



AWDURDOD  
CYMWFYSTERAU,  
CWRICWLWM AC ASESU  
CYMRU

QUALIFICATIONS,  
CURRICULUM &  
ASSESSMENT AUTHORITY  
FOR WALES



## Annual Report and Accounts 2001-2002

Advancing Education and Training:  
Promoting Quality and Coherence



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government

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The Right Hon. Rhodri Morgan AM  
First Minister  
Welsh Assembly Government  
Crickhowell House  
Cardiff Bay  
CARDIFF  
CF99 1NA

Our Ref: 01-11-008

Your Ref:

August 2002

Dear First Minister

I have great pleasure in presenting you with the Annual Report and Accounts of Awdurdod Cymwysterau, Cwricwlwm ac Aseu Cymru/the Qualifications, Curriculum and Assessment Authority for Wales (ACCAC) for the year ended 31 March 2002.

The Report reviews the Authority's activities and achievements for the period 1 April 2001 to 31 March 2002 together with its financial stewardship.

Yours sincerely



Brian Connolly  
Chairman

**ACCAC** Awdurdod Cymwysterau, Cwricwlwm ac Asesu Cymru/  
the Qualifications, Curriculum and Assessment Authority for Wales

A/AS	Advanced/Advanced Subsidiary
CCEA	Council for the Curriculum, Examinations and Assessment
CoEA	Certificate of Educational Achievement
ESD	Education for Sustainable Development
GCE	General Certificate of Education
GCSE	General Certificate of Secondary Education
GNVQ	General National Vocational Qualification
KS	Key Stage
MEUOAI	Making Effective Use of Assessment Information
NVQ	National Vocational Qualification
OAMs	Optional Assessment Materials
PSE	Personal and Social Education
QCA	Qualifications and Curriculum Authority
SACREs	Standing Advisory Councils on Religious Education
SEN	Special Educational Needs
UWIC	University of Wales Institute, Cardiff
VCE	Vocational Certificate of Education
VQ	Vocational Qualification
WJEC	Welsh Joint Education Committee
WRE	Work Related Education



ACCAC is responsible in Wales for:

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

## Introduction

This report reviews the Authority's activities and achievements for the period 1 April 2001 to 31 March 2002 together with its financial stewardship.

**Awdurdod Cymwysterau, Cwricwlwm ac Asesu Cymru/the Qualifications, Curriculum and Assessment Authority for Wales (ACCAC) has succeeded in achieving the vast majority of its targets for 2001/2002. This has been primarily due to the high level of commitment and dedication of its staff in a year when the budget has been tight and additional challenges have also been met. Achievements for the year include:**

- Working closely with the Qualifications and Curriculum Authority (QCA) and the Council for the Curriculum, Examinations and Assessment (CCEA) in developing advice to Ministers on Curriculum 2000 post-16, which was accepted.
- Work to accredit the pilot for the Welsh Baccalaureate commenced in March 2002, on receipt of the Welsh Joint Education Committee's (WJEC) submission.
- The Welsh medium Key Skills tests became available in May 2001 and January 2002.
- Monitoring work was completed on vocational 'A' levels, Key Skills and two NVQs.
- Producing full scrutiny reports on 6 subjects, code monitoring reports on a further 10 subjects, and follow-up reports on 7 subjects, to the WJEC.
- Key Stage 2 and 3 tests for 2001 were issued on time and to a high standard.
- Test materials for Key Stage 1 were used as optional assessment materials as a result of the Minister for Education and Lifelong Learning's announcement that tests at Key Stage 1 would not be statutory in 2002.
- *Equal Opportunities and Diversity in the School Curriculum in Wales* was successfully launched in December 2001 by the Minister for Education and Lifelong Learning.
- The Minister for Education and Lifelong Learning officially launched the *Careers and Education Guidance Framework* in February 2002.
- ACCAC is actively contributing to a number of Welsh Assembly Government initiatives including work on sustainable development, social inclusion and equal opportunities.
- One hundred and eighty three titles in Welsh medium and bilingual classroom materials were published.
- Corpus Christi RC High School, Cardiff received the National Award in the ACCAC/HSBC Bank School Improvement Index awards for 2001.
- ACCAC successfully organised 15 conferences around Wales to disseminate the Optional Assessment Materials (OAMs).

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





**Mr Brian Connolly** OBE  
Chairman

Authority members who served during the financial year 2001/2002 were:

**Mr Brian Connolly** OBE, Chairman  
Governor at Coleg Gwent, Chair of the Wales Skills Task Force

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

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

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

**Mrs Sandra Davies** OBE  
Headteacher, Ogmore Comprehensive School

**Mr Roger Evans**  
Formerly Personnel Director of ASW Holdings plc

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

**Mr Christopher Kipling**  
Production Support Manager,  
Sony Manufacturing Co. UK, Bridgend

**Mr Stuart Mathias**  
Director of Learning Services,  
Coleg Sir Gâr, Carmarthenshire

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

**Dr Pauline Peregrine**  
The Business School, University of Glamorgan

**Dr Bryn Roberts**  
Managing Director of Flintshire Enterprise Ltd,  
Chairman Wales Enterprise Ltd

**Mrs Claire Argyle**  
Head of the English Department,  
Ysgol Dyffryn Taf, Whitland –  
retired 30 September 2001

**Mrs Elizabeth M Williams**  
Assistant Director of Education,  
Blaenau Gwent County Borough Council –  
retired 30 September 2001

**Mrs Katija Dew**  
Training Specialist and Youth Worker,  
Wales Co-operative Centre – appointed 1 October 2001

**Mrs Jennifer Evans**  
Coordinator, Torfaen Community Consortium  
for Education and Training – appointed 1 October 2001

**Mr Robert Fowler**  
Assistant Principal and Director of Curriculum,  
Neath Port Talbot College – appointed 1 October 2001

#### Register of members' interests

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

### The Committee structure

All strategic policy matters are dealt with by the full Authority, which normally meets on a quarterly basis. The detailed work of the Authority is undertaken in its various Committees, as follows:

#### Audit Committee

Internal and external audit, value for money issues

#### Commissioning Committee

Commissioning of Welsh and bilingual classroom materials

#### Executive Committee

Administration, staffing, marketing, corporate and operational planning

#### Qualifications Committee

External general and vocational qualifications

### Staff

The Chief Executive, John Valentine Williams is supported by four Assistant Chief Executives responsible for:

14–19 Qualifications and Curriculum

**Linda Badham**

Vocational Qualifications and Lifelong Learning

**Ann Evans**

5–14 Curriculum and Assessment

**David Watcyn Jones**

Central Services and Commissioning

**Huw Davies**

The remainder of the staff complement is made up of subject officers and advisors with responsibilities for the curriculum, qualifications, assessment, and commissioning; together with support staff.

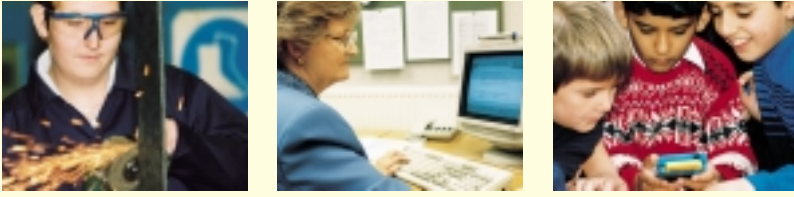
### Welsh language policy

The Authority's policy is to treat Welsh and English on the basis of equality in all its dealings with the public.

The Authority is a 'public body' for the purposes of the Welsh Language Act and has developed a Welsh Language Scheme, which was approved by the Welsh Language Board in January 2002.

### Standards of service

The Authority has published a *Statement of Standards of Service* that sets out what can be expected by those dealing with the Authority.



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

	£'000	
<b>Programme expenditure</b>	<b>7,661</b>	<b>(71%)</b>
<b>Staff costs</b>	<b>2,523</b>	<b>(23%)</b>
<b>Other administration costs</b>	<b>648</b>	<b>(6%)</b>

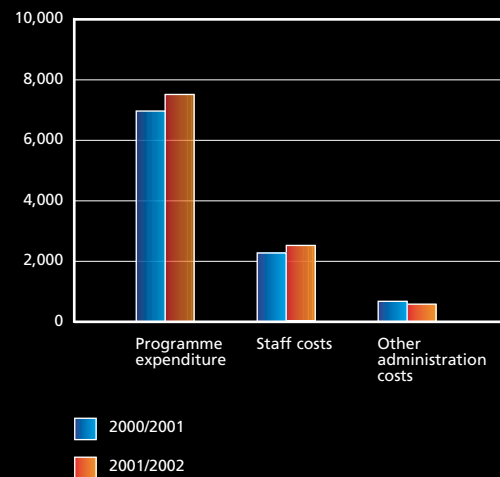
This division of expenditure is illustrated in figure 1, with expenditure incurred during 2000/2001 included for comparison.

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

	£'000	
<b>Objective 1 – The Qualifications Framework</b>	<b>1,309</b>	<b>(17%)</b>
<b>Objective 2 – The school curriculum and its assessment</b>	<b>4,940</b>	<b>(64%)</b>
<b>Objective 3 – Commissioning of classroom materials</b>	<b>1,198</b>	<b>(16%)</b>
<b>Objective 4 – Research, information and publicity</b>	<b>214</b>	<b>(3%)</b>

The results for the year are summarised in the 'Foreward to the accounts'

**Figure 1**



The Authority's purpose is to advance education and training in Wales with a view to promoting quality and coherence. To achieve this purpose the Authority has five key objectives:



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



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



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



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



Ensuring an increasingly effective and efficient organisation.



## Developing a coherent Qualifications Framework, which meets the needs of Wales and improves levels of skill and educational achievement.

### Key target:

To continue to develop the framework of nationally accredited qualifications and implement changes arising from government policy.

- The annual Rationalisation of Qualifications Report was sent to the Minister in January 2002. The report is overseen by the Joint Rationalisation Action Group for England, Wales and Northern Ireland, of which ACCAC has three representatives. The purpose of the Group is to steer the regulatory authorities' work on rationalisation of qualifications, looking at sector needs and overlap between qualifications.
- The Minister accepted ACCAC's advice on the Curriculum 2000 reforms. In conjunction with awarding bodies and other regulatory authorities, work to implement the recommendations is underway on A/AS levels, VCEs and Key Skills.
- The Welsh medium Key Skills tests became available in May 2001 and January 2002.
- The first submission for accreditation of the pilot for the Welsh Baccalaureate was received from the WJEC in March 2002.
- The International Baccalaureate Diploma has been accredited and the post accreditation monitoring programme was agreed in September 2001.
- Submissions for vocationally related qualifications in the Management Sector, Higher Level Management Sector, Social Care and Higher Level Social Care have been accredited and are now part of the National Qualifications Framework.
- Following consultation regarding the English, Welsh and Welsh Second Language GCSEs criteria, awarding bodies were informed of the Minister's decision not to split GCSE English and Welsh into separate language and literature qualifications. Instead existing syllabuses have been amended in line with 1995 subject criteria. The GCSE English specifications have been accredited. A revised timetable has been agreed with the WJEC for accrediting Welsh and Welsh Second Language.
- In conjunction with QCA, the evaluation of Advanced Extension Awards trials has been completed and advice on arrangements for Welsh medium provision accepted by the Assembly. Specifications for 2002 were accredited in October 2001.
- Guidance, for National Training Organisations, on course outlines for technical certificates was published in July 2001. One hundred and thirty one technical certificates have been recognised. They will become an important part of the new Modern Apprenticeship Frameworks.

A young man with dark hair, wearing a black t-shirt, is shown in profile, focused on his work. He is using a soldering iron to work on a circuit board. The background is a computer lab with several computer monitors and desks. The lighting is warm, and the overall scene suggests a technical or educational environment.

### Ensuring standards

Over the past year, ACCAC has continued rationalisation work in conjunction with QCA and CCEA. The aim of this work is to rationalise the National Qualifications Framework to promote a more coherent and quality driven Framework. During this time, 98 Awarding Bodies have been deemed fit to offer qualifications within the Framework. Over 3000 qualifications have been accredited. Another 1860 have been withdrawn or subsumed into other qualifications.



- The Authority has continued to work with the Languages National Training Organisation and other key players to develop qualification and assessment regimes that provide recognition of 'bilingual' competence in the workplace.
- ACCAC has continued its involvement in the Future Skills Wales Partnership and will play a full part in the next survey.

#### Key target:

##### To ensure standards.

- The post accreditation monitoring programme for 2002 has been agreed with QCA for general and entry level qualifications. Improvements in steering joint post accreditation work have been agreed with QCA and CCEA.
- The post accreditation monitoring programme for NVQs has been agreed with QCA.
- The programme for post accreditation monitoring of Key Skills has been implemented.
- The *GCSE, GCE, VCE and GNVQ Code of Practice for 2002* was distributed in December 2001.
- ACCAC sent to the WJEC scrutiny reports on GCE AS level Welsh, mathematics and history, GCSE media studies and Entry Level (CoEA) life skills and humanities, and a code monitoring report covering a further 10 subjects.
- Seven follow-up reports were also provided to the WJEC for the 1999 and 2000 GCSE and A/AS level scrutinies.
- The Authority is in the process of checking the effectiveness of the WJEC's systems for keeping processes and procedures under review.
- A report on the use of NVQs and VQs at Key Stage 4 has been completed.
- The Joint Council for General Qualifications and the Regulatory Authorities' special arrangements for statutory tests and external examinations for 2002 are currently being aligned. Work will continue into the rationalisation of special arrangements at Entry Level.
- ACCAC will continue, working with its sister regulatory authorities, on evaluating the 'Access to Scripts' scheme.
- ACCAC has processed 83 queries and complaints (including non-compliance) concerning qualifications.
- Statistical data has been made available by the awarding bodies on the take-up of vocational qualifications through the medium of Welsh, this information has formed the basis of an internal report and will be used for further work, on monitoring the increases in take-up figures, to be carried out in 2002/2003.



**Key target:**

To provide support for Welsh medium qualifications.

- Detailed arrangements for the funding support for the translation of GNVQ/Vocational 'A' Level specification and assessment materials, GCSEs in vocational subjects specification and assessment materials and VCE assessment materials were agreed with the awarding bodies.

**Key target:**

To provide advice on the statutory approval of qualifications.

- ACCAC has provided the Assembly with advice, under Section 96 of the 2000 Learning and Skills Act, on the approval of qualifications for use by pupils aged 18 and under, including those of compulsory school age.



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

### Key target:

To monitor the implementation of the Personal and Social Education (PSE) and Work Related Education (WRE) frameworks and advise the Assembly on whether or not PSE and WRE should be made statutory.

- The Authority carried out evaluation studies with schools and other interested bodies on the impact of the PSE and WRE framework documents. Advice on the future status of these frameworks was given to the Assembly in May 2002.

### Key target:

To give advice on a national framework for Careers Education and Guidance in Wales.

- The Assembly approved the non-statutory *Careers Education and Guidance Framework for 11-19 year olds in schools and colleges in Wales* for implementation from September 2002 and the Minister for Education and Lifelong Learning launched the Framework in February 2002.

### Key target:

To publish further guidance materials to support the implementation of the revised National Curriculum.

- The *Equal Opportunities and Diversity in the School Curriculum in Wales* was successfully launched in December 2001 by the Minister for Education and Lifelong Learning.
- The information previously published on cross key stage exemplification of standards and Key Stage 3 guidance on raising standards was highlighted and disseminated at conferences during the year.
- In January 2002, the Assembly agreed the Authority's plans for the review of curriculum and assessment arrangements. Work on this will begin in 2002/2003.
- The *Introduction to the National Curriculum in Wales* for the Initial Teacher Training was made available on the ACCAC website in January 2002.

**Raising awareness, raising achievement**

Fifteen conferences were held throughout Wales to raise awareness of the Optional Assessment Materials (OAMs). The OAMs have been produced to support teacher assessment as part of teaching and learning during Key Stages 2 and 3. They are designed to help teachers identify pupils' strengths and weaknesses, enhance consistency of teacher assessment and encourage self-assessment.





- Guidance on including pupils with additional needs in whole school target setting *A focus for achievement* was launched at a conference organised by ACCAC for primary school special educational needs (SEN) coordinators in November 2001 and then distributed to schools.
- The Authority was represented on the editorial group convened by the Assembly to work with Education Extra in the provision production of a Code of Practice on for Out of Hours Prospectus Learning.
- The Authority is represented on the Advisory Panel on Education for Sustainable Development (ESD). The panel aims to promote ESD and make practical recommendations for Wales. The Authority has drawn up draft information in the form of a leaflet for approval by the panel.

**Key target:**

**To complete the programme of publishing Optional Assessment Materials (OAMs) to support improvement in the quality of teacher assessment.**

- The Key Stages 2 and 3 science, Key Stage 2 geography, music and art were distributed to schools. Fifteen dissemination conferences for the materials were held throughout Wales over the autumn 2001/spring 2002 terms in order to

make schools aware of the material. These were widely welcomed by schools. The remaining OAMs will be distributed over the summer and autumn terms 2002/2003.

- In addition, a series of OAMs targeted at Level 1 and 2 at Key Stage 3 was published.

**Key target:**

**To maintain reliable and manageable assessment arrangements for 5, 7, 11 and 14 year olds.**

- The approval of accredited baseline assessment schemes has been extended to cover the 2002/03 and 2003/04 school years.
- The Authority has continued to ensure effective implementation of the principles of the statutory assessment and reporting arrangements in Wales for 7, 11 and 14 year olds.
- Regular meetings of the Statutory Assessment Forum were convened allowing Local Education Authority representatives to gain first hand information on the assessment arrangements. This also allowed the Authority to obtain important feedback.



- The Key Stages 1 to 3 *Implications for Teaching and Learning* reports were published, giving valuable guidance to teachers on how pupils performed in the 2001 tests. In 2001, for the first time, a summary of the main findings in the reports was sent to schools at the beginning of the autumn term in advance of the main document. These summaries were also placed on the website.
  - Braille, modified large print and enlarged versions of the tests were produced for visually impaired pupils.
  - The return of the externally marked Key Stage 2 and 3 tests scripts to schools was successfully achieved.
  - The National Data Collection exercise was also successfully completed for 2001.
  - Key Stages 1 to 3 tests for 2001 were distributed to schools in April and associated mark schemes for Key Stages 2 and 3 followed in May.
  - The 2002 test materials for Key Stage 2 and Key Stage 3 were distributed to schools in April 2002.
  - Following the Minister's decision that Key Stage 1 tests and tasks would not be statutory in 2002, the materials developed for Key Stage 1 were sent to schools in February as optional test and task materials to be used by schools, if they wished, to support their teacher assessment.
  - The Key Stage 2 and 3 *Statutory Assessment and Reporting Arrangements Booklets for 2002* were distributed to schools in November 2001. A revised version for Key Stage 1 was sent to schools in February.
  - Work has begun on the statutory tests and tasks material for 2003. The administration of the first pre-tests took place as scheduled.
- Key target:**  
To complete the programme of publishing materials to help schools make more effective use of assessment information, including reports on the year 2001 statutory tasks and tests.
- Guidance material to support teachers published in 2001/2002 included additional material in the *Making Effective Use of Assessment Information (MEOUAI)* series. A primary school video and booklet were produced during the year.



### Key target:

To continue to review the work of the Standing Advisory Councils on Religious Education (SACREs).

- The *Revised Guidance on the Review of Locally Agreed Syllabuses* was published in July 2001.
- The SACRE review report was published in July 2001. This covered the period September 1998 to August 2000.
- Work on exemplifying standards in Religious Education has commenced.

- ACCAC was represented on the advisory group for planning for implementation of a Pupil Level Database for Wales.
- ACCAC operated in partnership with QCA, CCEA and SQA, the assessment authorities for England, Northern Ireland and Scotland, to successfully undertake year one of a three year programme to develop, trial and pilot ways of using new technologies to enhance the external marking and National Data Collection processes. Funding for this programme has been made available from HM Treasury, under the Invest to Save budget.

### Additional information:

- Proposals for best practice guidance on the teaching of gifted children will be published in 2003/2004.
- ACCAC was represented on the advisory group established by the Assembly to reduce the bureaucratic burdens on schools in Wales. The final report was published in July 2001. It identified a number of actions for which ACCAC is the lead body. In January 2002, ACCAC provided a response to the Assembly on these issues.





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

### Key target:

To publish 88 per cent of the titles scheduled for publication in 2001/2002.

- During the year, 24 projects were completed, including 5 projects delayed from previous years. The Authority's subject officers, assisted by practising teachers, monitored the quality of the materials produced. A total of 216 titles were timetabled for publication during the year. One hundred and eighty three (85 per cent) were actually published.
- During 2001/2002, the following materials were published to support the study of core subjects:

#### Welsh

- To support the development of literacy skills in Welsh, 16 non-fiction titles from Key Stage 1 of the Longman Book Project were published, along with 47 titles at Key Stage 2 adapted from the Oxford Reading Tree by Drakes.
- Y Ganolfan Astudiaethau Addysg published *Haws Dweud*, a text to support improvement of language skills at Key Stage 2.
- The translation of *Bright Sparks* and *Extreme Sports/To the Limit* was jointly commissioned with the WJEC and aimed specifically at encouraging boys to read.

- Language wall charts were published to illustrate the different styles of writing at Key Stage 2.

#### Mathematics

- Twelve titles of the popular Key Stage 2 *Numeracy Focus* mathematics scheme by Rigby Heinemann publishers were translated. There has been great demand for these titles this year.
- Posters on *pi*, originally produced for the National Eisteddfod, have been distributed as a series.
- Following an excellent response to the Year 7 mathematics materials, Year 8 materials of the *Key maths* scheme have also been translated by Y Ganolfan Astudiaethau Addysg.

#### Science

- Revision texts were translated at Key Stages 2, 3 and 4.
- SEN materials were translated for the existing Welsh language edition of *Spotlight Science*.
- To support the Curriculum Cymreig, *Science Wales*, original material, was published by Y Ganolfan Astudiaethau Addysg in Welsh and English.

A young child with dark hair is shown in profile, looking intently at an open book. A hand is pointing to the text on the page. The book has a yellow cover and contains text in Welsh. The child is wearing a white shirt. The background is a green wall.

### Access to more pupil material in Welsh

The Authority aims to support improvement in standards of achievement in Welsh, by improving and extending the range of educational opportunities available through the medium of Welsh. In doing so the Authority has added 183 titles to its commissioned publications list this year alone. The materials are aimed at meeting the needs of pupils of all ages and abilities including special educational needs.

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clown  
clown yn y bocsys.



## OBJECTIVE 3

- The following materials have been produced to support the study of foundation subjects:

### Business Studies

- A GCSE text has been translated, aimed at meeting the needs of Welsh medium pupils.

### Design & Technology

- Full colour texts were translated for food and textiles. This is the first time the Authority has commissioned a project in this area.
- The translation of *Nuffield Technology* at Key Stage 4.

### Geography

- Oxford University Press published two atlases both in Welsh and English to support Key Stage 2 Geography. This represents a significant step forward in the provision of quality materials for teaching geography in Wales.
- Three high quality books to improve geography skills at Key Stage 1 have been published by Gomer in large and small format.
- A GCSE Geography journal.

### History

- *Wales in an Age of Change 1815-1918* was especially written to meet the needs of the new AS and A level specifications.

### Music

- Teaching music at Key Stage 3 will potentially become more interesting with the publication of musical arrangements of popular songs for Key Stages 3/4. It is hoped inclusion of an electronic midi file will encourage the use of ICT.
- Story books in large and small format, accompanied by a CD and song-book were published to support the music curriculum at Key Stage 1.

### Physical Education

- Two popular English language GCSE texts were translated to meet the need of Welsh medium pupils.

### Religious Education

- Original religious education story-books in large and small format, in both Welsh and English, were published by Y Ganolfan Astudiaethau Addysg.

### SEN

A number of projects listed above include materials for special educational needs. In addition the Authority also commissioned:

- a series of drama scripts on current social issues for Key Stages 3/4, produced by UWIC Press.



**Welsh Second Language**

- Y Lolfa published an illustrated collection of poems targeted at Key Stages 3 and 4 learners.
- Y Ganolfan Astudiaethau Addysg published *Sglein ar y Sgiliau*, a guide to improve writing skills for A level pupils.
- *Troeon*, a multi-media pack of learning materials for Key Stage 1 was published by ACEN. It includes fiction and non-fiction reading books, large format books, tapes and games.

**Key target:**

**To maintain the gross sales of commissioned materials at a level of over £500,000 per year.**

Sales figures are collected every six months for projects where all of the materials have been published. Total gross sales have increased from £627,751 in 1999/2000 to £764,644 in 2000/2001. Sales for the first six months of 2001/2002 amount to £264,044.

**Specific initiatives achieved within this objective include:**

**Ensuring a balance between print and non-print materials and seek to provide more Welsh language and bilingual classroom materials on the Internet.**

- The commissioned portal website [www.drws.co.uk](http://www.drws.co.uk) received 100,000 visits during the year. This is a website, maintained by Francis Balsam Associates, that provides links to all Welsh language or bilingual (Welsh/English) websites of educational interest. It also includes links to all school websites in Wales. Unfortunately however, ambitious plans to work with HTV and AngliaMultimedia to provide extensive Welsh language and bilingual primary school materials had to be cut short as AngliaCampus ceased trading, clearly illustrating the problems of working in this rapidly changing area.

**Initiatives to improve sales of English language Curriculum Cymreig materials.**

- An information mail shot about English language Curriculum Cymreig materials was distributed to primary and secondary schools.



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

### Key target:

To establish effective joint working relationships with the National Council of Education and Training in Wales (ELWa).

- Effective working relationships are continually being built upon, with joint action on a number of projects including the Credit and Qualifications Framework for Wales.

### Key target:

To ensure access to statistics spanning the whole of ACCAC's remit, including vocational qualifications.

- The *Examining Success in Wales 2000* document was published in June 2001.

### Key target:

The publishing and disseminating of timely information regarding the Authority's work.

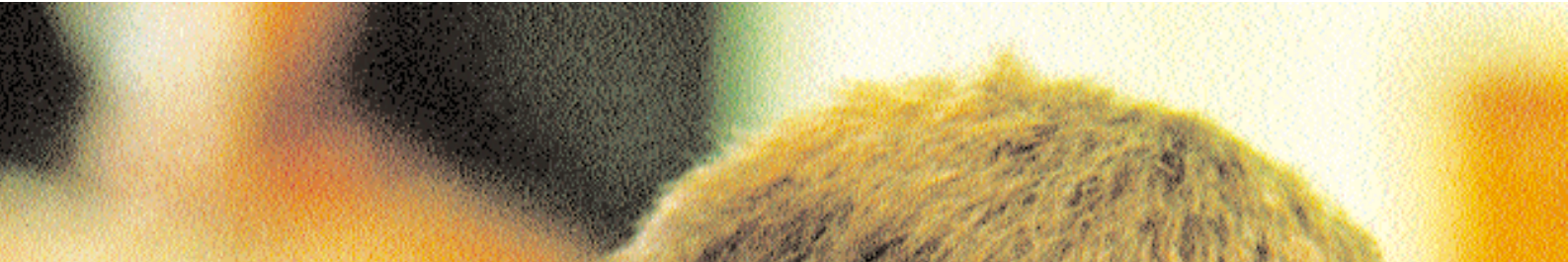
- The Authority exhibited at the National Eisteddfod and the National Education Exhibition and Conference for Wales.
- The June, November and March issues of *Newsletter* were published on time. Twenty one thousand copies are printed per issue.
- The Teachers' Association Forum has met on a regular basis. The Association is also consulted as a matter of course during consultation exercises.

- The Awarding Bodies Forum, The Higher Education Forum and the All Wales Vocational Education Forum have all met on a regular basis.

### Additional information:

**Continued implementation of the School Improvement Index for schools with the most improved Key Stage 4 examination results.**

- Over three-quarters of maintained schools have taken part in the School Improvement Index for 2001, with a record 173 schools enrolled. This is the seventh year of the scheme run by ACCAC and supported by HSBC Bank. This year, the basis for calculating the index has been revised to cover the last six years results rather than four, as in previous years. This has the advantage of not including any overlapping years and provides increased recognition of genuine improvement over time.
- Regional winner for South Wales, Corpus Christi RC High School, Cardiff, received the National Award for the school with most improved Key Stage 4 examination results in 2001. Cynffig Comprehensive School, Bridgend, the regional winner for South West Wales received the National Award for the second most improved school.
- The three other regional awards went to: St. Joseph's High School, Wrexham; Gwernyfed High School, Powys; Cwmcarn High School, Caerphilly.



#### Celebrating success

*Examining Success in Wales 2001* provides an overview of qualification trends in the last 10 years. One factor this year's report highlights is a clear correlation between pupils' overall performance at Key Stage 3 and subsequent GCSE grades. This information can help schools target underachievers at Key Stage 4. On a wider scale such data will facilitate further evidence-based research.





### Publications

(bilingual unless otherwise stated)

The publications issued by the Authority during 2001/2002 are listed below:

#### Corporate materials

Corporate Plan 2001/02 – 2003/04

ACCAC Annual Report and Accounts for the Year ended 31 March 2001<sup>1</sup>

Newsletter 11: June 2001<sup>1</sup>

Newsletter 12: November 2001<sup>1</sup>

Newsletter 13: March 2002<sup>1</sup>

#### Materials on qualifications

GCSE, GCE and GNVQ Code of Practice 2001/02

The New Advanced Level qualifications (Curriculum 2000) – Information for students and parents<sup>2</sup>

AS Mathematics Extra Autumn Examination Session<sup>2</sup>

Review of Curriculum 2000 Post-16 (Information and guidance based on ACCAC's dissemination conferences) – Autumn 2001<sup>2</sup>

Review of Curriculum 2000: A and AS GCE: Your Questions answered<sup>2</sup>

Examinations Enquiries and Appeals<sup>1</sup>

### National Curriculum

Equal Opportunities and Diversity in the School Curriculum in Wales

Careers Education and Guidance Framework

The Review of Religious Education Syllabuses

Review of SACRE reports 1998-1999 and 1999-2000

#### Assessment materials

Key Stage 1 Statutory Assessment and Reporting Arrangements for 2002

Key Stage 2 Statutory Assessment and Reporting Arrangements for 2002

Key Stage 3 Statutory Assessment and Reporting Arrangements for 2002

Focus on achievement – Target setting for SEN

SEN Optional Assessment Materials

Key Stage 2 Science Optional Assessment Materials

Key Stage 3 Science Optional Assessment Materials

Key Stage 2 Geography Optional Assessment Materials

Key Stage 2 Music Optional Assessment Materials

Key Stage 2 Art Optional Assessment Materials

MEUOAI video and booklet for primary schools

Key Stage 1 English Tasks 2002

Key Stage 1 Welsh Tasks 2002

Key Stage 1 Mathematics Tasks 2002



### Assessment materials (continued)

Key Stage 2 English Tasks 2002

Key Stage 2 Welsh Tasks 2002

Key Stage 3 Welsh Tasks 2002

Key Stage 1 Implications for Teaching and Learning leaflet

Key Stage 2 Implications for Teaching and Learning leaflet

Key Stage 3 Implications for Teaching and Learning leaflet – Welsh

Key Stage 3 Implications for Teaching and Learning leaflet – English

Key Stage 3 Implications for Teaching and Learning leaflet – Science

Key Stage 3 Implications for Teaching and Learning leaflet – Mathematics

Key Stage 1 Implications for Teaching and Learning

Key Stage 2 Implications for Teaching and Learning – Welsh

Key Stage 2 Implications for Teaching and Learning – English

Key Stage 2 Implications for Teaching and Learning – Science

Key Stage 2 Implications for Teaching and Learning – Mathematics

Key Stage 3 Implications for Teaching and Learning – Welsh Tests

Key Stage 3 Implications for Teaching and Learning – English Tests

Key Stage 3 Implications for Teaching and Learning – Science Tests

Key Stage 3 Implications for Teaching and Learning – Mathematics

### Test materials

2001 Key Stage 1 Test Materials  
(issued as Optional Assessment Materials)

2001 Key Stage 2 and 3 Tests in Welsh, English, science, mathematics

Key Skills Tests (May 2001)

Key Skills Tests (January 2002)

### Research and other materials

Asking Questions – Getting Answers: Examining Success in Wales Qualifications Statistics: GCE, GCSE, GNVQ, CoEA 2000

Progress File (reprint)

Progress File Newsletter

Level Boundary leaflets

Key Stage 3 mathematics equate study

Five yearly Review of Standards Reports<sup>2</sup>

<sup>1</sup> Also available on the ACCAC website

<sup>2</sup> Only available on the ACCAC website



## Ensuring an increasingly effective and efficient organisation.

### Key target:

Maintaining sound strategic and corporate planning arrangements.

- The Corporate Plan for 2002/03 to 2004/05 was published on the ACCAC website in May 2002.
- The Accounts for the year ended 31 March 2001 were approved by the Authority in July 2001 and received an unqualified audit report. The Annual Report and Accounts were laid before the National Assembly for Wales and distributed in October 2001.
- The Assembly approved the Operational Plan for 2002/2003 in April 2002.

### Key target:

Ensuring value for money and operating sound financial control.

- The Authority has continued to comply with requirements of the Financial Memorandum and good practice accounting.
- The Authority's performance to attain compliance with the prompt payment code stands at 90.35 per cent for this year.

### Key target:

Developing and maintaining appropriate personnel management practices.

- The Authority's Equal Opportunities policy has been approved and a detailed action plan for its implementation is being drawn up.
- Through commitment to Investors in People, the Authority has implemented a staff suggestion scheme, which has proved to be beneficial to all.
- A review of the Authority's pay and grading system was completed in March 2002 taking account of the Assembly's lead on equal pay.

### Additional information:

- Implementation of the Information Technology Strategy has continued during the year. The ability to use technology effectively has enabled staff to work more effectively. The Authority's website has been developed throughout the year.

**John V Williams**

Chief Executive

Accounting Officer

4 July 2002

#### Equality of opportunity

The Authority has spent the last year updating and further developing its Equal Opportunities policy. A detailed action plan is the next step. This will be implemented in 2002/03 as the Authority works towards further enhancing its effectiveness as an equal opportunities employer.





**History and statutory background**

The Authority was originally established under Section 14 of the Education Reform Act 1988 as the Curriculum Council for Wales. Section 253 of the Education Act 1993 provided for the expansion of the functions of the Council and for it to be re-named Awdurdod Cwricwlwm ac Asesu Cymru/the Curriculum and Assessment Authority for Wales. These changes came into effect on 1 April 1994. The statutory provisions relating to the Authority were consolidated in Sections 360 and 361 and Schedule 30 of the Education Act 1996.

With effect from 1 October 1997, by virtue of the Education Act 1997, the Authority was re-named as Awdurdod Cymwysterau, Cwricwlwm ac Asesu Cymru/the Qualifications, Curriculum and Assessment Authority for Wales (the Authority), and was given additional functions in respect of external vocational and academic qualifications.

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

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

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

**Principal activities**

The Authority's purpose is to advance education and training in Wales with a view to promoting quality and coherence. Further details are set out in the Annual Report.

**Research and development**

During the year, the Authority completed the management of a research contract, researching into Key and Basic Skills in the National Curriculum at Key Stages 1 to 3.

**Authority members**

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

Authority members who served during the year were:

Mr Brian Connolly OBE – Chairman  
Mr Owen Rees CB – Deputy Chairman  
Mrs Clare Argyle (*retired 30 September 2001*)  
Mr Alan Boxford OBE  
Mrs Eileen Davies  
Mrs Sandra Davies OBE  
Mrs Katija Dew (*appointed 1 October 2001*)  
Mrs Jennifer Evans (*appointed 1 October 2001*)  
Mr Roger Evans  
Mr Robert Fowler (*appointed 1 October 2001*)  
Mr Emlyn Jones OBE  
Mr Chris Kipling  
Mr Stuart Mathias  
Mrs Susan Parsons OBE  
Dr Pauline Peregrine  
Dr Bryn Roberts  
Mrs Elizabeth M Williams (*retired 30 September 2001*)  
Further details are set out in the Annual Report.

Mr John V Williams, the Chief Executive of the Authority, was a member of the Welsh National Board for Nursing, Midwifery and Health Visiting until 31 March 2002.

A register of members' interests has been set up. This is available for inspection during normal office hours at the Authority's offices.

The following served as members of the Audit Committee during the year - Mr Alan Boxford (Chair), Mr Roger Evans, Mr Chris Kipling, Mrs Susan Parsons, Dr Pauline Peregrine and Mrs Jennifer Evans.

**Results for the year**

The Authority made a deficit for the year of £210,000 (year ended 31 March 2001 - deficit of £181,000). This amount has been transferred from reserves. Gross income credited to the income and expenditure account for the year was £10,659,000 (2000/2001 – £9,621,000). Whilst there has been a deficit on the income and expenditure account for each of the last three years, the Authority does not expect that this will happen in each year in the future. The level of funding has been particularly tight in the last two years. However, the Authority has secured an increased level of funding of £11,983,000 for 2002/03. Further details regarding the Authority's funding position are set out below.

At 31 March 2002, there were net liabilities of £328,000 (31 March 2001 – £147,000) and a deficit on the income and expenditure account of £713,000 (31 March 2001 – £503,000). This has arisen as a consequence of an increase in creditors to £969,000 (31 March 2001 – £793,000). Grant-in-aid funding in order to pay these creditors is being drawn down during the 2002/03 financial year.

The nature of the Authority's operations is such that a significant amount of work is undertaken or comes to fruition at or around the financial year end – for example, the printing of statutory tests. In addition, some work is ongoing at the year end which ultimately leads to a payment being made by the Authority some months after the year end – for example, the provision of financial support for Welsh medium qualifications. Whilst a large number of payments are made immediately prior to the year end (amounting

to in excess of £2,500,000 in March of each of the last two years), the creditors figure at any year end is invariably high for the reasons set out above. Grant-in-aid funding in order to pay these creditors is drawn down in the subsequent financial year, and therefore the accounts have been prepared on a going concern basis. It is not possible to anticipate receipt of this funding in advance. Therefore, because the figures for debtors and stock are relatively low, this results in a deficit on the income and expenditure account. It is anticipated that the cumulative balance on the income and expenditure account will remain in deficit due to this timing difference. However, the Authority has bid for, and secured an increased level of funding for future years. The Authority's funding for 2002/03 has been increased to £11,983,000. The Authority is keeping the situation under close review in order to ensure that it does not over commit to expenditure which cannot be settled on a timely basis.

### **Significant developments**

During the year the Authority assumed responsibility for the production of Key Skills tests through the medium of Welsh. A total of five additional staff were recruited for this purpose.

The Authority has entered into leasing agreements to rent additional office space located at Southgate House, Wood Street, Cardiff. The leases were signed on 3 April 2002. Commitments under the leases are set out in note 16 to the accounts.

### **Fixed assets**

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

### **Employment policy**

The Authority adopts an equal opportunities approach to the recruitment, development and promotion of staff. Full and fair consideration is given to applications for employment from all people, regardless of gender, ethnic background or any disabilities. Employees are kept informed of matters which affect them, by means of written documentation, informal discussions, consultation with the Trade Union and, where appropriate, information meetings.

### **Payment policy**

The Authority is fully committed to the prompt payment of its bills, and supports the CBI's Better Payment Practice Code. The Authority aims to pay bills in accordance with agreed contractual conditions or, where no such conditions exist, within 30 days of receipt of goods and services or the presentation of a valid invoice, whichever is the later. The Authority has established procedures to monitor its performance on the prompt payment of bills. During the year, the Authority paid 90.35 per cent of undisputed bills within 30 days.

### **Auditors**

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

**John V Williams**  
Chief Executive  
Accounting Officer  
4 July 2002

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

In preparing the accounts the Authority is required to:

- observe the Accounts Direction issued by the National Assembly for Wales, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the Authority will continue in operation.

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

As Accounting Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of the Authority's policies, aims and objectives set by the National Assembly for Wales whilst safeguarding the public funds and Authority assets for which I am personally responsible in accordance with the responsibilities assigned to me in Government Accounting.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the Authority's policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process has, in the main, been in place for the year ended 31 March 2002 and up to the date of approval of the annual report and accounts and accords with Treasury guidance. Building on these initiatives, further improvements are planned for implementation by 31 March 2003.

As Accounting Officer I also have responsibility for reviewing the effectiveness of the system of internal control. The Authority has established the following processes:

- Regular reviews by the Chairman and Authority Members of quarterly and annual performance, in addition to regular meetings of the Audit Committee.
- The Senior Management Team, comprising of the Chief Executive and the four Assistant Chief Executives, meets on a monthly basis to consider the plans and strategic direction of the Authority.
- Regular reports from managers on the steps they are taking to manage risks in their areas of responsibility including progress reports on key projects.
- A workshop, led by the internal auditors, to identify and record the risks facing the organisation.
- Establishment of key performance indicators.
- Establishment of an organisation-wide risk register.
- Regular reports by internal audit to standards defined in the Government Internal Audit Manual which include an independent opinion on the adequacy and effectiveness of the Authority's system of internal control together with recommendations for improvement.

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

**John V Williams**  
Chief Executive  
Accounting Officer  
4 July 2002

I certify that I have audited the financial statements on pages 35 to 46 under the Education Act 1997. These financial statements have been prepared under the modified historical cost convention and the accounting policies set out on pages 38 to 39.

**Respective responsibilities of the Authority, the Chief Executive and Auditor**

As described on page 32 the Authority and Chief Executive are responsible for the preparation of the financial statements in accordance with the Education Act 1997 and National Assembly for Wales directions made thereunder, and for ensuring the regularity of financial transactions. The Authority and Chief Executive are also responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

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

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

I review whether the statement on page 33 reflects the Authority's compliance with Treasury's guidance 'Corporate governance: statement on the system of internal control'. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

**Basis of opinion**

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

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Qualifications, Curriculum and Assessment Authority for Wales at 31 March 2002 and of the deficit, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Education Act 1997 and directions made thereunder by the National Assembly for Wales; and
- in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

**John Bourn**  
Auditor General for Wales  
9 July 2002

National Assembly for Wales  
Cardiff Bay  
Cardiff CF99 1NA

## Income and expenditure account for the year ended 31 March 2002

	Notes	2001/02 £'000	2000/01 £'000
<b>Gross income</b>			
Grant-in-aid	2	<b>10,357</b>	9,315
Contract funding	3	<b>87</b>	109
Release from Government Grant Reserve	13	<b>109</b>	126
Other operating income	4	<b>106</b>	71
		<b>10,659</b>	9,621
<b>Expenditure</b>			
Programme expenditure	5	<b>7,661</b>	6,909
Staff costs	6	<b>2,523</b>	2,248
Administration expenditure	7	<b>576</b>	519
Depreciation	8	<b>92</b>	126
Notional cost of capital credit		<b>(20)</b>	3
		<b>10,832</b>	9,805
<b>Deficit on operating activities</b>			
Loss on disposal of fixed assets	17a	<b>(173)</b>	(184)
Interest receivable		<b>13</b>	12
Adjustment for notional cost of capital		<b>(20)</b>	3
<b>Deficit for the financial year</b>		<b>(197)</b>	(169)
<b>Appropriations</b>			
Amounts surrenderable to the National Assembly for Wales	9	<b>(13)</b>	(12)
<b>Deficit on grant-in-aid activities for the financial year</b>		<b>(210)</b>	(181)
<b>Statement of retained deficit</b>			
Retained deficit brought forward		<b>(503)</b>	(322)
Deficit for the year		<b>(210)</b>	(181)
<b>Retained deficit carried forward</b>		<b>(713)</b>	(503)

All of the above figures derive from continuing activities.

### Statement of total recognised gains and losses for the year ended 31 March 2002

Deficit for the year		<b>(210)</b>	(181)
Movement in Government Grant Reserve	14	<b>29</b>	(33)
<b>Total recognised gains and losses relating to the year</b>		<b>(181)</b>	(214)

**Balance sheet**  
as at 31 March 2002

	Notes	31 March 2002 £'000	31 March 2001 £'000
<b>Fixed assets</b>			
Tangible assets	8	302	356
<b>Current assets</b>			
Stocks	10	43	43
Debtors	11	103	104
Cash at bank and in hand	17b	193	143
		<b>339</b>	290
<b>Creditors</b>			
Amounts falling due within one year	12	(969)	(793)
		<b>(630)</b>	(503)
<b>Net current liabilities</b>		<b>(630)</b>	(503)
<b>Total assets less current liabilities</b>		<b>(328)</b>	(147)
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Government Grant Reserve	13	385	356
Income and expenditure account		(713)	(503)
<b>Total Government funds</b>	14	<b>(328)</b>	(147)

John V Williams  
Chief Executive  
Accounting Officer  
4 July 2002

## Cash flow statement

for the year ended 31 March 2002

	Notes	2001/02 £'000	2000/01 £'000
Net cash (outflow)/inflow from operating activities	17a	<b>(23)</b>	96
<b>Returns on investments and servicing of finance</b>			
Interest received		<b>16</b>	9
<b>Appropriations</b>			
Amounts paid to the National Assembly for Wales		<b>(16)</b>	(10)
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		<b>(65)</b>	(82)
<b>Financing</b>			
Capital grants received	17c	<b>138</b>	93
<b>Increase in cash</b>	17b	<b>50</b>	106

## 1. Accounting policies

### 1.1 Accounting convention

The accounts are prepared under the modified historic cost convention. Without limiting the information given, they meet the accounting and disclosure requirements of the Companies Act 1985 and Accounting Standards issued or adopted by the Accounting Standards Board, so far as those requirements are appropriate. The accounts comply with the Accounts Direction issued by the National Assembly for Wales, but are not required to comply with the Charities Statement of Recommended Practice (SORP).

These accounts have been prepared on a going concern basis. As referred to in the 'Foreword to the accounts' on page 30, the nature of the Authority's operations is such that the creditors figure at any year end is invariably high. Grant-in-aid funding in order to pay the creditors is drawn down in the subsequent financial year, and therefore the accounts have been prepared on a going concern basis. However, it is not possible to anticipate receipt of this funding in advance, which therefore results in a deficit balance on the cumulative income and expenditure account at the year end. It is anticipated that the cumulative balance on the income and expenditure account will remain in deficit due to this timing difference. However, the Authority has secured additional funding for future years and is keeping the situation under close review.

### 1.2 Fixed assets

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

### 1.3 Depreciation

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

Leasehold improvements – over the remaining period of the lease

Licence improvements – over the initial period of the licence (see note below)

Fixtures and fittings – over 10 years, or the remaining period of the lease, whichever is the shorter

Office equipment – over six years

Computer equipment – over three years.

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

The Authority has entered into a licence agreement for the shared occupation of an area within the building where its main offices are located but leased by another tenant (see note 16). Improvements to the area the subject of the licence agreement are being depreciated by equal installments over the initial period of the licence, which expires on 24 June 2005.

#### **1.4 Contract funding and other operating income**

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

#### **1.5 Government grants**

Grants received from the National Assembly for Wales by way of grant-in-aid for operating purposes are credited to income in the year to which they relate. Grants received for capital expenditure are credited to the government grant reserve, and relevant transfers are made to the income and expenditure account as the capital assets are utilised.

#### **1.6 Stock**

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

#### **1.7 Pension costs**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is a defined benefit scheme and is unfunded and non-contributory. The Authority recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS.

The Chairman and former Chairman of the Authority have pension arrangements analogous to those of the Principal Civil Service Pension Scheme. These pension payments are paid by the Authority, and are charged to the income and expenditure account as incurred (see note 6).

#### **1.8 Value Added Tax (VAT)**

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

#### **1.9 Cost of capital**

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

#### **1.10 Research and development**

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

## 2. Grant-in-aid

	2001/02 £'000	2000/01 £'000
Amount receivable from the National Assembly for Wales	<b>10,495</b>	9,408
Amount provided for purchase of fixed assets (see note below)	<b>(138)</b>	(93)
Grant-in-aid credited to the income and expenditure account	<b>10,357</b>	9,315

Of the amount of £138,000 provided for the purchase of fixed assets, £55,000 was expended during the year. The balance of £83,000 has been carried forward in the Government Grant Reserve account to finance capital expenditure in 2002/03.

## 3. Contract funding

In addition to the revenue and capital grant-in-aid received from the National Assembly for Wales and reported in note 2, the Authority received the following sums from the National Assembly for Wales as contract funding:

	2001/02 £'000	2000/01 £'000
Progress File (formerly National Record of Achievement)	<b>87</b>	109

## 4. Other operating income

	2001/02 £'000	2000/01 £'000
Sales of publications	<b>44</b>	28
Royalty income	<b>52</b>	43
Miscellaneous	<b>10</b>	–
	<b>106</b>	71

## 5. Programme expenditure

	2001/02 £'000	2000/01 £'000
Objective		
1 – Developing a coherent Qualifications Framework	<b>1,309</b>	1,055
2 – Developing a coherent and integrated curriculum and assessment framework for schools	<b>4,940</b>	4,454
3 – Commissioning of classroom materials	<b>1,198</b>	1,236
4 – Research and intelligence; information and publicity	<b>214</b>	164
	<b>7,661</b>	6,909

**6. Staff costs**

	<b>2001/02</b>	2000/01
	<b>£'000</b>	£'000
		(Restated)
Salaries and wages	<b>2,087</b>	1,854
Social security costs	<b>155</b>	139
Other pension costs	<b>281</b>	255
	<b>2,523</b>	2,248

The figures for 2000/01 have been restated by reclassifying salary and social security costs for the Chairman and Deputy Chairman from Administration Expenditure (see note 7) to Staff costs.

Dear Accounting Officer letter (DAO) 3/00 requires the Authority to disclose, insofar as it is consistent with the provisions of the Data Protection Act 1998, details concerning the age, salary (by broad pay bands) and pension entitlements of Authority members and senior staff with responsibility for directing or controlling the major activities of the Authority. The salary figures include remuneration, any performance bonuses (Chief Executive only) and any benefits in kind. These details are set out below.

Name and title	Age at 31 March 2002	2001/02 Salary (as defined above)	2001/02 Increase in pension at age 60	2001/02 Total accrued pension at age 60 at 31 March 2002
<b>Brian Connolly</b> Chairman	62	25-30	*	*
<b>Owen Rees</b> Deputy Chairman	67	5-10	non- pensionable	non- pensionable
<b>John V Williams</b> Chief Executive	55	65-70	0-5	5-10
<b>Linda Badham</b> Assistant Chief Executive (14 – 19 Qualifications and Curriculum)	Disclosure withheld			
<b>Huw Davies</b> Assistant Chief Executive (Central Services and Commissioning)	Disclosure withheld			
<b>Ann Evans</b> Assistant Chief Executive (Vocational Qualifications and Lifelong Learning)	Disclosure withheld			
<b>David Watcyn Jones</b> Assistant Chief Executive (5 – 14 Curriculum and Assessment)	Disclosure withheld			

\* Mr Connolly is entitled to draw his pension on completion of his term of office with the Authority.

## 6. Staff costs continued

### Authority members

The Chairman is contracted to work two days per week and the Deputy Chairman for two days per month. The other Authority members did not receive any emoluments.

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

All members are appointed for fixed terms, which are usually for three years in the first instance. The Chairman's current term of office is due to expire on 30 September 2004.

### Chief Executive's remuneration

	2001/02 £'000	2000/01 £'000
This comprised:		
Salary	63	61
Performance bonus	5	4
Benefits (subscription to professional body)	–	1
	<b>68</b>	66
Pension contributions – 18.5% (2000/2001 – 18.5%)	11	11
<b>Total</b>	<b>79</b>	77

The Chief Executive is an ordinary member of the Principal Civil Service Pension Scheme.

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

The performance bonus of £4,960 for 2001/02 is the bonus payable in respect of the year ended 31 March 2002.

### Staff numbers

	2001/02 Number	2000/01 Number
The average monthly number of employees during the year was:		
Management	5	5
Professional and Technical	29	27
Support	49	47
	<b>83</b>	79

### Pensions

The PCSPS is an unfunded multi-employer defined benefit scheme but the Authority is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 1999. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2001/02, employers' contributions of £280,452 were payable to the PCS (2000/01 £254,906) at one of four rates in the range 12 to 18.5 per cent of pensionable pay, based on salary bands. Rates will remain the same for the next two years, subject to revaluation of the salary bands. Employer contributions are to be reviewed every four years following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

## 7. Administration expenditure

	2001/02 £'000	2000/01 £'000 (Restated)
Members' travel subsistence and hospitality	9	7
Other Authority related costs	7	5
Accommodation	145	150
Employees' travel and subsistence	115	116
Office costs	163	127
Recruitment and training of staff	75	76
Professional fees	42	21
Auditors' remuneration – audit work	14	13
– additional assurance work	3	3
Other	3	1
	<b>576</b>	<b>519</b>

The figures for 2000/01 have been restated by reclassifying salary and social security costs for the Chairman and Deputy Chairman from Administration Expenditure to Staff costs (see note 6).

## 8. Tangible assets

	Leasehold and Licence improvements £'000	Fixtures and fittings £'000	Office equipment £'000	Computer equipment £'000	Total £'000
<b>Cost or valuation</b>					
At 1 April 2001	285	63	104	384	836
Additions	–	–	17	38	55
Disposals	–	–	(1)	(63)	(64)
At 31 March 2002	285	63	120	359	827
<b>Depreciation:</b>					
At 1 April 2001	101	20	82	277	480
Charge for year	24	6	10	52	92
Disposals	–	–	(1)	(46)	(47)
At 31 March 2002	125	26	91	283	525
<b>Net book value:</b>					
At 31 March 2002	160	37	29	76	302
At 1 April 2001	184	43	22	107	356

### 9. Amounts surrenderable to the National Assembly for Wales

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

	2001/02 £'000	2000/01 £'000
Amounts surrenderable to the National Assembly for Wales	<b>13</b>	12

### 10. Stocks

	31 March 2002 £'000	31 March 2001 £'000
Stock of saleable publications	<b>43</b>	43

The stock of saleable publications is stated net of a provision of £183,000 (2001 - £174,000) made in order to reduce the cost of the stock to its estimated net realisable value.

### 11. Debtors and prepayments

	31 March 2002 £'000	31 March 2001 £'000
Amounts falling due within one year:		
Other debtors	<b>48</b>	52
Prepayments	<b>52</b>	50
	<b>100</b>	102
Amounts falling due after more than one year:		
Prepayments	<b>3</b>	2
	<b>103</b>	104

### 12. Creditors: Amounts falling due within one year

	31 March 2002 £'000	31 March 2001 £'000
Other creditors and accruals	<b>969</b>	793

### 13. Government Grant Reserve

	2001/02 £'000	2000/01 £'000
At 1 April	<b>356</b>	389
Capital grant-in-aid received during the year	<b>138</b>	93
Released to the income and expenditure account during the year	<b>(109)</b>	(126)
At 31 March	<b>385</b>	356

This account includes an amount of £83,000 received from the National Assembly for Wales as a contribution towards the refurbishment costs of additional office accommodation. The balance on this account is higher than the net book value of fixed assets by a corresponding amount because this expenditure had not been incurred at the year end.

**14. Reconciliation of movement in Government funds**

	2001/02 £'000	2000/01 £'000
Retained deficit for the year	<b>(210)</b>	(181)
Movement in Government Grant Reserve	<b>29</b>	(33)
Decrease in Government funds for the year	<b>(181)</b>	(214)
Government funds at 1 April	<b>(147)</b>	67
Government funds at 31 March	<b>(328)</b>	(147)

**15. Capital commitments**

	31 March 2002 £'000	31 March 2001 £'000
Contracted	<b>56</b>	–

In addition, whilst there was no contractual commitment at the year end, discussions were underway to enter into a contract for refurbishment work on the additional offices. The contract was agreed in April. The contract sum is for approximately £178,000. Additional funding of £83,000 has been received from the National Assembly for Wales as a contribution towards these costs. This amount is included in the Government Grant Reserve Account (see note 13).

**16. Operating leases**

	2001/02 £'000	2000/01 £'000
(a) Amounts charged to the income and expenditure account for operating lease payments	<b>141</b>	167

	31 March 2002		31 March 2001	
	Buildings (leases and licence) £'000	Other (cars) £'000	Buildings (leases and licence) £'000	Other (cars) £'000
(b) Annual commitment on leases expiring:				
Within one year	–	–	–	4
Within two to five years	–	<b>19</b>	–	5
After more than five years	<b>216</b>	–	124	–
	<b>216</b>	<b>19</b>	124	9

## 17. Notes to the cash flow statement

### a) Reconciliation of operating surplus to net cashflow from operating activities:

	2001/02 £'000	2000/01 £'000
Deficit on operating activities	<b>(173)</b>	(184)
Depreciation charge	<b>92</b>	126
Notional cost of capital charge	<b>(20)</b>	3
Release from government reserve	<b>(109)</b>	(126)
Increase in stock	–	(24)
(Increase)/decrease in operating debtors	<b>(3)</b>	6
Increase in operating creditors	<b>190</b>	295
<b>Net cash(outflow)/inflow from operating activities</b>	<b>(23)</b>	96

### b) Analysis of changes in cash during the year:

Balance at 1 April	<b>143</b>	37
Cash inflow	<b>50</b>	106
<b>Balance at 31 March</b>	<b>193</b>	143

### c) Analysis of changes in financing during the year:

Government Grant Reserve:		
At 1 April	<b>356</b>	389
Cash inflow from financing	<b>138</b>	93
Transfer to income and expenditure account	<b>(109)</b>	(126)
<b>At 31 March</b>	<b>385</b>	356

## 18. Related party transactions

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

During the year, the Authority entered into certain transactions with third parties in conjunction with the Qualifications and Curriculum Authority, who are sponsored by the Department for Education and Skills.

## 19. Contingent liability

A claim in respect of termination of a contract has been made against the Authority. The basis and amount of the claim is contested. The Authority considers that appropriate provision has been included within creditors in these accounts for the amount due under this contract and its termination. The Authority is seeking to reach a satisfactory agreement with the agency concerned. If this is not possible, then the Authority may be liable for a further sum. The maximum potential liability is not disclosed here, as permitted by Financial Reporting Standard Number 12, as such disclosure could prejudice the Authority's position.