

# Annual report and accounts 2023 to 2024



Office of Qualifications and  
Examinations Regulation (Ofqual)

# Annual report and accounts 2023 to 2024

(For the period 1 April 2023 to 31 March 2024)

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

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HC 27



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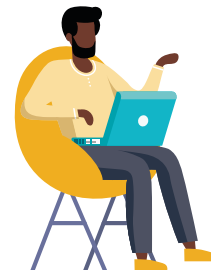
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# Chair's foreword



**Frances Wadsworth CBE**  
Chair

I was delighted to be invited to serve as the interim Chair of Ofqual, a role I took up at the start of 2024, following my predecessor Sir Ian Bauckham's move to become Chief Regulator when Dr Jo Saxton left that role in December 2023. I would like to pay tribute both to Dr Saxton's significant achievements during her tenure, and to Sir Ian's work as Chair for 3 years.

I know how important regulated qualifications are and the significance they hold for students, employers, higher education institutions and many others too. The return to normal for examinations and assessments in 2023 was an important achievement in the recovery from COVID-19 for both the education sector and the nation as a whole. It is vital that students and apprentices have qualifications that are a reliable and trustworthy indication of their knowledge and skills, and set them up to contribute to the future of this country. Ofqual is now focused on building on that return to normal with another year of stable, tried and tested exams and assessments in 2024.

My work during more than 30 years in the further education sector has included teaching, lecturing and leadership positions,

so I understand the key contributions made by so many people in helping students achieve qualifications. Teachers and parents of course play a vital role in educating students and supporting them through their learning. Employers equip apprentices with the skills and experience needed to be ready for assessment. Then examinations officers, invigilators and the awarding organisations Ofqual regulates ensure that the assessments students take are good quality, delivered securely and fair. Students want and need to be able to demonstrate what they know, understand and can do, and the work of all those involved, including Ofqual, enables that to happen. I would like to thank everyone for their contribution to another year of fair and well-organised exams and assessments.

Ofqual has an essential role in making sure that changes to qualifications are managed smoothly and effectively. This was vital during the disruption caused by COVID-19 but is also an everyday part of working in a sector that needs to adapt to the changing world around us. Ofqual is continuing its research into how technology can be incorporated into assessment. The digital environment is changing, and we need to



strike the right balance between embracing the opportunities offered and protecting the validity and fairness of the qualifications that set young people up for life. Ofqual is both open to innovation and at the same time the guardian of standards through effective regulation, keeping students' interests at the heart of our work.

I would like to end by thanking everyone at Ofqual – Sir Ian and his executive team, their colleagues in every department and at all levels and my fellow Ofqual board members for their important contribution. This report sets out a series of achievements that is testament to their expertise and commitment to regulating on behalf of students and apprentices.

A handwritten signature in black ink, appearing to read 'Frances Wadsworth'.

**Frances Wadsworth CBE**  
Chair  
17 July 2024



# Performance report

This section outlines Ofqual's role and provides an analysis of our performance against goals and objectives, including our equality objectives, over the reporting period. Ofqual's strategic priorities were set out in the [Ofqual corporate plan 2022 to 2025](#).

## 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 as of May 2024 regulated 246 awarding organisations that issued 11.3 million certificates across 10,700 active qualifications in the last full academic year.

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

- secure standards in qualifications so they give a reliable and consistent indication of knowledge, skills and understanding
- promote the development and implementation of National Assessments that give a reliable and consistent indication of achievement
- promote public confidence in qualifications and National Assessments
- promote public awareness and understanding of the range and benefits of regulated qualifications
- secure that qualifications are provided efficiently and represent value for money

As a non-ministerial department, Ofqual receives its core funding directly from His 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 Department for Education (DfE). In 2023 to 2024, our funding was secured through the 2021 Spending Review

(SR21), from which we received funding of £31.502 million.

## Regulatory approach

At the heart of Ofqual's regulatory approach is securing qualifications that meet the needs of a wide range of users including pupils, students, apprentices and also employers, further and higher education institutions and many others too. That means ensuring regulated qualifications and national assessments are valid, reliable, fair and worthy of public confidence.

Ofqual regulates awarding organisations that design, deliver and award qualifications and apprenticeship end-point assessments. Ofqual controls entry to the regulated market and creates rules and provides guidance for awarding organisations to help make sure regulated qualifications are fit for purpose, valid and delivered securely. Ofqual has an annual regulatory strategy, monitoring qualification delivery to make sure that risks are appropriately identified and managed and ensuring that awarding organisations comply with our rules. Ofqual's approach to monitoring awarding organisations is detailed later in this report.

By taking a risk-based approach, Ofqual targets our evaluation and monitoring work to activities that pose the greatest risk in the light of our statutory objectives. Awarding organisations are required to complete annual returns to assure us about their compliance with our regulations and must report to us when incidents arise that might have an impact on students and apprentices, standards or public confidence. Ofqual then monitors the awarding organisations' management of those incidents and can intervene where necessary. In instances of non-compliance, we draw on our enforcement tools to make sure a situation is put right and prevent a recurrence, as well as holding awarding organisations to account.

Where appropriate, Ofqual adopts a co-regulatory approach, working with awarding organisations to both identify and manage risks. Taking a co-regulatory approach ensures that regulations are optimally designed to address risks and potential harms, while minimising burden on awarding organisations and impacts on students, teachers and others involved in delivering qualifications. A co-regulatory approach does not preclude Ofqual from using the full suite of enforcement and other regulatory powers as needed. Rather, it promotes a mature and efficient approach to regulation.

Ofqual gathers data and publishes statistics to provide transparency on key features of qualifications and the qualifications market. We require awarding organisations to make information available about the regulated qualifications they offer.

Ofqual takes steps to avoid introducing or maintaining unnecessary burdens on awarding organisations and works with qualifications regulators across the devolved administrations to align our approaches, where possible. Further detail can be found in our [regulatory burden statement](#).

## Summary of key activities

Key priorities for Ofqual during the year included the return to pre-pandemic grading approaches and standards for GCSEs and A Levels, as well as the timely delivery of vocational and technical qualifications following issues with late delivery of some results in summer 2022.

Ofqual continued to prioritise work to deliver the broad programme of government reforms of vocational and technical qualifications. Ofqual worked closely with the Institute for Apprenticeships and Technical Education (IfATE) on technical qualifications, higher technical qualifications, the continued roll out of T Levels, and completing the transition of apprenticeship end point assessments to Ofqual regulation.

Ofqual also carried out technical and design work to support the introduction of new qualifications, including to develop arrangements for a new GCSE British Sign Language and supporting the introduction of new Digital Functional Skills qualifications into the market. Ofqual continued its programme of research, aligned to the priorities set out in the corporate plan, to increase understanding of the qualifications we regulate and to gather evidence to inform future regulation. All of Ofqual's work is underpinned by its people, its data and technology. In 2023 [Ofqual continued to deliver its people strategy](#) and digital data and technology strategy. These set out ambitions and investment plans to further develop our technology, expertise, culture and increase resilience and retention.

Ofqual has continued work to meet the Public Sector Equality Duty (PSED). This includes a requirement to set out equality objectives. Ofqual's equality objectives for 2023 to 2025 align fully with our corporate plan. The PSED also requires Ofqual to report on progress in achieving our equality objectives. This year, instead of publishing a separate equalities report, we are explaining this work within this report.



# Chief Regulator's review of the year



**Sir Ian Bauckham CBE**  
Chief Regulator and Accounting Officer

My entire career has been devoted to advancing education. It was therefore an honour to be invited to serve as Chief Regulator of Qualifications for England, a role I took up at the start of 2024. Qualifications open doors and transform life chances for students. Before taking up post as Chief Regulator, I had served as Chair of Ofqual for 3 years, following on from many years working in schools.

Qualifications accredit students for the knowledge and skills they have acquired and enable them to move on to the next stage in their education or work. Qualifications also enable both employers and further and higher educational establishments to make informed decisions about whom to employ or admit. Therefore, in the interests of the economy, and further and higher education, it is essential that qualifications, and the examinations and assessments used to award them, are fair, trustworthy and consistent.

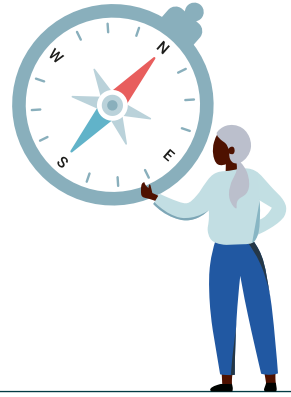
Summer 2023 marked the second step in the return to pre-pandemic approaches to grading and standards for GCSEs and A Levels, as Ofqual had set out in 2021. Examinations and formal assessments ran largely as normal. While there was protection to reflect the disruption students had faced, grading also largely returned to normal. This return to a known grading standard provided clarity for teachers, schools, colleges and helped students make the right choices about their future. The normal grading standard

is well understood by higher and further education and employers.

In 2023, new processes were established to oversee the timely delivery of vocational and technical qualifications, to ensure that students taking VTQs got their results in order to progress, in line with their peers taking A levels. This signalled a shift towards parity of treatment for students across different types of qualifications. These measures have been rolled forward in 2024.

I would like to recognise the work of all those working in schools, colleges and other settings whose hard work and commitment to students and their futures made each of these achievements possible.

At Ofqual, we make sure that grades are accurate reflections of what students know, understand and can do. It has been important for me to hear from students first hand and I was keen to ensure I visited schools, colleges, academies and training centres in every region of England this year. I have already been made very welcome in 5 regions – the North East, West Midlands, East of England, South West and London – and look forward to visits to the remaining areas of the country during the autumn. It has been inspiring to meet the young people studying for important qualifications and useful to hear about the challenges they face and how Ofqual's work can help them.



I want to close this review with a thank you to my dedicated colleagues, whose expertise and commitment help us act effectively on behalf of students taking regulated qualifications. They also make Ofqual an excellent place to work. I am delighted that in the most recent Civil Service People Survey Ofqual has remained one of the top 10 departments across government for employee engagement, and in the top 3 for inclusion and fair treatment. These scores are testament to my colleagues in our organisation, who work tirelessly and collaboratively to deploy their expertise on behalf of students.

A handwritten signature in black ink, appearing to read 'Ian Bauckham'.

**Sir Ian Bauckham CBE**  
Chief Regulator and Accounting Officer  
17 July 2024

# Summer exam series 2023

## Phase 1: planning

**1.26M** students at GCSE, AS and A level

**1,460** GCSE, AS and A level standard question papers

**3,780** discrete modified papers produced



## Phase 2: delivery

**5,905** schools and colleges



## Phase 3: marking

**16M** GCSE, AS and A level scripts

**69,000** examiners

**700,600** special consideration requests

↳ **95%** were approved



## Phase 4: grading

**6.3M** certificates issued

**5.4M** GCSEs

**857,800** AS and A levels



## Phase 5: post-results

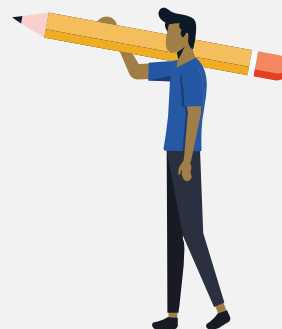
**303,270 (4.9%)** grades were challenged via Reviews of Marking and Moderation

↳ **66,210 (21.8%)** of those challenged grades were changed, of which:

**65,995**  
(99.7%)  
increased



**215**  
(0.3%)  
decreased



Centres can now make better informed decisions on reviews of marking, as Ofqual's regulations require AOs to provide access to learners' marked scripts prior to the request deadline.

**ofqual**

Ofqual/23/7096/2

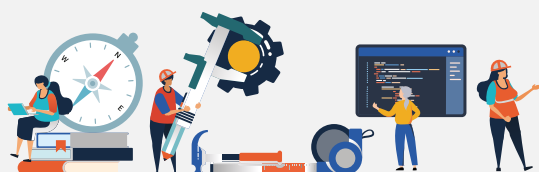
# Delivery and award of VTQs in 2023

## Background

Over **400** Performance Table Qualifications

**16** Technical Qualifications within T Levels

Nearly **1,500** End Point Assessments



## Scale of delivery

**17** AOs delivering Performance Table Qualifications and Technical Qualifications

**133** AOs with End Point Assessments on Ofqual's register

## Assessments delivered

Over **600,000** Performance Table Qualification external assessments taken in 2023

Over **8,000** Technical Qualification Core components within T Levels taken in summer 2023

Over **317,500** End Point Assessment components taken between March 2022 and February 2023



## Results

March 2022 to February 2023:

↳ **110,575** End point Assessments completed

April 2023 to September 2023:

↳ more than **650,000** Performance Table Qualification certificates issued

↳ more than **240,000** Functional Skills Qualification certificates issued

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Ofqual/23/7096/3



# Performance analysis

The Ofqual corporate plan 2022 to 2025 places the interests of students and apprentices at the centre of our work. Priority areas for these 3 years are:

1. quality and fairness for students and apprentices
2. clarity, effectiveness and efficiency in the qualifications market
3. shaping the future of assessment and qualifications
4. developing Ofqual as an effective, expert regulator and inclusive employer

Equalities and fairness in assessment runs through much of Ofqual's work. Ofqual's equality objectives for 2023 to 2025 are based on priorities 1 and 4.

## Quality and fairness for students and apprentices

### GCSEs, AS and A levels

#### *Regulating delivery*

Ofqual is responsible for regulating GCSEs, AS and A levels in England, known as general qualifications. In 2023, over 1.2 million students took general qualifications and more than 6 million certificates were awarded.

The summer of 2023 marked the return to pre-pandemic grading, with protection in place where national performance was a little weaker than before the pandemic. This was part of a 2-year, 2-step plan to return to normal grading arrangements. Adaptations in 2023 were limited to the provision of formulae and revised equation sheets in a small number of GCSE subjects. Overall results were similar to 2019.



As in any year, grade boundaries for every specification were recommended by senior examiners after they had reviewed the quality of work produced by students in the assessments. Senior examiners were guided in their decisions about where to set grade boundaries by information about the grades achieved by cohorts of students in pre-pandemic years, along with prior attainment data. Grade boundaries typically change each exam series to reflect any differences in the difficulty of the assessments and to maintain standards year on year. This means that some grade boundaries were lower than 2019, while others were higher.

Ofqual set the requirements for the awarding of grades and monitored how awarding organisations implemented these requirements. Ofqual also monitored assessment delivery, marking and moderation. More detail and the analysis of the delivery of the summer 2023 series can be found in the [Ofqual delivery report 2023](#).

### *National Reference Test*

In August 2023 Ofqual published the [results of the 2023 National Reference Test \(NRT\)](#). In February and March 2024, more than 13,000 year 11 students from 342 schools in England took the National Reference Test in English and maths, which is administered by NFER. The tests are designed to provide evidence of the performance of 16-year-old students in English and maths. The first live NRT, taken in 2017, was benchmarked against the first awards of the reformed GCSEs in English language and maths in that year, and subsequent tests compare the performance of students with those in previous years.

The NRT results in 2023 were compared with 2017 because this is the baseline year of the NRT and, with the exception of 2021 and 2022, the year that we have previously compared results with.

The results showed that, in English, there was a small but statistically significant downward change when compared with 2017 at grade 4. There were no statistically significant differences in results at any of the other key grades in English (grades 7 and 5) or in maths (grades 7, 5 and 4) when compared with 2017. Despite the outcomes in English being statistically significantly lower than in 2017 at grade 4, the Chief Regulator decided not to implement a downward change to grade standards because this would be counter to the policy of providing protection for students in 2023.

The 2024 test took place between 16 February and 4 March 2024. Statistics and results relating to this test will be published in August.

## Vocational and Technical Qualifications (VTQs)



Examinations and assessments for VTQs in the academic year 2023 to 2024 continued as normal following their return in summer 2022 after the disruption of the COVID-19 pandemic.

Some new VTQs at level 3, such as Applied Generals and Tech Levels, were phased in before the pandemic. For some schools and colleges, 2023 was the first year that many students took external assessments for the reformed qualifications. Reformed Technical Awards at level 2 were also introduced in 2022 and the majority of students will sit their exams in summer 2024.

The roll out of T Levels continued and numbers continued to increase, with 18 T Levels in delivery from September 2023. This year also saw the core assessments of the third wave of T Levels (assessments for the occupational specialism are summer 2024) as well as the assessments of first and second wave of T Levels launched in previous years.

Ofqual regulates the Technical Qualification (TQ) within T Levels, which comprise the Core assessments (core exams and employer set project) and the occupational specialism(s).

The cohort of students completing courses in summer 2023 were the first whose results were based fully on formal assessments, whereas those awarded previously included at least some contribution from teacher assessed grades. Ofqual asked awarding organisations to be generous in awarding new TQs within T Levels in the first years of teaching and assessment, to reflect the fact that these are new qualifications, and that, teachers and students are less familiar with the assessments.

Joint working continues with the Institute of Apprenticeships and Technical Education (IfATE) on those T Levels that are in the process of being introduced. While there is no longer a requirement for TQs to be accredited by Ofqual, we continue to review material for T Levels ready for first teaching in 2024 to contribute to IfATE's approval decisions.

The vast majority of end-point assessments (EPA) in apprenticeships are now subject to statutory regulation, following the completion of the transition programme initiated by IfATE in 2020. Ofqual is the regulator for most EPAs, except for higher and integrated degree EPAs regulated by Office for Students (OfS). Apprentices are assessed by awarding organisations that have demonstrated that they have the sector knowledge, assessment expertise, governance and resources necessary to deliver assessments to a consistent and high standard. To support awarding organisations develop assessments that are valid and reliable, Ofqual has published updated guidance on making design decisions to meet the requirements of Assessment Plans, the General Conditions and EPA Qualification Level Conditions.

## Certifications and outcomes data

During the academic year, over 5.1 million VTQ certificates were awarded. In spring and summer 2023 alone, awarding organisations issued over 650,000 certificates to students studying VTQ Performance Table Qualifications (PTQs), and more than 240,000 certificates



were issued to students studying functional skills qualifications (FSQs). In addition, around 3,520 students received [results for the Technical Qualifications](#) within T Levels. Quarterly certifications data can be explored in [Ofqual's quarterly certification statistics and the interactive app](#).

Ofqual published a stand-alone report into [EPA outcomes data](#) for the first time in 2023. Data was collected from awarding organisations to cover the period March 2022 to end of February 2023, and showed that 110,575 EPAs were fully completed, and 317,530 individual EPA components taken by apprentices within this period.

### ***Measures to support timely delivery of results***

In response to the issues with late delivery of VTQ results in summer 2022, Ofqual published the [VTQ Results Action Plan](#) to support the delivery of Level 3 results in 2023 for VTQs used alongside or instead of A levels for progression to higher education. The measures, designed to support parity of treatment for VTQs alongside A levels, included the introduction of term time checkpoints (by when awarding organisations needed to know which students would be expecting a result in August) and a results deadline for awarding organisations to release results to schools and colleges. Ofqual closely monitored awarding organisations' progress as they delivered these measures and engaged with them promptly where potential issues arose.

Students taking Level 3 VTQs received results when they expected to in 2023 following the successful implementation of the 2023 Results Action Plan.

In October 2023, Ofqual announced measures to embed the arrangements into business-as-usual activity for awarding organisations, schools and colleges for students taking VTQs for 2024 and beyond. The measures apply to Level 1/2 and Level 2 qualifications as well as Level 3 and were confirmed in a [letter sent to schools and colleges](#).

### ***VTQ operational parity***

In spring 2023, in parallel to the work of the VTQ Action Plan for 2023, Ofqual commissioned the Responsible Business Unit (now ImpactEd Consulting) to consider possible steps that might help to secure parity of treatment for students taking different types of qualification, and to streamline the workload for schools and colleges.

The report into [Operational Parity for VTQs](#) published in December 2023, explored a range of issues around timing of results release, sector co-ordination, the impact of exams in schools and colleges and use of unique student identifiers. Ofqual is considering the recommendations and exploring potential next steps to secure sector co-ordination to streamline qualification administration.

### ***Functional Skills qualifications in English and maths***

In January 2024, Ofqual published an [evaluation of the approach to assessment in the reformed Functional Skills qualifications in English and maths](#) (FSQs) introduced from 2019. The evaluation was based on wide engagement with the sector, including awarding organisations, teachers and students.

During Ofqual's review of the assessment of reformed FSQs in English and maths, providers and students reported a lack of understanding around the availability and application of Reasonable Adjustments. Some stakeholders reported that their students were unable to access the adjustments most appropriate to their needs, with some suggesting that the only option available to them was 25% extra time, which was either not appropriate or insufficient for the student. Ofqual is considering this feedback as a part of its wider review of awarding organisations' application of Reasonable Adjustments in vocational and technical qualifications, with a view to improving practice.

The FSQ evaluation evidence does not indicate the need for a change to the overall approach to assessment, as set out in the regulations and implemented by awarding organisations. While the evaluation found the level of demand of the reformed tests to be appropriate for assessing the specified subject content, it nonetheless, identified several potential areas for improvement. The response from awarding organisations on how the issues identified are addressed continues to be monitored.

## Digital Functional Skills qualifications



New Digital Functional Skills qualifications (Digital FSQs) were introduced for first teaching in August 2023. These new qualifications replace Functional Skills qualifications in information computer technology (FSQs in ICT) and are available at Entry level 3 and level 1.

Digital FSQs are focused on [improving adult basic digital skills](#) which are needed for employment or further study. The qualifications are based on DfE subject content derived from the national standards for essential digital skills.

Awarding organisations applied for and gained approval for Ofqual recognition to deliver the reformed Digital FSQs. Ahead of delivery in autumn 2022, Ofqual began the [technical evaluation of the proposed qualifications](#) for those awarding organisations that gained Ofqual recognition. As at the end of March 2024, 7 awarding organisations are now offering entry level 3 and level 1 Digital FSQs after successfully completing Ofqual's technical evaluation process.

## Resilience arrangements

Exams and other formal assessments have taken place since 2022 following the exceptional arrangements for awarding qualifications during the pandemic. Any future cancellation of exams by government remains highly unlikely. Good public policy,

however, means ensuring appropriate contingency planning is in place.

Resilience arrangements were in place on a temporary basis for the 2022 and 2023 exam series. Following consultation in summer 2023, Ofqual and DfE confirmed that arrangements would be adopted for the long-term. They have been designed to impose as little burden as possible while still meeting their purpose.

For GCSEs, AS and A levels, Project Qualifications and AEA, schools and colleges have been provided with guidance on how to gather evidence of student performance to enable the awarding of grades in the unlikely event that exams are not able to go ahead as planned in the future.

For other qualifications used alongside or instead of GCSEs, AS and A levels, Ofqual now also requires all awarding organisations to consider whether it is necessary to have resilience arrangements in place. Where awarding organisations determine such arrangements are needed for a qualification, Ofqual requires they issue guidance to centres on collecting evidence of student performance. Given the diverse range of qualifications, it is necessary for guidance to be produced by individual awarding organisations to reflect the design of those qualifications. Ofqual is monitoring awarding organisations' progress in complying with these new requirements.

Feedback from stakeholders, both through consultation and since the arrangements were confirmed, indicates that the approach is generally well understood and is viewed as a proportionate response to the experience of awarding grades in the absence of exams during the pandemic. We are working with awarding organisations and other stakeholders further to improve awareness of these arrangements.



## Seeking views to support regulation

During the year, Ofqual met a wide range of individuals and organisations to seek their views on the qualifications we regulate. This included school and college leaders, teachers, home educators, exams officers and administrators, higher and further education staff, students and parents, teaching unions, higher education providers and representatives, employers, representatives of subject associations and equalities organisations.

Two-way dialogue helps support our regulation, messaging and intelligence gathering. We also use this engagement to increase understanding of and confidence in the arrangements for awarding regulated qualifications.

Our interaction includes one-to-one conversations, group meetings (such as Ofqual's Exam Stakeholder Engagement Group, VTQ Sector Forum, the Centre Reference Group, and the Apprentice Provider Reference Group) and attending conferences and events.

## Accessibility of qualifications

Ofqual is committed to regulating so that all qualifications are as accessible as possible to all students. This is an important part of our work towards quality and fairness for students.

As reported in our [Equalities report 2022 to 2023](#), the findings of Ofqual's initial work to evaluate the impact of the [statutory guidance on designing and developing accessible assessments](#) were broadly positive. This work indicated the awarding organisations sampled were reflecting the guidance in their processes and training. We shared a summary of the findings with all Ofqual-regulated organisations in November 2023.

Ofqual works with organisations and experts with an interest in accessibility and equalities to help us understand the equality impact of our work and to inform our regulatory approach. This year, as in previous years, we spoke regularly with a range of such organisations and individuals, including groups that represent the interests of, or teach, students who share particular characteristics, including disabled students. We hosted 3 meetings of the [Access Consultation Forum](#) (ACF). The forum discusses issues that affect the accessibility of Ofqual-regulated qualifications and assessments. Its focus is primarily, although not exclusively, on the accessibility of general qualifications for disabled students. ACF also considers accessibility issues relating to vocational and technical qualifications and national assessments and can consider issues affecting students with other protected characteristics. In 2023, issues the forum discussed included:

- access arrangements for students with a specific learning disability (SpLD)
- assessment accessibility for colour-blind students
- extra time as a reasonable adjustment
- assistive technology and access arrangements
- GCSE accessibility from the perspective of autistic students

Ahead of summer 2023 exam results, Ofqual met equalities stakeholders to support understanding of assessment arrangements. As well as discussing the approach to grading, we emphasised Ofqual's statutory responsibility to ensure that qualification results remain a reliable measure of students' knowledge, skills and understanding.

Ofqual continues to engage with the Equality and Human Rights Commission (EHRC) to discuss matters of shared interest. As reported in our [Equalities report 2022 to 2023](#), we have continued to speak with EHRC about possible guidance on meeting the

costs of reasonable adjustments for disabled private exam candidates.

## Equality impact assessments

Equality impact assessments (EIAs) are an important part of Ofqual's policy development process. EIAs form part of all our public consultations and support Ofqual's work towards its public sector equality duty (PSED). Between April 2023 and March 2024 Ofqual published decisions on the following consultations:

- [Sector Subject Area 6 title change](#)
- [GCSE qualifications in British Sign Language](#)
- [Proposed changes to the assessment of mathematics, physics and combined science GCSEs in 2024](#)
- [Regulating level 2 and below Progression Qualifications](#)
- [Ensuring the resilience of the qualifications system](#)
- [Proposed amendment to the assessment of Chinese and Japanese AS and A levels](#)
- [Updating Qualification Level Conditions for T Level Technical Qualifications](#)
- [Regulating level 2 and below qualifications supporting progression to higher levels of study](#)
- [Regulating level 2 qualifications supporting progression to T Levels](#)
- [Consultation on regulating level 1 and 2 qualifications designed to lead to employment](#)
- [Updates to the End-Point Assessment Qualification Level Guidance](#)

Ofqual's approach to regulating qualifications has fairness for students and apprentices at its core. This means thinking about how Ofqual's regulation might affect all students taking regulated qualifications – including those who share particular protected characteristics and those who come from disadvantaged backgrounds.

EIAs help us to identify the potential positive and negative impacts of a proposed policy approach for people who share particular characteristics, including protected characteristics.

EIAs help us to consider how we can mitigate or eliminate any negative impacts and promote equality. To make sure we have identified and considered as many of these impacts as possible, we ask consultation respondents whether there are any impacts we have not identified, and whether they have suggestions for how any negative equalities impacts could be removed or mitigated. On occasion, we might decide that such impacts are unavoidable. Where a negative impact cannot be mitigated, we set out clearly and transparently the reason(s) why in the EIA. Further information is available in the EIAs for the relevant consultations.

## Ofqual's approach to monitoring awarding organisations

Ofqual's regulatory activities reflect some of the key risks that awarding organisations should mitigate and manage and Ofqual monitors awarding organisations' preparation for, and management of risks related to assessment delivery.

By May 2023, Ofqual had conducted annual readiness reviews with 15 awarding organisations, which included the 4 exam boards and covered the majority of the regulated market. The reviews sought assurances from each awarding organisation regarding its governance and capability and management of operational risks relating to the delivery of its qualifications. Ofqual met each of these awarding organisations again before the 2023 summer series, to review their individual preparations and progress against their plans.

Since then, in relation to GCSEs and A levels, monitoring has focussed on delivery of the autumn series, exam boards' recruitment of examiners, quality assurance of assessment materials and the progress made on



strengthening controls to ensure the secure delivery of hard-copy and digital question papers. Ofqual will also closely monitor exam board marking progress during the 2024 summer series.

In relation to VTQs, Ofqual’s monitoring has focused on delivery of the autumn and winter series, any actions required to secure timely delivery of results on an ongoing basis, awarding organisations’ production of assessment materials and monitoring the first qualification level awards of the new level 1/2 and level 2 Technical Awards.

Ofqual has written to the awarding organisations setting out areas of regulatory focus for the coming year and the follow-up work they were expected to carry out ahead of summer 2024 which Ofqual will revisit in the annual readiness reviews.

The majority of apprentices now benefit from a comprehensive programme of EPA regulation that requires awarding organisations to develop assessments that are fit for purpose, valid and reliable. Ofqual’s monitoring seeks assurance that awarding organisations are developing and delivering EPAs in compliance with the Conditions, that their approaches are carefully considered, and in the best interests of apprentices.

Further detail about how Ofqual monitors delivery is contained within [Ofqual’s Delivery Report for 2023](#) (published in December 2023) covering general qualifications, vocational and technical qualifications and apprenticeship EPAs awarded between 1 September 2022 and 31 August 2023.

## Regulatory actions and interventions

The [regulatory actions and interventions](#) taken by Ofqual are published on our website. Table 1 summarises the interventions we have made over the reporting period for all awarding organisations, including those offering general, vocational, technical and other qualifications.



Table 1 Interventions

| Date issued      | Awarding organisation  | Action                    | Date published  |
|------------------|--|---------------------------|-----------------|
| 26 May 2023      | NCFE   | Undertaking 2023          | 8 June 2023     |
| 28 March 2023    | Lifeskills Solutions Ltd   | Withdrawal of recognition | 23 June 2023    |
| 24 August 2023   | Vistar Qualifications Ltd  | Withdrawal of recognition | 30 August 2023  |
| 27 October 2023  | GP Strategies Training Ltd (GPSAS)   | Special Conditions        | 1 November 2023 |
| 17 November 2023 | University of West London, trading as London College of Music Examinations | Special Conditions        | 10 January 2024 |

As well as the published interventions, Ofqual imposed additional conditions of recognition, known as Special Conditions, on a total of 9 occasions through the year. Special Conditions are used in a variety of ways, including to support investigations and to manage identified risks,

and were imposed on 2 existing awarding organisations and on 7 newly recognised awarding organisations. Where Special Conditions are not published, this is often because publishing may increase the risks which those conditions are intended to manage. We keep under review the

possibility of publishing such interventions at a later date.

Four awarding organisations chose to surrender recognition in 2023 to 2024: IQL UK Ltd, Council for the Curriculum, Examinations and Assessment, The Institute of British Sign Language (IBSL) and GP Strategies Training Ltd (GPSAS).

## **Applications to be a recognised awarding organisation**

Any organisation wishing to become recognised by Ofqual must submit an application that demonstrates its ability to meet the Ofqual Criteria for Recognition. All prospective awarding organisations meet Ofqual before completing an application to understand Ofqual's process and requirements, both at application and following Ofqual recognition. The number of organisations considering applications has increased over time, largely due to the requirement that organisations offering end-point assessments are regulated.

Many organisations have very similar questions regarding the application process and requirements. From September 2023 we introduced new webinars to answer these common questions in a more efficient and effective manner. Following the webinar, if an organisation chooses to continue with its application, it meets Ofqual for a conversation tailored to its specific needs.

To respond to the needs of the organisations interested in Ofqual recognition, we are reviewing the content and type of materials available on the website with a view to update and refresh these where appropriate. This programme of work is underway and is due to be completed during the next reporting period (2024 to 2025).

## **Awarding organisations delivering apprenticeship end-point assessments**

In August 2020 IfATE announced its intention to ensure all apprenticeship end-point

assessments (EPAs) were subject to regulation from either Ofqual, or the OfS, for integrated degree apprenticeships, as the statutory regulators. A small number of EPAs are regulated by third parties. This reporting period includes the final weeks of the transition to these arrangements. This has had a direct impact on the number of organisations applying for Ofqual recognition. We are experiencing a steady, high proportion of recognition applications for organisations wishing to offer EPAs and an increase in applications from Ofqual-recognised awarding organisations wishing to expand their scope of recognition to offer end-point assessments. In the past financial year, a further 14 awarding organisations offering EPA have been recognised. In total Ofqual currently regulates 154 different awarding organisations offering EPA.

In our 2022 to 2023 annual report, we reported that DfE and Ofqual were committed to aligning the processes for the DfE register of end-point assessment organisations (RoEPAO) and Ofqual recognition, to be more efficient and reduce the burden on awarding organisations. In August 2023 DfE replaced the RoEPAO with the Apprenticeship Provider and Assessment Register (APAR), which is informed by Ofqual's Register of Regulated Qualifications (the Register). This means that once an awarding organisation is recognised to offer an end-point assessment and this has been added to the Register with an operational start date, the end-point assessment will automatically appear on the APAR and be available for providers to select, further reducing the burden on awarding organisations.

## **Regulating national assessments**

Ofqual's standards objective relating to national assessment is to promote the development and implementation of tests which give a reliable indication of achievement and indicate a consistent level of attainment between comparable assessments, including over time. The primary body responsible for developing

and delivering national curriculum assessments is the Standards and Testing Agency (STA). STA is an executive agency within the Department for Education and contracts suppliers to help with delivery.

In 2023, Ofqual monitored the development and delivery of national assessments and analysed pupils' performance and results, reporting on this work in our March report. Overall, we concluded that national assessment delivery last year was successful and significant progress was made in relation to the issues documented in Ofqual's previous national assessments regulation annual report. Ofqual's analysis of Key Stage 2 (KS2) marking quality showed a high degree of reliability again in 2023 and 99.9% of children received their results on time.

With Ofqual's objective of promoting public confidence in national assessments in mind, we determined it would be appropriate to undertake an analysis of the 2023 Key Stage 2 reading test. The analyses carried out by Ofqual found no evidence that the test failed to meet its stated purpose of ascertaining what pupils achieved in relation to the attainment targets outlined in the 2014 national curriculum, and the test was effective in differentiating across the ability range. Ofqual's analysis highlighted particular areas where there are further considerations for STA as future tests are developed. Ofqual also conducted a survey of KS2 markers to understand more about the marking workforce.

A full description of our analysis of the delivery of the summer 2023 series including the outcomes of our research was published in Ofqual's [national assessment regulation annual report 2023](#).



## Clarity, effectiveness and efficiency in the qualifications market

### Informing people about regulated qualifications

Ofqual engages widely with a range of individuals and organisations to both inform them about our work and to understand their views about the qualifications we regulate.

It is important that students of all ages, apprentices and their parents have access to information about regulated qualifications so they can be confident in them. Ofqual has continued to provide information for students and their parents about the arrangements for regulated qualifications.

This included our annual [guide for schools and colleges](#) and [guide for students](#) (published in the autumn term), which explain arrangements for qualifications regulated by Ofqual. Ofqual has written letters to schools and colleges and students, blogs and other updates on our website. In February 2024, Ofqual published an equivalent [EPA guide for apprentices](#) for the first time. This provides information about Ofqual-regulated EPA, including preparation and what to expect, additional support, and what happens after taking EPA.

We have engaged with higher education institutions, including the admissions service UCAS, to support them in making offers by ensuring that the arrangements for qualification assessment and grading are well understood.

We provided updated information to support exams officers in their roles and regularly attended exam officer conferences and training sessions to improve understanding of Ofqual regulation and activities to support effective administration of exams and assessments.

As in other years, we directed students seeking information and support after receiving their qualification results to the Exam Results Helpline run by the [National Careers Service](#). We briefed the helpline team about the arrangements in place for regulated qualifications so they could provide information and support for students. Within our Student Guide, we signposted students who had concerns about possible discrimination to the [Equality Advisory and Support Service \(EASS\)](#). EASS briefed us on its remit to support with the signposting of students to its helpline, and we briefed EASS so that it could support any students who contacted it.

Ofqual has continued a significant programme of work to develop the Ofqual Register of Regulated Qualifications, now comprising 2 services: Find a Regulated Qualification and Find a Regulated Awarding Organisation. This will make finding information about regulated qualifications and awarding organisations much easier and more equitable for users and therefore support greater clarity, effectiveness and efficiency in the qualifications market.

We have engaged widely with a wide range of stakeholders including students, apprentices and those who work across the education sector to enhance these 2 services, based on their needs. The [newly developed services are now in private beta stage](#). We have also ensured that the data and information Ofqual publishes publicly on the Register can be accessed easily through an Application Programming Interface (API), allowing it to support other organisations to use this data across the education sector.

Ofqual's commitment to transparency and to wider engagement of the public with the data we hold continues to be facilitated by regular publication of [Official Statistics](#) such as the [Annual Qualifications Market Report](#), published in February 2024. This is in addition to delivery of [interactive and visual applications](#) to provide access to key data.

An improved methodology was used for the first time in Ofqual's 2023 Qualification Price Statistics publication, expanding the coverage of qualifications that contribute towards the analyses and strengthening the accuracy of the findings. The Qualification Price Statistics works alongside Ofqual's conditions requiring transparency of fee information to support schools, colleges and training providers in making informed choices of qualifications and determining the value for money their qualifications represent. We note the particular importance of this work at a time of rising costs and accompanying pressures on finances.

## Sector subject area classification

Ofqual classifies qualifications using the [sector subject area \(SSA\) classification system](#). The current SSA classification system was created in 2001 by the (then) Qualifications and Curriculum Authority (QCA) and the overall system is the one in use today. It therefore may not have been reflective of changes in industries and occupations that had taken place since then.

Ofqual and DfE have completed a joint review of the SSA classification system to ensure that it remains fit for purpose. Following stakeholder feedback that the title of SSA 6 needed updating to better reflect the sector and qualifications in the SSA, Ofqual has consulted on proposals and decided to update the title for SSA 6 from Information and Communication Technology to Digital Technology. This updated title will come into effect from 1 August 2024, to align with DfE's academic calendar and reporting period.

Alongside this, Ofqual sought views on and published the non-statutory guidance it developed for awarding organisations to consider when assigning qualifications to SSAs.



# Shaping the future of assessment and qualifications



## Reform of post-16 qualifications at level 3 and below

### Regulations

### New and revised general qualifications

As well as overseeing the delivery of general qualifications in 2023, Ofqual carried out technical and policy work designed to strengthen existing qualifications and to regulate for new or reformed ones.

Ofqual has continued to work closely with DfE to develop arrangements for a new GCSE in British Sign Language (BSL). We consulted on our high-level assessment requirements for this qualification between June and September 2023 while DfE consulted on its proposed subject content. DfE published its subject content and Ofqual has confirmed its high-level assessment expectations. Ofqual had begun to develop its detailed rules for how this new GCSE would need to be assessed. DfE has now published its subject content and Ofqual has confirmed its high-level assessment expectations. Ofqual is developing its detailed rules for how this new GCSE must be assessed.

Ofqual and DfE also worked to develop draft subject content and draft assessment arrangements for a new GCSE in Natural History.

Ofqual has worked with independent subject specialists to review the revised specifications in GCSE French, German and Spanish for accreditation. This follows the publication in 2022 of new subject content by DfE and new assessment requirements by Ofqual. This work is complete, with 6 new specifications accredited for first teaching this September 2024 and first assessment in 2026.

Ofqual has consulted on and introduced new regulatory requirements that support the government's reform of post-16 qualifications. In this reporting period Ofqual has published the regulatory requirements for [Level 2 Technical Occupation Qualifications](#) and for [Entry level, level 1 and level 2 Progression Qualifications](#) and T Level Foundation Qualifications. These requirements apply to qualifications that the DfE will approve for funding in the new post-16 qualifications landscape and have been developed to work with the timescales DfE have published for funding approval.

The equality impact assessments undertaken when developing these regulatory arrangements identified positive equality impacts. The requirement for awarding organisations to develop, comply with and keep under review an assessment strategy will enable Ofqual to review awarding organisations' approaches, and to set requirements where these approaches do not meet the requirements of the General Conditions in relation to equalities or are not being followed. The requirement for awarding organisations to comply with any requirements or follow any guidance provided by Ofqual as a result of a review of their qualifications will also enable Ofqual to challenge and hold awarding organisations to account where they are not meeting their equalities obligations.

Personal, social and employability (PSE) provision will also continue to be funded. Many of the students who rely on PSE provision at present have special educational needs and disabilities (SEND), come from deprived backgrounds and have no or low prior educational attainment. In advance of DfE's consultation on national standards for PSE qualifications published in March 2024, on which reformed PSE qualifications will be based, Ofqual undertook some small-scale

stakeholder engagement to understand more about the users of these qualifications, any issues with assessment, their impact and any challenges identified by schools and colleges in their delivery. This work continues in 2024 when Ofqual will consult on the regulatory arrangements that will be put in place for these qualifications.

Ofqual has worked with awarding organisations and wider stakeholders to support their understanding of the new regulatory requirements including joint engagement (such as webinars and face-to-face seminars) with DfE and IfATE on our respective roles in the funding approval process. Ofqual has continued to support DfE and IfATE in developing and deploying an integrated process for awarding organisations to submit qualifications for funding approval. The first of these are level 3 Alternative Academic Qualifications and Technical Occupational Qualifications, which will be available from August 2025. Ofqual has reviewed submissions and provided feedback to inform approval decisions made by DfE and IfATE.

### **Higher Technical Qualifications**

Ofqual has continued to provide support to IfATE for qualifications submitted by awarding organisations for approval as a Higher Technical Qualification (HTQ), by reviewing these submissions and providing feedback to inform approval decisions made by IfATE. Approval decisions for the latest cycle of submissions (cycle 5) are due to be published by IfATE from June 2025.

Ofqual is regulating delivery by awarding organisations of the first two cycles of approved HTQs, which were made available for first-teach in September 2022 and September 2023. We will regulate delivery for each of the subsequent cycles as they become available for first-teaching.

### **Advanced British Standard consultation**

During the performance year Ofqual responded to the Department for Education's consultation on the approach for the Advanced British Standard (ABS). The government's proposals for ABS envisaged a range of curriculum changes. Given Ofqual's role, we commented on those proposals principally through the lens of assessment and qualifications.

### **Research**

Ofqual has continued its programme of research to further theoretical and technical understanding of the qualifications we regulate and to gather evidence to inform future regulation.

As part of the ongoing programme of research, in August 2023, Ofqual published the [2022 inter-subject comparability \(ISC\) report for GCSEs and A levels](#) and is committed to publishing similar analyses for the 2023 summer series. This is alongside subject specific work to support the ongoing delivery of our standards objective.

Research continues to support Ofqual's commitment to fulfilling its equalities objectives. In December 2023, Ofqual published interactive [equalities analysis for the qualification results issued in summer 2023, and briefed stakeholders on the findings](#). The analysis covered GCSE, A level and vocational and technical qualifications taken alongside or instead of GCSEs and A levels in schools and colleges. Ofqual has conducted analysis every year since 2020 to monitor how differences in results between groups of students with different protected characteristics and socioeconomic status have changed. In addition, Ofqual has continued its research into extra time as a reasonable adjustment in general and vocational and technical qualifications, and presented initial findings to various stakeholders, with a plan to publish this research later in the year.

The programme of research on the [CASLO approach](#) (qualifications that Confirm the Acquisition of Specified Learning Outcomes), is ongoing with a plan to publish multiple reports later in 2024, covering the various strands of work. This includes a historical analysis, a literature review and empirical work with various stakeholders such as awarding organisations, students, teachers, employers and higher education recruiters.

Strategic research has also continued to support Ofqual's consideration of the future of assessment. This includes considering the benefits and risks of greater use of technology in assessment. In July 2023, [Ofqual published a report on the use of remote invigilation within vocational and technical qualifications](#) during the pandemic. In addition, Ofqual and DfE commissioned PA Consulting to research the potential opportunities, challenges, risks and benefits of on-screen exams in England (focusing on GCSEs, A levels and Performance Table VTQs). We have been clear that handwriting will remain an important part of how students are assessed in any scenario. Research considering the issues in and potential approaches to assessment of skills and competencies that are valued by employers has also continued covering a range of different qualification contexts, including apprenticeship end-point assessments.

## Regulating the use of artificial intelligence



The emergence of widely accessible generative artificial intelligence (AI) in 2023 raised several new considerations for the regulation of qualifications and assessments. These include new opportunities for AI to support the design, development and delivery of high-quality assessment, alongside new risks around AI's use in non-exam assessments. Ofqual has established 5 key objectives that have shaped our AI regulatory work:

- ensuring fairness for students
- maintaining validity of qualifications

- protecting security
- maintaining public confidence
- enabling innovation

In this fast-changing context, Ofqual has taken significant steps to support safe delivery of current assessments and has worked alongside regulated awarding organisations to understand potential innovative uses. Ofqual set out its [approach to regulating AI in a policy paper](#) published in April 2024, this paper details the work that has been done during 2023 to 2024 and work planned for the coming year.

## Supporting innovation

New approaches to assessment, including the use of technology, have the potential to improve quality and fairness for students and apprentices, and to strengthen the resilience of how qualifications and assessments are delivered. Ofqual has made a commitment to engage with awarding organisations to support the use of innovative practice and technology where appropriate and remove regulatory barriers where innovation can make assessment more valid and efficient.

Ofqual launched an innovation service in late 2023 to support awarding organisations in navigating the way a well-developed idea that promotes valid and efficient assessment could interact with our regulatory requirements, and to identify the regulatory risks that may emerge. The service is open to novel concepts, where awarding organisations may already have trialled new applications and seek a view ahead of its wider deployment.

## Developing Ofqual as an effective, expert regulator and inclusive employer

Ofqual achieves its goals through our people working effectively together and with others across the education and training system. Along with other public sector employers,

we seek to balance achieving value for money with the need to recruit and retain skilled staff. We continue to make sure our people have the right skills, expertise, tools and information to achieve our corporate plan objectives, enabling us to make the best use of our resources. The research activities outlined above also continue to enrich Ofqual's expertise and understanding of qualifications and assessments.

## Civil Service People Survey 2023

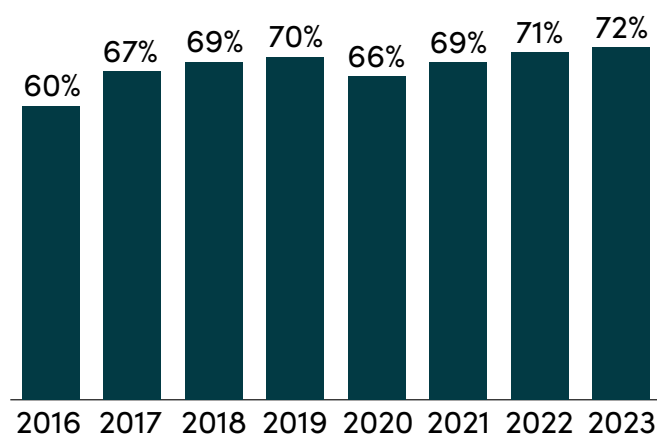
Ofqual takes part in the annual Civil Service People Survey. The survey looks at civil servants' attitudes to and experience of working in government departments.

The annual Civil Service People Survey ran from 19 September 2023, through to 23 October 2023 with 92% of the organisation responding. This response rate placed us in 8th position out of the 103 organisations taking part.

The Employee Engagement Index (EEI) captures how staff feel about Ofqual. Ofqual's EEI was 72% this year, up 1 percentage point from last year. The benchmark score for the whole Civil Service was 65%.

The results showed positive improvements across a range of themes and highlighted that Ofqual had the 8th highest engagement score across the 103 participating organisations, with the 2nd highest score for inclusion and fair treatment.

## Civil Service People Survey Engagement Index



## Our technology

In line with our digital data and technology strategy, Ofqual continues to transform, iterate, and improve the technology that underpins our regulatory processes and intelligence, and that enables our people to work effectively and efficiently.

All Ofqual corporate services now reside and operate from cloud services with only minimal on-premises infrastructure remaining.

We have placed a greater focus on ensuring our digital services and technology work well for the people who use them. We have done so by adopting best practices in user-centred research and design, formal assessment of services at key milestones and adopting practices to make sure that we design services that meet the Web Content Accessibility Guidelines for all new or replacement services we develop.

## Subject matter specialists

In March 2023, Ofqual launched a new application tool to help us have the access we need to the broadest range of individuals with significant relevant experience or expertise in the fields covered by qualifications we regulate, or in areas where we might regulate qualifications in the future. Throughout this reporting period, this tool has been further developed and refined, supporting a significant increase in the range and volume of subject expertise available for Ofqual to draw on. This has significantly increased our capacity to review the subject content of qualifications and assessments.

## Memorandums of Understanding

Ofqual released Memorandums of Understanding (MoUs) with the [Standards and Testing Agency](#), an executive agency within the Department for Education, and with the [Quality Assurance Agency for Higher Education](#) in February 2023. In September 2023, Ofqual published an MoU with the [Office of the Independent](#)



**Adjudicator.** In February 2024, following the passage of the Skills and Post-16 Education Act, IfATE and Ofqual took the opportunity to refresh and update [our Memorandum of Understanding](#) to reflect the refreshed roles and responsibilities across the 2 organisations.

We are currently working on MoUs with the Department for Education and UCAS; both will be published in the next reporting year.

## Forward look for 2024

Ofqual's activity for 2024 to 2025 will continue to be shaped by its corporate plan 2022 to 2025. This will include the ongoing programmes and projects detailed in this report.

In 2024 to 2025 Ofqual will also respond to new priorities in the sector, including those that arise from the outcome of the July 2024 General Election. We will also continue to develop our regulatory approach to artificial intelligence to support safe delivery of assessments and understand potential innovative uses.

## Managing our resources

### Estate

Ofqual operates across England from a central base in Coventry. Through the financial year 2023 to 2024, Ofqual occupied one dedicated floor in Earlsdon Park with facilities shared with other government departments on one other floor. In April 2024, Ofqual took occupation of a single floor at the Friargate building in central Coventry, under a leasehold agreement with Coventry City Council, via the Government Property Agency.

### Public enquiries

Following the disruption caused to the education of students caused by the COVID-19 pandemic, the return to pre-pandemic arrangements for examinations and assessments in 2023

resulted in fewer overall enquiries from the public. During 2023 to 2024, we received 1,397 phone calls and 1,627 written enquiries.

We aim to respond to written enquiries within 3 working days. In 2023 to 2024, we responded to 99.8% of written enquiries within that timeframe.

## 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 Prescribed Persons (Reports on Disclosures of Information) Regulations 2017 (the Regulations) require prescribed persons to produce an annual report on whistleblowing disclosures made to them by workers. This reporting period is for the period 1 April 2023 to 31 March 2024.

Ofqual received 100 whistleblowing disclosures during the reporting period that we considered were 'qualifying disclosures' and concerned matters in relation to which we exercise functions under the Act. Of the 100 allegations, 2 had already been investigated by an awarding organisation, 33 were referred to Awarding organisations for further action, for 35 no evidence was found to substantiate the claims, 15 were logged as intelligence and formed part of our ongoing monitoring of awarding organisations, 6 were referred to another body for investigation, 1 was investigated by Ofqual and 8 are still being investigated.

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 that related to Ofqual.

## Complaints

### Complaints about Ofqual



The types of complaints received under our 'Complaints about Ofqual' policy are generally about aspects of the service we have provided or about the work we do. Ofqual received 57 complaints about Ofqual in the reporting period. None of these complaints were upheld or partially upheld during the reporting period.

Where a complainant is unhappy with the outcome of their complaint, they can request an internal review. One internal review investigation was held during this period, which was not upheld.

### Complaints to the Parliamentary Ombudsman

No cases were accepted for investigation by the Parliamentary and Health Service Ombudsman during 2023 to 2024.

### Complaints about awarding organisations

We also consider complaints about an exam board, awarding organisation or qualification regulated by Ofqual.

Overall, we handled 589 new complaints during the reporting period. We provided a final response within 40 days in 92% of cases. The average number of days to close a complaint was 8 days.

Where there are indications of non-compliance, we classify our outcome as either 'upheld' or 'partly upheld'. We upheld or partly upheld 20 complaints about awarding organisations during the year.

Where complaints were upheld or partly upheld, the awarding organisations were referred to Ofqual's relevant regulatory team for further consideration of the potential non-compliance.

Where a complainant is unhappy with the outcome of their complaint, they can

request an internal review. We received 7 requests for an internal review, but none was accepted for further investigation. No internal review investigations took place during this period.

## Statutory equalities reporting

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

Ofqual is required under [The Equality Act 2010 \(Specific Duties and Public Authorities\) Regulations 2017 \(SI 2017/353\)](#) to publish one or more equality objectives at least every 4 years and to publish annually a report explaining how we meet the PSED.

Ofqual also has a duty under the Apprenticeships, Skills, Children and Learning Act 2009 (the [ASCL Act](#)) to have regard to the reasonable requirements of students and apprentices who take regulated qualifications and national assessments, including those with special educational needs and disabilities (SEND). Ofqual must consider its equality duties alongside its other statutory objectives, including to maintain qualification and assessment standards.

In previous years, Ofqual has published an annual [equalities report](#) that summarises progress against Ofqual's equality objectives. This year, Ofqual's work to achieve our [equality objectives for 2023 to 2025](#), as well as our broader work towards the PSED, is set out in this report. This is because Ofqual has embedded fairness and equality, diversity and inclusion into our strategy and work programme.

## Financial review

Funding for 2023 to 2024 was agreed through the 2021 government Spending Review (SR21). Ofqual's budget for the financial year 2023 to 2024 was £31.502 million (£29.174 million in 2022 to 2023), including capital funding of £805,000 for the development of our digital infrastructure and to accommodate the capitalisation of the building lease in accordance with IFRS16 (new accounting standard for leases).

Net operating expenditure, including capital investment, for the year was £33.19 million (£29.02 million in 2022 to 2023), giving an outturn that was £1.689 million, 5.4%, over budget. This is all against the capital budget and relates to the Friargate right of use asset.

Ofqual relocated to their new offices at Friargate on 2 April 2024 and therefore requested capital funding to cover this in the main estimates for the 2024 to 2025 financial year. However, IFRS16 lease accounting rules require recognition in 2023 to 2024.

This means the right of use asset has to be recognised in 2023 to 2024 not 2024 to 2025 resulting in additional capital spend of £2.253 million. This has resulted in Ofqual exceeding its Capital Expenditure estimate by a total of £1.995 million of which £0.064 million, relating to the provisions for dilapidations on the new offices is classified as Capital Annually Managed Expenditure (AME) and the remainder is against Capital Department Expenditure Limit (CDEL). There is no impact on cash. The opposite entry is the recognition of a lease liability of £2.189 million and a dilapidations provision of £64k.

Ofqual has remained within the spending limits for RDEL (Resource Departmental Expenditure Limit), the non-capital spending limit.

Staff costs for the year were higher than in 2022 to 2023 due to building capacity for VTQ reforms and apprenticeship EPAs, and as a percentage this is 76% of total expenditure (73% in 2022 to 2023).

Contract and agency staff accounted for 1% of staffing costs during the year (3% in 2022 to 2023) to manage capacity while permanent staff were recruited.

Ofqual did not receive any income from fines in 2023 to 2024 (£1.35 million 2022 to 2023). Fines are not retained by Ofqual, and so the income in 2022 to 2023 was returned to HM Treasury.

The spending limits are referred to as control totals, authorised through the Parliamentary vote process. 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 2, which illustrates financial performance for the period 2019 to 2020 through to 2023 to 2024 compared to Resource Departmental Expenditure Limit (RDEL), Capital DEL (CDEL) and Annually Managed Expenditure (AME).

The table shows that 91.6% of Ofqual's expenditure is incurred through its RDEL (97.8% in 2022 to 2023).



I Table 2 Annual Expenditure Trend

|                                  | 2019 to<br>2020<br>Outturn<br>£000 | 2020 to<br>2021<br>Outturn<br>£000 | 2021 to<br>2022<br>Outturn<br>£000 | 2022 to<br>2023<br>Outturn<br>£000 | 2023 to<br>2024<br>Outturn<br>£000 | 2024 to<br>2025<br>Planned<br>£000 |
|----------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <b>Consumption of resources:</b> | -                                  | -                                  | -                                  | -                                  | -                                  | -                                  |
| Regulation of qualifications     | 19,241                             | 21,939                             | 24,772                             | 28,376                             | 30,391                             | 30,016                             |
| <b>Total RDEL</b>                | <b>19,241</b>                      | <b>21,939</b>                      | <b>24,772</b>                      | <b>28,376</b>                      | <b>30,391</b>                      | <b>30,016</b>                      |
| <b>Resource AME:</b>             | -                                  | -                                  | -                                  | -                                  | -                                  | -                                  |
| Regulation of qualifications     | 19                                 | 0                                  | 0                                  | 0                                  | 0                                  | 0                                  |
| <b>Total resource</b>            | <b>19,260</b>                      | <b>21,939</b>                      | <b>24,772</b>                      | <b>28,376</b>                      | <b>30,391</b>                      | <b>30,016</b>                      |
| <b>Total CDEL</b>                | <b>169</b>                         | <b>772</b>                         | <b>397</b>                         | <b>640</b>                         | <b>2,800</b>                       | <b>2,910</b>                       |
| <b>Total public spending</b>     | <b>19,429</b>                      | <b>22,711</b>                      | <b>25,169</b>                      | <b>29,016</b>                      | <b>33,191</b>                      | <b>32,926</b>                      |

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 3 demonstrates that 50% of resource expenditure was incurred through the Administration classification in 2023 to 2024 (55% in 2022 to 2023).

I Table 3 Programme and administration resource expenditure

|  | 2019 to<br>2020<br>Outturn<br>£000 | 2020 to<br>2021<br>Outturn<br>£000 | 2021 to<br>2022<br>Outturn<br>£000 | 2022 to<br>2023<br>Outturn<br>£000 | 2023 to<br>2024<br>Outturn<br>£000 | 2024 to<br>2025<br>Planned<br>£000 |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <b>Programme:</b>                      | -                                  | -                                  | -                                  | -                                  | -                                  | -                                  |
| Expenditure                            | -                                  | -                                  | -                                  | -                                  | -                                  | -                                  |
| Pay                                    | 1,993                              | 4,076                              | 5,855                              | 8,636                              | 11,599                             | 13,827                             |
| Other expenditure                      | 2,356                              | 3,072                              | 3,712                              | 3,992                              | 3,782                              | 403                                |
| <b>Total expenditure</b>               | <b>4,349</b>                       | <b>7,148</b>                       | <b>9,567</b>                       | <b>12,628</b>                      | <b>15,381</b>                      | <b>14,230</b>                      |
| Income                                 | -                                  | -                                  | -                                  | -                                  | (51)                               | -                                  |
| <b>Total net programme expenditure</b> | <b>4,349</b>                       | <b>7,148</b>                       | <b>9,567</b>                       | <b>12,628</b>                      | <b>15,330</b>                      | <b>14,230</b>                      |
| <b>Administration:</b>                 | -                                  | -                                  | -                                  | -                                  | -                                  | -                                  |
| Expenditure                            | -                                  | -                                  | -                                  | -                                  | -                                  | -                                  |
| Pay                                    | 11,925                             | 12,057                             | 12,221                             | 12,135                             | 11,443                             | 12,511                             |
| Other expenditure                      | 3,049                              | 2,809                              | 3,157                              | 3,696                              | 3,681                              | 3,340                              |
| <b>Total expenditure</b>               | <b>14,974</b>                      | <b>14,866</b>                      | <b>15,378</b>                      | <b>15,831</b>                      | <b>15,124</b>                      | <b>15,851</b>                      |



|   | 2019 to<br>2020<br>Outturn<br>£000 | 2020 to<br>2021<br>Outturn<br>£000 | 2021 to<br>2022<br>Outturn<br>£000 | 2022 to<br>2023<br>Outturn<br>£000 | 2023 to<br>2024<br>Outturn<br>£000 | 2024 to<br>2025<br>Planned<br>£000 |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Income                                      | (63)                               | (75)                               | (173)                              | (83)                               | (63)                               | (65)                               |
| <b>Total net administration expenditure</b> | <b>14,911</b>                      | <b>14,791</b>                      | <b>15,205</b>                      | <b>15,748</b>                      | <b>15,061</b>                      | <b>15,786</b>                      |
| <b>Total resource expenditure</b>           | <b>19,260</b>                      | <b>21,939</b>                      | <b>24,772</b>                      | <b>28,376</b>                      | <b>30,391</b>                      | <b>30,016</b>                      |

Programme pay and other expenditure increased in 2023 to 2024 due to work to deliver reform of vocational and technical qualifications as the scope of Ofqual's reform work expands. Administration pay has decreased in 2023 to 2024 due to reclassification of costs to Programme.

## Long-term expenditure trends

Table 4 shows expenditure on Ofqual's role in major qualifications reforms. The vocational and technical qualifications reform budget for 2023 to 2024 included delivery of reforms to apprenticeships, T Levels, higher technical qualifications,

Digital Functional Skills, review of qualifications at level 3 and below, strengthening performance table qualifications and the review of digital functional skills qualifications. Ofqual's role in these reform programmes continue to expand in the medium-term, with Ofqual continuing to receive funding through the 2021 Spending Review (SR21) to undertake regulation of apprenticeship EPAs, and support the reforms of T Levels, qualifications at level 3 and below and higher technical qualifications. The long-term financial impact of our apprenticeship regulation work has been incorporated into our base budget. Further information on each programme can be found earlier in the performance analysis section of the performance report.

Table 4 Expenditure on qualifications reform

|   | 2019 to<br>2020<br>Outturn<br>£000 | 2020 to<br>2021<br>Outturn<br>£000 | 2021 to<br>2022<br>Outturn<br>£000 | 2022 to<br>2023<br>Outturn<br>£000 | 2023 to<br>2024<br>Outturn<br>£000 | 2024 to<br>2025<br>Planned<br>£000 |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| General Qualifications                  | 0                                  | 0                                  | 0                                  | 0                                  | 0                                  | 111                                |
| Vocational and technical qualifications | 1,889                              | 4,149                              | 5,535                              | 5,084                              | 6,536                              | 6,887                              |
| <b>Total qualifications reform</b>      | <b>1,889</b>                       | <b>4,149</b>                       | <b>5,535</b>                       | <b>5,084</b>                       | <b>6,536</b>                       | <b>6,998</b>                       |



## Payment of suppliers

The government is committed to paying 90% of undisputed and valid invoices from small and medium-sized enterprises within 5 days, and 100% of all undisputed and valid invoices within 30 days. During the year Ofqual paid 100% of all invoices within 5 days (100% in 2022 to 2023). In 2023 to 2024, no interest was payable under the Late Payment of Commercial Debts (Interest) Act 1998 (nil in 2022 to 2023).

## Sustainability

In the corporate plan 2022 to 2025 Ofqual committed to achieve value for public money by ensuring our priorities are delivered efficiently and by making the best use of our resources.

### Procuring sustainable products and services

Ofqual uses procurement frameworks from public sector buying organisations and utilises the Crown Commercial Service where appropriate. This enables Ofqual to benefit from prices negotiated for government and to benefit from contract terms which consider environmental sustainability.

Since 2021, Ofqual has taken account of organisations' social values in the award of contracts and has included this as an explicit evaluation criterion, where relevant and proportionate, as per the 2012 Public Services (Social Value) Act.

### Adapting to climate change and promoting resource efficiency

As a tenant of the Government Property Agency (GPA), Ofqual relies on the GPA's expertise and timely information to reduce the environmental impact of its main place of work. In 2022 Ofqual's headcount brought it into scope of the Greening Government Commitments, and data is reported to the Department for Education,

which aggregates data for its agencies and arms-length bodies.

To minimise physical waste, Ofqual has appointed a 3rd-party to re-use and recycle IT equipment. Surplus furniture or office equipment is offered for re-use by other government bodies or donated to local not-for-profit organisations.

In 2022 to 2023 Ofqual transitioned from on-site IT services to only cloud-based services. This will reduce energy demand while also improving resilience. To further reduce its environmental impact, Ofqual only uses recycled paper from sustainable sources and encourages a think-before-you-print culture. The organisation reduced the number of printer copier devices in the business by one third, which has resulted in a reduction in the overall volume of printing and associated energy consumption. As part of planned preventative maintenance, lighting in shared office areas was replaced with more energy efficient units, reducing consumption and cost. Data on Ofqual's waste and use of consumer Single-Use Plastics (CSUPs) is recorded and provided to us by the GPA, so that usage can be tracked with the aim of reducing consumption of these non-recyclable materials. Complete data for 2023 to 2024 is not yet available and will be included in the 2024 to 2025 Annual Report and Accounts.

### Energy costs and consumption

In 2023 to 2024 Ofqual occupied 40% of a multi-tenanted office building managed by the GPA and owned no sources of greenhouse gas (GHG) scope 1 emissions. These include boilers, air conditioning units and any vehicle fleets.

The property was gas free and predominantly relied on recycled rainwater for water usage. The GPA manages nature recovery and biodiversity action planning as part of its wider estate management initiatives.

## I Table 5 Energy costs and consumption

|                                 | 2020 to 2021   | 2021 to 2022   | 2022 to 2023   | 2023 to 2024   |
|---------------------------------|----------------|----------------|----------------|----------------|
| Total carbon (metric tonnes)    | *              | 3.4            | 1.9            | *              |
| Electricity (kWh)               | 301,681        | 273,402        | *              | *              |
| Electricity (tCO <sub>2</sub> ) | 106            | *              | *              | *              |
| Gas (kWh)                       | Not applicable | Not applicable | Not applicable | Not applicable |
| Gas (tCO <sub>2</sub> )         | Not applicable | Not applicable | Not applicable | Not applicable |
| Water (m <sup>3</sup> )         | 645            | 720.08         | *              | *              |
| Waste (tonnes)                  | 12             | 13             | 19             | *              |

\* Complete data for these periods is not available at this time and will be added in future Annual Report & Accounts when available.

## I Table 6 Business travel costs

Ofqual does not own a vehicle fleet and encourages staff to use public transport whenever possible.

|                                    | 2020 to 2021<br>£ | 2021 to 2022<br>£ | 2022 to 2023<br>£ | 2023 to 2024<br>£ |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Rail                               | 1,294             | 18,882            | 54,147            | 78,826            |
| Hotel                              | 2,102             | 8,084             | 46,345            | 40,011            |
| Air and ferry                      | 200               | –                 | 2,502             | 4,937             |
| <b>Total business travel costs</b> | <b>3,596</b>      | <b>26,966</b>     | <b>102,994</b>    | <b>123,774</b>    |

In 2023 we changed provider for travel and accommodation services. Data was not available for all categories from our former provider.

From 2023 to 2024 Ofqual is required to make addition disclosures required by FReM under the Task Force on climate related financial disclosures (TCFD) framework:

### TCFD Compliance Statement

Ofqual has reported on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance, which interprets and adapts the framework for the UK

public sector and has therefore complied with the TCFD recommendations and recommendations disclosures around:

- Governance – recommended disclosures (a) and (b)
- Metrics and Targets – recommended disclosures (b)

This is in line with the central government's TCFD-aligned disclosure implementation timetable for Phase 1. Ofqual plans to



provide recommended disclosures for Strategy in future reporting periods, where appropriate, in line with the central government implementation timetable.

## Governance

The Executive Director, Finance and Operations takes responsibility for evaluating the sustainability and environmental impact of Ofqual's operations. In turn, the ED Finance and Operations ensures that strategic and major operational decisions with a material sustainability risk or impact are escalated to the Executive Committee to provide assurance and appropriate recommendations to the Accounting Officer. Where appropriate such matters are reported or brought for approval to the Board (including relevant subcommittees). The size and nature of Ofqual's operations are such that decisions with a material impact on sustainability are limited in number. During the year 2023 to 2024 the main example was Ofqual's decision to locate to new premises at 1, Friargate which went through Executive Team and Board approval processes, including consideration of sustainability related issues.

## Metrics and Targets

Data relating to carbon emissions is included in Table 5 above.

## Basis of accounts

The accounts for the year ending 31 March 2024 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 2023 to 2024 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 2021 Spending Review (SR21) delivered a settlement

for 2023 to 2024 that recognised the important role 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.

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.

## Auditor

The Government Resources and Accounts Act 2000 appointed the Comptroller and Auditor General (C&AG) as Ofqual's auditor. He has charged the £105,000 charge for the audit in 2023 to 2024. There were no non-audit services provided by the C&AG.



### Sir Ian Bauckham CBE

Chief Regulator and Accounting Officer  
17 July 2024

# 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 Outturn against 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 was reformed in October 2023, changing from the Senior Management Group (SMG) to the Executive Team.

The Senior Management Group (SMG) included the following executive directors in 2023:

- Dr Jo Saxton CBE, Chief Regulator and Accounting Officer (until 31 December 2023)
- Sir Ian Bauckham CBE, Chief Regulator and Accounting Officer (appointed 1 January 2024)
- David Bowden, Executive Director Finance and Operations
- Daniel Gutteridge, General Counsel
- Michael Hanton, Deputy Chief Regulator
- Catherine Large OBE, Executive Director Vocational and Technical Qualifications
- Dr Ian Stockford, Executive Director, Standards, Research and Analysis
- Amanda Swann, Executive Director, General Qualifications (appointed 10 October 2023)
- Matt Trimmer, Executive Director, Strategy (appointed 20 September 2023)
- Cath Jadhav, Executive Director, Standards, Research and Analysis (until 30 June 2023)

In addition, the SMG also included Richard Garrett, Tom Barcham, Charlie Henning and Ash Dobrock.



The Executive Team at 31 March 2024 comprised:



**Sir Ian Bauckham CBE**  
Chief Regulator and  
Accounting Officer



**Michael Hanton**  
Deputy Chief Regulator



**David Bowden**  
Executive Director  
Finance and Operations



**Daniel Gutteridge**  
General Counsel



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



**Dr Ian Stockford**  
Executive Director,  
Standards, Research  
and Analysis



**Amanda Swann**  
Executive Director,  
General Qualifications



**Matt Trimmer**  
Executive Director, Strategy

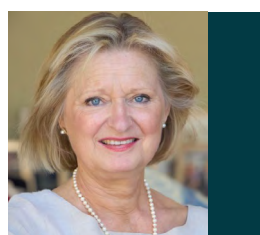
The directorships and other significant interests of all who were members of the Executive Team in 2023 to 2024 are shown in Table 7.

## Table 7 Executive Team directorships and other significant interests

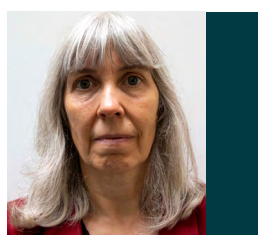
| Name                 | Directorships and other significant interests in 2023 to 2024  |
|----------------------|--|
| Dr Jo Saxton CBE     | Nothing to declare   |
| Sir Ian Bauckham CBE | Chair, Oak National Academy  |
| Michael Hanton       | Director of Institute of Regulation (unpaid)   |
| David Bowden         | Nothing to declare   |
| Catherine Large      | Nothing to declare   |
| Daniel Gutteridge    | Director, Better Futures Multi-Academy Trust Ltd<br>Sits on the Finance and Audit Committee of BFMAT |
| Ian Stockford        | Nothing to declare   |
| Amanda Swann         | Nothing to declare   |
| Matt Trimmer         | Nothing to declare   |

## Board members

The Ofqual Board at 31 March 2024 was:



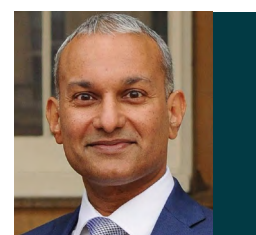
**Frances Wadsworth**  
**CBE**  
Chair



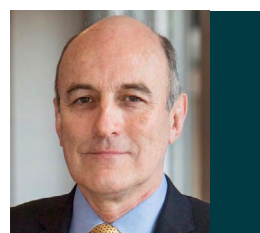
**Susan Barratt**



**Sir Ian Bauckham**  
**CBE**  
Chief Regulator and  
Accounting Officer



**Hardip Begol**  
**CBE**



**Mark Farrar**



**Cindy Leslie**



**Dr Catherine**  
**McClellan**



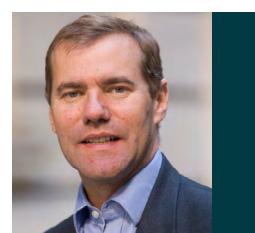
**Eileen Milner**



**Chris Paterson**



**Clare Pelham**



**Matt Tee**

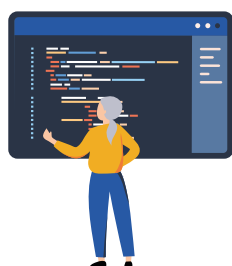
The appointment dates, directorships and other significant interests of all who were members of the Board in 2023 to 2024 are shown in Table 8 below.

Table 8 Board member appointments, directorships, memberships of directing bodies and other significant interests

| Name   | Date of appointment | Term of appointment, including extensions and departures  | Employment details, directorships, memberships of directing bodies and other significant interests in 2023 to 2024   |
|--|---------------------|---|--|
| Susan Barratt  | 1 September 2019    | <p>Three years until 31 August 2022 as Ordinary Member</p> <p>Three year re-appointment as Ordinary Member from 01 September 2022 – 31 August 2025</p>  | <p>Trustee, Nuffield Oxford Hospitals Fund</p> <p>Trustee, Eastleigh Youth &amp; Community Trust (and director of wholly owned subsidiary)</p> <p>Trustee, Lime Walk Methodist Church</p> <p>Member of Management Committee, Great Milton Community Pub Ltd</p> <p>Independent Member, Audit &amp; Risk Assurance Committee, Department for Levelling Up, Housing and Communities,</p> <p>Independent Chair of the Group Audit &amp; Risk Committee for the Lampton Group (trading company for London Borough of Hounslow)</p> |
| <p>Sir Ian Bauckham</p> <p><b>Chair (until 31 December 2023)</b></p> | 1 March 2018        | <p>Three years until 28 February 2021 as ordinary Board member.</p> <p>Interim Chair from 1 January 2021 to 31 December 2021</p> <p>Appointed Chair for 3 years from 1 January 2022 to 31 December 2024</p> <p>Resigned as Chair of Ofqual Board on 31 December 2023</p> <p>Appointed Chief Regulator at Ofqual on 1 January 2024</p> | <p>CEO and Director, Tenax Schools Trust (until 31 December 2023)</p> <p>Trustee, Sabre Education (until 20 November 2023)</p> <p>Chair, Oak National Academy</p>  |



| Name                | Date of appointment | Term of appointment, including extensions and departures | Employment details, directorships, memberships of directing bodies and other significant interests in 2023 to 2024   |
|---------------------|---------------------|--|--|
| Hardip Begol<br>CBE | 1 July 2022         | Three years until 30 June 2025 as Ordinary Member        | <p>Non-Executive Director, The Centre for Education and Youth (CIC)</p> <p>Member, The Eden Academy Trust</p> <p>Director, 104 Pepys Road Management Ltd</p> <p>Non-Executive Director, Oak National Academy (from 1 January 2024)</p>   |
| Mark Farrar         | 1 July 2022         | Three years until 30 June 2025 as Ordinary Member        | <p>Board Trustee and Director of WorldSkills UK</p> <p>Director, Nipper Skipper Limited</p>  |
| Cindy Leslie        | 1 July 2022         | Three years until 30 June 2025 as Ordinary Member        | <p>Trustee, Non-Executive Director, Chair of The Audit Committee, Birkbeck College</p> <p>Non-executive Director, Architects Registration Board</p> <p>Trustee and Non-Executive Director of the Royal College of Psychiatrists</p> <p>Trustee, Non-Executive Director and Vice Chair, Gardeners' Royal Benevolent Society</p> <p>Warden, Worshipful Company of Gardeners</p> <p>Member of Fitness to Practice Panels, Health &amp; Care Professions Council</p> <p>Trustee, Surrey Hills International Music Festival</p> <p>Trustee, Worshipful Company of Gardeners of London Charity</p> |



| Name                   | Date of appointment | Term of appointment, including extensions and departures | Employment details, directorships, memberships of directing bodies and other significant interests in 2023 to 2024  |
|------------------------|---------------------|--|---|
| Dr Catherine McClellan | 1 June 2023         | Three years until 31 May 2026                            | <p>Deputy CEO (Assessment), Australian Council for Educational Research (until August 2023)</p> <p>Chair, Board of Directors, ACER Indonesia (until August 2023)</p> <p>Member, Measurement Advisory Group, Australian Curriculum, Assessment and Reporting Authority</p> <p>Member, advisory board of the Centre for Learning Analytics at Monash University (CoLAM)</p> <p>Principal Scientist/Owner, Clowder Consulting</p> <p>Consultant contract with City &amp; Guilds complete strategic planning for entry into license to practice market in the UK and nationally. Planning is for qualifications not in the Ofqual-regulated market (from December 2022)</p> |
| Eileen Milner          | 1 July 2022         | Three years until 30 June 2025 as Ordinary Member        | <p>Chair, Bradford Children &amp; Families Trust (until July 2023)</p> <p>Chair of Council University of Bradford</p> <p>Director, EIRMA Limited</p> <p>Director, Cambridge University Health Partners (from June 2023)</p> <p>Chair of the Cambridgeshire and Peterborough NHS Foundation Trust (from June 2023)</p> <p>Advisory Board Member for Capita PLC (from October 2023)</p>   |
| Chris Paterson         | 1 July 2022         | Three years until 30 June 2025 as Ordinary Member        | <p>Director of Impact, Education Endowment Foundation</p> <p>Director, Ormiston Academies Trust (from March 2024)</p>   |

| Name   | Date of appointment | Term of appointment, including extensions and departures   | Employment details, directorships, memberships of directing bodies and other significant interests in 2023 to 2024  |
|--|---------------------|--|---|
| Clare Pelham   | 1 July 2022         | Three years until 30 June 2025 as Ordinary Member  | <p>Chief Executive of the Epilepsy Society</p> <p>Governor, Birmingham City University</p> <p>Director, Buckinghamshire Local Enterprise Partnership</p> <p>Member of MHRA Expert Working Group on Sodium Valproate</p> |
| <p>Dr Jo Saxton CBE</p> <p><b>(Chief Regulator) Until 31 December 2023</b></p>   | 20 September 2021   | –  | Member, Society of Authors  |
| Matt Tee   | 1 September 2019    | <p>Three years until 31 August 2022 as Ordinary Member</p> <p>Three year reappointment as Ordinary Member from 1 September 2022 to 31 August 2025</p>  | Executive Director of Communications and Engagement, NHS Kent and Medway  |
| <p>Frances Wadsworth CBE</p> <p><b>Deputy Chair (until 31 December 2023)</b></p> <p><b>Appointed Chair from 1 January 2024</b></p> | 1 April 2017        | <p>Three years until 31 March 2020 as Ordinary Member</p> <p>Nine-month extension until 31 December 2020</p> <p>Two year reappointment as Ordinary Member 1 April 2020 to 31 March 2022</p> <p>Six-month extension from 1 April 2022 to 30 September 2022</p> <p>Three year re-appointment as Ordinary Member from 1 October 2022 to 30 September 2025</p> | <p>Lay Advisor, Thames Valley Area Magistracy</p> <p>Deputy FE Commissioner</p>   |

## ***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.

## ***Summary of other personal data-related incidents***

There have been 49 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 2023 to 2024 an average of 344 whole-time equivalent staff were employed (323 in 2022 to 2023). In addition, there has been an average of 4 agency members of staff to cover vacancies, maternity leave and long-term sick leave (9 in 2022 to 2023), with 5 employed at 31 March 2024.

Ofqual continues to be recognised as a Disability Confident employer, having achieved accreditation at level 2 in February 2020.



### **Sir Ian Bauckham CBE**

Chief Regulator and Accounting Officer  
17 July 2024



## 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 (FReM) 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. I can confirm that the annual report and accounts as a whole are fair, balanced and understandable. I take personal responsibility for the judgements required to ensure this.



**Sir Ian Bauckham CBE**  
Chief Regulator and Accounting Officer  
17 July 2024



# 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 2023 to 2024 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 authority from the Board to undertake certain statutory functions. The Chief Regulator calls upon Ofqual's executive team to advise as required in the discharge of those functions. Further details about the members and

activities of the Board, its sub-committees and the executive team are provided in the detailed paragraphs below.

## 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 2023 to 2024 the Board consisted of a Chair, between 9 and 10 ordinary members and the Chief Regulator. Ordinary members are appointed by the Secretary of State for Education and hold and vacate office in accordance with the terms of their appointment. 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 Board member appointments, directorships and other significant interests in the directors' report. Information about the committees on which Board members served is provided in Table 9.





Table 9 Board members and the committees on which they served in 2023 to 2024 including percentage attendance

| Name  | Board<br>5 meetings | Audit & Risk<br>Assurance<br>Committee<br>4 meetings | People,<br>Resources &<br>Finance<br>Committee**<br>4 meetings | Technical<br>Committee<br>4 meetings |
|---|---------------------|--|--|--------------------------------------|
| Susan Barratt   | 100%                | –  | 100%*  | –                                    |
| Sir Ian Bauckham CBE<br><b>Chair until 31 December 2023</b><br><b>Appointed Chief Regulator from 1 January 2024</b> | 100%*               | –  | –  | 100%*                                |
| Hardip Begol CBE  | 100%                | –  | –  | 100%                                 |
| Mark Farrar   | 100%                | –  | 100%   | –                                    |
| Cindy Leslie  | 100%                | 100%*  | –  | –                                    |
| Dr Catherine McClellan  | 100%                | –  | –  | 100%                                 |
| Eileen Milner   | 80%<br>(4 out of 5) | 75%<br>(3 out of 4)                                  | –  | –                                    |
| Chris Paterson  | 100%                | –  | –  | –                                    |
| Clare Pelham  | 80%<br>(4 out of 5) | –  | 100%   | –                                    |
| Dr Jo Saxton CBE<br><b>(Chief Regulator – until 31 December 2023)</b>   | 100%                | –  | –  | 100%                                 |
| Matt Tee  | 60%<br>(3 out of 5) | 75%<br>(3 out of 4)                                  | –  | –                                    |
| Frances Wadsworth CBE<br><b>Deputy Chair until 31 December 2023</b><br><b>Appointed Chair 1 January 2024</b>        | 100%                | –  | –  | –                                    |

\* Denotes Chair of committee

The Chief Regulator, Dr Jo Saxton, attended 2 of the 3 ARAC meetings held during 2023 to 2024. The Chair of the Board is not a member of ARAC or the People, Resources & Finance Committee, but can be specifically invited to join the meetings. During the year, 2 ARAC meetings were attended by the Chair.

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 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 8.

## Committees of the board

During 2023 to 2024, there were 4 committees of the board.

The Audit and Risk Assurance Committee 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 2023 to 2024 the committee received regular reports from Ofqual's Security Advisor, reviewed the findings of internal audit reports on a range of operational areas, which are shown in Table 10, and considered the Annual Value for Money report. Each ARAC

meeting includes a selection of deep dives into the risks currently held on the Strategic Risk Register which support ARAC's role of providing assurance to the Board on the adequacy of risk management at Ofqual.

The People, Resources and Finance Committee supports the Board with its responsibilities in relation to human resources, finance, information technology and asset management. In 2023 to 2024, it received key metrics on financial and people resources, reviewed the budget and management accounts, considered the Annual Value for Money report, and received the results of the Civil Service People Survey 2023. The Committee also received regular reports on digital, data and technology and updates pertaining to Ofqual's move to new premises.

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. In 2023 to 2024 work continued on the large-scale review of post-16 qualifications with the detail of the regulatory approach, including guidance and consultation documents, being delegated by the Board to the Technical Committee. The Committee was also delegated by the Board to oversee the proposed amendments to the General Conditions of Recognition to put in place long-term resilience arrangements for the qualifications system and the decoupling of Core Exam and Core Project initial entries in T Level Technical Qualifications. The development of a new GCSE in British Sign Language saw the Board delegating the adoption of DfE's subject content into the Regulatory Framework along with the consultation of high-level assessment arrangements and proposed Conditions, Requirements and Guidance to the Technical Committee.

The Chief Regulator has the power to establish an Enforcement Committee to consider regulatory action in respect of an awarding organisation. One Committee met in 2023 to 2024 to consider regulatory action

in respect of City and Guilds leading to the imposition of a monetary penalty in 2024 to 2025. As part of the proposed changes to the Taking Regulatory Action policy, the Board was consulted on the overarching strategy for enforcement. It was agreed the Enforcement Committee would be replaced by Enforcement Panels and to create a Strategic Enforcement Committee which will provide oversight in respect of enforcement activity and strategy.

## 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 the Executive Team. Financial approval is delegated through the Scheme of Financial Delegation, which is published in the Standing Financial Instructions.

## Executive Team

The Executive Team comprises the Chief Regulator, Deputy Chief Regulator, the executive directors and General Counsel. Details of the executive directors that served on the Executive Team in 2023 to 2024 are detailed in the directors' report.

The Executive Team provides advice to the Chief Regulator in the executive decision making delegated to him in the Ofqual governance framework.

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.

The Executive Team 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. 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. The Executive Team and the Board regularly review the strategic risk register. ARAC scrutinises the register including through regular 'deep dives' of the management approach for each risk and escalates matters to the Board as necessary.

The register has included the following areas of focus during the financial year.

### *Failure to maintain standards of GCSE, AS and A levels*

Maintaining standards is important to ensure public confidence in qualifications and for ensuring comparability over time and between qualifications in a particular subject. Summer 2023 marked the return to pre-pandemic grading, with protection in place where national performance was a little weaker than before the pandemic. This was part of a 2-year, 2-step plan to return to normal grading arrangements.

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

Damage to public confidence in qualifications could compromise the currency of qualifications taken by learners. To manage this risk, Ofqual works with stakeholders to improve understanding of key matters related to the delivery of valid, fair qualifications and assessments.

Over the last financial year, we used an extensive range of communications to explain the return to pre-pandemic exam arrangements and grading.

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, helping to inform our approach.

### ***The safe delivery of GCSE, AS and A levels and national vocational and technical qualifications (VTQs)***

Ofqual has oversight of, and closely monitors, a wide range of risks to delivery of GCSE and A level exam series, including risks of errors in question papers and those related to malpractice.

Following the issues with results delivery for some vocational and technical qualifications in 2022, Ofqual implemented an action plan to support results in line with the timings of GCSE and A levels in 2023. The action plan, with regular checkpoints for centres to provide information to awarding organisations, ensured that VTQ students received their results in line with their expectations.

### ***Validity and quality of technical qualifications in T Levels***

Ofqual works closely with IfATE and DfE to monitor and mitigate risks to the validity and quality of technical qualifications (TQ) delivered in the T Level programme. In 2023 to 2024 Ofqual continued to review the capacity and capability of awarding bodies seeking to offer the qualification during their applications for recognition. There are also steps Ofqual takes to be assured of TQ delivery, such as reviews of awarding organisations' readiness for delivery.

### ***Vocational and technical education reform***

Ofqual plays an active part in the government's reforms to vocational and technical qualifications. We use our assessment expertise and regulatory capabilities to mitigate risks to qualification standards and public confidence and ensure that qualifications meet the needs of employers and other qualification users.

Risks may manifest around a single reformed qualification, or in the simultaneous delivery of multiple reforms across several types of qualification. We engage closely with awarding organisations and users of qualifications about any potential risks and our activities to mitigate risks ranges from providing technical advice to government and evaluating reformed qualifications before they are made available.

### ***Assuring the validity of National Assessments***

The Standards and Testing Agency (STA, an executive agency of the DfE) is responsible for the development and delivery of national assessments which includes managing contracts with various delivery partners. Ofqual's monitoring takes place through observation of key activities and evaluation of evidence provided by STA. Ofqual fulfils its regulatory role by providing feedback to responsible bodies where appropriate, raising risks when necessary and reporting on its monitoring work.

### ***Ofqual's capacity and capability***

Ofqual has an ongoing responsibility to ensure that it has access to the appropriate level of expertise in sufficient measure to carry out its obligations as a regulator. As with all public sector employers, this must be balanced with the need to ensure value for money on behalf of the taxpayer. Allocation of resources is actively prioritised to ensure public money is used efficiently and that priorities are delivered within budget. Ofqual monitors indicators

of financial, people and capacity risks, including taking part in the annual Civil Service People Survey. Risks to Ofqual's stability and ability to influence the sector as a result of leadership changes were monitored during 2023 and 2024 including as the Department for Education commenced processes for the recruitment of a permanent Chief Regulator and Chair.

## Cyber and information security

Ofqual monitors its levels of cyber and information security within the wider threat environment and continuously develops its approach to mitigating associated risks. Mitigations include extensive technical controls, constantly improving the resilience of incident responses and ensuring a good understanding of risks among staff. Ofqual assesses the maturity of controls against established industry health checks, including the National Cyber Security Centre's Cyber Essentials plus, the Government Functional Standard for Security and ISO 27001 accreditation.

## Artificial intelligence

The regulation of artificial intelligence (AI) in assessment is a new area of strategic risk. Ofqual's focus is on maintaining fairness, validity and securing standards in assessments and has introduced mitigating activities to secure these, balanced with supporting innovation where it is in the

best interests of students. Mitigating actions have included adoption of a precautionary principle through which we have clarified where uses of AI are not currently permitted. Ofqual has also taken a co-regulatory approach to regulation of AI that recognises the collective benefits from regulator and awarding organisations collaboratively understanding potential uses of the technology.

## Impact of regulatory actions

As an effective and proportionate regulator, Ofqual is conscious of the impacts of its regulatory actions. We work to mitigate the risks that actions we take could be detrimental to individuals working for the organisations we regulate. We do this by monitoring our contact with awarding organisations and ensuring Ofqual colleagues communicating with them have sufficient training.

## Internal audit and the effectiveness of the internal controls framework

The Audit and Risk Assurance Committee agreed the 2023 to 2024 internal audit plan on 27 March 2023. The plan encompassed securing assurance on a range of regulatory and corporate areas of work. The individual audits for 2023 to 2024 and their ratings are provided in Table 10 below.

Table 10 Internal Audit report ratings

| Audit title                          | Report rating | No of actions raised (priority)   | No of actions closed (priority) | No of actions still in progress (priority) |
|--------------------------------------|---------------|-----------------------------------|---------------------------------|--|
| Health & Safety Framework            | Partial       | 1 (High)<br>6 (Medium)<br>5 (Low) | 6 (Medium)<br>3 (Low)           | 1 (High)<br>2 (Low)                        |
| HR Controls – Talent Management      | Reasonable    | 2 (Medium)<br>1 (Low)             | 2 (Medium)                      | 1 (Low)                                    |
| Register of regulated qualifications | Substantial   | -                                 | -                               | -  |



| Audit title  | Report rating | No of actions raised (priority) | No of actions closed (priority) | No of actions still in progress (priority) |
|--|---------------|---------------------------------|---------------------------------|--|
| Assurance Framework – Cyber Risk Controls            | Reasonable    | 2 (Medium)                      | 2 (Medium)                      | -  |
| Payroll Controls                                     | Reasonable    | 3 (Medium)<br>5 (Low)           | 3 (Low)                         | 3 (Medium)<br>2 (Low)                      |
| HR Controls – Gender Pay Gap                         | Advisory      | 5                               | -                               | -  |
| Functional Standards Compliance Arrangements (DRAFT) | Advisory      | 5                               | -                               | -  |

## Qualification with respect to regularity

The certificate of the Comptroller and Auditor General records a qualification with respect to regularity, resulting from the circumstances detailed below.

Following a decision by the Government Property Agency (GPA) to exercise a break clause in the lease for Ofqual’s existing premises at Earlsdon Park, it had been understood since the start of the financial year that Ofqual would need to move at a time before July 2024. However, the precise timing of the move was uncertain due to several factors, most of which were beyond Ofqual’s control. These included agreement between GPA and the Earlsdon Park landlord of the extent of restoration work required before the Earlsdon Park premises could be returned, the completion of Cabinet Office and GPA approvals processes for the new premises at Friargate, the completion of negotiations for the Friargate Head Lease between GPA and Coventry City Council and the finalisation of Terms of Occupancy Agreements between Ofqual and GPA.

Ofqual’s priority was to be able to operate effectively in carrying out its statutory objectives. The peak time for Ofqual as the regulator of the whole public examinations exercise is early May to August. For the secure regulation of England’s public examinations system, and for full preparedness to handle any crisis in the

administration of same, it was deemed essential that Ofqual was fully settled in new premises in April in order to give time for any teething problems to be addressed before the peak season opened. It was on this basis that, in November 2023, a decision to complete the move in March or April 2024, subject to satisfactory resolution of the issues outlined above, was taken.

The proximity of the planned move to the financial year end added complexity to the position. Funding was granted via the Supplementary Estimates process to cover preparatory works at the end of 2023 to 2024 with the expectation of a move at the start of April, at which point (at the start of the 2024 to 2025 Financial Year) a Right of Use Asset and corresponding liability would be recognised in accordance with IFRS 16 – Leases. Appropriate CDEL funding to cover this recognition in 2024 to 2025 was sought and agreed with the relevant HMT spending team as part of the 2024 to 2025 Main Estimates process. A Terms of Occupancy Agreement (TOA) between Ofqual and GPA gave Ofqual access from 1 March to enable preparatory works to take place, with a second TOA allowing Ofqual the full benefits of occupancy from 1 April 2024.

As a result of the external audit process, management received advice that interpretation of the above agreements under IFRS 16 should result in the recognition of a Right of Use Asset and corresponding



liability from 1 March 2024, rather than from 1 April as had been expected. This is valued at £2.25m and is treated almost entirely as capital spend, with the exception of £64,000 representing a provision for future dilapidations and recognised as Annually Managed Expenditure (AME). The revised timing of the recognition has resulted in Ofqual exceeding its Departmental Expenditure Limits for both Capital and AME as noted in the Financial Review. Although the revised timing of the recognition has no cash impact, it has resulted in Ofqual exceeding its Departmental Expenditure Limits for both Capital and AME as noted in the Financial Review.

This matter was reviewed at Audit & Risk Committee who will consider what steps need to be taken to minimise the risk of a supply excess in the future.

## Accounting Officer system statement

As Accounting Officer of Ofqual, the Chief Regulator 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.

For the 12 months ended 31 March 2024, the head of internal audit's opinion for Ofqual was that the organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

As well as the opinion provided to the Accounting Officer by our internal auditor, each executive director and appropriate directors and associate directors has 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 Executive Team 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 going forward.

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. Specifically, I am assured that the circumstances leading to the qualification point detailed above are technical in nature and do not represent a failure of governance or internal control.



**Sir Ian Bauckham CBE**  
Chief Regulator and Accounting Officer  
17 July 2024

# 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 King-in-Council, on the advice of the Secretary of State for Education, appoints the 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.

Tables 11 and 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 2024

| <b>Board Members<br/>(all figures in £'000)</b> | <b>Salary<br/>2023 to 2024</b> | <b>Salary<br/>2022 to 2023</b> |
|---|--------------------------------|--------------------------------|
| Susan Barratt                                   | 5-10                           | 5-10                           |
| Sir Ian Bauckham CBE                            | 40-45<br>(55-60)               | 55-60                          |
| Frances Wadsworth CBE                           | 15-20<br>(55-60)               | 5-10                           |
| Matt Tee  | 5-10                           | 5-10                           |
| Dr Catherine McClellan                          | 5-10                           | 5-10                           |
| Hardip Begol CBE                                | 5-10                           | 0-5<br>(5-10)                  |
| Mark Farrar                                     | 5-10                           | 0-5<br>(5-10)                  |
| Claire Pelham                                   | 5-10                           | 0-5<br>(5-10)                  |
| Cindy Leslie                                    | 5-10                           | 0-5<br>(5-10)                  |
| Eileen Milner                                   | 5-10                           | 0-5<br>(5-10)                  |
| Chris Paterson                                  | 5-10                           | 0-5<br>(5-10)                  |
| Dame Christine Ryan                             | -                              | 5 to 10                        |
| Hywel Jones                                     | -                              | 0-5<br>(5-10)                  |
| Mike Thompson                                   | -                              | 0-5<br>(5-10)                  |

The Chief Regulator is also a member of the board. Details of the Chief Regulator's and Senior Executive's remuneration during 2023 to 2024 are provided in Table 12.

Sir Ian Bauckham became Chief Regulator from 1 January 2024. His remuneration from January 2024 is included in Table 12. Table 11 includes costs from April 2023 to December 2023.

Frances Wadsworth became Chair from January 2024.

Table 12 Salary of senior executives for year ending 31 March 2024

| Senior Executive  | Salary<br>2023 to<br>2024<br>£000 | Salary<br>2022 to<br>2023<br>£000 | Pension<br>Benefits<br>2023 to<br>2024<br>£000** | Pension<br>Benefits<br>2022 to<br>2023<br>£000 | Total<br>2023 to<br>2024<br>£000 | Total<br>2022 to<br>2023<br>£000 |
|---|-----------------------------------|-----------------------------------|--|--|----------------------------------|----------------------------------|
| Dr Jo Saxton CBE<br>Chief Regulator from<br>18 September 2021 to<br>31 December 2023                        | 130-135*<br>(175-180)             | 165-170*                          | -  | 54   | 130-135*<br>(175-180)            | 220-225                          |
| Sir Ian Bauckham CBE<br>Interim Chief Regulator from<br>1 January 2024                                      | 40-45*<br>(165-170)               | -                                 | -  | -  | 40-45*<br>(165-170)              | -                                |
| Michael Hanton<br>Executive Director, Strategy<br>from 28 March 2022 to<br>22 Oct 2022                      | -                                 | 50-55<br>(85-90)                  | -  | 37   | -                                | 140-145                          |
| Michael Hanton<br>Deputy Chief Regulator from<br>23 October 2022  | 120-125                           | 50-55<br>(110-115)                | -  |  | 120-125                          |                                  |
| David Bowden<br>Executive Director Finance<br>and Operations from<br>5 December 2022                        | 130-135*                          | 40-45*<br>(120-125)               | -  | 14   | 130-135*                         | 55-60                            |
| Cath Jadhav<br>Executive Director, Standards,<br>Research and Analysis from<br>12 August 2021 to 30 June 23 | 30-35<br>(105-110)                | 105-110                           | -  | 42   | 30-35<br>(105-110)               | 145-150                          |
| Ian Stockford<br>Executive Director, Standards,<br>Research and Analysis from<br>1 April 2023               | 120-125                           | -                                 | -  | -  | 120-125                          | -                                |
| Matt Trimmer<br>Executive Director Strategy<br>from 20 September 2023                                       | 55-60<br>(110-115)                | -                                 | -  | -  | 55-60<br>(110-115)               | -                                |
| Catherine Large<br>Executive Director, Vocational<br>and Technical Qualifications                           | 115-120                           | 105-110                           | -  | 43   | 115-120                          | 150-155                          |
| Amanda Swann<br>Executive Director,<br>General Qualifications from<br>10 October 23                         | 45-50<br>(100-105)                | -                                 | -  | -  | 45-50<br>(100-105)               | -                                |
| Daniel Gutteridge<br>General Counsel from<br>1 March 2022   | 100-105                           | 85-90<br>(90-95)                  | -  | 35   | 100-105                          | 120-125                          |

| Senior Executive  | Salary<br>2023 to<br>2024<br>£000 | Salary<br>2022 to<br>2023<br>£000 | Pension<br>Benefits<br>2023 to<br>2024<br>£000** | Pension<br>Benefits<br>2022 to<br>2023<br>£000 | Total<br>2023 to<br>2024<br>£000 | Total<br>2022 to<br>2023<br>£000 |
|---|-----------------------------------|-----------------------------------|--|--|----------------------------------|----------------------------------|
| Julie Swan<br>Executive Director,<br>General Qualifications<br>to 18 July 2022  | -                                 | 30-35<br>(120-125)                | -  | 13   | -                                | 45-50                            |
| Kate Evans<br>Interim Executive Director<br>Regulatory and Corporate<br>Services from 4 April 2022<br>until 30 September 2022 | -                                 | 45-50<br>(95-100)                 | -  | 41   | -                                | 95-100                           |
| Charles Scott<br>Interim Executive Director<br>Finance and Operations<br>from 7 September 2022<br>until 31 January 2023       | -                                 | 50-55<br>(115-120)                | -  | -  | -                                | 50-55                            |
| Sean Pearce<br>Chief Operating Officer to<br>19 April 2022  | -                                 | 5-10<br>(120-125)                 | -  | 3  | -                                | 10-15<br>(125-130)               |

\* Dr Jo Saxton includes travel allowance of £20,000 to £25,000. Sir Ian Bauckham includes travel allowance of £5,000 to £10,000. Mr Bowden includes travel allowance of £5,000 to £10,000.

\*\* Accrued pension benefits for directors are not included in this table for 2023 to 2024 due to an exceptional delay in the calculation of these figures following the application of the public service pensions remedy.

Salaries are shown as **actual in-year costs** and **Annual Full Year Equivalent in brackets**. There were no Performance Related Awards for any of the above in 2023 to 2024 (£nil in 2022 to 2023).



## 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.

Table 13 Pension benefits of senior executives for year ending 31 March 2024

| Senior Executive     | Accrued pension at pension age at 31 March 2024 and related lump sum £000 | Real increase in pension and related lump sum at pension age £000 | CETV at 31 March 2024 £000 | CETV at 31 March 2023 £000 | Real Increase in CETV £000 |
|----------------------|---|---|----------------------------|----------------------------|----------------------------|
| Dr Jo Saxton CBE     | -   | -   | -                          | 130                        | -                          |
| Sir Ian Bauckham CBE | -   | -   | -                          | -                          | -                          |
| Michael Hanton       | -   | -   | -                          | 157                        | -                          |
| David Bowden         | -   | -   | -                          | 106                        | -                          |
| Cath Jadhav          | -   | -   | -                          | 401                        | -                          |
| Catherine Large OBE  | -   | -   | -                          | 147                        | -                          |
| Amanda Swan          | -   | -   | -                          | -                          | -                          |
| Matt Trimmer         | -   | -   | -                          | -                          | -                          |
| Daniel Gutteridge    | -   | -   | -                          | 150                        | -                          |
| Julie Swan           | -   | -   | -                          | 455                        | -                          |
| Kate Evans           | -   | -   | -                          | 156                        | -                          |
| Sean Pearce          | -   | -   | -                          | 107                        | -                          |

Accrued pension benefits for directors are not included in this table for 2023 to 2024 due to an exceptional delay in the calculation of these figures following the application of the public service pensions remedy.

## 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.



Table 14 Highest paid director and lower quartile, median, and upper quartile ratio for 2023 to 2024

|                      | 25th percentile pay                            | Median pay                                       | 75th percentile pay                              |
|----------------------|--|--|--|
| Ratio                | 2023 to 2024: 5.1 to 1<br>2022 to 2023: 5 to 1 | 2023 to 2024: 4.2 to 1<br>2022 to 2023: 4.1 to 1 | 2023 to 2024: 3.4 to 1<br>2022 to 2023: 3.3 to 1 |
| Salary £             | 2023 to 2024: 34,401<br>2022 to 2023: 33,318   | 2023 to 2024: 42,010<br>2022 to 2023: 40,120     | 2023 to 2024: 52,092<br>2022 to 2023: 49,805     |
| Total Remuneration £ | 2023 to 2024: 34,679<br>2022 to 2023: 33,761   | 2023 to 2024: 42,325<br>2022 to 2023: 40,680     | 2023 to 2024: 52,407<br>2022 to 2023: 50,365     |

The banded remuneration of the highest-paid director in Ofqual on 31 March 2024 was £175,000 to £180,000 (2022 to 2023: £165,000 to £170,000) annual equivalent salary. The highest paid director's salary increased by 6.0%. This slightly increased the median remuneration to 4.2 times the median remuneration of the workforce, which was £42,325 (2022 to 2023: 4.1 times, £40,680).

In 2023 to 2024 no employees received remuneration in excess of the highest-paid director (2022 to 2023: nil). Full-time equivalent remuneration ranged from £6,000 to £131,000 in the financial year (2022 to 2023: £6,000 to £125,000). The range starts at £6,000 due to payments made to the non-executive directors. For permanent employees the range starts at £20,085 (2022 to 2023 £19,500). The average employees' salary in 2023 to 2024 is £48,686 (2022 to 2023: £46,725), an increase of 4.2%.

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.

### **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 2023 to 2024 (2022 to 2023: nil). There were no exit payments to other staff.

## 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 two 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 2023 to 2024, employers' contributions of £4.31 million were payable to MyCSP (2022 to 2023: £3.86 million) at 1 of 4 rates in the range 26.6% to 30.3% (2022 to 2023: 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 2023 to 2024 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employers' contributions of £32,166 (2022 to 2023: £29,491) 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 £8,537 (2022 to 2023: £2,274). 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.

Staff costs excluding secondments for 2023 to 2024 were £23.04 million (£20.67 million in 2022 to 2023) of which £232,000 (£700,000 in 2022 to 2023) related to agency staff. There were no secondments in 2023 to 2024, therefore staff costs including secondments for 2023 to 2024 were £23.04 million (£20.77 million in 2022 to 2023). Further details are shown in Note 3 of the accounts.

Table 15 Staff costs

| Cost type   | 2023 to 2024<br>Permanently<br>employed<br>staff<br>£000  | 2023 to 2024<br>Others<br>£000                       | 2023 to 2024<br>Total staff<br>costs<br>£000       | 2022 to 2023<br>Total staff<br>costs<br>£000           |
|---|---|--|--|--|
| Wages and salaries                                | 16,597  | 232  | 16,829   | 15,122   |
| Social security costs                             | 1,875   | –  | 1,875  | 1,658  |
| Other pension costs                               | 4,338   | –  | 4,338  | 3,886  |
| <b>Sub total</b>                                  | <b>22,810</b>   | <b>232</b>   | <b>23,042</b>                                      | <b>20,666</b>  |
| Less recoveries in respect of outward secondments | –   | –  | –  | –  |
| Add payments in respect of inward secondments     | –   | –  | –  | 105  |
| <b>Total costs</b>                                | <b>22,810</b>   | <b>232</b>   | <b>23,042</b>                                      | <b>20,771</b>  |
| <b>Of which:</b>                                  | <b>Charged to<br/>Administration<br/>budgets<br/>£000</b> | <b>Charged to<br/>Programme<br/>budgets<br/>£000</b> | <b>Charged to<br/>capital<br/>budgets<br/>£000</b> | <b>2023 to 2024<br/>Total staff<br/>costs<br/>£000</b> |
| <b>Total costs</b>                                | <b>11,443</b>   | <b>11,599</b>  | <b>–</b>   | <b>23,042</b>  |

The tables below 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.

Table 16 Average number of persons employed

| Activity                 | 2023 to 2024<br>Permanently<br>employed<br>staff<br>WTE | 2023 to 2024<br>Others<br>WTE | 2023 to 2024<br>Total persons<br>employed<br>WTE | 2022 to 2023<br>Total persons<br>employed<br>WTE |
|--------------------------|---|-------------------------------|--|--|
| Resource activities      | 343.7   | –                             | 343.7  | 322.9  |
| Capital activities       | –   | –                             | –  | –  |
| <b>Total</b>             | <b>343.7</b>  | <b>–</b>                      | <b>343.7</b>                                     | <b>322.9</b>                                     |
| Of which core department | 343.7   | –                             | 343.7  | 322.9  |
| <b>Total</b>             | <b>343.7</b>  | <b>–</b>                      | <b>343.7</b>                                     | <b>322.9</b>                                     |

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

The following section is not subject to audit.

Table 17 Average headcount employed

| Pay band                           | 2023 to 2024<br>Headcount | 2022 to 2023<br>Headcount |
|------------------------------------|---------------------------|---------------------------|
| Senior Civil Service Payband 3     | 1                         | 1                         |
| Senior Civil Service Payband 2     | 4                         | 3                         |
| Senior Civil Service Payband 1     | 14                        | 14                        |
| <b>Total Senior Civil Servants</b> | <b>19</b>                 | <b>18</b>                 |
| Civil Servants – other grades      | 325                       | 316                       |
| <b>Total Civil Servants</b>        | <b>344</b>                | <b>334</b>                |
| Agency staff                       | 3                         | 9                         |
| <b>Total headcount</b>             | <b>347</b>                | <b>343</b>                |

The following sections are subject to audit unless otherwise stated.

No consultants were employed in 2023 to 2024 (nil in 2022 to 2023).

### **Reporting of Civil Service & other compensation schemes – exit packages**

There were no exit packages in this year or prior year.

### **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.

Table 18 Off-payroll engagements at 31 March 2024, for more than £245 per day

| Description   | Number of engagements |
|---|-----------------------|
| <b>Number of existing engagements at 31 March 2024</b>                    | <b>7</b>              |
| Of which:   | –                     |
| Number that have existed for less than one year at time of reporting      | 7                     |
| Number that have existed for between one and 2 years at time of reporting | –                     |
| Number that have existed for between 2 and 3 years at time of reporting   | –                     |
| Number that have existed for between 3 and 4 years at time of reporting   | –                     |
| Number that have existed for 4 or more years at time of reporting         | –                     |

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 2024, 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 New off-payroll engagements, or those that reached 6 months in duration, between 1 April 2023 and 31 March 2024, for more than £245 per day

| Description  | Number of engagements |
|--|-----------------------|
| <b>Number of new engagements between 1 April 2023 and 31 March 2024</b>                        | <b>5</b>              |
| Of which:  | –                     |
| Number assessed as caught by IR35  | 5                     |
| 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 20 Off-payroll engagements of Board members, and, or, senior officials, with significant financial responsibility, between 1 April 2023 and 31 March 2024

| Description  | Number of engagements |
|--|-----------------------|
| Number of off-payroll engagements of Board members, and, or, senior officials, with significant financial responsibility, during the financial year  | –                     |
| <b>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</b> | <b>1</b>              |

### **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.

No employees were relevant union officials between 1 April 2023 and 31 March 2024.

### **Sickness absence**

In 2023 to 2024, 2,237 days were lost to sickness absence (2,260 days in 2022 to

2023), representing 2.5% (2022 to 2023: 2.7%) of available staff working days. This is an average of 6.52 days per employee (6.76 days per employee in 2022 to 2023). An average of 5 staff were long-term sick (5 staff in 2022 to 2023), these accounted for 1,041 days of absence (1,042 days in 2022 to 2023)

### **Staff turnover**

The figures below show the number of leavers within the reporting period divided by the average staff in post over the reporting period presented as a percentage.

Table 21 Staff turnover

|                 | 2023 to 2024 | 2022 to 2023 | 2021 to 2022 |
|-----------------|--------------|--------------|--------------|
| Ofqual turnover | 16%          | 11%          | 16%          |

### **Health, safety and wellbeing**

Ofqual is committed to providing a safe and healthy working environment for staff. This included involvement in a health and safety forum for all government bodies represented in Earlsdon Park. 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, flu vaccinations and free eyecare vouchers.

### **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 included Equality, Diversity and Inclusion as a core element of our 2022 to 2025 People Strategy, 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 on our EDI work is reported to the People, Resources and Finance Committee. The gender breakdown



of staff, which includes both permanent and fixed-term contracts, at 31 March 2024

was 235 women and 118 men (220 and 126 respectively in 2022 to 2023).

Table 22 Staff gender breakdown

| Staff grade                   | 2023 to 2024<br>Women | 2023 to 2024<br>Men | 2022 to 2023<br>Women | 2022 to 2023<br>Men |
|-------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| Senior Civil Servants         | 5                     | 14                  | 8                     | 11                  |
| Civil Servants – other grades | 230                   | 104                 | 212                   | 115                 |
| <b>Total</b>                  | <b>235</b>            | <b>118</b>          | <b>220</b>            | <b>126</b>          |

Ofqual publishes [information on the gender pay gap](#) annually.

Table 23 Staff profile

|   | 2023 to 2024 | 2022 to 2023 | 2021 census<br>England &<br>Wales |
|---|--------------|--------------|-----------------------------------|
| Sex:  | –            | –            | –                                 |
| Female  | 66.6%        | 63.6%        | 46.2%                             |
| Male  | 33.4%        | 36.4%        | 53.8%                             |
| Declared disability   | 14.3%        | 14.1%        | 17.8%                             |
| Undeclared disability   | 7.1%         | 4.9%         |                                   |
| Declared ethnicity  | 19.3%        | 21.3%        | 18.3%                             |
| Undeclared ethnicity  | 1.7%         | 2.0%         |                                   |
| Declared sexual orientation: lesbian, gay, bisexual, other (LGBO) | 4.9%         | 4.5%         | 3.1%                              |
| Declared religion:  | –            | –            | –                                 |
| Christian   | 33.9%        | 33.9%        | 46.2%                             |
| Buddhist  | 0.0%         | 0.0%         | 0.5%                              |
| Hindu   | 2.0%         | 2.3%         | 1.7%                              |
| Jewish  | 0.3%         | 0.3%         | 0.5%                              |
| Muslim  | 4.5%         | 3.2%         | 6.5%                              |
| Sikh  | 3.1%         | 3.8%         | 0.9%                              |
| Other   | 1.7%         | 2.3%         | 0.6%                              |
| Undeclared  | 9.6%         | 11.0%        | 6.0%                              |
| Average age   | 42           | 42           | 40                                |

# Parliamentary Accountability and Audit Report

## Statement of Outturn against Parliamentary Supply

In addition to the primary statements prepared under IFRS, the government FRoM 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, 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 24 Summary table – amounts approved in accordance with Parliamentary expenditure limits

| Type of spend                        | SOPS Note | 2023 to 2024       |                        | 2023 to 2024       |                     | 2023 to 2024            |                     | 2023 to 2024            |                     | 2023 to 2024  |                                 |
|--------------------------------------|-----------|--------------------|------------------------|--------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|---|---------------------------------|
|                                      |           | Outturn voted £000 | Outturn non-voted £000 | Outturn total £000 | Estimate voted £000 | Estimate non-voted £000 | Estimate total £000 | Estimate non-voted £000 | Estimate total £000 | Voted outturn compared to Estimate: saving or (excess) £000 | 2022 to 2023 Outturn total £000 |
| DEL:                                 | -         | -                  | -                      | -                  | -                   | -                       | -                   | -                       | -                   | -   | -                               |
| Resource                             | 1.1       | 30,391             | -                      | 30,391             | 30,697              | -                       | 30,697              | -                       | 306                 | 28,376  |                                 |
| Capital                              | 1.2       | 2,736              | -                      | 2,736              | 805                 | -                       | 805                 | -                       | (1,931)             | 640   |                                 |
| <b>Total DEL</b>                     | -         | <b>33,127</b>      | -                      | <b>33,127</b>      | <b>31,502</b>       | -                       | <b>31,502</b>       | -                       | <b>(1,625)</b>      | <b>29,016</b>   |                                 |
| AME:                                 | -         | -                  | -                      | -                  | -                   | -                       | -                   | -                       | -                   | -   |                                 |
| Resource                             | 1.1       | -                  | -                      | -                  | -                   | -                       | -                   | -                       | -                   | -   |                                 |
| Capital                              | 1.2       | 64                 | -                      | 64                 | -                   | -                       | -                   | -                       | (64)                | -   |                                 |
| <b>Total AME</b>                     | -         | <b>64</b>          | -                      | <b>64</b>          | -                   | -                       | -                   | -                       | <b>(64)</b>         | -   |                                 |
| Total budget:                        | -         | -                  | -                      | -                  | -                   | -                       | -                   | -                       | -                   | -   |                                 |
| Resource                             | 1.1       | 30,391             | -                      | 30,391             | 30,697              | -                       | 30,697              | -                       | 306                 | 28,376  |                                 |
| Capital                              | 1.2       | 2,800              | -                      | 2,800              | 805                 | -                       | 805                 | -                       | (1,995)             | 640   |                                 |
| <b>Total budget</b>                  | -         | <b>33,191</b>      | -                      | <b>33,191</b>      | <b>31,502</b>       | -                       | <b>31,502</b>       | -                       | <b>(1,689)</b>      | <b>29,016</b>   |                                 |
| Non-budget                           | 1.1       | -                  | -                      | -                  | -                   | -                       | -                   | -                       | -                   | -   |                                 |
| <b>Total budget &amp; non-budget</b> | -         | <b>33,191</b>      | -                      | <b>33,391</b>      | <b>31,502</b>       | -                       | <b>31,502</b>       | -                       | <b>(1,689)</b>      | <b>29,016</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 24 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 25 Net cash requirement

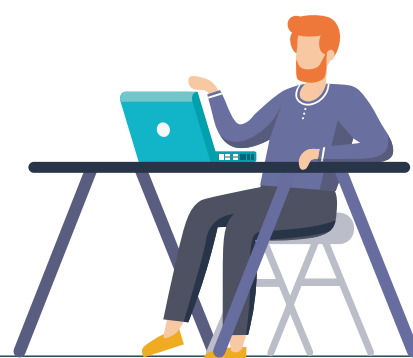
| Item                 | SOPS note | 2023 to 2024<br>Outturn<br>£000 | 2023 to 2024<br>Estimate<br>£000 | 2023 to 2024<br>Outturn<br>compared to<br>Estimate:<br>saving or<br>(excess)<br>£000 | 2022 to 2023<br>Outturn<br>£000 |
|----------------------|-----------|---------------------------------|----------------------------------|--|---------------------------------|
| Net cash requirement | 3         | 30,689                          | 30,689                           | -  | 28,330                          |

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

Table 26 Administration costs

| Item                 | SOPS note | 2023 to 2024<br>Outturn<br>£000 | 2023 to 2024<br>Estimate<br>£000 | 2023 to 2024<br>Outturn<br>compared to<br>Estimate:<br>saving or<br>(excess)<br>£000 | 2022 to 2023<br>Outturn<br>£000 |
|----------------------|-----------|---------------------------------|----------------------------------|--|---------------------------------|
| Administration Costs | 1.1       | 15,061                          | 16,282                           | 1,221  | 15,748                          |

Ofqual has had no Prior Period Adjustments in 2023 to 2024.



## 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)                                  | Administration |             |               |               | Resource Outturn 2023 to 2024 Programme |               |               |               | Estimate 2023 to 2024 Resource Outturn compared to Estimate: saving or (excess) £000 |            | Outturn 2022 to 2023 |
|---|----------------|-------------|---------------|---------------|---|---------------|---------------|---------------|--|------------|----------------------|
|   | Gross £000     | Income £000 | Net £000      | Gross £000    | Income £000                             | Net £000      | Total £000    | Total £000    | Total £000   | Total £000 | Total £000           |
| Spending in DEL   | -              | -           | -             | -             | -                                       | -             | -             | -             | -  | -          | -                    |
| A. Regulation of qualifications and statutory assessments | 15,124         | (63)        | 15,061        | 15,381        | (51)                                    | 15,330        | 30,391        | 30,697        | 306  |            | 28,376               |
| <b>Total Voted DEL</b>                                    | <b>15,124</b>  | <b>(63)</b> | <b>15,061</b> | <b>15,381</b> | <b>(51)</b>                             | <b>15,330</b> | <b>30,391</b> | <b>30,697</b> | <b>306</b>   |            | <b>28,376</b>        |
| Non-Voted DEL   | -              | -           | -             | -             | -                                       | -             | 0             | -             | -  | -          | -                    |
| <b>Total spending in DEL</b>                              | <b>15,124</b>  | <b>(63)</b> | <b>15,061</b> | <b>15,381</b> | <b>(51)</b>                             | <b>15,330</b> | <b>30,391</b> | <b>30,697</b> | <b>306</b>   |            | <b>28,376</b>        |
| Spending in AME - Voted                                   | -              | -           | -             | -             | -                                       | -             | -             | -             | -  | -          | -                    |
| Provision for dilapidations                               | -              | -           | -             | -             | -                                       | -             | -             | -             | -  | -          | -                    |
| <b>Total resource</b>                                     | <b>15,124</b>  | <b>(63)</b> | <b>15,061</b> | <b>15,381</b> | <b>(51)</b>                             | <b>15,330</b> | <b>30,391</b> | <b>30,697</b> | <b>306</b>   |            | <b>28,376</b>        |

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

Ofqual has a £29,000 provision relating to office dilapidations for Earlsdon Park (2022 to 2023: £29,000). In 2023 to 2024 Ofqual increased the provision by £64k as required by IFRS16 Leases to include Friargate. The Friargate provision is included within long term liabilities.

SOPS 1.2 Analysis of capital outturn by Estimate line

| Type of spend (capital)                                  | Outturn                 |                          |                       | Estimate                   |  |                                   |
|--|-------------------------|--------------------------|-----------------------|----------------------------|--|-----------------------------------|
|  | 2023 to 2024 Gross £000 | 2023 to 2024 Income £000 | 2023 to 2024 net £000 | 2023 to 2024 Estimate £000 | 2023 to 2024 compared to Estimate: saving or (excess) £000 | 2022 to 2023 Capital Outturn £000 |
| <b>Spending in DEL - Voted</b>                           | -                       | -                        | -                     | -                          | -  | -                                 |
| A. regulation of qualifications and statutory assessment | 2,736                   | 0                        | 2,736                 | 805                        | (1,931)  | 640                               |
| <b>Spending in AME - Voted</b>                           | -                       | -                        | -                     | -                          | -  | -                                 |
| A. regulation of qualifications and statutory assessment | 64                      | 0                        | 64                    | 0                          | (64)   | 0                                 |
| <b>Total Voted Expenditure</b>                           | <b>2,800</b>            | <b>0</b>                 | <b>2,800</b>          | <b>805</b>                 | <b>(1,995)</b>   | <b>640</b>                        |
| Non-Voted Expenditure                                    | -                       | -                        | -                     | -                          | -  | -                                 |
| <b>Total Capital</b>                                     | <b>2,800</b>            | <b>0</b>                 | <b>2,800</b>          | <b>805</b>                 | <b>(1,995)</b>   | <b>640</b>                        |

The overspend is wholly due to recognition of the right of use asset for the Friargate lease which is explained in detail within the financial review section of the Performance Analysis Report.

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

| Item  | 2023 to 2024 |               | SOPS Note    | 2022 to 2023  |
|---|--------------|---------------|--------------|---------------|
|   | Outturn      | Outturn       |              |               |
| Total resource outturn  |              | 30,391        | 1.1          | 28,376        |
| Less: income payable to the Consolidated Fund   |              | -             | 4.1          | -             |
| <b>Net Operating Expenditure in Consolidated Statement of Comprehensive Net Expenditure</b> |              | <b>30,391</b> | <b>SOCNE</b> | <b>28,376</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 | 2023 to 2024 Outturn £000 | 2023 to 2024 Estimate £000 | 2023 to 2024 Outturn compared to estimate: saving or (excess) £000 |
|--|------------------------|---------------------------|----------------------------|--|
| Resource outturn   | 1.1                    | 30,391                    | 30,697                     | 306  |
| Capital outturn  | 1.2                    | 2,800                     | 805                        | (1,995)  |
| <b>Adjustments to remove non-cash items:</b>                       | -                      | -                         | -                          | -  |
| Depreciation   | -                      | (896)                     | (728)                      | 168  |
| Adjustments for provisions   | -                      | (64)                      | -                          | 64   |
| Other non-cash items   | -                      | (2,313)                   | (85)                       | 2,228  |
| <b>Adjustments to reflect movements in working balances:</b>       | -                      | -                         | -                          | -  |
| Increase or (decrease) in receivables                              | -                      | 80                        | -                          | (80)   |
| (Increase) or decrease in payables                                 | -                      | 383                       | -                          | (383)  |
| <b>Adjustments to reflect movements in leases during the year:</b> | -                      | -                         | -                          | -  |
| Lease rental payments  | -                      | 307                       | -                          | (307)  |
| <b>Balance</b>   | -                      | <b>30,688</b>             | <b>30,689</b>              | <b>1</b>   |
| Cash balance at year end   | -                      | 1                         | -                          | (1)  |
| <b>Net cash requirement</b>  | <b>Table 25</b>        | <b>30,689</b>             | <b>30,689</b>              | <b>-</b>   |

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

SOPS 4.1 Analysis of income payable to the Consolidated Fund

| Item   | 2023 to 2024                |                                      | 2022 to 2023                |                                      |
|--|-----------------------------|--------------------------------------|-----------------------------|--------------------------------------|
|  | Outturn accruals Basis £000 | 2023 to 2024 Outturn cash basis £000 | Outturn accruals basis £000 | 2022 to 2023 Outturn cash basis £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 below.

#### SOPS 4.2 Consolidated Fund Income

| Item  | 2023 to 2024<br>Outturn<br>£000 | 2022 to 2023<br>Outturn<br>£000 |
|---|---------------------------------|---------------------------------|
| Fines and penalties                                 | –                               | 1,350                           |
| Other income  | –                               | –                               |
| <b>Amount payable to the Consolidated Fund</b>      | <b>–</b>                        | <b>1,350</b>                    |
| Balance held at the start of the year               | –                               | –                               |
| Payments into the Consolidated Fund                 | –                               | (1,350)                         |
| <b>Balance held on trust at the end of the year</b> | <b>–</b>                        | <b>–</b>                        |

In 2023 to 2024 Ofqual received no fines or penalties income (2022 to 2023: £1.38 million), comprising of nil (2022 to 2023: £1.35 million) in monetary penalties and nil (2022 to 2023: £32,000) cost recovery; Ofqual retained the 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 2023 to 2024, Ofqual incurred no material losses (nil in 2022 to 2023).

#### *Special payments*

During 2023 to 2024, Ofqual incurred no special severance payments (nil in 2022 to 2023).

#### *Fruitless Payments*

Ofqual vacated Earlsdon Park on 28 March 2024. The Earlsdon Park lease runs to 19 July 2024. As at 31 March 2024 Ofqual has a liability of £137k for the lease. Ofqual will receive no benefit in return for the payments as they moved to their new offices at Friargate on 2 April 2024 and made no use of Earlsdon Park from that date.

Further fruitless payments of £218k in relation to landlord services and management fees of Earlsdon Park are expected to be paid in 2024 to 2025 financial year. These further costs have not been recognised in the 2023 to 2024 financial statements as they are not yet due.

#### *Gifts*

No material gifts were received during 2023 to 2024 (nil in 2022 to 2023).

## ***Fees and charges***

This section is subject to audit.

No material fees and charges income was received during 2023 to 2024 (nil in 2022 to 2023).

## ***Remote contingent liabilities***

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 remote contingent liabilities that require disclosure under Parliamentary Reporting requirements.



**Sir Ian Bauckham CBE**

Chief Regulator and Accounting Officer

17 July 2024

# The Certificate 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 of Qualifications and Examinations Regulation ('Ofqual') for the year ended 31 March 2024 under the Government Resources and Accounts Act 2000.

The financial statements comprise Ofqual's:

- Statement of Financial Position as at 31 March 2024;
- 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 2024 and its comprehensive 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.

## Qualified opinion on regularity

In my opinion, except for the excess described in the Basis for qualified opinion on regularity paragraph below, 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 2024 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 qualified opinion on regularity

Parliament authorised a Capital Departmental Expenditure Limit for Ofqual of £805,000 and Capital Annually Managed Expenditure Limit of £0. These limits have been breached due to the recognition of a right of use asset associated with a new lease and the related dilapidation provision as shown in the Statement of Outturn against Parliamentary Supply. Against these limits, Ofqual incurred actual outturn of £2,736,000 against Capital Departmental Expenditure breaching the authorised limit by £1,931,000 and incurred actual outturn of £64,000 against the Capital Annually Managed Expenditure breaching the authorised limit by £64,000.

Further details can be found in my Report below.

## 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 Bodies in the United Kingdom (2022)*. 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 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 is 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 and my auditor's certificate and report thereon.

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.

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 issued 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 issued 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:

- 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
  - I have not received all of the information and explanations I require for my audit; 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 to be audited is not in agreement with the accounting records and returns; or
  - the Governance Statement does not reflect compliance with HM Treasury's guidance.
- providing the C&AG with additional information and explanations needed for his audit;
  - providing the C&AG with unrestricted access to persons within Ofqual from whom the auditor determines it necessary to obtain audit evidence;
  - ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
  - preparing financial statements which give a true and fair view, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
  - preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; 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.

## 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;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;

## 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, I:

- considered the nature of the sector, control environment and operational performance including the design of Ofqual's accounting policies and key performance indicators.
- inquired of management, Ofqual's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Ofqual's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of 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 its compliance with the

Government Resources and Accounts Act 2000 and Managing Public Money;

- inquired of management, Ofqual's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with 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 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 required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of Ofqual's framework of authority and other legal and regulatory frameworks in which Ofqual operates. I focused 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 2023, employment law, pensions legislation, tax legislation and the Apprenticeships, Skills, Children and Learning Act 2009.

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

To respond to the identified risks resulting from the above procedures:

- I reviewed 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;

- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on 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 communicated relevant identified laws and regulations and potential risks of fraud 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 required to obtain sufficient appropriate audit evidence 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 I identify during my audit.

### **Gareth Davies**

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

**18 July 2024**

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

## Introduction

1. The Office of Qualifications and Examinations Regulation (“Ofqual”) is a non-ministerial department that regulates qualifications, examinations and assessments in England. It was created under the Apprenticeships, Skills, Children and Learning Act 2009.
2. In 2023–24, Ofqual was responsible for £31.5 million of UK public expenditure, of which £15.2 million related to administration costs and £15.3 million were programme costs. Ofqual, as a non-ministerial department, secures the approval to incur expenditure through the parliamentary supply process on an annual basis. Ofqual accounts to Parliament on its expenditure under an account’s direction issued by HM Treasury. This requires Ofqual to prepare financial statements in accordance with the Government Financial Reporting Manual.

## Purpose of the Report

3. Ofqual prepares an Annual Estimate of its net expenditure and authorisation to incur the net expenditure is then provided by Acts of Parliament. These Acts set a series of annual limits on the net expenditure which Ofqual may not exceed and on the

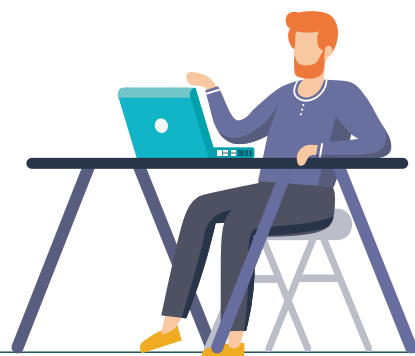
total overall cash (net cash requirement) it can use. Where these limits are exceeded, I qualify my regularity opinion on the financial statements since this means Ofqual has incurred expenditure that is not in line with Parliament’s intentions. HM Treasury then prepares a statement of all such excesses in the year and requests that the House of Commons approves the expenditure, which is then given statutory authority as part of a Supply and Appropriations (Anticipation and Adjustments) Act. Further detail on the authorised limits can be found within the Supply Estimates for 2023–24.

4. Parliament authorised a Capital Departmental Expenditure Limit (CDEL) limit of £805,000 for Ofqual in 2023–24. However, the outturn against the CDEL limit was £2,736,000 and therefore the authorised limit was exceeded by £1,931,000.
5. Parliament authorised a Capital Annually Managed Expenditure (CAME) limit of £0 for Ofqual in 2023–24. However, the outturn against the CAME limit was £64,000 and therefore the authorised limit was exceeded by £64,000.
6. The Statement of Outturn against Parliamentary Supply presents the outturn against the voted totals which have resulted in an “Excess Vote” and the qualification of my opinion on regularity. HM Treasury will request that Parliament authorise the additional Capital Departmental Expenditure Limit of £1,931,000 and Capital Annually Managed Expenditure of £64,000.



## Explanation for Qualified Audit Opinion in respect of Capital Departmental Expenditure Limit (CDEL) and Capital Annually Managed Expenditure (CAME)

7. Ofqual had two opportunities to request parliamentary approval for its funding requirements during 2023–24 via Supply Estimates: the Main Estimates in and around May 2023 and the Supplementary Estimate in and around February 2024. The last date that Ofqual could submit its finalised Supplementary Estimate request to HM Treasury was 11 January 2024.
8. Ofqual’s lease of its existing offices at Earlsdon Park, Coventry was due to expire in July 2024 because the Government Property Agency (GPA) had exercised a break clause in the lease. In May 2023, Ofqual appointed GPA to source new premises. In September 2023, the Cabinet Office approved GPA’s proposal to lease One Friargate, Coventry for occupation by Ofqual and GPA entered into head lease negotiations with Coventry City Council. Ofqual’s Board approved the move to One Friargate in November 2023, with an expected move date of end of March/ beginning of April to avoid unnecessarily disrupting Ofqual’s operations during the business-critical summer period.
9. In January 2024, Ofqual requested additional budget of £417,000 in its Supplementary Estimate 2023–24, as it anticipated certain preparation costs for the office move. However, Ofqual expected the move itself would take place in April 2024 and therefore expected to recognise a right of use asset and related liabilities in the 2024–25 financial year.
10. GPA signed its head lease agreement with Coventry City Council on 29 February 2024. On the same day, GPA signed the Managed Services Agreement with Ofqual as well as two terms of occupancy agreements. The first term from 1 March to 31 March 2024 allowed Ofqual access to the Friargate premises to undertake fit out the office space but prohibited Ofqual from using the property to provide its functions. The second term of the occupancy agreement from 1 April 2024 to 28 February 2034 allowed Ofqual to use the office space without restriction. Under IFRS 16 Leases, the accounting standard defines the commencement date of a lease as ‘the date on which the lessor makes an underlying asset available for use by a lessee.’
11. In the financial statements presented for audit, Ofqual did not recognise a right-of-use asset or lease liability in the Statement of Financial Position. In Ofqual’s view, it did not have the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset from 1 March as it was only permitted to fit out the premises and was not permitted to use it to perform Ofqual’s functions. Instead, Ofqual considered the commencement date of the lease to be 1 April 2024.
12. Under IFRS 16, an entity should combine two or more contracts entered into at or



the near the same time with the same counterparty and account for the contracts as a single contract when the contracts are negotiated as a package with an overall commercial objective. Under the first agreement, Ofqual was fitting out the asset to its specifications which would allow Ofqual, under the second agreement, to occupy the premises from 1 April onwards.

13. In my opinion, under IFRS 16, the terms of occupancy agreements should be combined and accounted for as one contract with the lease commencement date as 1 March 2024. This is because Ofqual was granted access to the property to conduct its fit out works as required, from 1 March. When access for the fit out period was granted, no other third party was able to use the asset or gain any economic benefit from the asset. Therefore, Ofqual was in receipt of substantially all the economic benefit available from the asset during the fit out period.

14. Ofqual should have recognised a right-of-use asset and related lease liability on 1 March 2024, with the associated lease depreciation and interest charges also recognised in year. By recognising the right-of-use asset, which includes the related dilapidation provision, Ofqual's expenditure has exceeded the spend limits authorised by Parliament resulting in an "Excess Vote" and the qualification of my regularity opinion on the financial statements.

15. As outlined in the Governance Statement, the Accounting Officer is reviewing the steps that Ofqual can take to minimise the risk of supply excesses in future.

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

**18 July 2024**



# 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 2024

All income and expenditure relate to continuing operations and is consumed on an accrual's basis.

| Item  | Note | 2023 to 2024<br>£000 | 2022 to 2023<br>£000 |
|---|------|----------------------|----------------------|
| Other operating income                            | 6    | (114)                | (83)                 |
| <b>Total operating income</b>                     | –    | <b>(114)</b>         | <b>(83)</b>          |
| Staff costs                                       | 3    | 23,042               | 20,771               |
| Purchase of goods and services                    | 4, 5 | 4,248                | 4,589                |
| Depreciation and impairment charges               | 8, 9 | 896                  | 706                  |
| Other operating expenditure                       | 4, 5 | 2,319                | 2,393                |
| <b>Total operating expenditure</b>                | –    | <b>30,505</b>        | <b>28,459</b>        |
| <b>Net operating expenditure</b>                  | –    | <b>30,391</b>        | <b>28,376</b>        |
| <b>Net expenditure for the year</b>               | –    | <b>30,391</b>        | <b>28,376</b>        |
| Other comprehensive net expenditure               | –    | –                    | –                    |
| <b>Comprehensive net expenditure for the year</b> | –    | <b>30,391</b>        | <b>28,376</b>        |



# Statement of financial position

As at 31 March 2024

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 | 31 March 2024<br>£000 | 31 March 2023<br>£000 |
|--|------|-----------------------|-----------------------|
| <b>Non-Current Assets:</b>                   | –    | –                     | –                     |
| Property, plant and equipment                | 8    | 396                   | 267                   |
| Right of use assets                          | 7    | 2,234                 | 436                   |
| Intangible assets                            | 9    | 989                   | 1,013                 |
| <b>Total Non-Current Assets</b>              | –    | <b>3,619</b>          | <b>1,716</b>          |
| <b>Current assets:</b>                       | –    | –                     | –                     |
| Trade and other receivables                  | 11   | 426                   | 346                   |
| Cash and cash equivalents                    | 10   | 1                     | 30                    |
| <b>Total current assets</b>                  | –    | <b>427</b>            | <b>376</b>            |
| <b>Total Assets</b>                          | –    | <b>4,046</b>          | <b>2,092</b>          |
| <b>Current liabilities</b>                   | –    | –                     | –                     |
| Trade and other payables                     | 12   | (1,917)               | (2,328)               |
| Provisions                                   | 15   | (29)                  | (29)                  |
| Lease Liability                              | 13   | (279)                 | (306)                 |
| <b>Total current liabilities</b>             | –    | <b>(2,225)</b>        | <b>(2,663)</b>        |
| <b>Total assets less current liabilities</b> | –    | <b>1,821</b>          | <b>(571)</b>          |
| <b>Non-current liabilities</b>               | –    | –                     | –                     |
| Provisions                                   | 15   | (64)                  | –                     |
| Lease Liability                              | 13   | (2,056)               | (130)                 |
| <b>Total non-current liabilities</b>         | –    | <b>(2,120)</b>        | <b>(130)</b>          |
| <b>Total assets less total liabilities</b>   | –    | <b>(299)</b>          | <b>(701)</b>          |
| <b>Taxpayers' equity and other reserves:</b> | –    | –                     | –                     |
| General Fund                                 | –    | (299)                 | (701)                 |
| <b>Total equity</b>                          | –    | <b>(299)</b>          | <b>(701)</b>          |



**Sir Ian Bauckham CBE**  
Chief Regulator and Accounting Officer  
17 July 2024

# Statement of cash flows

For year ended 31 March 2024

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     | 2023 to<br>2024<br>£000 | 2022 to<br>2023<br>£000 |
|--|----------|-------------------------|-------------------------|
| <b>Cash flows from operating activities:</b>   | –        | –                       | –                       |
| Net operating expenditure  | SoCNE    | (30,391)                | (28,376)                |
| Adjustment for non-cash transactions   | 4, 5     | 1,014                   | 790                     |
| (Increase) or decrease in trade and other receivables  | 11       | (80)                    | 16                      |
| Increase or (decrease) in trade and other payables   | 12       | (411)                   | 236                     |
| Less movements in payables relating to items not passing through the SOCNE   | –        | 29                      | (27)                    |
| Other  | –        | 5                       | –                       |
| <b>Net cash inflow or (outflow) from operating activities</b>  | <b>–</b> | <b>(29,834)</b>         | <b>(27,361)</b>         |
| Cashflows from investing activities:   | –        | –                       | –                       |
| Purchase of property, plant and equipment  | 8        | (263)                   | (196)                   |
| Purchase of intangible assets  | 9        | (284)                   | (444)                   |
| <b>Net cash inflow or (outflow) from investing activities</b>  | <b>–</b> | <b>(547)</b>            | <b>(640)</b>            |
| Cash flows from financing activities:  | –        | –                       | –                       |
| Payment of lease liabilities   | 13       | (307)                   | (299)                   |
| From the Consolidated Fund (Supply) – current year   | –        | 30,659                  | 28,330                  |
| <b>Net financing</b>   | <b>–</b> | <b>30,352</b>           | <b>28,031</b>           |
| <b>Net increase or (decrease) in cash and cash equivalents in the period</b> (no adjustments are required for payments to the Consolidated Fund) | <b>–</b> | <b>(29)</b>             | <b>30</b>               |
| Cash and cash equivalents at the start of the period   | 10       | 30                      | 0                       |
| Cash and cash equivalents at the end of the period   | 10       | 1                       | 30                      |

# Statement of changes in taxpayers' equity

For year ended 31 March 2024

| Item  | Note  | General fund<br>£000 | Total reserves<br>£000 |
|---|-------|----------------------|------------------------|
| <b>Balance at 31 March 2022</b>                                   | –     | (711)                | (711)                  |
| Net Parliamentary funding drawn down                              | –     | 28,330               | 28,330                 |
| Net Parliamentary funding deemed supply                           | –     | 1                    | 1                      |
| Comprehensive net expenditure for the year                        | SOCNE | (28,376)             | (28,376)               |
| Auditor's remuneration  | 4     | 85                   | 85                     |
| Supply payable adjustment   | –     | (30)                 | (30)                   |
| Consolidated Fund Extra Receipts payable to the Consolidated Fund | –     | –                    | –                      |
| <b>Balance at 31 March 2023</b>                                   | –     | (701)                | (701)                  |
| Net Parliamentary funding drawn down                              | –     | 30,659               | 30,659                 |
| Net Parliamentary funding deemed supply                           | –     | 30                   | 30                     |
| Comprehensive net expenditure for the year                        | SOCNE | (30,391)             | (30,391)               |
| Auditor's remuneration  | 4     | 105                  | 105                    |
| Supply payable adjustment   | –     | (1)                  | (1)                    |
| Consolidated Fund Extra Receipts payable to the Consolidated Fund | –     | –                    | –                      |
| <b>Balance at 31 March 2024</b>                                   | –     | (299)                | (299)                  |

# Notes to the financial statements

## Note 1 – Statement of accounting policies

These financial statements have been prepared in accordance with the 2023 to 2024 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 Outturn against 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 2023 to 2024 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 2021 Spending Review delivered a settlement for 2023 to 2024 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 3 financial years from 2022 to 2023 through 2024 to 2025. For the first time since 2015, Ofqual, alongside other government departments, could 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.

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 2024 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 intangible assets 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.

## 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
- furniture – 5 years
- software licenses – 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 2023 to 2024. 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

IFRS 16 introduced a single lessee accounting model resulting in a more faithful representation of a lessee's assets and liabilities. The standard requires a lessee to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. This applies to all leases with

a term of more than 12 months unless the underlying asset is worth less than £5,000. There is no distinction between operating and finance leases. IFRS 16 retains the same definition of a lease as IAS 17 but with more emphasis on the concept of control, that is the right to control the use of an identified asset.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term. The service element and VAT is excluded, whereas residual value guarantees, exercise price of purchase options and termination penalties are included in the measurement. The lease liabilities are discounted using the interest rate implicit in the lease or where that is not readily determinable, the discount rate as provided by HM Treasury. The discount rate applied to the Friargate lease is the HM Treasury nominal rate of 4.72%. Lease liabilities will increase as a result of interest charged at a constant rate on the balance outstanding and will reduce for the cash lease payments made.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease
- initial direct costs incurred
- the amount of any provision recognised where an entity is contractually required to dismantle, remove or restore the leased asset (typically dilapidations)

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease on initial adoption or from the start date of the lease for new additions.

The definition of a contract is expanded under the FReM to include intra-UK government agreements where non-performance may not be enforceable by law. This includes, for example, Memorandum of Terms of Occupation (MOTO) agreements.

## 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 IAS 8 Changes in accounting policy and disclosures

There are no changes in accounting policy and disclosures in the current financial year.

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

### *IFRS 17 Insurance Contracts*

The IFRS 17 insurance standard is expected to be applied in 2025 to 2026 following EU adoption and consultation. It is not envisaged that the expected changes will have any impact on Ofqual.

## 1.5 Judgements and estimates

The preparation of financial statements requires Ofqual to make estimates and assumptions relating to un-invoiced 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 (MOTO), Ofqual was liable for the dilapidations cost relating to the occupied area at the end of the term. Ofqual recognised a non-material provision in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Ofqual moved to its new office at Friargate, in April 2024. Ofqual recognised a right of use asset and lease liability for the Friargate lease in line with IFRS16. Ofqual also recognised a provision for future dilapidation costs. The estimate of the provision will be revised as discussions progress with the managing agent GPA, and if considered material.

## 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.

| Item                   | 2023<br>to 2024<br>General<br>Qualifica-<br>tions<br>£000 | 2023 to 2024<br>Vocational &<br>Technical<br>Qualifica-<br>tions<br>£000 | 2023<br>to 2024<br>Standards,<br>Research &<br>Analysis<br>£000 | 2023<br>to 2024<br>Regulatory<br>& Corporate<br>Services<br>£000 | 2023 to<br>2024 Chief<br>Regulator's<br>Office<br>£000 | 2023<br>to 2024<br>Total<br>£000 |
|------------------------|---|--|---|--|--|----------------------------------|
| Gross expenditure      | 3,222   | 8,122  | 3,878   | 9,829  | 4,558  | 29,609                           |
| Income                 | –   | (2)  | –   | (62)   | (50)   | (114)                            |
| Depreciation           | –   | –  | –   | 896  | –  | 896                              |
| <b>Net expenditure</b> | <b>3,222</b>  | <b>8,120</b>   | <b>3,878</b>  | <b>10,663</b>  | <b>4,508</b>   | <b>30,391</b>                    |

| Item                   | 2022<br>to 2023<br>General<br>Qualifica-<br>tions<br>£000 | 2022 to 2023<br>Vocational &<br>Technical<br>Qualifica-<br>tions<br>£000 | 2022<br>to 2023<br>Standards,<br>Research &<br>Analysis<br>£000 | 2022<br>to 2023<br>Regulatory<br>& Corporate<br>Services<br>£000 | 2022 to<br>2023 Chief<br>Regulator's<br>Office<br>£000 | 2022<br>to 2023<br>Total<br>£000 |
|------------------------|---|--|---|--|--|----------------------------------|
| Gross expenditure      | 3,045   | 7,098  | 3,795   | 10,159   | 3,656  | 27,753                           |
| Income                 | –   | –  | (32)  | (51)   | –  | (83)                             |
| Depreciation           | –   | –  | –   | 706  | –  | 706                              |
| <b>Net expenditure</b> | <b>3,045</b>  | <b>7,098</b>   | <b>3,763</b>  | <b>10,814</b>  | <b>3,656</b>   | <b>28,376</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
  - Standards, Research and Analysis previously included the Strategic Policy & Risk department which moved to the Chief Regulator’s Office in 2023 to 2024
- **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
- **Chief Regulator’s Office** includes the strategy team, the legal team, communications, and the private office. The Chief Regulator’s Office includes the Strategic Policy & Risk department from 2023 to 2024

Results for 2022 to 2023 have been re-stated to include the new directorates for comparison.

### Note 3 – Staff costs

| Description            | 2023 to 2024                       | 2023 to 2024   | 2023 to 2024  | 2023 to 2024  |
|------------------------|------------------------------------|----------------|---------------|---------------|
|                        | Permanently employed staff<br>£000 | Others<br>£000 | Total<br>£000 | Total<br>£000 |
| Wages and salaries     | 16,597                             | 232            | 16,829        | 15,122        |
| Social security costs  | 1,875                              | –              | 1,875         | 1,658         |
| Other pension costs    | 4,338                              | –              | 4,338         | 3,886         |
| <b>Sub-total</b>       | <b>22,810</b>                      | <b>232</b>     | <b>23,042</b> | <b>20,666</b> |
| Staff secondment costs | –                                  | –              | –             | 105           |
| <b>Total net costs</b> | <b>22,810</b>                      | <b>232</b>     | <b>23,042</b> | <b>20,771</b> |

| Of which:        | 2023 to 2024                              | 2023 to 2024                         | 2023 to 2024                       | 2023 to 2024  |
|------------------|---|--------------------------------------|------------------------------------|---------------|
|                  | Charged to administration budgets<br>£000 | Charged to programme budgets<br>£000 | Charged to capital budgets<br>£000 | Total<br>£000 |
| Core departments | 11,443                                    | 11,599                               | –                                  | 23,042        |
| <b>Total</b>     | <b>11,443</b>                             | <b>11,599</b>                        | <b>–</b>                           | <b>23,042</b> |

## Note 4 – Other administration costs

| Description                             | 2023 to 2024<br>Core<br>department<br>£000 | 2022 to 2023<br>Core<br>department<br>£000 |
|---|--|--|
| Non-cash items:                         | -  | -  |
| Amortisation                            | 455  | 312  |
| Interest charges on lease               | 12   | -  |
| Auditor's remuneration                  | 105  | 85   |
| <b>Total non-cash items</b>             | <b>572</b>                                 | <b>397</b>                                 |
| Other expenditure:                      | -  | -  |
| Direct operational expenditure          | 716  | 843  |
| Rent and accommodation                  | 808  | 849  |
| IT                                      | 996  | 913  |
| Recruitment, training and staff-related | 586  | 692  |
| Finance costs                           | 3  | 2  |
| <b>Total other expenditure</b>          | <b>3,109</b>                               | <b>3,299</b>                               |
| <b>Total other Administration costs</b> | <b>3,681</b>                               | <b>3,696</b>                               |

## Note 5 – Other programme costs

| Description                             | 2023 to 2024<br>Core<br>department<br>£000 | 2022 to 2023<br>Core<br>department<br>£000 |
|---|--|--|
| Non-cash items:                         | -  | -  |
| Depreciation                            | 134  | 179  |
| Amortisation                            | 308  | 215  |
| <b>Total non-cash items</b>             | <b>442</b>                                 | <b>394</b>                                 |
| Other expenditure:                      | -  | -  |
| Direct operational expenditure          | 3,175                                      | 2,753                                      |
| IT                                      | 123  | 765  |
| Recruitment, training and staff-related | 42   | 74   |
| Finance costs                           | -  | 6  |
| <b>Total other expenditure</b>          | <b>3,340</b>                               | <b>3,598</b>                               |
| <b>Total other Programme costs</b>      | <b>3,782</b>                               | <b>3,992</b>                               |

## Note 6 – Income

| Description   | 2023 to 2024<br>Core<br>department<br>£000 | 2022 to 2023<br>Core<br>department<br>£000 |
|---|--|--|
| DfE   | 50   | –  |
| Council for Curriculum, Examinations and Assessment | 54   | 40   |
| Other income  | 10   | 11   |
| Fines and penalties (cost recovered as an agent)    | –  | 32   |
| <b>Total</b>  | <b>114</b>                                 | <b>83</b>                                  |

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

## Note 7 – Right of use assets

| Description                             | 2023 to 2024<br>Buildings<br>£000 | 2023 to 2024<br>Equipment<br>£000 | 2023 to<br>2024 Total<br>£000 | 2022 to<br>2023 Total<br>£000 |
|---|-----------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| Cost or valuation:                      | –                                 | –                                 | –                             | –                             |
| At 1 April 2023                         | 704                               | 29                                | 733                           | 704                           |
| Additions                               | 2,253                             | –                                 | 2,253                         | 29                            |
| Disposals                               | (704)                             | (29)                              | (733)                         | –                             |
| <b>At 31 March 2024</b>                 | <b>2,253</b>                      | <b>–</b>                          | <b>2,253</b>                  | <b>733</b>                    |
| Depreciation:                           | –                                 | –                                 | –                             | –                             |
| At 1 April 2023                         | 288                               | 10                                | 298                           | –                             |
| Charged in year                         | 435                               | 19                                | 454                           | 298                           |
| Disposals                               | (704)                             | (29)                              | (733)                         | –                             |
| <b>At 31 March 2024</b>                 | <b>19</b>                         | <b>–</b>                          | <b>19</b>                     | <b>298</b>                    |
| <b>Carrying amount at 31 March 2024</b> | <b>2,234</b>                      | <b>–</b>                          | <b>2,234</b>                  | <b>436</b>                    |
| Carrying amount at 1 April 2023         | 416                               | 19                                | 436                           | 704                           |
| Asset financing:                        | –                                 | –                                 | –                             | –                             |
| <b>Leased under IFRS 16</b>             | <b>2,234</b>                      | <b>–</b>                          | <b>2,234</b>                  | <b>436</b>                    |
| <b>Carrying amount at 31 March 2024</b> | <b>2,234</b>                      | <b>–</b>                          | <b>2,234</b>                  | <b>436</b>                    |

The above information relates to 3 right of use assets: the lease for the Earlsdon Park office, a vending machine lease and the lease for Friargate. The Earlsdon Park lease is a MOTO agreement with The Government Property Agency. This commenced on 1 October 2018 for a prescribed term to 23 July 2029, with a lease break date of 10 September 2024. This lease was capitalised at 1 April 2022. Ofqual moved out of Earlsdon Park on 28 March 2024 and commenced occupation of its new offices at Friargate on 2 April 2024. The vending machine lease commenced on 25 July 2022 for 2 years. The vending machine remained at Earlsdon Park after the office move. The new lease for Friargate commenced 1 March 2024 and is also an agreement with the Government Property Agency. The new lease runs for 10 years to 2034.

## Note 8 – Property, plant and equipment

| Description                             | 2023 to 2024                   | 2023 to 2024      | 2023 to 2024  |
|---|--------------------------------|-------------------|---------------|
|   | Information technology<br>£000 | Furniture<br>£000 | Total<br>£000 |
| Cost or valuation:                      | –                              | –                 | –             |
| At 1 April 2023                         | 944                            | 53                | 997           |
| Additions                               | 183                            | 80                | 263           |
| Disposals                               | (476)                          | –                 | (476)         |
| <b>At 31 March 2024</b>                 | <b>651</b>                     | <b>133</b>        | <b>784</b>    |
| Depreciation:                           | –                              | –                 | –             |
| At 1 April 2023                         | 721                            | 9                 | 730           |
| Charged in year                         | 123                            | 11                | 134           |
| Disposals                               | (476)                          | –                 | (476)         |
| <b>At 31 March 2024</b>                 | <b>368</b>                     | <b>20</b>         | <b>388</b>    |
| <b>Carrying amount at 31 March 2024</b> | <b>283</b>                     | <b>113</b>        | <b>396</b>    |
| Carrying amount at 1 April 2023         | 223                            | 44                | 267           |
| Asset financing:                        | –                              | –                 | –             |
| Owned                                   | 283                            | 113               | 396           |
| <b>Carrying amount at 31 March 2024</b> | <b>283</b>                     | <b>113</b>        | <b>396</b>    |

| Description                             | 2022 to 2023                   | 2022 to 2023      | 2022 to 2023  |
|---|--------------------------------|-------------------|---------------|
|   | Information technology<br>£000 | Furniture<br>£000 | Total<br>£000 |
| Cost or valuation:                      | –                              | –                 | –             |
| At 1 April 2022                         | 801                            | 0                 | 801           |
| Additions                               | 143                            | 53                | 196           |
| Disposals                               | –                              | –                 | –             |
| <b>At 31 March 2023</b>                 | <b>944</b>                     | <b>53</b>         | <b>997</b>    |
| Depreciation:                           | –                              | –                 | –             |
| At 1 April 2022                         | 551                            | –                 | 551           |
| Charged in year                         | 170                            | 9                 | 179           |
| Disposals                               | –                              | –                 | –             |
| <b>At 31 March 2023</b>                 | <b>721</b>                     | <b>9</b>          | <b>730</b>    |
| <b>Carrying amount at 31 March 2023</b> | <b>223</b>                     | <b>44</b>         | <b>267</b>    |
| Carrying amount at 1 April 2022         | 250                            | 0                 | 250           |
| Asset financing:                        | –                              | –                 | –             |
| Owned                                   | 223                            | 44                | 267           |
| <b>Carrying amount at 31 March 2023</b> | <b>223</b>                     | <b>44</b>         | <b>267</b>    |



The disposals in 2023 to 2024 include IT assets which had a net book value of zero. The majority had come to the end of their useful economic life but some were not transferred across to Friargate and were therefore also written off at year end.

## Note 9 – Intangible assets

| Description                             | 2023 to 2024              | 2023 to 2024  |
|---|---------------------------|---------------|
|   | Software licenses<br>£000 | Total<br>£000 |
| Cost or valuation:                      | –                         | –             |
| At 1 April 2023                         | 1,387                     | 1,387         |
| Additions                               | 284                       | 284           |
| Disposals                               | –                         | –             |
| <b>At 31 March 2024</b>                 | <b>1,671</b>              | <b>1,671</b>  |
| Amortisation:                           | –                         | –             |
| At 1 April 2023                         | 374                       | 374           |
| Charged in year                         | 308                       | 308           |
| Disposals                               | –                         | –             |
| <b>At 31 March 2024</b>                 | <b>682</b>                | <b>682</b>    |
| <b>Carrying amount at 31 March 2024</b> | <b>989</b>                | <b>989</b>    |
| Carrying amount at 1 April 2023         | 1,013                     | 1,013         |
| Asset financing:                        | –                         | –             |
| Owned                                   | 989                       | 989           |
| <b>Carrying amount at 31 March 2024</b> | <b>989</b>                | <b>989</b>    |

| Description                             | 2022 to 2023              | 2022 to 2023  |
|---|---------------------------|---------------|
|   | Software licenses<br>£000 | Total<br>£000 |
| Cost or valuation:                      | –                         | –             |
| At 1 April 2022                         | 943                       | 943           |
| Additions                               | 444                       | 444           |
| Disposals                               | –                         | –             |
| <b>At 31 March 2023</b>                 | <b>1,387</b>              | <b>1,387</b>  |
| Amortisation:                           | –                         | –             |
| At 1 April 2022                         | 145                       | 145           |
| Charged in year                         | 229                       | 229           |
| Disposals                               | –                         | –             |
| <b>At 31 March 2023</b>                 | <b>374</b>                | <b>374</b>    |
| <b>Carrying amount at 31 March 2023</b> | <b>1,013</b>              | <b>1,013</b>  |
| Carrying amount at 1 April 2022         | 798                       | 798           |
| Asset financing:                        | –                         | –             |
| Owned                                   | 1,013                     | 1,013         |
| <b>Carrying amount at 31 March 2023</b> | <b>1,013</b>              | <b>1,013</b>  |

## Note 10 – Cash and cash equivalents

| Description                                      | 2023 to 2024<br>£000 | 2022 to 2023<br>£000 |
|--|----------------------|----------------------|
| Balance at 1 April                               | 30                   | –                    |
| Net change in cash and cash equivalents          | (29)                 | 30                   |
| <b>Balance at 31 March</b>                       | <b>1</b>             | <b>30</b>            |
| The following balances at 31 March were held at: | –                    | –                    |
| Government Banking Service                       | 1                    | 30                   |
| <b>Balance at 31 March</b>                       | <b>1</b>             | <b>30</b>            |

## Note 11 – Trade receivables

| Description                        | 2023 to 2024<br>£000 | 2022 to 2023<br>£000 |
|------------------------------------|----------------------|----------------------|
| Amounts falling due within 1 year: | –                    | –                    |
| Other receivables                  | 2                    | 3                    |
| Prepayments                        | 412                  | 327                  |
| VAT                                | 12                   | 16                   |
| <b>Total at 31 March</b>           | <b>426</b>           | <b>346</b>           |

## Note 12 – Trade payables, financials and other liabilities

| Description  | 2023 to 2024<br>£000 | 2022 to 2023<br>£000 |
|--|----------------------|----------------------|
| Amounts falling due within one year:   | –                    | –                    |
| Other taxation and social security   | 446                  | 425                  |
| Trade payables   | 3                    | (3)                  |
| Other payables   | 7                    | 414                  |
| Accruals   | 1,456                | 1,459                |
| Deferred income  | 4                    | 3                    |
| Amounts issued from the Consolidated Fund for supply but not spent at the year end | 1                    | 30                   |
| <b>Total at 31 March</b>   | <b>1,917</b>         | <b>2,328</b>         |

## Note 13 – Lease liabilities

|   | 2023 to<br>2024<br>Buildings<br>£000 | 2023 to<br>2024<br>Equipment<br>£000 | 2023 to<br>2024<br>Total<br>£000 | 2022 to<br>2023<br>Total<br>£000 |
|---|--------------------------------------|--------------------------------------|----------------------------------|----------------------------------|
| <b>Maturity analysis</b>                        |                                      |                                      |                                  |                                  |
| Less than one year                              | 276                                  | 3                                    | 279                              | 306                              |
| Between 2 and 5 years                           | 825                                  | –                                    | 825                              | 130                              |
| Later than 5 years                              | 1,231                                | –                                    | 1,231                            | –                                |
| <b>Total present value obligations</b>          | <b>2,332</b>                         | <b>3</b>                             | <b>2,335</b>                     | <b>436</b>                       |
| Lease liabilities included in the balance sheet | –                                    | –                                    | –                                | –                                |
| Current   | 276                                  | 3                                    | 279                              | 306                              |
| Non-current                                     | 2,056                                | –                                    | 2,056                            | 130                              |
| <b>Total present value obligations</b>          | <b>2,332</b>                         | <b>3</b>                             | <b>2,335</b>                     | <b>436</b>                       |
| Movement in lease during the year               | –                                    | –                                    | –                                | –                                |
| As at 1 April 2023                              | 418                                  | 18                                   | 436                              | 704                              |
| Interest charged to the income statement        | 12                                   | –                                    | 12                               | 6                                |
| Lease liability in relation to new leases       | 2,194                                | –                                    | 2,194                            | 25                               |
| Lease rental payments                           | (292)                                | (15)                                 | (307)                            | (299)                            |
| <b>Total present value obligations</b>          | <b>2,332</b>                         | <b>3</b>                             | <b>2,335</b>                     | <b>436</b>                       |

This year's cash payments are shown in the cashflow statement.

The lease liability at the year-end includes obligations related to Earlsdon Park for the period April 2024 to July 2024, however the majority of the in-year movement is the addition of the Friargate lease which covers a 10-year period from 2023 to 2024 to 2033 to 2034.

## Note 14 – Commitments under operating leases

The total future minimum lease payments under non-cancellable leases not accounted for under IFRS 16 are:

| Description                                    | 2023 to 2024<br>£000 | 2022 to 2023<br>£000 |
|--|----------------------|----------------------|
| Buildings:                                     | –                    | –                    |
| Not later than one year                        | 218                  | –                    |
| Later than one year and not later than 5 years | –                    | –                    |
| Later than 5 years                             | –                    | –                    |
| <b>Total</b>                                   | <b>218</b>           | <b>–</b>             |
| Equipment:                                     | –                    | –                    |
| Not later than one year                        | 5                    | 3                    |
| Later than one year and not later than 5 years | 5                    | –                    |
| Later than 5 years                             | –                    | –                    |
| <b>Total</b>                                   | <b>10</b>            | <b>3</b>             |

The minimum lease payments are determined from the relevant lease agreements. The lease expenditure charged during the year is shown in SoCNE. 2023 to 2024 includes the new lease for the multi-functional devices expected to start in July 2024 plus the final payments covering April 2024 to July 2024 for the old multi-functional devices, rates, service charge and management fees for Earlsdon Park.

## Note 15 – Provisions for liabilities and charges

| Description                | Earlsdon Park         | Friargate             | 2023 to 2024  |                      |
|----------------------------|-----------------------|-----------------------|---------------|----------------------|
|                            | Dilapidations<br>£000 | Dilapidations<br>£000 | Total<br>£000 | 2022 to 2023<br>£000 |
| At 1 April 2023            | (29)                  | –                     | (29)          | (29)                 |
| Provided in year           | –                     | (64)                  | (64)          | –                    |
| Provision utilised in year | –                     | –                     | –             | –                    |
| <b>At 31 March 2024</b>    | <b>(29)</b>           | <b>(64)</b>           | <b>(93)</b>   | <b>(29)</b>          |

Ofqual held a provision of £93,000 for dilapidations on the Earlsdon Park and Friargate offices in 2023 to 2024 (£29,000 in 2022 to 2023).

## Note 16 – 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.

## Note 17 – Contingent liabilities

As at 31 March 2024 Ofqual has one contingent liability in respect of health-related retirement benefits (nil in 2022 to 2023). The estimated value of the liability is £46k. If the liability becomes payable, Ofqual expect to make payment in 2024 to 2025.

## Note 18 – Related-party transactions

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

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

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

- CCEA (Council for the Curriculum, Examinations and Assessment)
- Department for Education

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 19 – Entities within the department boundary**

Ofqual is the only body within its department boundary.

### **Note 20 – 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.

