



ANNUAL ACCOUNTS 2023-24



Noddir gan
Lywodraeth Cymru
Sponsored by
Welsh Government



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Performance Report

1. Overview

1.1 Scope of responsibility

Qualifications Wales was established in August 2015, through the *Qualifications Wales Act*, and we assumed our duties and powers in September of that year. This year (April 2023 to March 2024) is our eighth full financial year of operation.

We regulate 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.

In addition to our Annual Accounts, we produce an Annual Report, which 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 to fulfil them. We published our latest Annual Report in November 2023, covering the period September 2022 to August 2023, and this was scrutinised by the Senedd's Children, Young People and Education Committee.

This set of Annual Accounts covers the period from 1 April 2023 to 31 March 2024.

1.2 Statutory background and functions

We are the independent regulator for non-degree level qualifications offered by awarding bodies recognised in Wales. An independent statutory body funded by Welsh Government; we are accountable to the people of Wales through Senedd Cymru. Learners are at the heart of what we do, and we want them to be confident that their qualifications are a fair, trusted, valued and portable record of their knowledge, understanding and skills. Our principal aims are:

- 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.

We regulate awarding bodies and, through our work, build and maintain confidence that the qualifications they deliver are fair, trusted and valued in Wales and beyond. Through our reform work, we also shape how qualifications will meet the needs of future learners. We regularly review qualifications available to learners in Wales and, where necessary, can

commission awarding bodies to develop new qualifications. We also carry out research and make recommendations to Welsh Government.

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 Performance summary

Our [2022-27 Strategic Priorities Strategy](#) presents our longer-term plan for how our work will evolve with partners and outlines how we will continue to ensure Welsh learners can choose from qualifications that are relevant, fair, flexible and bilingual. It also informs the development of our annual operational priorities.

For 2023-24, we set five operational priorities:

- Reform
- Regulate
- Reach & Influence
- Corporate Resources
- Research, Insights and Impact

More information on our operational priorities can be found in our [2023/24 Business Plan](#). Our 2023/24 Business Plan also 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

Reform

In 2023/24 we continued our *Qualified for the Future* programme of work to reform qualifications for learners aged 14 to 16; maintaining our active co-construction approach by involving academics, subject experts, practitioners, and learners in the design of new qualifications and consulting on design proposals. Our work considered the needs of all learners aged 14 to 16 and we engaged widely to ensure that the qualification aims, content and assessment approaches developed benefited from a variety of perspectives.

We embraced opportunities to innovate and modernise assessment to realise benefits from making better use of technology and digital tools, and worked closely with awarding bodies and centres to ensure changes were manageable.

During this period, we:

- delivered significant milestones in the Qualified for the Future programme of reforming qualifications to support the new curriculum – working with partners and stakeholders on the design requirements for new Made-for-Wales GCSEs and publishing our final requirements and [decisions report](#) in June 2023, followed by our Full 14-16 Qualifications Offer [decisions report](#) in January 2024, where we announced our decision to establish Vocational Certificates of Secondary Education (VCSEs).
- continued our sector approach to reviewing and reforming the post-16 qualifications offer, progressing our programme of sector reviews, consulting on proposals to commission new Made-for-Wales post-16 qualifications in Hospitality and Catering

and implementing actions from our early monitoring of reformed post-16 qualifications in Health and Social Care.

- oversaw implementation of changes to Essential Skills Wales digital literacy qualifications and continued our review of the full Essential Skills Wales suite
- considered the recommendations from Welsh Government Review of Vocational Qualifications.
- started planning a strategic approach to innovative assessment, including greater use of technology by awarding bodies, working with awarding bodies and the wider education system to promote the use of digital bilingual assessment and support change. We worked with digital platform providers to grow our expertise and understanding of digital assessment and explored how digital technologies offered fresh approaches.

Regulate

During 2023/24 we continued the journey back to pre-pandemic GCSE and A level arrangements. Summer 2023 saw learners sitting formal exams receive some support in the form of advanced information and we adopted an awarding approach where outcomes were broadly midway between 2019 and 2022. We monitored the awarding process closely to secure fair outcomes for learners and confirmed our approach for exams and assessment for the 2023/24 academic year.

During this period we:

- monitored awarding body compliance with our Standard Conditions of Recognition through our annual Statement of Compliance process, and by monitoring incidents and investigating complaints.
- planned for the review and approval of submissions for reformed qualifications and developed our regulatory approach to support the delivery of the Full 14-16 Qualifications Offer.
- considered the first submissions of new Made-for-Wales GCSEs and started to plan for the approval of the Full 14-16 Qualifications Offer.
- considered qualifications for designation and worked with awarding bodies to ensure the Qualifications in Wales (QiW) database provided accurate information to meet user needs.
- monitored the delivery of the summer 2023 and winter 2023/24 exam series and the award of vocational qualifications.
- worked to maintain standards by considering ways to strengthen the current process for setting standards and awarding to support the transition to new qualifications and overseeing the award of qualifications in summer 2023 to a point broadly midway between the summer 2022 and summer 2019 outcomes.

Reach and Influence

During 2023/24 we continued to improve the ways in which we communicate and engage with key audiences and stakeholders to promote and maintain public confidence in qualifications and the Welsh qualifications system. During this period, we:

- built public confidence and understanding through planning and successfully executing effective communication and engagement activity.
- delivered effective strategic engagement through maintaining and developing existing and new stakeholder relationships.
- delivered effective communications through creative and engaging media and digital communications activities.
- communicated and engaged on our key work, developing and delivering dedicated campaigns to promote and build engagement with our regulatory and reform activities.
- improved the tracking and evaluation of our external engagement, reviewed our internal communications, and sought to ensure the effective use of Cymraeg across our external communications.
- increased our reach across social media platforms with 3,654 posts, 18,000 engagements, 29,500 YouTube views and over 1000 new followers/subscribers across YouTube, X, Facebook, LinkedIn, and Instagram.
- received 279,000 webpage views, 32,375 PDF downloads and 4,750 social media referrals to our website.

Corporate Resources

During 2023/24 we continued to build trust through robust and effective management of our resources and compliant corporate practices. We worked with partners across the public sector to support the qualifications system and make use of opportunities for greater efficiency and effectiveness. We focused on employee well-being, our equalities and future generations objectives and our environmental impact, while reinforcing our commitment to making Qualifications Wales a great place to work. During the period we:

- delivered corporate services to ensure the smooth running of the organisation, supporting, and challenging teams to be effective, efficient, and compliant in the face of a difficult financial climate.
- undertook a mid-year spending review to assess the potential funding shortfall and identify funding that could be released from non-pay budgets to cover the pay award.
- reviewed our planned recruitment and identified posts where recruitment could be temporarily paused to help deliver in-year cost savings.
- continued to build effective hybrid working, looking at process improvements to suit remote working and considering the views of staff and unions as we monitored effectiveness.
- developed our workforce, encouraging staff to develop their skills and experience.
- supported the wellbeing of our employees through events and regular communication and initiatives.
- supported Board development by addressing the recommendations of the 2022 Board Effectiveness Review, organising development days, and providing training. We also supported the 'Pathway to Board' project run by a group of housing trusts to encourage more Board membership from people of an ethnic minority background.
- delivered actions and monitored progress against our Carbon Reduction Plan and Welsh Language Scheme. Successfully delivered a programme of internal audit with all audits reporting substantial or reasonable assurance.

Research, Insights and Impact

During 2023/24 we sought to take decisions that were balanced, and evidence based; informed by our research, statistical analysis, consultations, and engagement work. Our work was supported by our approach to considering the needs of future generations of learners and our equalities duties, and we continued to monitor our impact and be transparent, routinely sharing progress reports. During the period we:

- supported bilingual qualifications by consulting on and introducing new conditions requiring awarding bodies to make their bilingual policy clear and promote availability.
- conducted and commissioned research to support reform activities, including work on exploring teacher and public understanding of how qualifications standards are maintained and examining approaches to equality, equity, diversity, and inclusion in the qualifications system.
- collected, analysed, and published data and statistics to help monitor standards, support impact assessments, and monitor indicators.
- developed our Wellbeing of Future Generations Wellbeing Statement and objectives by adopting a cross-organisational approach, analysing trends, and considering our long-term vision and the five ways of working.
- continued to deliver our strategic equality objectives, reviewing and [reporting](#) progress against our existing [2022-24 Strategic Equality Plan](#) and using evidence from our research and engagement to set new objectives for 2024-28.
- delivered against our 2022-24 Anti-Racism Action Plan and published our [2024-28 Anti-Racism Action Plan](#).
- reported on our activities by producing and publishing regular corporate reports including our [2023/24 Business Plan](#), [2022/23 Annual Report](#) and [2022/23 Annual Accounts](#).

<p>Signed</p> <p>Philip Blaker</p>	<p>Philip Blaker</p> <p>Accounting Officer 19 September 2024</p>
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Performance Analysis

2.1 Progress against our operational priorities for 2023-24

The 2023-24 operational priorities built on the previous year's plan. Our Senior Leadership Group periodically reported progress against these priorities enabling us to go on to report progress at each Board meeting. An overview of what we have achieved over the year is provided below.

①	Reform
✓	In June 2023, we published our Made-for-Wales GCSEs: Summary of Consultation Report which explained the decisions we have taken on the design requirements for a new suite of Made-for-Wales GCSEs. These new qualifications will help learners to get the most out of their experience of the Curriculum for Wales. We also worked with stakeholders to help identify the professional learning and teaching resources that would be needed to deliver the new Made-for-Wales GCSEs in line with the Curriculum for Wales. In March 2024, we published approval criteria for a new Made-for-Wales Integrated Science GCSE, working extensively with a range of stakeholders to co-create the design requirements.
✓	We undertook a programme of extensive collaboration, engagement, and consultation on the Full 14-16 Qualifications Offer, evaluated the findings of our consultation, and, in January 2024, published our Full 14-16 Qualifications Offer Decisions Report . This report offered a detailed explanation of the decisions we have made about the qualifications that will be developed to sit alongside the new Made-for-Wales GCSEs and confirmed that the pre-vocational qualifications within the offer at level 1/level 2 would be titled Vocational Certificates of Secondary Education (VCSEs).
✓	We supported the delivery of the suite of Construction and Building Services Engineering Qualifications by implementing recommendations identified by the rapid review undertaken in 2022. We also worked with stakeholders to promote understanding and instil confidence in the new Construction and Building Services Engineering qualifications.
✓	In July 2023, we published the findings of our sector review of Business, Administration, Retail, Law and Accountancy, and the actions we would take to address the issues raised by the review. We also started to implement the actions from our Agriculture, Horticulture and Animal Care Phase 2 Sector Review and began our Phase 2 Sector Review in Art, Creative and Media

✓	<p>In December 2023, we published approval criteria for post-16 qualifications in Travel and Tourism following an extensive sector review. In January 2024 we announced that the development period used by awarding bodies to make changes to the existing suite of qualifications would be extended by one year so they had more opportunity to engage with Welsh stakeholders and develop a suite of qualifications that would continue to give choice to centres. It is anticipated the new suite of Travel and Tourism qualifications will be ready for further education colleges and schools in 2026, for first teaching in September 2027.</p>
✓	<p>We worked with stakeholders and industry experts to develop a strategic approach to modernising assessment. This involved considering the opportunities and challenges associated with the use of digital technology in new qualifications and working with stakeholders to promote the delivery of bilingual digital assessment. We also published a position statement on artificial intelligence and worked with stakeholders to identify and mitigate the risks associated with the use of artificial intelligence in educational assessment. As our reform work continues, we will continue to work closely with awarding bodies as they seek to make the best use of new technologies and collaborate with Welsh Government and other qualification regulators across the UK to develop our understanding of the opportunities artificial intelligence can offer.</p>
✓	<p>We continued to manage the Welsh for Adults Grant and Welsh Language Support Grant and ran a webinar with interested awarding bodies to promote and explain the grants available for translating qualifications into the medium of Welsh. We reviewed the general qualifications WJEC grant and determined our future grant approach which will result in this specific grant being phased out over the next 2 years. In 2024/25 we will begin to develop a new Cymraeg strategy to replace our current Choice for All strategy and we will align our grants approach with the new Cymraeg strategy. We will also develop an approach to determining the allocation of grants to awarding bodies to develop Welsh-medium National 14-16 Qualifications.</p>
✓	<p>We paid £225k through competitive grant funding to support awarding bodies to make more qualifications available through the medium of Welsh and provided £410k of grant funding to the WJEC to contribute to the cost of preparing bilingual qualifications</p>
✓	<p>The review of Essential Skills Wales qualifications progressed well during 2023/24. We engaged with key stakeholders and received feedback on the fitness for purpose of the Essential Skills Wales qualifications and began to consider what changes or reforms may be required to ensure the qualifications continue to meet our principal aims. We also engaged with awarding bodies over desired changes to the Digital Literacy qualifications and updated the Essential Skills Wales Design Principles to reflect those changes.</p>

②	Regulate
✓	Over the year we continued to regulate awarding bodies. We completed our annual statement of compliance exercise, where awarding bodies are asked to report their compliance with our conditions of recognition, working in partnership with Ofqual and CCEA. We completed follow up monitoring of 2022 compliance issues, monitored incident reporting and managed complaints. We continued to take appropriate action where instances of non-compliance were identified, including formal regulatory action where necessary, and managed applications from bodies wishing to be recognised by us and awarding body surrenders of recognition.
✓	Our work to support the 14-16 National qualification reforms with regulatory policies and approaches continued during 2023/24. We completed impact assessments and cost-benefit analyses, reviewed, and developed regulatory policy solutions to underpin and support the 14-16 National qualification offer and developed a tool for staff on the policy making process.
✓	In May 2023, we published a comparability study of A-Level Mathematics . The aim of the study was to explore whether there was any evidence to support the perception that WJEC's AS and A level Mathematics question papers were substantially more demanding than those produced by other awarding bodies. Overall, the views of the subject experts involved in the study was that the AS and A level Mathematics question papers analysed were sufficiently comparable in terms of level of demand.
✓	In June 2023, we finalised and published approval criteria and supporting regulatory requirements to secure the new Made-for-Wales GCSEs and related qualifications and, in January 2024, published our statement of policy intent on the new National 14-16 Qualifications suite which set out our position on the designation of any additional qualifications.
✓	During 2023/24 the journey back to pre-pandemic GCSE, AS and A level arrangements continued. The 2023 summer exam series saw learners sitting formal exams receive some support in the form of advanced information and we adopted an approach to awarding that recognised the disruption experienced by learners in previous years and led to outcomes which were broadly midway between 2019 and 2022. The summer exam series was delivered successfully and, overall, the results were well received.
✓	In September 2023, we confirmed our approach for exams and assessment for the 2023/24 academic year – that awarding for GCSE, AS, A level and Skills Challenge Certificate qualifications in Wales would be in line with pre-pandemic arrangements.

✓	In 2023/24 we considered the responses to our consultation on proposed Conditions, Requirements and guidance relating to the promotion and facilitation of Welsh-medium qualifications and, in August, published a report explaining the decisions we had taken on new rules and guidance requiring awarding bodies to promote the availability of their Welsh-medium qualifications.
✓	In November 2023, we oversaw the November exam series where learners entered GCSE English Language, GCSE Mathematics, GCSE Mathematics – Numeracy, and GCSE Welsh Language. This was the first exam series of the 2023/24 academic year with a return to pre-pandemic assessment arrangements. We closely monitored WJEC's delivery of the series, and the approach taken to awarding grades, and were confident that agreed principles and suitable processes were followed and that the awards were as fair as possible for learners. The January 2024 exam series included unit exams for GCSE English Literature and GCSE Welsh Literature, some components and qualification awards of Level 2 and 3 Health and Social Care qualifications and Level 2 and 3 Childcare qualifications, and Skills Challenge Certificate qualifications.
✓	In February 2024, we launched our consultation on our approach to designating qualifications to sit alongside our new National Qualifications for 14–16-year-old learners. The consultation is seeking views on our proposed exemption criteria, as well as the factors and evidence that we should consider when deciding to make exemptions to our guiding principles.
✓	During the year we continued to designate qualifications against rules and evidence requirements, meeting our target response times, and processed amendments to qualifications.
✓	We conducted scheduled regulatory policy reviews and reviewed the effectiveness of our regulatory approach in the context of continued qualification reform and policy divergence with England.
✓	We revised the Priority Qualifications List and started work to review our Regulatory Framework and Approach.
3	Reach and Influence
✓	Over the year we continued to work to build public confidence and understanding of Qualifications Wales and the qualifications system, seeking out new ways to engage and communicate with stakeholders through a range of channels.
✓	We continued to deliver a range of informal and formal stakeholder engagement activity with our established stakeholder groups. We hosted numerous focus groups and used surveys to develop our interaction with learners across Wales, this included holding learner

	engagement sessions, visiting schools and colleges, and hosting our Learner Advisory Group. During the period we attended over 100 stakeholder meetings and 90 meetings with centres.
✓	We continued to develop our links with further and higher education institutions. We engaged with members of ColegauCymru's networks and forums to discuss and receive feedback on aspects of qualifications and assessments and met regularly with ColegauCymru and the National Training Federation Wales, to discuss areas of mutual interest, regarding further education and work-based learning matters. We also met with senior colleagues in Welsh universities to discuss key aspects of our 14-16 qualifications reform and strategic objectives, especially our work on modernising assessment. This engagement complemented our ongoing work with the Higher Education Stakeholder Group which has representation from 26 higher education organisations across the UK.
✓	Since launching our three-year Strategic Partnership with Coleg Cymraeg Cenedlaethol we have been working on our shared action plan. Throughout 2023/24 we continued to work together to promote the availability of, and facilitate access to, Welsh-medium and bilingual qualifications.
✓	We engaged widely with stakeholders representing individuals from each of the protected characteristic groups to inform the development of our 2024-28 Strategic Equality Plan and Wellbeing of Future Generations Wellbeing Statement and Objectives. Some of the stakeholders we engaged with included the Bevan Foundation, Diversity and Anti-Racism Professional Learning (DARPL), Disability Wales, Learning Disability Wales, Old People's Commissioner, Stonewall Cymru and Wales Association of Standing Advisory Councils for Religious Education (Wasacre).
✓	To support the summer 2023 exam series, we published a dedicated summer 2023 results webpage on our website, held a pre-results media briefing with key media organisations to support their results day reporting and developed new video content on how qualifications were awarded in Wales, the appeals process and progression options for learners. We also prepared a series of results day publications for both general and vocational results. This helped ensure that the public and stakeholders were appropriately informed about the arrangements for exams and assessments and the outcomes of the grading policy. On both results days, we published a series of publications and infographics on our website, shared bespoke content across our social media channels and provided a bulletin via email to centres and other key stakeholders
✓	Throughout the year we launched several consultations, including a consultation on our proposed approach to designating 14-16 qualifications and a consultation on our proposals for new Hospitality and Catering qualifications developed in response to our sector review. We also concluded our Full Offer consultation which set out our proposals for the Skills Suite, pre-vocational (subsequently titled

	VCSEs) and foundation qualifications. Each consultation was supported by a communications and engagement plan designed to drive awareness and participation in the consultation and convey the decisions we made in response to the feedback.
✓	During 2023/24 we ran 10 consultations and surveys which attracted 774 responses. We also received 41,583 visits to our Have Your Say and Dweud Eich Dweud platforms and registered 661 new users.
4	Corporate Resources
✓	During 2022/23 our corporate functions have continued to support the organisation to be efficient, effective, and compliant, ensuring we deliver our regulatory and reform work. 2023/24 was a challenging year for the public sector. In response we undertook a comprehensive review of planned spending and, when planning our 2024/25 operations, encouraged the organisation to consider new approaches.
✓	To support our Strategic Equalities Objectives, we continued to build our inclusive culture. In 2023/24 our staff and Board members received inclusion training which had been informed by the results of our Equality and Inclusion Review undertaken in 2022/23.
✓	Our Board continued to support the 'Pathway to Board' Project, run by the housing sector and designed to help individuals from ethnic minority backgrounds develop the skills necessary to become effective Board members. Our Board mentored three participants from the second cohort and have agreed to continue to mentor participants from the third cohort during 2024/25, with the aim of helping boards in Wales to better reflect the diversity of the population.
✓	We have continued to work collaboratively with the Welsh Public Sector to improve efficiency and effectiveness and supported networks in Finance, HR and IT. Our Executive Director for Corporate Resources sat on the Programme Board and HR workstream for the Commission for Tertiary Education and Research implementation programme and our Head of IT supported the systems and processes workstream. We support the sponsored body networks for heads of resources, IT, finance, and HR. Our Head of HR attends sessions with other public sector bodies to consider how we can work collaboratively on equalities objectives to maximise our collective impact and we are represented on the Further Education Post-16 Anti-Racist Steering Group.
✓	Work to develop our workforce and build effective hybrid working has progressed well during the year. We progressed the actions identified to address the findings of the 2022/23 People Survey and successfully delivered the 2023/24 People Survey, achieving an engagement score of 76% and 93% staff response, comparing favourably with other government bodies. The feedback gathered during the 2023/24 People Survey was considered by the Board in March and actions identified to addressing the findings will be progressed

	during 2024/25. We also engaged with employees and the unions in the review of the Hybrid and Homeworking Policy and considered this feedback when finalising the revised policy. We delivered initiatives to maintain staff engagement, organising two all staff events during the year which provided an opportunity for the whole organisation to come together and discuss key organisational priorities.
✓	<p>We delivered our Carbon Reduction plan. Fitting meeting room sensors and continuing with our hybrid working and travel policies, our emissions remained well below pre-pandemic levels. We monitored our subject expert's footprint and were able to report this more accurately. This change, along with changes in the calculations and use of an actual emissions figure for Microsoft enabled us to report a 23% reduction in supply chain footprint. We awarded a 100% renewables electricity contract for July 2024 onwards.</p> <p>Our 2023/24 corporate social responsibility activities supported the carbon reduction agenda, with employees helping local communities to clear litter and bracken and plant trees, to improve biodiversity and access to green spaces.</p>
✓	In June 2023 we successfully transitioned to the new finance system. After going live with the new system, we undertook a lessons learned review, and in March our Audit and Risk Assurance Committee considered the findings of that exercise. During 2024/25 we will consider adoption of the additional finance modules.
5	Research, Insights and Impact
✓	We published our Annual Equality Report 2022/23 which looked at how we had delivered against our Strategic Equality Objectives and our 2022/23 Welsh Language Scheme Compliance Report . We also published our unqualified 2022/23 Annual Accounts and successfully oversaw the delivery of the 2023/24 Internal Audit Plan with all reports showing substantial or reasonable assurance.
✓	As well as delivering against our current Wellbeing of Future Generations Objectives, work to review and refresh our objectives for 2024 onwards concluded. During the year we collated and analysed information to inform the development of our Wellbeing Statement and Objectives and engaged extensively with stakeholders, staff and our unions on our draft proposals. When setting our wellbeing objectives, we sought to act in accordance with sustainable development principle, taking account of the five ways of working. In March 2024, our Board approved our Wellbeing Statement and Objectives, and these documents will be published early in 2024/25. We will work to further embed the sustainable development principle and five ways of working into our business planning and operational approaches throughout the year.

✓	<p>We delivered against our 2022-24 Anti-Racism Action Plan through our approaches to, recruitment, qualification content, and stakeholder engagement. <i>We worked closely with DARPL to support the WJEC in considering the issue of representation in qualifications and the role and influence qualifications can have in contributing to an anti-racist Wales, continued to engage with other parts of the education system to identify opportunities for integrated action and published statistical data to help the wider education system identify and address issues.</i> In March 2024, we published our 2024-28 Anti-Racism Action Plan which had been refreshed following feedback gathered through our strategic equality stakeholder engagement.</p>
✓	<p>Work continued to progress our 2022-24 Strategic Equality Plan commitments. We delivered actions to address the findings of our 2022 Inclusion Review, providing inclusion training to our Board and staff. We continued our programme of Corporate Social Responsibility activities and our QWEST group delivered campaigns to embed health and wellbeing across the organisation. We also strengthened our links with experts in equality and assessment, and with practitioners with responsibility for additional learning needs and diversity. Our 2023/24 Strategic Equality Plan Annual Progress Report will be published in 2024/25.</p>
✓	<p>During the year our Equalities Champions worked across the organisation to develop our 2024-28 Strategic Equality Plan and objectives, and we engaged with representative groups, staff, and our union on our draft proposals. Our 2024-28 Strategic Equality Plan was approved by our Board in March 2024, and will be published early during 2024/25.</p>
✓	<p>We continued to conduct and commission research to support and inform review and reform activity, collect data, and produce official statistics. In June 2023 we published the findings of research we commissioned into Stakeholder confidence in non-degree qualifications in Wales and the qualifications system. In October we published an Equalities Analysis of General Qualifications in Summer 2023 which presented statistics on differences in qualification results by learner characteristics and in December we published a report on research we had commissioned to reflect on how international jurisdictions embed inclusivity within their qualifications for secondary school learners. In January 2024, we published research from the Oxford University Centre for Educational Assessment (OUCEA) titled Standards in GCSEs in Wales: Approaches to Defining Standards and in March published a report on a study conducted as part of the commissioned research that explored stakeholder and parent views on equality, equity, and inclusion (EEI) in non-degree qualifications and the system in Wales.</p>

<p>Signed</p> <p>Philip Blaker</p>	<p>Philip Blaker</p> <p>Accounting Officer</p> <p>19 September 2024</p>
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2.2. Main risks

Changes in risk profile during 2023/24

During 2023/24 we achieved several key milestones which enabled us to close the associated risks. We successfully published our approval criteria for new GCSEs; the Welsh Government Review of Vocational Qualifications was published; and we went live with our new finance system.

Several risk areas have improved during the year. These include risks related to:

- WJEC's capacity to develop new GCSEs achieving the challenging timelines
- optimising opportunities from digital technology
- awarding body appetite to offer qualifications for 14-16 year-olds other than GCSEs, where development is already underway by WJEC.
- our planning and prioritisation.

Some risks have increased, and new risks have appeared as we move closer to the introduction of new 14-16 national qualifications, in a climate of reduced funding for both ourselves and schools and colleges. The main risks that we are continuing to manage are described below. They remain live, and we continue to monitor them closely.

Reform of qualifications for 14-16 year olds

We are continuing to deliver our project to reform qualifications to support the new Curriculum for Wales. Having published our GCSE approval criteria the pressure moves to WJEC to provide timely submissions that meet our requirements, and to our process for review and approval. We are also finalising our approval criteria for the remaining 14-16 qualifications, including the new VCSEs, foundation qualifications, and skills suite. We are seeking to avoid potential delivery risks by continuing to consider the overall manageability of the reforms and working with awarding bodies to secure their commitment to develop and deliver new qualifications.

While we are managing various risks within this project, the highest scoring risks relate to the preparedness of schools. We are managing this by active communication, change management support and by monitoring the professional learning and resources provided by WJEC and Welsh Government.

A further risk relates to Welsh Government still not having determined its school accountability measures. This uncertainty impacts how schools will approach curriculum planning and entry for the new qualifications and risks a potential disorderly transition that could undermine the benefits. We are monitoring this risk closely.

Funding constraints

Part way through the year our risks related to insufficient funding increased significantly, as we became aware of Welsh Government's intended pay award (which our policy is to align with) and its difficulties in meeting its own budget. This was at a time when we were heavily

committed to our reforms to support the new curriculum. We took action to review activities and expenditure and were able to re-allocate non-pay spend to mitigate the risks. We continue to discuss our resource needs with Welsh Government and will be working to develop our longer-term operating model.

Funding constraints also impact the risk that our reform of qualifications leads to more resources being needed to monitor the implementation and award of those reformed qualifications. We are mitigating this by looking at aspects of design that can be standardised and considering our monitoring approach. We are also reviewing our longer-term reform plans in the context of resource constraints.

Change Management

The education system in Wales is undergoing significant change at a time when schools and colleges are facing major financial pressures. It is in this context that we are introducing changes to qualifications. With all qualification reform there are risks that centres are not sufficiently prepared for change, potentially impacting the successful delivery of new qualifications, limiting the benefits realised and impacting public confidence. Colleges and work-based learning providers are managing changes to post-16 vocational qualifications. Risks in this area have reduced across the year as we have worked closely to support implementation. We have also continued to use our established sector groups to facilitate discussion between awarding bodies and centres.

However, the closer proximity of the introduction of the new 14-16 national qualifications means that the risk that schools are not sufficiently prepared has increased. We are mitigating this by on-going engagement with schools and monitoring the support provided for teachers by WJEC for the new qualifications, recognising that it is Welsh Government's role to provide broader support and resources for changes in teaching and learning to support the curriculum for Wales.

Education system risks

We look across the qualifications system and keep a close eye on what is happening around us. Apart from those qualifications that have been specifically developed for Wales, most other vocational qualifications are offered across the UK. Education and skills policies in England continue to evolve in different directions from those in Wales. Consequently, there is a risk that some qualifications may cease to be made available in Wales. There is also a risk that awarding bodies need to focus resource to respond to changes in England.

While reductions in the offer of such qualifications can reduce choice for all learners, they can disproportionately affect Welsh-medium learners for whom a particular qualification may be the only one available.

To mitigate these risks, we meet regularly with those awarding bodies who offer qualifications to large numbers of learners in Wales. We explore opportunities with them to secure the availability of qualifications in Wales and support them to offer more qualifications through the medium of Welsh. In line with our Welsh-medium strategy, 'Choice for All', we also look to identify qualifications that can be used to fill any potential gaps. We have also focused our sector review work in its second phase on both the generic availability of qualifications post-

16 and, specifically, those available through the medium of Welsh. As a result of these activities the overall risk level has reduced for the time being, although the UK election in 2025 creates uncertainty and means the risk profile could change.

Standards

We set out our grading policy that the outcomes of the GCSE, AS and A level awards in summer 2023 should be broadly midway between 2019 and 2022, and in 2024, we expect to return to pre pandemic arrangements. Earlier in the academic year we carried the risk that the impact of this decision may not be understood by stakeholders and could impact public confidence. We were able to close this specific risk after the examination series completed with no significant issues. Monitoring standards will remain on our risk register as we complete our journey back to pre-pandemic arrangements in 23/24 and as we prepare for the transition to the new 14-16 qualifications. We have sought to mitigate these risks by clear communication for schools, parents, and learners. We maintain regular dialogue with regulators in other jurisdictions and with awarding bodies. We are aware that our work is taking place in a context where the pandemic has had an impact on educational attainment and, for some, on attendance.

Corporate

As we enter a period of critical deadlines for our reform work, the risk of over-reliance on individuals remains high, as does the risk of excessive workload for some staff. We are mitigating this by carefully planning our work, involving our trade unions, and building in contingency cover and knowledge transfer.

Having introduced our new finance system we are monitoring the risk that ineffective controls could mean that future upgrades are disruptive. We have a series of actions underway to ensure that our provider has correctly and properly documented our configuration, that controls and access are fully understood and that the test environment is properly configured.

2.3 Financial review

Qualifications Wales receives an annual funding allocation from Welsh Government to cover its expenditure. In line with the Public Sector Financial Framework, we receive a mix of revenue, capital and 'non-cash' funding (non-cash funding provides budget cover for depreciation / asset impairment costs which all entities following resource-based accounting principles and standards are required to recognise). We also generate a small amount of income annually, through the provision of IT support services to two smaller Welsh Government Sponsored Bodies, which we are permitted to reinvest in our activities. We started the financial year with the following funding available:

2023-24 Funding			
Funding Type	Revenue £'000	Capital £'000	Total £'000
Core Funding ¹	9,807	250	10,057
Welsh For Adults Funding	200		200
Non-Cash Funding	250		250
Total Resource Funding	10,257	250	10,507
Excluding Non-Cash Funding	10,007	250	10,257
Plus Income Generated	41		41
Total Funding Available (QW Budget)	10,048	250	10,298

Based on this level of available funding, and in accordance with our Medium-Term Finance Plan and Operational Plan, we set a £10.298m expenditure budget to deliver our planned activities, 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**, to commission the external support and expertise needed to deliver our programme of qualification review and reform, to regulate the awarding bodies that provide qualifications in Wales, and to undertake research
- **Corporate running costs**, such as HR, IT, facilities, governance, legal advice, etc

At the start of the year Welsh Government also acknowledged some potential additional cost pressures we faced for the coming year, which weren't included in our £10.298m budget:

- should we not fully achieve our increased staff turnover saving target,
- should there be a pay award in excess of the provision provided, and
- should the funding required for our Qualified for the Future reforms exceed the level consolidated into our core funding.

In recognition of these potential cost pressures, our 2023-24 grant letter from Welsh Government confirmed their 'preparedness to work with us to understand, plan for and manage' the impact of these cost pressures.

We also subsequently obtained additional funding assurance from Welsh Government which enabled us to over-commit to our Welsh Language Support grant budget. As a result of our 'Choice for All' strategy we actively encourage bids for grant funding to make available increasing numbers of qualifications in Welsh and were over-subscribed against our £180k

¹ Funding previously allocated separately to Qualifications Wales each year to deliver qualification reform linked to Welsh Government's reform of the Curriculum was consolidated into core funding from 2023-24.

budget in 2023-24. Welsh Government agreed to provide additional funding of up to £70k should we not be able to absorb additional spends in this area from our existing overall funding.

During the year the following actual pay cost pressures emerged:

- a) As a result of our continued desire and commitment to remain aligned with Welsh Government pay policy:
 - we agreed to follow Welsh Government practice and provide the £1,500 one-off 'cost of living' payment to all eligible staff (after Welsh Government confirmed that they expected bodies who analogue pay policies with them to match their approach),
 - We also matched the pay award made by Welsh Government, which exceeded the provision allocated in the original budget.

- b) Due to our staff turnover levels not mirroring those generated in 2022-23, it was not going to be possible to fully achieve the savings necessary (though more deliberate intervention was made by Management Board when considering recruitment to vacancies in the second half of the year which did reduce the shortfall).

These issues created in-year unfunded cost pressures totalling circa £480k.

During the year we were also notified by Welsh Government that, as a result of changes in the wider economic climate and their own cost pressures, they were no longer in a position to support us to address our unfunded cost pressures.

We consequently undertook a mid-year review of planned activities and non-pay budgets to identify where funding could be released to cover our cost pressures, which we achieved through:

- removing all provisions and contingencies
- replanned activities and objectives and developing less expensive options for their delivery, and
- assessing where some activities could be phased across the end of the financial year, thereby spreading spends over two financial years.

The table below confirms our original and revised budgets for the year (illustrating the shift in budget allocation from non-pay to pay to cover our cost pressures), and our outturn spend, compared to 2022-23.

Area	2022-23	2023-24	2023-24	2023-24	Outturn Variance	
	Outturn	Budget (original)	Budget (revised)	Outturn	£'000	£'000
	£'000	£'000	£'000	£'000		
Revenue						
Pay	6,508	6,997	7,474	7,483	9	0.1%
Grants	561	650	624	670	46	7.4%
Programme Costs	755	857	572	527	-45	-7.9%
Running Costs	1,283	1,344	1,178	1,144	-34	-2.9%
Core Revenue Spend	9,107	9,848	9,848	9,824	-24	-0.2%
Welsh For Adults Grant	200	200	200	200	0	0.0%
Sub-Total	9,307	10,048	10,048	10,024	-24	-0.2%
Capital						
Pay	40	45	41	41	0	0.0%
Running Costs	223	205	209	208	-1	-0.5%
	263	250	250	249	-1	-0.4%
Total Expenditure	9,570	10,298	10,298	10,273	-25	-0.2%
Funded By:						
Core WG Grant - Revenue	7,740	9,807	9,807	9,781		
Core WG Grant – Capital	263	250	250	249		
Welsh for Adults Funding	200	200	200	200		
QFF Funding	1,326	0	0	0		
Income	41	41	41	43		
Total	9,570	10,298	10,298	10,273		

It confirms we were able to release non-pay funding to cover our in-year pay cost pressures.

Our £10.273m spend in 2023-24 is the highest we have incurred since our establishment in 2015 and is very close to a full spend against our £10.298m budget. As expected, we did incur additional grant spend, which was marginally lower than forecast due to reduced claims being made in March but, due to some offsetting minor underspends against our programme and running costs budgets, we were able to cover the grants overspend ourselves, and we didn't need to claim any additional funding from Welsh Government.

Our capital spend was essentially in line with our budget allocation.

As in 2022-23, IFRS 16 (the accounting standard for leases) required a budget adjustment during the year right across central government, including Welsh Government Sponsored Bodies. This budget adjustment was confirmed by Welsh Government's June 2023 Supplementary Budget Motion. We therefore both notionally received new revenue budgets for the depreciation and financing charges associated with leases covered by the standard, and saw an offsetting revenue budget reduction, in recognition that the annual lease costs, whilst still cash outflows requiring grant in aid, were no longer to be recognised as resource-based expenditure.

The table below shows a reconciliation illustrating how our management accounts have been adjusted to produce our Comprehensive Net Expenditure position (once capital qualifying expenditure, non-cash resource transactions, depreciation/amortisation charges, and IFRS 16 transactions have been accounted for.)

Reconciliation of Outturn to SOCNE	£'000
Budget Outturn	10,273
Exclude expenditure treated as non-current (capital)	(249)
Add depreciation/amortisation/impairment	254
Adjust for non-cash movements recognised (Annual Leave accrual and provision changes)	(10)
Add IFRS 16 Right of Use Asset - Depreciation charge	95
Add IFRS 16 Right of Use Asset - Financing Costs	58
Remove IFRS 16 Lease cashflows	(137)
Use of income generate	(45)
Comprehensive Net Expenditure for the year	10,239

We processed 1,069 invoices for payment in 2023-24, 258 (19%) fewer than in 2022-23 (1,327). 97% of these invoices were paid within 30 days (99% in 2022-23), and 65% of our invoices were paid within 10 days (73% in 2022-23)². What initially appears to be a drop in performance is actually skewed by the impact of the implementation phase of the new finance system. Since moving through the implementation stage our performance has improved. Between September 2023 and March 2024, we processed 85% of our invoices within 10 days, which is higher than any other previous period, and 99% within 30 days.

We will continue to seek explanations for any payments taking longer than our targets and make process improvements where necessary.

Our cash balance on 31 March 2024 was £47k, which was as planned and well within the £207k carry-over limit permitted by Welsh Government.

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.

Qualifications Wales is expected to remain in existence and funded by Welsh Government for the foreseeable future, meaning it is considered appropriate to adopt the 'going concern' basis for the preparation of these financial statements.

²In the absence of a statutory definition for the '10 day' target, we measure the time between a legitimate invoice being received by Qualifications Wales, and when the payment is made into the supplier's bank account.

We recognise the changed financial climate within which we now operate, as illustrated by the 'flat-line' funding allocation for 2024-25. Whilst this is at the same level as our 2023-24 funding allocation, our pay related cost pressures continue to increase. This has required us to largely hold non-pay budgets at their 2023-24 levels, and (following impact analysis and discussion) taper down (and eventually phase out) some grant funding provided to WJEC.

We have started modelling the impact of continued flat line, or even reduced future funding allocations on our operating model, given we anticipate pay inflation cost pressures to continue. We are developing scenarios that assess our capacity to continue delivering our regulatory and reform agenda within the resources available to us, to enable us to forward plan effectively.

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.

We are committed to minimising our negative impact on the global environment. Through implementation of our Carbon Reduction Action Plan, we support Welsh Government's policy to achieve overall public sector 'net zero carbon' by 2030.

We report our carbon emissions impact to Welsh Government each year. Previous figures have been provided for 2019-20 and 2021-22 onwards. The Welsh Government model for our emission types breaks emissions down into 3 areas:

- Buildings (electricity, F Gas, waste and water)
- Business travel, commuting and homeworking (with a calculation provided for homeworking)
- Supply Chain (calculated by the value of consumption of purchased goods and services multiplied by an emission factor drawn from the given SIC industry code or using actual data where known).

Our summary results are shown below:

Year	Total kg CO2e emissions	Buildings (electricity, FGas, water and waste)	Business Travel, commute, and homeworking	Supply Chain emissions
2019-20	727,469kg	21,232kg	318,330kg	387,906kg
2021-22	322,918kg	21,227kg	72,279kg	301,691kg
2022-23	471,667kg	24,125kg	130,185kg	317,357kg
2023-24	365,016kg	24,299 kg	128,977kg	211,740kg

(*) Our 2022-23 figures for FGas have been corrected from those reported in our 2022-23 accounts (where we reported F-gas usage at 39kg and F-gas emissions at 46,098kgCO2e). We should have only reported emissions relating to the additional F-gas used for topping up the system, due to leakages, not the total amount recommissioned in the system following top

up. Therefore, the correct F-gas data for 2022-23 is 4kg resulting in carbon emissions of 4728kgco2e. We have not been required to top up the system in 2023-24.

(**) Our 2022-23 waste figures have been corrected from those reported in our 2022-23 accounts. We had reported 1205kg and 159.65kg co2e emissions (incorrectly using bag units instead of weight). The correct figures were 4911kg and 917kgco2e emissions.

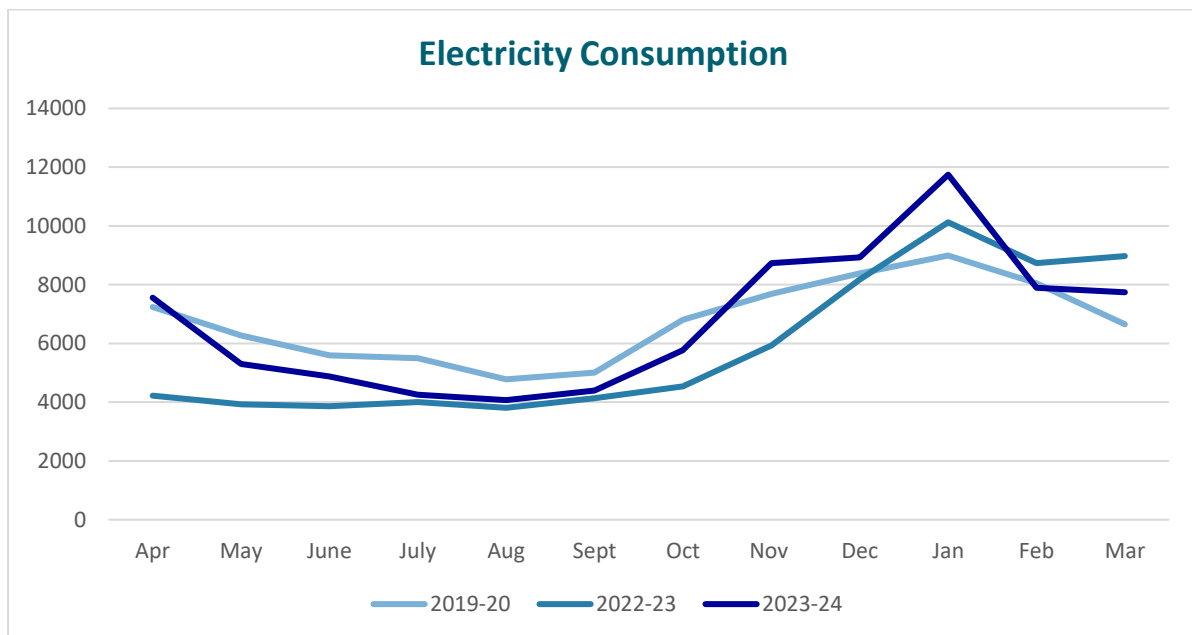
Buildings emissions (electricity, F-Gas, waste, water)

We lease our building so our ability to make infrastructure changes is limited. Changes that we have made internally have reduced electricity usage. Despite one-off exercises or incidents that impacted waste and water usage, our operational emissions have remained steady. We have tracked specific carbon emissions in some of our spend areas and reporting these figures instead of a spend calculation has reduced our overall figures.

Electricity

Over recent years we have made improvements that have reduced usage, including LED lights and motion sensors. Our IT infrastructure is mainly cloud-based, meaning that we do not require large on-site servers. Our overall usage is well below Welsh Government good practice benchmark guidelines.

In March 2023 we installed motion sensors in meeting rooms to enable rooms to reach an optimum temperature in the early morning and then only heated/ cooled when the room is in use. This was successful in reducing usage from March through to October 2023. Unfortunately, in November 2023 – January 2024 we experienced a failure of some of the heating controls at the same time as a period of cold weather and this resulted in an increase in usage for this period. We have now identified the cause and resolved this issue and expect to see an improvement.



We have an Environmental Policy Statement in place supported by the Chief Executive and senior management. We have committed to achieve an Environmental Management System (EMS) and aim to work towards achieving the Green Dragon Environmental accreditation in the future.

F Gas

In total our HVAC systems hold 77.35kg of F-gas across 3 systems at 38.1kg, 36.5kg and 2.75kg. Planned preventative maintenance is undertaken on the systems on a six-monthly basis, if a leak is identified the system is drained of all refrigerant, topped up and recommissioned. The refrigerant that has been drained out is reused in this process. In 2023-24 we did not need to top up any refrigerant.

Water

We saw a large increase in our water consumption over the year. The cause was a leaking valve resulting in a constant flow of water in the system. Once identified it was repaired immediately. We have put measures in place to carry out monthly checks to prevent the situation recurring and we anticipate seeing a more consistent figure for water consumption going forward. Despite this our usage is well below the Welsh Government benchmark.

Waste

This year our landfill waste figures have doubled. This was due to a one-off exercise to remove outdated promotional literature and other items. The use of a skip meant that the items had to be classified as general waste, despite being sorted and separated into recyclable and non-recyclable materials off site. Other waste streams remained stable, and our overall waste is well below Welsh Government benchmark guidelines.

The daily waste we created during 2023-24 was segregated into three streams. A new commercial waste legislation will be introduced in Wales from April 2024. Going forward, we will be segregating our mixed recycling into further streams. We have enhanced waste bins and signage in the office and anticipate a reduction in waste to landfill.

Business Travel, Commuting and Homeworking

To reduce our footprint, our travel policy requires that the need for all business travel is carefully considered. Where travel is necessary, we have promoted responsible and sustainable travel arrangements. Our figures for this year are 65,288 miles at 17,732 kg CO₂e. This represents an increase on the previous year but well below pre-pandemic levels.

Since May 2022 we have operated a hybrid working policy with all staff expected to attend the office for 2 days a week and all Board meetings held face-to-face. Our employees are all provided with 'two-in one' detachable tablets allowing them access to the cloud services from any location with Wi-Fi availability. This approach allows a smooth transition between home and office-based working. Our estimated figures for this year are 218,248 miles at 72,449kg CO₂e, a significant reduction in comparison to our pre-pandemic figure. We anticipate stabilising at around our current commuting volumes.

Supply chain emissions

Welsh Government has made changes to the supply chain emissions factors for all categories of spend; some have increased, and others have decreased. Our supply chain emissions have decreased this year from 317,573kg for 22-23 to 211,740kg because:

- our spend on furniture has significantly decreased following last year's office refurbishment and the associated emissions have reduced by 65kg
- improved reporting has enabled us to remove temporary staff salaries from employment services with only agency fees being included resulting in a reduction of 24kg
- whilst our spend on computer products has increased this year by £43,000, the emission factor has decreased by 0.086 and therefore emissions are 10,000kg lower than they would be using the 22-23 emission factor
- we have obtained the actual emission data from Microsoft for our Office 365 suite
- we have recorded travel data for our subject experts and calculated actual emissions depending on the type of travel, where our experts worked at home we used the homeworking calculation.

Our largest supply chain carbon impacts relate to IT hardware, software and consultancy, and professional and technical services.

Our detailed results are shown overleaf:

Scope		Non-financial information		Financial Information	Greenhouse gas emissions		
Scope 1 - Direct emissions:			n/a	n/a		n/a	
Scope 2 (Energy indirect):	Electricity	81,245	kwh	65,008	22,331	kg CO2e	
	F-Gas	0	kg	0	0	kg CO2e	
Scope 3:	Water	295	m3	570	52	kg CO2e	
	Sewerage	280	units	880	56	kg CO2e	
	Water/Sewerage Total (*)	575	units	1,450	108	kg CO2e	
	Waste						
	General	3,636	kg	462	1,806	kg CO2e	
	Mixed Recycling	2,106	kg	443	45	kg CO2e	
	Food	997	kg	620	9	kg CO2e	
	Waste Total	6,739	kg	1,525	1,860	kg CO2e	
	Business Travel						
	Car Staff	21,764	miles	9,878	7,613	kg CO2e	
	Car Board Member	7,753	miles	3,549	2,712	kg CO2e	
	Car Total (**)	29,517	miles	13,427	10,325	kg CO2e	
	Taxi staff	629	miles	537	188	kg CO2e	
	Taxi Board Member	43	miles	119	13	kg CO2e	
	Taxi Total (**)	672	miles	656	201	kg CO2e	
	Rail Staff	16,331	miles	6,478	1,167	kg CO2e	
	Rail Board Member	628	miles	337	45	kg CO2e	
	Rail Total	16,959	miles	6,815	1,212	kg CO2e	
	Air staff	15,988	miles	1,653	5,283	kg CO2e	
	Air Board Members	2,152	miles	592	711	kg CO2e	
	Air Total	18,140	miles	2,245	5,994	kg CO2e	
	Business Travel Total	65,288		23,143	17,732	kg CO2e	
	Staff Commute(***)						
	Car (**)	202,780	miles	n/a	70,938	kg CO2e	
	Rail	12,423	miles	n/a	888	kg CO2e	
	Bus	3,045	miles	n/a	623	kg CO2e	
Staff Commute Total	218,248	miles	609,186	72,449	kg CO2e		
Grand Total			700,312	114,480	kg CO2e		

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.

(***) Staff commuting figures calculated using staff home postcodes cross referenced with the desk booking system to confirm attendance. The emissions are based on an upper medium car type.

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's activities are conducted efficiently and effectively
- monitor performance to ensure that Qualifications Wales fully meets its aims, objectives, and performance targets
- promote high standards of public finance, upholding the principles of regularity, propriety, and value for money

During 2023-24, the Board was made up of the following members:



David B Jones
OBE DL
(Chair)



Philip Blaker
Chief Executive



Douglas Blackstock



Julie Brannan



Hannah Rowan



Anne-Marie Duffy
OBE



Michael Griffiths
OBE



Graham Hudson



David W Jones



Professor John Latham
CBE



Sharron Lusher
MBE DL



Jayne Woods

Sharron Lusher stepped down on 15/07/2022 to lead the review of Vocational Qualifications commissioned by Welsh Government which concluded in September 2023. Sharron re-joined the Board on 1 January 2024.

Ravi Pawar joined the Board as a special advisor during 2022/23. While not classified as a Board member, he assists the Board by sharing his relevant experience of the education sector in Wales.

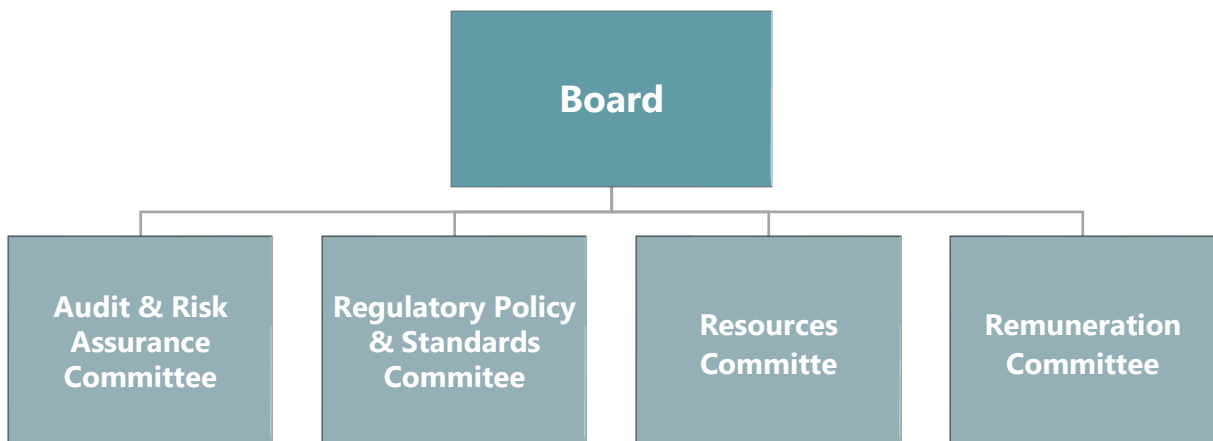
In May 2023, David W Jones's final Board term ended and in April 2024, Anne-Marie Duffy resigned from her position on the Board.

The Chair of Qualifications Wales

The Chair of Qualifications Wales, David B Jones, answers to Senedd Cymru for our activity and conduct, and the exercise of our statutory functions as set out in the Qualifications Wales 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 Qualifications Wales 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 [on our website](#).

All related party transactions have been noted and can be seen in Note 15 of this document, on page 91.

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
- ensuring compliance with the requirements of *Managing Welsh Public Money*

The Chief Executive Officer has several direct accountabilities to the Board, 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, which can be viewed on our [website](#).

The Qualifications Wales Executive team comprises:



Philip Blaker,
Chief
Executive



Alison Standfast,
Executive
Director,
Corporate
Resources



Jo Richards,
Executive
Director,
Regulation



Cassy Taylor,
Executive
Director
Qualifications
Policy and
Reform

In 2023, Qualifications Wales reviewed and evaluated a new role to oversee the Qualification Policy and Reform (QPR) directorate. Cassy Taylor took up the post on 1 January 2024, joining the Executive Team.

The Management Board, including the Director of Communications and Engagement, 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
- coordinate activity across the organisation

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 (FRoM), 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
- 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's 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 2023 to 31 March 2024 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

- 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.

<p>Signed</p> <p>Philip Blaker</p>	<p>Philip Blaker</p> <p>Accounting Officer 19 September 2024</p>
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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 Qualifications Wales Board provides leadership and direction to the organisation. It 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 (except for 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.

From June 2024 Qualifications Wales will be subject to the Well-being of Future Generations Act. We have voluntarily adopted its provisions and applied the five ways of working – integration, involvement, collaboration, prevention and long-term thinking. In doing so this supports the long-term view set out in the code referenced above.

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 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 Qualifications Wales Board

The Board had six regular meetings during the period (May, July, September, November, January, and March). Minutes of Board meetings are made available through the Qualifications Wales website once they have been approved. A number of briefing sessions and two Board development sessions were also held throughout the year in addition to the formal meetings of the Board.

The key decisions taken by the Board during the period included the following:

- approving the Wellbeing Objectives and Wellbeing Statement.
- approving changes to the organisation's strategic priorities document.
- approving the organisation's Operational Priorities for 2024/25
- approving the 2024-25 Business Plan, Operational Plan budget allocation and staffing resource levels
- approving publication of the organisation's 2024-28 Anti-Racism Plan
- approving the publication of the organisations 2024-28 Strategic Equalities Plan
- approving publication of the organisations 2022/23 Annual Equality Update Report, Welsh Language Scheme Compliance Report and Anti Racism Action Plan Update.
- approving the annual accounts for the period 1 April 2022 to 31 March 2023
- approving the annual report for the period 1 September 2022 to 31 August 2023
- approving the organisation's decisions in respect of the Full 14-16 Qualifications Offer
- approving the commencement of tender activity to award contracts for subject expert services to support the approvals process for new GCSEs
- approving an approach to grading for GCSEs, AS and A levels Skills Challenge Certificate qualifications in Summer 2024
- approving revisions to the Corporate Complaints Policy and Gifts, Hospitality and Sponsorship Policy
- agreeing the Board's continuing participation in the Pathway to Board project.

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

- updates from the Chief Executive and Chair
- updates on the progress of the *Qualified for the Future* project
- updates on arrangements for awarding qualifications in 2023 and 2024, risk management reports and risk registers
- monitoring of operational plan delivery and financial activity
- updates from each of its committees
- a report on the annual staff survey outcomes and the revised organisational values and behaviours
- options for addressing the recommendations of Welsh Government's Review of Vocational Qualifications
- the findings of the organisation's Inclusion Review
- the organisation's response to the Welsh Government consultation on the Welsh Language Education Bill
- progress against the Board Effectiveness Review Action Plan

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

The Board held a development day in July 2023 which included external speakers from Colegau Cymru, CAMLAS, and the UCL Institute of Education. The session provided the Board with an opportunity to reflect on the priorities for further education, educational assessment, the standards trajectory for Wales and Senedd Members' perceptions of Qualifications Wales and its work. The Board also considered the work to develop the organisation's Wellbeing of Future Generations Objectives and draft Wellbeing Statement.

The Board also held a development day in November 2023 which enabled the Board to review the organisation's strategic priorities and contribute to the development of wellbeing strategic indicators.

Members of the Welsh Government sponsor team were given the opportunity to observe meetings of the Board.

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee supports the Board and Accounting Officer 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.

Accountability for risk management and internal control lies with the Board. However, responsibility for oversight of these areas 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, September, November, and March), and the Board received regular reports highlighting the important issues emerging from the committee's discussions and the material judgements reached. Committee meetings were also attended by internal and external auditors.

During this period, the committee:

- reviewed the draft annual accounts for 2022-23 and provided an assurance report to the Board and Accounting Officer
- monitored the implementation of the new financial system and considered the findings of the lessons learned review
- reviewed progress against the organisation's actions to reduce carbon emissions
- reviewed all the internal audit reports carried out in the period and approved the 2024/25 Internal Audit Programme
- oversaw the monitoring of all internal audit recommendations
- received technical updates from officials, internal and external auditors
- considered Welsh Government 'Dear Accounting Officer' (DAO) letters
- reviewed reports in relation to fraud, bribery, gifts, and hospitality management
- received risk management reports and reviewed relevant aspects of the corporate risk register
- undertook a deep dive of current risks, reviewed the Risk Appetite Statement, and considered the organisation's Scheme of Delegation
- received information security updates throughout the year
- received financial update reports throughout the year and scrutinised the processes used for budget management and forecasting
- received reports on any departures from the procurement procedures
- considered the impact of the introduction of the Subsidy Control Act 2022 on the organisation
- considered its schedule of future meetings

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) and reports from these meetings were provided to the Board.

During this period, the Resources Committee:

- received progress reports on the 2023-24 operational plan and financial position, considering matters related to the strategic use of resources.
- reviewed the draft 2024-25 Business Plan, Operational Plan, and budget;
- reviewed the Medium-Term Financial Plan
- received HR updates covering resourcing, learning and development, absence statistics, and well-being
- received updates on the implementation of the new finance system
- received updates on progress against our Strategic Equalities Objectives and the development of the organisation's Anti-Racism Action Plan

Regulatory Policy and Standards Committee

The purpose of this committee is to consider and provide recommendations to the Board on issues arising from Qualifications Wales's regulatory approach. The committee has delegation from the Board to approve regulatory policies, regulatory frameworks and changes to the Standard Conditions of Recognition and Criteria for Recognition, and decisions to issue monetary penalties. The committee's terms of reference are available on our [website](#).

The committee met four times in the period (April, June, November, February) and reports from these meetings were provided to the Board.

During this period the Regulatory Policy and Standards Committee:

- considered the arrangements to monitor general and vocational qualifications in summer 2023
- approved the publication of the Conditions, Requirements and guidance relating to promotion and facilitation of Welsh medium qualifications.
- approved publication of revised Made-for-Wales GCSE Conditions and Requirements
- considered the organisations approach to incident management
- monitored progress of the Health and Social Care Rapid Review
- received a summary of the findings of the Oxford University Research Report on standards in GCSEs in Wales
- received updates on the proposed approach to approval of Made-for-Wales GCSEs and the designation of qualifications for 14-16-year-olds.
- considered proposed changes to Qualifications Wales's Regulatory Framework
- considered the approach to providing mitigations for learners completing GCSEs, AS and A levels and the Skills Challenge Certificate qualifications in winter 2023/24 and summer 2023
- reviewed its Terms of Reference and recommended that the committee's title be changed from Regulation Policy and Standards Oversight Committee to Regulatory Policy and Standards Committee to better reflect the committee's role and remit
- received regular regulatory risk management reports
- received regular updates on monitoring and compliance issues monitored the situation in relation to an awarding body experiencing severe financial difficulty, ensuring learners were supported in their move to equivalent qualifications
- received updates on the November 2023, January 2024, and summer 2024 examination series

- received an update on the study of the comparability of demand standards in A level Mathematics examination papers. received an update on the trajectory of qualification standards in Wales
- received a summary of the findings from the 2022 Statement of Compliance exercise

Remuneration Committee

The purpose of this committee is to consider and provide recommendations on the remuneration of staff and board members. The committee has delegation from the Board to approve the Pay Policy. Any substantial changes to terms and conditions must be agreed by the Welsh Ministers. A summary of the committee's terms of reference is available on our [website](#).

The committee met three times during the period (June, September, March), during which it considered the executive pay award and Chief Executive Succession Plan.

Board performance and effectiveness review

A Board effectiveness review was carried out in autumn of 2022 by the Halpin Partnership, and an action plan to address the reviews recommendations was considered and approved by the Board in January 2023. During 2023/24 work to progress the actions agreed has continued, with the Board receiving regular updates. Twenty-two recommendations were accepted and twenty completed including developing a Board succession plan, implementing a regular briefing for Board members updating them on our work and the education landscape in Wales, and undertaking a review of the threshold level at which risks are reported to Board. The two remaining recommendations will be delivered in 2024/25.

During 2023/24 the Chair met separately with each Board member regularly during the year to conduct performance reviews and listen to feedback. This feedback was collated by the Chair into a report with suggested improvements to the format of Board Development Sessions, to ensure they were engaging and provided an opportunity for in depth discussions, and a need to consider succession planning for senior roles.

In response to these points, we revised the format of Board Development Sessions to include a mix of activities designed to encourage engagement and offer more opportunities for in-depth discussion. The Board also considered senior succession planning during a closed session and the Remuneration Committee reviewed the Chief Executive Succession Plan at its meeting in March.

Chair's review – During the course of the year the Chair, Chief Executive and other members of the Executive Team met regularly with the Minister for Education and Welsh Language, updating him on key aspects of the work of Qualifications Wales. The Chair also held a number of meetings with various key stakeholders to develop stronger links and engender a better understanding of the work of Qualifications Wales. Two Board members led the 2023 performance review of the Chair, drawing on feedback from all Board members and the Executive, and the Minister conducted his annual review of the Chair's performance.

Attendance at Board and Committee meetings (1 April 2023 to 31 March 2024)

Board Member	Board	Audit Committee	Regulatory Committee	Resources Committee	Remuneration Committee
David B Jones OBE (Chair)	6/6	n/a	3/4	3/3	3/3
Philip Blaker (Chief Executive)	6/6	n/a	4/4	3/3	n/a
Douglas Blackstock	5/6	3/4	4/4	n/a	n/a
Julie Brannan	6/6	4/4	4/4	n/a	n/a
Hannah Rowan	5/6	n/a	n/a	3/3	n/a
Anne-Marie Duffy OBE ³	4/6	n/a	4/4	n/a	3/3
Michael Griffiths OBE	6/6	n/a	n/a	3/3	3/3
Graham Hudson	5/6	n/a	4/4	2/3	n/a
David W Jones ⁴	1/1	n/a	n/a	n/a	n/a
Prof. John Latham CBE	5/6	4/4	n/a	n/a	n/a
Sharron Lusher MBE ⁵	2/2	1/1	n/a	n/a	n/a
Jayne Woods	5/6	3/4	n/a	n/a	3/3

During 2023/24, Ravi Pawar served as a special advisor to the Board and attended five out of a possible six Board meetings during the period. In March 2023, the Chair extended Ravi's appointment for a further twelve months.

During 2023/24 the organisation continued to provide electronic papers and run its committee meetings virtually as we continued to embrace the benefits associated with agile working. Board meetings were held face-to-face.

The system of internal control

³ Anne-Marie Duffy resigned from the Board with effect from the 16 April 2024.

⁴ David W Jones's second term as an ordinary member ended 14 May 2023.

⁵ Sharron Lusher rejoined the board in January 2024 after stepping down in July 2022 to Chair the Welsh Government Review of Vocational Qualifications.

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 2024 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, Audit Wales, and the Directors within the organisation, who have responsibility for the development and maintenance of the internal control framework.

Internal Audit

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

During 2023-24, nine internal audits have been completed plus an annual Follow-up Review which establishes the management action that has been taken in respect of the recommendations arising from the internal audit reviews.

The Audits for 2023-24 were as follows:

Audit name	Assurance rating	Number of recommendations
ICT Civica – Pre-Implementation Review (Advisory)	n/a	2
Risk Management of ICT Approach of Regulated Bodies. (Advisory)	n/a	0
Designation of Qualifications	Substantial	4
Risk Management – Mitigating Controls	Substantial	1
Project Management – Qualified for the Future (QFF)	Substantial	2
Governance – Follow up of Board Effectiveness Recommendation	Substantial	0
ICT – Management of Website Content	Substantial	4
Key Financial Controls – Payroll, Expenses and Pensions	Reasonable	3
Communication and Engagement Strategy	Reasonable	9

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			
	Urgent	Important	Routine	Total
Recommendations raised in 2017-18	0	3	13	16
Recommendations raised in 2018-19	0	4	18	22
Recommendations raised in 2019-20	5	1	19	25
Recommendations raised in 2020-21	0	2	5	7
Recommendations raised in 2021-22	0	3	8	11
Recommendations raised in 2022-23	0	2	9	11
Recommendations raised in 2023-24	1	8	16	25
Total	6	23	88	117

A monitoring and tracking system is used to report 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 accounting year:

Priority	Recommendations			Status				
	Brought forward from 2022-23	Raised in 2023-24	Total	Implemented in 2023/24	Overdue	Not yet due	Not implemented	Carried forward
Urgent	0	1	1	1	0	0	0	0
Important	2	8	10	7	2	1	0	3
Routine	3	16	19	15	1	3	0	4
Total	5	25	30	23	3	4	0	7

As at 31 March 2024, seven Internal Audit recommendations remained outstanding.

Of the seven outstanding audit recommendations, four are not yet due and relate to audits undertaken during Q4. Three of these recommendations relate to the Assurance Review of ICT - Management of Website Content Internal Audit Report, which received an assurance rating of substantial, and are routine priority. The final recommendation relates to the Assurance Review of Communications Internal Audit Report, which received an assurance rating of reasonable, and is important priority. It is anticipated the recommendations will be completed in line with agreed timescales.

Three of the outstanding recommendations are overdue.

One of the overdue recommendations relates to the Pre-Implementation Assurance Review of the new finance system issued in August 2023 and considered by our Audit and Risk Assurance Committee in September 2023. The recommendation, assessed as important priority, related to arrangements for the use and monitoring of the systems administrator access privileges. While administrator access privileges have been agreed for internal staff, the supplier has more to do to demonstrate its arrangements for managing and monitoring their access to super-user profiles to our satisfaction.

Another overdue recommendation relates to the Assurance Review of Key Financial Controls – Payroll, Expenses and Pensions Internal Audit Report issued in October 2023 and was considered by our Audit and Risk Assurance Committee in November 2023. This recommendation, assessed as an important priority, relates to the formal approval of the Pay Policy. This was due to be finalised by 31 March 2024. It has been revised and is progressing through the internal sign off process, expecting final approval in May 2024. The audit returned an overall assurance rating of reasonable.

The final overdue recommendation relates to the Assurance Review of Project Management - Qualified for the Future (QFF) Internal Audit Report issued in January 2024 and considered by the Audit and Risk Assurance Committee in March 2024. The recommendation noted that the QFF project arrangements are set out in the QFF Full Business Case and suggested it be updated to incorporate project funding by 31 January 2024. The project funding data has now been collated and the business case will be updated for review and approval by the end of June 2024. The audit returned an assurance rating of substantial, and the overdue recommendation is routine priority.

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

TIAA is satisfied that, for the areas reviewed during the year, Qualifications Wales has reasonable and 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 the 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			
Governance Framework	0(0)	2(0)	7(7)
Risk Mitigation	0(0)	0(0)	2(0)
Compliance	0(0)	3(0)	5(2)
Delivery			
Performance Monitoring	0(0)	1(1)	0(0)
Sustainability	1(0)	1(0)	0(0)
Resilience	0(0)	1(1)	2(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	7(9)
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Follow Up: Prior year recommendations have been subject to follow up as part of our audit plan. All 2022/23 recommendations were subject to follow up by Internal Audit and all agreed recommendations had been implemented.

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 – 14 May 2024

Risk management and control framework

The Board has overall accountability for the organisation's risk management and has risk as a standing agenda item at each Board. This includes all risks on the strategic risk register with a residual risk score of 12 or above. 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.

The Audit and Risk Assurance Committee undertook a review of the organisation's risk appetite statement at its Annual Risk Workshop held in March 2024 and the Board will receive it for review and approval at its meeting in May 2024. The Board's risk appetite reflects different facets of the organisation and is stated to provide a framework to guide the Executive and employees in how they should develop options, consider risk mitigation or take delegated decisions. It does not mean any compromise to taking decisions properly through the appropriate governance with full consideration of the options and impact assessments or risks involved, nor does it imply any assumption on the decisions that will be taken. Given the nature of our work the Board generally has a low appetite for risk but accepts that in specific areas some risk needs to be tolerated and managed. These included:

- as part of qualification reform, a high-risk appetite for the use of digital technology to enhance or improve assessment or awarding processes
- a moderate risk appetite in respect of resourcing, relationships / public perception, and the operation of the qualifications market as a whole

The Executive team, via the Management Board and its underlying governance structures are responsible for maintaining the risk registers and supporting team/project risk registers. Risk reports and registers were presented to meetings of these boards for discussion, revision and/or information.

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

- Audit and Risk Assurance Committee reviews the corporate and communications risks
- Regulatory Policy and Standards Committee reviews the regulatory and reform 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.

Risk Register

During 2023-24 the Strategic Risk Register was continuously updated to capture new risks as they were identified. Overall, the risk profile decreased during 2023/24, and a full review of our main strategic risks can be found on page 18.

All risks are actively considered on a regular basis and reviewed in line with the Board's current risk appetite. All risks with a residual rating of 12 or above are routinely reported to the Board.

As at 31 March 2024 there were 49 strategic risks detailed within the register: 18 reform risks; 10 regulation risks; 18 corporate risks; and 3 communications risks. Of the 49 strategic risks detailed within the register, 12 had a residual risk score of 12 and above.

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 new staff have been given training as part of their induction.

Our procedures require that (unless we are using existing contracts or collaborative framework agreements such as those let by the Welsh Government Commercial Delivery Team):

- three quotes are obtained for goods and services between £6,000 and £29,999
- an invitation to tender is published on Sell2Wales for goods and services over £30,000 and below the GPA threshold
- a notice is published on 'Find a Tender' for tenders over the GPA threshold

A departure process is in place to allow the effective management of any deviation from these procurement procedures. In most cases, goods and services are purchased only after competitive tenders/quotations have been sought, following advice from the Procurement Team. 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 above the World Trade Organisation Government Procurement Agreement threshold, prior approval 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 2023 to 31 March 2024, one departure was approved, with a value of £6,000. This related to access to specific software (therefore one source of supply) to understand options for digital assessment.

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 Handling Guidelines.

The Executive Director for Corporate Resources 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 Head of Corporate Governance is the Data Protection Officer and is 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 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)
- social media

The Head of IT is responsible for regularly reviewing our risk appetite statement and proposing updates to the Management Board.

Cyber security

In this financial year, there were no data breaches or losses. We renewed our Cyber Essentials Plus accreditation in July 2023, we also achieved IASME Level 1 Cyber Assurance in September 2023.

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

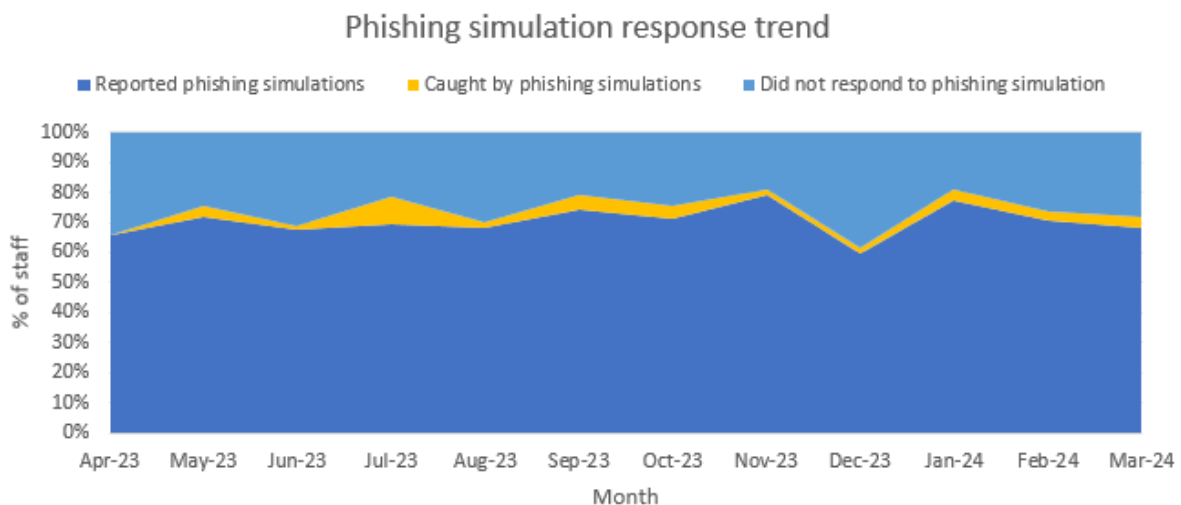


Attempts to compromise user accounts using unauthorised logons (password guessing) are now the most prevalent form of attack. However, the overall risk of account compromise remains low due to the additional protection provided by multi-factor authentication. Phishing emails continue to pose the most significant cyber risk. Our email filters with advanced threat protection provide the first line of defence against phishing. We recognise the important role our staff play in further mitigating the risk from phishing.

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

- monitoring changes to the threat landscape
- running monthly simulated phishing attacks on our staff to test their response and alert them to the dangers of phishing
- requiring all staff to complete ongoing interactive online information security awareness training

The results of simulated phishing attacks are shown in the chart below. Further training is provided to staff regularly caught by phishing simulations.



We understand that cyber threats can also impact us through supply chain attacks that could

affect our trusted technology partners and suppliers. We mitigate these risks through contractual requirements for third party cyber assurance accreditations and business continuity planning.

Freedom of Information requests

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

Complaints

We received two corporate complaints during 2023/24. One was resolved informally at stage one of our corporate complaints handling process and the other was partially upheld. During 2022/23 we received two corporate complaints, one was resolved informally at stage one of our corporate complaints handling process and the other was withdrawn.

During 2023/24 we received twelve complaints about awarding bodies. Of these, one was accepted for investigation and partially upheld. We received no applications under the Exam Procedures Review Service during 2023/24. During 2022/23, we received thirteen complaints about awarding bodies, of which two were accepted for investigation and neither upheld. We also received no applications under the Exam Procedures Review Service during 2022/23.

Whistleblowing

Qualifications Wales has a Whistleblowing Policy, which provides details to our staff about the policy purpose and process for raising any concerns. We did not receive any corporate whistleblowing disclosures in this financial year.

We also have a Regulatory Whistleblowing Procedure. We did not receive any regulatory whistleblowing disclosures in this financial year.

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

In 2023/24 Welsh Government announced its intention to introduce regulations to extend the well-being duty (Part 2) of the Well-being of Future Generations (Wales) Act 2015 to eight additional public bodies, including Qualifications Wales, from June 2024 with the duties coming into force April 2025.

Although we will not be subject to the FGA until April 2025, we are committed to sustainable development. We consider that our role supports its purpose and that its requirements are compatible with how we work. In 2018 we voluntarily adopted the FGA provisions to underpin how we deliver our functions and published well-being objectives which can be viewed on our [website](#).

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.

In 2023/24 we worked to draft a Wellbeing Statement and identify objectives to support the seven wellbeing goals, building these into our business plans. During the year, we engaged with stakeholders, staff, and our Board to develop ideas and learn from others to inform the development of our Wellbeing Statement and objectives. We also engaged with our recognised union, as required by the Social Partnership and Public Procurement (Wales) Act and sought to apply the five ways of working to our approach.

The Board approved our final Wellbeing Statement and objectives in March 2024.

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 and report on a corporate Welsh Language Scheme, which can be viewed on our [website](#). During 2023/24 our focus has been on continuing to embed the Scheme throughout the organisation.

Promoting and supporting Welsh-medium and bilingual qualifications

Our '[Choice for All](#)' strategy clearly sets out our commitment to Cymraeg and our aim to increase the availability of Welsh-medium qualifications. During 2023/24 we provided over £835k grant funding to promote and support Welsh medium and bilingual qualifications.

To support our 'Choice for All' commitments, we have been working with awarding bodies and stakeholders such as the Coleg Cymraeg Cenedlaethol, Welsh Government and learning providers to identify qualifications that should be prioritised to be made available in Welsh. We have used the information collected through our work to target our Welsh Language Support grant towards the areas of priority.

We provided over £225k through competitive grant funding to support awarding bodies to make more qualifications available through the medium of Welsh, £200k to support Welsh for Adults, and grant funding of £410k to WJEC to contribute to their costs of preparing bilingual qualifications.

During 2023/24 we published the findings of our Business, Admin and Retail (including law and accountancy) sector review which made recommendations relating to increasing the number of Welsh-medium qualifications in the sector. We also published the findings of our Travel, Tourism, Hospitality and Catering sector review which proposed developing new bilingual Made for Wales qualifications in the sector.

We continue to convene our 13 Sector Qualification Groups which include representatives from providers, awarding bodies and sector groups. The demand and supply of Welsh-medium qualifications continue to be an issue for discussion in these fora.

In August 2023, we published our consultation Decisions Report, on proposals to require awarding bodies to promote the availability of and facilitate access to Welsh medium qualifications.

Subsequently, Condition D9 came into force on 1 September 2023. This included condition requirements and guidance. Awarding bodies will be expected to comply with Condition D9 from 1 September 2024.

Beyond working with awarding bodies, we continue to support our strategic partnership with the Coleg Cymraeg Cenedlaethol, underpinned by a three-year action plan. This action plan, structured across four different themes, has been developed to help us achieve our common goal - aligning the development of Welsh-medium and bilingual courses (provision) alongside suitable bilingual qualifications for learners studying those courses. We also continue to meet regularly with the Welsh Language Commissioner's office to discuss matters of mutual interest relating to the Welsh language.

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 our recruitment practices, our website design standards, and the design of our office. We regularly partner with other organisations to support and embed our equality policies and practices, and this year continued to run our staff inclusion training programme. We are also committed to a programme of corporate social responsibility which is included as an operational activity in our annual operational plan.

Equality considerations are built into the design of our policies and the delivery of our services, and they are kept under review.

During 2022/23 we proactively sought to better understand the views of our stakeholders and those with experience and expertise in equality and diversity when developing our Strategic Equality Objectives and Wellbeing Objectives. We contacted forty-two organisations and held meetings with twenty-three stakeholders who represented individuals from each of the protected characteristic groups. Stakeholders were invited to discuss the top three challenges currently facing the people they represent and the key activities they felt Qualifications Wales could undertake to address those challenges within its Strategic Equality Plan. Stakeholders were also asked to comment on and provide feedback on our draft equality objectives.

We are committed to providing an inclusive qualification offer that meets learner needs and it was important that we considered the range of qualifications that should sit alongside GCSEs to collectively make up the 14-16 National qualifications offer. We held a public consultation from March to June 2024, seeking feedback on the proposed qualification offer. This yielded a good response from which we were able to formulate recommendations that were agreed in November 2024.

We published our [decisions](#) in January 2024, which confirmed our commitment to reshaping the Full 14-16 Offer in a way that creates an accessible offer which recognises that learners develop at different rates and provides qualifications that are suitably appropriate for their ability level at that point in their learner journey. We expect that the 14-16 National Qualifications offer will enable learners to benefit from qualifications designed to meet their specific needs and will provide an alternative route to further study and employment for many learners that may have particular protected characteristics.

As a regulator, we also support awarding bodies in meeting their equalities duties by publishing our 'Fair Access by Design' guidance. This document provides guidance on how good qualification and assessment design can give all learners the fairest possible opportunities to show what they know, understand and can do. The document is intended to support and complement the best practice of awarding organisations in the design of qualifications and assessment and provide guidance on complying with regulatory requirements. Our Conditions of Recognition require awarding bodies to have in place clear arrangements for making reasonable adjustments in relation to their qualifications, and we monitor awarding body compliance. We also undertake Regulatory Impact Assessments. Our External Relations team also provide guidance to examination officers to support them in implementing access arrangements.

We published our 2024-28 [Anti-Racism Plan](#) where we commit to helping to create an inclusive and anti-racist Wales. We set out objectives, supporting change in Wales through our work on qualifications and engagement, data and collaboration and supporting our inclusive culture through workforce and Board training and diversity.

During 2023/24 we published our [annual equality report](#) for the period 2022/23, which highlights progress against each of the equality objectives and reported on progress against our Anti-Racism Plan. Our 2023/24 annual equality report will be published to our [website](#) in August 2024. We also finalised our 2024-28 Strategic Equalities Plan and Objectives. Our new Strategic Equality Plan and Objectives were approved by the Board in March and can be found [here](#).

We are committed to continuously improving our overall approach to undertaking integrated impact assessments and ensuring that they are used effectively to inform our policy decisions. As part of this commitment, and in preparation for becoming subject to the Well-being of Future Generations (Wales) Act 2015, we worked to develop an internal policymaking toolkit during 2023/24. In 2024/25 we will work to finalise and implement the toolkit and will review the way we conduct impact assessments and consider how the wellbeing duty can provide a key integrating framework for all assessments of impact. The toolkit will be finalised and implemented during 2024/25.

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 2023 to 31 March 2024. 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.

<p>Signed</p> <p>Philip Blaker</p>	<p>Philip Blaker</p> <p>Accounting Officer 19 September 2024</p>
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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 2023 to 31 March 2024, of the senior officials and Board Members who have authority or responsibility for directing or controlling our major activities.

Single total figure of remuneration						
	2023-24			2022-23		
Non-executive Board Members	Fees (banded)	Pension Benefits	Total	Fees (banded)	Pension Benefits	Total
	£'000	£	£'000	£'000	£	£'000
Chair David B Jones OBE DL	20-25	-	20-25	20-25	-	20-25
David W Jones ⁶ (Left QW 14/05/23)	0-5	-	0-5	0-5	-	0-5
Jayne Woods	5-10	-	5-10	5-10	-	5-10
Anne-Marie Duffy OBE ⁷	5-10	-	5-10	5-10	-	5-10
Douglas Blackstock	5-10	-	5-10	5-10	-	5-10
Graham Hudson	5-10	-	5-10	0-5	-	0-5
Hannah Rowan	0-5	-	0-5	0-5	-	0-5
Michael Griffiths OBE	5-10	-	5-10	5-10	-	5-10
Sharron Lusher MBE DL	0-5	-	0-5	0-5	-	0-5
Julie Brannan	5-10	-	5-10	5-10	-	5-10
Professor John Latham CBE	5-10	-	5-10	5-10	-	5-10

This table is subject to audit

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

⁶ David W Jones's second term as an ordinary member ended 14 May 2023.

⁷ Anne-Marie Duffy resigned from the Board with effect from the 16 April 2024.

Single total figure of remuneration						
	2023-24			2022-23		
Executive Officials	Salary (banded) £'000	Pension Benefits (to the nearest £1,000)	Total £'000	Salary (banded) £'000	Pension Benefits (to the nearest £1,000)	Total £'000
Chief Executive Philip Blaker	140-145	76,000	220-225	135-140	48,000	180-185
Executive Director - Regulation Jo Richards	90-95	36,000	125-130	85-90	74,000	160-165
Executive Director - Corporate Resources Alison Standfast	90-95	59,000	150-155	85-90	-10,000	75-80
Executive Director - Qualification Policy and Reform Cassy Taylor*	80-85	58,000	140-145	75-80	-5,000	70-75
Director - Qualification Policy and Reform Emyr George ⁸ (Left QW 07/01/24)	60-65	35,000	95-100	75-80	31,000	105-110
Director of Communications & Engagement Ashok Ahir	80-85	32,000	110-115	75-80	31,000	105-110

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 2023-24.

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.

The negative pension benefit figures relate to those officials with some membership in one of the (final salary based) Principal Civil Service Pensions Schemes, where the annual pay increase

⁸ Emyr George left QW on 07/01/2024. His position is not currently being filled. Instead, Cassy Taylor has been redesignated as Executive Director, Qualification Policy and Reform, and has assumed responsibility for the areas previously managed by Emyr George.

has not been sufficient to offset inflationary increases. In these instances, our pensions administrators have calculated a reduction rather than an increase in pension benefits.

Senior Employees Pensions Benefits					
Officials	Total accrued pension at pension age as at 31 March 2024	Real increase in pension at pension age	CETV at 31 March 2024	CETV at 31 March 2023	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Chief Executive Philip Blaker	20-25	2.5-5	482	377	61
Executive Director - Regulation Jo Richards	20-25	0-2.5	304	246	23
Executive Director - Corporate Resources Alison Standfast	35-40	2.5-5	780	666	49
Executive Director - Qualification Policy and Reform Cassy Taylor	40-45	2.5-5	944	817	51
Director - Qualification Policy and Reform Emyr George ⁹	20-25	0-2.5	308	257	18
Director of Communications & Engagement Ashok Ahir	10-15	0-2.5	159	118	22

This table is subject to audit.

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – classic, premium, and classic plus provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis. 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. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation.

⁹ Left Qualifications Wales on 07/01/24

Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had 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 accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal 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 in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as "rollback".

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2023 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or alpha benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). 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 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

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.

The median remuneration remains within our Band 4 staff pay grade. The 5% increase in the median total remuneration was primarily due to the 2023-24 pay award.

Remuneration	Pay & Benefits	
	2023-24	2022-23
Band of highest earner's remuneration (£'000)	140-145	135-140
% change from the previous financial year for the highest paid director	4%	2%
Median Total Remuneration (£)	48,269	45,970
% change from the previous financial year for the employees as a whole	5%	4%
25th Percentile Pay (£)	41,675	39,690
25th Percentile Pay Ratio	3.42	3.46
Median Percentile Pay (£)	48,269	45,970
Median Pay Ratio	2.95	2.99
75th Percentile Pay (£)	51,839	52,423
75th Percentile Pay Ratio	2.75	2.62
Range of staff remuneration:		
Highest paid employee (£'000)	140-145	135-140
Lowest paid employee (£'000)	25-30	20-25

This table is subject to audit.

For 2023-24 Pay and Benefits and Salary are the same for all staff.

Staff report

Our structure comprises of four directorates, and growth to deliver operational priorities such as curriculum reform has steadied during this financial year., Our employee headcount at 31 March 2024 was 107, compared to a figure of 103 in the previous year; full-time equivalent (FTE) has continued to increase from 101.01 in 2023 to 103.99 in 2024.

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 previous years is outlined in the table below:

Year	Average Headcount	Average Full Time Equivalent (FTE)
2023-2024	107.7	105.02
2022-2023	97.7	96
2021-2022	95.5	94.3
2020-2021	90.1	89.1
2019-2020	81.6	80.2
2018-2019	77.3	76.61
2017-2018	78.5	76.14
2016-2017	72	-

This table is subject to audit.

We have had 14 new employees join our organisation primarily at Band 3 level following a large recruitment at the beginning of January 2023, but appointments have ranged from our Band 2 through to Band 5.

Our turnover rate has decreased from 14.7% last year to 9.3% in this financial year (9.2% FTE). We regularly review turnover, and the rates fluctuate during the year. In the last year ten employees have left the organisation. In addition, two agency contracts concluded, and one secondment also ended - these are not included in the turnover calculations. Exit interviews are conducted with all employees who resign and there were different reasons for employees leaving, with no causes for concern. During the last 12 months, we have run 15 external recruitment exercises, some for multiple posts, and six internal development opportunities, some being to provide cover for maternity.

We usually advertise permanent and long-term fixed-term 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; we did not take this approach within the last financial year. Recruitment exercises in the last 12 months have been across all four Directorates within the organisation: Regulation, Qualifications Policy and Reform, Communications and Engagement and Corporate Resources.

Our workforce comprises 98% of employees on permanent contracts (compared to 94% at 31 March 2023), 2% on fixed term (previously 6%).

During the year, we have used agency staff to fill vacancies or short-term needs for which a secondment or fixed-term appointment was not suitable. During the last 12 months, we have appointed four people on agency contracts to undertake defined roles. As at 31 March, two agency contracts were in place. These temporary contracts are not included in calculations for headcount or FTE calculations.

	Female	Male	
Apprenticeship	0	1	
Fixed term	1	0	
Permanent	75	30	
Total(s)	76	31	107

Headcount at 31 March 2024

We review all appointments with those contracted to ensure compliance with IR35 (intermediaries' legislation).

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 through 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 ran mandatory online manual handling, fire safety, first aid and risk training for staff as needed. Employees also undertook online security awareness training, which they complete annually.

In 2020 Qualifications Wales worked with three other sponsored bodies (Sport Wales, Social Care Wales and HEFCW) to procure, develop and deliver a Leadership and Management programme that would meet the needs of our organisations and the wider sponsored body network. These programmes have continued to be successful and in the third year of the contract eight employees commenced the Line Management Essentials programme and two started a Strategic Leaders cohort. 77% of our managers have completed or are completing the programme. The programmes have been successful both in terms of building skills, and in terms of building connections between peers across the Welsh Government sponsored body sector.

During the year we delivered equality and inclusion training to all employees and Board members. Seven sessions were run in this financial year and were in-person events, mixing employees from different teams and incorporating Board members. This helped to strengthen connections between individuals and grow the understanding and awareness of our different roles. The sessions focused on understanding and promoting inclusive behaviours. Three employees also attended training sessions relating to neurodiversity.

Two employees completed Designated Safeguarding Officer training, supporting our on-going engagement with young learners.

Employees have attended external training and conferences to develop and enhance their personal and professional skills and maintain their CPD in fields such as assessment, project management, corporate governance and data management, HR, statistics, and communications. Training has also been delivered for minute and note taking, writing guidance and policies and effective writing training. Seven employees have attended training in relation to assessment. Employees have attended conferences in relation to Additional Learning Needs (ALN), Artificial Intelligence, race equality, and social media. Six employees presented their work at this year's Association for Educational Assessment (AEA) Europe conference. We have also supported training to develop and improve Cymraeg skills.

Employees run internal 'Lite Bite' sessions to inform the wider organisation about pieces of work that teams or individuals are working on, to explain organisational policies and to share learning they have experienced. In response to employee feedback, we ran three in-person all-employee days. The first focussed on the Well-being of Future Generations Act, the second on the principles of assessment and the third showcased the work of the different teams whilst also considering our annual people survey results.

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

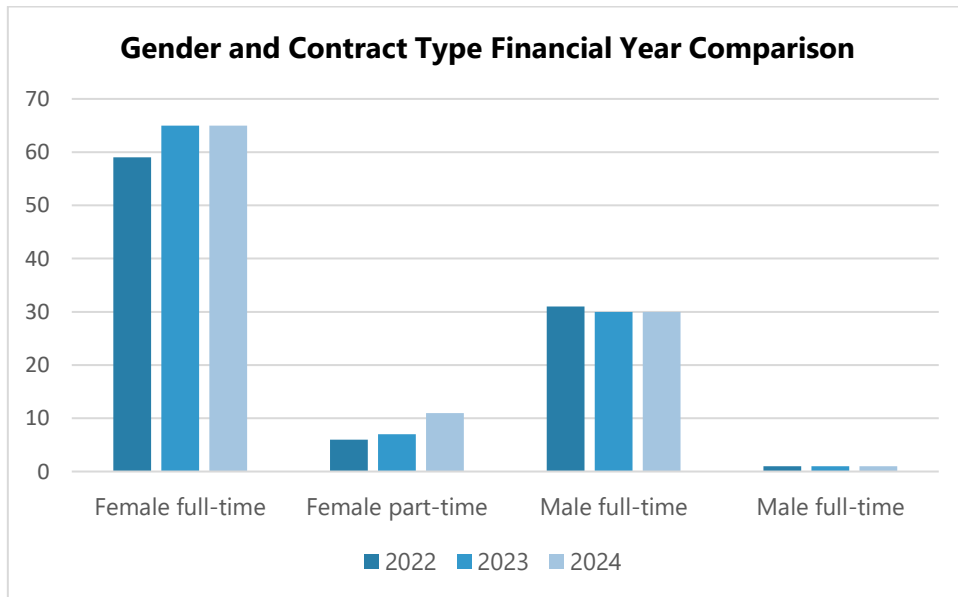
The following tables outline our employee composition as of 31 March 2024, by their substantive band, gender, age and contract type (full-time hours are 37 hours per week, part-time contracts are those agreed with fewer than 37 hours). We have twelve employees on a contract of fewer than 37 hours as at 31 March 2024, which is an increase of four compared to the previous year. We continue to have just one male part-time employee with eleven female part-time employees. We also have two employees who work compressed hours, this means that they work full-time hours but over a reduced number of days in the week. Both of these employees are female. The highest proportion (seven) of our employees working flexibly are in our pay band four in the middle of our organisation, two are at head of team level (band 5) and the others are in lower pay bands. The numbers of employees working part-time varies at any given time, this can be due to employees requesting to join us on a part-time basis during recruitment but is largely due to caring responsibilities and the changing need or preference to work part-time to support other responsibilities.

We promote our flexible working approach with all employees which enables some employees to achieve a good work-life balance on full-time hours. We have received some feedback that hybrid working, and reduced commute times also support this. In our 2023 employee survey 88% of employees agreed that they were able to achieve a good balance between their work and private life, this was a decrease of 1% compared to 2022 and an increase of 3% from 2021. 95% of employees agree that their manager is considerate of their life outside work, this increased by 3% from 2022.

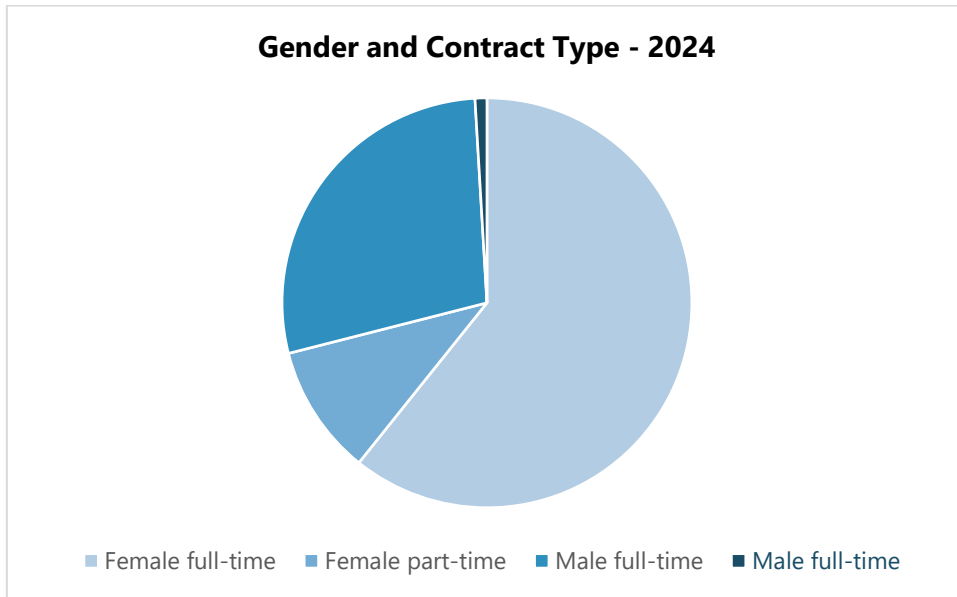
We continue to have a greater proportion of female to male employees, which is representative of the education sector more generally. In terms of recruitment statistics, we tend to receive a greater number of applications from female candidates at all bands. We review this information regularly and consider our advertisement approach to broaden our diversity more generally.

Gender and contract type¹⁰

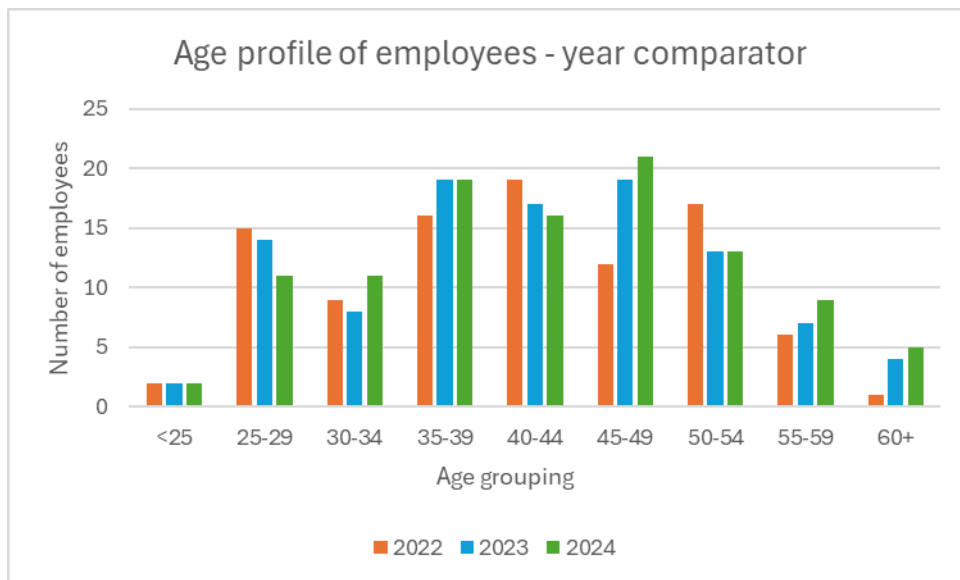
Band	Female full-time	Female part-time	Male full-time	Male part-time	Total
1	4	1	2	0	7
2	4	1	2	0	7
3	20	2	4	0	26
4	24	5	12	1	42
5	9	2	5	0	16
6	2	0	4	0	6
7	2	0	0	0	2
8	0	0	1	0	1
Total	65	11	30	1	107



¹⁰ The table indicates an employee’s substantive (contracted) band. Gender pay calculations are based on an employee’s actual pay in the year, i.e. when an employee may be temporarily working at a higher band. This information is on page 69.



Age



There has been minor movement in our age profile, some of which is attributed to employees moving between groupings as well as the result of turnover and recruitment.

Ethnicity

We have not included a breakdown of staff ethnicity data due to the low numbers involved and the need to comply with data protection legislation and safeguard personal data.

Sickness absence

The CIPD Health and wellbeing at work report identifies that the average rate of employee absence is at its highest in a decade at 7.8 days per year. This rate is higher within the public sector with an average of 10.6 days compared to 5.8 in the private sector. Our average figures benchmark us alongside the private sector figures. Our annual average level of absence,

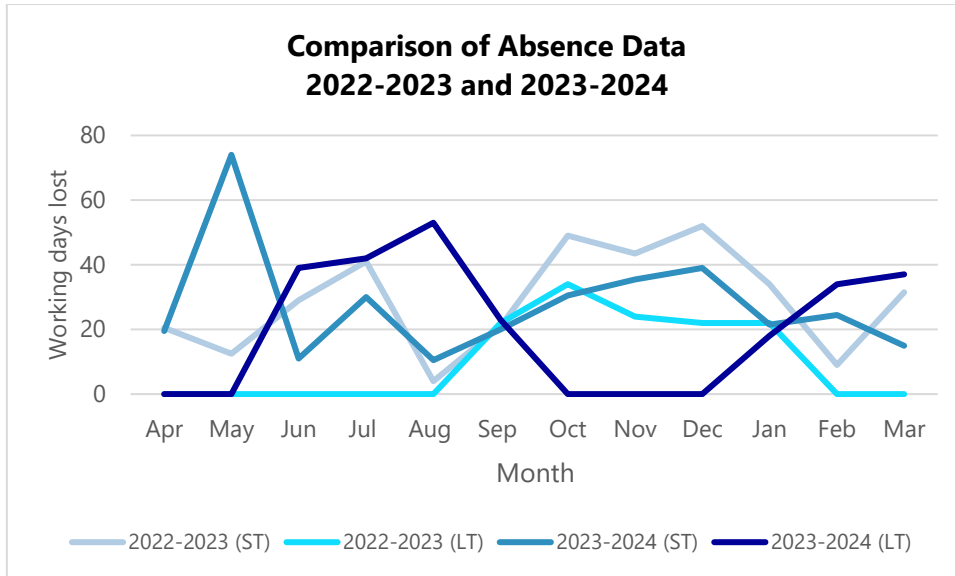
calculated with the annual average number of employees (107.7), is 5.4 days, this is an increase from 4.8 days last year. When using this year's average FTE of 105.02 the figure is 5.5, an increase from 4.9 in the year prior. Although higher, we benchmark well against similar organisations.

Our sickness absence rates have increased in the last 12 months, and in total we lost 577 days, compared to 471 in the previous year, an increase of 106. This was driven by an increase in our long-term absence compared to last year, which took us back to typical previous levels. For a smaller organisation of our size, these figures can fluctuate significantly. Our short-term absence is lower than the previous year, 331 days lost compared to 347.

In the last financial year, we lost the majority of days to mental health, a total of 198 days across six instances, all of which contribute to our long-term absence figures. Mental health can cover a range of situations, we have not identified any systemic issues. Absence due to Covid has dropped from 101.5 days in 2022-23 to 44.5 in 2023-24. Cold and flu symptoms are our second highest absence with 89 days across 42 absences, and the third highest is musculoskeletal with 74 days absent for six employees. Mental health absences increased by 55 days and cold and flu by 52. When mental health is the absence reason, we work with the employee and manager to understand if Occupational Health can provide support or assistance, irrespective of the cause. We also seek to understand the cause of musculoskeletal absence, to ensure any supportive actions are in place, even if the cause is an injury or accident away from work. Our short-term figures have been increasing year on year since the pandemic, albeit with a slight reduction in this last financial year.

Sickness absence totals by month

Month	2019-2020 (ST)	2019-2020 (LT)	2020-2021 (ST)	2020-2021 (LT)	2021-2022 (ST)	2021-2022 (LT)	2022-2023 (ST)	2022-2023 (LT)	2023-2024 (ST)	2023-2024 (LT)
Apr	14	0	32.5	0	17.5	43	20.5	0	19.5	0
May	8	0	23	0	17	8	12.5	0	74	0
Jun	6	20	11	0	9	22	29	0	11	39
Jul	6	22	9	0	13	22	41	0	30	42
Aug	11.5	21	2	20	16	22	4	0	10.5	53
Sep	28	37	2	0	14	22	21	22	20	23
Oct	9	42	8	0	49	28	49	34	30.5	0
Nov	6	40	22	39	52	22	43.5	24	35.5	0
Dec	18.5	40	2	45	13	31	52	22	39	0
Jan	26	50	41	60	52.5	10	34	22	21.5	18
Feb	21	35	16	35	10.5	19.5	9	0	24.5	34
Mar	12	15	23	33	20.5	12	31.5	0	15	37
Total	166	322	191.5	232	284	261.5	347	124	331	246



Employee well-being

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 an employee’s ability to work
- facilitate successful return to work after a long-term absence

All employees have access to an independent 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. Employees can also access free counselling via this programme as well as guidance on lifestyle and personal fitness. We also have eleven trained Mental Health First Aiders within our organisation.

Recognising the challenges that the financial climate has brought to individuals, we delivered financial awareness and planning for retirement training. Employees can also access training relating to their pensions.

We have always sought to create a working environment that supports employee health and wellbeing. Our hybrid policy aims to balance the benefits of flexibility and remote working whilst also encouraging employee engagement and supporting connection with others. We reviewed our policy after one year and have continued to follow the approach of a balance of 2 days in the office and 3 days at home for a full-time employee. We retain four core principles for working in the office – collaboration, creativity, caring and community. Heads of teams and managers discuss preferred ways of working with their teams, recognising individual preferences and balancing those with the needs of the team and the work to be delivered.

Based on feedback from our employees we ran all-employee events. We also encouraged all directorates to connect outside the work environment and engage in team building activities alongside collaborating together on work.

Our employee group QWEST organises corporate social responsibility activities and campaigns focussed on wellbeing themes, publishing information, and encouraging employee participation. Fundraising activities this year have supported Llamau the leading homelessness charity in Wales which supports vulnerable young people and women.

Summary of 2023-24 staff costs

2023-24					
	Permanently Employed Staff £'000	Temporary Staff £'000	Seconded Staff £'000	Agency Staff £'000	Totals £'000
Wage and Salaries	5,188	105	18	-	5,311
Social Security Costs	573	24	2	-	599
Other Pension Costs	1,423	14	5	-	1,442
Agency Costs	-	-	-	133	133
Total	7,184	143	25	133	7,485
2022-23					
Wage and Salaries	4,148	373	2	-	4,523
Social Security Costs	497	42	-	-	539
Other Pension Costs	1,160	101	-	-	1,261
Agency Costs	-	-	-	199	199
Total	5,805	516	2	199	6,522

This section is subject to audit.

There were no 'off payroll' engagements made in 2023-2024.

There were no exit packages in 2023-24.

Qualifications Wales incurred the following consultancy costs during 2023-24:

Consultancy 2023-24		
Consultant	Consultancy Work Undertaken	Total £
Design Tribe UK Ltd	Design Tribe UK Ltd provided brand concepts/updated brand guidelines.	4,794

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. Our [annual progress report](#) provides an update and includes more detailed equalities data and progress against our Anti-Racism plan.

In the last year we have delivered equality and inclusion training to all employees and Board members, promoting awareness of our legal duties and encouraging inclusive behaviours that recognise the benefits of diversity.

Our recruitment now uses an online application process, which anonymises applications to an extent, helping to minimise unconscious bias. We continue to offer candidates who meet the minimum criteria a guaranteed interview if they declare having a disability. We have also trialled sharing the themes of our questions in advance of interview, which can support those who are neurodivergent.

We monitor our performance on equal pay between genders.

The median salary at 31 March 2024 (which excludes the CEO's salary) is £48,269 compared to £45,970 in 2023. The ratio of CEO salary (at the mid-point of the pay band) to the median is 2:95 in 2024, compared to 2:99 in 2023.

Of the 14 new employees joining us during the last financial year, 11 of them were women. Appointments are usually made at the bottom of a pay band and employees progress through increments each year. This impacts our gender remuneration gap, particularly if higher proportions of women are recruited and men in the same pay band have been with the organisation for several years and have achieved the maximum of the pay band. Employees progress through our pay scales on the anniversary of their appointment to the role so the picture can change during the year as employees have different increment dates.

This is the reason for the negative differences in all bands. It is particularly noticeable in pay band 5, where we have significantly more women than men who are newer to their roles at this level.

In pay band 3, conversely, we have more women employed and there are a greater proportion of them at the maximum of the band, which accounts for the positive difference in their favour here.

At the end of March 2024, our gender pay gap was 13.2% (this compared to 14.8% in 2023 and 16.3% in 2022).

We monitor our gender pay information alongside our recruitment data and have an objective to improve our workforce diversity, with a view to positively impacting all protected characteristics. Our approach to gender focuses on recruitment and, in particular, ensuring that the roles we advertise are attractive to either gender and to people with other protected

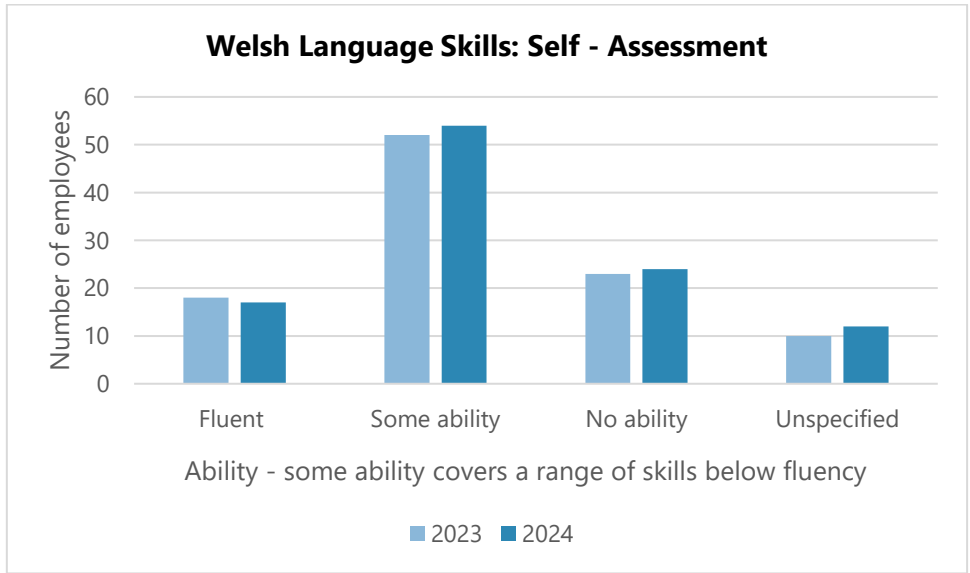
characteristics, so as to encourage a diverse workforce. We publish our public sector equality data in an open format on our website.

Cymraeg

We review the level of our employees’ Cymraeg skills as part of our approach to the Welsh language and our development of ability. 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 2024, our records indicate 17 employees (15.8%) who rate themselves as fluent in all four areas (reading, speaking, understanding and writing), this is a decrease of one compared to last year. A further five employees identify as having the ability to understand most words, or a combination of most and fluent skills across the four areas. Forty-four (41%) self-assessed as having no ability, this is an increase on the figure last year where only 23 assessed as having no ability, but back to similar figures for the previous financial year. However, of this 44, 19 have some skills across one or more areas. The difference may be due to turnover, but as we ask employees to update their Cymraeg ability on an annual basis employees can re-define their ability as skill levels may change, or their confidence in the use of Cymraeg. Eleven employees have not self-assessed their language levels (96 have).

When recruiting we evaluate the need for Cymraeg skills, and this will be specified in the published job description. New employees are asked to review and confirm their ability upon joining.



In respect of our Board members, three of eight respondents self-assess themselves as being fluent in the Welsh language, two as having basic skills and three as having no ability. Two members did not respond.

We continue to support employees who wish to learn Cymraeg 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. This year we have established a ‘Defnyddia dy Gymraeg/Use your Welsh’ group to

support this aim. We also participated in Academi Wales' Leading in a Bilingual Country programme. Four employees have attended training in relation to language skills.

Signed Philip Blaker	Philip Blaker Accounting Officer 19 September 2024
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The Certificate and report of the Auditor General for Wales to the Senedd

Opinion on financial statements

I certify that I have audited the financial statements of Qualifications Wales for the year ended 31 March 2024 under the Qualifications Wales Act 2015.

The financial statements comprise the Statement on Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and related notes, including the material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the state of Qualifications Wales affairs as at 31 March 2024 and of its application of resources, for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.
- have been properly prepared in accordance with HM Treasury directions issued under the Qualifications Wales Act 2015.

Opinion on regularity

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

Basis for opinions

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

My staff and I are 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 opinions.

Conclusions relating to going concern

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

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and other parts of the report that are audited my auditor's report thereon. The Accounting Officer is responsible for the other information in the annual report. 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. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with 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 parts of the Accountability Report subject to audit have been properly prepared in accordance with Welsh Ministers' directions made under the Qualifications Wales Act 2015; and
- the information given in the Performance Report, Accountability Report and Remuneration and Staff report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report, Accountability Report and Remuneration and Staff Report.

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

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

Responsibilities of the Accounting Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Qualifications Wales Act 2015.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the audited entity's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Qualifications Wales policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the management override of controls;
- Obtaining an understanding of Qualifications Wales framework of authority as well as other legal and regulatory frameworks that the Qualifications Wales operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Qualifications Wales;
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management, the Audit and Risk Assurance Committee about actual and potential litigation and claims;
- reading minutes of meetings of the Audit and Risk Assurance Committee and Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Qualifications Wales controls, and the nature, timing and extent of audit procedures.

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.

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.

Adrian Crompton
Auditor General for Wales
27 September 2024

1 Capital Quarter
Tyndall Street
Cardiff

4. Financial Statements

4.1 Statement of comprehensive net expenditure

Statement of Comprehensive Net Expenditure			
	Notes	2023-24	2022-23
		£'000	£'000
Revenue from contracts with customers	2	(44)	(41)
Other operating income		(1)	-
Total Operating Income		(45)	(41)
Expenditure			
Staff Costs	**	7,485	6,522
Programme Costs			
Grants	3	870	762
Other	4	529	756
Other operating expenditure	5	1,000	1,130
Provision revaluation	13	(7)	(14)
Depreciation, Amortisation and Impairment	6,7 & 8	349	298
Total Operating Expenditure for year ended 31 March 2024		10,226	9,454
Net Operating Expenditure		10,181	9,413
Finance expenses	12	58	62
Net Expenditure for the year		10,239	9,475
Comprehensive net expenditure for the year		10,239	9,475

** See remuneration report on page 68 for a breakdown of staff costs.

All activities are continuing.

The notes on pages 81-97 form part of these accounts.

4.2 Statement of financial position

Statement of Financial Position		2023-24	2022-23
	Notes	£'000	£'000
Non-current assets			
Property, plant and equipment	6	284	300
Intangible assets	7	522	523
Right of use assets	8	574	669
Trade and Other Receivables	9	2	14
Total non-current assets		1,382	1,506
Current assets			
Cash and cash equivalents	10	47	62
Trade and Other Receivables	9	169	144
Total current assets		216	206
Total assets		1,598	1,712
Current liabilities			
Trade and other payables	11	(418)	(507)
IFRS 16 Finance lease within one year	12	(86)	(79)
Total current liabilities		(504)	(586)
Total assets less current liabilities		1,094	1,126
Non-current liabilities			
IFRS 16 Finance lease	12	(552)	(638)
Provisions	13	(110)	(117)
Total assets less total liabilities		432	371
Taxpayers' equity and other reserves			
General Fund		432	371
Total Equity		432	371

The notes on pages 81-97 form part of these accounts.

Signed	Philip Blaker
Philip Blaker	Accounting Officer 19 September 2024

4.3 Statement of cash flows

Statement of Cash Flows			
		2023-24	2022-23
	Notes	£'000	£'000
Cash flows from operating activities			
Net expenditure		(10,239)	(9,475)
Adjustments for non-cash transactions			
Depreciation	6,7 & 8	349	298
(Increase) / Decrease in trade and other receivables	9	(13)	45
Increase / (Decrease) in trade and other payables	11	(89)	(30)
Movement in provisions	13	(7)	(14)
<i>Net cash outflow from operating activities</i>		<u>(9,999)</u>	<u>(9,176)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(98)	(198)
Purchase / Enhancement of intangible assets	7	(139)	(66)
<i>Net cash outflow from investing activities</i>		<u>(237)</u>	<u>(264)</u>
Cash flow from financing activities			
Funding from Welsh Government		10,300	9,546
IFRS 16 Finance Lease	12	(79)	(79)
Net decrease in cash and cash equivalents		<u>(15)</u>	<u>27</u>
Cash and cash equivalents at the beginning of the period	10	62	35
Cash and cash equivalents at the end of the period	10	47	62

The notes on pages 81-97 form part of these accounts.

4.4 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 2022	300	-	300
Grant in aid from Welsh Government	9,546	-	9,546
Comprehensive net expenditure for the year	(9,475)	-	(9,475)
Balance as at 31 March 2023	371	-	371
Grant in aid from Welsh Government	10,300	-	10,300
Comprehensive net expenditure for the year	(10,239)	-	(10,239)
Balance as at 31 March 2024	432	-	432

The notes on pages 81- 97 form part of these accounts.

4.5. Notes to the Accounts for the year ended 31 March 2024

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.

(d) Going concern

The fact that Qualifications Wales receives its funding from Welsh Government and 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).

IT assets costing £500 or more, and F+E assets costing £1,000 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 £5,000 will be capitalised. This is in line with the Welsh Government's threshold.

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	Up to 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 greater than £5,000, 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. The amortisation period is reviewed annually.

Both Software Licenses and Information Technology are considered to have a useful life of 5 years.

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

(g) Right of use assets

As a Lessee

A right of use asset and lease liability is recognised at the commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments, and incentives.

The right of use assets are subsequently measured at either fair value or current value in existing use in line with property, plant and equipment assets. The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use of fair value.

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property, plant and equipment assets.

At inception of a contract, it is assessed as to whether it contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time. This includes assets for which there is no consideration. To assess whether a contract conveys the right to control the use of an identified asset we would assess:

- * The contract involves the use of an identified asset;
- * We have the right to obtain and substantially all of the economic benefit from the use of the asset throughout the period of use, and
- * We have the right to direct the use of the asset.

IAS 36 Impairment of Assets is used to determine whether the right of use asset is impaired and to account for any impairment loss identified.

(h) VAT

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

(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 during 2023-24 through the provision of some services. Further information, demonstrating the application of IFRS 15 to our 2023-24 income, is shown in Note 2.

(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's 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.

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 2023-24. A summary of the total employer's pension contributions is shown in the table on page 68.

(q) 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. Income**Revenue from contracts with customers**

Whilst not established as a trading entity, Qualifications Wales has 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 2023-24, and how IFRS 15 has been applied to its treatment.

Service Provided and nature of arrangements	Key IFRS 15 Judgements	2023-24	2022-23
		£'000	£'000
Revenue From Contracts with Customers			
The provision of an agreed number of days per month of 'ongoing ICT support', via 'shared service agreements', to two other Welsh Government Sponsored Bodies. 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.	44	41
Total revenue from contracts with customers		44	41
Other Operating Income			
		2023-24	2022-23
		£'000	£'000
Disposal of office furniture.		1	-
Total other operating income		1	-

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 2024, there were no contract assets or contract liabilities (£nil 2022-23).

As all the current IT agreements extend into 2024/25, there will continue to be income generated in 2024/25 of circa £44k.

Both IT support service agreements are reviewed annually and are expected to be renewed.

3. Summary of grant expenditure

Summary of Grant Expenditure	2023-24	2022-23
	£'000	£'000
Support for Welsh medium assessment		
WJEC	410	423
City and Guilds of London Institute	70	48
iPET Network Ltd	51	-
Highfield Awarding Body for Compliance	37	-
Agored Cymru	36	13
NCFE	18	4
Chartered Institute of Waste Management	-	10
Excellence, Achievement & Learning Ltd	3	-
Open Awards	2	-
British Canoeing	2	-
Pearson	1	37
Royal Society for Public Health	6	1
sub-total	636	536
Support for Qualification Reform		
WJEC	15	26
City and Guilds of London Institute	19	-
sub-total	34	26
Welsh for Adults Qualifications Support		
WJEC	200	200
Overall Total	870	762

4. Summary of other programme expenditure

Summary of Other Programme Expenditure	2023-24	2022-23
	£'000	£'000
Use of subject experts / stakeholder engagement	179	386
Research Costs	187	181
Communications & External Relations Activities	161	180
Transcription	2	9
Overall Total	529	756

5. Summary of other operating costs

Summary of 'Other Operating Expenditure	2023-24	2022-23
	£'000	£'000
Facilities related costs	231	198
HR Related Costs	138	137
ICT Related Costs	321	438
Board Costs	80	81
Legal Support Costs	46	38
External Audit Fees	24	23
Other professional support *	75	121
Travel and Subsistence	36	38
Admin and Office costs	49	56
Overall total	1,000	1,130

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

6. PPE analysis

Property, Plant and Equipment	Furniture & Fittings	Information Technology	Buildings	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2023	288	418	159	865
Additions in the period	-	98	-	98
Disposals in the period	(26)	-	-	(26)
At 31 March 2024	262	516	159	937
Depreciation				
At 1 April 2023	171	337	57	565
Charged in the year	32	70	12	114
Disposals for the period	(26)	-	-	(26)
At 31 March 2024	177	407	69	653
Carrying Value at 31 March 2023	117	81	102	300
Carrying Value at 31 March 2024	85	109	90	284

Property, Plant and Equipment	Furniture & Fittings	Information Technology	Buildings	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2022	236	492	66	794
Additions in the period	52	53	93	198
Disposals in the period	-	(127)	-	(127)
At 31 March 2023	288	418	159	865
Depreciation				
At 1 April 2022	142	414	42	598
Charged in the year	29	50	15	94
Disposals for the period	-	(127)	-	(127)
At 31 March 2023	171	337	57	565
Carrying Value at 31 March 2022	94	78	24	196
Carrying Value at 31 March 2023	117	81	102	300

7. Intangible assets

Intangible Assets	Licences for systems under development	Software Licences	Information Technology	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2023	95	59	1,192	1,346
Additions in the period	5	-	134	139
Transfers from 'under development'	(100)	100	-	-
Disposals in the period	-	-	-	-
At 31 March 2024	-	159	1,326	1,495
Amortisation				
At 1 April 2023	-	24	799	823
Charged in the year	-	32	108	140
Disposals for the period	-	-	-	-
At 31 March 2024	-	56	907	963
Carrying Value at 1 April 2023	95	35	393	523
Carrying Value at 31 March 2024	-	103	419	522

Intangible Assets	Licences for systems under development	Software Licences	Information Technology	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2022	76	59	1,145	1,280
Additions in the period	19	-	47	66
At 31 March 2023	95	59	1,192	1,346
Amortisation				
At 1 April 2022	-	12	701	713
Charged in the year	-	12	98	110
At 31 March 2023	-	24	799	823
Carrying Value at 1 April 2022	76	47	444	567
Carrying Value at 31 March 2023	95	35	393	523

During 2023-24, 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 2023-24 would have been circa £107k.

8. Right of use assets

Right of Use Assets	Equipment	Buildings	Total
	£'000	£'000	£'000
Cost			
At 1 April 2023	12	751	763
IFRS 16 Recognition of Asset	-	-	-
Additions in the period	-	-	-
Disposals in the period	-	-	-
Impairments in the period	-	-	-
At 31 March 2024	12	751	763
Depreciation			
At 1 April 2023	2	92	94
Charged in the year	2	93	95
Disposals for the period	-	-	-
Impairments in the period	-	-	-
At 31 March 2024	4	185	189
Carrying Value at 31 March 2023	10	659	669
Carrying Value at 31 March 2024	8	566	574

Right of Use Assets	Equipment	Buildings	Total
	£'000	£'000	£'000
Cost			
At 1 April 2022	-	-	-
IFRS 16 Recognition of Asset	-	751	751
Additions in the period	12	-	12
Disposals in the period	-	-	-
Impairments in the period	-	-	-
At 31 March 2023	12	751	763
Depreciation			
At 1 April 2022	-	-	-
Charged in the year	2	92	94
Disposals for the period	-	-	-
Impairments in the period	-	-	-
At 31 March 2023	2	92	94
Carrying Value at 31 March 2022	-	-	-
Carrying Value at 31 March 2023	10	659	669

9. Trade and other receivables

Trade and other receivables	2023-24	2022-23
	£'000	£'000
<u>Amounts falling due within one year</u>		
Other Receivables		
Prepayments	169	144
<u>Amounts falling due after more than one year</u>		
Other Receivables		
Prepayments	2	14
Total	171	158

10. Cash and cash equivalents

Cash and cash equivalents	2023-24	2022-23
	£'000	£'000
Balance at start of period	62	35
Net change in cash and cash equivalent balances	(15)	27
Balance as at 31 March	47	62

This is all held with the Government Banking Service.

The balance held at 31 March 2024 is within the level approved by Welsh Government.

11. Trade payables and other current liabilities

Trade payables and other current liabilities	2023-24	2022-23
	£'000	£'000
<u>Amounts falling due within one year</u>		
Trade Payables	14	93
Accruals	404	414
Receipts in advance	-	-
Total	418	507

12. IFRS 16 Right of use liability

IFRS 16 Liability	Office Equipment £'000	Buildings £'000	Total £'000
At 1 April 2023	10	707	717
Re paid in the year	(2)	(135)	(137)
Interest Charged	-	58	58
At 31 March 2024	8	630	638
Analysis of the expected timings of the future liabilities			
Not later than one year	2	84	86
Later than one year and not later than five years	6	409	415
Later than 5 years	-	137	137
Total	8	630	638

IFRS 16 Liability	Office Equipment £'000	Buildings £'000	Total £'000
At 1 April 2022	-	-	-
IFRS 16 Recognition of Asset	-	751	751
Additions in the period	12	-	12
Re paid in the year ¹¹	(2)	(106)	(108)
Interest Charged	-	62	62
At 31 March 2023	10	707	717
Analysis of the expected timings of the future liabilities			
Not later than one year	2	77	79
Later than one year and not later than five years	8	378	386
Later than 5 years	-	252	252
Total	10	707	717

¹¹ Re paid in the year includes the release of the Annualised Building Lease Costs (Note 13. Provisions for liabilities and charges).

13. Provisions for liabilities and charges

Provision for liabilities and charges	Dilapidation condition within Building Lease £'000	Annualised Building Lease Costs £'000	Total £'000
Balance as at 1 April 2023	117	-	117
Provided in the year	-	-	-
Utilised / released in the year	(7)	-	(7)
Balance as at 31 March 2024	110	-	110
Analysis of the expected timings of the future liabilities			
Not later than one year	-	-	-
Later than one year and not later than five years	-	-	-
Later than 5 years	110	-	110
Total	110	-	110

Provision for liabilities and charges	Dilapidation condition within Building Lease £'000	Annualised Building Lease Costs £'000	Total £'000
Balance as at 1 April 2022	131	33	164
Provided in the year	-	-	-
Utilised / released in the year	(14)	(33)	(47)
Balance as at 31 March 2023	117	-	117
Analysis of the expected timings of the future liabilities			
Not later than one year	-	-	-
Later than one year and not later than five years	-	-	-
Later than 5 years	117	-	117
Total	117	-	117

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 2030. An approximate 'cost per square foot' was obtained, from an independent source, on which to base this calculation.

14. Capital commitments

Contracted capital commitments at 31 March 2024 not otherwise included in these financial statements	2023-24 £'000	2022-23 £'000
Intangible Assets		
Finance System - Licences and Implementation	-	5
Developments to the QiW regulatory database	87	5
Total	87	10

In November 2023 Qualifications Wales entered into a 2-year contract with Civica regarding work to be completed on the QiW database. We are contractually obligated to pay for a service engineer for 4 days a month, and a service manager for 1.5 days a month. The £87k stated above is the anticipated capitalised element of this contractual obligation that exists as at 31 March 2024.

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 £10.3m from Welsh Government (£9.546m in 2022-23).
- We made payments to Welsh Government, mainly to reimburse them for our payroll costs, including Board costs, and payments for payroll services. Actual payments of £7.518m were made (£6.476m in 2022-23), and further costs of £6k were accrued (£21k in 2022-23).

The FReM 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.'

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 therefore listed below the transactions that have taken place with entities with whom we share Board members, or members of their immediate family, for completeness only. It is highly unlikely that Board members would have been aware of these financial transactions, as they would not have been involved in the operational decisions to incur these costs.

Amount	Organisation	Nature of Transaction	Nature of Related Party
£3,600 paid in year £365 accrued at the year end (22-23 £365)	e-Assessment Association	Costs for Annual Subscription	Graham Hudson Chair
£ 1,740 paid in year	Bryntirion Comprehensive School	Fee charged by school for RP attendance at Board Meetings	Ravi Pawar Head Teacher
There were no outstanding commitments with the organisations stated above at the end of the year.			

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 3), but again does not regard these as being related parties.

16. Contingent liabilities

None

17. 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.

These financial statements were authorised for issue on 19 September 2024 by Phillip Blaker, Accounting Officer

Signed Phillip Blaker	Philip Blaker Accounting Officer 19 September 2024
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