

# Statements of Compliance

2015 Report



January 2016

Ofqual/16/5826

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## Introduction

The aim of our regulatory approach is to secure qualifications that are valid and that meet user needs. Qualifications play a small, but important part in the wider education system. Good qualifications support high-quality teaching and learning outcomes, they recognise relevant skills, understanding and knowledge, and they are relied upon by employers, education providers and others as signals of achievement and ability. Our General Conditions of Recognition are central to our regulatory approach, and underpin the aim to develop qualifications that are valid and trusted.

Condition B2.1 of the General Conditions of Recognition requires each awarding organisation we regulate to make an annual Statement of Compliance (SoC) to us. The annual statement describes and provides assurance of an awarding organisation's levels of compliance with the General Conditions of Recognition<sup>1</sup> (the Conditions). All recognised awarding organisations are subject to the Conditions, and we require each awarding organisation to evaluate and understand its compliance with them.

We consider the information that awarding organisations provide in their SoCs alongside other intelligence that we hold. This enables us to make judgements about levels of awareness, and governance, of the SoC process within the awarding organisation. It also helps us build an evidence base for each awarding organisation, which will be considered during any subsequent regulatory activity.

This report explains our SoC process for 2015. It also sets out our main findings and next steps. It will primarily be of interest to awarding organisations, as they develop their understanding of our regulatory expectations and focus on improving things they need to do better. It may also be of interest to others who are interested in our regulatory approach and what it means for a qualification to be regulated, including organisations who may be considering becoming awarding organisations in future. We have not named awarding organisations or specific incidents of declared non-compliance in this report.

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<sup>1</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/461218/general-conditions-of-recognition-september-2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/461218/general-conditions-of-recognition-september-2015.pdf)

## Our approach

We made changes to the 2015 Statement of Compliance process, in part in response to feedback from awarding organisations.

- We introduced a web-based submission template, with improved instructions and guidance.
- We also introduced a more focused process for reviewing the declarations, including comparing them against other information and intelligence we hold.
- We took regulatory action in instances of non-compliance where the evidence provided by awarding organisations caused us concern.

And, over the coming year, we will audit the arrangements that awarding organisations have in place to generate accurate statements.

## Summary of findings

In 2015, we received statements from 160 awarding organisations. 1 additional awarding organisation failed to provide a SoC. Regulatory action was prepared against this awarding organisation.

We asked each awarding organisation to confirm whether or not it:

- was fully compliant with all of the Conditions, and
- had cause to believe that it was likely to fail to comply with any of the Conditions within the next 12 months.

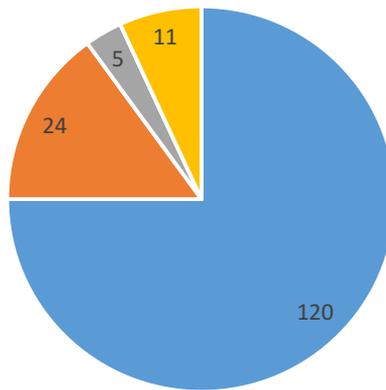
If an awarding organisation told us that it was not compliant with one or more of the Conditions, we asked it to describe each non-compliance and when it expected to become compliant. If an awarding organisation told us that it was likely to become non-compliant with one or more of the Conditions, we asked it to describe:

- each potential non-compliance,
- how it knew that it was likely to fail to comply, and
- the action(s) it was taking or planned to take.

Non-compliance can be serious. For example, it could mean that an awarding organisation is not treating candidates fairly, or is not awarding qualifications at a consistent standard. It could also mean that an awarding organisation is not making sure that its qualifications meet the needs of employers and other users.

120 awarding organisations (75%) declared current and future compliance. 24 awarding organisations (15%) declared current non-compliance and future compliance. 11 awarding organisations (7%) declared both current and future non-compliance, and 5 (3%) stated that they were currently compliant, but expected future non-compliance.

### Declarations received from awarding organisations



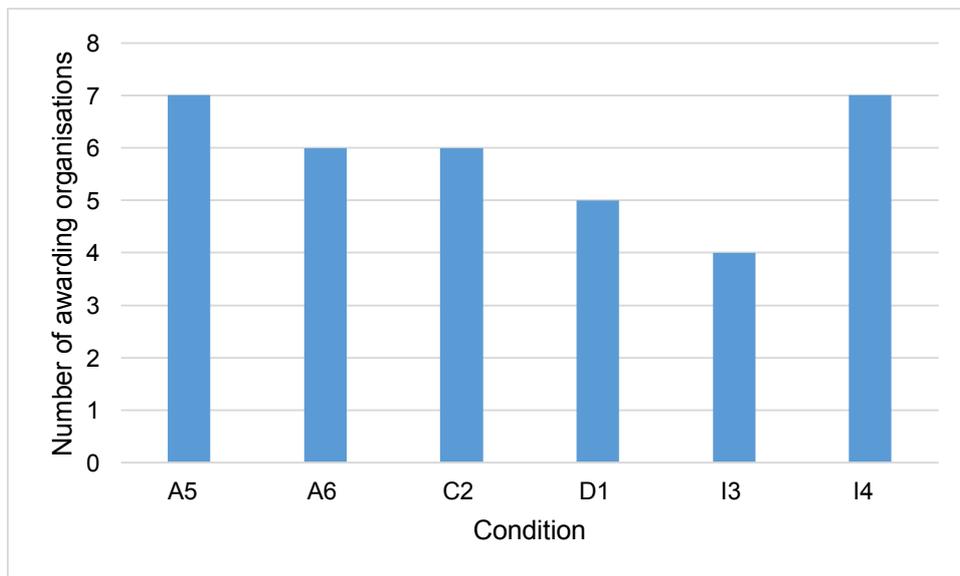
- Current compliance, future compliance
- Current non-compliance, future compliance
- Current compliance, future non-compliance
- Current non-compliance, future non-compliance

## Declarations of non-compliance

We did not identify any significant trends or patterns in the declarations of non-compliance. This would suggest that awarding organisations generally do not judge that they have difficulty in maintaining compliance with any specific area of our Conditions. The most frequent declarations of non-compliance were against Conditions A5 and I4. A5 relates to an awarding organisation’s resource availability and arrangements, while I4 is about issuing certificates and replacement certificates. There were seven declarations of non-compliance against each of these Conditions.

A number of awarding organisations also declared non-compliance against Conditions relating to their systems and processes for identifying risks (A6), and their arrangements with centres (C2).

The following graph shows the most frequent declarations of non-compliance by Condition:



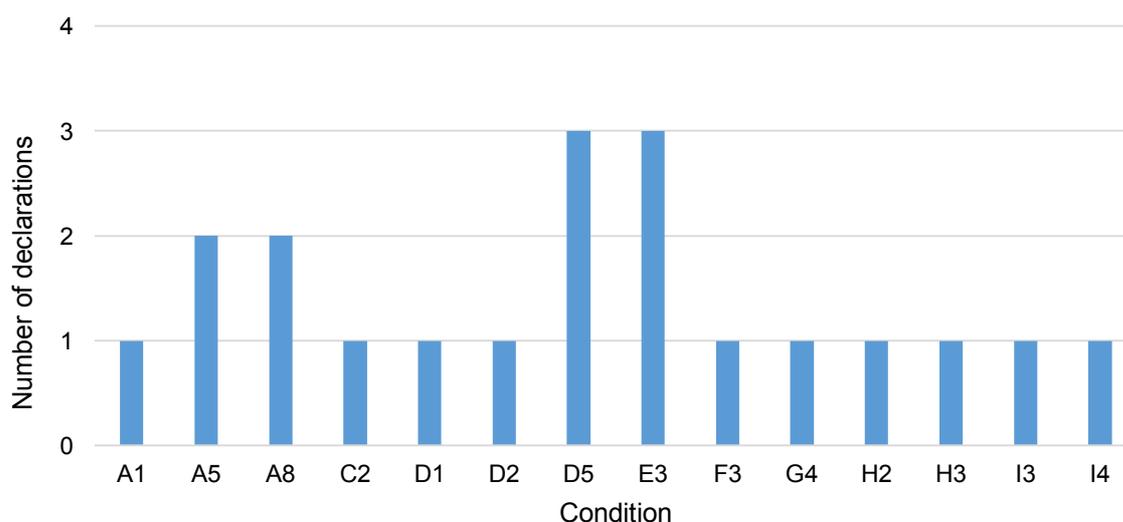
## Incorrect declarations

23 awarding organisations made declarations which we did not consider to be accurate.

In more than half of these cases, the declaration was not consistent with information we already held. These cases will be included in upcoming planned audits to test the accuracy of awarding organisations' declarations.

In other cases, we judged that the evidence provided did not support the view that the awarding organisation was non-compliant. These declarations did not refer to any one specific Condition. The highest number of 'incorrect' non-compliance declarations were against Conditions D5 and E3 (with three declarations against each). Condition D5 relates to the requirement for qualifications to comply with Regulatory Documents, while E3 is about the publication of qualification specifications.

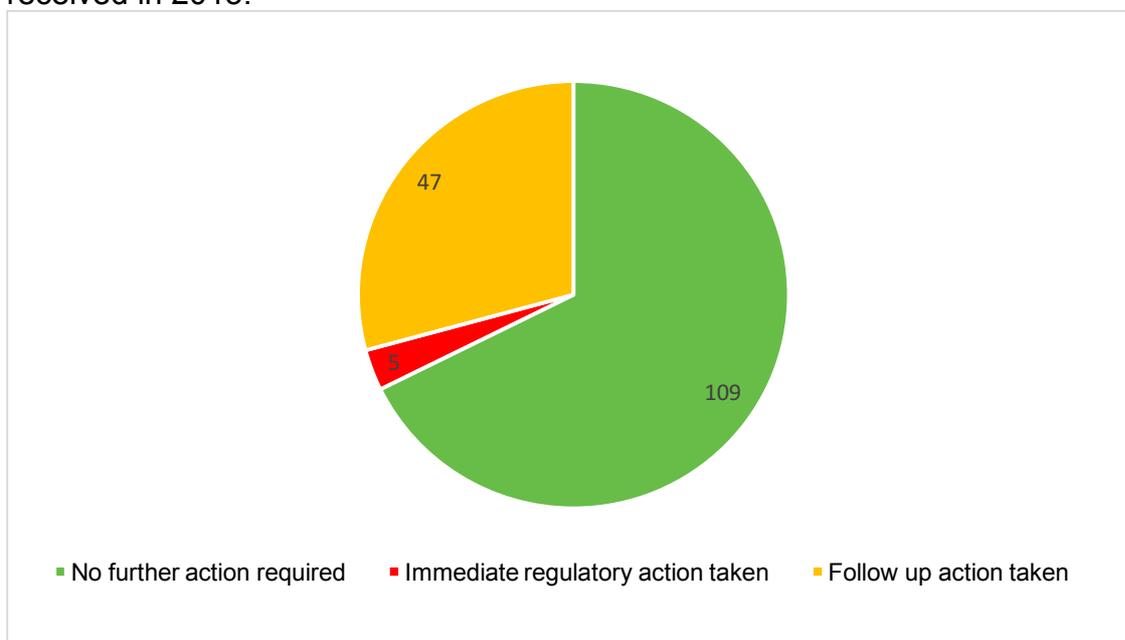
Incorrect declarations of non-compliance were made against the following Condition(s):



Where there have been declarations of non-compliance which we think are incorrect, this indicates to us that awarding organisations may not fully understand the requirements of particular Conditions. This is useful evidence, which we will take into account when considering the need for future guidance.

## Action we are taking

The graph below shows the action we are taking as a result of the SoC submissions received in 2015:



We took immediate regulatory action against five awarding organisations. This action included:

- Introducing special Conditions. This means that we place additional rules on top of our existing requirements, specific to the risks or concerns about that particular awarding organisation, and then check that the awarding organisation is meeting these requirements.
- Making referrals to an enforcement panel, where there were risks of adverse effects, and we had to consider whether regulatory action was necessary to tackle these.
- Planning to issue a Notice of Intention to direct, following the failure of one awarding organisation to provide a SoC. Explaining the proposed enforcement action to the awarding organisation concerned, prompted their subsequent decision to surrender their recognition as an organisation regulated by Ofqual.

We are considering next steps for 47 awarding organisations. These steps include:

- **Requesting more information about their declared non-compliance**  
This applied when, for example, the information provided in the awarding organisation's declaration did not clearly explain either the circumstances of non-compliance, or what steps the awarding organisation had in place to deal with this

non-compliance.

- **Adding the awarding organisation to a forthcoming audit**

This applied when the information provided in the SoC was not consistent with other information we hold on the awarding organisation.

- **Taking no further action**

This applied when the declaration of non-compliance was not, in our view, representative of actual non-compliance. It also included instances where Ofqual are already aware of the non-compliance declared in the awarding organisation's SoC, and subsequent action is already underway.

- **Taking follow-up action at a later date**

We do this when awarding organisations have provided clear detail of the circumstances of non-compliance, and how compliance will be achieved. These awarding organisations have been, or will be, contacted to see if compliance has been achieved, dependent on the deadline specified in their individual SoC.

We do not need to consider taking action against the remaining 109 awarding organisations based on their SoC. However, we may carry out risk-based audits of these awarding organisations and, if we find evidence that conflicts with the SoC declaration, we may consider further action.

## Next steps

During 2016, we will test declared levels of compliance through a series of risk-based audits. This work will focus on the validity of qualifications through their lifecycle. It will also include an audit of the arrangements that awarding organisations have in place to ensure their annual SoC is accurate. As this report demonstrates, we take the SoC process and what the declarations tell us very seriously, as part of the process of testing and providing assurance about the validity of the qualifications we regulate.

Following the feedback that we have received from awarding organisations on the SoC process in 2015, we plan to use a similar process for statements of compliance in 2016. We will announce the dates of the submission window in the next few months.

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