



ANNUAL ACCOUNTS 2018-19



Noddir gan
Lywodraeth Cymru
Sponsored by
Welsh Government

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Performance report

1. Overview

1.1 Introduction and scope of responsibility

Qualifications Wales regulates awarding bodies offering qualifications in Wales. We are an independent body focused on publicly funded qualifications, including GCSEs, A levels and vocational qualifications. We work with others to review and reform qualifications.

Degrees are not part of our work, but we work with universities and colleges to make sure they understand qualifications so that learners can progress into higher education. We want qualifications to be the best they can be for learners, teachers and employers, helping people adapt in a rapidly changing world. We work with awarding bodies to extend the availability of qualifications through the Welsh language.

We were established in August 2015, through the *Qualifications Wales Act*, and assumed our duties and powers in September of that year. This year (April 2018 to March 2019) is our third full financial year of operation.

In addition to our Annual Accounts we produce an Annual Report that provides more information about our work and how we are fulfilling our Principal Aims. Our Annual Report provides a comprehensive account of each of our operational priorities and the activities we have conducted throughout the year in order to fulfil them. We published our third Annual Report in December 2018, covering the period September 2017 to August 2018, and this was scrutinised by the National Assembly for Wales.

This set of Annual Accounts covers the period from 1 April 2018 to 31 March 2019.

1.2 Statutory background and functions

Under the *Qualifications Wales Act 2015* we have two principal aims:

- Ensuring that qualifications, and the Welsh qualification system, are effective for meeting the reasonable needs of learners in Wales;
- Promoting public confidence in qualifications and in the Welsh qualification system.

This means that we place the learner at the heart of our activities.

We also have a responsibility to look across the qualifications system to check that it is working in the interest of learners, and, if necessary, to act or advise others to act. Part of our work is to ensure that qualifications within the system are valued. We have powers and duties to regulate awarding bodies and we can make positive interventions to secure improvements to qualifications or the qualifications system.

We protect the value of qualifications, overseeing the fair awarding of qualifications and reviewing and developing them as the needs of learners change.

We pay regard to eight 'matters' in deciding how we go about our work:

"In considering what is appropriate for the purpose of achieving its principal aims, the matters to which Qualifications Wales is to have regard include (among other things):

- (a) The desirability of promoting sustainable growth in the Welsh economy;*
- (b) The desirability of promoting and facilitating the use of the Welsh language, including through the availability of assessment arrangements that provide for assessment through the medium of the Welsh language, and of qualifications that otherwise promote or facilitate the use of the Welsh language;*
- (c) The range and nature of qualifications available, and their assessment arrangements;*
- (d) The reasonable requirements of employers, higher education institutions and the professions regarding education and training (including as to required standards of practical competence);*
- (e) Whether the knowledge, skills and understanding required to be demonstrated for the purpose of determining whether a person is to be awarded a qualification reflect current knowledge and best practice;*
- (f) Whether qualifications indicate a consistent level of attainment with that indicated by whatever Qualifications Wales considers to be comparable qualifications, whether awarded in Europe or elsewhere;*
- (g) Whether qualifications are provided efficiently and so as to secure value for money; and*
- (h) The respective roles played by, and responsibilities of, each of the following persons in respect of the Welsh qualification system (including by reference to cooperation between those persons, and their effectiveness in performing their roles);*
 - (i) Awarding bodies, learning providers, Qualifications Wales and the Welsh Ministers;*
 - (ii) Any other persons exercising functions that Qualifications Wales considers relevant for the purpose of the Welsh qualification system.*

Qualifications Wales Act (2015)

1.3 What we do

We recognise awarding bodies that apply for recognition and who meet our Criteria for Recognition. Once recognised, awarding bodies must comply with our Conditions of Recognition in respect of all regulated qualifications that they award in Wales. Recognised awarding bodies may also submit qualifications for us to approve or designate as eligible for use on publicly funded programmes of learning.

We also review and monitor the activities of awarding bodies. This includes, for example, how they set question papers, award grades, quality-assure non-exam assessment, and how

well they support schools, colleges and other examination centres. If necessary, we can take a range of enforcement action.

We develop and publish policies that explain how we work and the requirements that recognised awarding bodies must adhere to.

We consider whether the qualifications provided for a given subject, industry sector, progression path, or age group meet those learners' needs. In doing this, we:

- carry out research to inform our decisions;
- work with and listen to a wide range of stakeholders, learners, and subject experts;
- consult on major decisions; and
- work with Welsh Government and other education partners to understand longer term policy developments, trends within the economy and the implications for qualifications.

Where we determine that changes are needed, we may commission the development of qualifications on behalf of Wales. We can use powers to restrict the number of awarding bodies that can offer a particular qualification if we consider this is better for learners or makes commissioning more viable.

We may provide grants to support the qualifications system and learners' needs, for example, to secure the availability of Welsh-medium assessment or to fund specific activities to support the implementation of new qualifications.

We deliver a range of communications to share information and improve understanding amongst schools, colleges, universities, employers and other bodies. We provide support to centres (schools, colleges and work-based learning providers where qualifications are taken) across Wales.

As the recognised expert in qualifications we are required, if requested, to provide Welsh Ministers with advice on specific issues.

Our operation is supported by corporate functions including Finance, Human Resources (HR), Information Technology (IT), Procurement, Facilities, Communications and Corporate Governance. We buy in our legal services, audit, translation and payroll services.

1.4 Performance summary

For 2018-19 we set five operational priorities:

Operational Priority 1 - Deliver the general qualifications aspects of our work

General qualifications such as GCSE, AS, A level qualifications and the Welsh Baccalaureate are monitored to ensure that they are fit for purpose, valued, and the public has confidence in results.

Operational Priority 2 - Deliver the vocational qualifications aspects of our work

Vocational qualifications that we reform, or monitor, are effective in meeting the needs of employers and provide learners with progression routes to employment or to the next stage of learning.

Operational Priority 3 - Deliver the core regulatory aspects of our work

Awarding bodies that we recognise are monitored for compliance with our Conditions of Recognition and we regulate qualifications that are developed and delivered by the awarding bodies we recognise.

Operational Priority 4 - Engage with and support the Welsh qualifications system

The qualifications system in Wales is improved through research and effective engagement and collaboration with stakeholders, resulting in increased public confidence.

Operational Priority 5 - Continue to develop our corporate capabilities and capacity

Qualifications Wales is confident that it is effective and efficient in fulfilling its Principal Aims and is continually evolving to add value to the education system in Wales.

Our 2018-19 business plan identified our focus for the year and outlined the work that we intended to deliver in support of our five Operational Priorities.

This performance summary section outlines our main achievements across the year. Further detail is provided in the performance analysis section.

Commentary from the Chief Executive of Qualifications Wales**Key achievements this year**

This year I was pleased to report to the Board that we had delivered against our operational priorities. I highlighted the following main achievements:

General Qualifications (GQ) activities

- Oversaw the delivery and award of GCSEs and A levels, many being Wales-only qualifications awarded for the first time. We monitored their delivery closely, ensuring they were awarded fairly so their standards can be carried forward appropriately.
- Conducted a review of the GCSE English Language summer 2018 award and concluded that this qualification had been awarded fairly.
- Published a detailed review of the Skills Challenge Certificate and its place within the Welsh Baccalaureate. Subsequently, we established two working groups - a Design Group and Practitioners' Group - to take forward the recommendations in the report.
- Published our report on GCSE and A level fees.

Vocational Qualifications (VQ) activities

- Consulted on our proposal to commission the development of new qualifications for the Construction and Built Environment sector and started the competitive process to appoint an awarding body.
- Following the publication of the Health and Social Care and Childcare review, we are working with the appointed bodies and stakeholders towards the introduction of 19 new qualifications. Five of these have already been approved for first teaching in 2019.
- Published a Report on the Monitoring of First Aid Qualifications in Wales and the action that we had taken to address any compliance issues found.
- Published our review of qualifications and the qualifications system in the Information and Communications Technology (ICT/Digital) sector and took steps to encourage the development of new qualifications in the sector.
- Monitored food safety qualifications.
- Commenced our review of the Engineering, Advanced Manufacturing and Energy sector.

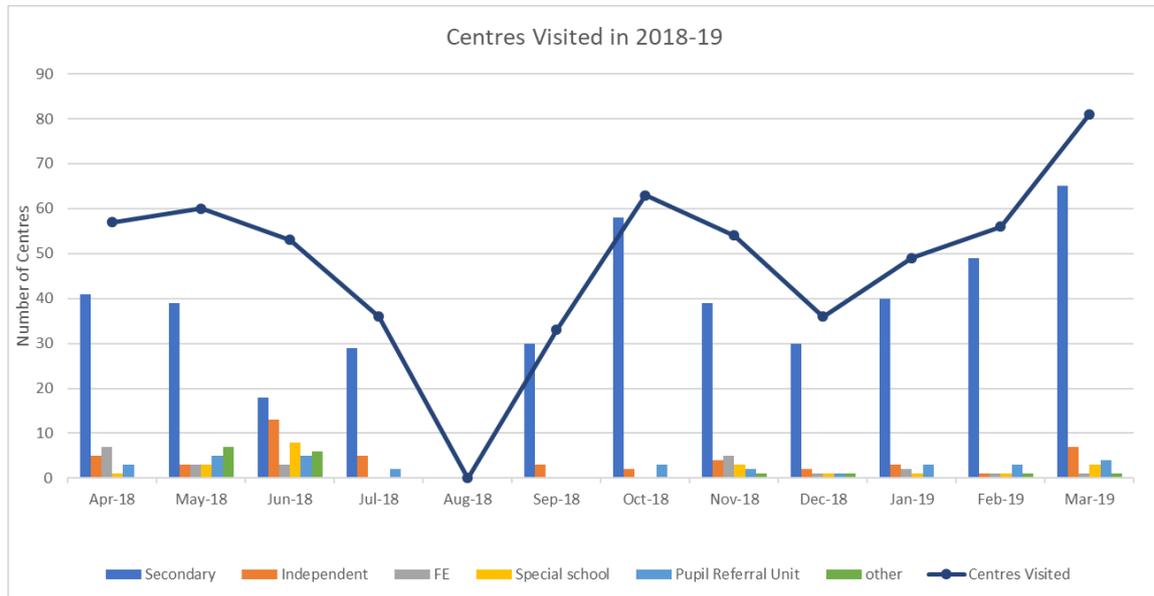
Core regulatory activities

- Developed our work on the review of our Standard Conditions of Recognition, which has resulted in Wales, England and Northern Ireland working together to align Conditions where possible.
- Conducted regulatory audits on the IT systems of four awarding bodies and a regulatory audit on complaints and enquiry handling of one awarding body.
- Designated 293 qualifications as eligible for public funding.
- Approved five qualifications in Health and Social Care (including Childcare), which forms part of our qualifications reform for this sector.
- Updated our qualifications database QiW to include all qualifications that we register (whereas previously it only held those eligible for public funding).
- Developed our monetary penalties policy and made arrangements to set up the First Tier Tribunal.

Supporting the qualifications system

- Provided £184k grant funding to support the availability of Welsh-medium qualifications.
- Ran a summer communications campaign to support understanding of the award of the new Wales only GCSEs and A levels – including spotlight articles, media briefing and blogs.
- Engaged at all levels with Welsh Government's programme to develop a new curriculum and initiated a project to consider and plan for changes that may be required to qualifications.

- Supported good practice in centres, undertaking 578 visits to centres throughout the year.
- Completed the publication of our first suite of official statistics.



Developing our corporate capability

- Achieved the bronze Corporate Health Standard.
- Developed descriptions of the behaviours required to support our organisational values.
- Supported collaborative working – providing IT support under a service level agreement to the Local Democracy and Boundary Commission for Wales and the National Academy for Educational Leadership.
- Delivered an internal audit programme - all audits achieving substantial or reasonable assurance.

Philip Blaker
 Accounting Officer
 18 July 2019

2 Performance analysis

1.1 Progress against our operational priorities for 2018-19

The 2018-19 operational priorities built on last year's plan, reflecting the maturing nature of the organisation. Being in our third year of operation we moved the focus from 'building' to 'maturing' our capabilities across all our functions. Our Senior Leadership Group reported progress against these priorities monthly, using a Red/Amber/Green rating system. This enabled us to report progress at each Board meeting. The table below shows what we have achieved over the year:

Operational priority 1 – Deliver the general qualifications aspects of our work
What we set out to achieve
<ul style="list-style-type: none"> • Monitor reformed qualifications. • Oversee the setting and maintenance of appropriate standards for reformed general qualifications. • Take forward the recommendations from the review of the Skills Challenge Certificate and its place within the Welsh Baccaalaureate.
Progress
<ul style="list-style-type: none"> • We monitored the delivery of the Summer 2018, November 2018 and January 2019 examination series. • Following concerns about the award for GCSE English Language in summer 2018, we undertook a thorough review of the award made by WJEC and found it compliant with our requirements. • We continued to work closely with Welsh Government, WJEC and others, including publishers in Wales, to discuss how we can work together to secure high-quality, bilingual and timely resources to support the new Curriculum for Wales. • We ran an online ('Have your say') questionnaire for students and teachers to gather views on the new GCSE, AS and A level qualifications, which led to valuable feedback on how the exams were received. • We published our report on the lessons learned from the reform of new GCSEs, AS and A levels in Wales between 2015 and 2017. • We published our research to look at the fees charged by awarding bodies for GCSEs and A level entries and other services. • Anticipating the new curriculum, we have commissioned qualitative research with teachers and learners to help understand their perceptions of our current GCSEs. • We published a detailed review of the Skills Challenge Certificate and its place within the Welsh Baccaalaureate. Subsequently, we established two working groups - a Design Group and Practitioners Group - to take forward the recommendations in the report.

Operational priority 2 - Deliver the Vocational Qualification (VQ) aspects of our work**What we set out to achieve**

- Deliver the VQ monitoring programme for 2018-19.
- Implement commitments from the Health and Social Care and Childcare review.
- Implement commitments from the Construction and the Built Environment review.
- Complete and publish the Information and Communications Technology review.
- Prepare for the Engineering and Advanced Manufacturing and Energy review.
- Manage actions arising from the Essential Skills review.
- Develop policy, strategy and guidance for cross-cutting VQ issues.

Progress

- This year our VQ monitoring programme focused on Food Safety qualifications. As a result of our report, awarding bodies established a forum to share insight and good practice.
- Following the publication of the Health and Social Care and Childcare review, we are working with the appointed awarding bodies and stakeholders towards the introduction of 19 new qualifications. We have already approved five qualifications for first teaching and continue to work closely with the awarding body, Social Care Wales and the NHS to progress the development of the remaining qualifications.
- We acted on the main findings of last year's sector review of Construction and Built Environment and consulted on plans to use our powers to restrict qualifications to a new suite of qualifications to be commissioned for Wales. In autumn 2018, we began the procurement process to commission this new suite of new qualifications.
- We published our Information and Communications Technology review. The review included interviews with 150 stakeholders, engagement with over 60 employers, discussions with over 750 students, an online survey, a review by contracted subject experts across the sector and a desktop comparison with other countries.
- We commenced the fieldwork for the Engineering, Advanced Manufacturing and Energy review, conducting stakeholder and learner engagement.
- We published Guidance for Centres - Developing Essential Skills Controlled Tasks.

Operational priority 3 – Deliver the core regulatory aspects of our work
What we set out to achieve
<ul style="list-style-type: none"> • Review our Conditions of Recognition. • Monitor awarding body compliance. • Embed and keep under review our regulator policies and procedures. • Process applications for recognition, surrender and designation.
Progress
<ul style="list-style-type: none"> • We completed our review of the Standard Conditions of Recognition and published our final report in September 2018. Since then, we have been working closely with fellow regulators in England and Northern Ireland to align revisions to the Conditions as much as possible. • We conducted four thematic audits with awarding bodies, covering their IT systems and procedures. These audits covered information security, GDPR readiness and information systems governance (including, where relevant, systems developments). This provided each awarding body with valuable insight to enable them to further develop their capabilities. • Held regulatory update meetings with 16 awarding bodies focussing on key areas of regulation and clarifying our approach and expectations. • Received and reviewed statements of compliance from 106 awarding bodies which included lines of inquiry requiring evidence on their processes for conflicts of interest, malpractice and maladministration and reasonable adjustments and special consideration. • Issued formal sanctions twice (a direction and withdrawal of recognition). We did not receive any regulatory appeals against these decisions. • Monitored the actions that were taken to manage the 228 incidents that were reported to us by awarding bodies. • Consulted on a suite of enforcement policies, including a full review of our regulatory appeals and corporate complaints policies. • Developed our monetary penalties policy and made arrangements to set up the First Tier Tribunal. • Consulted on GCSE and GCE Criteria for Recognition. • Re-referenced the Credit and Qualifications Framework for Wales (CQFW) to the European Qualifications Framework (EQF). • Revised our approach to regulatory impact assessments. • Investigated four complaints about awarding bodies that we regulate. There were no requests for an internal review of the outcome of these complaints. • Received and reviewed 3 applications for recognition. • Received and processed 6 awarding bodies who no longer wish to be recognised by us. Designated 293 qualifications as eligible for public funding.

- We made several improvements to the QiW database in response to our own business needs and feedback from stakeholders. We updated QiW to include all qualifications that we regulate, created new fields and introduced new functions to allow awarding bodies to submit qualification amendments for review directly.

Operational priority 4 - Engage with and support the Welsh qualifications system

What we set out to achieve

- Support the sustainability and availability of Welsh and bilingual qualifications.
- Continue to develop our external engagement.
- Inform forward planning for qualifications and the qualifications system in Wales.
- Continue to support the curriculum reform programme and consider implications for qualifications.

Progress

- We continued to encourage awarding bodies to offer Welsh-medium qualifications and assessment. We awarded grants of £184k to eight awarding bodies to deliver Welsh-medium assessments.
- We commenced a review of our Welsh-medium and bilingual qualifications policy and will publish a revised policy in 2019.
- We continued to support schools, colleges and other learning providers to ensure that examinations are delivered effectively, fairly and securely. In 2018-19 our Centre Support Team made 578 visits to centres, advising their examination officers and delivering training.
- We established good working relationships with our stakeholders to enable regular and meaningful dialogue.
- We tested different approaches in our communications (including a radio campaign to raise awareness of the Welsh Baccaulaureate and outsourcing our social media management).
- We sponsored the Wales VQ Awards.
- We held our annual Awarding Body Forum.
- We established a Research Advisory Group to help us develop our research programme.
- We published the second report of a five-year study of public confidence in the qualifications system.
- We published our Annual Qualification Market Report: an annual report which summarised official statistics on the qualifications market in Wales for the academic year 2017-18.
- We published our first official statistics.
- We have engaged at all levels with Welsh Government's programme to develop a new curriculum. Our staff have attended all the Areas of Learning and Experience (AoLE) groups as observers, and we have contributed to the work of the Curriculum and Assessment Group, the

Manageability Group and the Coherence Group. We are also part of the Change Board and Operational Delivery Board. We have worked closely with Estyn and other stakeholders and have initiated a project to plan our approach to possible change to qualifications.

Operational priority 5 – Continue to develop our own corporate capabilities and capacity

What we set out to achieve

- Continue to develop the maturity of each of the finance and corporate services functions, to support and challenge the organisation to maximise use of its resources, while maintaining compliance and safeguarding our reputation.
- Deliver the Workforce Strategy.
- Deliver our health, safety and wellbeing action plan.
- Establish the capability to collect and publish data about the qualifications system.
- Implement our Welsh Language Standards action plan.

Progress

- The maturity of our corporate services functions continues to develop. This year, we have set our Workforce Strategy, which focuses on how we build, develop and enhance our staff capability to deliver our strategic aims.
- We produced our Wellbeing Action Plan and, following an audit by Public Health Wales, we achieved the bronze Corporate Health Standard.
- We consulted with several bodies representing those with protected characteristics, and subsequently developed our Strategic Equality Objectives for 2019-22.
- We awarded 80 contracts following a procurement process and are undertaking a major procurement exercise to award a concession contract to develop Construction and Built Environment qualifications for Wales.
- We delivered efficiency savings of £9,500 through procurement exercises.
- We ran 16 recruitment schemes.
- We gained re-accreditation of the Cyber Essentials Plus Accreditation (information security assurance).
- We provided IT advice and support to the Local Democracy and Boundary Commission for Wales (LDBCW) and the National Academy for Educational Leadership (NAEL) under a service level agreement.
- Prior to May 2018, we completed our preparations for the General Data Protection Regulations (GDPR). We ensured processes were compliant, and privacy notices, records and policies were in place. We trained staff, as well as completing a third-party audit of readiness.

- We have reviewed and agreed our medium-term finance plan and prepared plans for the additional resources required to deliver changes to qualifications to support the new curriculum.
- We ran our annual staff survey and were pleased to gain a completion rate of 94% and an employee engagement result of 72%.
- We implemented sustainability measures to improve our carbon footprint.
- We were shortlisted as a finalist at the Go Awards Wales for the procurement process through which we appointed WJEC and City and Guilds to develop and offer new Health and Social Care qualifications.
- We have taken a proactive approach to the Welsh Language Standards. Despite not being required to comply, we have taken the decision to voluntarily produce a Welsh Language Scheme, outlining our commitment to the language. This was approved by our Board in March and will be published in April 2019.

Philip Blaker

Accounting Officer

18 July 2019

2.2 Main risks

The main risks that we managed during the year are described below. They remain live and we continue to monitor them closely.

Curriculum reform

Welsh Government is continuing to develop a new curriculum for learners aged 3-16. This will mean that qualifications for learners aged 14-16 will need to be reformed for first teaching in 2025. The risk remains that Welsh Government may delay taking the educational policy decisions required to enable us to plan, and that a lack of clarity may result in delays or implementation being rushed. We continue to work closely with Welsh Government so that we can make sure changes to qualifications happen smoothly without causing unnecessary disruption. We anticipate leading a high-level consultation in autumn 2019.

There is also a risk that we do not receive the additional funding needed to deliver the required reform alongside our existing work plans and commitments. We are mitigating this by working closely with Welsh Government and by detailed resource planning. We are starting to prepare for the recruitment of additional posts during 2019 and for further staff development.

Exam series

In 2018-19 the last tranche of the new GCSEs and A levels reformed for Wales were awarded for the first time. As with any changes, this presented challenges to ensure that standards were maintained, and learners were not advantaged or disadvantaged. The risk was that any issues with the awarding process would negatively impact public confidence in the results.

We mitigated this by monitoring awarding meetings and working closely with Ofqual (the regulator in England) and CCEA (the Northern Ireland regulator) to ensure that standards for GCSEs and A levels across the jurisdictions were upheld. We provided technical briefing to journalists, Ministers and Welsh Government officials, and published a series of 'spotlight' articles to explain the new qualifications and the awarding process. We also audited our incident management processes and received a 'substantial assurance'.

After the summer results, GWE (the north Wales regional consortium) raised concerns about the grade boundary for Grade C GCSE English Language. We completed a detailed review of the award and were confident that the qualification was awarded fairly and that standards were maintained. To mitigate the risk of the concerns impacting public confidence, we published a detailed report and met with head teachers, regional consortium representatives and Directors of Education from the region to explain the processes involved and the checks that we had undertaken.

Health and Social Care – new qualifications

We have continued to work with the two commissioned awarding bodies, (WJEC and City and Guilds), Social Care Wales (the workforce regulator) and Health, Education and Improvement Wales (HEIW) to secure the development of high-quality qualifications that meet both sector content needs and our approval criteria within the planned timeframe. We continue to manage the associated risks closely. For some of the qualifications, we have mitigated risks by deferring first teaching dates to 2020 to ensure qualifications are of the required quality, and that colleges and work-based learning providers have time to prepare.

Market resilience

Having WJEC as a sole supplier of general qualifications in Wales brings both opportunities and risks. We are making sure that we maximise the benefits of having one provider, which include the availability of Welsh-medium assessment and more straightforward standard-setting. However, if WJEC were to fail, the impact would be high, so we continue to carry out more detailed monitoring of their work. This year, we published our report into fees and support for centres. We are also monitoring WJEC's plans to manage the summer examination following the resignation of the current Chief Executive.

System risks

We also look across the qualifications system and keep a close eye on what is happening around us. There are two developments that we are monitoring closely:

a) T levels

The UK Government is introducing T levels for England, which will replace many vocational qualifications and will be restricted to a single awarding body per sector. There is a risk that some awarding bodies may no longer find it viable to offer current qualifications if they have lost the market in England. There is also a risk that the qualification element of the T levels may not be available to learners in Wales.

b) Apprenticeships

Qualifications are still required in publicly funded apprenticeships in Wales. However, they are not required in England, where over 400 new apprenticeship standards have been developed with end-point assessments. Welsh Government continues to develop its apprenticeship policy and has established a Wales Apprenticeship Advisory Board, of which we are a member. There is a risk that the qualifications currently offered in apprenticeships in Wales may be discontinued by awarding bodies if they are no longer required in England. Therefore, we are closely monitoring the availability of apprenticeship qualifications and liaising with Welsh Government over their future plans, with a view to identifying how our role in relation to the qualifications used in apprenticeships should be enacted in future.

We are also in regular discussions with the UK Department of Education and the Institute for Apprenticeships and Technical Education, as well as with the awarding bodies involved.

2.3 Financial review

Qualifications Wales receives an annual funding allocation from Welsh Government to cover its expenditure. We set an expenditure budget each year based on the activities we plan to undertake, functionally split into the following broad areas:

- **Staff costs**
- **Grants to other bodies**, to support the qualifications system and learner needs, by ensuring the availability of Welsh- medium assessment and funding specific activities enabling qualification reform.
- **Programme budgets**, commissioning the external support and expertise needed to deliver our programme of sector reviews, our monitoring and approval activity, our development and commissioning activity, our policy reviews and research.
- **Corporate running costs**, such as HR, ICT, facilities, governance, legal advice, etc.

We have a three-year Medium-Term Finance Plan that identifies likely future expenditure based on the assumption that our funding will remain broadly similar. We have been allocated additional funding in 2019-20 specifically to cover the unforeseen cost increases across the public sector due to the recent change to the Civil Service Pension Scheme pension contribution rate for employers.

The reforms to qualifications being commissioned by Qualifications Wales continue to grow, and work spans several financial years. The nature of our funding, together with the nature of our activity and expanding reform activity, presents us with three intrinsic financial challenges:

- There is always a risk that our annual core funding allocation from Welsh Government will reduce.
- We must ensure that any new recurring spend proposals / commitments are affordable over the medium term; and
- As our programme activities don't neatly 'fit' into financial years, and as we must set aside provisional sums to cover potential commitments (such as legal costs, recruitment costs, etc), there will always be some uncertainty around the level and timing of some spends.

We address these key challenges by ensuring we have an up-to-date Medium-Term Finance Plan, through good, open dialogue with Welsh Government colleagues, and by having strong 'in-year' financial management arrangements.

Consistent with 2017-18, Welsh Government allocated the following funding to Qualifications Wales for 2018-19.

	£'m
Core Funding	7.842
Welsh for Adults Qualification Funding (this is ringfenced grant funding awarded to WJEC by Welsh Government that we have been tasked with administering)	0.200
Total	8.042

We also started the financial year with a balance sheet reserve of £488k and planned to utilise circa £186k of this in 2018-19 to complete our Learner Data Collection project and commence our ICT renewals programme.

The table below confirms our outturn position for the year.

Area	16/17 Outturn £'000	2017-18 Outturn £'000	2018-19 Budget £'000	2018-19 Outturn £'000	Outturn Variance £'000	Outturn Variance %
Pay	3996	4,394	4,718	4,537	-181	-4%
Grants	1366	813	820	735	-85	-10%
Programme Costs	478	747	985	898	-87	-9%
Running Costs	1306	1,361	1,319	1,317	-2	0%
Core QW Funding	7,146	7,316	7,842	7,488	-354	-5%
Welsh For Adults Grant		179	200	180	-20	-10%
Sub-Total	7,146	7,495	8,042	7,667	-375	-5%
Additional Expenditure - funded from reserves						
Replacement ICT Equipment			135	125	-10	-7%
Staff input to Learner Data Collection Project			52	52	0	0%
Total			8,229	7,844	-385	-5%

Overall this demonstrates:

a) that our actual spending continues to increase annually, as predicted in our Medium-Term Finance Plan, but we haven't yet reached the point where we consume all the funding made available by Welsh Government; and

b) that there have been 'in year' variances between our budgeted and actual spends. These variances were identified and communicated to Welsh Government during the year, and are largely attributable to:

Pay costs	Our Medium-Term Finance Plan indicated an increase in pay costs in 2018-19, due to a combination of the full year effect of changes made in 2017-18, and further recruitment anticipated during 2018-19. Whilst our actual costs have increased by £143k from 2017-18, this is not as high as anticipated, mainly due to a combination of slippage in the timescales for some of the changes, and savings generated through staff turnover (including where existing staff have taken up temporary internal assignments which have not always been backfilled).
Grants to other bodies	We have again experienced some significant variation between budgeted and actual spend on grants. There are two main drivers of this: a) Grant provision was made in 2018-19 to support our qualification reform programme (Health, Social care and Childcare Qualifications, and Skills Challenge Certificate), that wasn't fully required, either due to movement in timescales, or because developments during the year meant it was no longer required; and b) Despite Welsh-Medium Assessment Grant funding of circa £340k being awarded to a number of external bodies, the actual amount claimed was £184k.
Programme activities	Most of the underspends in this area are a result of timelines / anticipated activities changing during the year, which has impacted on spend

We have also generated a modest amount of income in 2018-19 (£42k). In keeping with the commitment to collaborate across the public sector, we have entered into service agreements to provide ICT support services to two new smaller Welsh Government Sponsored Bodies, and we have also been commissioned to carry out all the necessary work to reference the Credit and Qualifications Framework for Wales to the European Qualifications Framework.

Given the relatively low level of income generated, the fact that this income is either one-off (in the case of the referencing work), or is in relation to service levels that will be reviewed during 2019-20, we have currently taken the view that it would not be prudent to rely on this to fund any ongoing revenue costs. However, our Framework Agreement does allow us to retain income equating to 'up to 1% of funding', and we have therefore had approval to retain this income in our earmarked reserve, creating additional provision for our ICT renewals programme.

The tables below summarise our outturn position and illustrate how this reconciles to the 'Comprehensive Net Expenditure' figure quoted in the 'Statement of Comprehensive Net Expenditure' (SOCNE), once capital qualifying expenditure and depreciation/amortisation charges have been accounted for.

Reconciliation of Outturn to SOCNE	£'000
Budget Outturn	7,844
Exclude expenditure treated as Non-current (capital)	(277)
Add depreciation / amortisation / impairment	185
Include income received	(42)
Comprehensive Net Expenditure for the year	7,710

Our cash balance at 31 March 2019 was £367k, which is within the carry-over limit approved by Welsh Government.

Our Medium-Term Finance Plan continues to demonstrate our growing funding needs and that the current level of Welsh Government funding will be required to cover our core activities over the next few years. We also continue to work with Welsh Government to prepare to secure the development and approval of a new suite of qualifications for 16-year-olds to complement the new curriculum. There will be cost pressures associated with this work that aren't incorporated into our current Medium-Term Finance Plan and can't be absorbed within existing funding levels. We have confirmed the additional funding potentially needed to deliver these reforms, which could result in our funding levels temporarily increasing over the next few years.

We paid 97% of our invoices within 30 days in 2018-19 (98% in 2017-18), and paid 69% of our invoices within 10 days (65% in 2017-18). We continue to seek explanations for any payments taking longer than they should, and make process improvements where necessary.

Due regard has been given to the regularity and propriety of the organisation's expenditure, and appropriate internal processes and controls are deemed to be in place.

One accounting issue to note is that, following discussion with Welsh Government, we have agreed to change the way we account for Welsh Government funding in 2018-19. We will now recognise grant funding from Welsh Government on a cash, rather than an accruals, basis, which is more in keeping with the FReM. As a result of this, we have had to 'cancel' a £356k debtor balance being held on our balance sheet, which equated to our accrued (but not yet claimed) Welsh Government funding. Despite this technical accounting change, all our liabilities have been recognised by Welsh Government, and we are able to claim the cash to cover these liabilities as they crystallise. This, coupled with the fact that Qualifications Wales is expected to remain in existence and funded by Welsh Government for the foreseeable future, means it is considered appropriate to adopt the 'going concern' basis for the preparation of these financial statements.

2.4 Sustainability

Qualifications Wales occupies an area of 11,329 square feet within the Q2 Building, in a single shared office located to the west of Newport. The building is easily accessible by car, but less accessible by public transport. We are committed to sustainable development, working with our staff, suppliers and contractors to minimise our energy consumption and the impact we have on the environment. We have an Environmental Policy Statement in place, and we are working in the following ways to reduce our environmental impact:

Information technology

A modern and flexible approach has been taken to IT, using the latest technologies. Our employees access cloud services through a 'two-in one' detachable tablet, which avoids duplication of desktops, laptops and video/telephone equipment. The IT infrastructure is mainly cloud-based, meaning that we do not require large on-site servers. The tablets are used seamlessly at desks, in meetings or outside the office. Investment in good audio equipment has made video-conferencing and document-sharing effective, allowing us to work and communicate flexibly in various locations, reducing unnecessary travel.

Lighting

During the fit-out of the building, in 2015, LED lights were installed in our meeting rooms. In March 2019, we added movement sensors into the meeting rooms to assist us in further reducing energy consumption. In December 2017, as part of our sustainability commitment, we installed LED lighting in all other areas within Qualifications Wales, retaining the existing movement sensors. Since the installation of these LED lights and sensors, we have seen a 14% reduction in our energy consumption for 2018-19.

The table below shows our carbon footprint. We have compared this to last year's result. Our annual electricity consumption has reduced by almost 14,000 kwh – owing to the LED lights and PIR sensors that have been fitted. The figures for staff mileage show a significant reduction in business travel by car/ taxi and rail. This is likely to be due to the nature of the work this year, and may increase in future years.

The waste we create has increased in 2018-19; this is likely due to an increase in onsite meetings. Although overall, we have produced more waste, our figures show the percentage of waste to landfill has remained at 31%. The percentage of food waste has increased; this is likely due to an increase in fruit peel waste since the implementation of a free fruit scheme for all staff was introduced in August 2018. Going forward, we will continue to work closely with our staff and contractors to promote and educate them in accurate waste segregation, to assist us in minimising waste to landfill. We are making some positive steps towards reducing our environmental impact and implementing an Environmental Management System (EMS) where we can continue our commitment to sustainability by setting targets for future years.

Scope	Non-financial information	Financial information	Greenhouse gas emissions
Scope 1 - Direct emissions :	N/A	N/A	N/A
Scope 2 (Energy indirect):	Electricity 84,607 kwh	£12,093	23,950kg CO ₂ e
Scope 3:	<p>Water 311units (*) Sewerage 294units Total 605units</p> <p>Waste General - 1902kg (31%) waste Mixed - 1742kg (41%) Recycling Food - 975kg (28%) waste Total 4619kg</p> <p>Business travel Car/Taxi Staff – 57,602 miles Board – 6424 miles members Total 64,026miles</p> <p>Rail Staff – 35578 miles Board – 7710 miles members Total 43288miles</p> <p>Air Staff – 14945 miles Board – 1536 miles members Total 16481miles</p>	<p>£457 £598 Total £1055</p> <p>Waste General - £414 waste Mixed - £504 recycling Food - £414 waste Total £1332</p> <p>Car/Taxi Staff – £26,386 Board – £3688 members Total £30,074</p> <p>Rail Staff – £12758 Board - £4194 members Total £16952</p> <p>Air Staff – £3107 Board – £202 members Total £3309</p>	<p>107 kg CO₂e 208 kg CO₂e Total 315 kg CO₂e</p> <p>Waste General – 1098kg CO₂e waste Mixed - 37kg CO₂e recycling Food - 10kg CO₂e waste Total 1145kg CO₂e</p> <p>Car/Taxi (**) Staff – 16,565kg CO₂e Board – 1847kg CO₂e members Total 18,412kg CO₂e</p> <p>Rail Staff - 2533 kgCO₂e Board - 548kg CO₂e members Total 3081 kg CO₂e</p> <p>Air (***) Staff – 3873kg CO₂e Board – 398kg CO₂e members Total 4271 kg CO₂e</p>

Table explanatory notes

Scope 1: Direct emissions arise directly from sources that are owned or controlled by Qualifications Wales, for example from fuels used in our boilers, or the vehicles that departments and estate management own.

Scope 2: Emissions released into the atmosphere associated with the consumption of purchased electricity, heat, steam and cooling.

Scope 3: These emissions are a consequence of the activities of an organisation, but occur from sources not owned or controlled by the organisation. This includes emissions associated with waste, water, business travel, commuting and procurement.

(*) figures for water usage and costs for Quarter 4 have been estimated based on run rate as this utility is billed on a six-month basis.

(**) Figures for car CO₂ calculated using UK Government GHG Conversion Factors for Company Reporting – based on an upper medium car type.

(***) Figures for air travel CO₂ calculated using UK Government GHG Conversion Factors for Company reporting based on short haul, to and from the UK.

Accountability report

3 Corporate Governance report

3.1 Directors' report

The Qualifications Wales Board is constituted of the Chair, Chief Executive and between eight and ten members. Its role is to:

- provide effective leadership for Qualifications Wales - defining and developing strategic direction, and setting objectives;
- provide effective leadership for the operation of the organisation; holding the Chief Executive to account for ensuring that Qualifications Wales' activities are conducted efficiently and effectively;
- monitor performance to ensure that Qualifications Wales fully meets its aims, objectives and performance targets; and
- promote high standards of public finance; upholding the principles of regularity, propriety and value for money.

At the end of 2018-19, the Board was made up of the following members:



Ann Evans
Chair



Philip Blaker
Chief Executive



Dr Caroline Burt



Robert Lloyd
Griffiths OBE



Claire Morgan



Angela Maguire-
Lewis



Dr Arun Midha



Isabel Nisbet



David Jones



Ellen Donovan

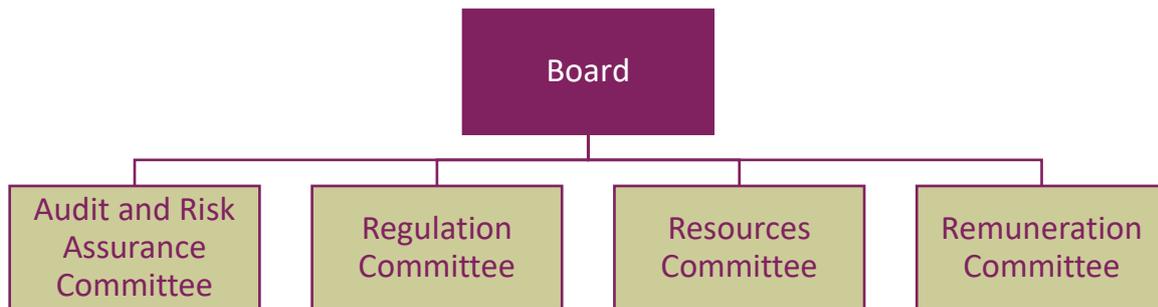
Rheon Tomos's term came to an end on 31 December 2018. Anne Marie Duffy and Jayne Woods joined the Board on 1 April 2019.

The Chair of Qualifications Wales

The Chair of Qualifications Wales, Ann Evans, answers to the National Assembly for Wales for our activity and conduct, and the exercise of our statutory functions as set out in the Act.

Board committees

The Board has designated four committees charged with supporting the Board in the delivery of its duties. The committees are as follows:



The role of each committee, together with attendance, can be seen within the Governance Statement section.

The Board and its committees and the Management Board are supported by the Head of Corporate Governance.

Board Member Conflicts of Interest

All members of staff and Board members have completed a conflicts/declarations of interest form. Qualifications Wales publishes an active register of Board interests, which can be viewed [here](#).

All related party transactions have been noted, and can be seen in Note 15 of this document, on pages 79 and 80.

The Chief Executive Officer and Accounting Officer

As Accounting Officer of Qualifications Wales, the Chief Executive, Philip Blaker, is personally responsible for:

- the proper stewardship of the public funds;
- day-to-day operations and management of Qualifications Wales; and
- ensuring compliance with the requirements of 'Managing Welsh Public Money'.

The Chief Executive Officer has several direct accountabilities to the Board of Qualifications Wales, as well as acting as Principal Officer for ombudsman cases. More detail about these aspects of the role can be viewed in the [Qualifications Wales Framework Document](#)

The Qualifications Wales **Executive** team comprises:



Philip Blaker
Chief Executive



Kate Crabtree,
Executive
Director, Policy
and Research



Alison Standfast,
Executive
Director, Finance
and Corporate
Services



Jo Richards,
Executive Director,
Regulation

The **Management Board**, including the Associate Directors for both General and Vocational Qualifications, the Associate Director for Communications and Stakeholder Relations, the Head of Corporate Governance and the Head of Finance, support the Chief Executive and the wider Executive team in the exercise of their responsibilities.

Management Board is the principal collective decision-making group for the organisation, providing direction on operational activity and corporate matters. The role and purpose of the Management Board is to:

- be the principal decision-making group for matters delegated from the Board, with a focus on operational matters;
- ensure compliance with legislation and relevant public-sector policy;
- establish all operational decision-making groups and delegate responsibilities to them as appropriate;
- where appropriate, make recommendations to the Board on matters reserved for the Board;
- propose strategy and relevant policies to the Board;
- approve strategies and policies where not reserved by the Board;
- manage corporate risk within the Board's risk appetite;
- deliver the Operational Priorities;
- manage corporate resources; and
- coordinate activity across the organisation.

As covered in the Governance Statement, Qualifications Wales has no personal data incidents to report.

3.2 Statement of Accounting Officer's responsibilities

Under Schedule 1, Part 1, paragraphs 32 and 33 of the Qualifications Wales Act 2015, Welsh Ministers, with the consent of the Treasury, have directed Qualifications Wales to prepare for each financial year our statement of account in the form and basis set out in the Accounts Direction. The accounts are prepared on an accruals basis, and must give a true and fair view of the state of affairs of Qualifications Wales and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

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

- observe the accounts direction issued by Welsh Ministers, 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 financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to assume Qualifications Wales will continue in operation.

The Principal Accounting Officer for the Welsh Ministers has designated me, as Chief Executive, to be the Accounting Officer for Qualifications Wales. The responsibilities of an Accounting Officer include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Qualifications Wales' assets, and are set out in the Accounting Officer's Memorandum, Framework Document and Managing Welsh Public Money.

In producing these accounts, I have taken into account comment and assurance from the Qualifications Wales Management Board, Audit and Risk Assurance Committee, Internal Auditors and members of the wider staff team.

As the Accounting Officer for Qualifications Wales, I confirm that:

- the annual report and accounts as a whole for the period 1 April 2018 to 31 March 2019 are fair, balanced and reasonable;
- I take personal responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and reasonable;
- as far as I am aware, there is no relevant audit information of which our auditors are unaware; and
- I have taken all reasonable steps to make myself aware of any relevant audit information, and to establish that our auditors are aware of that information.

Philip Blaker

Accounting Officer

18 July 2019

3.3 Governance statement

Introduction and scope of responsibility

This Governance statement sets out an account of the corporate governance structure for Qualifications Wales together with an overview of the risk management arrangements and a description of the principal risks the organisation faces.

As the Accounting Officer, I am personally responsible for the Governance statement which outlines how I have discharged my responsibility to manage and control the resources of Qualifications Wales during the period.

My designation as the Accounting Officer is set out in the designation letter sent on behalf of the Principal Accounting Officer from the Welsh Government. My full responsibilities as the Accounting Officer are set out in the Qualifications Wales Framework Document.

Corporate governance

Corporate governance is the system within which the organisation's work is directed and controlled. Equally important, governance concerns itself with 'how' business is done, and the way in which decisions are made. The Chief Executive is responsible for ensuring that a sound system of internal control is maintained to support the achievement of policies, aims and objectives and for regularly reviewing the effectiveness of the system.

The Board of Qualifications Wales provides leadership and direction to the organisation, and has a key role in ensuring that the organisation has a sound and appropriate governance structure in place that allows the Board to scrutinise the performance of the Executive team, and therefore the organisation's delivery of its principal aims and business plan.

The Board is made up of a Chair, the Chief Executive and a minimum of eight and maximum of ten other members, all of whom (with the exception of the Chief Executive) are appointed by the Welsh Ministers.

Governance framework

We use *Corporate Governance in Central Government Departments (2017)* as our principal reference point for good practice in Governance. As the Accounting Officer, I have reviewed the Code and have provided an overview, within the governance statement, of how I believe we comply with this code.

Overview of the Qualifications Wales governance framework

The Board and its four committees have operated since Qualifications Wales was established. The committees have key roles in relation to the system of governance and assurance, scrutiny, development discussions, assessment of current risks and also performance monitoring. All committees are chaired by a Board member, are attended by relevant members of the Executive

team and serviced by the Head of Corporate Governance. All committees report directly to the Board, with all minutes available to all Board members. Below is an overview of the activity of the Board and its committees during the year.

The Board

The Board has met five times during the period (May, July, October, January and March). Minutes of Board meetings are made available through the Qualifications Wales website once they have been approved.

The key decisions taken by the Board during the period include the approval of:

- the 2019-20 business plan, including budget allocation and staffing resource levels;
- the annual report for the period September 2017 to August 2018;
- the annual financial accounts for the period April 2017 to March 2018;
- the Annual Equality Report for the period September 2017 to December 2018;
- Qualifications Wales' Equality Objectives 2019-22;
- Qualifications Wales' Welsh Language Scheme;
- revisions to the Framework Agreement between Welsh Government and Qualifications Wales;
- relevant policies, including the Regulatory Whistleblowing Policy and Regulatory Appeals Policy;
- the commencement of procurement activity to award contracts relating to expenditure over £100k including contracts for Microsoft licences, IT software (for finance, expenses and HR), a contract for IT hardware replacements, a contract for Welsh-language translation, a contract for legal services and a contract for business travel;
- an increase of two (from 83 to 85) in the number of posts in the organisational structure;
- the decision to restrict qualifications in the Construction and Built Environment sector;
- the decision to consult on changes to our Standard Conditions of Recognition, our Transfer Conditions Policy, and Criteria for Recognition (GCSE/GCE);
- Qualifications Wales' response to consultations on proposals for a new body to manage post- compulsory education and training (Welsh Government) and the legislative framework to facilitate the new curriculum's implementation; and
- the minutes of its previous meetings.

At some of its meetings (where appropriate), the Board also received or considered:

- updates from the Chief Executive and Chair;
- assurance regarding monitoring activity for the summer and winter exam series;
- risk management reports and risk registers;
- monitoring of operational plan delivery and financial activity;
- updates from each of its committees;
- progress of work to support Welsh Government's curriculum development;
- work undertaken to review the WJEC process to set grade boundaries for the summer GCSE English award;
- Issues with awarding bodies and stakeholders leading to the decision to defer first teaching of some health and social care qualifications;
- the impact of Brexit on Qualifications Wales; and

- the staff survey outcomes.

The Board held two separate development days (May and September 2018) where it considered the strategic overview of vocational qualifications; T Levels and the issues and risks to Wales; apprenticeship and 14-16 vocational qualifications; the new curriculum; General Data Protection regulations (GDPR); equalities objectives and corporate values

Any ex-Committee discussions and decisions are recorded in Board papers and the relevant minutes.

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee supports the Board and Accounting Officer (the Chief Executive) by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment, the integrity of financial statements and the annual accounts. It is for the Board to define and communicate the organisation's risk appetite. How it manages key risks and responsibility for risk management and internal control lies with the Board. However, the oversight of this has been delegated to the Audit and Risk Assurance Committee.

The terms of reference for the Audit and Risk Committee can be seen on our [website](#).

The Audit and Risk Committee met four times in the period (May, July, October and February). Minutes of these meetings have been provided to the Board. Our internal and external auditors also attend this committee.

During this period, the committee has:

- reviewed the draft annual accounts for 2017-18 and provided an assurance report to the Board and Accounting Officer;
- reviewed all the internal audit reports carried out in the period;
- overseen the monitoring of all internal audit recommendations;
- reviewed reports in relation to fraud, bribery, gifts and hospitality management;
- received risk management reports, reviewed relevant aspects of the corporate risk register and conducted deep-dives into the risks related information security and business continuity;
- received information security updates throughout the year;
- received financial update reports throughout the year and scrutinised the processes used for forecasting;
- received reports on any departures from the procurement procedures; and
- completed its governance health check, reviewed its terms of reference and considered its schedule of future meetings.

Closed meetings will be held with the internal and external auditors at the committee's May 2019 meeting.

No issues of concern were raised to the Board.

Resources Committee

This committee provides an environment for detailed discussion on financial and business planning matters, and several human resource areas. The committee has also been delegated the authority to approve HR policies on behalf of the Board. A summary of its terms of reference is available on our [website](#).

Accountability for the financial strategy and policies of the organisation lies with the Board: the Chief Executive and Executive team have responsibility for managing finances within these parameters.

The Resources Committee met three times in the period (July, October and March). The minutes of these meetings have been provided to the Board.

During this period, the Resources Committee:

- reviewed the 2018-19 quarterly progress report on the operational plan and financial position;
- reviewed the draft 2019-20 business plan and budget;
- reviewed the Medium-Term Financial Plan;
- reviewed and approved a range of HR based policies including the Recruitment, Organisational Development, Dignity at Work and Mental Health policies;
- reviewed proposals for changes to staffing permanent headcount within specific areas of the organisation;
- undertook a deep dive on the research plan;
- completed its governance health check and reviewed its terms of reference; and
- considered its schedule of future meetings.

Regulation Committee

The purpose of this Committee is to consider and provide recommendations to the Board on issues arising from Qualifications Wales' regulatory approach. Its recommendations must be endorsed by the Board before any action is taken. A summary of the committee's terms of reference are available on the [website](#).

The Regulation Committee met five times in the period (April, July, October, December and February). Minutes of these meetings have been provided to the Board.

During this period, the Committee considered:

- strategic policy updates and reviewed several policies. Policy reviews included the Transfer Conditions Policy, Standard Conditions of Recognition, Criteria for Recognition (GCSE/GCE), Monetary Penalties, Regulatory Appeals Policy and Regulatory Impact Assessments.
- risk management reports and reviewed the regulatory risk register;

- the consultation response to the reform proposals arising from the sector review of the Construction and the Built Environment;
- Qualifications Wales's approach to the new Curriculum for Wales;
- the progress on the Information and Communications Technology sector review;
- the progress of the Health and Social Care, and Childcare qualification reform;
- monitoring plans for the Summer and Winter examination series;
- reports on monitoring and compliance, recognition and approval activities;
- its governance health check and reviewed its terms of reference; and
- its schedule of future meetings.

Remuneration Committee

The purpose of this committee is to consider and provide recommendations on the remuneration of staff and Board members. Its recommendations must be endorsed by the Board before any action is taken, and any substantial changes to terms and conditions must be agreed by the Welsh Ministers. A summary of its terms of reference are available on the [website](#).

The committee met once in the period (November 2018). During this meeting, the committee considered:

- Chief Executive and Executive Director performance;
- Pay review.

Board performance and effectiveness review

During 2017-18, the Board considered the methods it wished to use to evaluate its own performance and the effectiveness of its committees. The Board decided to use a variety of methods, including one-to-one reviews and a health-check of each committee. In 2018-19, we have carried out the following activities:

Committee Governance health checks - A health check was conducted with three of the four committees. The health check asked each committee to consider areas such as committee administration, performance, the committee's relationship with the Board, the relationship with staff and any areas for future consideration.

Board Member one-to-one sessions - The Chair met separately with each Board member during the year to conduct an annual review meeting. The main findings from these activities are being developed into a Board Action Plan for 2019-20.

Chair's Review – During the year, the review process for the Chair of the Board was further developed. Each Board member, Executive Director and the Head of Corporate Governance had the opportunity to provide their views of the Chair's performance during the year. The Chair completed a self-assessment and then all information was collated and presented to the Chair in a feedback report. In addition, the Chair had an annual review meeting with the Cabinet Secretary for Education in August 2018.

Learning and development – In addition to regular meetings and its own effectiveness review, the Board undertook a range of learning and development opportunities. Each Board member had the opportunity for a personalised plan.

Board effectiveness – In 2016-17, an external review was conducted which we reported in the 2016-17 annual accounts. We have decided to undertake an external review of that nature every two to three years. An external review was procured in January 2019 and will be reported on in our 2019-20 annual accounts.

Attendance at Board and Committee meetings (1 April 2018 to 31 March 2019)

	Board	ARAC	Regulation Committee	Resources Committee	Remuneration Committee
Number of Meetings held	5	4	5	3	1
Board Member Name	Attendance				
Ann Evans (Chair)	5	N/A	5	3	1
Philip Blaker (CEO)	5	(4)	4	3	(1)
Caroline Burt	4	1 (of 1)	5	N/A	1
Ellen Donovan	5	N/A	N/A	3	1
Robert Lloyd Griffiths	4	N/A	N/A	3	1
Angela Maguire-Lewis	4	4	N/A	2 (of 2)	N/A
Claire Morgan	4	N/A	5	N/A	N/A
Isabel Nisbet	5	4	5	N/A	N/A
Rheon Tomos*	2 (of 2)	3 (of 3)	N/A	N/A	1
David Jones	3 (of 4)	4	N/A	1 (of 1)	N/A
Arun Midha	4 (of 4)	1 (of 1)	5	N/A	N/A

() indicates attendance but not as a member

*Term ended on 31 December 2018

David Michael was co-opted on to the Audit Committee for the period February – May 2019. This was to give the Committee access to professional accountancy skills and was not remunerated.

Internal Audit - the system of internal control

Our system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risks; it can therefore only provide reasonable, and not absolute, assurances of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the period ending 31 March 2019 and up to the date of approval of the annual accounts. As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. In doing so, I am informed by the work of the internal auditors and the Directors within the organisation who have responsibility for the development and maintenance of the internal control framework.

We outsource our internal audit services and have appointed TIAA, through a competitive tender, as our internal auditors.

During 2018-19, seven internal audits have been completed as follows:

Audit name	Assurance rating	Number of recommendations
Anti fraud - whistleblowing	Reasonable	4
Key financial controls	Substantial	1
Incident management	Substantial	1
Recognition of awarding bodies	Reasonable	5
Strategic control and corporate governance	Substantial	6
Performance management	Reasonable	3
Risk management	Substantial	2

The Audit and Risk Assurance Committee has given oversight to the Internal Audit plan and the audit reports and will continue to monitor the implementation of recommendations raised during the year. The table below provides a summary of the recommendations raised:

Recommendations raised	Priority			
	High	Medium	Low	Total
Recommendations raised in 2016-17	1	4	15	20
Recommendations raised in 2017-18	-	3	13	16
Recommendations raised in 2018-19	-	4	18	22
Total	1	17	46	58

A monitoring and tracking system was introduced that reported to the Audit and Risk Committee. TIAA, our Internal Auditors, also reviewed the recommendations at the end of the financial year to ensure compliance and provide assurance to the Accounting Officer and Audit and Risk Assurance Committee. The table below provides an overview on the status of recommendations at the end of the year:

Priority	Status					
	Implemented or superseded	Overdue – in progress	Overdue – not yet started	Not yet due	Not implemented	Total
Urgent						
Important	1	1		2		4
Routine	11	2		7	1	21
Total	12*	3		9	1	25

*The internal audit annual review included some actions brought forward from the previous years audit

As at 31 March 2019, three recommendations (one medium-priority recommendations and two low-priority recommendations) had passed their initial due dates; all of these are in progress. In summary the recommendations are:

- Medium priority (one): covers the recognition of awarding bodies and the requirement for timescales for the review of applications to be adhered to or reviewed. We are now meeting the timescales but have committed to reviewing the recognition process and this recommendation will be considered as part of this review;
- Low priority (two): One relates to the recognition of awarding bodies audit and the requirement for the Recognition Policy to be reviewed. This is in progress and is awaiting finalising of an external consultation on GCSE/GCE Criteria for Recognition. The policy can then be revised and published. The second action relates to the governance audit and the timescales for producing and circulating Board and Committee minutes. This was adopted, and a timescale agreed, but adherence is to be demonstrated before the recommendation is closed.

All internal audit recommendations are tracked and reported at each Audit and Risk Assurance Committee meeting.

The purpose of the Head of Internal Audit opinion is to contribute to the assurances available to the Accounting Officer and the Board which underpin the Board's own assessment of the effectiveness of the system on internal control. The report below is provided by our Head of Internal Audit from TIAA.

Head of Internal Audit Opinion

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

TIAA is satisfied that, for the areas reviewed during the year, Qualifications Wales has effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by Qualifications Wales from its various sources of assurance.

AUDIT SUMMARY

Control weaknesses: There were no areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' or 'no assurance'.

Recommendations Made: We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Urgent	Important	Routine
Directed	0	0	7
Compliance	0	3	6
Operational	0	1	5
Reputational	0	0	0

Operational Effectiveness Opportunities: One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
19

INDEPENDENCE AND OBJECTIVITY OF INTERNAL AUDIT

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

TIAA

23 May 2019

Risk management and control framework

The Board has overall responsibility for the organisation's risk management and has risk as a standing agenda item at each Board - either for discussion or information. The Board is supported by the Audit and Risk Committee (ARAC), which has responsibility for providing advice and assurance on the organisation's approach to risk management and satisfying itself of the way that risk is managed within the organisation. ARAC also has risk management as a standing agenda item as part of its core business.

During the year, we have further developed the maturity of our risk management and reporting. The risk register is split into two main themes: Regulatory and Corporate, which helps us to refer the right risks to the appropriate committee or group for review.

The Executive team, via the Management Board, are responsible for maintaining the risk register (regulatory and corporate) and supporting team/project risk registers. 'Deep dive' sessions are held where existing risks are scrutinised, and new risks identified.

The Board committees actively discuss risk and review relevant risk registers as follows:

- Audit and Risk Assurance Committee (ARAC) review specific aspects of the corporate risks;
- Regulation Committee review the regulatory risks.

The role of the committees is to provide both support and challenge to the Executive team. Committees also have a role to provide assurance to the Board that risk is being actively considered within committee discussions and managed appropriately.

The Board reviewed its risk appetite in October 2017, making relevant changes in accordance with the maturity of the organisation.

The Board have determined that risks will be formally considered by the Board itself three times every year, with the risk report and organisational risk register available at every meeting.

Strategic risk profile

Qualifications Wales managed strategic risks during 2018-19 relating to our corporate and regulatory functions. At the end of March 2019, 26 risks were present on the organisational risk register (11 regulatory and 15 corporate).

The regulatory risks relate to this aspect of our work. The red-rated risks relate to work that will follow from the implementation of the new Curriculum for Wales. Specifically these risks relate to the level of specification of content and learning objectives within the Curriculum, and clarity regarding the education policy decisions that will need to be made by Welsh Government in order for our work to progress. Other red risks relate to the timely development of new qualifications for the health and social care sector, where we have taken the decision to stagger the implementation of new qualifications over two years, rather than a single implementation in September 2019 as originally intended. The amber risks are a mix of medium- and long-term risks relating to the emerging changes to the qualifications system in England and their potential

impact on Wales. They also include risks relating to general controls in the monitoring and overseeing of the qualifications system. The green risks relate to incident management and the availability of qualifications for apprenticeship frameworks.

The main corporate risks identified relate to the risk to the availability of resources for us to perform our role in the redesign of qualifications for 16-year-olds for the new Curriculum for Wales, in addition to the work we are already committed to in our sector review work and the uncertainty of future funding. Other risks include information management security, stakeholder communication, Board and Chair succession planning, the future implementation of the Welsh Language Standards and the recent organisational reconfiguration.

All risks are actively considered on a regular basis and reviewed in line with the Board's risk appetite.

Procurement and departures from procurement procedures

Our published Procurement Policy aligns to the Wales Procurement Policy Statement, and we therefore openly advertise opportunities over £30k (including VAT) on Sell2Wales.gov and consider how to make our opportunities available for Small and Medium Sized Enterprises (SMEs) to successfully tender.

Our Procurement Policy is delivered via our Procurement Strategy, and supported by tendering and quotation procedures in which all budget holders have been given training.

Our procedures require that (unless we are using existing contracts or collaborative framework agreements such as those let by the National Procurement Service):

- three quotes are obtained for goods and services between £6,000 and £29,999;
- an invitation to tender is issued for goods and services over £30,000 and below the EU threshold; and
- an advert is issued to the Official Journal of the European Union for tenders over the EU threshold.

A departure process is in place to allow the effective management of any deviation from these procurement procedures. In the majority of cases, goods and services are purchased only after competitive tenders/quotations have been sought following advice from the Procurement Department. In certain circumstances, this may not be possible. When such a circumstance arises, the approval of the Chief Executive must be given.

In order that appropriate justification is provided, the template 'Request for approval for a departure from procurement procedures' is completed. The request is logged on the quotation / tender register.

The Head of Procurement reviews the request and if the request is justified, will forward it to the Chief Executive for approval. For all contracts, including those resulting from a departure, where

the value is £100,000 or above, prior approval for the expenditure must have been sought from the Board prior to commencing procurement activity.

Any departures are reported to both the internal Management Board and the Audit and Risk Assurance Committee. During the period 1 April 2018 to 31 March 2019, five departures were approved, with a combined value of £186,529.60.

Information governance

We have an Information Security Policy that sets out the roles and responsibilities of all employees in relation to IT and information security. The policy is supported by several guidance documents including Information Classification and Information Handling Guidelines.

The Executive Director for Finance and Corporate Services is the Senior Information Risk Officer (SIRO), and is accountable to the Accounting Officer and the Board for information and data governance. The Head of IT is responsible for developing, maintaining and implementing relevant IT policies, whilst the Head of Corporate Governance is responsible for data management policies and Freedom of Information requests. The Data and Systems Manager is the Data Protection Officer and responsible for compliance with the General Data Protection Regulations.

We are committed to openness and transparency in the way we do business. Our Publications Scheme commits us to making certain relevant information routinely available to the public and is available on our [website](#).

We prepared for the introduction of the General Data Protection Regulation (GDPR) to ensure that the organisation was ready to comply with the new regulations that came into effect from 25 May 2018. Staff completed on-line training, as well as receiving briefings. We also commissioned an specialist external audit of our readiness to comply with the new law, which returned a conclusion of 'reasonable'. The audit recommended three low-risk actions to ensure we remained on track to comply. These were completed.

We have established an Information Risk Appetite statement, categorising data into the following areas, applying a risk ranking, stating our risk appetite and setting associated management actions:

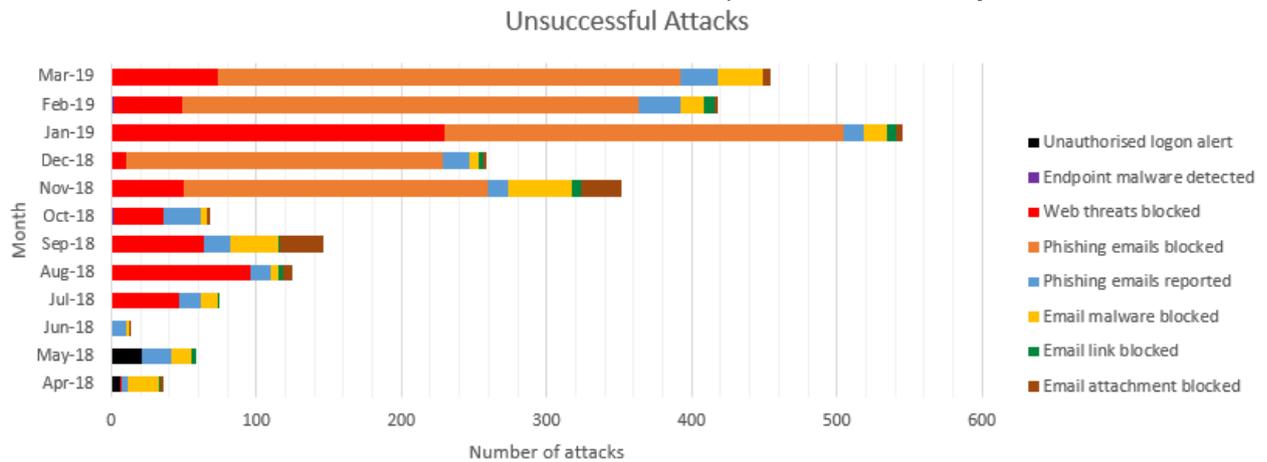
- public information;
- internal corporate;
- sensitive personal information about staff and third parties;
- QiW (our regulatory database) and
- social media.

The Head of IT is responsible for regularly reviewing our risk appetite statement and proposing updates to the Management Board. This year, we have undertaken third- party penetration testing of our in-house application QiW, and also undertaken a third-party review of the security configuration of our cloud services.

Cyber security

In this financial year, there were no successful breaches of our IT security or data losses. We had two incidents that resulted in a short-term loss of access to some Microsoft cloud services. Neither of these caused significant business disruption. We refreshed our Cyber Essentials Plus accreditation in February 2019.

The chart below summarises the unsuccessful attacks experienced over the year.

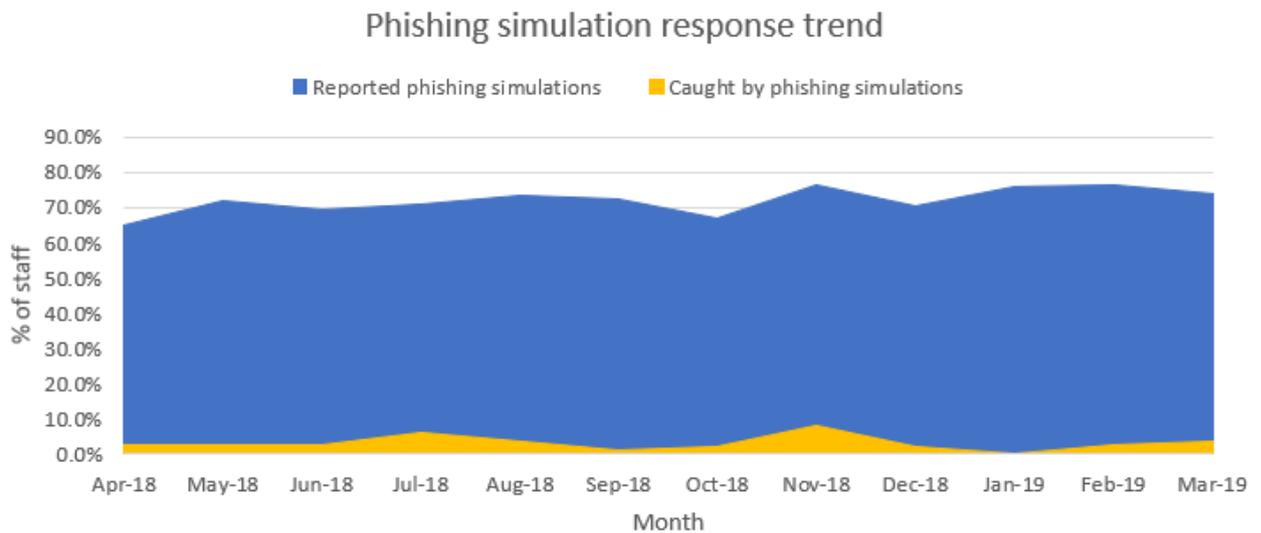


We still consider email ‘phishing’ to be one of our top threat vectors. Our email filters provide advanced threat protection against phishing emails containing malicious links and attachments. There was a significant increase in the number of phishing emails blocked in the second half of the year.

Other activities we have undertaken during the year to counter the threat from phishing include:

- deploying a cloud-based web filtering solution that protects our devices wherever they connect to the internet;
- running monthly simulated phishing attacks on our staff to test their response and alert them to the dangers; and
- putting all staff through ongoing interactive online information security awareness training.

The results of simulated phishing attacks are shown in the chart below (staff responses not shown on the graph relate to emails unopened or deleted without reporting):



Personal data reported incidents

Qualifications Wales has no personal data incidents to report.

Freedom of Information requests

We received 13 requests for information during the year, all of which were responded to in accordance with the appropriate timescales.

Whistleblowing

Qualifications Wales has a Whistleblowing Policy, which provides details to our staff about the policy purpose and process for raising any concerns. One issue was reported under this policy, which we investigated under our Complaints about Awarding Bodies Policy.

Well-Being of Future Generations (Wales) Act 2015 (FGA)

Qualifications Wales is committed to sustainable development. Although we are not currently subject to the Well-being of Future Generations (Wales) Act 2015 (FGA), we consider that our role supports its purpose and that its requirements are compatible with how we work.

We have, therefore, voluntarily chosen to adopt the FGA Act provisions to underpin how we deliver our functions. It is natural for us to work in this way, as education necessarily requires a long-term view.

We have developed well-being objectives which were published in April 2018 and can be seen on our [website](#). We will be reporting progress against them.

Our work particularly supports long-term economic prosperity by ensuring that qualifications are fit for purpose, and by considering how well they meet the needs of employers and further and higher education establishments. This supports academic progression and employability, and,

therefore, prosperity and economic growth. Good education makes a difference to long-term life chances, and it is important to be able to demonstrate achievement through robust and meaningful qualifications.

Welsh Language Standards

We communicate with our stakeholders bilingually, as appropriate. Although we are not yet subject to the Welsh Language Standards, we have chosen to voluntarily publish a Welsh Language Scheme in spring 2019. We have an action plan, and our focus will be on embedding the Scheme throughout the organisation, with an emphasis on our engagement with the general public.

Promoting and supporting Welsh-medium and bilingual qualifications

Both our GQ and VQ Strategies outline our commitment to increasing the availability of Welsh-medium and bilingual qualifications and our Regulatory Welsh-Medium and Bilingual Qualifications Policy outlines when qualifications must normally be available in Welsh. During the last year, we have increased support for awarding bodies and the qualifications system to increase the availability of qualifications and assessors, and have convened and led forums and networks with awarding bodies and school leaders.

We provide extensive grant funding to help support the availability of Welsh-medium qualifications and assessment for both general qualifications (GCSEs and A levels) and vocational qualifications, including the Welsh for Adults qualifications.

Equality Act

We comply with the general duties under the Equality Act 2010, and we have taken care to consider equality issues in all our activities. Examples of our approach include the design of our office, our recruitment practices, our website design standards and the organisation of our events. Equality considerations are built into the design of our policies and the delivery of our services, and they are kept under review.

As a regulator, we also monitor how well awarding bodies meet their equalities duties. We have adopted the principles of 'Fair Access by Design' as guidance for the awarding bodies that we regulate (the three-country policy that seeks to ensure that the design of qualifications has no in-built discrimination). Our Conditions of Recognition require that learners receive reasonable adjustments and we monitor awarding body compliance. Our Centre Support Team also provide guidance to examination officers who are responsible for implementing access arrangements.

We have published a progress report against our 2016-18 objectives which highlights progress against each of the six objectives - most notably equality training, policies, culture and offering flexible working. We have also published our new Strategic Equality Objectives from 2019-22 and we will continue to monitor and review these on an annual basis.

Conclusion

As the Accounting Officer for Qualifications Wales, I confirm that the statements made in this report are correct for the period from 1 April 2018 to 31 March 2019. There have been no significant internal control or governance issues and I confirm that there were sound systems of internal control in place to support the delivery of the organisation's policy aims and objectives.

Philip Blaker

Accounting Officer

18 July 2019

4 Remuneration and staff report

Remuneration policy

Qualifications Wales employees are employed on terms and conditions agreed by the Board. Remuneration is aligned with Welsh Government pay bands and scales. Progression through the pay scales is on an annual increment basis, subject to satisfactory performance. Changes to salary structure for all employees (including the Executive) are reviewed annually by the Remuneration Committee, and any changes to our approach to pay must be approved by the Minister for Education.

The remuneration package includes membership of the Civil Service Pension Scheme. Upon appointment, employees are offered a choice of two types of pension: 'Alpha' (a career-average scheme) and 'Partnership', which is a defined contribution arrangement. Details of the Civil Service Pension Scheme can be found at <http://www.civilservicepensionscheme.org.uk>.

Board fees and travel costs are paid in accordance with Welsh Government rates for public appointments.

Remuneration (including salary) and pension entitlements – senior officials and Board members

The following tables provide details of the remuneration and pensions interests, for the period from 1 April 2018 to 31 March 2019, of the senior officials and Board Members who have authority or responsibility for directing or controlling our major activities.

Single total figure of remuneration						
Non-executive Board Members	2018-19			2017-18		
	Fees (banded)	Pension Benefits	Total	Fees (banded)	Pension Benefits	Total
	£'000	£	£'000	£'000	£	£'000
Chair Ann Evans	25-30	-	25-30	25-30	-	25-30
Angela Maguire-Lewis	5-10	-	5-10	5-10	-	5-10
Caroline Burt	15-20	-	15-20	10-15	-	10-15
Claire Morgan	0-5	-	0-5	0-5	-	0-5
Isabel Nisbet	5-10	-	5-10	5-10	-	5-10
Ellen Donovan	5-10	-	5-10	5-10	-	5-10
Rheon Tomos (Left QW Board Dec 2018)	0-5	-	0-5	5-10	-	5-10
Robert Lloyd Griffiths	5-10	-	5-10	5-10	-	5-10
Alun Llwyd (Left QW Board 4/03/18)	0	-	0	5-10	-	5-10
Arun Midha (Joined QW Board 21/05/17)	5-10	-	5-10	5-10	-	5-10
David Jones (Joined QW Board 14/05/17)	5-10	-	5-10	5-10	-	5-10

'Fees' include the reimbursement of travel expenses to and from Qualifications Wales as these, in accordance with HMRC requirements, are treated as taxable benefits.

This table is subject to audit.

Single total figure of remuneration						
	2018-19			2017-18		
Executive Officials	Salary (banded) £'000	Pension Benefits (to the nearest £1000)	Total £'000	Salary (banded) £'000	Pension Benefits (to the nearest £1000)	Total £'000
Chief Executive Philip Blaker	125-130	46,000	170-175	125-130	46,000	170-175
Executive Director - Policy and Development Kate Crabtree	70-75	5,000	75-80	75-80	14,000	90-95
Executive Director - Regulation Jo Richards	80-85	30,000	110-115	80-85	32,000	110 - 115
Executive Director - Finance and Corporate Services Alison Standfast	80-85	24,000	105-110	80-85	61,000	140-145

This table is subject to audit.

Salary includes gross salary and any other allowances subject to UK taxation. The report is based on accrued payments made and thus recorded in these accounts.

There were no benefits in kind or bonus payments made in 2018-19.

The 'pensions benefits' figures above are calculated for disclosure purposes, by our pensions administrators. These figures are calculated as the 'real increase in pension' (see 'Senior Employees Pension Benefits' table below) multiplied by 20, plus the real increase in any lump sum, less contributions made by the employee during the period.

Senior Employees Pensions Benefits					
Officials	Total accrued pension at pension age as at 31 March 2019	Real increase in pension at pension age	CETV at 31 March 2019	CETV at 31 March 2018	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Chief Executive Philip Blaker	10-15	2.5-5	153	105	25
Executive Director - Policy and Development Kate Crabtree	40-45	0-2.5	903	816	5
Executive Director - Regulation Jo Richards	10-15	0-2.5	163	124	13
Executive Director - Finance and Corporate Services Alison Standfast	20-25	0-2.5	397	340	11

This table is subject to audit.

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015, a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or ‘alpha’, 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 Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one 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 two schemes). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 3% and 8.05% of pensionable earnings for members of classic (and members of alpha who were members of classic immediately before joining alpha) and between 4.6% and 8.05% for members of premium, classic plus, nuvos and all other members of alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on 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 partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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 at the website www.civilservicepensionscheme.org.uk

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 which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out 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, 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.

Fair pay disclosures

We are also required to disclose the relationship between the remuneration of the highest-paid director in the organisation and the median remuneration of the organisation's workforce. This is shown below.

Median Remuneration		
	2018-19	2017-18
Band of highest earner's Remuneration (£'000)	125-130	125-130
Median Total Remuneration	41,850	39,750
Ratio	3.05	3.21

This table is subject to audit.

Staff report

In the last 12 months, our organisational structure has again been relatively stable. Our headcount at 31 March 2019 is at 78, compared to a figure of 77 twelve months prior, FTE has increased from 76.14 in 2018 to 77 in 2019. We have one employee currently on a career break who is not included in this headcount or FTE figure. Headcount and FTE fluctuate during the year as we respond to turnover and recruit accordingly. Our average number of employees during the last 12 months, along with a comparison to the two previous years is outlined in the table below:

Year	Average headcount	Full Time Equivalent (FTE)
2018-19	77.3	76.61
2017-18	78.5	76.14
2016-17	72	-

This table is subject to audit.

In the last year, six employees have resigned for new career opportunities, and three secondment arrangements have concluded, one of which became a permanent appointment following external recruitment. Our turnover has declined from 14% to 8% (8% FTE). During the last 12 months, we have run 16 individual recruitment exercises; two of these were schemes run for the second time due to unsuccessful initial advertisements.

We usually advertise permanent opportunities externally, and internal candidates can apply via that route. We operate an approach of a guaranteed interview for applicants who meet the minimum score for consideration at interview and indicate that they are disabled. We run internal exercises for short-term development opportunities, which cover maternity leave or specific project work. The decision to recruit is taken by our Management Board. At this point, we consider whether we have sufficient internal candidates to warrant a competitive internal exercise, and we did this once in the last year. The recruitment exercises in the last 12 months have been across all three Directorates within the organisation: Finance and Corporate Services, Policy and Research and Regulation.

Our workforce comprises 99% of employees on permanent contracts (compared to 95% at 31 March 2018). During the past year, three secondment agreements ended; this has been a steady decline over the past three years. We remain open to secondments and these arrangements will continue to be used where they offer the opportunity to interchange with other organisations and to make the best use of skills, particularly in areas of professional expertise. Last year our apprentice was on a fixed-term contract; this person has transitioned to a permanent contract to enable them to continue to the higher-level apprenticeship scheme. We have one fixed-term contract in place, which we appointed to complete a defined piece of work.

During the year, we have used agency staff to fill vacancies or short-term work for which a secondment or fixed term appointment was not suitable. During the last 12 months we have appointed six people via an agency to undertake defined roles. As at 31 March, only one agency employee was working with us. These temporary contracts are not incorporated into calculations for headcount or FTE calculations.

	Female	Male	
Apprenticeship	1	0	
Fixed-term	0	1	
Permanent	46	30	
	47	31	78

Headcount at 31 March 2019

Following the introduction of IR35 (intermediaries' legislation), we review all appointments with those contracted to ensure compliance.

Learning and development

We are committed to employee development. Specific needs are either identified through our business planning, our senior managers or through individual performance discussions. Individual requirements might be met with formal training, through access to different opportunities or working across teams within our organisation.

Some of our training meets a corporate or statutory need and is delivered across the organisation. This year we have run first aid training, mandatory online manual handling training for all staff (supplemented with face to face training for those in relevant roles), fire safety and online risk assessment. In terms of IT, employees undertook mandatory online training in information security and GDPR and were encouraged to undertake online social media awareness. We have also supported individual IT needs through access to online modules in Microsoft packages, and specific training in relation to Excel and PowerPoint.

During the year, we designed and delivered project management training to all employees below Executive level to ensure a common approach across the organisation.

In May 2018, we delivered Mental Health Awareness in partnership with Mind Cymru, to employees across the organisation. In February 2019, we delivered Mental Health First Aid to 12 employees. This is part of our broader commitment to employee wellbeing - supporting broader employee development, recognising that these learning opportunities can support employees outside work, as well as within the workplace. As part of the support for employee wellbeing we built on the pension training delivered in the previous 12 months and delivered 'Pension Power' sessions through our pension provider, to ensure that employees are informed for their future.

We have continued to support Welsh-language learning through funding individuals in personal study at local colleges, as well as the promotion of the online learning modules developed by the National Centre for Learning Welsh. Two employees also attended residential sessions delivered by the National Centre for Learning Welsh that immerse learners in the language to either build on existing language skills or start individuals on their Welsh-language journey. This formal training is supported by an environment that encourages learners to build their skills through conversing with Welsh-speakers.

We support personal development, and in the last year have continued to support two employees in higher education courses. Several employees in Qualifications Officer and Manager roles also undertook online training in educational assessment. We have committed to employee professional development and are supporting an employee through her study to achieve Level 3 AAT; similarly, we are committed to developing an employee in the Communication profession. Employees have also attended external training and conferences to develop and enhance their professional skills and maintain their CPD in fields such as Procurement, Corporate Governance, HR, Finance, Research and Communications.

Employees also run internal 'litebite' sessions to inform the wider organisation about pieces of work that teams or individuals are working on, or to explain organisational policies.

Trade union members have also been supported to attend courses to ensure that they have the knowledge and ability to undertake their union roles.

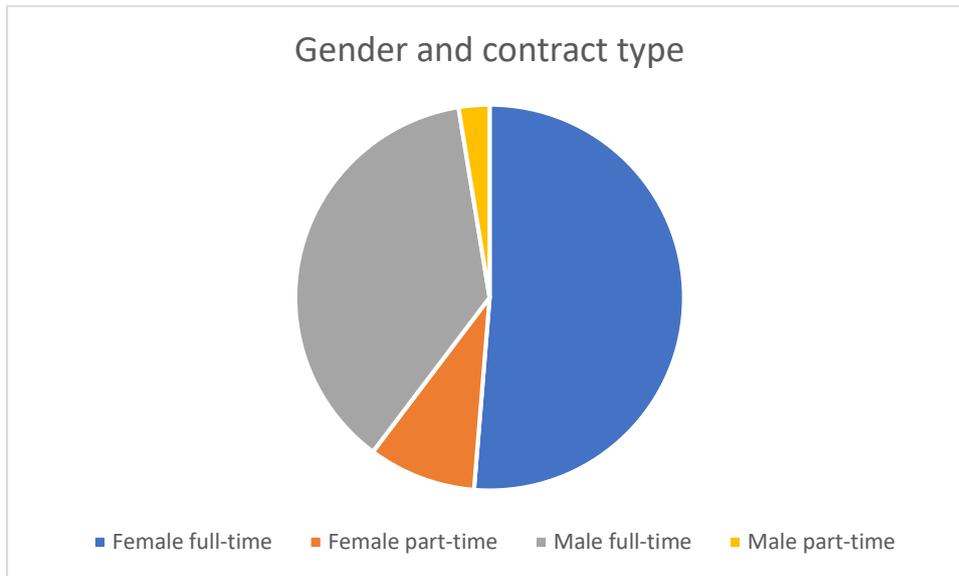
Pay band and gender

The following tables outline our employee composition as at 31 March 2019, by their substantive band, gender, age and contract type (full-time hours are 37 hours per week, part-time contracts are those agreed with fewer than 37 hours).¹ We have seen an increase in requests to work part-time and now have a total of nine employees on a contract of fewer than 37 hours, which is an increase of five from 31 March 2018 (at that point four employees, three female, one male worked part-time). It is worth noting that one of these current working arrangements was advertised as a term-time (part-time) contract.

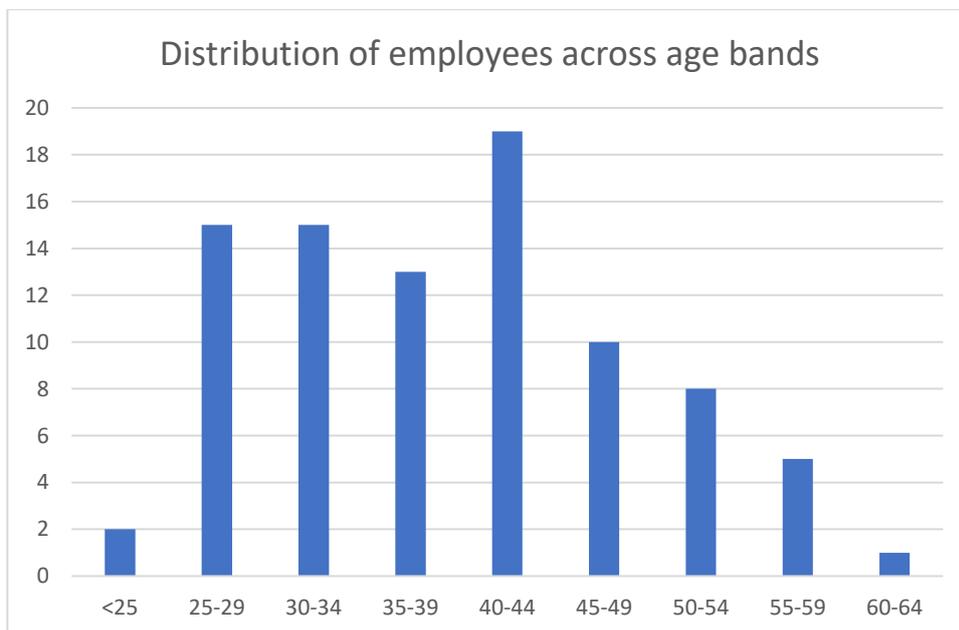
Band	Female Full-Time	Female Part-Time	Male Full-Time	Male Part-Time	Total
1	3	0	0	0	3
2	7	1	2	0	10
3	9	0	9	0	18
4	13	3	10	1	27
5	3	2	4	1	10
6	3	0	3	0	6
7	2	1	0	0	3
8	0	0	1	0	1
Total	40	7	29	2	78

¹ The table indicates an employee's substantive (contracted) band. It does not reflect when an employee may be temporarily working at a higher band, and therefore conflicts with the table on p58 which is based on an employee's actual pay in this year.

Gender and contract type



Age



Sickness absence

Our sickness absence rates have decreased over the last 12 months, and in total 262.5 working days were lost, compared to 349.5 working days lost in 2017-18 . The Chartered Institute of Personnel and Development (CIPD) Health and Wellbeing at Work Survey reports the 2019 yearly average for the public sector has dropped from 8.5 to 8.4 days per employee, with an overall average at a new low figure of 5.9 days. We use these figures as our monthly benchmark.

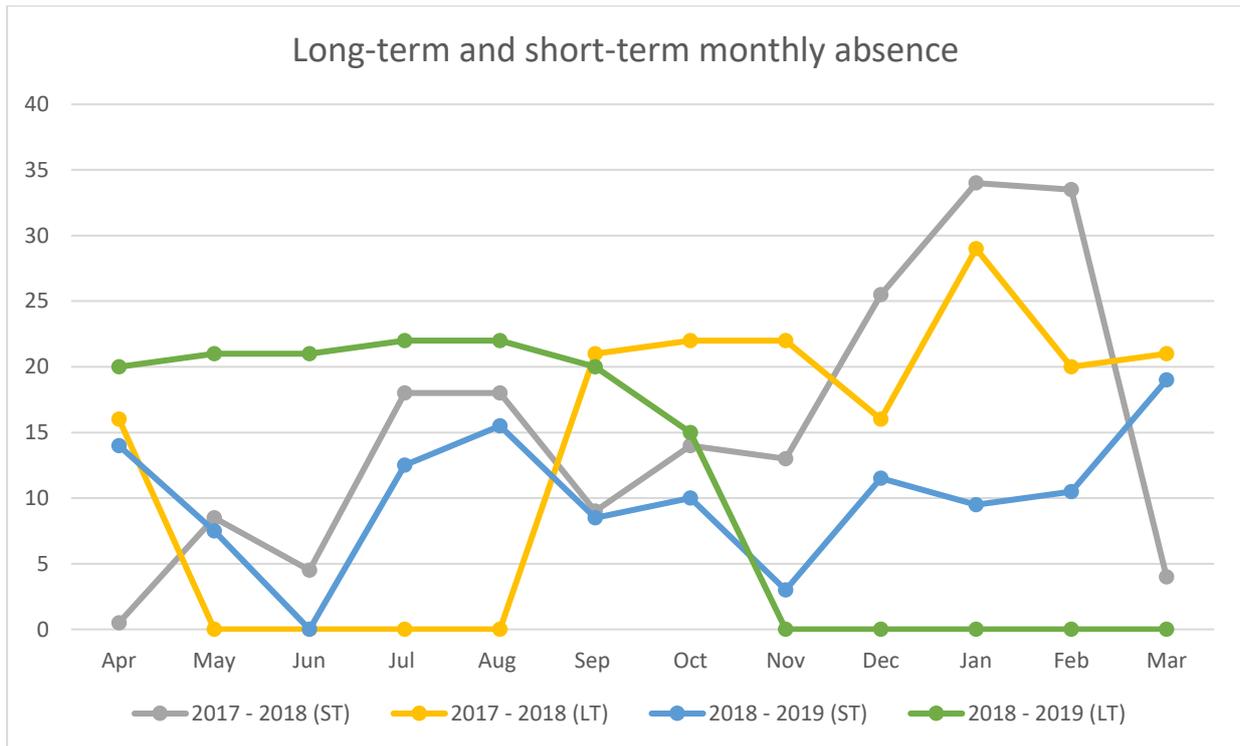
Interestingly, the survey reports on the impact of organisational size on absence rates which increase significantly in organisations of 250+. The average for organisations with between 50 and 249 employees was 4.4 this year (down from 5.3 in 2018). Our annual average level of absence is 3.4 days compared with 4.4 days last year. This figure is calculated using the annual average number of employees, which in 2018-19 was 77.33. Our annual average FTE is 76.61, which adjusts our average to 3.4 days - a reduction compared with last year's figure of 4.5 days.

Our short-term absence has remained relatively consistent during the year, with lower reported absence during periods when we have seen increases previously (November, January and February). This is the second year that we have provided access to flu vaccinations, and whilst we cannot determine the full impact of this provision, we will monitor uptake and resulting absence due to cold/flu reasons. In general, our absence reasons have also remained consistent. Our sickness absence statistics are reviewed by our Management Board monthly to review trends and concerns, and to mitigate and manage where possible.

The tables below outline our sickness absence statistics in more detail.

Sickness absence totals by month

Month	2016-2017 (ST)	2016 - 2017(LT)	2017 - 2018 (ST)	2017 - 2018 (LT)	2018-2019 (ST)	2018 - 2019 (LT)
Apr	9.5	0	0.5	16	14	20
May	21.5	0	8.5	0	7.5	21
Jun	16	0	4.5	0	0	21
Jul	10	0	18	0	12.5	22
Aug	12.5	0	18	0	15.5	22
Sep	1	1	9	21	8.5	20
Oct	18.5	34	14	22	10	15
Nov	19	60	13	22	3	0
Dec	25	24	25.5	16	11.5	0
Jan	18.5	22	34	29	9.5	0
Feb	13.5	16	33.5	20	10.5	0
Mar	11.5	23	4	21	19	0
Total	176.5	180	182.5	167	121.5	141



We are committed to encouraging a healthy lifestyle and a good work/life balance. We contract an occupational health provider to help us, and to:

- offer assistance and advice to employees;
- support attendance at work; and
- facilitate successful return to work after a long-term absence.

We also give employees access to an Employee Assistance Programme that can offer advice and support on a range of issues. This is available initially via a telephone service or via the internet at any time of day or night, and is completely confidential.

We promote and encourage a healthy work/life balance through the support services provided and organisational policies. In our 2018 People Survey, 90% of employees agreed that the organisation supports their health and wellbeing. In the last 12 months, our Wellbeing and Equalities group have been working together to promote a range of initiatives across the organisation. They have also been central to building our bid to achieve the bronze Corporate Health Standard, which we were awarded in March.

Summary of 2018-19 staff costs

	2018-19					2017-18				
	Permanently Employed Staff	Temporary Staff	Others Seconded Staff	Agency Staff	Total	Permanently Employed Staff	Temporary Staff	Others Seconded Staff	Agency Staff	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Wages and Salaries	3,314	25	32	-	3,371	3,005	74	177	-	3,256
Social Security Costs	371	2	4	-	377	334	7	20	-	361
Other Pension Costs	705	5	7	-	717	627	26	35	-	688
Agency Costs	-	-	-	78	78	-	-	-	43	43
Total	4,390	32	43	78	4,543	3,966	107	232	43	4,348

This section is subject to audit.

There were no 'off payroll' engagements made in 2018-19.

There were no exit packages in 2018-19.

Qualifications Wales incurred the following consultancy costs during 2018-19:

Consultant	Consultancy Work Undertaken	Total £
Cowshed Communication Ltd	Cowshed were appointed to run Qualifications Wales' social media channels. The work includes providing strategic advice, activity management, content creation and evaluation across Twitter, Facebook and LinkedIn.	3,135
Certes Computing Ltd	Certes were commissioned to consider our processes for the development and approval of qualifications, to map the current processes and consider recommendations for how we might improve or rationalise our operations for the delivery of this function.	11,808

Equalities

Our [Strategic Equality plan](#) outlines the objectives that we have set ourselves to underpin our commitment to equality. The plan covers all aspects of our operations, including staff, facilities, expenditure, qualifications development and regulation, stakeholder engagement and monitoring. This includes monitoring our performance on equal pay between genders. The table below outlines our position on equal pay at the end of March 2019.²

	Pay Band	Women	Men	2018/19 remuneration gap (- if women paid less)	2017/18 Remuneration Gap (- if women paid less)	Difference	2018/19 remuneration gap as a % of male (-if women paid less)	2017/18 Remuneration gap as a % of male (- if women paid less)	Change
mean	1	£19,783.33			-£2,150			-11%	
median		£19,240.00			-£2,150			-11%	
mean	2	£26,328.57	£24,900.00	£1,428.57	£2,253	-£825	6%	9%	↓
median		£27,400.00	£24,900.00	£2,500.00	£3,775	-£1,275	10%	16%	↓
mean	3	£34,040.00	£34,588.89	-£548.89	-£1,138	£589	-1.5%	-3%	↓
median		£35,750.00	£35,750.00	£0.00	-£2,641	£2,641	0%	-7%	↓
mean	4	£46,403.13	£42,768.25	£3,634.88	-£752	£4,387	8%	-2%	↓
median		£44,950.00	£43,400.00	£1,550.00	-£3,100	£4,650	3.5%	-7%	↓
mean	5	£57,991.69	£58,541.00	-£549.31	£4,359	-£4,908	-1%	8%	↑
median		£58,185.00	£58,185.00	£0.00	£4,035	-£4,035	0%	7%	↓
mean	6	£74,631.67	£68,013.33	£6,618.34	£4,578	-£11,196	10%	6%	↑
median		£71,475.00	£71,475.00	£0.00	£4,578	-£4,578	0%	6%	↓
mean	Exec	£81,800.00							
median		£81,800.00							
mean	CEO		£127,587.00						
median			£127,587.00						

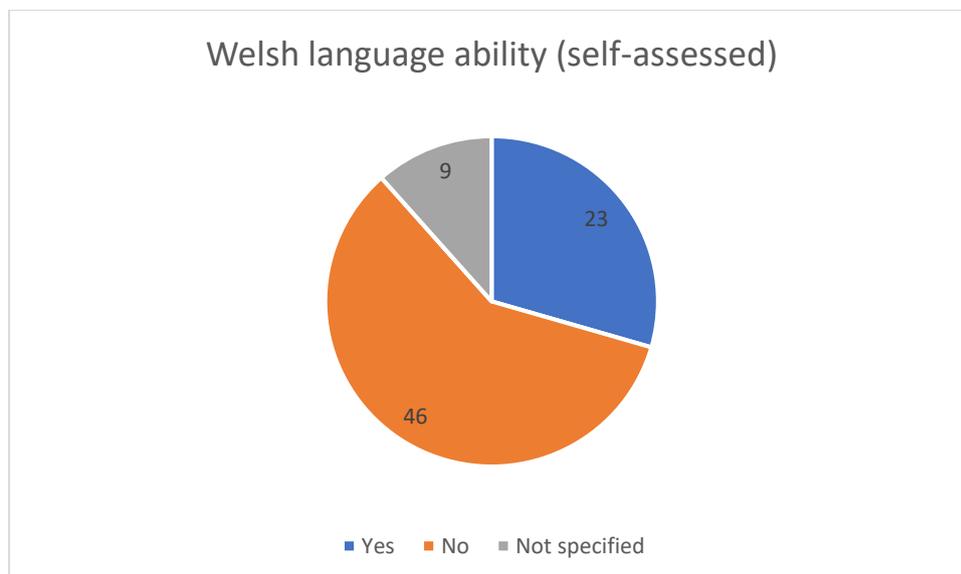
² The table reflects an employee's actual pay in this financial year; it therefore takes account of additional remuneration received for temporarily working up to a higher band. Numbers are therefore different from those in the table on page 53.

Bands 1-6 have scale points within them that employees move up annually, subject to satisfactory performance, on an incremental basis. Consequently, all employees can expect to be at the maximum of their current band within two years (Bands 1 and 2) and within three years (Bands 3 – 6). Bands 7 and 8 are our Executive (our equivalent to the Welsh Government Senior Civil Service). Figures in this table are based on gross salary and include allowances paid. Where employees are working at a higher band temporarily, we have reported based on that higher salary.

We have continued to see a positive shift in terms of gender pay gap reducing in favour of women, however, in some instances the average male pay is less than that of women. Median pay is the same; however, in Bands 3, 5 and 6 and all at the upper end of these pay bands. The significant difference in Band 4 is as a result of a greater number of women compared with men at this level. There is no change at the Executive level within the organisation. At the opposite end of the scale (Band 1), the employees in post are now all female, we currently have four Band 1 posts and one of these is vacant.

Welsh language

We review the level of our employees’ Welsh-language ability as part of our approach to the Welsh language and our development of skills. Employees self-assess their ability and rate themselves on a scale of 1 (Fluent) – 5 (No ability) against reading, speaking, understanding and writing. At 31 March 2019, 23 employees (29%) rated themselves as having Welsh-language skills and 46 (59%) indicated that they did not; 12% employees have not assessed their ability. Of those that do have skills, 13 consider themselves fluent across all measures.



We continue to support employees who wish to learn Welsh by funding training and providing access to e-learning modules, as well as informal, practical support within the office environment from fluent speakers, who encourage and unofficially mentor those who are learning. We have explored opportunities to work with other similarly-sized public bodies to provide on-site Welsh-language training, and whilst this is not currently practical, we will keep this option in review.

Philip Blaker

Accounting Officer

18 July 2019

The Certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales

Report on the audit of the financial statements

Opinion

I certify that I have audited the financial statements of Qualifications Wales for the year ended 31 March 2019 under paragraph 33(2) of Schedule 1 of the Qualifications Wales Act 2015. These comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Taxpayers' Equity and related notes including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In my opinion the financial statements:

- give a true and fair view of the state of Qualifications Wales's affairs as at 31 March 2019 and of its net expenditure, recognised gains and losses and cash flows, for the year then ended; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under the Qualifications Wales Act 2015.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my 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

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Accounting Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Accounting Officer is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the National Assembly for Wales and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report on other requirements**Opinion on other matters**

In my opinion the part of the Remuneration Report to be audited has been properly prepared in accordance with Welsh Ministers' directions made under the Qualifications Wales Act 2015.

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

- the information given in the Governance Statement (included within the Accountability Report) for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with Welsh Ministers' guidance; and
- the information given in the Performance Report and Accountability Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report, Accountability Report (which includes the Governance Statement).

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

- proper accounting records have not been kept;
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns;
- information specified by Welsh Ministers regarding the remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Responsibilities**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 preparing the financial statements in accordance with the Qualifications Wales Act 2015 and Welsh Ministers' directions made there under, for being satisfied that they give a true and fair view and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the body'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 deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Responsibilities for regularity

The Accounting Officer is responsible for ensuring the regularity of financial transactions.

I obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

Adrian Crompton

Auditor General for Wales

23 July 2019

24 Cathedral Road

Cardiff

CF11 9LJ

Financial statements

5 Statement of comprehensive net expenditure

Statement of Comprehensive Net Expenditure			
	Notes	2018-19	2017-18
		£'000	£'000
Revenue from contracts with customers	3	(42)	-
Other operating income			
Total Operating Income		(42)	-
Expenditure			
Staff Costs	**	4,543	4,348
Programme Costs			
Grants	4	915	992
Other	5	898	747
Other operating expenditure	6	1,204	1,197
Provision expense	12	7	42
Depreciation, Amortisation and Impairment	7&8	185	223
Total Operating Expenditure for year ended 31 March 2018		7,752	7,549
Net Operating Expenditure		7,710	7,549
Net Expenditure for the year		7,710	7,549
Comprehensive net expenditure for the year		7,710	7,549

** See remuneration report on page 59 for a breakdown of staff costs

All activities are continuing.

There are no recognised gains or losses for the period to 31 March 2019.

The notes on pages 68-84 form part of these accounts.

6 Statement of financial position

Statement of Financial Position			
		2018-19	2017-18
	Notes	£'000	Restated £'000
Non-current assets			
Property, plant and equipment	7	347	247
Intangible assets	8	453	461
Total non-current assets		800	708
Current assets			
Cash and cash equivalents	10	367	1,023
Trade and Other Receivables	2&9	52	71
Total current assets		419	1,094
Total assets		1,219	1,802
Current liabilities			
Trade and other payables	11	(373)	(702)
Provisions within one year	12	(38)	(38)
Total current liabilities		(411)	(740)
Total assets less current liabilities		808	1,062
Non-current liabilities			
Provisions	12	(182)	(213)
Total assets less total liabilities		626	849
Taxpayers' equity and other reserves			
General Fund	2	273	361
Usable Reserve		353	488
		626	849

As further explained in Note 2, the 2017-18 balance for Trade and Other Receivables has been restated from £426k to £71k, and the General Fund balance has been restated from £717k to £361k

The notes on pages 68-84 form part of these accounts.

Philip Blaker
Accounting Officer
18 July 2019

7 Statement of cash flows

Statement of Cash Flows			
		2018-19	2017-18 Restated
	Notes	£'000	£'000
Cash flows from operating activities			
Net operating cost		(7,710)	(7,549)
Adjustments for non-cash transactions			
Depreciation	7&8	185	223
(Increase) / Decrease in trade and other receivables	2&9	19	(41)
Increase / (Decrease) in trade and other payables	11	(329)	(31)
Movement in provisions	12	(31)	42
Net cash outflow from operating activities		(7,866)	(7,356)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(172)	(68)
Purchase / Enhancement of intangible assets	8	(105)	(101)
Net cash outflow from investing activities		(277)	(169)
Cash flow from financing activities			
Funding from Welsh Government		7487	7402
Net increase in cash and cash equivalents		(656)	(123)
Cash and cash equivalents at the beginning of the period	10	1023	1,146
Cash and cash equivalents at the end of the period	10	367	1,023

As further explained in Note 2, the 2017-18 increase in trade and other receivables has been restated to £41k.

The notes on pages 68-84 form part of these accounts.

8 Statement of changes in taxpayers' equity

Statement of Changes in Taxpayers' Equity			
	General Fund	Usable Reserve	Total
	£'000	£'000	£'000
Balance as at 31 March 2017	781	500	1,281
Grant in aid from Welsh Government	7,473		7,473
Comprehensive net expenditure for the year	(7,549)		(7,549)
Transfers between reserves	12	(12)	0
Adjustment to remove accumulated GIA Accrual	(356)		(356)
Restated Balance as at 31 March 2018	361	488	849
Grant in aid from Welsh Government	7,487		7,487
Comprehensive net expenditure for the year	7,710		7,710
Transfers between reserves	135	(135)	-
Balance as at 31 March 2019	273	353	626

As further explained in Note 2, the 2017-18 general fund balance has been reduced by £356k.

The notes on pages 68-84 form part of these accounts.

Welsh Government gave their approval in 2016-17 to create a 'usable reserve'. As planned, we utilised £177k of this reserve in 2018-19 to meet the costs of our ICT renewals programme, and to complete the Learner Data Collection Project. We also generated income of £42k during 2018-19, which we have had approval to retain, and we have added this to our usable reserve. The net effect is a £135k reduction in this reserve during 2018-19. Going forward, we will continue to supplement the usable reserve with any retained income generated. The reserve will continue to meet the costs of our ICT renewals programme, and in addition, will be utilised to offset some of the additional costs we will incur to deliver the changes to the qualification system linked to GQ curriculum reform.

Notes to the Accounts for the year ended 31 March 2019

1. Statement of accounting policies

(a) Basis of accounting

These accounts are prepared in accordance with a direction issued by Welsh Ministers, in exercise of the powers conferred by paragraph 32(2) of schedule 1 of the Qualifications Wales Act 2015.

The Direction requires compliance with the Government Financial Reporting Manual (FReM). The accounting policies contained within the FReM apply International Financial Reporting Standards (IFRS) for the public-sector context and are issued by HM Treasury.

Where the FReM permits a choice of accounting policy, the policy which is judged to be the most appropriate to our particular circumstances for the purpose of giving a true and fair view has been selected. They have been applied consistently in dealing with items that are considered material to the accounts.

(b) Accounting convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of certain assets and liabilities to fair value as determined by the relevant accounting standards, and subject to the interpretations and adaptations of the Financial Reporting Manual standards.

(c) Funding

Qualifications Wales receives funding from Welsh Government (known as the Grant allocation) to finance its revenue and capital activities. In accordance with the FReM, these amounts are regarded as financing rather than income, and are credited to the General Fund. The FReM also confirms that this financing is to be accounted for on a cash basis unless an alternative agreement has been agreed with the sponsoring department. Between 2015-16 and 2017-18, Qualifications Wales obtained agreement from the sponsor unit to account for this funding on an accruals basis, so that it could demonstrate the funding available to meet its liabilities. However, it has been agreed with the sponsor unit that this grant will now be accounted for on a cash basis. The consequence of this change in accounting policy is that elements of the 2017-18 accounts have been re-stated. Further information on the impact of the restatement is disclosed in Note 2.

(d) Going Concern

Qualifications Wales receives its funding from Welsh Government. All our liabilities have been recognised by Welsh Government, and we are able to claim the cash to cover these liabilities as they crystallise. This, coupled with the fact that Qualifications Wales is expected to remain in existence and funded by Welsh Government for the foreseeable future, means

it is considered appropriate to adopt the 'going concern' basis for the preparation of these financial statements.

(e) Property, plant and equipment

Property, plant and equipment are carried at fair value. Depreciated historic cost is used as a proxy for fair value for all classes of assets, as all have either short useful lives, low value, or both. All property plant and equipment are essentially grouped into one of three classes, Property, IT assets or Fixtures, Furniture and Equipment (F+E).

During the initial set up phase, IT and F+E assets were purchased by Welsh Government on behalf of Qualifications Wales, totalling £378,800. These assets were all transferred over to Qualifications Wales, and an invoice was raised by Welsh Government in 2015/16 to recover these costs. All these initial costs have been capitalised.

Thereafter, IT assets costing £500 or more, and F+E assets costing £1000 or more, are capitalised.

The premises are leased, but it is possible for internal or external adaptations to be carried out following discussion with the landlord. Any such works over £10,000 will be capitalised.

Depreciation is provided for on all these assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, shown below. A full year's depreciation is charged in the year the asset is brought into use.

Surface Pros / Notebooks, and associated equipment	three years
Room Screens, video conferencing facilities, and associated peripherals	four years
LAN / Servers and associated peripherals	five years
Fittings, Furniture and equipment	10 years
Property	The shorter of the remaining life of the lease or the life of the work

Assets are assessed each year for any indications of impairment. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

(f) Intangible fixed assets

An intangible asset is an identifiable non-monetary asset without physical substance. Qualifications Wales will capitalise intangible assets in excess of £10,000, including software licences of a duration in excess of one year, and software developments. They are valued at historic cost less accumulated amortisation and impairment losses as a proxy for depreciated replacement cost.

Where intangible assets have a finite useful life, they are amortised in equal instalments over their anticipated useful economic life. A full year's amortisation is charged in the year the asset is brought into use.

Qualifications Wales currently has one intangible asset, i.e. the QIW database. This was developed during 2015-16, went live on 1 April 2016, and has initially been amortised over five years. This amortisation period will be reviewed annually.

Where intangible assets are assessed as having an indefinite useful life, they are not amortised. This position will also be reviewed annually.

(g) VAT

Qualifications Wales is not VAT registered. Consequently, all transactions in the accounts are stated inclusive of any attributable VAT.

(h) Operating leases

Operating lease rentals are charged to the statement of comprehensive net expenditure in the year to which they relate. Annual operating lease charges could vary in accordance with the lease agreement, whereas the annual economic benefit derived from the lease remains constant. This applies to the lease in place for the building. In these circumstances, IAS 17 allows the charge to the statement of comprehensive net expenditure to be adjusted to 'equalise' the annual lease charges, through the creation of, or utilisation of, a provision.

(i) Cash and cash equivalents

Cash and cash equivalents solely comprise the balances Qualifications Wales holds with the Government Banking Service.

(j) Income

Income will be recognised in the statement of comprehensive net expenditure in accordance with IFRS 15 – Revenue from contracts with customers, as adapted for the public sector by the FReM, and will be categorised as either 'operating' – generated in pursuit of its activities, or 'non-operating' – generated from the sale of non-current assets. Whilst Qualifications Wales is not established as a trading entity, it did generate some operating income for the first time during 2018-19 through the provision of some services.

Further information, demonstrating the application of IFRS 15 to our 2018-19 income, is shown in Note 3.

(k) Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. IFRS 7 requires an organisation to present and disclose information on the possible impact of financial instruments on its financial position and performance, and on the extent of its risk exposure. Given the nature of Qualifications Wales' funding arrangements, i.e. funded entirely by Welsh Government grant, and its contract arrangements, i.e. for the supply of non-financial items in line with expected purchasing and usage requirements, it is not considered to be exposed to any significant level of credit, liquidity or interest rate risk.

(l) Segmental reporting

IFRS 8 requires entities to disclose information about their operating segments, products and services, the geographical areas in which they operate, and their major customers. Information is based on internal management reports, both in the identification of operating segments and measurement of disclosed segment information. Qualifications Wales is not deemed to have operating segments as defined but provides supplementary spend information in support of the statement of comprehensive net expenditure.

(m) Provisions

A provision is recognised in the financial statements when Qualifications Wales considers it has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation.

As noted above in (h) Operating leases, Qualifications Wales utilises a provision for the Building lease, where annual operating lease costs vary, but where the economic benefit derived is constant. This will equalise the annual charge to the statement of comprehensive net expenditure.

Where a general provision is created, and cash flows are expressed at current prices, costs are discounted in accordance with HM Treasury Guidance. A general provision has been created to meet the dilapidation provision contained within the building lease.

(n) Grants payable

Qualifications Wales has the power to make grants to external bodies where this is consistent with its Principal Aims.

Grant claim reimbursements are charged to the statement of comprehensive net expenditure in the period in which the expenditure is incurred.

(o) Employee benefits

Salaries and National Insurance contributions for current employees are recognised in the statement of comprehensive net expenditure as the employee's services are rendered. Qualifications Wales accounts for short-term compensated absences (paid annual leave) as a liability (accrued expenses), where the compensation for absence is due to be settled within 12 months after the end of the period.

(p) Pension costs

Employers pension costs are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) arrangements. In accordance with the FReM, Qualifications Wales has treated this scheme as a defined contribution plan and has accordingly recognised the Employer's contributions due in 2018-19. A summary of the total employer's pension contributions is shown in the table on page 57.

(q) Inventories

IAS 2 defines inventories as assets held for sale in the ordinary course of business (finished goods), assets in the production process for sale in the ordinary course of business (work in process), and materials and supplies that are consumed in production (raw materials). IAS 2 also prescribes the accounting treatment for inventories. Qualifications Wales does not have any inventory items as defined by this standard.

(r) Contingent liabilities

A contingent liability arises where an event has taken place that gives an entity a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the body.

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

In accordance with IAS 37, contingent liabilities are not recognised in the balance sheet, but disclosed in a note to the Accounts.

2. Prior period adjustment

Welsh Government funding is now being accounted for on a cash, rather than accruals, basis (see change to Accounting policy 1(c) – Funding). Whilst this in no way jeopardises the actual funding available from Welsh Government to meet recognised liabilities and provisions, it does mean that we can no longer recognise this (as yet) unclaimed funding as an asset, or as ‘financing’ in the General Fund (which is where funding of this nature is credited in accordance with the FReM). At 31st March 2018 Qualifications Wales recognised Welsh Government as a £356k debtor, for unclaimed Grant in Aid in relation to:

	£
Lease Equalisation Provision	128,417
Lease Dilapidation Provision	122,489
Annual Leave Accrual	105,158
Total	356,064

This debtor balance therefore needs to be removed from the 2017-18 comparative figures. This mainly impacts on the Statement of Financial Position and the Statement of Changes to Taxpayers Equity, but also requires an adjustment to the Statement of Cash Flows (due to £70k of the debtor balance being recognised in 2017-18), and the ‘Trade and Other Receivables’ disclosure. The following adjustments have been therefore been made:-

Statement of Financial Position (extract)

	2017-18 Original	2017-18 (restated)	Variance
	£	£	£
Current assets			
Trade and Other Receivables	426,595	70,531	(356,064)
Taxpayers' equity and other reserves			
General Fund	716,955	360,891	(356,064)

Statement of changes to taxpayers equity

	General Fund £	Usable Reserve £	Total £
Balance as at 31 March 2017	780,706	500,000	1,280,706
Grant in aid from Welsh Government	7,472,713		7,472,713
Comprehensive net expenditure for the year	7,548,497		7,548,497
Transfers between reserves	12,033	(12,033)	-
Original Balance as at 31 March 2018	716,955	487,967	1,204,922
Removal of accrued GIA from the General Fund	356,064	-	356,064
Restated balance at 31 March 2018	360,891	487,967	848,858

Statement of cash flows (extract)

	2017-18 Original £	2017-18 Restated £	Variance £
Cash flows from operating activities			
(Increase) / Decrease in trade and other receivables	(111,910)	(41,630)	70,280
Cash flow from financing activities			
Funding from Welsh Government	7,472,713	7,402,433	(70,280)

Trade and other receivables disclosure (extract)

	2017-18 Original £	2017-18 Restated £	Variance £
Amounts falling due within one year			
Other Receivables			
WG Grant allocation	356,064	-	(356,064)

3. Income – revenue from contracts with customers

Whilst not established as a trading entity, Qualifications Wales has, for the first time in 2018-19, entered into agreements to provide services to other bodies. Managing Welsh Public Money confirms the approach public sector bodies should take to determine the

charges that apply to such service provision, namely 'to set charges to recover full costs', which 'should be calculated on an accruals basis, including overheads, depreciation and the cost of capital'. The table below summarises the income received during 2018-19, and how IFRS 15 has been applied to its treatment.

Service Provided and nature of arrangements	Key IFRS 15 Judgements	Income Recognised	
		2018-19 £'000	2017-18 £'000
The provision of 'initial ICT set up support' and, following set up, an agreed number of days per month of 'ongoing ICT support', via 'shared service agreements', to two other Welsh Government Sponsored Bodies, one initially running from 1 May 2018 to 30 November 2019, at another initially running from 1 January to 31 December 2019. Invoices are raised in arrears, based on agreed daily rates.	Each of these arrangements has been treated as a single, distinct performance obligation, on the basis that the components are highly interdependent, and the inputs are substantially the same each month following the set up period. Revenue will be recognised over time for each agreement, on the basis that the customer receives and consumes the benefits at the same time Charges are based on inputs, calculated in accordance with the principles of 'Managing Welsh Public Money', which requires all costs to be recovered	24	-
Commissioned to carry out all the necessary work to reference the Credit and Qualifications Framework to the European Qualifications Framework. A schedule of work has been agreed, running from 1 April 2018 to 31 August 2019, which will culminate in the production and presentation of the referencing report. Invoices are raised in arrears, based on agreed daily rates.	This has been treated as a single, distinct performance obligation, as the ultimate product will be a referencing report. Revenue has been recognised over time, on the basis that there are specific deliverables over time that QW has an enforceable right to payment. Charges are based on inputs, calculated in accordance with the principles of 'Managing Welsh Public Money', which requires all costs to be recovered	18	-
Total revenue from contracts with customers		42	-

Due to these charges being raised in arrears, income of circa £21k was outstanding at 31 March 2019, and is recognised as a trade receivable (£nil 2017-18). The nature of the service provided, and the content of the agreements in place means that there is not considered to be any risk to this outstanding income, or any risk of returns, refunds or other similar obligations.

As at 31 March 2019, there were no contract assets or contract liabilities (£nil 2017-18)

As all the current agreements extend into 2019-20, there will continue to be income generated in 2019-20 of circa £37k in relation to the provision of ICT support services, and circa £4k to complete the referencing commission.

Both ICT support service agreements will be reviewed during 2019-20 and are likely to be renewed.

4. Summary of grant expenditure

Summary of Grant Expenditure	2018-19	2017-18
	£'000	£'000
Support for Welsh medium assessment		
WJEC	452	530
Pearson	50	17
Oxford Cambridge and RSA Examinations	1	2
Agored Cymru	16	18
City and Guilds of London Institute	42	35
British Canoeing	4	8
NCFE	-	11
Vocational Training Charitable Trust	-	50
Highfield Awarding Body for Compliance	3	-
Rock School Limited	46	-
sub-total	614	671
Support for Qualification Reform		
Colegau Cymru	-	28
WJEC	70	89
Central South Consortium Joint Education Service	-	7
Education through Regional Working' Consortium	-	6
School Effectiveness and Improvement Service for North Wales' Consortium	-	12
City and Guilds of London Institute	18	-
National Training Federation for Wales	33	-
sub-total	121	142
Welsh for Adults Qualifications Support		
WJEC	180	179
Overall Total	915	992

5. Summary of other programme expenditure

Summary of Other Programme Expenditure	2018-19	2017-18
	£'000	£'000
Use of subject experts / stakeholder engagement	528	386
Research Costs	215	258
Communications Activities	155	103
Overall Total	898	747

6. Summary of other operating costs

Summary of 'Other Operating Expenditure'	2018-19	2017-18
	£'000	£'000
Facilities related costs	324	274
HR Related Costs	163	155
ICT Related Costs	258	267
Board Costs	108	112
Legal Support Costs	60	74
External Audit Fees	19	20
Other professional support *	96	136
Travel and Subsistence	116	106
Admin and Office costs	60	53
Overall total	1,204	1,197

* Other professional support includes internal audit fees, translation costs, etc.

7. PPE analysis

Property, Plant and Equipment	Furniture and Fittings	Information Technology	Information Technology Under Development	Buildings	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2018	180	293	24	52	549
Additions in the period	21	137	-	14	172
Transfers from 'under development'	-	24	(24)	-	-
Disposals in the period	-	-	-	-	-
Impairments in the period	-	-	-	-	-
At 31 March 2019	201	454	-	66	721
Depreciation					
At 1 April 2018	52	241	-	9	302
Charged in the year	20	33	-	8	61
Disposals for the period	-	-	-	-	-
Impairments in the period	-	11	-	-	11
At 31 March 2019	72	285	-	17	374
Carrying Value at 31 March 2018	128	52	24	43	247
Carrying Value at 31 March 2019	129	169	-	49	347

8. Intangible assets

Intangible Assets	Information Technology £'000
Cost	
At 1 April 2018	695
Additions in the period	105
Transfers from 'under development'	-
Disposals in the period	-
At 31 March 2019	800
Amortisation	
At 1 April 2018	234
Charged in the year	113
Disposals for the period	-
At 31 March 2019	347
Carrying Value at 1 April 2018	461
Carrying Value at 31 March 2019	453

During 2018-19, a number of enhancements were made to the QiW database and, in accordance with IAS 38, the associated costs have been treated as 'additions'. Also, an obsolescence review has concluded that this database will remain technologically viable for a further five years, and an amortisation charge has been calculated based on this revised useful life. Had the remaining useful life not been changed, the amortisation charge in 2018-19 would have been circa £160k

9. Trade and other receivables

Trade and other receivables	2018-19	2017-18 (restated)
	£'000	£'000
<u>Amounts falling due within one year</u>		
Trade Receivables	21	-
Other Receivables		
Prepayments	31	71
Total	52	71

10. Cash and cash equivalents

Cash and cash equivalents	2018-19	2017-18
	£'000	£'000
Balance at start of period	1,023	1,146
Net change in cash and cash equivalent balances	(656)	(123)
Balance as at 31 March	367	1,023

This is all held with the Government Banking Service.

The balance held at 31 March 2019 is within the level approved by Welsh Government and is largely related to the usable reserve, further information on which is provided in the 'Statement of changes in taxpayers equity', shown on page 67.

11. Trade payables and other current liabilities

Trade payables and other current liabilities	2018-19	2017-18
	£'000	£'000
Amounts falling due within one year		
Trade Payables	227	87
Accruals	144	609
Receipts in advance	2	6
Total	373	702

12. Provisions for liabilities and charges

Provision for liabilities and charges	Dilapidation condition within Building £'000	Annualised Building Lease Costs £'000	Total £'000
Balance as at 1 April 2018	122	129	251
Provided in the year	7	-	7
Utilised / released in the year	-	(38)	(38)
Balance as at 31 March 2019	129	91	220
Analysis of the expected timings of the future liabilities			
Not later than one year	-	38	38
Later than one year and not later than five years	-	41	41
Later than 5 years	129	12	141
Total	129	91	220

The 'dilapidation' provision has been set up to recognise the condition within the building lease to restore the premises to their original state upon termination of the lease. The current lease term ends on 17 May 2025. An approximate 'cost per square foot' was obtained, from an independent source, on which to base this calculation. The annualised building lease costs provision has been set up in recognition that the actual (fluctuating) annual lease costs do not match the annual economic benefit, which remains constant. Consequently, a provision has been set up to allow the 'equalising' of charges to the Statement of comprehensive net expenditure. This has created a provision that will now be utilised over the remaining life of the lease.

13. Capital commitments

Qualifications Wales had no capital commitments at 31 March 2019 (£12k at 31 March 2018).

14. Commitments under leases

Obligations under operating lease comprise:	2018-19			2017-18		
	Lease Costs £'000	Service Charges £'000	Total £'000	Lease Costs £'000	Service Charges £'000	Total £'000
Buildings						
Not later than one year	190	77	267	190	38	228
Later than one year and not later than five years	650	149	799	677	150	827
Later than 5 years	184	42	226	346	80	426
Total	1,024	268	1,292	1,213	268	1,481
Multi Functional Devices						
Not later than one year	4	13	17	-	-	-
Later than one year and not later than five years	6	18	24	-	-	-
Later than 5 years	-	-	-	-	-	-
Total	10	31	41	-	-	-

15. Related party transactions

The FReM confirms that IAS 24 (Related Party Transactions) applies. The objective of this Standard is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position may have been affected by the existence of related parties and by transactions with such parties. A related party is a person or entity that is 'related' to the entity that is preparing its financial statements (Qualifications Wales), i.e. has control, significant influence, or is a key member of management.

A related party transaction is a transfer of resources, services or obligations between a reporting entity, i.e. Qualifications Wales, and a related party.

As Qualifications Wales is a Welsh Government Sponsored Body, the Welsh Government is regarded as a related party. During the year, we had a number of material transactions with Welsh Government, which is regarded as the parent department.

- We recognised grant funding of £7.487m from Welsh Government (£7.473m in 2017-18).
- We made payments to Welsh Government, mainly to reimburse them for our payroll costs and for staff seconded by them to Qualifications Wales. Actual payments of £4.983m were made (£3.957 in 2017-18), and further costs of £14k were accrued (£403k in 2017-18); and

We also made payments to the Department for Business, Energy and Industrial Strategy of £14k (£7k in 2017-18) and £17k to the Office for National Statistics (£84k in 2017-18), again in relation to staff secondments.

The FRoM also confirms that related parties include 'the composition of the management board (including advisory and non-executive members). This means those who have influence upon the decisions of the entity as a whole.'

Whilst paragraph 11 of IAS 24 confirms that two entities are not related simply because they have a director or other member of key management personnel in common, we have listed below the transactions that have taken place with entities with whom we share Board members, or senior officers, or members of their immediate family.

Amount	Organisations	Nature of Payment	Nature of Related Party
£792.27 (2017-18 £1,518.86)	Oxford Cambridge and RSA (OCR) - a subsidiary of Cambridge Assessment	For reimbursement of Welsh medium translation costs.	The partner of Caroline Burt, Board Member, is a Board Director of OCR and Board Member of Cambridge Assessment
£6,764 (2017-18 £1,968)	Cardiff University	Payments towards training/tuition fees for QW staff; Payments for attendance of one member on QW's Research Advisory Group; Payment towards the Wales Institute of Social & Economic Research, Data & Methods Multi-Cohort Survey.	Claire Morgan is Director of Student Engagement and Education Support at Cardiff University
£249.90 (2017-18 £75)	Cardiff and Vale College	Payments for QW Staff training and for refreshments as part of venue hire for a stakeholder event.	Claire Morgan is a governor on the Curriculum, Quality and Student Affairs Committee, and Angela Maguire was employed as the Head of Apprenticeship Delivery during 2018-19.

Qualifications Wales has a 'Conflicts of Interest' Policy and maintains a register of other interests (as defined) relating to staff and directors. This policy prevents board members / senior management from participating in decisions involving organisations with whom they also have an interest.

Finally, in delivering its principal aims, Qualifications Wales has made grant payments during the year to third party organisations (see disclosure Note 2), but again does not regard these as being related parties.

16. Contingent Liabilities

At our inception, three members of staff transferred their employment to Qualifications Wales. There is a 'Cabinet Office Statement of Practice' that guides the process for carrying out 'bulk' staff transfers of this nature, and includes the requirement that '*members should be offered the option to transfer their accrued benefits from their previous scheme into the Civil Service Pension Scheme (CSPS)*'. The consultation process will shortly commence, after which the three members of staff will decide whether they want to transfer their accrued pension entitlement into the CSPS.

Considerable funding shortfalls often arise between the sum of money that an existing pension scheme will release for transferring staff, and the funding requirement calculated by the CSPS for those members to acquire comparable benefits.

Any actual shortfall can only be determined at the date of any transfer, and will be dependent both on what staff (if any) choose to transfer, and the financial performance of both funds since the employment transfer took place. The Government Actuary Department have provided some indicative calculations suggesting that the shortfall, should all staff opt to transfer, could be between £422k and £557k.

At this stage, this is only a possible obligation, contingent on the three members of staff opting to transfer their historic pension entitlement to the Civil Service Pension Scheme.

Welsh Government have confirmed that they will provide all the funding necessary to cover any shortfall.

17. Third party assets

Qualifications Wales does not hold any third-party assets (£nil 31 March 2018).

18. Events after the reporting period

There were no events since the date of the statement of financial position that affect the understanding of these financial accounts.

19. Impact of standards not yet effective

Qualifications Wales has considered the impact of standards and interpretations which have been issued but are not yet effective and which have not been adopted early.

IFRS 16 has been issued by the IASB, but has not yet been adopted. The new standard, which is expected to apply from 2019-20, largely removes the current classifications of finance and operating leases and introduces a single lessee accounting model. A lessee will be required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value on the Statement of Financial Position.

HM Treasury, with the assistance of a cross government technical working group, are reviewing the new standard, and guidance is expected from them on its application to Financial Accounts prepared in accordance with the FReM. This will affect the way Qualifications Wales recognises transactions relating to its buildings lease, and this will be further assessed once HM Treasury guidance is issued.

As the Accounting Officer for Qualifications Wales, I confirm that the statements made in this report are correct for the period from 1 April 2018 to 31 March 2019.

Philip Blaker
Accounting Officer
18 July 2019