £000
Balance at 1 April	1	2
Net change in cash and cash equivalents	-1	-1
Balance at 31 March	0	1
<b>The following balances at 31 March were held at:</b>		
Government Banking Service	0	1
<b>Balance at 31 March</b>	<b>0</b>	<b>1</b>

## Note 10 – Trade receivables

Description	2021-22 £000	2020-21 £000
<b>Amounts falling due within 1 year:</b>		
Trade receivables	5	15
Other receivables	1	-
Prepayments	318	271
Accrued income	3	4
VAT	35	140
<b>Total at 31 March</b>	<b>362</b>	<b>431</b>

## Note 11 – Trade payables, financials and other liabilities

Description	2021-22 £000	2020-21 £000
<b>Amounts falling due within 1 year:</b>		
Other taxation and social security	381	343
Trade payables	214	331
Other payables	-	-
Accruals	1,494	1,375
Deferred income	3	3
Amounts issued from the Consolidated Fund for supply but not spent at the year end	-	1
<b>Consolidated Fund extra receipts due to be paid to the Consolidated Fund</b>		
- received	-	-
- receivable	-	-
<b>Total at 31 March</b>	<b>2,092</b>	<b>2,053</b>





## Note 12 – Leases

The total future minimum operating lease payments are given in the table below for each of the following periods.

Description	2021-22 £000	2020-21 £000
<b>Buildings:</b>		
Not later than one year	899	899
Later than one year and not later than five years	3,596	3,596
Later than five years	2,024	2,923
<b>Total</b>	<b>6,519</b>	<b>7,418</b>
<b>Other:</b>		
Not later than one year	3	16
Later than one year and not later than five years	-	3
Later than five years	-	-
<b>Total</b>	<b>3</b>	<b>19</b>

## Note 13 – Financial risks

As Ofqual's cash requirements are met through the Estimates process, Ofqual's exposure to credit, liquidity or market risk is minimal. Financial instruments do not have a role in creating and managing risk that they would for a non-public sector organisation of a similar size. Ofqual actively engages with DfE and HM Treasury to mitigate any financial risks that may emerge as a result of the coronavirus (COVID-19) pandemic.

## Note 14 – Provisions for liabilities and charges

Ofqual held a provision of £29k for dilapidations on the Earlsdon Park office in 2021 to 2022 (£29k in 2020 to 2021). It has been assessed that there is no requirement to change the provision in 2021 to 2022.

## Note 15 – Contingent liabilities

Ofqual has not entered into unquantifiable contingent liabilities by offering guarantees or indemnities or by giving letters of comfort.





## Note 16 – Related-party transactions

Ofqual had payment transactions with the following government departments and other central government bodies and organisations during the year:

- Government Legal Department
- Department for Work and Pensions
- Government Property Agency
- Cabinet Office

Income was received from the following government departments and other central government bodies and organisations during the year:

- DfE
- Department for Business, Energy and Industrial Strategy
- Council for the Curriculum, Examinations and Assessment

No board member, key management staff or other related party has undertaken any material transactions with the department during the year. The remuneration report lists all members of the management board having authority or responsibility for directing or controlling the major activities of the entity during the year.

## Note 17 – Entities within the department boundary

Ofqual is the only body within its department boundary.

## Note 18 – Events after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date that the Annual Report and Accounts were authorised for issue of certification by the Comptroller and Auditor General. There have been no events after the reporting period requiring an adjustment to the financial statements, or to be reported.











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