

All Responsible Officers

29 August 2023

Annual Statement to your regulator

Dear Responsible Officer,

In [our letter dated 26 May 2023](#), we confirmed that this year's Statement of Compliance (SoC) is to be delivered jointly by Ofqual, Qualifications Wales and CCEA Regulation. We are writing to confirm further information regarding the key lines of enquiry that will be asked, and what we will expect in the overarching declarations of current and future compliance.

Dates and platform

The 2023 SoC window will be open from Monday 16 October 2022 to Friday 19 January 2024. You will submit your SoC returns via the Ofqual Portal, in the same way as last year. Further information on accessing the platform will be provided closer to the submission window opening.

Key Lines of Enquiry

All three Regulators have agreed to ask specifically about the following areas:

- **Organisational Stability** (linked to Condition [A5.4 – Availability of adequate resources and arrangements](#)). As with last year, our approach to the assessment of organisational stability this year will take a risk-based approach. We will ask all AOs questions about your current financial position and ability to plan for, and withstand, economic pressures while continuing to develop and deliver qualifications. Following positive feedback last year, we will once again ask AOs to submit accounts that align with their standard financial year-end to reduce burden.

We will request your full accounts for 2023 within 3 months of your financial year-end. For most AOs, this means that the accounts should be available by the SoC submission deadline in January. Therefore, we will

ask for the accounts to be submitted upfront alongside your other responses.

If your financial year-end falls in October, November, or December 2023, we acknowledge that you may not be able to submit the accounts by the SoC deadline. In these circumstances, we would ask that the accounts be provided as soon as possible and within 3 months of your year-end date. The information you provide will be used for the Statement of Compliance review but may also be used by Ofqual, CCEA Regulation and/or Qualifications Wales for other related matters such as recognition expansion requests. It is therefore important that you provide this information in a timely manner otherwise it could impact on and delay other processes.

We will also request forecast information for 2024 as well as details about your financial resilience and key financial risks. Key areas of focus will include:

- (i) the levels of financial reserves available to enable you to withstand unforeseen events and
- (ii) risks arising as a result of financial/ other issues from your customers, for example late/non-payment (also known as counter-party risk).

Should we need to follow up with you about your accounts and SoC return, we will request any additional relevant evidence required to gain sufficient assurance about your financial status.

This process will reduce unnecessary burden on you while also providing us with assurance of your ability to continue delivering qualifications for students and apprentices. It will also ensure that we have the opportunity to understand your economic challenges and, where possible, respond to these, working with you to ensure the protection of students and apprentices as necessary.

• **Managing and preventing malpractice and maladministration, including risks posed by generative Artificial Intelligence** (linked to Condition [A8 – Malpractice and maladministration](#)), including:

- i) the expertise and governance that you have in place to manage and prevent malpractice and maladministration
- ii) how you notify your Regulator(s) and other AOs of proven malpractice and maladministration, and how you use intelligence received about malpractice from other organisations
- iii) potential malpractice risks presented by generative artificial intelligence and the mitigations you have in place to manage this

- **Capability and capacity to develop and maintain qualifications** (linked to Conditions [A5.1, A5.2 and A5.3 - Availability of adequate resources and arrangements](#) and [E4.1 - Ensuring an assessment is fit for purpose and can be delivered](#)), looking at your internal processes and systems including:

- i) how you determine, acquire and retain relevant expertise on an ongoing basis
- ii) whether and how you consider expertise when you decide to change or expand your qualification offer

Conditions of Recognition

Under all 3 regulators' Conditions of Recognition [Condition B2](#), you must provide an annual SoC to your regulator. You must state whether you are currently compliant or non-compliant with your Conditions of Recognition and, if the latter, describe each instance of non-compliance and the date by which you expect to rectify the failure.

The statement is also forward-looking, and you must specify that you have no cause to believe you are likely to fail to comply with your Conditions of Recognition for the following 12 months, or if you believe you might fail, the grounds for this and the steps being taken in relation to it.

In advance of the SoC opening, we are providing you with information setting out what your declaration will look like.

We will be asking you to declare:

Current compliance declaration:

- a) I am currently compliant with all Conditions of Recognition (except where alternative Ofqual/CCEA Regulation/Qualifications Wales regulatory frameworks are in place)
- b) I am not currently compliant with all Conditions of Recognition for reasons other than adhering to alternative regulatory frameworks in place (with the usual follow up questions on each instance of non-compliance and the date by which you expect to rectify the failure).

Future compliance declaration

- a) I believe that I may be compliant in the next 12 months with all Conditions of Recognition (except where alternative Ofqual/CCEA Regulation/Qualifications Wales regulatory frameworks continue to be in place)
- b) I believe that I may not be fully compliant with all Conditions of Recognition in the next 12 months except where alternative Ofqual/CCEA Regulation/Qualifications Wales regulatory frameworks are in place (with follow up questions on each instance

of potential non-compliance, the grounds for believing it to be likely to occur, and the steps you are taking in relation to it).

SoC sign off

As with last year, we will not be expecting the Chair of the Governing Body to log onto the Portal to sign your SoC this year, but will expect you to confirm that they, and the Responsible Officer, have formally approved and signed the SoC, and if requested, you are able to produce documents to verify this. We will again be sample checking responses and cross-referencing the name given for your Chair of the Governing Body in your SoC with other records to ensure that it meets our requirements.

We will write to you again in early September with instructions and guidance to support your submission. We will also be holding 2 webinars, one about the key lines of enquiry and one on using the Portal system) shortly after the SoC launches in October.

We would be happy to help with any questions about the 2023 process. To contact Ofqual please reply directly to this letter on the Portal. If your query is for Qualification Wales please email statementofcompliance@qualifications.wales and for CCEA Regulation please email ccearegulation@ccea.org.uk.

Yours sincerely,



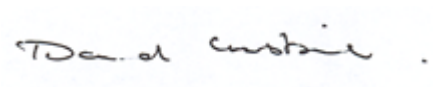
Yun Ding

Associate Director, Standards for Delivery and Performance of VTQs



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