



Teaching  
Regulation  
Agency

# **Teaching Regulation Agency Annual report and accounts**

**For the year ended 31 March 2019**

**An executive agency of the Department for Education**

HC 2379

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# Performance report

## Overview

This section details the Teaching Regulation Agency's (TRA or the agency) organisational structure and performance, and its key issues and risks.

## Chief Executive and Accounting Officer's introduction and perspective on performance

This Annual Report and Accounts report (ARA) covers year ended 31 March 2019 for the TRA, as an executive agency of the Department for Education (the Department or DfE).

In November 2017, the Department announced plans that the National College for Teaching and Leadership (NCTL) would be repurposed into the TRA with effect from 1 April 2018. From this date, the majority of NCTL's functions transferred back into the Department to align policy and operational activities. The remaining functions, as listed below, became the responsibility of the TRA.

## Statement of purpose and activities

As set out in our 2018-21 [Corporate Plan](#)<sup>1</sup> our purpose is to support employers, schools and headteachers with safeguarding responsibilities by taking action upon receipt of allegations of serious teacher misconduct, and providing employers the opportunity to complete pre-employment checks to ensure that they are employing teachers who are appropriately qualified for their role.

We have responsibility, on behalf of the Secretary of State for Education ('the Secretary of State'), to act as the competent authority for teaching in England; and to operate as the regulatory system for all teacher misconduct as defined by, [The Teachers' Disciplinary \(England\) Regulations 2012](#)<sup>2</sup> and the [Teacher Misconduct Procedures – Disciplinary procedures for the Teaching Profession](#)<sup>3</sup>.

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<sup>1</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/696833/teaching-regulation-agency-corporate-plan.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/696833/teaching-regulation-agency-corporate-plan.pdf)

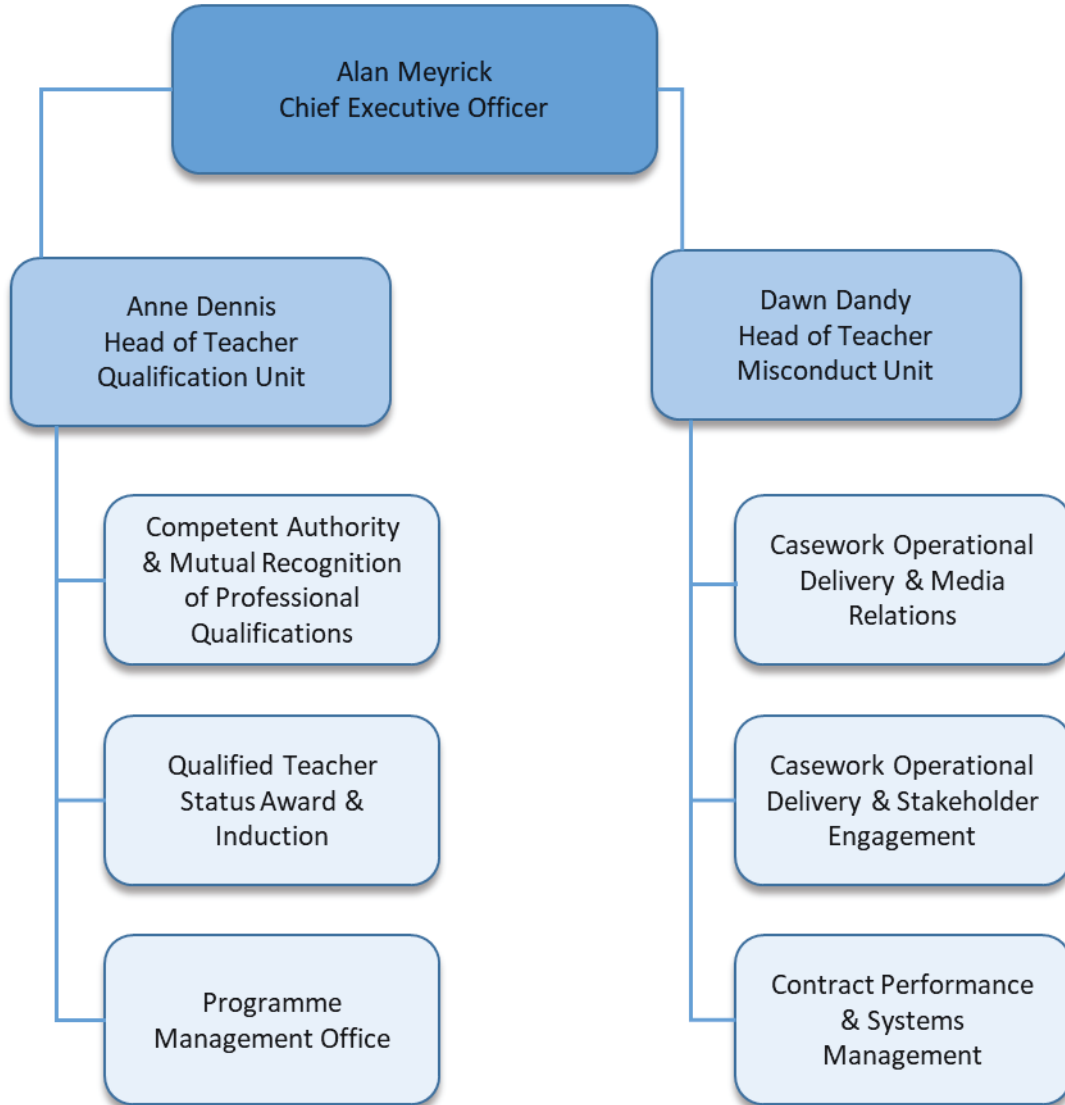
<sup>2</sup> <http://www.legislation.gov.uk/uksi/2012/560/contents/made>

<sup>3</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/776859/Disciplinary\\_procedures\\_for\\_the\\_teaching\\_profession.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/776859/Disciplinary_procedures_for_the_teaching_profession.pdf)

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The agency is formed of two operational units: the Teacher Qualification Unit (TQU), and the Teacher Misconduct Unit (TMU).

**Structure of the agency 2018-19**



## Key issues and risks facing the agency

The agency faces strategic risks that could cause operational delivery to differ from the desired outcomes. The table below shows three strategic risks, along with a summary of how we managed these in 2018-19.

Risk	Area	Mitigation
<p>There is a risk of a successful challenge to the processes of teacher regulation and the TRA's ability to make decisions on behalf of the Secretary of State, due to an individual's actions or successful legal challenge.</p>	<p>TMU</p>	<p>Risks for individual cases are identified and discussed with a nominated Senior Responsible Officer (SRO).</p> <p>Close working relationships with the Department's Legal Advisors Office and policy colleagues to ensure potential issues are considered at an early stage to support a robust legal position.</p> <p>We work closely with the Department's Press Office team to manage communications that arise from the reporting of our hearings.</p> <p>The TRA has made significant progress in reviewing its published procedures and, have consulted with relevant stakeholders.</p>
<p>There is a risk that the TRA is successfully challenged on its interpretation and application of General Data Protection Regulation (GDPR) by a data subject which could have both a financial and reputational impact on the Department.</p>	<p>TRA</p>	<p>The TRA has identified staff to lead on GDPR and they have undertaken training to help them to understand the requirements of GDPR and the potential impact on TRA.</p> <p>The TRA has worked closely with the Privacy and Information Rights Advisory Service within the Department to ensure common understanding of the requirements.</p> <p>All privacy notices have been rewritten to comply with GDPR requirements and, communications plans developed to ensure that relevant data subjects are informed of their rights.</p> <p>The TRA has followed advice from the Information Commissioner's Office (ICO) to further develop plans.</p>
<p>There is a risk of a data breach involving sensitive material being misplaced, misused or inadvertently viewed. The impact being that sensitive data including personal details of those involved in the hearing process is shared.</p>	<p>TMU</p>	<p>TRA staff have received awareness training on this subject.</p> <p>All staff complete mandatory information security training.</p> <p>Panel members on TRA Professional Conduct Panels (PCPs) have received guidance on handling sensitive information.</p> <p>All case papers are given a protective marking and transferred by secure courier.</p>

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Risk	Area	Mitigation
		<p>Documents transferred electronically are password protected or transferred via a secure platform.</p> <p>TRA data breach reporting and near miss regular reporting is in place.</p> <p>Embedding lessons learnt from near misses and previous incidents is routinely undertaken.</p> <p>Contracts with firms performing services on behalf of the TRA include strict data security instructions.</p>

Our programmes of work have robust governance arrangements in place to ensure the timely resolution of these challenges as well as the delivery of routine work (see page 31).

The Department's estimate and forward plans included provision for the continuation of the TRA (formerly NCTL) into 2019-20.

## Performance summary

The TRA's work is split between two operational units, they are:

- **TMU:** responsible for formally investigating referrals of teacher misconduct that fall within TRA's jurisdiction and its threshold for serious misconduct, that if proven have the potential to result in a prohibition order
- **TQU:** acts on behalf of the Secretary of State as the competent authority for teaching in England and ensures the delivery of EU Directive 2005/36/EC; awards Qualified Teacher Status (QTS) to teachers in England and mutual recognition for overseas trained teachers (OTTs) for QTS in England.

During 2018-19: The Teacher Qualification Unit have:

- awarded QTS to 30,806 teachers who have completed a course of initial teacher training (ITT) in England and awarded Early Years Teacher Status (EYTS) to 534 individuals
- awarded QTS to 4,633 OTTs who applied for recognition in England
- delivered 72,476 QTS and induction certificates to teachers through the teacher self-service portal (TSS)
- supported 344,578 pre-employment checks through the online employer access service
- recorded 27,285 newly qualified teacher (NQT) induction passes onto the Database of Qualified Teachers (DQT)
- issued 37,449 teacher reference numbers (TRN)
- answered 31,043 telephone calls and responded to 44,272 email helpdesk queries

During 2018-19: The Teacher Misconduct Unit have:

- received 985 referrals of teacher misconduct
- considered 462 cases of alleged serious misconduct at a determination meeting
- administered 143 PCPs
- imposed 51 Interim Prohibition Orders (IPO)
- made decisions on behalf of the Secretary of State for:
  - 128 cases of teacher misconduct
  - administered and made a decision for 12 set asides
  - administered and made a decision for six induction appeals, and
- managed four High Court appeals and one Judicial Review.

# Performance analysis

## Key organisational performance measures

The TRA has 11 key performance indicators against which we measure our deliverables. These indicators are at the centre of a performance framework used to monitor our performance. The outcomes against our performance indicators are set out below.

Performance indicator	Outcome 2018-19	Status	Notes
<b>Database of Qualified Teachers:</b> the TQU will process all QTS recommendations from ITT providers and make the outcomes available on the DQT within two working days of receipt	100%	Met	
<b>Database of Qualified Teachers:</b> the TQU will process all induction results submitted by appropriate bodies and make the outcomes available on the DQT within two working days of receipt	100%	Met	
<b>Database of Qualified Teachers:</b> the DQT will be available to users for 98% of the reporting year	99%	Met	
<b>Initial Assessment:</b> 100% of European Economic Area (EEA) applications completed within 20 working day service level agreement	100%	Met	
<b>Award/Decline decision:</b> completed within 90 working days for EEA, and 20 working days for OTT service level agreements	100%	Met	
<b>Teacher Qualification Helpdesk:</b> 100% of helpdesk emails responded to within five working days of receipt	99%	Not Met	The introduction of a new Department service gateway saw a significant increase in the number of emails received due to issues in accessing the new system.
<b>Teacher Qualification Helpdesk:</b> abandonment rate for helpdesk telephone enquiries to be less than 5%	2%	Met	



Performance indicator	Outcome 2018-19	Status	Notes
<b>Initial Assessment:</b> 95% of teacher misconduct cases are screened and sifted within 72 hours of receipt	100%	Met	
<b>Investigation:</b> 95% of teacher misconduct cases are concluded or referred to hearing within 20 weeks	93%	Not met	Whilst this target has not been met, there has been an improvement from 88.4% in 2017-18. The complexity of cases can mean some cases take longer to conclude. TMU will continue to work on further improvements in its processes and contract management to meet the target for 2019-20.
<b>Hearing:</b> Teacher misconduct cases that are considered at the hearing stage are concluded within 52 weeks (average median) from the date of receipt	47 weeks	Met	

## Objectives

The Department's overall vision is to provide world class education and care that allows every child and young person to reach their potential. One of the Department's goals is that every child and young person can access high-quality provision, being able to achieve to the best of their ability regardless of location, prior attainment and background.

The TRA vision supports this:

We will strive to achieve excellence in all that we do, delivering a high-quality, fair and consistent regulatory system for the teaching profession on behalf of the Secretary of State. We will assess applications for recognition of professional status fairly and efficiently. We will support the teaching profession by ensuring that we promote high standards of conduct through fair, rigorous and timely teacher misconduct investigations, that where appropriate, prohibit teachers found guilty of serious misconduct. We will work to assist schools in maintaining the standards required of the teaching profession, allowing every child access to high-quality education.

The purpose and activities of the agency are listed on page 6.

During 2018-19, the TRA:

- proactively collected and analysed all stakeholder feedback to identify opportunities for improvements to service delivery

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- worked to the governance and accountability arrangements as set out in the TRA Framework Document

During 2018-19, the Teacher Qualification Unit:

- acted on behalf of the Secretary of State as the competent authority for teaching in England and ensured the delivery of [EU Directive 2005/36/EC](#)<sup>4</sup>. Complied with EU service level agreements for assessment and decisions regarding applications from qualified teachers from the EEA for QTS in England
- provided the European Commission via Department for Business Energy and Industrial Strategy (BEIS)/National Academic Recognition Information Centre with the annual EEA award and decline data per country for QTS and Partial QTS returns. Ensuring that all data reporting was timely and robust
- supported ministers and wider Department policy and international teacher recruitment teams with timely and accurate overseas teachers QTS data, providing evidence to help make informed decisions
- complied with service level agreements for assessment and decision making regarding QTS applications from OTT under the Teachers Regulations 2012
- maintained an effective working relationship with the competent authorities for teachers in Scotland, Wales and Northern Ireland
- collected the 2017/18 cohort result data for trainee teachers who completed either a course of ITT or early years ITT in England and awarded QTS or EYTS to all successful trainees by April 2019
- collected and recorded the 2017/18 cohort outcomes for all NQTs who completed the mandatory induction year by April 2019
- utilised the online TSS portal solution to deliver new certificates to all teachers who achieved QTS or EYTS, passed their NQT induction year, or completed a national leadership qualification in England. TQU ensured the TSS portal was available to all teachers for 98% of the year
- enabled employers of teachers to undertake mandatory pre-employment checks by providing secure online access to the list of qualified teachers and the lists of teachers prohibited from teaching or holding a sanction from the Secretary of State. TQU ensured the online employer service was available to employers for 98% of the year
- collected the 2018/19 cohort registration data for all new trainee teachers commencing a course of ITT in England, used the data to establish trainee records on the DQT and issued unique TRNs by November 2018
- responded to the majority of teacher qualification helpdesk enquiries within the agreed service levels or managed resources to address any emerging issues. The abandonment rate on helpdesk telephone lines was below 5% and 99% of helpdesk emails received a reply within five working days

<sup>4</sup> <https://www.gov.uk/government/publications/mutual-recognition-of-professional-qualifications-guidance-for-regulatory-bodies>

- maintained accurate lists of prohibitions, decisions and restrictions relating to teachers, ensuring relevant data was collected from other regulatory authorities and processed within agreed service level agreements
- maintained a central record of national leadership qualifications and mandatory qualifications ensuring relevant accurate data was collected from partner stakeholders and processed within agreed service level agreements
- supported the policy development for recognition of OTT on exit of the EU.

During 2018-19, the Teacher Misconduct Unit:

- completed an initial assessment of all referrals made to determine whether a case falls within the TRA's jurisdiction and its threshold for serious misconduct, that if proven has the potential to result in a prohibition order
- considered for all cases whether an IPO should be imposed to prevent the person teaching until the case was concluded
- undertook an initial investigation and decided whether there was a case to answer, and where there was a case to answer the TMU:
  - prepared the case for hearing, working with an external legal firm to present the case at a PCP
  - engaged in a timely manner with the teacher, teacher's representative and referrer as required throughout the lifetime of the case
  - administered the PCP proceedings, scheduling cases at the earliest opportunity available and provided administrative support where required
  - engaged with independent panellists to ensure the constitution of the panel met regulations and guidelines
  - responded to all teacher misconduct case queries
- took decisions on behalf of the Secretary of State to determine whether a prohibition order was appropriate and where appropriate, decided whether a teacher may apply for a review of the order. This decision making included determining whether a prohibition order could be set aside for General Teaching Council for England legacy cases
- considered and made a decision on behalf of the Secretary of State for cases where an NQT wished to appeal failure of, or an extension to, their induction period
- considered and made a decision on behalf of the Secretary of State for cases where a teacher applied for the prohibition order to be set aside
- on receipt of High Court appeal notifications, worked with the Government Legal Department to prepare cases to defend on behalf of the Secretary of State
- worked with Department colleagues to ensure all online teacher misconduct guidance reflected current teacher disciplinary regulations

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- established an engagement strategy with key stakeholders to foster a joined-up cross-government response to teacher misconduct
- produced a draft Witness Charter which will be published in 2019 following consultation with key stakeholders
- secured fit for purpose hearing premises, including a new witness suite, which has resulted in the ability to hold more hearings on-site and achieve value for money
- implemented a risk framework that supports the management of all teacher misconduct cases
- developed a customised case management system for the management of all teacher misconduct cases
- adopted digital storage protocols for all archived case management files
- enhanced the hearing feedback process.

**Performance**

During 2018-19, we delivered:

**Teacher Qualification Unit****Qualified Teacher Status**

The TRA is the competent authority in England for the teaching profession. On behalf of the Secretary of State we are responsible for the award of QTS.

You must have QTS in order to take up a teaching post in England in a maintained primary, secondary or special school or a non-maintained special school, as well as some academies.

We continued to make QTS awards to individuals following an accredited ITT course in England and Wales, and to trained teachers from the EEA, Scotland, Northern Ireland or overseas countries where there is agreed recognition of qualified status.

During 2018-19, we awarded QTS to 33,326 teachers and EYTS to 534 individuals who completed an Early Years Initial Teacher Training course in England and Wales.

<b>QTS Awards - April 2018 to March 2019</b>	
Undergraduate Awards (all ITT routes)	4,800
Postgraduate Awards (all ITT routes)	26,006
<b>England total</b>	<b>30,806</b>
<b>Other Routes</b>	
Assessment Only Route	1,383
Teachers Trained in Wales	1,137
<b>Total</b>	<b>33,326</b>

Table 1, TRA Management information showing QTS awards. Official statistics on QTS awards for the 2018/19 academic year will be published in summer 2020.

Additionally we awarded QTS in England to 336 qualified teachers from Scotland and Northern Ireland who applied for recognition.

### **Mutual Recognition of Professional Qualifications**

Professional recognition and the award of QTS, with no requirement for further training, is possible for two groups of OTTs: those fully qualified in the EEA, including Switzerland, and, since 2012, those fully qualified in Australia, Canada, New Zealand and the United States. QTS awards are made only to fully qualified teachers who trained in the EEA, under the terms of Council Directive 2005/36/EC. Teachers who trained outside the EEA must have their qualifications recognised by an EEA member state and must have 3 years of experience in that state to be eligible to apply for QTS in England. Teachers from Australia, Canada, New Zealand and United States must be fully qualified and eligible to teach permanently in the country in question. This must be documented from the recognised authority in that state. There is further information on the award of QTS on our webpage<sup>5</sup>.

Outside of these groups, experienced teachers from overseas are allowed to teach unqualified in maintained schools for a four year period of grace while they achieve QTS by another route.

Obtaining QTS does not necessarily mean that qualified teachers from overseas are currently now teaching in England.

### **European Economic Area**

The EEA provides for the free movement of persons, goods, services and capital within the internal market of the EU between its 28 member states, as well as three of the four member states of the European Free Trade Association: Iceland, Liechtenstein and Norway. Switzerland is also included in the free movement directive for professional recognition.

There were 3,103 QTS awards made to qualified teachers from the EEA in the financial year 2018-19. This represents a 12% decrease from 2017-18, where the number of QTS awards was 3,527.

The EEA countries of origin with 10% or more of the total number of QTS awards made to EEA countries in the financial year 2018-19 were:

- Spain: 1,365 QTS awards
- Greece: 478 QTS awards

The number of fully qualified teachers from each EEA country awarded QTS is available in Annex 1.

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<sup>5</sup> <https://www.gov.uk/guidance/qualified-teacher-status-qts>

### Other countries outside the European Economic Area

The number of QTS awards made to teachers from outside the EEA (Australia, Canada, New Zealand and the USA) was 1,530 in financial year 2018-19. This is a 4% increase from 2017-18, where the number of QTS awards was 1,477.

These QTS awards are distributed between the non-EEA countries as follows:

- Australia – 467 QTS awards
- Canada – 346 QTS awards
- USA – 495 QTS awards
- New Zealand – 222 QTS awards

Further details can be found at Annex 1 on page 77.

### Recognition of Special Educational Needs Teachers from the European Economic Area

From the 19 December 2016, teachers who are recognised in the EEA but who are only qualified to teach pupils with special educational needs and disabilities (SEND) can apply for partial QTS in England. A teacher with partial QTS can be appointed to a qualified teacher post in a special school or to teach pupils in a specialist unit in mainstream schools. Partial QTS also exempts a teacher from the requirement to serve a statutory induction period in England. This change is due to an amendment to Council Directive 2005/36/EC. EU member states must recognise qualifications when they entitle a professional to work in specific areas of a regulated profession.

During the financial year 2018-19, 43 awards of partial QTS were made to SEND teachers from the EEA. Further details can be found at Annex 1 on page 76.

### Teacher Self-Service Portal

The TSS portal provides teachers with access to their records held on the DQT. The DQT is maintained by the TRA on behalf of the Department, who for the purpose of data protection legislation, are the data controller for data held and processed within the DQT.

As a teacher, access to this portal enables you to:

- view your teacher record
- obtain electronic copies of your QTS, EYTS and/or induction certificates
- obtain electronic copies of relevant leadership qualification certificates
- update your personal details
- download a letter confirming your teacher qualifications
- input your employment details

Further details are available from the [TSS portal](#).<sup>6</sup>

During 2018-19, 72,476 new online certificates were delivered to teachers through the TSS portal.

### **Online employer access service**

Teacher Services is a free service for schools, sixth form colleges, local authorities and teacher supply agencies in England to check the record of a teacher they employ or are considering employing. It should be used before appointment to check for:

- the award of QTS
- completion of teacher induction
- prohibitions, sanctions and restrictions that might prevent the individual from taking part in certain activities or working in specific positions.

Further guidance is available on [gov.uk](#)<sup>7</sup>.

During 2018-19, we supported 344,578 pre-employment checks through this service.

### **Newly Qualified Teacher Induction**

All qualified teachers who are employed in a relevant school in England, must by law, have completed an induction period satisfactorily, subject to specified exemptions.

Statutory induction is the bridge between ITT and a career in teaching. It combines a personalised programme of development, support and professional dialogue with monitoring and an assessment of performance against the relevant standards (see below). The programme should support the NQT in demonstrating that their performance against the relevant standards is satisfactory by the end of the period, and equip them with the tools to be an effective and successful teacher.

The Teachers' Standards will be used to assess an NQT's performance at the end of their induction period. The decision about whether an NQT's performance against the relevant standards is satisfactory upon completion of induction should take into account the NQT's work context and must be made on the basis of what can be reasonably expected of an NQT by the end of their induction period, within the framework set out by the standards. Judgements should reflect the expectation that NQTs have effectively consolidated their ITT and demonstrated their ability to meet the relevant standards consistently over a sustained period in their practice.

The full guidance is available from [gov.uk](#)<sup>8</sup>

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<sup>6</sup> <https://teacherservices.education.gov.uk/SelfService/Login>

<sup>7</sup> <https://www.gov.uk/guidance/teacher-status-checks-information-for-employers>

<sup>8</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/696428/Statutory\\_Induction\\_Guidance\\_2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/696428/Statutory_Induction_Guidance_2018.pdf)



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The total number of induction passes registered for 2018-19 was 27,385.

### Teacher Reference Numbers

A TRN is a unique seven digit reference number allocated to teachers (qualified or trainee teachers). This reference number is a key identifier for their record.

A TRN can be generated in the following ways:

- the number is allocated by the TRA when details of a trainee teacher are entered by an ITT provider onto the Secure Access system via the ITT portal which creates a trainee's record on the DQT
- when overseas qualified teachers apply for QTS through the mutual recognition route and are awarded QTS, they are added to the DQT and a new record is created for them.

The Teachers' Pension Scheme (England and Wales) use the DQT when they are administering their service. If a teacher does not have a record, they create a new record for the teacher which generates a TRN.

During 2018-19, 37,449 TRNs were issued.

### Teacher Misconduct Unit

The Education Act 2011 gives responsibility, from 1 April 2012, to the Secretary of State to regulate the teaching profession in England, and to hold a list of teachers who have been prohibited from teaching. The TRA operates these on behalf of the Secretary of State.

#### Regulatory framework

[The Teachers' Disciplinary \(England\) Regulations 2012 \(the Regulations\)](#) as amended by [The Teachers' Disciplinary \(Amendment\) \(England\) Regulations 2014](#) provides information about the arrangements. We investigate cases of serious teacher misconduct and decide whether to refer a case to a PCP. The panel then investigates whether a prohibition order should be issued.

These regulations apply to all people carrying out teaching work in England, covering:

- all schools
- sixth form colleges
- children's homes
- youth accommodation.

They cover cases of serious misconduct. This is when a teacher's behaviour:

- is fundamentally incompatible with being a teacher
- could lead to them being prohibited from teaching.



The regulations do not cover the cases of less serious misconduct, incompetence or under-performance. A teacher's employer should deal with these cases.

### **Teacher misconduct referrals and investigation**

During 2018-19, the agency received 985 teacher misconduct referrals. During the same period the agency took no further action on 364 cases due to either no jurisdiction or they did not meet the threshold of serious misconduct.

462 cases of alleged serious misconduct were investigated and considered at a determination meeting. 93% of cases were concluded or progressed to a PCP within 20 weeks (target 95%).

### **Independent Professional Conduct Panels**

Panel members are recruited through a public appointments process. A panel consists of three members, and will include: a teacher, or someone who has been a teacher in the previous five years; and a layperson, specifically not from the teaching profession. The third panel member may be a person who has taught previously, but does not currently meet the 'teacher panellist' criteria and will be referred to as a 'former teacher panellist'. All panellists are independent of the TRA and Department.

We will appoint one panellist to act as chair. A list of current panel members is available from: <https://www.gov.uk/government/publications/teacher-misconduct-professional-conduct-panel-members>

A legal adviser is present to advise the panel on the legal process. They cannot be a member of the Department and will take no part in the decision-making process.

The teacher will be able to submit relevant evidence and will be given the opportunity to comment on all the evidence that the TRA is considering related to their case. For more detailed information, please visit: <https://www.gov.uk/guidance/teacher-misconduct-regulating-the-teaching-profession>.

The panel will consider all the evidence and decide whether there has been:

- unacceptable professional conduct
- conduct that may bring the profession into disrepute
- a conviction, at any time, of a relevant criminal offence.

If the panel decides that there has been any of the above, it will make a recommendation to the Secretary of State. The decision maker at the TRA considers the recommendation, and makes the decision on behalf of the Secretary of State whether a prohibition order would be appropriate.

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Following the outcome of a determination meeting, the agency progressed 224 cases of alleged serious misconduct to an independent PCP to decide whether facts are proven and, if so, whether those facts amount to one of the categories listed above. A Prohibition Order aims to protect pupils and maintain public confidence in the profession.

The agency held 143 PCPs resulting in 91 (64%) teachers being prohibited from teaching, 8 PCPs (6%) found no finding of fact, 7 (5%) hearings where facts were found but no unprofessional conduct and 37 (26%) hearings where unprofessional conduct was found but did not result in a prohibition.

The average (median) time to conclude teacher misconduct cases referred to an independent PCP was 47.14 weeks which was well within its target of 52 weeks.

### Hearing outcomes

We will notify the teacher of the decision made on behalf of the Secretary of State, normally within two working days of the decision being made. Where this decision is a finding of unprofessional conduct we publish this on our website, usually within two weeks.

A list of [published decisions](#)<sup>9</sup> is available.

### Prohibition orders

A prohibition order applies for life. It means that the person cannot undertake unsupervised teaching work in any school, sixth form college, children's home or youth accommodation in England.

The primary purpose of a prohibition order is to:

- protect pupils
- maintain public confidence in the teaching profession
- support schools in upholding proper standards of conduct.

In exceptional cases, we may decide that an allegation is sufficiently serious to mean that the teacher should not teach while the case is being investigated and concluded. We may then decide to impose an IPO.

When the Secretary of State decides that a prohibition order is appropriate the teacher's details will appear on the prohibited list. However, the decision maker on behalf of the Secretary of State may allow a teacher to apply for the prohibition order to be removed after a period of no less than two years, and in line with strict criteria.

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<sup>9</sup>

[https://www.gov.uk/search/all?parent=&keywords=panel+outcome+misconduct&level\\_one\\_taxon=&manual=&organisations%5B%5D=teaching-regulation-agency&organisations%5B%5D=national-college-for-teaching-and-leadership&public\\_timestamp%5Bfrom%5D=&public\\_timestamp%5Bto%5D=&order=updated-newest](https://www.gov.uk/search/all?parent=&keywords=panel+outcome+misconduct&level_one_taxon=&manual=&organisations%5B%5D=teaching-regulation-agency&organisations%5B%5D=national-college-for-teaching-and-leadership&public_timestamp%5Bfrom%5D=&public_timestamp%5Bto%5D=&order=updated-newest)

### **Teacher Misconduct appeals**

A teacher may appeal against a prohibition order within 28 days of the date a prohibition notice was served. To do so, the teacher would need to apply to the Queen's Bench Division of the High Court under Part 52 of the Civil Procedure Rules.

There have been four appeals to the High Court from teachers who were prohibited. The TRA successfully defended one appeal, one was withdrawn and two are still waiting to be heard. There have been 12 applications by teachers to have their prohibition order set aside. Eight prohibition orders were removed and four remain in place. There was one judicial review which has now concluded.

### **Complex teacher misconduct cases**

The TMU has made a number of improvements to strengthen its handling of the most complex cases. Improvements made include:

- the introduction of a risk framework for managing cases that are complex in nature
- an SRO appointed for each case considered complex
- a new case management system designed to also support the particular needs of complex casework
- regular case review meetings with SRO's responsible for cases considered complex
- improved quality assurance of cases, case management and case management decisions
- the development and introduction of improved stakeholder feedback and engagement processes
- the development of a draft Witness Charter which will be published in 2019
- improved robust contract management framework.

Additionally, we now have 'fit for purpose' hearing facilities in Coventry which include a designated witness suite.

## Finance

### Statement of Comprehensive Net Expenditure

Operating income recorded in 2017-18: £182,000, related to activities which were transferred to the Department on 1 April 2018. TRA received no operating income in 2018-19.

The agency paid staff costs of £2.4 million (2017-18: £17.4 million). The reduction is due to the transfer of staff into the Department following the repurposing of the agency.

Grant expenditure transferred into the Department as part of the repurposing. Expenditure for 2018-19: nil (2017-18 £286.0 million).

Other expenditure: £5.9 million (2017-18: £103.3 million). This decrease is due to the repurposing of the agency and the transfer of those functions into the Department. TRA have invested in IT software in 2018-19 which is specific to their business.

Shared services costs of £1.8 million (2017-18: £13.7 million). This reduction is due to the reduced size of the agency after repurposing. Shared service costs are a notional recharge from the Department to the agency, for which no budget allocation is made, it is an allocation of central group costs made to enable disclosure of the full cost of the agency.

There is a one-off loss of £16.1 million in respect of the transfer of function, this is in relation to the repurposing of the agency.

### Statement of Financial Position

The agency's assets consist of working capital, receivables and payables. All other assets are part of the departmental estate for which the agency pays a shared service fee.

The agency uses the Department's bank account for its transactions and receives its funding through this mechanism. It does not have its own bank account.

As a result of the transfer of function into the Department the agency's assets and liabilities have reduced in 2018-19.

The majority of receivables in 2017-18 related to grant overpayments. Grants were transferred into the Department as part of the repurposing of the agency, and therefore the receivables transferred with them. The 2018-19 balance relates to staff balances and secondment recharges.

The majority of the outstanding creditors in 2017-18 were for activities that transferred to the Department under the repurposing of the TRA, the TRA is no longer engaged with these. This has led to a decrease of £16.5 million in payables this year.

## Long-term expenditure trends

The Department agreed a settlement with HM Treasury (HMT) for the next four financial years in November 2015, as part of the 2015 Spending Review<sup>10</sup>. Following this settlement, the Department's Single Departmental Plan<sup>11</sup> was published in May 2018. The figures for the agency are included within the departmental spending plans.

The departmental accounts cover the expenditure trends for the whole of the departmental group.

## Performance on other matters

### Sustainability

We adopt the Department's policies on sustainability. We aim to manage our business in an environmentally sustainable way and the Department's ARA describes performance for the group, including the TRA. Further information on the Department's policies on sustainability is contained within their [ARA](#)<sup>12</sup>.

### Non-financial matters

The agency is aligned with the Department in respect to the following matters.

#### Social matters

We are a customer-focused organisation delivering high-quality services through our skilled and effective people in an environment of continuous improvement, to support leaders to deliver the best services for children and young people.

As Chief Executive and Accounting Officer of the TRA, I was also Head of Site for the Earlsdon Park office from April to September 2018 before we moved to new premises at Cheylesmore House in Coventry. During that time I sponsored charitable and community activities on behalf of the Department.

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<sup>10</sup> <https://www.gov.uk/government/publications/spending-review-and-autumn-statement-2015-documents>

<sup>11</sup> <https://www.gov.uk/government/publications/department-for-education-single-departmental-plan>

<sup>12</sup> <https://www.gov.uk/government/collections/dfe-annual-reports>

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The Department strongly encourages volunteering. Volunteering is actively promoted by the Department as an opportunity to give back to worthwhile causes and the community, whilst also highlighting the personal and skills development that volunteering can deliver.

Our volunteering policy offers three days special paid leave for non statutory volunteering and up to six days special paid leave for statutory volunteering, which includes school governors.

In addition, the Department encourages employees to be reservists for the armed forces. Employees can receive at least 15 days paid special leave a year to fulfil their commitments.

The Department has a Diversity and Inclusion strategy for 2018-23. The plan focuses on attracting, recruiting, managing and supporting a diverse workforce that reflects the community we serve. Our departmental strategy builds on the Civil Service Diversity and Inclusion Strategy released in October 2017.

We have many active networks who meet together as a group, ensuring a coordinated approach to supporting and delivering the actions from the Department's Equality, Diversity and Inclusion Plan.

**Respect for human rights**

Under the Equality Act 2006, the Department encourages and supports the development of society in which:

- people's ability to achieve their potential is not limited by prejudice or discrimination
- there is respect for and protection of each individual's human rights
- there is respect for the dignity and worth of each individual
- each individual has an equal opportunity to participate in society
- there is mutual respect between groups based on understanding and valuing diversity, and on shared respect for equality and human rights.

**Anti-corruption and anti-bribery matters**

The Department is committed to conducting its affairs in an ethical and honest manner, and is committed to implementing and enforcing systems that ensure bribery is prevented. The Department has zero-tolerance for bribery and corrupt activities. We are committed to acting professionally, fairly, and with integrity in all business dealings and relationships, wherever in the country we operate.

The Department will constantly uphold all laws relating to anti-bribery and corruption in all the jurisdictions in which we operate. The Department is bound by the laws of the UK, including the Bribery Act 2010. This year, staff were required to complete mandatory training highlighting their responsibilities in recognising and preventing fraud and bribery.

The Department also has a Standards of Behaviour policy, which sets out its expectations from staff in relation to theft and fraud.

**Alan Meyrick**  
**Chief Executive and Accounting Officer**

4 July 2019

# Accountability report

## Corporate governance report

This report includes details of the agency's practices and processes by which it is directed and controlled.

### The Directors' report

#### Directors

The agency's Senior Management Team who served during the year are:




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#### **Alan Meyrick**

Chief Executive and Accounting Officer

Overall responsibility for the Teaching Regulation Agency




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#### **Dawn Dandy**

Head of Teacher Misconduct Unit

Overall responsibility for the TMU

To ensure the processes and procedures applied within the TMU are in line with legislation and published guidance and that all cases are handled in a timely, fair and just manner. Responsibility for Stakeholder Engagement




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#### **Anne Dennis**

Head of Teacher Qualification Unit

Overall responsibility for the TQU and the TRA's programme management functions

Supports the Accounting Officer to ensure the TRA is compliant with its legal responsibilities as an executive agency of the Department and acts on behalf of the Secretary of State as the Competent Authority for School Teachers in England. Responsibility for the integrity of the data held within the DQT and the processes and procedures used to maintain the central record.



Following the repurposing of NCTL, the following Directors resigned from the Management Board with effect from 1 April 2018: Sinead O'Sullivan, Harjit Athwal, Paul Cohen, Verity Prime, Chloe Saklow, Ruth Talbot and Thom Webb.

## Progress

It was announced in November 2017, that the NCTL would be repurposed into the TRA and would remain as an executive agency of the Department.

The Department agreed that, until the NCTL ARA for 2017-18 were laid in Parliament, that there would be two Accounting Officers per the operational focus; NCTL and TRA. I was appointed as Chief Executive and Accounting Officer of the TRA with effect from 1 April 2018. Sinead O'Sullivan remained as Accounting Officer for the NCTL until the ARA was published on 5 December 2018.

The TRA published its [Framework Document](#)<sup>13</sup> covering how the agency is governed in April 2018.

## Declaration of interest

Interests of the Chief Executive and Accounting Officer and the Heads of the TMU and TQU are detailed on page 73. Transactions with the parties are managed appropriately by undertaking risk assessments and Senior Managers removing themselves from decision-making where an interest has been declared.

The agency maintains a register of interests that contains details of company directorships and other significant interests held by executive and Non-Executive Board members. Anyone wishing to view the register can [contact](#)<sup>14</sup> the Department.

## Report on personal data security

The agency is required to report personal data related incidents that have occurred during the financial year in accordance with the standard disclosure format issued by the Cabinet Office.

A 'personal data related incident' is defined as a loss, unauthorised disclosure or insecure disposal of protected personal data. 'Protected personal data' is data which the agency or

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<sup>13</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/707991/tra-framework.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/707991/tra-framework.pdf)

<sup>14</sup> <https://www.education.gov.uk/contactus/df>

its delivery partners hold whose release or loss could cause harm or distress to individuals, including as a minimum:

- information that links one or more identifiable living person with information about them whose release would put them at significant risk of harm or distress
- any source of information about 1,000 or more identifiable individuals, other than information sourced from the public domain.

TRA had no protected personal data related incidents which were judged significant enough to be formally notified to the ICO in 2018-19 (2017-18, NCTL: one). See page 38.

## **Complaints to the Parliamentary Ombudsman**

The Parliamentary and Health Service Ombudsman can investigate complaints against the administrative actions of a wide range of government departments and other public bodies; or the actions of organisations acting on their behalf.

In 2018-19, there was one TRA related complaint resulting in an investigation (2017-18, NCTL: one).

We do not have our own complaints policy but adhere to the Department's process to respond within 15 working days. We monitor monthly the number of Freedom of Information requests, Parliamentary Questions, Private Office and Treat Official correspondence. In 2018-19, the agency responded to 566 of 613 items within deadline, a response rate of 92%.

## Statement of Accounting Officers' responsibilities

Under the *Government Resources and Accounts Act 2000*, HM Treasury has directed the agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the agency and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the Accounts
- prepare the accounts on a going concern basis
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Permanent Secretary as Principal Accounting Officer of the Department has designated me as the Accounting Officer of the agency. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the agency's assets, are set out in *Managing Public Money* published by HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the agency's auditors are aware of the information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

## Governance statement

### Scope of responsibility

As Accounting Officer, I have personal responsibility for maintaining a sound system of governance, internal control and risk management to support the achievement of the agency's policies, aims and objectives, whilst safeguarding public funds and departmental assets.

### Governance, internal control and risk management

The system of governance, internal control and risk management is designed to manage risk to a reasonable level, rather than to attempt to eliminate all risk completely, in order to achieve policies, aims and objectives. It can therefore only provide high and not absolute assurance of effectiveness.

I confirm that I have reviewed the effectiveness of governance, internal control and risk management arrangements in operation within my area of responsibility and consider that they are fit for purpose. My conclusion is informed by the assessment of my Senior Management Team who have responsibility for the development and maintenance of these arrangements and by the findings of my EB.

As a Senior Civil Servant (SCS) in the agency I am required to complete an Assurance Framework Record to detail our compliance with the departmental arrangements regarding risk, control systems, use of resources and to detail any issues. I am therefore able to provide the Department's Leadership Team and ministers with assurance that we have managed our agenda well and will continue to do so while delivering efficiencies. We maintain financial information on the delivery of all areas of work corporately and, where relevant, at programme level.

I am confident that I have in place the necessary arrangements for good corporate governance and that the effectiveness of these arrangements is reviewed regularly to ensure compliance with [Corporate governance code for central government departments 2017](#) (the Code) where relevant to the agency and its remit. I have not identified any departures from the Code.

### Governance at departmental level

As Accounting Officer, I am accountable to the Secretary of State for the performance, leadership and day-to-day management of the agency, reporting to senior sponsor of the agency who is the Director of System Leadership and Strategy (Early Years and Schools). My objectives are agreed by the senior sponsor and aligned with departmental objectives,

the agency's [Corporate Plan](#)<sup>15</sup> and the requirements for managing public money. I use them to set objectives for my senior management team, which are agreed and monitored throughout the year.

## Strategic performance review

As stated in the agency's [Framework Document](#)<sup>16</sup>, the agency held Strategic Performance Reviews (SPRs) quarterly. The meetings were chaired by the senior sponsor to review and challenge progress against our objectives and performance measures, financial management and the management of risks.

All SPRs included an attendee independent from the directorate with expertise in the sector.

SPR meetings took place during 2018-19 on 26 June, 2 October, 18 December 2018 and 28 March 2019.

## Governance at agency level

The agency has an Executive Board (EB) and work is organised into two distinct work areas: Teacher Qualification and Teacher Misconduct through which all agency related activity reports through the 'Balanced Scorecard'.

I have monthly bilaterals with the senior sponsor to review progress across the agency.

I provide oversight in my role as Accounting Officer through the monthly EB meetings ensuring progress using programme and risk management arrangements. Programme leads submit updates via the Balanced Scorecard monthly for advice, scrutiny and challenge. The agency's Programme Management Office uses this report as a status report for the quarterly SPR with the senior sponsor and independent attendees. Additionally, the EB reviews the strategic priorities and direction of the work.

I am content with the effectiveness of the EB and their ability to manage the delivery challenges of the agency.

## The Executive Board

The EB provides me with the opportunity to hold my senior management team and their areas of work to account. The EB is responsible for developing and monitoring the strategic planning of the agency. It oversees corporate performance, the use of financial and human resources, provides oversight of risk management, and ensures maintenance of a sound system of internal control, which includes adequate sources of assurance that internal controls and risk management processes are working effectively. The EB is

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<sup>15</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/696833/teaching-regulation-agency-corporate-plan.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/696833/teaching-regulation-agency-corporate-plan.pdf)

<sup>16</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/707991/tra-framework.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/707991/tra-framework.pdf)

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additionally responsible for ensuring the agency is compliant with all policies and corporate business planning.

I chair the EB, as Chief Executive and Accounting Officer, and membership comprises of my senior management team. Wider departmental representation and advice is provided by the Department's Finance Business Partnering team in an advisory capacity. Members of the agency's Senior Management Team attend to report on teacher misconduct, teacher qualification, delivery progress, risk and issue management as required.

The EB continually monitored the quality of the information supplied to ensure that it was of the right quality to enable decisions to be based on evidence.

During 2018-19, the EB met 10 times.

**Agency management meetings**

Number of meetings in year		10
Member	Position	Attendance
Alan Meyrick	Chief Executive & Accounting Officer	10
Dawn Dandy	Head of Teacher Misconduct	10
Anne Dennis	Head of Teacher Qualification	10

Topics discussed at the EB meetings included:

- strategic risks and issues
- agency governance and performance against key performance indicators
- progression of the draft 2018-19 ARA
- GDPR, and
- learning and staff development.

**Audit and Risk**

The agency receives oversight from the Department's Audit and Risk Committee (ARC) and the Performance and Risk Committee (PRC), which are both sub-committees of the Department's Board and chaired by Non-Executive Board members.

The role of the ARC is to support the Department's Board by providing independent scrutiny, support and challenge of the Department's arrangements for governance, risk management and internal controls.

ARC advises the Permanent Secretary (as Principal Accounting Officer) and the Department's Board on the adequacy and effectiveness of these arrangements and on the reliability and integrity of assurances used to inform the Governance Statement. The ARC also advises the Permanent Secretary on the structure and presentation of the Department's annual accounts.

The PRC provides scrutiny of major projects, departmental performance and the Department's top tier risks. It offers strategic guidance and advice on significant risks and performance issues across the Department including Arms Length Bodies. It decides what issues or risks require further investigation or assurances, and decides what requires escalation to the Leadership Team. Membership of and attendance at ARC, the PRC and other committees of the Department are disclosed in the [Department's ARA](#)<sup>17</sup>.

The TRA is scrutinised and challenged about its governance and control by the quarterly SPR, and through bilateral meetings between the senior sponsor and myself. The ARC makes recommendations to me as Accounting Officer and the Department's Board on the agency's risk management and its ARA. The agency's risk register is reviewed every six months by the Department's Central Risk team who report on our key risks at the PRC.

## Internal Audit

The agency receives internal audit and assurance services from the Government Internal Audit Agency (GIAA). GIAA provides independent and objective assurance to me on the adequacy and effectiveness of the agency's framework of governance, risk management and control by measuring and evaluating the agency's effectiveness in achieving its agreed objectives. A full audit plan for the Department as a whole was produced and delivered for 2018-19. All planned agency reports have been completed and published and, in addition, the agency has utilised Internal Audit to obtain assurance on process and control arrangements as appropriate.

The agency is included in any cross-departmental compliance and themed audits where relevant, including for example, *the Department's Debt Management and Write Offs and Advisory Review of Debt Policy 2018-19*. No specific issues were highlighted as a result of the cross-department work.

There has been one agency specific audit during the reporting period. This related to the governance arrangements for the repurposed TRA and the progress in addressing the recommendations arising from the complex cases review. A moderate opinion was given with some areas of improvement identified, all of which are being addressed.

All agreed actions arising from the audit are monitored at the EB. Progress in implementing them is reported regularly to the SPR. At the time of writing, all actions have either been delivered or were on track to be delivered in accordance with the relevant action plan, or a revised target date where appropriate. The Group Chief Internal Auditor has provided moderate assurance to the Accounting Officers for the Department and its agencies, including the TRA. This reflects their opinion that some improvements are

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<sup>17</sup> <https://www.gov.uk/government/collections/dfe-annual-reports>

required to enhance the adequacy and effectiveness of the Department's framework of governance, risk management and control.

## Risk management mechanisms

The agency adopted the Department's Risk Management Framework which sets out the principles, roles and responsibilities of staff and processes and procedures for how risks are managed in the Department.

Each workstream maintains risk registers as a key mechanism used to manage risk within the agency, and these were used to record both operational and strategic risks. The agency has a defined risk appetite that would determine whether any risks needed to be escalated to the EB. Generally, the TRA does not tolerate risks with high residual impact and high residual likelihood. The EB could decide to tolerate these risks on an exceptional basis. It was agreed by each workstream to tolerate risks at the appropriate level or escalate through the agreed route. Following agreement by the EB, these are then added to the agency's strategic risk and issues register which contains all strategic risks relating to delivery, stakeholder engagement, staffing and funding. Each risk has an agreed review date for the EB to review in detail its mitigations and contingency plans. All risks have a designated risk owner who is responsible for managing and reporting the risk. The EB considers any further actions to manage any residual risks remaining after mitigating action has been implemented.

Strategic risks are reviewed at monthly bilateral meetings with the senior sponsor and at the quarterly SPR. The agency's Programme Management Office (PMO) reviews the strategic risks monthly, providing feedback and challenge to risk owners in advance of the EB meetings.

## Shared services

The Department and its agencies have an outsourced shared service arrangement for provision of:

- certain areas of its internal finance
- human resources
- transactional processes.

This arrangement has been in place since 2013.

During the year, the service provider's external assessment of the design and operation of controls (undertaken in accordance with International Standard on Assurance Engagements (ISAE 3402)) received a qualified opinion from its ISAE 3402 auditors, as a number of the controls in place at the service provider had not operated as expected. The number of exceptions was less than in the previous year, continuing the improving trend.



No impact on the accounts was identified by the auditors and further progress on addressing exceptions is expected in 2019-20. There have also been no significant failures of service during the year.

However, the Department is keen to see an improvement in the service and process quality, experienced by staff and in the Department's ability to use transactional service data to generate better quality management information. Given the combination of service and control challenges, the Department will be replacing its transactional service arrangements to ensure it operates processes that are fit for purpose, flexible, and offer the best possible support to the Department.

### **Business continuity**

We had responsibility for managing our business continuity requirements and plans, aligning with the Department's wider arrangements. During 2018-19, the TRA was based on the Earlsdon Park site in Coventry. The site specific plan provided detailed steps to be taken to ensure continuity of business critical activities. Business impact assessments were reviewed quarterly, by senior management, and further improvements were made in how we recorded the agency's critical activities. In September 2018, TRA staff moved to new premises in Cheylesmore House, the Department is currently working on the incident management plan which will be fully implemented and tested in 2019-20. A new business continuity plan for the TRA will be in place by September 2019.

### **Operational policy development and delivery**

We worked in partnership with the relevant departmental policy team to embed clear protocols defining effective joint working to develop policy. Stakeholder consultation practice reflected strong skills and working relationships in this area.

I am content that the arrangements for governance, internal control and risk management of our programmes provides me with assurance that these are adequate to ensure policies meet ministerial intent. The Department aims to develop and appraise policies using the best available evidence analysed using sound methodologies, in conjunction with stakeholders and partners. The Department subjects policies to robust deliverability testing. I am content that the departmental policies which the agency implements provide good guidance and direction to those delivering services to children, young people and parents, and that the policies link clearly to our core values and objectives.

### **Programme and project management**

I have a PMO which leads on business management and provides programme/project management support to the whole of the agency.

A programme/project management approach is used to provide governance across all of our work and is applied appropriately to the scale and complexity of the particular task.

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Programme/project management is linked through to the wider management processes such as risk management and planning. Key programme management advice and templates were reviewed and communications sent to remind project teams of the need to ensure appropriate project management measures were in place for all projects.

Both project progress and financial status is effectively monitored through monthly reviews and progress properly documented in the agency's Balanced Scorecard. The purpose of this is to be able to verify that we are implementing strong internal controls/processes for our work.

**Financial management**

I am confident that we have clear lines of accountability in place for all programme and administrative expenditure with support from finance business partners. We put in place a number of systems to ensure adherence to departmental processes, controls, risk management and fraud prevention so that propriety, regularity and value for money are achieved. I, and the Heads of the TMU and TQU have planned monthly meetings with the finance business partner (to identify risks early and to flag concerns) and receive high-level monthly budget reports. All have performance management objectives including a financial management objective and target which was reported upon during the performance year. This enables me to monitor and challenge financial activity across the divisions. The finance business partner attends the monthly EB meetings and quarterly SPRs.

We continue to place greater emphasis on financial forecasting. This is particularly relevant for our demand-led budgets where improved financial modelling is required as well as regular review windows with budget holders, finance business partners, and department finance leads to ensure any variance can be identified and corrected, if necessary, as soon as possible. Greater emphasis has been placed on budget holders to clarify their understanding/responsibility for the day-to-day maintenance of budget lines, effective profiling of budgets and anticipating funding pressures/underspends.

The Department continues to work with the Cabinet Office and across government to leverage the experience and strength of other government expertise and reduce fraud within the public sector. The Department and its bodies take a risk-based approach in this area, to ensure that available resources and time are focused on the highest risk areas. Fraud Risk Assessments have taken place in each business area this year and training has been provided to all staff on fraud by the Department's Central Fraud team.

In accordance with departmental processes, the TRA maintains a fraud risk register which is reviewed and updated throughout the year. During 2018-19, we identified no cases of fraud.

We are unable to identify our share of the underlying assets and liabilities of the Principal Civil Service Pension Scheme (PCSPS). Details are available in the resource accounts of the Cabinet Office; Civil Superannuation<sup>18</sup>.

### **Information: ICT management and data safeguarding**

The agency received shared service IT support from the Department. IT systems were developed in accordance with Government Digital Standards and the needs of the user and business. The agency's IT projects require approval from the Department's Technology Group and, once approved we worked with Digital, Data and Technology – the Department's IT function to prioritise and develop these systems.

All staff undertake mandatory information assurance training annually.

The GDPR Programme, owned by the Department's Chief Data Officer, made some significant data protection achievements in the year.

- The Department made commercial preparations, advising on contract clauses. Privacy notices were drafted and the incident reporting process was revised and promoted and a new Data Protection Officer was appointed. Education and awareness of GDPR was given the highest profile, especially leading up to 25 May 2018, when the regulation came into force. Work is in progress on data life-cycle and governance to further improve the Department's GDPR compliance.
- Education of Information Asset Owners (IAOs) on their GDPR and wider responsibilities is strengthening the Department's Information Asset Register and the way in which information risks are managed. The Department took the lead in the development of an IAO learning module now hosted in Civil Service Learning.

TRA staff have been trained in data protection this year as part of an all staff training event, and there is a clear process in reporting data incidents for TRA which staff are aware of and adhere to.

TRA had no protected personal data related incidents which were judged significant enough to be formally notified to the ICO in 2018-19.

Protected personal data related incidents reported in 2018-19 are summarised in the table below. Incidents which do not fall within the criteria for reporting to the ICO, but are

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<sup>18</sup> <https://www.gov.uk/government/publications/civil-superannuation-annual-accounts-2017-to-2018>

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recorded centrally within the Department, are included. Smaller, localised incidents are not included:

Category	Nature of incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured Government premises	None
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Government premises	1
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	None
IV	Unauthorised disclosure	None
V	Other	None

## Information risk management

Arrangements have been, and are in place, to ensure that the agency complies with the requirements of both HM Government and Cabinet Office policy and guidance in addressing risks to information and information systems. The Department's Chief Information Security Officer is the designated Senior Information Risk Owner with overall responsibility for the management of information security in the agencies.

The agency has information assets which are essential to the effective and efficient operation of the organisation and the delivery of its strategic aims and objectives. IAOs have responsibility for protecting the information assets that are assigned to them. The TRA IAO completed an annual statement in February 2019, which confirmed that they had complied with their responsibilities.

## People management

We are pleased that 86% of staff responded to the 2018 Department people survey and the overall engagement index was 74%, compared to the Department average of 65%.

We aim to ensure that we attract, retain, build the capability of and motivate our people to enable them to deliver outstanding performance.

The agency's People Survey Action Group (PSAG) oversaw this work and includes representatives from across the agency, meeting monthly. The purpose of the Group is to look at how to improve both the working practices and the culture within the TRA and, how staff can be developed and empowered in their work.

PSAG is responsible for developing an action plan based on the key themes from the People Survey, including: my work, learning and development, inclusion and fair

treatment. They are also responsible for identifying improvements to the working practices based on these themes.

They are responsible for ensuring that there is visibility into people-related issues across the agency, identifying potential future scenarios, risks or opportunities, and providing direction on how to avoid or achieve those. The Group works with others to add value and provide a tailored approach to improve the skills and capability of the agency.

The agency reviews its workforce plan on a monthly basis; allowing us to meet our workforce targets.

The agency adheres to the departmental policies for performance management, underperformance, attendance and disciplinary issues. These are reported in line with other executive agencies and policy families within the Early Years and Schools Group.

The agency adopts the Department's policy and process for whistleblowing. I am satisfied with this collaborative approach and the effectiveness of this arrangement.

### **Overall assessment**

As Accounting Officer, I am satisfied that the agency's internal control, risk management and governance arrangements are working effectively. The agency continues to deliver successfully across a broad range of delivery areas.

# Remuneration and staff report

## Overview

The remuneration and staff report sets out the agency's remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors and where relevant the link between performance and remuneration.

In addition, the report provides details on remuneration and staff that Parliament and other users see as key to accountability.

## Remuneration

### Part A: Unaudited

#### Accounting Officer remuneration policy

The Accounting Officer is a member of the SCS whose pay is decided by the SCS Pay Committee, chaired by the Permanent Secretary, and comprising members of the Management Committee and a Non-Executive Director. The SCS Pay Committee makes decisions within the limits and delegated authorities set by the government in response to the annual report of the [Senior Salaries Review Body](#)<sup>19</sup>.

As staff employed by an executive agency of the Department, the Senior Management Team's performance management and contractual terms are as described in the Department's ARA. As such, the Department manages performance management and non-consolidated performance award for members of the SCS within the framework set by the Cabinet Office. The contractual terms of the Senior Management Team also comply with requirements set centrally by the Cabinet Office. More on the Cabinet Office's framework and standards can be found on the [civil service website](#)<sup>20</sup>.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Readers can find further information about the work of the Civil Service Commission on their website<sup>21</sup>.

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<sup>19</sup> <https://www.gov.uk/government/publications/senior-salaries-review-body-report-2018>

<sup>20</sup> <https://www.gov.uk/government/organisations/civil-service>

<sup>21</sup> <http://www.civilservicecommission.org.uk/>

## **Service contracts**

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

## Part B: Audited

## Remuneration (salary, bonuses and pensions)

	Salary		Bonus		Benefits-in-kind (rounded to nearest £100)		Pension benefits		Total	
	2018-19 £000	2017-18 £000	2018-19 £000	2017-18 £000	2018-19 £00	2017-18 £00	2018-19 £000	2017-18 £000	2018-19 £000	2017-18 £000
Director and Accounting Officer Ms Sinead O'Sullivan <sup>i</sup> (until 1 April 2018)	-	85-90 (95-100)	-	-	-	-	-	18	-	105-110
Deputy Director and Accounting Officer Mr Alan Meyrick <sup>ii</sup>	85-90	85-90	0-5	-	-	-	11	-	100-105	85-90
Director Mr Paul Cohen <sup>iii</sup> (until 1 April 2018)	-	85-90	-	5-10	-	-	-	42	-	130-135
Deputy Directors Mr Russell Andrews (until 5 May 2017)	-	10-15 (130-135)	-	-	-	-	-	16	-	25-30
Harjit Athwal (from 2 May 2017 to 1 April 2018)	-	45-50 (65-70)	-	-	-	-	-	44	-	90-95
Mr Greg Burke (until 12 May 2017)	-	5-10 (65-70)	-	-	-	-	-	8	-	15-20
Ms Gillian Hillier (until 4 December 2017)	-	45-50 (90-95)	-	5-10	-	-	-	14	-	65-70
Ian Knowles (from 1 April 2017 to 18 March 2018)	-	70-75 (75-80)	-	5-10	-	-	-	30	-	110-115
Ms Verity Prime (until 1 April 2018)	-	55-60	-	-	-	-	-	23	-	80-85



	Salary		Bonus		Benefits-in-kind (rounded to nearest £100)		Pension benefits		Total	
	2018-19 £000	2017-18 £000	2018-19 £000	2017-18 £000	2018-19 £00	2017-18 £00	2018-19 £000	2017-18 £000	2018-19 £000	2017-18 £000
Chloe Saklow (from 9 October 2017 to 1 April 2018)	-	35-40 (80-85)	-	-	-	-	-	15	-	50-55
Ruth Talbot (from 3 July 2017 to 1 April 2018)	-	45-50 (65-70)	-	-	-	21	-	11	-	60-65
Ms Rebecca Thould (from 5 June 2017 to 4 October 2017)	-	25-30 (80-85)	-	-	-	-	-	10	-	35-40
Thom Webb (until 1 April 2018)	-	65-70	-	0-5	-	-	-	27	-	95-100
Non-SCS Senior Managers										
Dawn Dandy (from 1 April 2018)	55-60	-	0-5	-	-	-	54	-	110-115	-
Anne Dennis (from 1 April 2018)	65-70	-	0-5	-	-	-	29	-	95-100	-

In the table above the full year equivalent is shown in brackets.

i Sinead O'Sullivan resigned her role as Director on 19 February 2018, she continued in her role as Accounting Officer until 1 April 2018.

ii Alan Meyrick took over as Accounting Officer from 1 April 2018

iii Temporary promotion from January 17 to February 18

**ACCOUNTABILITY REPORT****Salary**

Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts.

**Bonuses**

The Department awards bonuses as part of the performance management process. The Department sees effective performance management as key to driving up individual and organisational performance and providing greater value for money to deliver high-quality public services. The Department follows the arrangements for the SCS as set out in the Performance Management arrangements for the Senior Civil Service, and the Department's performance management framework for managing and rewarding performance throughout the year.

**Benefits-in-kind**

The monetary value of benefits-in-kind covers any benefits provided by the agency and treated by HM Revenue and Customs as taxable emolument. No Board members have received benefits-in-kind in 2018-19.

**Accrued pension benefits**

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

**Pay multiples**

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The Hutton fair pay disclosure for the agency is as follows:

	2018-19	2017-18
Band of highest paid director's remuneration (£000)	90-95	95-100
Median (£'000)	29	32
Range (£000)	19-95	19-100
Remuneration ratio	3.2	3.0

The banded remuneration of the highest-paid director in the agency in the financial year 2018-19 was £90,000-£95,000 (2017-18: £95,000-£100,000). This was 3.2 times (2017-18: 3.0) the median remuneration of the workforce, which was £29,000 (2017-18: £32,000).

The difference in the ratio is due to a change in the structure of the workforce due to the repurposing of the agency.

In 2018-19, nil employees (2017-18 nil) received remuneration in excess of the highest-paid director. Remuneration ranged from £19,000 to £95,000 (2017-18: £19,000 to £100,000).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

## Pension benefits

### Civil service pensions

As an executive agency of the Department, the agency's staff are members of the PCSPS that provides pension benefits. The Department's ARA provide information on these arrangements, so we do not reproduce them here. Readers can find details on the scheme at the [civil service pensions' website](http://www.civilservicepensionscheme.org.uk/)<sup>22</sup>.

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<sup>22</sup> <http://www.civilservicepensionscheme.org.uk/>

## ACCOUNTABILITY REPORT

## Directors

	Accrued pension at pension age as at 31 March 2019 and (related lump sum at pension)	Real increase in pension and related lump sum at pension age	CETV at 31 March 2019	CETV at 31 March 2018	Real increase in CETV	Employer contribution to partnership pension account Nearest
	£000	£000	£000	£000	£000	£000
<b>Director and Accounting Officer</b>						
Mr Alan Meyrick	35-40 (105-110)	0-2.5 (0-2.5)	790	707	10	-
<b>Non-SCS Senior managers</b>						
Dawn Dandy	20-25 (50-55)	2.5-5 (2.5-5)	390	308	37	-
Anne Dennis	40-45	0-2.5	677	601	21	-

In the table above lump sum payments are presented in brackets.

## Civil service pensions

The agency operates a range of pension schemes for its employees, dependent upon the employees' role. The schemes are described further below.

### Principal Civil Service Pension Scheme

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015, a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the PCSPS. The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension

earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a ‘money purchase’ stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

### **Partnership pension**

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the [website](#)<sup>23</sup>.

### **Cash equivalent transfer values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **The real increase in the value of the cash equivalent transfer value**

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

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<sup>23</sup> [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

## Staff report Part A: Audited

### Staff costs

The staff costs for the agency were £2.3 million (2017-18: £17.4 million) and the average number of full-time equivalent staff employed during the year was 67 (2017-18: 352).

	2018-19		2017-18
	Permanently employed staff £000	Others £000	Total £000
Wages and salaries	1,802	9	13,703
Social security costs	182	-	1,258
Pension costs	371	-	2,445
	<b>2,355</b>	<b>9</b>	<b>17,406</b>
Less recoveries in respect of outward secondments	-	-	(108)
	<b>2,355</b>	<b>9</b>	<b>17,298</b>

The agency pays a flat fee for agency staff, which includes social security, holiday pay, pension costs etc. This note discloses the total sum as wages and salaries.

### Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows:

	2018-19		2017-18
	Permanently employed staff Number	Others Number	Total Number
Directly employed	64	4	343
Other	-	-	9
Staff engaged on capital projects	-	-	-
	<b>64</b>	<b>4</b>	<b>352</b>

### Civil service pensions

The PCSPS and the Civil Servant and Other Pension Scheme (CSOPS) - known as "alpha" are unfunded multi-employer defined benefit schemes but TRA is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme

as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation [here](#)<sup>24</sup>.

For 2018-19, employers' contributions of £0.37m were payable to the PCSPS and CSOPS (2017-18 £2.43m) at one of four rates in the range 20.0% to 24.5% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2018-19 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

### **Partnership pension accounts**

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £5,975 (2017-18 £16,502) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable earnings up to 30 September 2015 and from 8% to 14.75% of pensionable earning from 1 October 2015. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £239 (2017-18 £651), 0.8% of pensionable pay up to 30 September 2015 and 0.5% of pensionable pay from 1 October 2015, were payable to the PCSPS and CSOPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £697 (2017-18 £1,473). Contributions prepaid at that date were nil.

No individuals retired early on ill-health grounds (2017-18 nil); there were no additional accrued pension liabilities (2017-18 nil). See note 10 for related party transactions.

### **Reporting of civil service and other compensation schemes**

The agency had no compulsory redundancies or other agreed departures in 2018-19 (2017-18: nil).

## **Part B: Unaudited**

### **Staff by grade and gender**

Our staff are a mix of civil servants and contractors. Our civil servants are employed by the Department on its terms and conditions. Responsibility has been delegated to me as Accounting Officer for the recruitment of staff within the parameters provided by the

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<sup>24</sup> [https://www.civilservicepensionscheme.org.uk/media/409254/ccs207\\_ccs1018760188-001\\_civil-superannuation-account-2017-18-web-accessible.pdf](https://www.civilservicepensionscheme.org.uk/media/409254/ccs207_ccs1018760188-001_civil-superannuation-account-2017-18-web-accessible.pdf)



Department's policies and procedures. Our staff profile, as at 31 March 2019, for full time equivalents (FTE), is detailed below.

Grade	TRA 2019			NCTL 2018		Total
	Male	Female	Total	Male	Female	
Director	-	-	-	1	1	2
Deputy Director	1	-	1	2	4	6
Grade 6	-	2	2	6	13	19
Grade 7	3	2	5	17	39	56
Senior Executive Officer	3	4	7	32	41	73
Higher Executive Officer	6	10	16	33	60	93
Executive Officer	8	11	19	34	52	86
Executive Assistant	3	7	10	6	9	15
	<b>24</b>	<b>36</b>	<b>60</b>	<b>131</b>	<b>219</b>	<b>350</b>

## Analysis of staff policies and statistics

### Our people

#### Recruitment practice

The agency has a duty to ensure it is fully compliant with the Civil Service Commissioners' recruitment principles. The agency's approach to recruitment reflects its commitment to equal and fair opportunity for all. All recruitment processes comply with the Equality Act 2010.

#### Sickness absence

	2018-19	2017-18
Total days lost	289	1,633
Sickness absence days per FTE	5.0	4.6

The figure above compares well with figures across the Civil Service, which were 6.9 average working days lost per FTE in the year ending [31 March 2018](#)<sup>25</sup> (30 June 2017: 6.8 average workings days).

## People management

Our people strategy aims to ensure that we attract, retain, build the capability of and motivate our people to enable them to deliver outstanding performance. In order to achieve this, we have:

- continued to offer five days learning and development a year for all staff
- introduced talent management programmes, including a staff development programme for all staff

<sup>25</sup> <https://www.gov.uk/government/publications/civil-service-sickness-absence>

**ACCOUNTABILITY REPORT**

- set corporate objectives for all staff for each reporting year
- required staff to produce challenging work objectives for the year, that are moderated by senior management team to ensure consistency.

**Commitment to improving diversity**

The agency adopts the Department's diversity and inclusion strategy, launched in January 2018. It sets out action the Department will take in five areas – leadership; recruitment and attraction; talent and progression; collection, sharing and use of data; and inclusive culture and behaviours.

The strategy is underpinned by four key principles:

- everyone has a role to play in creating an inclusive culture and making the Department a truly great place to work
- we are all able to 'be ourselves' at work to be different from each other in many ways and feel supported, empowered, valued, respected and fairly treated
- all of us are able to build successful careers and achieve our potential
- we put openness, honesty, challenge and innovation at the core of what we do.

The agency makes use of the Department's active diversity networks, including a BAME network, a LGBT+ network, a disability group and a neurodivergence network. It also takes advantage of the mental health first aiders providing first line support.

Unconscious bias training is mandatory for all staff, whilst other diversity and inclusion training includes leading inclusive teams workshops and disability confident line manager focus groups.

**Addressing under-representation**

The Department's diversity and inclusion strategy includes specific targets which have been agreed by Cabinet Office. The agency is working to support representation of BAME and disabled staff at all levels.

**Expenditure on consultancy**

We employ contractors who are professionally qualified and are employed on short-term contracts. The cost of these contractors in 2018-19 was £nil (2017-18: £356,000). It is the responsibility of the hiring managers to ensure that all contractors comply with their tax obligations. The framework contracts for contingent workers that the agency has placed, or draws upon as part of the Department, include provision for workers supplied by these companies to meet their obligations. The cost of contingent labour in 2018-19 was £nil (2017-18: £1,582,000).

## Review of tax arrangements of public sector appointees

As part of the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, Departments were directed to publish information pertaining to the number of off-payroll engagements, at a cost of over £58,200 per annum, that were in place on, or after, 31 January 2012 and any off-payroll engagements of board members, and/or senior officials with significant financial responsibility between 1 March 2018 and 31 March 2019. The tables below set out this information.

### Off-payroll engagements as of 31 March 2019, greater than £245 per day and that last longer than six months

	Number
Number of Existing engagements as of 31 March 2019	-
<b>Of Which the number that have existed for:</b>	
less than one year at time of reporting.	-
between one and two years at time of reporting,	-
between two and three years at time of reporting,	-
between three and four years at time of reporting,	-
four or more years at time of reporting.	-
	-

All existing off-payroll engagements, outlined above, have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax, and where necessary, that assurance has been sought.

### New off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019, for more than £245 per day and which last for longer than six months.

	Number
No. of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	-
<b>No. of the above which include contractual clauses giving the Department the right to request assurance in relation to income tax and National Insurance obligations.</b>	
No. for whom assurance has been requested.	-

## ACCOUNTABILITY REPORT

	Number
<b>Of which:</b>	
No. for whom assurance has been received.	-
No. for whom assurance has not been received.	-
No. that have been terminated as a result of assurance not being received	-
	-

### Off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019

	Number
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	-
No. of individuals that have been deemed “board members, and/or, senior officials with significant financial responsibility”, during the financial year. This figure should include both off-payroll and on-payroll engagements.	3

### Trade Union facility time

The *Trade Union (Facility Time Publication Requirements) Regulations 2017* requires relevant public sector organisations to report on trade union facility time in their organisations. The departmental ARA reports on this information for both the Department and executive agencies.

### Staff policies for disabled persons

The Department gained Disability Confident Leader Level 3 status in 2017, which extends to the Agency. This means that it is seen as a champion for disability confidence, with a role in supporting other employers to become disability confident.

The Agency operates a policy which allows disabled staff to take disability leave rather than sickness absence when they need to attend appointments or have treatment related to their disability. It also in its recruitment policies guarantees an interview to any disabled candidate who demonstrates that they meet the minimum standard required for the role.

# Parliamentary accountability and audit report

## Overview

This report includes details of the agency's losses and special payments.

## Parliamentary accountability disclosures

### Losses and special payments: audited

The agency's losses and special payments do not exceed the Managing Public Money reporting threshold (2018: did not exceed the Managing Public Money reporting threshold).

### Contingent and remote contingent liabilities: audited

There were no contingent or remote contingent liabilities in the year 31 March 2019 (2018: £nil).

**Alan Meyrick**  
**Accounting Officer**

4 July 2019

# The Certificate of the Comptroller & Auditor General to the House of Commons

## Opinion on financial statements

I certify that I have audited the financial statements of the Teaching Regulation Agency for the year ended 31 March 2019 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Teaching Regulation Agency's affairs as at 31 March 2019 and of the net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

## Opinion on regularity

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

## Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Teaching Regulation Agency in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Teaching Regulation Agency's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

**Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

**Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Teaching Regulation Agency's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Other Information**

The Chief Executive as Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Accountability

**ACCOUNTABILITY REPORT**

Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

**Opinion on other matters**

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- in the light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report and Accountability Report; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.

**Matters on which I report by exception**

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

**Report**

I have no observations to make on these financial statements.

**Gareth Davies**  
**Comptroller and Auditor General**  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

**22 July 2019**



## Financial statements

### Statement of Comprehensive Net Expenditure

for the year ended 31 March 2019

	Note	2018-19 Total £000	2017-18 Total £000
<b>Total operating income</b>	4	-	(182)
<b>Operating costs</b>			
Staff costs	5	2,364	17,406
Grant expenditure	6	-	286,005
Other expenditure	7	5,860	103,272
<b>Total operating expenditure</b>		<b>8,224</b>	<b>406,683</b>
<b>Net operating expenditure</b>		<b>8,224</b>	<b>406,501</b>
<b>Non-operating expenditure</b>			
Net (gain)/loss on:			
Transfer of function	2	16,060	-
<b>Comprehensive net expenditure for the year</b>		<b>24,284</b>	<b>406,501</b>

The notes on pages 64 to 75 form part of these accounts.

## Statement of Financial Position

as at 31 March 2019

	Note	2018-19 Total £000	2017-18 Total £000
<b>Current assets</b>			
Receivables	8	48	8,553
<b>Total current assets</b>		<b>48</b>	<b>8,553</b>
<b>Total assets</b>		<b>48</b>	<b>8,553</b>
<b>Current liabilities</b>	9		
Payables		(792)	(25,616)
<b>Total current liabilities</b>		<b>(792)</b>	<b>(25,616)</b>
<b>Total assets less current liabilities</b>		<b>(744)</b>	<b>(17,063)</b>
<b>Total non-current liabilities</b>		-	-
<b>Total assets less total liabilities</b>		<b>(744)</b>	<b>(17,063)</b>
<b>Taxpayers' equity</b>			
General fund		(744)	(17,063)
<b>Total taxpayers' equity</b>		<b>(744)</b>	<b>(17,063)</b>

Alan Meyrick  
Accounting Officer

4 July 2019

The notes on pages 64 to 75 form part of these accounts.

## Statement of Cash Flows

as at 31 March 2019

	Note	2018-19 Total £000	2017-18 Total £000
Cash flows from operating activities			
Net operating cost		(8,224)	(406,501)
Adjustment for non-cash transactions	7	1,870	13,831
Decrease/(increase) in receivables	8	36	(3,202)
Increase/(decrease) in payables	9	(295)	9,357
Less movements in payables: items not passing through net operating costs	9	4	(4)
Net cash outflow from operating activities		(6,609)	(386,519)
Cash flows from investing activities			
Purchase of intangible assets		-	-
Net cash outflow from investing activities		-	-
Cash flows from financing activities			
Drawdown of supply from the sponsoring Department		6,609	386,519
Transfer of Function	2	16,060	-
Receivables and payables movement disposed through transfer of function	2	(16,060)	-
Net cash inflow from financing activities		6,609	386,519
Net (decrease)/increase in cash and cash equivalents in the period		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		-	-

Cash payments and receipts are processed on behalf of the agency by the Department. The agency therefore does not operate its own bank account and has no cash or cash equivalents.

The movement in working capital is based on the TRA element of the 2017-18 balances and referenced separately under financing activities as part of the transfer of function to the Department.

The notes on pages 64 to 75 form part of these accounts.

## Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2019

	Note	General Fund £000
<b>Balance at 1 April 2017</b>		<b>(10,908)</b>
Net Parliamentary Funding		386,519
CFERS payable to the consolidated fund	9	(4)
Comprehensive expenditure for the year		(406,501)
<b>Department non-cash adjustments</b>		
Notional shared service recharges	7	13,681
Auditor's remuneration	7	150
<b>Balance at 31 March 2018</b>		<b>(17,063)</b>
Net Parliamentary Funding		6,613
Comprehensive expenditure for the year		(8,224)
<b>DfE non-cash adjustments</b>		
Notional shared service recharges	7	1,817
Auditor's remuneration	7	53
<b>Movement in Reserves</b>		
Transfer of function 1 April 2018	2	16,060
Other General Fund Movement		-
<b>Balance at 31 March 2019</b>		<b>(744)</b>

The General Fund represents the total assets less liabilities, to the extent that the total is not represented by reserves and financing items.

The notes on pages 64 to 75 form part of these accounts.

# Notes to the accounts

## 1. Statement of accounting policies

These accounts have been prepared in accordance with the 2018-19 FReM issued by HMT, as set out in a statutory Accounts Direction issued pursuant to section 5(2) of the Government Resources and Accounts Act 2000 (Estimates and Accounts) (Amendment) Order 2018. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRSs) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the agency for the purpose of giving a true and fair view has been selected. The particular policies adopted by the agency for 2018-19 are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

### 1.1 Accounting convention

These accounts have been prepared under the historical cost convention.

### 1.2 Going concern

As referenced on page 9 the Departmental Group's Estimates and forward plans include provision for the agency's continuation during 2019-20 and beyond, and it is therefore appropriate to prepare these accounts on a going concern basis for this period. Consequently, the agency considers it appropriate to continue to adopt the going concern assumption.

### 1.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of these accounts requires management to make judgements, estimates and assumptions that affect the application of policies and reported values of assets and liabilities, income and expenditure. These are based on historic and other factors that are believed to be reasonable, the results of which form the basis for making judgements. The estimates and underlying assumptions are reviewed on an on-going basis.

### 1.4 Adoption of FReM amendments

The main changes to 2018-19 FReM has been the adoption of *IFRS 9 Financial Instruments* (IFRS 9) and *IFRS 15 Revenue for Contracts with Customers* (IFRS 15), the impact of which is minimal on the agency.

### 1.5 Early adoption

The agency has not early adopted any accounting standards in 2018-19.

## 1.6 IFRSs in issue but not yet effective

In order to comply with the requirements of *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors*, the agency must disclose where it has not applied a new IFRS that has been issued but is not yet effective. The agency has carried out a review of the IFRSs in issue but not yet effective, to assess their impact on its accounting policies and treatment. The full impact of the IFRSs in issue but not yet effective is not known and could be material to the accounts: the agency has therefore, chosen not to early adopt requirements of the following accounting standards and interpretations, which have an effective date after the start of these accounts:

Standard	Effective	FReM application	Impact
IFRS 16 Leases	Annual periods beginning on or after 1 January 2020	2020-21 (Subject to EU adoption and consultation)	<p><b>Change:</b></p> <p>The proposed changes simplify the classification and measurement of leases by introducing a single lessee accounting model, removing the distinction between recognising an operating lease (off-balance sheet financing) and a finance lease (on-balance sheet financing). The new standard requires recognition of all leases which last over 12 months to be recognised as a finance lease (on-balance sheet). This will result in the recognition of a right-to-use asset, measured at the present value of future lease payments, with a matching liability. The pattern of recognition of the expenditure will result in depreciation of the right-to-use asset and an associated finance cost being recognised.</p> <p><b>Impact on the agency:</b></p> <p>The main effect of the adoption of IFRS 16 will be for lessees; which may result in a number of former operating leases being brought on-balance sheet leading to the recognition of assets and financing liabilities. However the agency does not anticipate that this change will have a material impact.</p> <p>The agency occupies its premises through a service charge paid to the Department; which includes a rental element. Work to assess the impact of IFRS 16 on the service charge will be completed in 2019-20 in readiness for adoption on 1 April 2020. At this point we are unable to quantify the effect.</p>

## 1.7 Segmental reporting

In accordance with *IFRS 8: Operating Segments*, the agency has considered the need to analyse its income and expenditure relating to operating segments. The agency has assessed that all lines of operation fall within the same geographical location and

regulatory environment as envisaged by IFRS 8. Since segmental information for total assets and liabilities is not regularly reported to the chief operating decision-maker and in compliance with the FReM, it has not been produced in the accounts.

See Note 3 for operational disclosures.

## **1.8 Income**

In the prior year, the agency received the following income streams and accounted for them as follows:

### **1.8.1 Draw down of supply from the sponsoring department**

The agency has recorded all draw down of supply by the Department as financing, as the agency regards draw down of supply as contributions from the agency's controlling party giving rise to a financial interest. The agency records draw down of supply as financing in the Statement of Cash Flows and draw down of supply to the general reserve.

### **1.8.2 Operating income**

Operating income is income which relates directly to the operating activities of the agency.

Income is stated net of recoverable VAT where applicable.

## **1.9 Grants payable**

The majority of grants made by the agency are recorded as expenditure in the period in which the claim is paid, as the grant funding cannot be directly related to activity in a specific period. The claims are deemed to be the only appropriate and measurable activity that truly creates an entitlement for the recipient. However, recognition of the entitlement of grant varies according to the individual programme. Where entitlement to the grant has arisen during the period it is accrued in the SoCNE and shown as a liability on the SoFP.

## **1.10 Grant recoveries**

Grant recovery policies vary according to which grant stream they relate to. Some of the grants that are paid to end users that are unspent at the year-end may be retained to fund future activity, at the agency's discretion.

Some grants will result in recognition of a receivable at the year-end if there has been over-funding or unspent amounts;

- Where the Agency pays end users according to a grant payment profile established before the final grant obligation is known, and the actual spend shows over-funding.
- Unspent amounts will arise where time bound grants have been provided and not spent within the stipulated timescale.

The accounts will only recognise a receivable when either of the above instances crosses the year-end.

## 1.11 Pensions

The agency has adopted IAS 19 Employee Benefits (IAS 19) to account for its pension schemes.

For funded defined benefit schemes, the agency recognises a liability in respect of any deficit, being the excess of the present value of the scheme's liabilities over the value of the assets in the scheme, to the extent that the agency has a legal or constructive obligation to make good the deficit in the scheme. The agency recognises the pension scheme surplus (to the extent that the agency considers the surplus to be recoverable) or deficit in full on the face of the Statement of Financial Position. The agency recognises actuarial gains or losses from the scheme in reserves.

Where the agency contributes to defined contribution and unfunded defined benefit pension schemes (for which there are no underlying assets and liabilities), the agency recognises contributions payable in the SoCNE.

## 1.12 Early departure costs

The agency is required to meet the additional costs of benefits in respect of employees who retire early and for compensation payments payable to employees who take early severance. The agency provides for the costs when the early departure programme has been announced and is binding on the agency.

The exit costs of agency staff are borne and managed centrally by the Department.

## 1.13 Financial instruments

The agency has adopted *IFRS 9 Financial Instruments* (IFRS 9) from the 1 April 2018, through the cumulative catch-up approach mandated by FReM. Accordingly, there has been no restatement of comparative balances which remain the same as presented last year.

Financial assets include cash and cash equivalents, trade and other receivables and loans. The agency determines the classification of its financial assets at initial recognition. Financial assets are recognised initially at fair value, normally being the transaction price plus, in the case of financial assets not at fair value through profit or loss (FVTPL), directly attributable costs. The agency does not hold derivative financial instruments.

### 1.11.1 Financial assets



Subsequent measurement of financial assets depends upon their classification into IFRS 9's three categories: amortised cost, FVTPL and fair value through other comprehensive income (FVOCI).

### **Amortised cost**

Financial assets classified as amortised cost include:

**Trade and other receivables** which have fixed or determinable payments that are not quoted on an active market. They do not carry any interest.

The above asset type is subsequently recognised at amortised cost using the effective interest method. Carrying values are based on initial fair value adjusted for interest charges and repayments. Appropriate allowances for estimated irrecoverable amounts are recognised in the SoCNE based on expected losses for a particular asset, or group of assets. The allowance recognised is measured as the difference between the asset's carrying amount and the estimated future recoverable amount.

### **Financial liabilities**

The adoption of IFRS 9 has not changed significantly the accounting for financial liabilities. Financial liabilities are measured at amortised cost. Financial liabilities include: trade and other payables and loans. The agency does not currently have financial liabilities measured at FVTPL and neither does it have derivative financial instruments. The agency determines the classification of its financial liabilities at initial recognition.

The measurement of financial liabilities depends on their classification, as follows:

### **Trade and other payables**

Trade and other payables including accruals are generally not interest bearing and are stated at their face value on initial recognition. Subsequently, they are measured at amortised cost using the effective interest method.

## **1.14 Financial risk**

### **Financial risk management**

As the cash requirements of TRA are met through the Department's Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body.

### **Liquidity Risk**

Parliament votes annually on the financing of TRA resource requirements via the Department's estimate process. TRA does not consider itself exposed to any significant liquidity risks.

**Credit risk**

Credit risk is the risk that a service user or counterparty to a financial instrument will fail to pay amounts due causing financial loss to the Group and arises principally from cash and outstanding debt.

The agency has a credit (receivables) policy for education providers that ensures consistent processes are in place to measure and control credit risk. Commercial and charitable education providers for the agency are subject to quality and financial status reviews to mitigate the risk of non-payment of debts as a result of insolvency.

**Market risk**

TRA is not exposed to market risk as the financial instruments held are not subject to fluctuations due to market prices.

**1.15 Value added tax**

Most of the activities of the agency are outside the scope of VAT. In general output tax does not apply, or where it does, input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of property and equipment and intangible assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

**1.16 Corporation tax**

The Agency is exempt from corporation tax.

**1.17 Shared services**

The Departmental Group provides a number of corporate functions as a shared service reflecting the Department's operating model. The Departmental Group has provided the following services to the agency:

- human resources
- estates and facilities management
- communications
- legal services
- information, communication and technology services
- corporate finance and procurement.

The accounts include a notional recharge from the Department to the agency to reflect the costs of these shared services. The Department makes direct charges in relation to these services that can be directly apportioned to the agency whilst the remainder of the Department's recharge to the agency is an apportionment of costs. The Department calculates the apportionment as a cost per FTE employee within the Department multiplied by the number of the agency's FTE employees.

## 2. Transfer of function

On 1 April 2018, the agency functions relating to the recruitment of teachers, teacher development and leadership transferred into the Department. The agency's remaining functions and responsibilities have remained within the agency which has been renamed the Teaching Regulation Agency (TRA). In line with the FReM (4.2.9), a transfer within a departmental boundary should be accounted for as Transfer by Absorption. As such, no restatement of comparatives has been made for the net assets of those functions transferred over to the Department.

The split of the prior year balances are shown below:

### Statement of Financial Position

	TRA 2018 Total £000	DfE 2018 Total £000	2018 Total £000
<b>Current assets</b>			
Receivables	84	8,469	8,553
<b>Total current assets</b>	<b>84</b>	<b>8,469</b>	<b>8,553</b>
<b>Total assets</b>	<b>84</b>	<b>8,469</b>	<b>8,553</b>
<b>Current liabilities</b>			
Payables	(1,087)	(24,529)	(25,616)
<b>Total current liabilities</b>	<b>(1,087)</b>	<b>(24,529)</b>	<b>(25,616)</b>
<b>Total assets less current liabilities</b>	<b>(1,003)</b>	<b>(16,060)</b>	<b>(17,063)</b>
<b>Non-current liabilities</b>			
Provisions	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets less total liabilities</b>	<b>(1,003)</b>	<b>(16,060)</b>	<b>(17,063)</b>
<b>Taxpayers' equity and other reserves</b>			
General fund	(1,003)	(16,060)	(17,063)
<b>Total taxpayers' equity</b>	<b>(1,003)</b>	<b>(16,060)</b>	<b>(17,063)</b>

### 3. Statement of Operating Costs by Operating Segment

	2018-19				2017-18			
	Operation £000	Delivery £000	Admin £000	Total £000	Operation £000	Delivery £000	Admin £000	Total £000
Gross expenditure	6,178	-	176	6,354	41,269	327,465	24,118	392,852
Income	-	-	-	-	(3)	-	(179)	(182)
Loss on transfer of function	-	-	16,060	16,060	-	-	-	-
<b>Budget net expenditure</b>	<b>6,178</b>	<b>-</b>	<b>16,236</b>	<b>22,414</b>	<b>41,266</b>	<b>327,465</b>	<b>23,939</b>	<b>392,670</b>
Shared Service Recharge	-	-	1,817	1,817	-	-	13,681	13,681
Audit Fee	-	-	53	53	-	-	150	150
<b>Total notional recharges</b>	<b>-</b>	<b>-</b>	<b>1,870</b>	<b>1,870</b>	<b>-</b>	<b>-</b>	<b>13,831</b>	<b>13,831</b>
<b>Net expenditure</b>	<b>6,178</b>	<b>-</b>	<b>18,106</b>	<b>24,284</b>	<b>41,266</b>	<b>327,465</b>	<b>37,770</b>	<b>406,501</b>

### 4. Income

	2018-19 £000	2017-18 £000
<b>Administration income</b>	-	123
Miscellaneous income	-	-
<b>Operational income</b>	-	-
BEIS funding of FE ITT bursaries	-	59
Other income	-	-
	<b>-</b>	<b>182</b>

The newly re-purposed TRA has no income but this disclosure has been included for the comparatives. The implementation of *IFRS 15 Revenue from Contracts with Customers*, has no impact on TRA.

## 5. Staff numbers and related costs

Disclosures relating to staff numbers and costs are detailed within the Remuneration and Staff Report (page 50).

## 6. Grant expenditure

	2018-19 £000	2017-18 £000
Teacher recruitment	-	216,545
CPD and leadership	-	54,266
School improvement	-	6,919
Science, Technology Engineering and Mathematics	-	7,153
School grants	-	1,122
	-	<b>286,005</b>

The newly re-purposed TRA has no grant expenditure but this disclosure has been included for the comparatives. See note 2 for further information.

## 7. Other expenditure

	2019 £000	2018 £000
Contract programme expenditure	219	52,563
Professional services	2,662	9,318
Advertising and publicity	-	20,416
Other expenditure	1,109	7,144
	<b>3,990</b>	<b>89,441</b>
<b>Non-cash items</b>		
Shared services recharge	1,817	13,681
Auditor's remuneration	53	150
	<b>1,870</b>	<b>13,831</b>

Includes negative costs in respect of refunded expenditure from a prior year.

## 8. Receivables

	2019 £000	2018 £000
Trade receivables	36	454
Deposits and other receivables	12	124
Prepayments and accrued income	-	7,975
	<b>48</b>	<b>8,553</b>

## 9. Payables

	2019 £000	2018 £000
Other taxation and social security	44	330
Trade payables	42	946
Other payables	39	266
Accruals and deferred income	667	24,070
Consolidated fund received		4
	<b>792</b>	<b>25,616</b>

## 10. Related party transactions

The agency regards the Group as a related party. During the year, it had a number of material transactions with the Group and with other entities for which the Department is the parent department.

In addition, the agency has had a number of transactions with other government Departments and central bodies. Most of these transactions have been with HM Revenue and Customs and PCSPS.

The agency's senior management team is required to complete an Assurance Framework Record where they declare related party transactions. As well as the disclosures in the Remuneration and Staff Report (page 41), the agency considers the following relationships as related parties and has disclosed the relationships in line with IAS 24. Transactions are classified as related party transactions if the transactions occurred during the period the individual held their board post.

The following are related party relationships for board members in post as at the year end:

- Anne Dennis's partner is a corporate director of Tran-Am Limited
- Anne Dennis's sister is a non-executive director of M&G Credit Income Investment Trust plc.

There were no transactions relating to any of these entities.

## 11. Events after the reporting period

There have been no events between the Statement of Financial Position date and the date the accounts were authorised for issue requiring an adjustment to the accounts.

These accounts were authorised for issue by Alan Meyrick (Accounting Officer) on the date they were certified by the Comptroller and Auditor General. With the exception of the above, there have not been any other significant post year end events that have required disclosure in the accounts.



## Qualified Teacher Status awards to Overseas Trained Teachers

QTS awards made to qualified teachers from the EEA under European Directive 2005/36/EC

Country	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Austria	6	10	16	9	19	6	6
Belgium	12	19	19	29	31	26	33
Bulgaria	61	71	99	124	151	95	100
Croatia <sup>26</sup>	-	8	13	18	17	13	16
Cyprus	17	20	17	23	19	11	6
Czech Republic	16	21	21	33	29	20	16
Denmark	7	8	6	14	15	8	13
Estonia	4	5	7	8	6	0	4
Finland	3	7	7	14	13	11	12
France	17	29	32	50	52	37	46
Germany	21	25	20	31	28	22	24
Greece	244	359	392	572	682	556	478
Hungary	141	124	134	147	133	100	88
Iceland	2	1	6	5	2	1	2
Italy	32	66	78	98	70	41	28
Latvia	9	22	21	20	17	13	15
Liechtenstein	0	0	0	0	0	0	0
Lithuania	27	43	40	54	35	25	30
Luxembourg	0	0	0	0	0	0	0
Malta	3	7	4	9	5	8	0
Netherlands	21	33	49	56	55	35	36
Norway	5	9	9	9	13	8	11
Poland	386	511	580	545	481	321	289
Portugal	149	275	243	191	151	66	41
Republic of Ireland	110	158	219	274	233	166	138
Romania	177	282	355	431	411	264	259
Slovakia	33	36	33	29	35	23	16
Slovenia	2	4	6	4	3	6	4
Spain	1,170	1,813	1,910	1,977	1,962	1,618	1,365
Sweden	15	21	9	10	16	15	21
Switzerland	6	10	6	11	5	12	6
<b>Total</b>	<b>2,696</b>	<b>3,997</b>	<b>4,351</b>	<b>4,795</b>	<b>4,689</b>	<b>3,527</b>	<b>3,103</b>

<sup>26</sup> Croatia joined EU in July 2013.

**QTS awards in England for OTTs (excluding EEA)**

<b>Country</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Australia	534	374	522	639	594	509	467
Canada	669	492	611	765	510	399	346
New Zealand	305	212	214	248	242	213	222
USA	233	221	251	379	370	356	495
<b>Total</b>	<b>1,741</b>	<b>1,299</b>	<b>1,598</b>	<b>2,031</b>	<b>1,716</b>	<b>1,477</b>	<b>1,530</b>

## Partial QTS awards in England for SEND teachers from the EEA

Country	2016-17	2017-18	2018-19
Austria	0	0	0
Belgium	0	0	0
Bulgaria	1	8	2
Croatia	0	1	1
Cyprus	0	0	1
Czech Republic	2	0	1
Denmark	0	0	0
Estonia	0	0	0
Finland	0	0	0
France	0	0	0
Germany	1	1	0
Greece	6	18	7
Hungary	4	9	8
Iceland	0	0	0
Italy	0	0	0
Latvia	0	0	1
Liechtenstein	0	0	0
Lithuania	1	3	2
Luxembourg	0	0	0
Malta	0	0	0
Netherlands	0	0	0
Norway	0	0	0
Poland	12	20	13
Portugal	0	1	0
Republic of Ireland	0	0	1
Romania	7	12	5
Slovakia	0	0	1
Slovenia	1	0	0
Spain	1	1	0
Sweden	0	0	0
Switzerland	0	0	0
<b>Total</b>	<b>36</b>	<b>74</b>	<b>43</b>

## Glossary of key terms

Abbreviation or term	Description
ARA	Annual report and accounts
ARC	Audit and Risk Committee
BEIS	Department for Business and Industrial Strategy
CETV	Cash Equivalent Transfer Value
CSOPS	Civil Servant Other Pension Scheme
DfE	Department for Education
DQT	Database of Qualified Teachers
EEA	European Economic Area
EYTS	Early Years Teacher Status
FTE	Full Time Equivalent
FReM	Financial Reporting Manual
GDPR	General Data Protection Regulations
GIAA	Government Internal Audit Agency
HMT	HM Treasury
IAO	Information Asset Owner
ICO	Information Commissioner's Office
IPO	Interim Prohibition Order
ITT	Initial Teacher Training
NAO	National Audit Office
NCTL	National College for Teaching and Leadership
NQT	Newly Qualified Teacher
OTT	Overseas Trained Teacher
PCP	Professional Conduct Panel
PCSPS	Principal Civil Service Pension Scheme
PRC	Performance and Risk Committee
QTS	Qualified Teacher Status
SCS	Senior Civil Servants
SEND	Special Educational Needs and Disabilities
SPR	Strategic Performance Review
SRO	Senior Responsible Owner
TMU	Teacher Misconduct Unit
TQU	Teacher Qualification Unit
TSS	Teacher Self-Service
TRA	Teaching Regulation Agency
TRN	Teacher Reference Number
2017-18 & 2018-19	Financial years, ending on 31 March
2017/18 & 2018/19	Academic years, ending on 31 August



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