

Annual Report and Accounts

for the year ended 31 March 2000



AWDURDOD
CYMWYSTERAU,
CWRICWLWM AC ASESU
CYMRU

QUALIFICATIONS,
CURRICULUM &
ASSESSMENT AUTHORITY
FOR WALES



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The Right Hon. Rhodri Morgan AM MP
First Secretary
National Assembly for Wales
Crickhowell House
Cardiff Bay
CARDIFF
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Our Ref: 01-11-006

Your Ref:

August 2000

Dear First Secretary

I have great pleasure in presenting you with the Annual Report and Accounts of Awdurdod Cymwysterau, Cwricwlwm ac Aseu Cymru/the Qualifications, Curriculum and Assessment Authority for Wales (ACCAC) for the year ended 31 March 2000.

The Report reviews the Authority's activities and achievements for the period 1 April 1999 to 31 March 2000 together with its financial stewardship.

*Yours Sincerely
Brian Connolly*

Chairman

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The Qualifications, Curriculum and Assessment Authority for Wales is an exempt charity under Schedule 2 of the Charities Act 1993.

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Cadeirydd/Chairman:
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Prif Weithredwr/Chief Executive:
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Introduction

The 1999/2000 period was another challenging year for the Authority in all areas of its work. Through the high level of commitment of its staff, the Authority has been successful in delivering across the whole range of its targets, for example:

- work has continued during the year on implementing the outcomes of the Qualifying for Success consultation exercise. An extensive phased programme of accrediting qualifications to the National Qualifications Framework began in spring 1999. This programme includes A/AS levels, the revised Key Skills units and the new Key Skills qualification and new model GNVQs
- this year featured the culmination of work on the Wales Curriculum 2000 review. The final phase of this work was very pressurised with final approval being given on 19 January 2000. In March, printed copies of the subject Orders and the Personal and Social Education (PSE) and Work-Related Education (WRE) frameworks were distributed to schools. They had been posted on to the ACCAC website in January
- 1999/2000 was the first full year of the development and production on a Wales-only basis of statutory tasks and tests for 7-, 11- and 14-year-olds. During the year, the Authority managed 12 contracts across 5 test development agencies



- processes for commissioning Welsh-medium and bilingual classroom materials continue to be effective. One hundred and seventy-nine titles were published during the year. A balance between print- and non-print-based materials has been achieved and the Authority has cooperated with other commissioners in order to ensure the most effective use of public money. The development of a future strategy for commissioning resulted in a published document in March 2000
- a particular challenge this year has been the volume of the Authority's own publications programme due largely to the production of the revised National Curriculum materials and the printing of all statutory assessment materials on a Wales-only basis for the first time
- stringent cost control and efficiency savings in the Authority's operations have enabled operation within the grant-in-aid funding during 1999/2000. Staff resources have been utilised to their optimum effect during the year and the ability to use technology effectively has enabled office-based staff to work more efficiently.

The detailed achievements of the Authority are set out under each of the Authority's objectives.

The Authority's network of contacts has been extended during the year. It has established a very good relationship with the National Assembly and its Pre-16 Education, Schools and Early Learning Committee. The Authority has also appeared before the Equality of Opportunity Committee. In the first year of devolution, the Authority has been encouraged by the positive response given by the Assembly and its committees to the Authority's advice.

The Authority has continued to work closely with outside organisations, particularly Estyn. The Authority also has extensive networks of contacts with schools, LEAs, training providers, employers, awarding bodies, representatives of the Teachers' Unions and Associations, careers companies, NTOs and the Council of Welsh TECs and Cyngor NTO Cymru.

A series of governors' conferences has been successfully undertaken maintaining the Authority's link with chairs of primary school governing bodies on key issues of policy.

Within the United Kingdom, the Authority has maintained good contacts with like organisations, liaising very closely with curriculum and qualifications authorities in England, Scotland and Northern Ireland as well as with the Republic of Ireland.

The Authority's statutory background

ACCAC was originally established by Section 14 of the Education Reform Act 1988 as the Curriculum Council for Wales (CCW). Section 253 of the Education Act 1993 provided for the expansion of the functions of the Council and for it to be renamed Awdurdod Cwricwlwm ac Asesu Cymru/the Curriculum and Assessment Authority for Wales (ACAC).

These changes came into effect on 1 April 1994. Responsibility in respect of the examination and assessment of pupils aged 14–19 in subjects other than Welsh was transferred to the Authority from the School Curriculum and Assessment Authority under the provisions of the Education (School Curriculum and Assessment Authority) Transfer of Functions Order 1995, effective from 21 April 1995. Similar responsibilities in relation to Welsh were already invested in the Authority.

The Education Act 1997 provided for the reconstitution of the Authority through the amalgamation of ACAC and the National Council for Vocational Qualifications (NCVQ) (Wales Office), its retitling and a significant widening of its remit. With effect from 1 October 1997, the Authority assumed additional responsibilities for the accreditation and quality assurance of the full range of vocational qualifications in Wales (with the exception of NVQs, in respect of which the Authority exercises concurrent functions with the Qualifications and Curriculum Authority (QCA), save as regards formal accreditation of NVQs for which QCA has sole responsibility). The establishment of ACCAC meant that for the first time there was a single organisation in Wales that was responsible for overseeing and advising on both academic and vocational qualifications and the school curriculum.



The functions conferred on the Authority are to be exercised for the purpose of advancing education and training in Wales and with a view to promoting quality and coherence in education and training.

The Authority is an exempt charity by virtue of Schedule 2 of the Charities Act 1993.

On 1 July 1999, the Authority became an Assembly Sponsored Public Body, when responsibility for funding the Authority was transferred from the Welsh Office to the National Assembly for Wales.

The Authority is required to prepare a statement of accounts in respect of each financial year, which complies with the directions given by the National Assembly for Wales with the approval of the Treasury. A copy of the Accounts Direction may be obtained by contacting the Authority at its offices at Castle Buildings, Womanby Street, Cardiff CF10 1SX, e-mail: info@accac.org.uk

The role of the Authority

Awdurdod Cymwysterau, Cwricwlwm ac Asesu Cymru/the Qualifications, Curriculum and Assessment Authority for Wales (ACCAC) is responsible in Wales for:

- ensuring quality and standards in external general and vocational qualifications
- keeping under review all aspects of the school curriculum and statutory assessment arrangements for maintained schools
- commissioning classroom materials to support the teaching of Welsh,
- other subjects through the medium of Welsh and Wales-specific aspects of the Curriculum
- advising on appropriate programmes of research and development (and carrying these out, if requested)
- publishing and disseminating information relating to qualifications, curriculum and assessment in Wales.



The Authority's Members



Brian Connolly OBE, Chairman

The Authority comprises a Chairman and Deputy Chairman, and up to 13 other Members, all appointed by the National Assembly for Wales, usually for a three-year period in the first instance.

Authority Members who served during the financial year 1999/2000 were:

Mr Brian Connolly OBE, Chairman, Governor at Gwent Tertiary College, Chair of the Wales Skills Task Force (from November 1999)

Mr Owen Rees CB, Deputy Chairman, formerly Under-Secretary at the Welsh Office

Mr Romey Ahmad, Assistant Director of Education, Vale of Glamorgan County Borough Council (retired 31 March 2000)

Mrs Claire Argyle, Head of the English Department, Ysgol Dyffryn Taf, Whitland

Mr Alan Boxford OBE, Headteacher, Llanishen High School, Cardiff

Mrs Ann Davies, Headteacher, Ysgol y Dderi, Lampeter (retired 31 March 2000)

Mrs Eileen Davies, Head of Science, Trinity College, Carmarthen, Chair of Environmental Education Council for Wales

Mr Keith Davies, formerly Director of Education, Carmarthenshire County Council (retired 31 March 2000)

Mr Emlyn R Jones OBE, Principal, Yale College of Wrexham

Mr Christopher Kipling, Training Manager, Sony Manufacturing Co. UK, Bridgend

Mrs Caroline Lewis, Principal of Neath Port Talbot College and formerly a Member of the Further Education Funding Council for Wales (retired 31 March 2000)

Mrs Susan Parsons OBE, Headteacher, Llanidloes Primary School, Powys

Dr Bryn Roberts, Chief Executive of Flintshire Enterprise Ltd, Managing Director of Teclyn Ltd

Mr Peter Thomas, formerly Senior Inspector, OHMCI (retired 31 March 2000)

Mrs Elizabeth Byard Williams, Assistant Director of Education, Blaenau Gwent County Borough Council

The following served as Members of the Audit Committee during the year: Mr Alan Boxford (Chairman), Mr Romey Ahmad, Mrs Ann Davies, Mr Chris Kipling and Mrs Susan Parsons.

Mr John V Williams, the Chief Executive of the Authority, is a Member of the Welsh National Board for Nursing, Midwifery and Health Visiting.

Register of Members' interests

A register of Members' interests is available for inspection during normal office hours at the Authority's offices.

The Authority's administration

The Committee structure

All strategic policy matters are dealt with by the full Authority, which normally meets on a quarterly basis.

The detailed work of the Authority is undertaken in its various committees, as follows:

- | | |
|----------------------------|---|
| ● Qualifications Committee | external general and vocational qualifications |
| ● Commissioning Committee | commissioning of Welsh and bilingual classroom materials |
| ● Executive Committee | administration, staffing, marketing, corporate and operational planning |
| ● Audit Committee | internal and external audit, value for money issues. |

Staff

During 1999/2000, the average number of staff employed by the Authority was 77 full-time equivalents. The Chief Executive is John Valentine Williams, supported by four Assistant Chief Executives responsible for:

- | | |
|---------------------------------------|---------------|
| ● Qualifications and Curriculum 14-19 | Linda Badham |
| ● Vocational Qualifications | Sara Marshall |
| ● Curriculum and Assessment 5-14 | Gary Brace |
| ● Central Services and Commissioning | Huw Davies. |

The remainder of the staff complement is made up of subject officers and advisers (with responsibilities for the curriculum, qualifications, assessment and commissioning), and administrative officers.



Employment policy

The Authority adopts an equal opportunities approach to the recruitment, development and promotion of staff. Full and fair consideration is given to applications for employment from all people where they have the appropriate skills and abilities to perform the job. It is the Authority's policy that all eligible people should have equality of opportunity for employment and advancement on the basis of their suitability for work, regardless of their race, religion, colour, gender, sexual orientation, age, marital status, disability or because they work part-time.

Employees are kept informed of matters that affect them, by means of written documentation, informal discussions, consultation with the trade union and, where appropriate, information meetings.

Payment policy

The Authority is fully committed to the prompt payment of its bills, and supports the CBI's Prompt Payment Code. The Authority aims to pay bills in accordance with agreed contractual conditions or, where no such conditions exist, within 30 days of receipt of goods

and services or the presentation of a valid invoice, whichever is the later. The Authority has established procedures to monitor its performance on the prompt payment of bills. Ninety-two-point-three per cent of undisputed bills were paid within 30 days. The average payment period for all bills, including disputed bills, was 18 days.

Welsh Language Policy

The Authority's policy is to treat Welsh and English on the basis of equality.

The Authority is a 'public body' for the purposes of the Welsh Language Act and has developed a draft Welsh Language Scheme. Discussions have taken place during the year with the Welsh Language Board about the draft Scheme. Consultation on the Scheme will take place in 2000 and appropriate monitoring processes will be put in place.

Standards of service

The Authority has published a *Statement of Standards of Service* which sets out what can be expected by members of the public when dealing with the Authority. During the year, no complaints have been received relating to the Authority's standards of service.

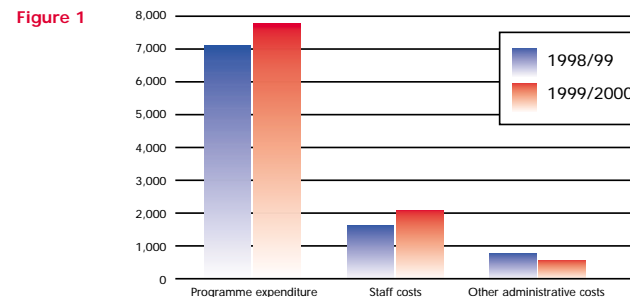


Allocation of the Authority's expenditure

The bulk of the Authority's total expenditure relates to programme activities, as shown below:

	£'000	
● Programme expenditure	7,730	(74%)
● Staff costs	2,075	(20%)
● Other administrative costs	655	(6%)

This division of expenditure is illustrated in Figure 1 below, with expenditure incurred during 1998/99 included for comparison.



Programme expenditure during the period of this report was as follows:

	£'000	
● Objective 1 – The Qualifications Framework	882	(12%)
● Objective 2 – The School Curriculum and its assessment	5,273	(68%)
● Objective 3 – Commissioning of classroom materials	1,413	(18%)
● Objective 4 – Research, information and publicity	162	(2%)

Results for the year

The Authority made a deficit for the year of £620,000 (year ended 31 March 1999 – surplus of £80,000). This amount has been transferred from reserves. The deficit in the year arose primarily as a consequence of utilising additional funding of £275,000 (which was available to the Authority, and which was included in debtors at the start of the year) together with an increase in creditors (which amounted to £486,000 at the year-end). The latter has resulted in a deficit on the income and expenditure account at the year-end of £322,000. Grant-in-aid funding in order to pay these creditors is being drawn down during the 2000/2001 financial year. It is not expected that deficits on this scale will arise in future. Total assets less current liabilities at the year-end were £67,000 (1999 – £733,000).

Fixed assets

Movements in fixed assets during the year are set out in note 8 to the accounts.

Auditors

The accounts of the Authority are audited by the Auditor General for Wales in accordance with paragraph 17 of Schedule 5 to the Education Act 1997.

Progress towards the BEST targets

Key Stages 1 to 3

The *Building Excellent Schools Together* (BEST) White Paper sets out national targets* for 2000 and 2002 that:

- by 2000, between 60 per cent and 70 per cent of pupils aged 11 (Key Stage 2) should achieve Level 4 or better
- by 2000, between 60 per cent and 70 per cent of pupils aged 14 (Key Stage 3) should achieve Level 5 or better
- by 2002, between 70 per cent and 80 per cent of pupils aged 11 and 14 should reach the respective benchmarks mentioned above.

*The targets relate to each of English (or Welsh first language), mathematics and science.

These benchmarks apply to pupils' results by subject as reported by statutory teacher assessment and the statutory tasks or tests. The Authority remains committed to the equal status of the results of statutory teacher assessment and tasks and tests.

At Key Stage 2, performance in science is already at the upper end of the target range for 2002. In English and mathematics, performance was at the upper end of the target range for 2000. Performance in Welsh was in the lower half of the target range for 2000.

At Key Stage 3, with the exception of performance in Welsh, which has already reached the lower end of the target range for 2002, pupils did not maintain the good progress made at Key Stage 2. In English and mathematics, progress is slow and performance is still within the lower limit of the target range for 2000. Performance in science, however, remained below the 2000 target range.



Key Stages 4

The BEST Key Stage 4 target for 2000 is that at least half of all 15-year-olds should get A* to C grade GCSEs in English or Welsh, mathematics and science – in combination. Thirty-four per cent of the cohort met this target in 1998. The figure rose to 36 per cent in 1999. The percentage of the cohort getting five or more GCSE grades A* to C has increased from 46 per cent in 1998 to 48 per cent in 1999. The percentage of the cohort attaining five GCSEs grades A* to G has also risen from 82 per cent in 1998 to 83 per cent in 1999.

The percentages of pupils with no GCSEs has declined from 9.3 per cent in 1998 to 8 per cent in 1999, although many of these pupils will have achieved passes in CoEA subjects. Only 3.7 per cent of pupils aged 15 left full-time education with no recognised qualification in 1999*.

*Source: National Assembly for Wales Statistical Directorate Statistical Brief SDB 37/2000

The Authority's objectives

The Authority's purpose is **to advance education and training in Wales with a view to promoting quality and coherence.**

To achieve this purpose the Authority has five key objectives:

Objective 1: Developing a coherent Qualifications Framework which meets the needs of Wales and improves levels of skill and educational achievement.

Objective 2: Developing a coherent and integrated curriculum for 5–19-year-olds, together with assessment arrangements at 5, 7, 11 and 14 which raise standards of achievement and widen educational opportunity.

Objective 3: Commissioning high quality Welsh and bilingual classroom materials to support the teaching of Welsh, other subjects through the medium of Welsh and the Curriculum Cymreig.

Objective 4: Improving the Authority's intelligence base with targeted research and providing timely information regarding developments in education and training in Wales.

Objective 5: Ensuring an increasingly effective and efficient organisation.

The Authority's achievements 1999/2000

Objective 1: Developing a coherent Qualifications Framework which meets the needs of Wales and improves levels of skill and educational achievement.

Key target:

Implement recommendations arising from the Qualifying for Success consultation exercise, the *LIFE* Green Paper and the *Future Skills Wales* report.

- A contract was awarded (jointly with QCA and CCEA) to carry out research into the rationale and design of an overarching certificate at advanced level. A report was received and considered by the Authority. Following discussion with QCA and CCEA, advice was submitted at the end of June. A response was received on 8 November 1999, requesting further advice by July 2000.
- Further advice on Qualifying for Success was submitted in August covering: the three-unit Advanced GNVQ, promoting the wider Key Skills, the external assessment of the new Key Skills Qualification and the National Framework of Qualifications. Advice on advanced extension awards (including those in Welsh as a subject and through the medium of Welsh) was submitted on 11 October 1999. A response was received on 1 February 2000 covering Key Skills, three-unit GNVQs, advanced extension awards and, additionally, asking the Authority to advise on graduation certificates.
- As part of the dissemination of the outcomes of the Qualifying for Success exercise in Wales, a guidance document on post-16 qualifications was published in July, supported by a dissemination conference. A brief guide on planning post-16 provision was posted on to the ACCAC web site in December and published in hard copy in March. In addition, ACCAC officers have made a series of presentations to key players and dissemination events on the outcomes of Qualifying for Success have taken place throughout Wales.



- Following the launch of the *Future Skills Wales (FSW)* report in February 1999, the all-Wales Research Group agreed to review the identified needs for vocational qualifications in priority sectors in the Qualifications Framework. A programme of work was agreed with the Welsh NTO Council during 1999 and commenced in April 2000.
- In November, Brian Connolly, ACCAC's Chairman, was invited to chair the Future Skills Wales Task Force, which will advise the National Assembly on a strategy for skills.

Key target:

Continue to promote opportunities for and safeguard standards in accredited qualifications.

- A unified Code of Practice for all external qualifications is part of the *Guide to the Arrangements for the Statutory Regulation of External Qualifications in England, Wales and Northern Ireland*. A final version (March 2000) has been agreed with QCA and CCEA for publication. English and Welsh versions are being placed on the ACCAC website.
- The 1999 GCSE/GCE A level Code of Practice was published in April 1999.
- A Code of Practice for Key Skills has been delayed pending advice to the respective Departments on assessment methodologies.
- The 1997 quinquennial reviews of standards were published by ACCAC and QCA in geography, PE, RE, French at 16-plus, government and Politics, history, physics and German at A level.
- In conjunction with QCA and CCEA, ACCAC gave advice in January 1999 on the use of resources in examinations, the review of appeals in examinations and on access to examination scripts. The advice was accepted. Nineteen GCSE centres and 164 A level centres across Wales were recruited for a pilot exercise on the return of examination scripts in the summer term 1999.
- In conjunction with QCA and CCEA, ACCAC gave advice in January 2000 on the phased implementation of the scheme for summer 2000, which was accepted.
- Reports monitoring the operation of the GCSE and GCE A/AS Codes in the 1999 examinations were sent to the Welsh Joint Education Committee (WJEC) in December 1999.
- Work on revising GCSE criteria began in December 1999. The criteria were agreed by the Assembly in March 2000 and form the basis of the forthcoming round of GCSE accreditation.

- Five 1999 examination scrutiny (GCSE D&T and Mathematics and A/AS Biology, English Literature and English Literature and Language) reports were sent to the WJEC in January 2000. The WJEC has proposed action to address the issues raised and action plans will be agreed with them.
- A pilot scrutiny programme for Entry Level qualifications was set up covering CoEA Mathematics, D&T, childcare, PE and French. Reports were sent to the WJEC in January 2000. Discussions have been held with WJEC and monitoring instruments for 2000 have been completed.
- ACCAC began work in 1999, working with QCA, CCEA and awarding bodies, to rationalise special arrangements across A level, GCSE, GNVQ, Entry Level qualifications and the Key Stage 3 tests. Drawing on desk-based research, the views of a focus group of practitioners and the steer of an advisory group, a report has been prepared, noting apparent inconsistencies in current arrangements and makes recommendations for improvements. This work is being taken forward in collaboration with the Joint Council for General Qualifications and the three regulatory authorities, and the report has been accepted by them as a basis for further work in 2000/01.
- GNVQ units in Welsh Second Language (WSL) at Foundation and Intermediate levels were successfully piloted. These were made available to all centres from

September 1999. ACCAC has since revised the specification, which has been renamed Foundation and Intermediate Award in WSL (Vocational). A consultation is underway and will end on 3 July 2000. WSL Advanced GNVQ Units have also been developed and a consultation was conducted ending in May 2000. A consultation seminar was held in March to support this. Revisions are now being made to the specification, and the units will be piloted in centres from September 2001.

- A restricted list of NVQs was recommended for approval for use in schools in Wales. The Assembly accepted this advice.
- Specifications for the Key Skills, wider Key Skills and Higher Level Key Skills were distributed to centres in March 2000.
- In July 1999, ACCAC published the summary report regarding outcomes of the consultation on the draft framework of *Qualifications and Training for Early Years Education, Childcare and Playwork*. The report identified proposed actions to take the development of the framework forward. The document was discussed at the Pre-16 Committee in September. The contents of ACCAC's report to the Committee contributed significantly to the key conclusions contained in the Assembly's interim report on *Early Years Provision for Three Year Olds* published in April 2000.



- The accreditation of revised A/AS levels is complete. Accreditation programmes are underway for the International Baccalaureate, the revised Key Skills qualification, new model GNVQs and qualifications to support the National Childcare Strategy.
- A final version of arrangements for monitoring and reporting on external qualifications was agreed with QCA and CCEA in December 1999 and submitted to the Authority in January 2000 for publication in April 2000.
- Central systems audits of three Awarding Bodies (OCR, LCCI and CACHE) have been carried out during the year.
- Three compliance investigations are ongoing and four complaints investigations have been undertaken. ACCAC is working with TECs and the National Assembly to develop a protocol for dealing with complaints and non-compliance issues.
- Interim advice on the Section 400 list for qualifications for use by pupils of compulsory school age was submitted in November. Final advice, which was sent to the Assembly in March, was accepted in full.
- The Regulatory Authorities have agreed a review of the Standards Development Programme and National Occupational Standards. The review is planned for May 2000 – January 2001.
- Two meetings of the Awarding Body Forum were held during the year.
- A Quality Assurance Forum has been established to develop and maintain relationships with the key players in Wales. The first meeting of the Forum was held in March.

Key target:

To implement the School Improvement Index for schools with the most improved Key Stage 4 examination results.

- At the end of March, six secondary schools learned that they had won an award for improvement in their 1999 Key Stage 4 examination results. This is the fifth year of the scheme, run by ACCAC and supported by HSBC (formerly Midland) Bank. The total number of schools taking part in the School Improvement Index this year was 161 (71 per cent of all secondary schools in Wales).
- Cynffig Comprehensive School, Bridgend received the National Award for the school with the most improved Key Stage 4 results in 1999 with Sandfields Comprehensive School, Port Talbot in second place.
- Four schools received regional awards: Ysgol-y-Moelwyn, Blaenau Ffestiniog, Gwynedd, Cathays High School, Cardiff, Gwernyfed High School, Powys and Cwmarn High School, Caerphilly.

**Objective 1: Additional information**

- A publication on the GNVQ Scholarship Scheme in Wales was developed and published in April 2000.
- Trialling of Progress File (new NRA) was extended to include employers and training providers. The final evaluation of these trials demonstrated that Progress File had considerable potential. However, Ministers and the Assembly have asked for more robust evidence of the impact of Progress File on individuals and organisations, particularly schools. Further testing of Progress File is currently taking place across Wales, England and Northern Ireland. In preparation for the implementation of Progress File in Wales, English-medium materials were distributed in November 1999. Welsh-medium materials were distributed by the end of April 2000.
- A bilingual leaflet on GNVQs at Key Stage 4 was distributed in July 1999 to the key players in Wales. A reprint was necessary due to demand.
- A glossary of English/Welsh vocational qualifications terms was distributed in December 1999 to awarding bodies and NTOs.

Objective 2: Developing a coherent and integrated curriculum for 5–19-year-olds, together with assessment arrangements at 5, 7, 11 and 14 which raise standards of achievement and widen educational opportunity.

Key target:

Submit advice to the National Assembly for Wales on the National Curriculum Review in advance of sending documentation into schools for implementation in September 2000.

- A statutory consultation on the revised National Curriculum Orders began on 17 May and ran to 9 July 1999. Five consultation conferences were held and approximately 7,000 consultation packs sent out. Following consultation, the Authority prepared a *Section 368 Statutory Consultation Report* on the revised subject Orders for the National Assembly's Pre-16 Education Committee in October. Additional advice on the school curriculum at Key Stage 4 was also submitted in October. A Statutory Instrument consultation was carried out by the Assembly on the revised subject Orders. The Orders were approved and the advice accepted by the Assembly at its Plenary Meeting on 19 January 2000.



- The consultation on the draft WRE framework ran to March 31 1999 and included a consultation conference. A consultation exercise on the proposed PSE framework was run in parallel with the National Curriculum Orders consultation (May to July 1999) and included two consultation conferences. The Assembly's Pre-16 Education Committee also considered the PSE and WRE frameworks in October. The Assembly accepted the Authority's advice that PSE and WRE should not, for the time being, be statutory. Finalised PSE and WRE frameworks were distributed in March with the revised subject Orders.
- Published versions of *The School Curriculum in Wales* were also distributed with the revised Orders together with a reprint of the *Desirable Outcomes* document, the *Section 368 Statutory Consultation Report* and a statement from Estyn about inspection arrangements following the introduction of the revised National Curriculum. A dissemination conference for LEA advisers was held in March 2000. Conferences for PSE and WRE were held in April and May 2000 respectively. *Key Stages 1 and 2 of the National Curriculum in Wales* was distributed in June 2000.

Key target:

Accredit baseline assessment schemes for use in schools from September 2000.

- A final list of baseline assessment schemes, which have been accredited for use, was published in April 1999. All 12 accredited baseline assessment schemes have been in use in Wales from September 1999. An independent agency has been appointed to monitor the accredited schemes and reported to the Authority in May 2000.



Key target:

To develop, publish and distribute assessment materials together with Assessment Arrangements booklets so that some 100,000 pupils can be statutorily assessed.

- The statutory tests for approximately 100,000 pupils for 1999 were distributed by 30 April and the mark schemes, after the tests had been administered, by 31 May 1999.
- The *Statutory Assessment and Reporting Arrangements* booklets for the 2000 assessment round were distributed to all 2,150 schools in Wales in November 1999.
- Sample science materials for Science Attainment Target 1, Scientific Enquiry, Key Stages 2 and 3 were completed and distributed in the summer term 1999.
- Key Stage 2 tasks were distributed in November 1999, as were the Key Stage 3 Welsh tasks. The distribution of the Key Stage 1 tasks for 2000 was delayed until early January 2000.
- The 2000 test materials were printed in the last quarter of the Operational Plan year and distributed in April 2000. Test and task development for 2001 is largely on schedule.
- The *Implications for Teaching and Learning* reports relating to the 1999 tests for Key Stages 1–3 were developed. The Key Stage 3 report on Welsh was published in November 1999 and the other reports were distributed in February 2000.
- The WJEC fulfilled their function as the national data collection agency for Wales. Validated data were sent to the National Assembly in October 1999 as required so that these could then be published. The WJEC also collected teacher assessment data on Key Stage 3 non-core subjects.

Key target:

To ensure the efficient and effective operation of the external marking arrangements for the statutory tests at Key Stages 2 and 3.

- All externally marked 1999 Key Stage 2 and 3 scripts were returned to schools by 25 June 1999 as planned. The number of successful remarks totalled 0.1 per cent of the Key Stage 2 cohort and 0.78 per cent of the Key Stage 3 cohort, in both cases, against a target of 0.75 per cent.
- Following competitive tendering in May/June 1999, the WJEC was appointed as the external marking agency for 2000–2002.
- As part of their external marking agency role in 1999, the WJEC provided an evaluation report on those subjects where the tests in Wales differed from those in England (i.e. Welsh at Key Stages 2/3, English at Key Stage 3 and Key Stage 2 Levels 2/3 maths and science). The report was received in November 1999.

Key target:

To publish and disseminate the review of the Standing Advisory Councils for Religious Education (SACRE) Reports.

- Annual SACRE reports for the period September 1997 – August 1998 were received from all 22 LEAs and a review was published in September 1999. In future, ACCAC will publish this report biennially.

**Key target:**

To issue guidance according to identified needs.

- Development has taken place on the Optional Assessment Materials (OAMs) programme:
 - Key Stage 2 English was distributed in July 1999
 - Key Stage 3 English will be distributed in September 2000
 - science at all three key stages will be distributed in autumn 2000
 - the development of mathematics OAMs has been taken in-house. Key Stage 2 materials have been trialled
 - WSL Key Stage 3 materials will be ready for September 2000 distribution
 - for Welsh at Key Stages 2 and 3, WSL Key Stage 2 and IT Key Stage 2, revised schedules are being prepared for their completion.
- The development of OAMs in design and technology, geography, art and music at Key Stage 2 continued. The Key Stage 2 history OAM work will now be undertaken in-house. These materials were delayed due to work on the National Curriculum review and are now being developed for publication in 2000/01.
- Optional assessment materials for special needs pupils (in technology, history and geography at Key Stage 3) were delayed in order to take into account the revised National Curriculum. These will now be published in the autumn term 2000.
- Arising out of the review of the National Curriculum, exemplification materials for the new level descriptions in art, music and PE have been developed. These will be published in autumn 2000.
- In spring 1999, the Authority published a key booklet for Key Stages 1, 2 and 3 on *Making Effective Use of Assessment Information* (MEUOA). Two supporting publications dealing with good practice in reporting pupils' progress to parents and effective methods of recording, have been prepared for publication during 2000. The primary and secondary training videos to accompany the booklets, exemplifying good practice in the use of assessment information, are under development.

- *Practical Suggestions for Assessing Pupils Working Towards Level 1* was distributed at the end of the summer term 1999.
- In October 1999, ACCAC distributed to special schools and sensory support services in Wales, QCA's guidance *Shared World – Different Experiences – Designing the curriculum for pupils who are deafblind*.
- Guidance on planning the curriculum for pupils with emotional and behavioural difficulties (EBD), *Challenging Pupils: Enabling Access*, and a second document, *A Structure for Success: Guidance on the National Curriculum and Autistic Spectrum Disorder*, have been developed. These are due for publication in the autumn term 2000.
- A consultation took place in autumn 1999 in order to gather evidence about school provision for gifted and talented pupils. Meetings with the Assembly and Estyn regarding the production of appropriate guidance materials have taken place to raise awareness of headteachers and teachers of the needs of gifted and talented pupils. ACCAC is preparing an action plan. The work of the National Advisory Group for Gifted and Talented Pupils in England continues to be monitored.

**Objective 2: Additional information**

- A conference was held in October 1999 on target setting for pupils with SEN in special schools and mainstream schools.
- Termly meetings of the Statutory Assessment Forum have been held with LEA advisers. An additional meeting was held this year to discuss baseline assessment.
- A conference of RE teachers was held in March 2000 to produce national level descriptions for RE as part of guidance to be produced in 2000/01.

Objective 3: Commissioning high quality Welsh and bilingual classroom materials to support the teaching of Welsh, other subjects through the medium of Welsh and the Curriculum Cymreig.

Key target:

To manage the 1999/2000 commissioning programme:

- to secure 2 or more tenders for at least 75 per cent of the tendered projects for the following year's commissioning programme (2000/01)
- to publish 90 per cent of the expected titles
- to maintain the gross sales of commissioned materials at a level of over £400,000.

For 1999/2000:

- a limited number of tenders were received for the first phase of the 2000/01 programme. This matter is currently under detailed consideration
- one hundred and forty-five out of a planned total of 163 titles (89 per cent) were published as well as 34 titles not in the 1999/2000 Operational Plan
- sales for the 12 months ending September 1999 amounted to £695,790, an increase of 36 per cent over the previous year. This was particularly encouraging. A contributory factor was the additional funding provided to schools under the Assembly's literacy initiative.

Materials published during 1999/2000 include:

- for Welsh Second Language:
 - materials specifically commissioned to meet the needs of the new GNVQ qualification
 - a range of over 30 reading books for different ages and at different levels
 - a CD-ROM for primary pupils
 - a guide to Welsh grammar for 16-plus pupils
- for the literacy initiative:
 - reading recovery materials originally developed in New Zealand have been adapted into Welsh
 - the adaptation of the *Oxford Reading Tree* was extended to Key Stage 2
- for the numeracy initiative:
 - revision guides for Key Stage 2 have been translated and published
 - an acclaimed comprehensive maths CD-ROM has been translated and published
 - further mental maths materials have also been published
- bilingual (E/W) materials to support the Curriculum Cymreig:



- a comprehensive CD-ROM data bank of Welsh artists, containing over 1,000 images
- a book and CD of songs for primary school Welsh learners
- GCSE geography materials
- three dictionaries:
 - a full-colour Welsh dictionary for Key Stage 2 pupils, jointly funded with Gomer and the WJEC
 - a 1,000-page Welsh-German dictionary and a 1,500-page Welsh-French dictionary, both of which are comprehensive 16-plus dictionaries
- also during 1999/2000, further contracts were awarded for 28 projects, to a total of 15 different agencies. The priorities being addressed include provision for pupils with special educational needs,

supporting mathematics and literacy at primary level, and CoEA materials in several secondary school subjects. For Welsh as a subject, first language projects focus on the bridging between primary and secondary sector, while second language projects are aimed at producing reading materials for low-attaining pupils. GCSE revision guides will be produced for science, and the translation of a major Key Stage 3 mathematics scheme has commenced. For the foundation subjects, materials focussing on health-related exercise are being produced for PE, simple reading books for RE, and further resources for the humanities subjects. New technological developments continue to influence a number of projects, with the commissioning of two CD-ROMs, and an innovative project to develop Welsh language and bilingual curriculum content on the Internet.



Key target:

To put in place a commissioning programme for 2000/2001.

- Following a tender exercise, the first phase of a programme for 2000/01 was agreed by the Commissioning Committee at its February Committee.

Key target:

Publish a revised Commissioning Strategy document for the period 2000/01–2002/03.

- A draft of the Authority's commissioning strategy for the next three-year period was approved by the October Commissioning Committee and was published in March 2000.

Objective 3: Additional information

- The Authority's y *Termiadur Ysgol* was published in 1998. Nearly 1,400 copies have now been sold, in addition to the several thousand distributed free to schools.
- A project is being undertaken by Anglia Campus/HTV to produce Welsh language and bilingual classroom materials on the Internet across all subjects at primary level. The first materials will be available in the summer term 2000.
- During 1999/2000, the Authority commissioned NFER to evaluate the impact of materials produced for Key Stage 1 in the core subjects Welsh, mathematics and science. The results of this survey will provide information that will improve the commissioning of materials for this age range in the future. The final report has been received.
- In 1999/2000 34 projects and 179 titles were completed. Since beginning commissioning work in 1995, a total of 134 projects have been completed, and 945 titles published.
- The Authority worked closely with the Welsh Books Council on matters relating to the marketing of commissioned materials. During 1998, the Authority funded a two-year project to establish a display van service for secondary schools. During 1998/99, the first year of the service, visits to all secondary schools in Wales led to the collection of orders worth £79,000. Sales for April to November 1999/2000 were £45,628. Future funding for this marketing work will be provided directly by the National Assembly.

**Objective 4: Improving the Authority's intelligence base with targeted research and providing timely information regarding developments in education and training in Wales.****Key target:**

To improve the Authority's intelligence base with targeted research.

- A research report on the comparative performance of boys and girls was published in September 1999. A report on whole school language policies in secondary schools was published in November 1999. A summary report on effective strategies for the development of pupils' IT capability 5-16 was published in summary in October 1999. The full report on this project was put on the ACCAC website in January 2000.
- It was intended that two research projects should be carried out in 1999/2000. Work was delayed due to other staff commitments. A specification for research on Developing Generic Skills in the National Curriculum (Key Stages 1-3) was issued in March 2000. An agency has since been appointed.

Key target:

To provide timely and accurate information and publicity regarding educational developments with or related to its remit.

- A newsletter is distributed termly to schools and other interested parties. Twenty thousand copies per issue are printed.
- A report on the 1992-1998 qualifications statistics in Wales was distributed in July 1999.
- Two thousand copies of the 14-19 update leaflet on Entry Level have been distributed since May 1999. This included a reprint to meet demand.
- Termly meetings with Teachers' Associations have been held. The associations are also consulted as a matter of course during consultation exercises.
- The Authority exhibited at the Urdd Eisteddfod in Lampeter in May 1999 and at the National Eisteddfod in Anglesey in August 1999.

Key target:

To host, in conjunction with OHMCI (now Estyn), a series of conferences for chairs of governors.

- Following on from the success of previous years' series of joint ACCAC/OHMCI governors conferences, four governors conferences were held in 2000 - two in Swansea, one in Llandudno and one in Llandrindod Wells. Aimed specifically at governors of primary schools, the focus for the 2000 series of conferences was 'Target Setting and Numeracy'. Approximately 250 governors attended.

Publications (bilingual unless otherwise stated)

The publications issued by the Authority during 1999/2000 are listed below:

Corporate materials

ACCAC Annual Report & Accounts for the Year Ended 31 March 1999
 ACCAC Corporate Plan 2000/01 – 2002/2003
 Commissioning Classroom Materials: Strategy and Implementation
 2000/2001 – 2002/2003
 Newsletter 6 June 1999
 Newsletter 7 November 1999
 Newsletter 8 March 2000

Materials on qualifications

Examining Success in Wales: Qualifications Statistics GCE GCSE GNVQ
 CoEA 1992–1998
 Welsh Second Language GNVQ Units GNVQ Assessment Specification
 and guidelines for Centres
 Review of SACRE Reports 1997–1998
 Qualifications Post-16: A guide to the reforms following the Qualifying
 for Success consultation
 Post-16 Curriculum 2000: Making the changes work
 Part One GNVQ – Introducing GNVQs for 14–16 year olds in Wales 1999
 GNVQ Case Studies
 Glossary of Vocational Qualifications English – Welsh

Wales Curriculum 2000 package

Revised National Curriculum Subject Orders
 National Curriculum Consultation – Section 368 Report to the National
 Assembly for Wales September 1999
 The School Curriculum in Wales
 Personal and Social Education Framework
 Key Stages 1 to 4 in Wales
 A Framework for Work-Related Education for 14–19-Year-Olds in Wales
 Desirable Outcomes for Children's Learning before Compulsory
 School Age (reprint)

Assessment materials

Statutory Assessment Materials 1999 Key Stages 1, 2 and 3
 Key Stage 1 Statutory Assessment and Reporting Arrangements for 2000
 Key Stage 2 Statutory Assessment and Reporting Arrangements for 2000
 Key Stage 3 Statutory Assessment and Reporting Arrangements for 2000

Implications for Teaching and Learning – Report on the 1999 tasks and tests at Key Stage 1
 Implications for Teaching and Learning – Report on the 1999 tasks and tests at Key Stage 2
 Implications for Teaching and Learning – Report on the 1999 tests in English at Key Stage 3
 Implications for Teaching and Learning – Report on the 1999 Welsh tasks and tests at Key Stage 3
 Implications for Teaching and Learning – Report on the 1999 tests in Science at Key Stage 3
 Implications for Teaching and Learning – Report on the 1999 tests in Mathematics at Key Stage 3

Research and other materials

Asking Questions – Getting Answers: The Comparative Performance of Boys and Girls at School
 in Wales
 Asking Questions – Getting Answers: Report of a research project on whole school language
 policies in the secondary schools of Wales
 Asking Questions – Getting Answers: Whole School Approaches to Developing IT Capability
 National Childcare Strategy
 Progress Files and related Case Studies



Objective 5: Ensuring an increasingly effective and efficient organisation.

Key target:

To pursue the Authority's application for Investor in People status.

- Work has continued on the Authority's application for Investors in People (IIP) status. Following the first staff conference in May 1999, an action plan has been put in place to monitor implementation and a second staff conference is planned for 2000. IIP assessment is to begin in the summer 2000.

Key target:

Maintaining and developing appropriate information technology.

- Implementation of the IT strategy has continued during the year. The ability to use technology effectively has enabled office-based staff to work more effectively. The Authority's web site has been developed throughout the year and was used to facilitate the consultation on the National Curriculum review. The site is linked to that of the Virtual Teachers' Centre Cymru, the National Assembly Training and Education Department, as well as ACCAC's sister bodies in England, (QCA), and Northern Ireland (CCEA).

Objective 5: Additional information

- The Accounts for the year ended 31 March 1999 were approved by the Authority on 1 July and the audit report was signed off by the Comptroller and Auditor General. The Annual Report and Accounts were laid before the National Assembly and distributed in November 1999.
- Ninety-two-point-three per cent of undisputed invoices were paid within 30 days for 1999/2000 against a target of 97.5 per cent under the Prompt Payment Code. Steps have been taken to improve payment performance further.
- The Corporate Plan for 2000/01 to 2002/03 was developed and was discussed at the Assembly's Pre-16 Education, School and Early Learning Committee on 29 September. Following approval from the Assembly in January 2000, the Plan was published in March 2000.
- Consultation on the Authority's Welsh Language Scheme has been delayed until the autumn 2000.
- Work on the Conditions of Employment Handbook has continued. A number of sections will be issued in June 2000. An internal training library has been established.
- Following receipt in February 1999 of a final draft report on the Financial Management and Policy Review carried out by the Welsh Office, an informal ACCAC action plan has been regularly updated in order to track progress against the recommendations. A formal draft action plan was tabled by the Assembly in February 2000. This is under consideration.
- Five of the Authority's Members retired at the end of March. Peter Thomas and Keith Davies have been with the Authority since 1997; and Romey Ahmad, Caroline Lewis and Ann Davies since 1994.

John V Williams
Chief Executive
Accounting Officer
6 July 2000

Statement of the Authority's and Chief Executive's responsibilities

Under paragraph 17 of Schedule 5 to the Education Act 1997, the Authority is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the National Assembly for Wales, with the consent of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Authority's state of affairs at the year-end and of its income and expenditure and cash flows for the financial year.

In preparing the accounts the Authority is required to:

- observe the Accounts Direction issued by the National Assembly for Wales, 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 have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the Authority will continue in operation.

The Principal Accounting Officer of the National Assembly for Wales has designated the Chief Executive as the Accounting Officer for the Authority. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the National Assembly for Wales' Accounting Officers' Memorandum, issued by the Treasury.

Statement on the system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Authority.

The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- Standing Orders which set out the responsibilities of Authority Members and officers for financial matters;
- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Authority's Executive Committee
- clearly defined capital investment control guidelines
- as appropriate, formal project management disciplines
- setting targets to measure financial and other performance; and
- regular reviews by Authority Members of quarterly and annual performance which indicate, inter alia, financial performance against the forecasts.

The Authority procures internal audit services under contract from a leading firm of chartered accountants, which operates to standards defined in the Government Internal Audit Manual. The work of internal audit is informed by an analysis of the risk to which the Authority is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the Authority's Audit Committee and approved by myself. At least annually, the internal auditors provide me with a report on internal audit activity in the Authority. The report includes an independent opinion on the adequacy and effectiveness of the Authority's system of internal financial control.

My review of the effectiveness of the system of internal financial control is informed by the work of the internal auditors, the Audit Committee which oversees the work of the internal auditors, the executive managers within the Authority who have responsibility for the development and maintenance of the financial control framework, comments made by the external auditors in their management letter and other reports, and my own knowledge.

Implementation of the Turnbull Report

As Accounting Officer, I am aware of the recommendations of the Turnbull Committee and I am taking reasonable steps to comply with the Treasury's requirements for a statement of internal control to be prepared for the year ending 31 March 2002, in accordance with guidance to be issued by them.

John V Williams
Chief Executive
Accounting Officer
6 July 2000

The Certificate and Report of the Auditor General for Wales to the Members of the National Assembly for Wales

I certify that I have audited the financial statements on pages 32 to 44 under the Education Act 1997. These financial statements have been prepared under the modified historical cost convention and the accounting policies set out on pages 35 to 36.

Respective responsibilities of the Authority, the Chief Executive and Auditor

As described on page 29 the Authority and Chief Executive are responsible for the preparation of the financial statements and for ensuring the regularity of financial transactions. The Authority and Chief Executive are also responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Education Act 1997 and with the directions made thereunder by the National Assembly for Wales, and whether in all material respects 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. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Authority has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on page 30 reflects the Authority's compliance with Treasury's guidance 'Corporate governance: statement on the system of internal financial control'. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

Basis of opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Authority and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, 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. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Qualifications, Curriculum and Assessment Authority for Wales at 31 March 2000 and of the deficit, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Education Act 1997 and directions made thereunder by the National Assembly for Wales; and
- in all material respects 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.

I have no observations to make on these financial statements.

John Bourn
Auditor General for Wales
13 July 2000

National Assembly for Wales
Cardiff Bay
Cardiff CF99 1NA

Income and expenditure account for the year ended 31 March 2000

	Notes	1999/2000	1998/1999
		£'000	£'000
Gross income			
Grant-in-aid	2	9,522	9,246
Contract funding	3	113	129
Release of Deferred Government Grant	14	114	112
Other operating income	4	67	69
		<u>9,816</u>	<u>9,556</u>
Expenditure			
Programme expenditure	5	7,730	7,089
Staff costs	6	2,075	1,681
Administration expenditure	7	517	594
Depreciation	8	114	102
Notional cost of capital charge		24	40
		<u>10,460</u>	<u>9,506</u>
(Deficit)/surplus on operating activities			
Loss on disposal of fixed assets		(644)	50
Interest receivable		-	(10)
Adjustment for notional cost of capital		9	11
(Deficit)/surplus for the financial year		<u>24</u>	<u>40</u>
		(611)	91
Appropriations			
Amounts surrendered to the National Assembly of Wales	9	(9)	(11)
(Deficit)/surplus on grant-in-aid activities for the financial year			
		<u>(620)</u>	<u>80</u>
Statement of retained (deficit)/surplus			
Retained surplus brought forward		298	218
(Deficit)/Surplus for the year		(620)	80
Retained (deficit)/surplus carried forward		<u>(322)</u>	<u>298</u>

All of the above figures derive from continuing activities.

There were no other recognised gains or losses in the year.

The notes on pages 35 to 44 form part of these accounts.

Balance sheet as at 31 March 2000

	Notes	31 March 2000	31 March 1999
		£'000	£'000
Fixed assets			
Tangible assets	8	<u>389</u>	<u>427</u>
Current assets			
Stocks	10	19	17
Debtors	11	108	348
Cash at bank and in hand	18b	<u>37</u>	<u>129</u>
		164	494
Creditors			
Amounts falling due within one year	12	(486)	(188)
Net current (liabilities)/assets			
		<u>(322)</u>	<u>306</u>
Total assets less current liabilities			
		<u>67</u>	<u>733</u>
Financed by:			
Creditors			
Amounts falling due after more than one year	13	-	8
Accruals and deferred income			
Deferred Government Grant	14	389	427
Capital and reserves			
Income and expenditure account		(322)	298
Total Government funds			
	15	<u>67</u>	<u>725</u>
		<u>67</u>	<u>733</u>

The notes on pages 35 to 44 form part of these accounts

John V Williams
Chief Executive
Accounting Officer
6 July 2000

Cash flow statement for the year ended 31 March 2000

	Notes	1999/2000	1998/1999
		£'000	£'000
Net cash (outflow) from operating activities	18a	(85)	(169)
Returns on investments and servicing of finance			
Interest received		9	14
Appropriations			
Amounts paid to the National Assembly for Wales		(9)	(13)
Capital expenditure			
Payments to acquire tangible fixed assets		(83)	(172)
Financing			
Capital grant received	18c	<u>76</u>	<u>179</u>
(Decrease) in cash	18b	<u>(92)</u>	<u>(161)</u>

The notes on pages 35 to 44 form part of these accounts

Notes to the accounts for the year ended 31 March 2000

1. Accounting policies

1.1 Accounting convention

The accounts are prepared under the modified historic cost convention. Without limiting the information given, they meet the accounting and disclosure requirements of the Companies Act 1985 and Accounting Standards issued or adopted by the Accounting Standards Board, so far as those requirements are appropriate. The accounts comply with the Accounts Direction issued by the National Assembly for Wales.

1.2 Fixed assets

Expenditure is capitalised where the asset purchased is expected to have a useful life extending over a number of years and the cost of items exceeds £500. Fixed assets are shown at cost less an allowance for depreciation (see note 1.3 below). In the opinion of the Authority, there is no material difference between the historic net book value of the assets, and their current replacement cost less depreciation.

1.3 Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less any estimated residual values of each asset, evenly over their expected useful lives as follows:

- Leasehold improvements – over the remaining period of the lease
- Licence improvements – over the initial period of the licence (see note below)
- Fixtures and fittings – over 10 years, or the remaining period of the lease, whichever is the shorter
- Office equipment – over six years
- Computer equipment – over three years.

Assets are depreciated from the month in which they are first brought into use.

The Authority has entered into a licence agreement for the shared occupation of an area within the building where its main offices are located but leased by another tenant (see note 17). Improvements to the area the subject of the licence agreement are being depreciated by equal installments over the initial period of the licence, which expires on 24 June 2005.

1.4 Contract funding and other operating income

Contract funding and other operating income is credited to income in the year to which it relates.

1.5 Government grants

Grants received from the National Assembly for Wales (the Welsh Office prior to 1 July 1999) by way of grant-in-aid for operating purposes are credited to income in the year to which they relate. Grants received for capital expenditure are credited to a deferred grant account, and relevant transfers are made to the income and expenditure account as the capital assets are utilised.

1.6 Stock

The stock of publications is valued at the lower of cost and net realisable value. In the opinion of the Authority, there is no material difference between the historic cost and the current replacement cost of the stock.

Notes to the accounts (continued)

1.7 Pension costs

Pension costs are charged to the income and expenditure account based on amounts advised by the Treasury representing the accruing liability of the Principal Civil Service Pension Scheme in respect of staff who are members of that scheme. The Chairman and former Chairman of the Authority have pension arrangements analogous to those of the Principal Civil Service Pension Scheme. The pension payments are paid by the Authority, and are charged to the income and expenditure account as incurred (see note 6).

1.8 Value Added Tax (VAT)

All expenditure and fixed asset purchases in the accounts is stated inclusive of any irrecoverable VAT. With effect from 1 April 2000, the Authority registered for VAT.

1.9 Cost of capital

As directed by the National Assembly for Wales, a notional capital charge reflecting the cost of capital employed is included in operating costs and calculated at six per cent of capital employed.

1.10 Research and development

Expenditure on research and development is charged to the income and expenditure account as incurred.

2. Grant-in-aid

	1999/2000 £'000	1998/99 £'000
Amount receivable from the National Assembly for Wales (Welsh Office prior to 1 July 1999)	9,598	9,425
Amount provided for capital expenditure	(76)	(179)
Grant-in-aid credited to the income and expenditure account	<u>9,522</u>	<u>9,246</u>

3. Contract funding

In addition to the revenue and capital grant-in-aid received from the National Assembly for Wales and reported in note 2, the Authority received the following sums from the National Assembly for Wales (the Welsh Office prior to 1 July 1999) as contract funding:

	1999/2000 £'000	1998/99 £'000
Progress File (formerly National Record of Achievement)	<u>113</u>	<u>129</u>

Notes to the accounts (continued)

4. Other operating income

	1999/2000 £'000	1998/99 £'000
Publications	14	16
Royal income	45	32
Miscellaneous	8	21
	<u>67</u>	<u>69</u>

5. Programme expenditure

Objectives	1999/2000 £'000	1998/99 £'000
1 – Developing a coherent qualification framework	882	1,090
2 – Developing a coherent and integrated curriculum and assessment framework for schools	5,273	4,343
3 – Commissioning of classroom materials	1,413	1,431
4 – Research and intelligence; information and publicity	<u>162</u>	<u>225</u>
	<u>7,730</u>	<u>7,089</u>

6. Staff costs

	1999/2000 £'000	1998/99 £'000
Salaries and wages	1,706	1,386
Social security costs	127	103
Other pension costs	242	192
	<u>2,075</u>	<u>1,681</u>

Authority Members' Remuneration

	1999/2000 £'000	1998/99 £'000
Emoluments of Authority Members – fees	<u>31</u>	<u>30</u>
Emoluments of Authority Members include:		
The Chairman	25	12
The previous Chairman	–	12

Notes to the accounts (continued)

The Chairman has a pension arrangement analogous to that of the Principal Civil Service Pension Scheme. The pension payments will be paid by the Authority, from the date of his retirement, out of grant-in-aid funding provided by the National Assembly for Wales. It is not possible to establish with any certainty the total amount of pension payable in the future. Accordingly, the pension payments will be charged to the income and expenditure account as incurred.

The number of Authority Members who received emoluments in the following ranges was:

	1999/2000 Number	1998/99 Number
£5,001 – £10,000	1	1

In addition, 13 other Members (year ended 31 March 1999 – 14) received no emoluments.

All Members are appointed for fixed terms, which are usually for three years in the first instance. The Chairman's term of office is due to expire on 30 September 2001.

Chief Executive's remuneration	1999/2000 £'000	1998/99 £'000
This comprised:		
Salary	59	57
Performance bonus	5	5
Benefits (subscription to professional body)	1	1
Pension contributions – 18.5% (1998/99 – 18.5%)	11	10
Total	<u>76</u>	<u>73</u>

The Chief Executive is an ordinary member of the Principal Civil Service Pension Scheme. He has been appointed on a renewable contract, which runs to 13 February 2001.

The Chief Executive is entitled, under a scheme set up with effect from 1 April 1997, to a performance bonus of up to a maximum of 13 per cent of his salary. An element of this, as determined by the National Assembly for Wales, is consolidated, with the balance being paid as a non-consolidated, non-pensionable bonus. The amount actually payable is dependent upon the achievement of certain targets, and the level of overall performance.

The performance bonus of £4,596 for 1999/2000 is the bonus payable in respect of the year ended 31 March 2000. The total performance bonus figure reported in last year's accounts was £6,254. Subsequent to the finalisation of the 1998/99 accounts, £1,613 of this bonus was consolidated into the Chief Executive's salary with effect from 1 April 1999. Accordingly, the performance bonus for 1998/99 has been restated as £4,641.

Senior staff

The number of other employees who received remuneration in the following ranges, excluding pension contributions, was:

	1999/2000 Number	1998/99 Number
£40,001 – £50,000	5	3

This note meets the disclosure requirements of Treasury instructions in Dear Accounting Officer (DAO) Letter 3/95 and DAO 4/97. HM Treasury and the Assembly have confirmed that new disclosure instructions on release of personal information in DAO 3/2000 are not enforceable due to possible conflicts with other legislation. For this reason, the Authority has not adopted the new disclosure instructions for the purposes of these accounts.

Staff numbers

The average monthly number of employees during the years was:	1999/2000 Number	1998/99 Number
Management	5	5
Professional and technical	29	24
Support	43	33
	<u>77</u>	<u>62</u>

The increase in the average number of employees has arisen as a consequence of the fact that the development, printing and distribution of statutory assessment materials is now being undertaken on a Wales-only basis, but within the same overall budget. A total of 22 additional staff were recruited during the latter part of the 1998/99 financial year in order to undertake this work. They have been in post for the whole of the 1999/2000 year – thus the increase in the average number of staff.

Notes to the accounts (continued)

Pensions

Pension benefits are provided through the Principal Civil Service Pension Scheme (PCSPS) to whom the conditions of the Superannuation Acts 1965 and 1972 and subsequent amendments apply. This is a statutory scheme that provides benefits on a 'final salary' basis at a normal retirement age of 60. Benefits accrue at the rate of 1/80 of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of 1.5 per cent of pensionable earnings. Pensions increase in payment in line with the Retail Price Index. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on the length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill-health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

The Authority's employees are eligible to be members of the PCSPS. Contributions amounting to £242,188 (1998–1999: £191,824) were paid on behalf of staff to the Paymaster General for the year to 31 March 2000 at rates determined from time to time by the Government Actuary and advised by the Treasury. These rates ranged from 12 per cent to 18.5 per cent of gross pay for the year (1998–1999: 12 per cent to 18.5 per cent).

In addition, payments of £10,648 (1998/99 – £10,320) were made in respect of a pension enhancement for the previous Chief Executive. These amounts had previously been included in creditors – see also note 13.

7. Administration expenditure

	1999/2000 £'000	1998/99 £'000
Chairman and Deputy Chairman's salaries and associated costs	32	32
Members' travel, subsistence and hospitality	8	7
Other Authority related costs	9	12
Accommodation	165	148
Employees' travel and subsistence	106	108
Office costs	118	141
Recruitment and training of staff	43	96
Professional fees	18	18
Auditors' remuneration – audit work	13	13
– additional assurance work	3	2
Other	2	17
	<u>517</u>	<u>594</u>

Approximately £20,000 of the reduction in administration expenditure shown above is due to the reclassification of certain costs as programme expenditure, now reported in note 5 to these accounts. It is not practicable to restate the prior year comparative figures.

Notes to the accounts (continued)

8. Tangible assets	Leasehold and licence improvements	Fixtures and fittings	Office equipment	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 1999	280	29	100	306	715
Additions	—	34	—	42	76
Disposals	—	—	—	(2)	(2)
At 31 March 2000	<u>280</u>	<u>63</u>	<u>100</u>	<u>346</u>	<u>789</u>
Depreciation					
At 1 April 1999	56	9	53	170	288
Charge for year	23	5	16	70	114
Disposals	—	—	—	(2)	(2)
At 31 March 2000	<u>79</u>	<u>14</u>	<u>69</u>	<u>238</u>	<u>400</u>
Net book value					
At 31 March 2000	<u>201</u>	<u>49</u>	<u>31</u>	<u>108</u>	<u>389</u>
At 1 April 1999	<u>224</u>	<u>20</u>	<u>47</u>	<u>136</u>	<u>427</u>

9. Amounts surrendered to the National Assembly for Wales

The Authority is required to surrender interest received to the National Assembly for Wales. The amount payable was:

	1999/2000 £'000	1998/99 £'000
Amounts surrendered to the National Assembly for Wales	<u>9</u>	<u>11</u>

10. Stocks

	31 March 2000 £'000	31 March 1999 £'000
Stock of saleable publications	<u>19</u>	<u>17</u>

The stock of saleable publications is stated net of a provision of £137,932 (1999 – £93,622) made in order to reduce the cost of the stock to its estimated net realisable value.

Notes to the accounts (continued)

11. Debtors and prepayments	31 March 2000 £'000	31 March 1999 £'000
Amounts falling due within one year:		
Other debtors	64	299
Prepayments	44	45
	108	344
Amounts falling due after more than one year:		
Prepayments	—	4
	<u>108</u>	<u>348</u>
12. Creditors: amounts falling due within one year	31 March 2000 £'000	31 March 1999 £'000
Other creditors and accruals	<u>486</u>	<u>188</u>
13. Creditors: amount falling due after more than one year	31 March 2000 £'000	31 March 1999 £'000
Other creditors and accruals	<u>—</u>	<u>8</u>

This represents payments due to the previous Chief Executive as part of his redundancy package. In addition, an amount of £8,414 relating to the package has been included within creditors due within one year (see also note 6).

14. Deferred Government grant	1999/2000 £'000	1998/99 £'000
Opening balance	427	360
Grant received during the year	76	179
Released to the income and expenditure account during the year	(114)	(112)
Closing balance	<u>389</u>	<u>427</u>
15. Reconciliation of movement in Government funds	1999/2000 £'000	1998/99 £'000
Retained (deficit)/surplus for the year	(620)	80
Movement in deferred Government grant account	(38)	67
(Decrease)/increase in Government funds for the year	(658)	147
Government funds at 1 April	725	578
Government funds at 31 March	<u>67</u>	<u>725</u>

Notes to the accounts (continued)

16. Capital commitments

	31 March 2000 £'000	31 March 1999 £'000
Contracted for	<u>5</u>	<u>9</u>

17. Operating leases

	1999/2000 £'000		1998/99 £'000	
a. Amounts charged to the income and expenditure account for operating lease payments	<u>148</u>	<u>148</u>	<u>149</u>	<u>149</u>
	1999/2000		1998/99	
	Buildings (leases and licence) £'000	Other (cars) £'000	Buildings (leases and licence) £'000	Other (cars) £'000
b. Annual commitment on lease expiring:				
Within one year	—	1	—	3
Within two to five years	—	19	—	23
After more than five years	<u>118</u>	<u>20</u>	<u>104</u>	<u>26</u>
	<u>118</u>	<u>20</u>	<u>104</u>	<u>26</u>

18. Notes to the cash flow statement

a. Reconciliation of operating surplus to net cashflow from operating activities:

	1999/2000 £'000	1998/99 £'000
(Deficit)/surplus on operating activities	(644)	50
Depreciation charge	114	102
Notional cost of capital charge	24	40
Release of deferred Government grant	(114)	(112)
(Increase)/decrease in stock & work in progress	(2)	11
Decrease/(increase) in operating debtors	240	(262)
Increase in operating creditors	297	2
Net cash (outflow) from operating activities	<u>(85)</u>	<u>(169)</u>

Notes to the accounts (continued)

b. Analysis of changes in cash during the year:

	1999/2000 £'000	1998/99 £'000
Balance at start of year	129	290
Cash outflow	(92)	(161)
Balance at end of year	<u>37</u>	<u>129</u>

c. Analysis of changes in financing during the year:

	1999/2000 £'000	1998/99 £'000
Deferred grant account:		
Balance at start of year	427	360
Cash inflow from financing	76	179
Transfer to income and expenditure account	(114)	(112)
Balance at end of year	<u>389</u>	<u>427</u>

Notes to the accounts (continued)

19. Related party transactions

The National Assembly for Wales is regarded as a related party.

During the year, the Authority:

- entered into certain transactions with third parties in conjunction with the Qualifications and Curriculum Authority, who are sponsored by the Department for Education and Employment
- carried out certain activities jointly with ESTYN – Her Majesty’s Inspectorate of Education and Training in Wales
- entered into a number of contracts with the University of Wales Institute, Cardiff (UWIC) for the commissioning of classroom materials. The contracts were all let by competitive tender. The total amount of contracts in place at any time during the year amounted to £49,798 (1998/99: £90,298). Mr Brian Connolly, the Chairman of the Authority, was a Governor of UWIC until 18 February 2000. He was not involved in the process of letting the contracts, or in the work itself.