



National College for
Teaching & Leadership

National College for Teaching and Leadership

Annual Report and Accounts

For the year ended 31 March 2018

An executive agency of the Department for Education



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Performance report

Overview

This section details the Agency's organisational structure and performance, and its key issues and risks.

Accounting Officer's introduction and perspective on performance

This Annual Report and Accounts report (ARA) covers year ended 31 March 2018 for the National College for Teaching and Leadership (NCTL or the Agency), as an executive agency of the Department for Education (the Department or DfE).

In November 2017, the Department announced plans that from 1 April 2018 the majority of the Agency's functions would transfer back into the Department to align policy and operational activities. With effect from 1 April 2018, the Agency was renamed the Teaching Regulation Agency (TRA), and is responsible for the remaining function of teacher regulation, see page 42.

The Department have agreed that until the ARA is laid in Parliament there will be two Accounting Officers per the operational focus; NCTL and TRA.

Due to the discussions on the future of the Agency, we did not publish a Business Plan for 2017-18.

Statement of purpose and activities

Our purpose is to improve the quality of the education workforce and support the development of a school-led system.

We have responsibility, on behalf of the Secretary of State for Education ('the Secretary of State'), to improve academic standards by recruiting and developing a workforce to meet the needs of our school system, and to help schools to help each other to improve.

These two aims are underpinned by the Agency's commitment to provide high-quality services that represent value for money.

The Agency also delivered other functions on behalf of the Secretary of State which included:

- supporting the quality and status of the teaching profession by ensuring that in cases of serious professional misconduct, teachers are prohibited from teaching;
- overseeing the induction process for teachers and awarding Qualified Teacher Status (QTS) and Early Years Teacher Status.

The Agency is formed of seven divisions as shown in the chart below.

Structure of the Agency 2017-18

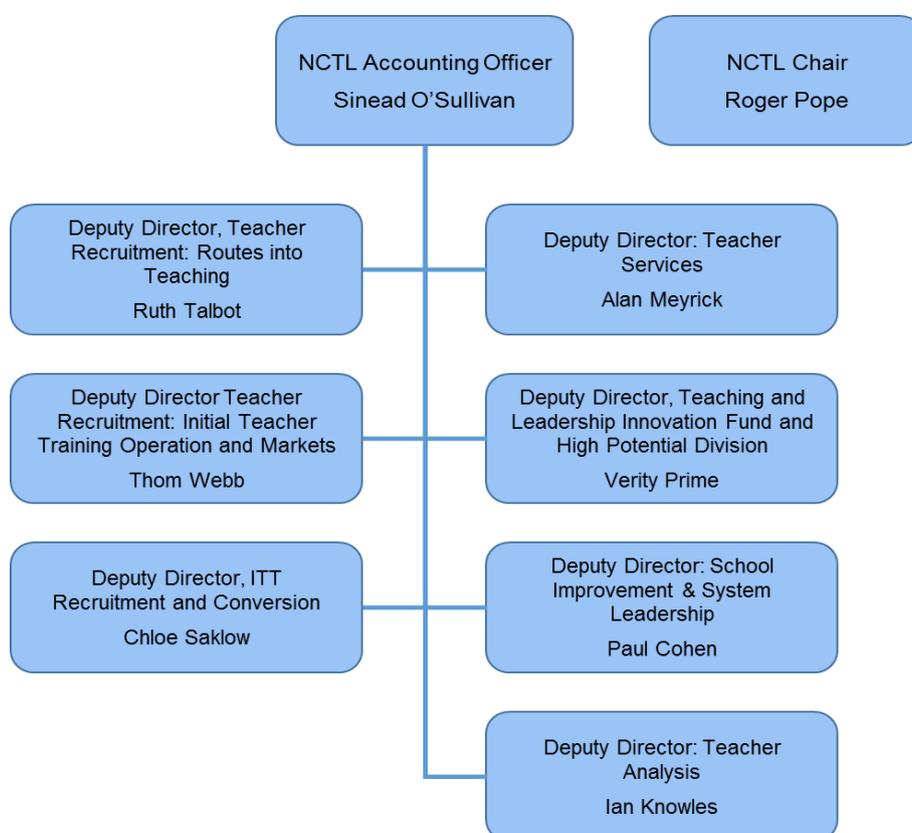


Figure 1: Structure of the Agency as at 31 March 2018.

Key issues and risks facing the entity

The Agency faced strategic risks that could cause our operational delivery to differ from desired outcomes. The table below shows four strategic risks, along with a summary of how we managed these in 2017-18.

Risk	Countermeasures
<p>There is an ongoing risk that there will be an insufficient supply of high-quality new graduates and career changers entering the teaching profession to meet schools' requirements</p>	<ul style="list-style-type: none"> • Bursaries: increasing bursaries in subjects at risk of under-recruiting against their Initial Teacher Training (ITT) target. • Awareness-raising: increasing candidates' awareness of teaching as a profession by extensive marketing activity including TV advertising campaigns, newspaper, radio and digital advertising, supported by 'Train to Teach' events. • Collaboration between schools: continuing to strengthen school-led networks to support a collaborative approach to recruitment, including sharing of good quality applicants. • Candidate support: reducing the University and College Admissions Service application fee and extending candidate support to all subjects, except PE, through specialist candidate support advisers and increasing our outbound calling to candidates who have not yet applied. • Candidate knowledge and skills: removing the two year lock out period for the skills tests and offering three free test attempts; increasing our school experience offering and subject knowledge enhancement (SKE) training. • Allocations: issuing unlimited allocations for ITT places in subjects at risk of under-recruiting so providers and schools can recruit any good candidate who applies. • Rejection rates: scrutinising our data to judge whether there are any institutions that have particularly high rejection rates in priority subjects. Should we have concerns, discussing these with the relevant organisation to determine whether there are any barriers to recruitment that we can help with. • Retention: piloting new incentives that seek to retain as well as recruit teachers, while working closely with policy colleagues in DfE to address retention issues to have impact over the longer term, including reducing unnecessary workload and improving career progression.
<p>There is a risk of successful challenge to the processes of Teacher Regulation and the Agency's ability to make decisions on behalf of the Secretary of State, due to an individual's actions or successful legal challenge,</p>	<p>We work closely with the Department's Press Office team to manage communications that arise from the reporting of our hearings. Risks for individual cases are identified and discussed with a nominated Senior Responsible Officer (SRO). Close working relationships with the Department's Legal Advisers Office ensure potential issues are considered at an early stage to support a robust legal position. We also have close working relationships with</p>

Risk	Countermeasures
<p>causing adverse press and media scrutiny and/or a fundamental breakdown in the process. This risk is across all cases but can be particularly evident in cases that already have a high public profile</p>	<p>policy colleagues and together learn lessons from the most complex cases and the outcomes of High Court Appeals. We have made a number of changes to manage complex cases including the appointment of SROs and managing cases according to risk. As a result of these improvements we expect there should be less risk of successful challenge across all our casework.</p>
<p>There is a risk that due to a lack of resource, the remedial actions identified in DfE finance's review of NCTL grant assurance are progressed too slowly, leading to taxpayers money not being used for the intended purpose and a further qualification placed on NCTL's accounts.</p>	<p>A Department wide working group was established in November 2017, chaired by the Operational Finance Director, to take forward the issues identified in the Agency's grant assurance review. A full action plan was developed and managed by this working group.</p> <p>The agreed approach, approved by the Audit & Risk Committee (ARC), was to check 100% of all audit returns against Agency management information. In order to achieve this, temporary accountancy resource was brought into the Agency to ensure all assurance checks were completed. Additionally, the Department's Operational Finance Director provided departmental staff to assist in assurance visits to schools and providers. Internal grant management teams also diverted resource to assist the Viability & Intervention Team to assure their funds. The GIAA assessed the resource requirements of all NCTL assurance work and found it sufficient.</p>
<p>There is a risk that, once NCTL is wound down, the communication of the progress made in the system leadership and school improvement space will not be maintained and progressed, including maintaining relationships with the sector. This could mean that schools and system leaders may disengage with this work.</p>	<p>The Strategic Communications Team worked with Senior Civil Servants (SCS) to identify communications priorities and plan activity for 2018. This included reviewing existing communications activity delivered by the (former) NCTL communications team.</p> <p>Policy teams reviewed their work to consider how they could ensure that work around leadership and school improvement was progressed and communicated to stakeholders. Existing engagement with system leaders continues to be managed by the relevant programme team. School improvement remains a key departmental priority and activity is being delivered against this.</p>

Our programmes of work had robust governance arrangements in place to ensure the timely resolution of these challenges as well as the delivery of routine work (see page 35).

The Department's Estimate and forward plans included provision for the continuation of the repurposed Teaching Regulation Agency into 2018-19.

Performance summary

This year we have:

- provided over £286 million funding in the form of bursaries and grants, in order to incentivise recruitment to initial teacher training;
- ensured that most of the teacher trainees required to meet the needs of schools in England were recruited;
- delivered a national teacher recruitment marketing campaign;
- developed and funded a range of routes into teaching;
- improved National Professional Qualification (NPQ) provision;
- continued to support participants still to be assessed on the previous NPQ programmes;
- provided targeted support for continuing leadership professional development;
- increased the number of teaching schools and system leaders;
- managed the awarding of Qualified Teacher Status to individuals following an accredited ITT course in England & Wales and overseas; and
- managed referrals of allegations of serious misconduct against teachers to consider whether individuals should be prohibited from teaching in any school in England.

Performance analysis

Key organisational performance measures

Due to discussions on the future of the Agency we did not publish a Business Plan for 2017-18; however, we continued to measure: the delivery and impact of recruitment to ITT; quality and status of the teaching profession; programme delivery; and designation to system leadership roles. We measured these against a core set of key performance indicator targets (progress is shown in the performance section below) and initiated contingencies when we were at risk of not meeting them. The measures are set within our performance framework, via our Management Board, and scrutinised monthly. These are linked to the Department's published [single departmental plan](#)¹. The Director General for Educational Standards, supported by a Non-Executive Director, challenges all performance measures at our quarterly Strategic Performance Reviews.

Objectives

The Department's overall vision is to provide world-class education and care that allows every child and young person to reach his or her potential, regardless of background.

The purpose and activities of the Agency are listed on pages 6 to 10.

Performance

During 2017-18, we delivered:

Initial Teacher Training

Recruitment/supply activity

The November 2017 provisional ITT census reported that the number of new entrants recruited to postgraduate ITT courses (including Teach First) during [2017/18](#)² was 27,895, achieving 90% of the teacher supply model (TSM) target of 30,847. Additionally, there were also 4,815 new undergraduates starting ITT programmes in 2017/18.

The number of new entrants varied by phase and subject. When taken together, secondary English Baccalaureate (EBacc) subjects recruited 84% of the TSM, secondary non-EBacc recruited 69%, and Primary ITT recruited 106%.

Some subjects filled more successfully than others. Within the EBacc subjects, recruitment to History exceeded the TSM targets, filling at 102%. For other EBacc subjects, recruitment performance against the TSM varied between 93% for Modern Foreign

¹ <https://www.gov.uk/government/publications/department-for-education-single-departmental-plan-2015-to-2020/single-departmental-plan-2015-to-2020>

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/663141/SFR68_2017_Text.pdf

Languages (MFL) and 66% for Computing. English recruited 90% of the trainees required by the TSM target, and 79% of the required Mathematics trainees were recruited. Within non-EBacc subjects, recruitment performance varied between 113% for Physical Education and 33% for Design & Technology.

Recruitment to ITT remains challenging and is likely to continue to be so especially in some secondary subjects, this is due to increasing pupil numbers in secondary, an improving economy creating opportunities elsewhere and an expected increase in hours taught in EBacc subjects, which will require additional teachers. In light of this, we have increased our activity to recruit more trainees into ITT to supply the school system with sufficient high-quality teachers, including: increasing bursaries; continuing extensive marketing and extending support for candidates; increasing our school experience offering and subject knowledge training; and issuing unlimited allocations for ITT places.

We are already taking action to recruit and retain the teachers we need. That is why, in March 2018, we launched a new recruitment and retention strategy. The strategy provides an opportunity to take a long-term, strategic and coherent look at the teacher workforce and pipeline to determine how best to provide sufficient high-quality teachers to educate our children and young people and give them access to the best opportunities in life.

Teach First recruited 1,300 participants to start the High Performing ITT programme in the 2017/18 academic year against their contractual target of 1,750. Teach First faced similar recruitment challenges as mainstream ITT routes. The participants recruited to this cohort will complete a new model of the programme where they study towards a Postgraduate Diploma in Education (PGDE), which for the first time fully integrates teacher training with leadership development. The PGDE will be worth twice the Masters' credit of the Postgraduate Certificate of Education (PGCE) offered by the previous programme.

To help achieve this level of recruitment, the Agency ran a comprehensive marketing campaign and a range of interventions, which included support services focused at high-quality graduates in subjects traditionally difficult to recruit to. Applicants were also able to access one-to-one advice and events specially designed for them, as well as financial bursaries, scholarships, internships and school experience placements. In the 2016/17 campaign cycle, we completed more than 70 face to face events, attended by over 10,000 potential candidates to ITT. Additionally, up to 24,000 registrants were eligible for Premier Plus Advisor (PPA) support.

The 'Your Future | Their Future' marketing campaign seeks to raise awareness and consideration of teaching as a great career and convert enquirers to applicants for ITT. The campaign works on an academic year cycle (September to August) and focuses particularly on attracting applicants in hard to fill secondary subjects, such as STEM (Science, Technology, Engineering and Maths) subjects and languages.

The Agency employed a mix of mass media advertising, including TV, to achieve maximum reach and interest. This was supported by complementary offline and online marketing and an extensive events programme, allowing us to effectively communicate on a one-to-one basis with prospective trainees. In the 2016/17 campaign cycle, the campaign generated 147,000 registrations of interest.

The quality of entrants to ITT remains high, when measured by degree class, with 74% of all new postgraduate entrants (including Teach First) holding a 2:1 degree or better. In 2017/18, 19% of new postgraduate entrants to ITT had first class degrees, compared to 18% in 2016/17.

In the 2016/17 academic year, [94%](#)³ (22,490) of final year postgraduate ITT trainees awarded QTS were in a teaching post within six months. This is similar to the previous academic year, when the proportion was 95%.

Routes into teaching

The Agency has developed a range of programmes to support teacher recruitment, these include maths and physics chairs, future teaching scholars and troops to teachers/service leavers.

The Agency fully funded 800 paid internship placements allowing STEM undergraduates the opportunity to experience teaching before choosing teaching as a career.

Additionally, the Agency funded a tailored support programme for career changers (Now Teach) to expand its capacity. During 2017-18, 47 Now Teach candidates began training and Now Teach is aiming to recruit a further 80 to commence in 2018/19.

Former teachers wishing to receive support in returning to teach Modern Foreign Languages (MFL), maths or physics at secondary level can register through the [Get into Teaching website](#)⁴ and will be contacted by an adviser to discuss their next steps.

³

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728820/Initial_Teacher_Training_Performance_Profiles_2016_17.pdf

⁴

<https://getintoteaching.education.gov.uk/explore-my-options/return-to-teaching>

In October 2017, the Secretary of State announced the Postgraduate Teaching Apprenticeship. It will be delivered in partnership between schools and accredited ITT providers and will be subject to the same regulatory framework as other ITT courses. The first recruits are due to begin training in September 2018.

Improving trainee teachers' subject knowledge

Subject knowledge enhancement (SKE) programmes give potential trainees the depth of knowledge needed to teach a priority subject and meet the Teachers' Standards. Schools and ITT providers can now select their preferred SKE provider, and choose to nominate them to receive funding on their behalf, or develop and deliver their own SKE. The SKE programme continues to be well used, with 39% of new entrants to ITT courses in eligible priority subjects supported by SKE in the academic year 2016/17.

Teacher Subject Specialism Training is undertaken following ITT to improve subject knowledge of non-specialist teachers, returning teachers and increasing the number of hours taught in shortage subjects.

Spain's Visiting Teachers Programme aims to recruit qualified teachers from Spain to work in English schools teaching MFL subjects for a period of one to three years. Based on an existing programme established between Spain, the USA and Canada, the Department has worked in partnership with the Spanish Ministry of Education to develop and deliver the pilot year of the programme. In collaboration with commercial providers, who were responsible for the acclimatisation and ongoing continuous professional development of Visiting Teachers. The first year of delivery has now concluded and lessons learned have been incorporated into the programme delivery strategy for the second year.

The Agency is piloting a school-led approach for recruiting mathematics and physics teachers from overseas. The Agency funded two school-led networks to test approaches to attracting, recruiting, deploying, acclimatising and developing overseas qualified mathematics and physics teachers from native English speaking countries; USA, Canada, Australia and New Zealand. We are now expanding the pilot model via the Teaching Schools Council (TSC) to increase reach across the country and provide an additional supply route within the regions.

ITT providers

In 2018/19, there are 244 ITT providers, of which 68 are Higher Education Institutions (HEIs) and 176 are School Centred ITTs (SCITTs). There are also 851 lead schools involved in delivering School Direct ITT.

Allocation of ITT places to providers

The Agency's allocation of ITT places aims to achieve sufficient recruitment across all subjects; ensure that there is no significant oversupply of teachers in any subject; and make efficient use of public funds. In allocating places, we consider continuing demand,

the level of popularity and recruitment patterns across different subjects and routes, and feedback from School Direct lead schools and ITT providers. In June 2017, we published '[ITT: requesting places and allocations methodology 2018 to 2019](#)'⁵. School Direct lead schools and ITT providers were asked to request the minimum and maximum number of places required based on a realistic assessment of local need and the minimum sustainability of their programmes. We used data submitted in response to this request to assess the overall capacity within the ITT system to provide sufficient ITT places, and to inform our approach to allocations.

In light of requests for places, increased demand for teachers as determined by the TSM and recent recruitment patterns, we have significantly increased the number of subjects where recruitment is unrestricted. In a small number of subjects, we have set fixed allocations – in some cases by individual route – in order to safeguard against oversupply. For the subjects where we have done this, we have used a combination of place requests and historic performance (ITT providers) or considered the size of partnership (School Direct lead schools). For new ITT providers, we considered their provider led requests and their School Direct partner provider requests using the School Direct criteria.

Leadership and development

National Professional Qualifications (NPQs) provision

Effective school leadership has a profound impact on the quality of education a child receives. We want to make sure that there are enough great leaders right across the country and, in particular, in our most challenging schools and areas. To support this, we have worked closely with experts from the educational and other sectors to update and improve NPQs, to give teachers what they need to be top class leaders – including a stronger emphasis on financial and risk management and [improvement strategies for schools and staff](#)⁶.

The new NPQs give the best providers more control over leadership professional development. Working within flexible frameworks, the new providers are designing, delivering, and assessing one or more of the new NPQs, giving them more freedom to meet the needs of the participants, through specialised content and delivery methods (for example, NPQs for faith schools and Special Educational Needs school leaders).

We have accredited [41](#)⁷ leading providers to deliver the reformed NPQs from academic year 2017/18, with a range of national providers, and three to four providers in each of the former government office regions operating either as a cross-regional, regional or sub-regional provider.

⁵ <https://www.gov.uk/government/publications/initial-teacher-training-itt-requesting-places-2018-to-2019>

⁶ <https://www.gov.uk/government/publications/national-professional-qualifications-frameworks>

⁷ <https://www.gov.uk/government/publications/national-professional-qualifications-npqs-list-of-providers/list-of-national-professional-qualification-npq-providers>

We are also funding scholarships to cover course costs for participants in the areas which most need to improve: £10m of the Teaching and Leadership Innovation Fund is available to support schools in [Opportunity Areas](#)⁸ and [Category 5 and 6](#)⁹.

Uptake of the reformed NPQs in their first year has been strong – over 10,000 people started a reformed NPQ in the last academic year (and of these, over 500 are enrolled on the new qualification for Executive Leaders, the NPQEL). Over 6,000 of participants at all levels are benefiting from the fully-funded scholarships.

The Agency has continued to support participants on the pre-reformed NPQs, to ensure they have an opportunity to complete their courses before these are closed down, with over 5,630 participants graduating with an NPQ between April 2017 and March 2018.

Targeted support and continuing leadership professional development

The High Potential Senior Leaders (HPSL) programme, delivered via a contract with Ambition School Leadership (ASL), aims to improve the leadership of challenging schools by attracting and developing high potential senior leaders with the potential to reach headship within two to three years of joining the programme. A new two-year HPSL programme launched in September 2017, with 33 participants recruited to the first cohort against the target of 28. The programme will reach a total of 400 participants across four cohorts (2017/19 to 2020/22).

The High Potential Middle Leaders (HPML) primary and secondary programmes aim to provide middle leaders with training and coaching to develop in their current roles, raise attainment within their schools and develop their potential for senior leadership. Both HPML programmes are delivered via contracts with ASL who recruited 552 primary participants against their target of 945 (58%) and 275 secondary participants against their target of 770 (36%). The Agency has recovered funds from ASL for the under recruitment in line with the terms of the contracts and has also worked with them to review and change their operating and pricing models to ensure that the risk of under recruitment is managed for future recruitment activity. In addition, NCTL has undertaken research to inform its recruitment approach for leadership development programmes and improve future uptake of the HPML programmes.

The contracts for the HPML programmes have been extended for a further year. The extensions will run to September 2020, and two further cohorts (300 primary; and 300 secondary) will start their training in September 2018.

⁸ <https://www.gov.uk/government/publications/social-mobility-and-opportunity-areas>

⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/696257/TLIF_-_Category_5_and_category_6_Local_Area_Districts_1_.pdf

The three-year Talented Leaders programme, delivered via a contract with ASL, has continued to provide high-quality leadership development support to 26 outstanding headteachers who were matched and placed in challenging schools across the country.

The Regional Targeted Support fund is supporting seven regional projects, aiming to increase the numbers of teachers becoming leaders and existing leaders to take the next steps.

The 'Women Leading in Education' programme comprises two strands of work:

- Regional Networks funding nine school-led regional networks to support women to progress into leadership; and
- Leadership Coaching Pledge: funding the TSC for a one-year pilot to host the 'Coach Directory' and provide local opportunities for coaches and participants to network and match with each other. Over 800 coaches and over 900 participants were signed up to the coaching pledge by the end of 2017-18.

The Equality & Diversity fund is supporting 39 schools to deliver leadership equality and diversity projects supporting teachers from under-represented groups. A bidding round for projects to be delivered in 2018/19 and 2019/20 was launched on 15 December 2017 with a closing date of 9 February 2018. The outcome of the round was announced on [Gov.uk](https://www.gov.uk)¹⁰ on 29 March 2018. Seven regional hub lead schools have been appointed to coordinate equality and diversity projects in their regions.

School-led improvement

Teaching schools and system leaders

The Agency publishes a monthly update on the number of system leaders working in and across schools in England. It is available from the [Teaching Schools and System Leadership monthly report](#).¹¹

As at 31 March 2018, there were 800 teaching schools, representing 636 alliances, increasingly focused on areas of greatest need. An increase of 48 teaching schools and 46 alliances compared to the same point last year.

As at 31 March 2018, there were 1,298 National Leaders of Education (NLE), increasingly focused on areas of greatest need. This is an increase of 19 from the same point last year.

Our recruitment strategy has increasingly focused on designating system leaders in areas of the country, and phases, where they are needed most. We have worked with the TSC and Regional Schools Commissioners to address geographical gaps in teaching schools and NLE support and have worked to expand further the national network of teaching

¹⁰ <https://www.gov.uk/guidance/equality-and-diversity-funding-for-school-led-projects>

¹¹ <https://www.gov.uk/government/publications/teaching-schools-and-system-leadership-monthly-report>

schools and their partners to provide high-quality and high-impact: ITT; evidence-based continuing professional development; succession planning and talent management; and support for other schools. To achieve this, we have collated and published good practice case studies to support improvements in the work of teaching school alliances. Leaders from some of the best teaching school alliances contribute to the induction of new alliances, sharing practical strategies for success. We have also supported regional dissemination conferences, led by teaching schools and system leaders.

As at 31 March 2018, there were 447 National Leaders of Governance. We have increasingly focused on recruitment of experienced chairs with Multi Academy Trust governance and/or business expertise.

Qualified Teacher Status

We continued to make QTS awards to individuals following an accredited ITT course in England and Wales, and to trained teachers from the European Economic Area (EEA), Scotland, Northern Ireland or overseas countries where there is agreed recognition of qualified status. There were 4,690 QTS awards made to qualified teachers from EEA in 2016-17 (latest available data). This represents a 2% decrease from 2015-16, where the number of awards was 4,795. The number of QTS awards made to teachers outside the EEA (Australia, Canada, New Zealand and the USA) was 1,715 in 2016-17. This is a 16% decrease from 2015-16, where the number of QTS awards was 2,030, details are available in the [2017 ITT Census](#).¹² The total number of induction passes registered from 1 April to 31 March 2018 was 29,765.

Teacher misconduct

During 2017-18, there were 891 teacher misconduct referrals received. The Agency investigated and concluded 925 cases of alleged serious misconduct, with 88% of referrals being concluded or referred to a Professional Conduct Panel within 20 weeks (target 95%). 36 cases were subject to an interim prohibition order whilst they were investigated.

The 20 week investigation key performance indicator fell short of the target, due in part: to the transition of cases to a single Presenting Officer firm following the discontinuance of the Birmingham School cases and the dismissal of the legal firm involved; and internal capacity and capability issues. We expect that the appointment of a new Presenting Officer firm from April 2018, together with the implementation of complex case review recommendations and increased investigation capability to have a positive impact during 2018-19.

The Agency referred 243 (26%) cases of serious misconduct to an independent Professional Conduct Panel to decide whether facts are proven and, if so, whether those facts amount to unacceptable professional conduct, conduct that brings the profession into

¹² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/663141/SFR68_2017_Text.pdf

disrepute and/or conviction of a relevant offence. The panel makes a recommendation to the Secretary of State whether a prohibition order would be appropriate or not. NCTL on behalf of the Secretary of State then makes a decision on prohibition. A Prohibition Order aims to protect pupils and maintain public confidence in the profession. The Agency held 137 Professional Conduct Panels resulting in 91 (66%) teachers being prohibited from teaching, eight Professional Conduct Panels (6%) found no finding of fact. The average time to conclude teacher misconduct cases referred to a Professional Conduct Panel was 45.2 weeks which was well within its target of 52 weeks.

Four teachers appealed to the High Court on the outcomes of their misconduct cases. Of these, one was settled out of court and three were dismissed and found in favour of the Agency. Additionally, one Judicial Review was withdrawn by the teacher.

Following the discontinuance of the five senior leadership Trojan Horse cases due to procedural irregularity (specifically disclosure issues) in May 2017, the Secretary of State requested that an internal independent review be undertaken of the Agency's handling of complex cases. Following the internal review of how complex teacher misconduct cases are administered, a number of recommendations were made to strengthen our processes and procedures. Good progress has been made in response to these which includes:

- the introduction of a risk framework for managing complex cases;
- a review of current procedures;
- improvements incorporated into our requirements for a new case management system.

We have also recently moved into 'fit for purpose' hearing facilities in Coventry. It is anticipated that the majority of the recommendations will have been acted upon and completed by the end of 2018.

Financial commentary

The Agency is consolidated into the Department and further information on the financial outcomes are given in the [departmental group's ARA](#),¹³ in the financial overview section. As such only a high-level analysis is provided here.

Statement of Comprehensive Net Expenditure

Funding is received directly from the Department, which the Agency uses to further its objectives.

¹³ <https://www.gov.uk/government/collections/dfe-annual-reports>

During the year the Regional Delivery Staff programme was transferred from the Agency back to the Department for budgeting purposes. The grants are still reflected in the Agency's accounts (see note 5).

Income of £0.2 million (2016-17 £6.7 million). The reduction in income is due to the removal of funding received from the Department for Business, Energy and Industrial Strategy for FE ITT Bursaries, funding is now received from the core department.

Staff costs have seen an increase from £13.9 million in 2016-17 to £17.4 million in 2017-18 (before staff secondments) due to increases in staff levels.

Grant expenditure has decreased by £31.7 million, with the main factor being an increased push in teacher recruitment in the previous year. There was also a reduction in School Improvement grant expenditure due to withdrawals and de-designations.

Other expenditure has decreased by £15.8 million due to programme costs for schools. In particular there were reduced cohort numbers and lower costs per participant on the Teach First programme.

Shared services costs of £13.7 million (2016-17: £9.7 million) are a notional recharge from the Department to the Agency, for which no budget allocation is made. The charge is an allocation of central costs made to enable an approximation to the full cost of the Agency to be disclosed.

Statement of Financial Position

The Agency does not have any non-current assets, as it is included within the Departmental estate, only working capital of receivables and payables.

Similarly, the Agency is funded by the Department, and does not operate its own bank account.

Receivables have seen an increase at year-end, due to planned recoveries of prior year grants.

Payables have increased, which is mainly due to invoices not being received before year end, resulting in a higher level of accruals.

There has been an increase in the deficit of the Agency of £6.1 million to £17.1 million. This is due to supplier invoicing delays and grant profiling.

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](#)¹⁴. Following this settlement, the Department's [Single Departmental Plan](#)¹⁵ was published in February 2016. The figures for the Agency as both the NCTL to 31 March 2018 and the TRA from 1 April 2018 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 our performance. Further information on the Department's policies on sustainability is contained within their [ARA](#).¹⁶

Social and community issues

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.

The Department encourages its employees to take up volunteering opportunities in line with the Government's corporate and social responsibility agenda as well as supporting employees' continuing professional development (CPD). The Department allows employees a minimum of three special days leave for volunteering each year.

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.

A number of Agency Deputy Directors were Heads of Site in the Department and sponsored charitable and community activities on behalf of the Department.

Sinead O'Sullivan
Accounting Officer

20 November 2018

¹⁴ <https://www.gov.uk/government/publications/spending-review-and-autumn-statement-2015-documents>

¹⁵ <https://www.gov.uk/government/publications/department-for-education-single-departmental-plan-2015-to-2020>

¹⁶ <https://www.gov.uk/government/collections/dfe-annual-reports>

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:

Sinead O'Sullivan	NCTL Accounting Officer
Alan Meyrick	Deputy Director, Teacher Services TRA Accounting Officer (from 1 April 2018)
Russell Andrews	Deputy Director, Business Services (to 5 May 2017)
Harjit Athwal	Deputy Director, Directors' Office (from 2 May 2017)
Greg Burke	Deputy Director, ITT Stakeholder Management, Special Projects and Early Years ITT (to 12 May 2017)
Paul Cohen	Acting Director, Teacher Sufficiency (from 23 January 2017 to 19 January 2018), Deputy Director, School Improvement & System Leadership (from 22 January 2018)
Gillian Hillier	Deputy Director, School Improvement Policy (to 4 December 2017)
Ian Knowles	Deputy Director, Teacher Analysis (to 18 March 2018)
Verity Prime	Deputy Director, Teaching and Leadership Innovation Fund and High Potential Division
Chloe Saklow	Deputy Director, ITT Recruitment and Conversion (from 9 October 2017)
Ruth Talbot	Deputy Director, Teacher Recruitment: Routes into Teaching (from 3 July 2017)
Rebecca Thould	Deputy Director, ITT Recruitment and Conversion (from 5 June to 4 October 2017)
Thom Webb	Deputy Director, Teacher Recruitment: Initial Teacher Training Operation and Markets

Progress

During this year, there has been a change to our governance arrangements due to changes in Government and structural changes within the Department.

During 2017-18, Paul Cohen and I served as Directors of the Agency with work separated between 'Teacher Sufficiency' led by Paul and 'School Improvement and Teacher Development' led by me.

On 12 February 2018, I moved from my role as Director of NCTL to take up a position in the Department as Director, Career Learning, Analysis, Skills, and Student Choice in the Higher Education and Further Education Directorate. I have retained my role as Accounting Officer for the Agency throughout the period up to and including the publishing of this set of accounts. Prior to the repurposing of the Agency, I gained assurance on operations through the mechanisms and processes outlined elsewhere within this governance statement. After the repurposing, I gained assurance on the progress of the National Audit Office (NAO) financial and regularity audits through regular contact with senior officials in the relevant parts of the Department.

Roger Pope, Executive Principal of Kingsbridge Community College, Devon, and Chief Executive Officer (CEO) of Education South West, continued as Chair of the Agency through to 31 March 2018. The Chair provides strategic advice to senior officials and ministers on all aspects of policy within the Agency's remit, and acts as an advocate for the school-led system and government policy on teaching and leadership. Further details can be found in the Agency's [Framework document](#)¹⁷.

Declaration of interest

Interests of the Directors are detailed on page 80. Transactions with the parties are managed appropriately by undertaking risk assessments and Directors removing themselves from decision-making where an interest has been declared.

We manage Roger Pope's potential conflict as Chair of the Agency and as CEO of Education South West (ESW) MAT as highlighted in the Agency's Framework Document and arrangements include:

- the Chair stepping down from roles where such conflicts may be perceived;
- not providing advice on the specifics of delivery in the region in which he continues to be directly involved in another capacity;
- playing no role in operational decisions about allocation of funds, designation of system leaders, or awarding of contracts/grants in the region in which he continues to be directly involved in another capacity;

¹⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/478259/NCTL_Framework_Oct_15.pdf

- maintaining a full record of any advice given where there is a likelihood that a conflict of interest could be perceived; and
- during 2017-18, Roger Pope continued to chair the headteacher group that offered advice on the new NPQs, where one of the schools within ESW was a licensee. Additionally, Roger Pope was named as the lead partner in a Strategic School Improvement Fund (SSIF) bid. These conflicts have been managed by Roger Pope standing down as the Chair of the not-for-profit company that manages the licence, and by not having any involvement in the Departmental process of bidding and awarding of new contracts. He was not part of the bid to be a provider in the South West. Similarly, he has not been party to any bids that have been made by ESW or its schools for any funding streams and has not been party to any discussions or decisions on the award of SSIF funding.

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](#)¹⁸ the Department.

Report on personal information breaches

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 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; and
- any source of information about 1,000 or more identifiable individuals, other than information sourced from the public domain.

The Agency had one protected personal data related incident that fell within the criteria for reporting to the Information Commissioner's Office in 2017-18 (2016-17: nil). See page 40.

¹⁸ <https://www.education.gov.uk/contactus/dfe>

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 2017-18, there were no Agency related complaints resulting in an investigation (2016-17: 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 2017-18, the Agency responded to 831 of 991 items within deadline, a response rate of 84%.

Statement of Accounting Officer's 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 net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (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;
- prepare the accounts on a going concern basis, unless it is inappropriate to presume that the Agency will continue in operation.

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 Accounting Officer, I confirm that:

- there is no relevant audit information of which the auditor is unaware;
- I have taken all the steps that I ought to in order to ensure that I am aware of relevant audit information;
- I have taken all the steps that I ought to in order to establish the Agency's auditor is aware of the information.

I confirm that the ARA as a whole is fair, balanced and understandable, and I take personal responsibility for the ARA and the judgements required for determining so.

Governance statement

Scope of responsibility

As Accounting Officer, I have personal responsibility for maintaining a sound system of governance, internal control and risk management within the Agency. This supports the achievement of the Agency's policies, aims and objectives, whilst safeguarding public funds and departmental assets as set out in *Managing Public Money* published by HMT.

In my role as Accounting Officer, I am supported by the Chair who provides strategic advice to senior officials and ministers on all aspects of policy, within the Agency's remit, and acts as an advocate for the school-led system and government policy on teaching and leadership. The [framework document](#)¹⁹ of the Agency sets out the arrangements for the governance, accountability and operation of the Agency, agreed between the Secretary of State, the Director General for Education Standards Directorate (ESD) and myself.

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 eliminate all risk of failure in order to achieve policies, aims and objectives. Last year, the system failed to manage risk appropriately in respect to the assurance of grant funding. As such, the 2016-17 NCTL accounts were qualified by the NAO with a Limitation of Scope over Regularity. Over the last 12 months significant improvements have been made in the control environment surrounding NCTL grant funding. These are described in detail on pages 31-35. Furthermore, the Department's Operational Finance Director has led activity to embed the lessons learned from the Agency's improvement work within the wider Department.

I have put in place arrangements for good corporate governance and I review the effectiveness of these arrangements to ensure compliance with *Corporate Governance in Central Government Departments: Code of Good Practice* (the Code) where relevant to the Agency and its remit. I have reviewed and maintained these arrangements including seeking assurance from our Management Board that our arrangements have been in operation for the whole year. I have not identified any departures from the Code.

Every SCS in the Agency is required to complete and keep up to date an Assurance Framework Record to detail their 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 robust assurance, across the majority of our work, that we have managed our agenda well and continued to

¹⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/544033/NCTL_Framework_Oct_15.pdf

do so while delivering efficiencies. We maintain financial information on the delivery of all programmes corporately and, where relevant, at programme level.

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, with the Department's Director General for ESD performing an oversight role, on behalf of the Secretary of State. My objectives were agreed by the Director General and aligned with Departmental objectives and the requirements for managing public money. I use them to set objectives for my Deputy Directors. All SCS objectives are agreed and monitored throughout the year.

Strategic performance review

As stated in the Agency's Framework document, the Agency held Strategic Performance Reviews (SPRs) quarterly. The meetings were chaired by the Director General to review and challenge progress against our objectives and performance measures, financial management and the management of risks.

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

SPR meetings took place during 2017-18 on 20 June, 18 October 2017, 17 January and 16 April 2018. Attendees are shown in the following table:

Strategic Performance Review meetings		
Number of meetings in year		4 ¹
Member	Position	Attendance
Paul Kett	Director General, ESD (Chair) (from January 2017)	4/4
Roger Pope	Chair (NCTL)	3/3
Sinead O'Sullivan	Accounting Officer (NCTL)	4/4
Marion Plant OBE	Departmental Non-Executive Director	2/3
Paul Cohen	Director (NCTL)	2/3
Harjit Athwal	Deputy Director, Directors' Office	3/3
Charlotte Daly	Deputy Director, Early Years Providers and Regulation	1/1
Sarah Lewis	Director, School Improvement & Teacher Development	1/1
Attendee	Position	Attendance
Tony Smith	Internal Audit	3/3

¹ Early Years work transferred to the Department and was no longer within the remit of NCTL.

The final SPR meeting on 16 April 2018 was not a full members meeting. The focus of the meeting was to confirm the successful transfer of the various NCTL related functions to either the Department or the TRA. It was only attended by Paul Kett, Sinead O'Sullivan and Sarah Lewis (as TRA Senior Sponsor).

Governance at Agency level

The Agency had a monthly Management Board meeting through which all Agency related activity was reported. As Accounting Officer, I had bilaterals with the Director General on a monthly basis to review progress across the Agency.

I retained oversight in my role as Accounting Officer through the monthly Management Board meetings ensuring progress using programme and risk management arrangements. Programme leads submitted monthly progress reports for advice, scrutiny and challenge. The Agency's Portfolio Management Office used these reports to produce a status report for the quarterly strategic performance review with the Director General and our Non-Executive Board member. Additionally, the Management Board reviewed the strategic priorities and direction of the work. We used additional routes to report to the Department, for example reporting to its Performance, Risk & Resourcing Committee (PRRC) on strategic risks.

I am content with the effectiveness of the boards and their ability to manage the delivery challenges of the Agency.

The Management Board

The purpose of the Management Board is to oversee the strategic direction of the Agency and ensure that the best possible approach is being taken to deliver its aims and objectives.

The Agency's Management Board has been chaired by Roger Pope to March 2018 when the Agency was repurposed, and focused on the strategic challenges faced by the Agency. It provided me with oversight as Accounting Officer of the strategic risks and issues facing the Agency. It took place monthly and oversaw corporate performance, as well as the Agency's strategic projects, financial performance, staff management and strategic risks and issues. Membership of the Management Board in 2017-18 comprised the Chair, Accounting Officer, Directors and Agency Deputy Directors. Departmental finance business partners also attended the Management Board and wider departmental representation was sought where appropriate.

The Management Board received management information covering a variety of disciplines to enable it to monitor the performance of the Agency. This included financial and workforce data, indicators of progress against the Agency's priorities, and information on risk. The Management Board 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 2017-18, the Management Board met 12 times, the final meeting for NCTL took place on 27 March 2018. The Teaching Regulation Agency will have regular Executive Management Board meetings from April 2018 onwards.

Agency management meetings

Number of meetings in year		12
Member	Position	Attendance ^{1 2}
Roger Pope	Chair (NCTL)	12/12
Sinead O’Sullivan	NCTL Accounting Officer	12/12
Russell Andrews	Deputy Director, Business Services	1/1
Harjit Athwal	Deputy Director, Directors’ Office	7/9
Greg Burke	Deputy Director, ITT Stakeholder Management, Special Projects and Early Years ITT	0/1
Paul Cohen	Acting Director, Teacher Sufficiency from 23 January 2017 to 19 January 2018, Deputy Director, School Improvement & System Leadership (from 22 January 2018)	8/12
Gillian Hillier	Deputy Director, School Improvement Policy	7/9
Ian Knowles	Deputy Director, Teacher Analysis	2/11
Verity Prime	Deputy Director, Teaching and Leadership Innovation Fund and High Potential Division	8/12
Alan Meyrick	Deputy Director, Teacher Services	10/12
Chloe Saklow	Deputy Director, ITT Recruitment and Conversion	2/6
Ruth Talbot	Deputy Director, Teacher Recruitment: Routes into Teaching	7/9
Rebecca Thould	Interim Deputy Director, ITT Recruitment and Conversion	3/4
Thom Webb	Deputy Director, Teacher Recruitment: Initial Teacher Training Operation and Markets	9/12

¹ Holiday and varied working patterns have prevented members from being able to attend all meetings.

² Some members have not been in post for a full year and so were unable to attend all meetings. Their effective dates are referenced on page 22

Topics discussed at the Management Board meetings included:

- strategic risks and issues
- agency governance and performance
- assurance and progression of the 2016-17 Annual Report & Accounts
- transfer of agency functions to the Department and the TRA (see page 42)

Audit and Risk

The Agency has received oversight from the Department's ARC and the PRRC. ARC is a sub-committee of the Department's Board and chaired by Non-Executive Board members; the PRRC is a sub-committee of the Leadership Team.

The role of the ARC is to support the Board by providing independent scrutiny and challenge of the Department's arrangements for governance, risk management and internal control. ARC advises the Permanent Secretary (as Principal Accounting Officer) and the 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. Membership of and attendance at ARC and other committees of the Department are disclosed in the [Department's ARA](#)²⁰.

The PRRC is responsible on behalf of the Department's Leadership Team for regular oversight of the Department's top tier risks, major programmes and projects, higher core risk business and financial management and investment. It provides advice to Leadership Team so they can take decisions on cross-cutting issues, and escalates matters requiring leadership team consideration and decision.

The Agency is scrutinised and challenged about its governance and control by the Strategic Performance Review, Education Standards Leadership Group meetings and through bilateral meetings between the Director General and myself. The ARC makes recommendations to me as Accounting Officer and the Board on the Agency's risk management and its ARA.

Assurance

A system of internal control was in place within the Agency for the whole of 2017-18. The Agency's Financial Assurance Strategy Group (FASG) continued to oversee our financial assurance processes. Membership includes Departmental commercial business partners and a representative from the Government Internal Audit Agency (GIAA), who scrutinise the Agency's work throughout the year. The Group oversees all assurance activity and is accountable to the Agency's Management Board, which is accountable to myself as Accounting Officer.

During the year all business cases seeking to issue contract and grant funding were examined by finance and commercial business partners in addition to SCS. Consequently, the strategic overview, economic, commercial and financial management case for each proposed grant or contract was assessed to ensure they fit the aims and objectives of the Agency (and the wider Department).

²⁰ <https://www.gov.uk/government/collections/dfe-annual-reports>

2017-18 saw the Agency continue to implement its grant assurance framework, as approved by FASG and the Department's finance business partners. Across the Agency, grant managers use the framework to ensure that grant recipients are utilising funding as per the aims and objectives of the grant.

Annual Grant Returns (AGRs) were used to provide regularity assurance for ITT, Early Years ITT and SKE bursaries. These reports are pre-populated by the Agency with the funding provided and then signed off as confirmed by an independent reporting accountant, checking against provider records. Annex G certificates of expenditure were used to assure School Direct Salaried ITT, Collaborative Fund grants and all other grants. In the case of both AGRs and Annex Gs, assurance was provided on a lagged year basis. For these returns, when grants paid to the provider total more than £40,000, an independent accountant confirms the total provider spend which is pre-populated by the Agency. When grants paid to the provider total less than £40,000 the Agency selects a sample of providers to undertake desk-based audits, to check evidence supports the payments made. Additionally, assurance statements were provided from the Accounting Officers of the Office for Students and the Education and Skills Funding Agency to assure the regularity of grant expenditure provided by the Agency and distributed by these organisations.

Last year the Comptroller and Auditor General's report to the House of Commons identified a number of significant control weaknesses. As such, the 2016-17 NCTL accounts were qualified with a Limitation of Scope over Regularity. Over the last nine months we have addressed these weaknesses as follows:

The design of the NCTL assurance framework did not sufficiently address the risks of irregular grant expenditure. During this year's assurance activity each audit return has been:

- checked for regularity compliance; and
- reconciled against our own financial management information.

Although resource intensive, this work has given the Agency a much deeper understanding of the risks associated with grant funding; this will lead to an increasingly streamlined regularity framework in future years.

The review and challenge of grant returns undertaken by NCTL grant managers did not identify a number of significant inconsistencies within grant returns. The Agency has developed and delivered a mandatory training package for all grant managers. All grant managers now have clarity on what grant period-end assurance is and how to assess completed returns to provide appropriate scrutiny. Additionally, the Senior Management Team have taken more visible leadership and responsibility for the assurance of grant funding. The Agency has refreshed the Assurance Framework Record

to clarify the role and responsibilities of grant managers, and the oversight that SCS should provide.

Reporting accountants raised concerns that the certification work that NCTL asked them to carry out was not compliant with relevant professional standards.

The Agency has worked with the Institute of Chartered Accountants for England and Wales to enhance the content of the AGR and Annex G. They now take the form of a limited assurance engagement. They were issued to providers along with illustrative terms of engagement to guide the reporting accountant to provide the appropriate assurance required.

NCTL tested student records directly but the results did not provide reasonable assurance that the value of any irregular payments would be immaterial.

Additionally, NCTL did not require grant recipients to maintain records that show students are eligible for the bursaries paid. AGR guidance has been amended to require providers to return a trainee list of academic year funding stating when they started training and how much funding they received. The ITT Funding Manual guidance has been reviewed to make explicit to providers the withdrawal date applicable to each funding stream. The manual now also instructs providers to retain qualification evidence to prove that the correct level of bursary has been awarded to trainees.

Inevitably, due to the lagged* nature of the Agency's grant assurance, a number of the issues raised by the NAO in their 2016-17 audit have also been identified this year. This is particularly the case for the accuracy of Collaborative Fund desk-based audits and the reconciliation of SKE grant funding. However, I am confident that the improvements already made in these areas will be apparent in any future audit. **Many grants are issued on an academic year basis, and audited/assured in the following financial year. As a result of this, there were a number of grants where changes to our assurance process could not be made in time for the 2017-18 financial year, but will apply in future years.*

The NAO have identified a new issue this year: the effectiveness of controls around SKE expenditure. In particular, the NAO have identified that we could improve the control we have around the appropriateness of SKE course lengths. Whilst we would always want to ensure that decisions around the content and duration of teacher training remain with education professionals, we do accept that greater controls need to be in place to ensure that the training commissioned by ITT providers is the training that is delivered by SKE providers. We have already made changes to our SKE funding manual and I am confident that this will provide sufficient control.

The Department's Operational Finance Director has led activity to embed the lessons learned from the Agency's improvement work within the wider Department. Workshops to assess grant management risk exposure were held with ARC members and key business stakeholders throughout the summer. Consequently, a Grant Management Project was

initiated with the objective of ensuring that the Department is able to demonstrate a complete, accurate understanding its grant management activity and to deliver effective and proportionate assurance against risk.

Oversight of the project is through a newly constituted Grant Management Board (GMB). Board membership includes key business stakeholders, leaders from Finance and Commercial Groups, and is strengthened by expert non- executive support from the NAO, GIAA and the Ministry of Justice's Director of Governance; who provides advice on cross government assurance. A formal Grant Management Improvement Plan will be presented to the GMB in December 2018.

The improvements that have already been made and described above, and the further improvements that will be driven forward by the GMB, mean that the overall control environment within NCTL has become substantially stronger. As such, I am confident that as these grants move into the Department, the Department's Accounting Officer can be confident of their ability to oversee and assure this grant funding going forwards.

Internal Audit

The Agency received internal audit and assurance services from the 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. All of the planned Agency reports have been completed and published internally and, in addition, the Agency used GIAA to obtain assurance on process and control arrangements as appropriate.

The Agency was included in cross-Departmental compliance and themed audits where relevant, including for example, the DfE's arrangements for embedding the Civil Service Code, Continuous Payments Testing and Key Financial Control Rolling Modular Programme.

Three Agency specific audits were undertaken by GIAA during 2017-18: NCTL Regularity Assurance; Teaching and Leadership Innovation Fund; and International Recruitment of Teachers. From the three audits undertaken, 14 improvement actions were identified, two of which have been implemented. However, the remaining 12 improvement actions all arose from the NCTL Regularity Assurance audit with a due date of December 2018, which we are on track to meet.

The DfE Group Chief Internal Auditor provided a Moderate assurance to the Accounting Officer for the Agency in 2017-18, which reflects her opinion that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

One of the audits undertaken in the Agency during 2017-18 received a Limited assurance rating (NCTL Regularity Assurance), one received a Moderate assurance rating (Teaching and Leadership Innovation Fund) and one was advisory (International Recruitment of Teachers) and did not therefore require an assurance rating. Actions arising are maintained and reviewed monthly at the FASG meeting, which includes GIAA representation.

Risk management mechanisms

The Agency's risk management framework defines escalation between boards. The maintenance of risk registers is a key mechanism used to manage risk within the Agency, and these are used to record both operational and strategic risks within directorates, programmes and projects. Programme and project boards have a defined risk appetite that would determine whether any risks need to be escalated to the Management Board. Generally, the Agency do not tolerate risks with high residual impact and high residual likelihood. The Agency's Management Board can decide to tolerate these risks on an exceptional basis. It is agreed by each board to tolerate risks at the appropriate level or escalate through the agreed routes. Following agreement by the Management Board, it is then added to the Agency's strategic risk register which contains all strategic risks relating to delivery, stakeholder engagement, staffing and funding. Each risk has an agreed review date when the Management Board will 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 Management Board considers any further actions to manage any residual risks remaining after mitigating action has been implemented.

Programme and project boards have risk management as a focus, and use a clear, timely route to escalate risks to the Management Board for their information, or to seek advice or action. Strategic risks are reviewed at monthly bilateral meetings with the Director General and at the quarterly SPR. The Agency's Portfolio Management Office conducts a review of all board and strategic risks monthly, providing feedback and challenge to risk owners in advance of the board meetings.

Strategic risks

The Agency has responsibility for managing one of the Department's top tier strategic risks in partnership with the Department. This relates to 'Schools have an insufficient number of high-quality teachers, caused by the relative unattractiveness of the profession, resulting in poor educational outcomes for pupils.'

This risk is being mitigated by multiple interventions. We are currently developing a comprehensive recruitment and retention strategy which will be published in Spring 2019. Other interventions include improving the quality of CPD and career progression, tackling drivers of workload at national level including: the production of a toolkit; piloting new

approaches to the £200m annual investment in training bursaries; improving the diversity of the workforce and progression for women and BAME teachers; a national marketing and communications campaign presenting a positive image of teaching and £3m investment in targeted support to schools that experience the worst recruitment and retention issues. We expect to hit 91% of the TSM this year, this means we will have recruited 5% more teachers than last year.

Details of the Agency's strategic risks are included on page 8.

The [2018-19 ITT Census](#)²¹ was published on 29 November 2018. There were 29,255 new entrants to postgraduate ITT courses in the academic year 2018 to 2019. Of these, 29,085 were actual new entrants and 175 were forecast trainees (i.e. those expected to start after the point at which these statistics were collected). Compared to academic year 2017 to 2018, there were 2,110 more postgraduate new entrants to ITT overall.

As referenced on page 11, we are taking action to recruit and retain the teachers we need by launching a new recruitment and retention strategy. Strengthening QTS and improving career progression for teachers forms a core part of this strategy. On 4 May 2018, the Department published a [response](#)²² to the consultation on this subject. It sets out decisions on key areas, for example introducing an extended induction period – supported by an Early Career Framework – and setting up a work-related sabbaticals pilot for more established teachers. It also outlines how we will work with the profession to take this work forward.

We also need to address the issues facing all teachers – such as workload. Accordingly, the strategy will involve ensuring a period of stability, clarifying the roles of actors within the accountability system and providing evidence-based solutions to strip away the workload that does not benefit pupils.

Shared services

The Department and its Agencies have an outsourced shared service arrangement for provision of certain areas of its internal finance, HR and procurement transactional processes. This arrangement has been in place since 2013.

There have 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.

The Department has experienced historic challenges in creating smooth end-to-end transactional processes, incorporating both the shared service and Departmental

²¹ <https://www.gov.uk/government/statistics/announcements/initial-teacher-training-trainee-number-census-2018-to-2019>

²² <https://www.gov.uk/government/consultations/strengthening-qualified-teacher-status-and-career-progression>

processes. The Department has built a substantial suite of controls to protect data and transaction fulfilment, and these controls are regularly assessed by internal auditors. However, there has not been a full audit of the end-to-end process across the entire transaction in the case of the shared service provision. The Department is keen to carry out such a review in 2018-19.

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. No impact on financial accounts was identified by the auditors and further progress on addressing them is expected in 2018-19.

The shared service provider moved the Department onto the standard Oracle solution used across government in May 2017. That system was then upgraded for all 196,000 government users, to the latest version Oracle software in February 2018. Lessons from those major technical changes have been captured and plans for improvement are being developed by the provider.

Given the combination of service and control challenges, the Department will be reviewing its transactional service arrangements to ensure it operates processes that are fit for purpose, flexible, and offer the best possible support to the Department.

The level of notional recharge of shared services to the Agency (see page 20) has increased significantly in 2017-18. This reflects a change in the operating model for support from Finance, which comes at an increased cost, and significant investment in IT, both in terms of direct projects delivered on behalf of the Agency which are still in train, such as the successor to the Agency's Data Management System, and in terms of the agency's share of the Department's investment in IT infrastructure.

Business continuity

We had responsibility for managing our business continuity requirements and plans, aligning with the Department's wider arrangements. During 2017-18, the plan was reviewed regularly. The plan provided detailed steps to be taken to ensure continuity of business critical activities. Business impact assessments were reviewed quarterly and further improvements were made in how we recorded the Agency's critical activities. As Nottingham staff moved to new premises in July 2017, the site specific Business Continuity Plan was updated to ensure the silver incident management plan was accurate. Significant events during the year included the Manchester Arena bombing in May 2017 and the London Bridge terror attack in June 2017, where appropriate steps were taken to check staff safety and monitor the impact on morale. A communications cascade was carried out successfully in March 2018 to inform staff of site closures due to snow which

demonstrated successful implementation of the business continuity arrangements and plans.

Operational policy development and delivery

We worked in partnership with Departmental policy teams 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 provided 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 Departmental policies 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 division leading on business management which provides programme/project management support to the whole of the Agency.

A programme/project management approach has been used to provide governance over all of our work and is applied appropriately to the scale and complexity of the particular task. 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 Deputy Directors and SROs to remind project teams of the need to ensure appropriate project management measures are in place for all projects.

Both project progress and financial status is effectively monitored through monthly reviews and progress properly documented. The Agency continues to monitor its project health indicators for each of its strands of work quarterly. 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 there are 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. Deputy Directors have planned monthly meetings with finance business partners (to identify risks early and to flag concerns) and receive high-level monthly budget reports. All Deputy Directors performance management objectives include a financial management

objective and target which is reported upon during the performance year. This enables the Directors to monitor and challenge financial activity across the divisions. The Directorate finance business partner is invited to Management Board meetings.

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 to ensure any variance can be highlighted 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 and anticipating any funding pressures/underspends.

During 2017-18, the Agency was alerted to three new cases of potential fraud which were investigated and found that no criminal wrongdoing had taken place. Additionally, the Agency has provided evidence to a local authority investigation, relating to a potential fraud committed during the period 2010-12.

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](#)²³.

Information: ICT management and data safeguarding

The Agency received shared service IT support from the Department. IT systems were developed in accordance to Government Digital Standards and both user and business needs. All Agency's IT projects required approval from the Agency's IT Strategy Group and, once approved the IT Strategy Group worked with Digital, Data and Technology (DDaT) – the Department's IT function to both prioritise and develop these systems. Following the transfer of the Agency functions, divisions now work directly with DDaT to prioritise and develop IT systems, and the IT Strategy Group was dissolved in January 2018.

All staff undertake mandatory information assurance training annually.

During 2017-18, the Agency had one protected personal data related incident that was judged significant enough to be formally reported to the Information Commissioner's Office.

²³ www.civilservicepensionscheme.org.uk

The protected personal data related incident formally reported to the Information Commissioner’s Office (ICO) in 2017-18 is summarised in the table below:

TABLE 1: SUMMARY OF PROTECTED PERSONAL DATA RELATED INCIDENTS FORMALLY REPORTED TO THE INFORMATION COMMISSIONER’S OFFICE IN 2017-18				
Date of incident (month)	Nature of incident	Nature of data involved	Number of people potentially affected	Notification steps
Nov 2017	Inadequately protected paper documents outside Government premises	An independent (i.e. non-departmental) panel member for a teacher misconduct hearing overseen reading confidential documentation on a train, in breach of instructions provided by the department. The information overseen included sensitive personal information.	32	ICO notified & content. No further action required.
Further action on information risk	<ul style="list-style-type: none"> Investigation established that the information was available to one unauthorised individual only; Panel member was replaced on the panel with an alternative panel member; Data handling refresher training was provided to all panel members in December 2017; The cover sheet on all case hearing bundles has been updated to remind panellists of their responsibilities when handling case papers. 			

Protected personal data related incidents reported in 2017-18 are summarised in the table below. Incidents which do not fall within the criteria for reporting to the Information Commissioner’s Office, but are 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 Director General of Insight, Resources and Transformation Directorate 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. Information Asset Owners (IAO) have responsibility for protecting the information assets that are assigned to them. All Information Asset Owners completed an annual statement in March 2018, which confirmed that they had complied with their responsibilities.

Historical Agency assets have been assigned to the relevant IAO either within the Department or the TRA.

People management

We are pleased that 91% of staff responded to the 2017 people survey and the overall engagement index remained stable at 63%, same as the Department average of 63%.

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 Forum oversaw this work and included representatives from each division meeting monthly. The purpose of the People Forum is to ensure that the best possible approach is being taken to address, resolve and deliver the people-related issues to help the Agency to operate effectively. The People Forum works with others, including the Department lead and others to add value and provide a tailored approach to improve the skills and capability of staff.

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 ESD.

The Agency adopted the Department's policy and process for whistleblowing. In 2017-18, the Agency has demonstrated this adoption by continuing to capture whistleblowing allegations in a consistent manner. Reviews of allegations have been done in collaboration with the Department and GIAA. As a result, I am satisfied with this collaborative approach

and the effectiveness of the arrangement, which has seen three cases investigated in 2017-18 (see page 39).

Transfer of Agency functions

On 14 November 2017, a Written Ministerial Statement was laid in the House of Commons and House of Lords stating that the Agency would be repurposed from 1 April 2018. The Agency functions relating to the recruitment of teachers, teacher development and leadership have now transferred into the Department. The Agency's remaining functions and responsibilities focus on the regulation of the teaching profession, including misconduct hearings, and it acts as the Competent Authority for Teaching in England. Its role also includes the recognition of the professional status of teachers from outside England. It remains an Executive Agency of the Department and is known as the Teaching Regulation Agency (TRA).

The Trojan Horse cases being discontinued by the independent panel due to a procedural irregularity posed a risk of challenge to teacher misconduct procedures, particularly around its disclosure obligations. The TRA have taken a number of steps to strengthen and clarify its procedures and processes and to ensure its contract management is as robust as possible.

The remaining risks, issues, actions, intellectual property rights (IPR), IT projects and commercial contracts have been transferred either to the Department or to the TRA as appropriate.

Overall assessment

As Accounting Officer, I am satisfied that the majority of 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 and senior management team remuneration policy

The Accounting Officer and the Senior Management Team (SMT) are SCS whose pay is decided by the SCS Pay Committee, chaired by the Permanent Secretary, and comprising members of the Department's 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](#)²⁴.

As staff employed by an executive agency of the Department, the SMT'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 awards for members of the SCS within the framework set by the Cabinet Office. The contractual terms of the SMT 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](#)²⁵.

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. Further information about the work of the Civil Service Commission can be found on [their website](#)²⁶.

²⁴ <https://www.gov.uk/government/publications/senior-salaries-review-body-report-2017>

²⁵ <https://www.gov.uk/government/organisations/civil-service>

²⁶ <https://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.

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. Further information about the work of the Civil Service Commission can be found on their website.

Part B: Audited**Remuneration (including salary, bonuses and pensions)**

	Salary		Bonus		Benefits-in-kind		Pension benefits		Total	
	2017-18 £000	2016-17 ³ Restated £000	2017-18 £000	2016-17 Restated £000	2017-18 £	2016-17 £	2017-18 £000	2016-17 ⁴ Restated £000	2017-18 £000	2016-17 Restated £000
Director and Accounting Officer										
Ms Sinead O'Sullivan ¹	85-90 (95-100)	95-100	-	-	-	-	18	64	105-110	160-165
Director										
Mr Paul Cohen ²	85-90	80-85	5-10	-	-	-	42	28	130-135	105-110
Mr Brian Tytherleigh (until 30 June 2016)	-	20-25 (85-90)	-	-	-	-	-	(5)	-	15-20
Deputy Directors										
Mr Russell Andrews (until 5 May 2017)	10-15 (130-135)	130-135	-	-	-	-	16	20	25-30	150-155
Harjit Athwal (from 2 May 2017)	45-50 (65-70)	-	-	-	-	-	44	-	90-95	-
Ms Sara Aye Mounq (until 18 May 2016)	-	10-15 (80-85)	-	-	-	-	-	1	-	10-15
Mr Greg Burke (until 12 May 2017)	5-10 (65-70)	65-70	-	-	-	1,155	8	11	15-20	80-85
Ms Gillian Hillier (until 4 December 2017)	45-50 (90-95)	25-30 (65-70)	5-10	-	-	-	14	6	65-70	35-40
Ian Knowles (from 1 April to 18 March 2018)	70-75 (75-80)	-	5-10	-	-	-	30	-	110-115	-
Ms Sarah Lewis (until 30 October 2016)	-	40-45 (70-75)	-	5-10	-	-	-	16	-	65-70
Mr Alan Meyrick	85-90	85-90	-	5-10	-	-	-	13	85-90	105-110

ACCOUNTABILITY REPORT

	Salary		Bonus		Benefits-in-kind		Pension benefits		Total	
	2017-18	2016-17 ³ Restated	2017-18	2016-17 Restated	2017-18	2016-17	2017-18	2016-17 ⁴ Restated	2017-18	2016-17 Restated
	£000	£000	£000	£000	£	£	£000	£000	£000	£000
Ms Verity Prime	55-60	40-45 (55-60)	-	-	-	-	23	18	80-85	60-65
Chloe Saklow (from 9 October 2017)	35-40 (80-85)	-	-	-	-	-	15	-	50-55	-
Mr John Stephens (until 31 December 2016)	-	80-85 (110-115)	-	-	-	-	-	32	-	115-120
Ruth Talbot (from 3 July 2017)	45-50 (65-70)	-	-	-	2,141	-	11	-	60-65	-
Ms Rebecca Thould (from 5 June to 4 October 2017)	25-30 (85-85)	-	-	-	-	-	10	-	35-40	-
Thom Webb	65-70	10-15 (65-70)	0-5	-	-	-	27	4	95-100	10-15

1 Sinead O'Sullivan ceased her role as Director on 12 February 2018, she continues in her role as Accounting Officer.

2 Temporary promotion from January 2017 to February 2018.

3 Salary band for Greg Burke changed to reflect correct salary band.

4 Updated reflect adjustment by pension scheme provider for Gillian Hillier.

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

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 Agency and thus recorded in these accounts.

Roger Pope was appointed Chair with effect from 12 October 2015. He is on secondment from his current role as Principal of Kingsbridge Community College, Devon, and Executive Principal of Education South West. The Agency has arranged to pay his costs directly to the Academy. The total invoice value of payments for the period is in the range £90,000 – 95,000 (2016-17: £90,000-£95,000).

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.

The timing of awards has changed in 2017-18, formerly being wholly retrospective (awarded in 2016-17 but paid in 2017-18) to being partially paid in the current year (in part awarded in 2017-18 and paid in 2017-18). Therefore, the performance awards disclosed in the remuneration report in 2017-18 cover both 2016-17 and an element of 2017-18 performance. In the accounts, bonus is accrued to the year to which it relates.

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. Ruth Talbot received benefits-in-kind amounting to £2,141 in childcare vouchers.

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:

	2017-18	2016-17
Band of highest paid director's remuneration (£000)	95-100	130-135
Median (£000)	32	31
Range (£000)	19-100	19-135
Remuneration ratio	3.0	4.3

The banded remuneration of the highest-paid director in the Agency in the financial year 2017-18 was £95,000-£100,000 (2016-17: £130,000-£135,000). This was 3.0 times (2016-17: 4.3) the median remuneration of the workforce, which was £32,000 (2016-17: £31,000). The difference in the ratio is due to two factors:

- the highest paid director in 2016-17 left the business during the year, therefore the highest paid director in 2017-18 was in the band £95,000 - £100,000; and
- there were 52 additional staff in 2017-18 compared to the previous year. Whilst appointments were across all bands a higher portion were in the higher pay bands, leading to the median salary being at a slightly higher grade point.

In 2017-18, nil employees (2016-17 nil) received remuneration in excess of the highest-paid director. Remuneration ranged from £19,000 to £100,000 (2016-17: £19,000 to £135,000).

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 Principal Civil Service Pension Scheme (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/)²⁷.

²⁷ <http://www.civilservicepensionscheme.org.uk/>

Officials

	Accrued pension at pension age as at 31 March 2018 and (related lump sum at pension)	Real increase in pension and related lump sum at pension age	CETV at 31 March 2018	CETV at 31 March 2017	Real increase in CETV	Employer contribution to partnership pension account Nearest
	£000	£000	£000	£000	£000	£000
Director and Accounting Officer						
Ms Sinead O'Sullivan ¹	30-35 (85-90)	0 - 2.5 (0)	543	507	4	-
Director						
Mr Paul Cohen	30-35 (100-105)	0-2.5 (5-7.5)	701	621	37	-
Deputy Director						
Mr Russell Andrews	80-85	0-2.5	1556	1536	15	-
Mr Greg Burke	40-45	0-2.5	759	749	7	-
Ms Gillian Hillier	25-30	0-2.5	406	380	5	-
Mr Alan Meyrick	30-35 (100-105)	0-2.5 (0-2.5)	705	660	-1	-
Ms Verity Prime	0-5	0-2.5	20	8	7	-
Mr Thom Webb	5-10	0-2.5	44	31	6	-
Ms Rebecca Thould	0-5	0-2.5	6	0	4	-
Mr Harjit Athwal	15-20	0-2.5	158	129	18	-
Ms Ruth Talbot	15-20 (40-45)	0-2.5 (0)	229	219	1	-
Ms Chloe Saklow	0-5	0-2.5	7	-	4	-
Mr Ian Knowles	15-20 (40-45)	0-2.5 (0-2.5)	245	218	9	-

¹ Sinead O'Sullivan ceased her role as Director on 12 February 2018, she continues in her role as Accounting Officer.

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 (PCSPS)

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 Principal Civil Service Pension Scheme (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](#)²⁸.

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 (CETV)

²⁸ www.civilservicepensionscheme.org.uk

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.

Staff report Part A: Audited

Staff costs

The staff costs for Agency were £17.4 million (2016-17: £13.9 million) and the average number of full-time equivalent staff employed during the year was 352 (2016-17: 289).

			2017-18	2016-17
	Permanently employed staff £000	Others £000	Total £000	Total £000
Salaries	12,121	1,582	13,703	10,689
Social security	1,258	-	1,258	1,084
Pension costs	2,444	1	2,445	2,129
	15,823	1,583	17,406	13,902
Less recoveries in respect of outward secondments	(108)	-	(108)	(179)
	15,715	1,583	17,298	13,723

The Agency pays a flat fee for contractors, which includes social security, holiday pay, pension costs etc and is shown above as 'Others'. This note discloses the total sum as wages and salaries.

Average number of persons employed

The average number of full-time equivalent (FTE) persons employed during the year was as follows:

			2017-18	2016-17
	Permanently employed staff	Others	Total	Total
Directly employed	343	-	343	280
Other	-	9	9	9
	343	9	352	289

As part of combining policy and delivery together, as part of the Transformation Programme, NCTL underwent a restructure to align its structure to deliver the Secretary of

State's Ministerial priorities. This included additional investment and recruitment to enable us to deliver their ambitions for School Improvement, which emerged as a clear priority. To achieve this the Agency developed further career progression routes for teachers; refreshed leadership development programmes, spreading and scaling effective teaching in key subject areas across the curriculum in primary and secondary phases; developed and implemented a local delivery operating model; focused our school improvement interventions, including targeted teaching, leadership, and teaching offers/programmes; as well as the distribution and management of the Strategic School Improvement Fund, on schools in greatest need, and managing funding for sector-based proposals. We expanded the analytical functions to provide a greater evidence based approach to school improvement and strengthened our ITT recruitment to encourage more new school teachers into the system to address the shortfall identified.

Civil service pensions

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) - known as "alpha" are unfunded multi-employer defined benefit schemes but National College for Teaching and Leadership 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](#).

For 2017-18, employers' contributions of £2.43m were payable to the PCSPS and CSOPS (2016-17 £2.11m) 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 2017-18 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 £16,502 (2016-17 £17,118) 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 £651 (2016-17 £752), 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 £1,473 (2016-17 £1,944). Contributions prepaid at that date were nil.

No individuals retired early on ill-health grounds (2016-17 nil); there were no additional accrued pension liabilities (2016-17 nil). See note 9 for related party transactions.

Reporting of civil service and other compensation schemes

The Agency had no compulsory redundancies or other agreed departures in 2017-18. (2016-17: nil).

Part B: Unaudited

Analysis of staff policies and statistics

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 Department's policies and procedures. Our staff profile, as at 31 March 2018, for full time equivalents, is detailed below.

Staff by grade and gender

Grade	2018			2017		
	Male	Female	Total	Male	Female	Total
Director	1	1	2	1	1	2
Deputy Director	2	4	6	3	2	5
Grade 6	6	13	19	4	9	13
Grade 7	17	39	56	16	25	41
Senior Executive Officer	32	41	73	29	38	67
Higher Executive Officer	33	60	93	25	45	70
Executive Officer	34	52	86	30	51	81
Executive Assistant	6	9	15	7	12	19
	131	219	350	115	183	298

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

	2017-18	2016-17
Number of days lost	1,633	1,826
Sickness absence days per FTE	4.6	6.6

The figures disclosed above compare well with figures across the Civil Service, which currently average 7.0 working days lost per FTEs²⁹.

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

²⁹ <https://www.gov.uk/government/publications/civil-service-sickness-absence>

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; and
- 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.

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.

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;
- set corporate objectives for all staff for each reporting year;
- required staff to produce challenging work objectives for the year, that are
- moderated by deputy directors to ensure consistency

Expenditure on consultancy

We employ contractors who are professionally qualified and are employed on short-term contracts. The cost of these contractors in 2017-18 was £356,000 (2016-17: £nil). 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 2017-18 was £1,582,000 (2016-17: £nil). This increase is due to use of contingent labour during the recruitment process.

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 2017 and 31 March 2018. The tables below set out this information.

Off-payroll engagements as of 31 March 2018, greater than £245 per day and that last longer than six months

	Number
Number of Existing engagements as of 31 March 2018	-
Of Which the number that have existed for:	
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 2017 and 31 March 2018, 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 2017 and 31 March 2018	-
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.	-
No. for whom assurance has been requested.	-
Of which:	
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 2017 and 31 March 2018.

	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.	-

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. 2017-18 is the first year of reporting.

We adopt the Department's policies on Trade union facility time. Further information on the Department's policies and statistics on Trade Union facility time is contained within their [ARA](#)³⁰.

Engagement with employees

The Agency adheres to all Departmental HR policies and receives regular weekly corporate communications. Good use is being made of staff survey results to focus on specific areas and instant rewards have been used to respond positively to team and individual effort. At Agency level, regular corporate communications help to build commitment to corporate goals. This includes a weekly all staff email from the Director of Programme Delivery, and monthly site briefings led by Deputy Directors on progress against objectives and potential issues and challenges (including external factors). The monthly Programme Boards also alternate between the Department's sites to allow Agency staff to attend and observe. Divisional sessions are also held throughout the year, which focus on aspects specific to their areas of work. Agency senior civil servants hold teleconferences each week to share information and discuss progress on delivery.

³⁰ <https://www.gov.uk/government/collections/dfe-annual-reports>

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 of £300,000 (2017: did not exceed the Managing Public Money reporting threshold of £300,000).

Contingent and remote contingent liabilities

There were no contingent or remote contingent liabilities in the year 31 March 2018 (2017: £nil).

Sinead O'Sullivan
Accounting Officer

20 November 2018

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 National College for Teaching and Leadership for the year ended 31 March 2018 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 National College for Teaching and Leadership's affairs as at 31 March 2018 and of the comprehensive net expenditure 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 NCTL 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.

Responsibilities of the Accounting Office for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the 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 National College for Teaching and Leadership's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 National College for Teaching and Leadership's ability to continue as a going concern. 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.
- 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 Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Accountability 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 have 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.

Sir Amyas C E Morse

30 November 2018

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

The Report of the Comptroller & Auditor General to the House of Commons

The National College for Teaching and Leadership (NCTL) is an executive agency of the Department for Education (the Department) responsible for the recruitment and development of the school workforce, and assisting schools' efforts to help each other improve. It achieves this principally through the provision of grants to fund teacher training and collaborative working to schools and training providers. During 2017-18 it provided total grant funding of £286 million.

Last year I qualified my audit opinion on the regularity of grant expenditure in NCTL's 2016-17 financial statements because NCTL was unable to provide sufficient evidence that grants paid to schools and training providers were being used for the purposes intended by Parliament. As a provider of grants, NCTL is responsible for gaining sufficient assurance that the funding is being used by schools and training providers for the purposes intended. This is primarily obtained from grant returns submitted by providers, which have been certified by independent reporting accountants. In 2016-17, I found there was a lack of clear instructions to reporting accountants with regard to the work required to support the certification of the grant returns. In addition to this, the quality of NCTL's review and challenge of returns had deteriorated from previous years and it did not identify significant inconsistencies that existed within the returns. As a result, grant returns were likely to be inconsistent and could not provide sufficient assurance over the regularity of grant expenditure in isolation. In response, NCTL tested student records directly, but the results did not provide reasonable assurance that the value of irregular payments would be immaterial. A high proportion of the providers tested (40%) claimed grant funding using inaccurate student record data, and for 25% this led to variances exceeding £1,000. This demonstrated that they could not fully substantiate their claims. I also had concerns that many providers were not maintaining records to show that students were eligible for the bursaries paid.

NCTL significantly improved its grant management in 2017-18, providing stronger evidence that grants were used for the purposes intended. NCTL obtained greater assurance from grant returns by requiring improved data from training providers and schools, and through issuing clearer instructions to reporting accountants that clarified the nature, scope and extent of assurance procedures expected. This was supported by a robust review and challenge of returns to confirm compliance with the updated guidance, including validating the details of all trainee teachers for whom funding was claimed against other data that NCTL holds. Following challenge and the receipt of further evidence from training providers and schools, NCTL obtained adequate assurance over the use of funds for the main grant streams, including Initial Teacher Training (£195m). Assurance over Subject Knowledge Enhancement (SKE) grants amounting to £20.2m has also been improved, including the collection of trainee level data from training providers and schools. SKE funding requires further improvement to demonstrate that all recipients require the training at the level funded, but I do not consider that affects a significant proportion of the funding.

Further improvements will provide additional assurance over 2017-18 expenditure in the future. For efficiency reasons, low value Collaborative Fund (CF) grants are assured through a desk-based review of evidence by NCTL's grant managers, rather than by reporting accountants. NCTL did not improve the reviews conducted in 2017-18, covering grant expenditure in 2016-17. However, it is committed to improve desk-based assurance processes in 2018-19 covering the grant expenditure incurred in 2017-18. In addition, the trainee level data collected for SKE can only be fully assured when 2017/18 returns are received, due to the flexibility allowed regarding timing of courses and grant claims.

The improvements to grant management described above provide sufficient assurance that grants are used for the purposes intended, and have also resulted in additional clawbacks from providers of £1.4m. When taken together with further improvements committed for 2018-19, which will cover grant expenditure from 2017-18, I am satisfied that there is sufficient assurance that NCTL's grant expenditure has been used for the purposes intended by Parliament. I have therefore not qualified my audit opinion on the 2017-18 accounts.

The Department must maintain momentum on implementing improvements to the grant management processes. From 2018-19, the majority of NCTL's grant making has been merged into the Department. It is important that the Department implements the improvements that NCTL has identified. Testing all trainee records is resource intensive and therefore not sustainable, and the Department should use the data obtained in 2017-18 to develop a proportionate and risk-based assurance system. The Department should also use the lessons that NCTL has learned to improve grant management more widely.

Recommendations

I have identified significant improvements in the assurance mechanisms employed by NCTL in 2017-18. To capitalise on these improvements in future years, the Department should:

- a. use the data collected from extensive testing in 2017-18 to quantify the risks of misuse of grant expenditure, and design proportionate assurance processes to address these risks;
- b. strengthen the guidance provided to, and evidence required from, schools and training providers to ensure that SKE grants are used efficiently and effectively to deliver training to only those who require it;
- c. deliver improved guidance and assurance over low value Collaborative Fund grants, as NCTL has committed to doing and in line with the improvements seen this year in other grant streams; and
- d. share across the wider Department the lessons that NCTL has learned, to aid the development of a strong corporate assurance environment.

Financial statements

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2018

	Note	2017-18 Total £000	2016-17 Total £000
Total operating income	3	(182)	(6,729)
Staff costs	4	17,406	13,902
Grant expenditure	5	286,005	317,716
Other expenditure	6	103,272	119,095
Total operating expenditure		406,683	450,713
Net operating expenditure		406,501	443,984
Comprehensive net expenditure for the year		406,501	443,984

The notes on pages 70 to 82 form part of these accounts.

Statement of Financial Position

	Note	2018 Total £000	2017 Total £000
Current assets			
Receivables	7	8,553	5,351
Total current assets		8,553	5,351
Total assets		8,553	5,351
Current liabilities			
Payables	8	(25,616)	(16,259)
Total current liabilities		(25,616)	(16,259)
Total assets less current liabilities		(17,063)	(10,908)
Total assets less total liabilities		(17,063)	(10,908)
Taxpayers' equity and other reserves			
General fund		(17,063)	(10,908)
Total taxpayers' equity		(17,063)	(10,908)

Sinead O'Sullivan
Accounting Officer

20 November 2018

The notes on pages 70 to 82 form part of these accounts.

Statement of Cash Flows

as at 31 March 2018

	Note	2017-18 Total £000	2016-17 Total £000
Cash flows from operating activities			
Net operating cost		(406,501)	(443,984)
Adjustment for non-cash transactions	6	13,831	8,005
Decrease/(increase) in receivables	7	(3,202)	3,391
Increase/(decrease) in payables	8	9,357	(11,279)
Less movements in payables: items not passing through net operating costs	8	(4)	-
Net cash outflow from operating activities		(386,519)	(443,867)
Cash flows from financing activities			
Drawdown of supply from the sponsoring department		386,519	443,867
Net cash inflow from financing activities		386,519	443,867
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 notes on pages 70 to 82 form part of these accounts.

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2018

	Note	General Fund £000
Balance at 1 April 2016		(20,670)
Net Parliamentary Funding		443,867
Comprehensive expenditure for the year		(443,984)
DfE non-cash adjustments		
Notional shared service recharges	6	9,669
Auditor's remuneration	6	210
Balance at 31 March 2017		(10,908)
Net Parliamentary Funding		386,519
CFERS payable to the consolidated fund	8	(4)
Comprehensive expenditure for the year		(406,501)
DfE non-cash adjustments		
Notional shared service recharges	6	13,681
Auditor's remuneration	6	150
Balance at 31 March 2018		(17,063)

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 70 to 82 form part of these accounts.

Notes to the accounts

1. Statement of accounting policies

These accounts have been prepared in accordance with the 2017-18 Government Financial Reporting Manual (FReM) issued by HM Treasury (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 2017. 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 NCTL for the purpose of giving a true and fair view has been selected. The particular policies adopted by the NCTL for 2017-18 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

The Departmental Group's Estimates and forward plans include provision for the Agency's continuation during 2018-19 and beyond, and it is therefore appropriate to prepare these accounts on a going concern basis for this period. The Department has published its intention to refocus the Agency, as the Teaching Regulation Agency, from 1 April 2018, by transferring the majority of the Agency's current activities into the core Department. No Departmental Group activities will either cease or be transferred out of the Group in this reorganisation. 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

There have been no significant FReM changes in 2017-18

1.5 Early adoption

The Agency has not early adopted any accounting standards in 2017-18.

1.6 IFRSs in issue but not yet effective

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 is in issue 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, therefore, has chosen not to adopt early requirements of amendments to the following accounting standards and interpretations that have an effective date after the date of these accounts:

FINANCIAL STATEMENTS

Standard	Effective	FReM application	Impact
IFRS 9 Financial Instruments	Annual periods beginning on or after 1 January 2018	2018-19	<p>Change:</p> <p>This change simplifies the classification and measurement of, as well as amending when and how impairments are calculated and reported, moving from an incurred loss to an expected loss model. This will result in impairments being recognised earlier than under IAS 39 Financial Instruments: Recognition and Measurement.</p> <p>Impact on Agency:</p> <p>NCTL has no complex financial instruments, therefore there should be no material changes following adoption of the standard.</p>
IFRS 15 Revenue from Contracts with Customers	Annual periods beginning on or after 1 January 2018	2018-19	<p>Change:</p> <p>The changes set out steps for revenue recognition along with requirements for accounting for contract costs. The aim of the change is to report information that is more useful about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. The initial adoption of IFRS 15 will be retrospective but as an opening balance adjustment as at 1 April 2018.</p> <p>Impact on the Agency:</p> <p>NCTL has no significant revenue income, therefore there should be no material changes following adoption of the standard.</p>
IFRS 16 Leases	Annual periods beginning on or after 1 January 2019	2019-20 (Subject to EU adoption and consultation)	<p>Change:</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>Impact on NCTL:</p> <p>NCTL does not currently hold any finance or operating leases, therefore the impact of the new standard will be minimal.</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 2 for operational disclosures.

1.8 Income

The Agency receives the following income streams and accounts for it as follows.

1.9 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.

1.10 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.

1.11 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.

1.12 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 un-spent 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.
- Un-spent 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.

1.13 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.

1.14 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.

1.15 Financial instruments

The Agency applies IFRS 7 Financial Instruments: Disclosures, IAS 32 Financial Instruments: Presentation and IAS 39 Financial Instruments: Recognition and Measurement. Financial assets and financial liabilities are recognised when the Agency becomes party to the contractual provisions of the instrument. NCTL hold no complex financial instruments.

1.16 Financial assets

Financial assets are classified where appropriate as loans and receivables; and financial assets at fair value through profit and loss. 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, directly attributable costs. Presently, the Agency does not have any financial assets that need to be classified as financial assets at fair value through profit or loss, neither does it have cash equivalents or derivative financial instruments.

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

Trade and other receivables

Trade and other receivables have fixed or determinable payments that are not quoted on an active market. They do not carry any interest and are initially recognised at their face value. They are then carried at amortised cost using the effective interest method. Appropriate allowances (provisions/write-offs) for estimated irrecoverable amounts (bad debts) are recognised in the SoCNE when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the estimated future recoverable amount.

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 fair value through profit or loss; 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.

1.17 Financial risk

Financial risk management

As the cash requirements of NCTL 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 NCTL resource requirements via the Department's estimate process. NCTL 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 NCTL and arises principally from cash and outstanding debt.

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

Market risk

NCTL is not exposed to market risk as the financial instruments held are not subject to fluctuation due to changes in market prices.

1.18 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.

1.19 Corporation tax

The Agency is exempt from corporation tax.

1.20 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 departmental group to the Agency to reflect the costs of these shared services. The departmental group makes direct charges in relation to these services that can be directly apportioned to the Agency whilst the remainder of the departmental group's recharge to the Agency is an apportionment of costs. The departmental group calculates the apportionment as a cost per full time equivalent employee within the Departmental group multiplied by the number of the Agency's full time equivalent employees.

2. Statement of Operating Costs by Operating Segment

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.

The Department controls the budget for the shared service recharge and the audit fee, therefore there is no budget allocated to the Agency in this respect.

	2017-18				2016-17			
	Operation £000	Delivery £000	Admin £000	Total £000	Operation £000	Delivery £000	Admin £000	Total £000
Gross expenditure	41,269	327,465	24,118	392,852	72,928	355,434	12,472	440,834
Income	(3)	-	(179)	(182)	(6)	(6,573)	(150)	(6,729)
Budget net expenditure	41,266	327,465	23,939	392,670	72,922	348,861	12,322	434,105
Shared Service Recharge	-	-	13,681	13,681	-	-	9,669	9,669
Audit Fee	-	-	150	150	-	-	210	210
Total notional recharges			13,831	13,831	-	-	9,879	9,879
Net expenditure	41,266	327,465	37,770	406,501	72,922	348,861	22,201	443,984

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3. Income

	2017-18 £000	2016-17 £000
Administration income		
Miscellaneous income	123	150
Operational income		
BEIS funding of FE ITT bursaries	-	6,573
Other income	59	6
	59	6,579
	182	6,729

Responsibility for FE ITT bursaries moved from BEIS to the Agency in a Machinery of Government change during 2016-17. Funding for 2017-18 is received from the Department for Education.

4. Staff numbers and related costs

Disclosures relating to staff numbers and costs are detailed within the Remuneration and Staff Report (page 52).

5. Grant expenditure

	2017-18 £000	2016-17 £000
Teacher recruitment	216,545	244,350
CPD and leadership	54,266	48,165
Educational psychology	-	2,211
School improvement	6,919	14,239
STEM	7,153	7,910
Repayment of teacher loans	-	661
School grants	1,122	180
	286,005	317,716

6. Other expenditure

	2017-2018 £000	2016-2017 £000
Contract programme expenditure	52,563	82,141
Professional services	9,318	7,949
Advertising and publicity	20,416	14,372
Other expenditure	7,144	6,628
	89,441	111,090
Non-cash items		
Shared services recharge	13,681	9,669
Auditor's remuneration	150	210
Release of provision	-	(1,874)
	13,831	8,005
	103,272	119,095

7. Receivables

	2018 Total £000	2017 Total £000
Trade receivables	454	1,455
Deposits and advances	27	12
Other receivables	97	98
Prepayments and accrued income	7,975	3,786
	8,553	5,351

8. Payables

	2018 Total £000	2017 Total £000
Other taxation and social security	330	279
Trade payables	946	3,361
Other payables	266	229
Accruals and deferred income	24,070	12,390
Consolidated fund received	4	-
	25,616	16,259

9. 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 SCS are each required to complete an Assurance Framework Record where they declare related party transactions. The Agency considers the following relationships as related parties and has disclosed the relationships in line with IAS 24:

- Roger Pope is Executive Principal of Education South West (ESW) MAT; Kingsbridge Academy (Formerly Kingsbridge Community College).
- Sinead O'Sullivan, is School Governor at Greenleaf Primary School.
- Gillian Hillier has a family member who is a member and trustee of the Mercia Learning Trust, a small multi-academy trust operating six schools; in 2017-18 NCTL made payments to The Nether Edge Primary School and King Egbert School.
- Russell Andrews is an Independent Governor at Manchester Metropolitan University (MMU), an institution that the Agency funds for Initial Teacher Training. He is also Chair of Trustees at Brockington College; Diocese of Leicester CofE Education Trust (DLET).
- Greg Burke is a Trustee of the LEAP Academy Trust; Sheffield Hallam University.
- Thomas Webb is a School Governor at Greenvale School, London.
- Ian Knowles is a School Governor at Meopham Community Academy.

The following table shows the value of material related party transactions the Agency entered into during the year:

Organisation	2018			2017	
	Payments £000	Balance £000	Receipts £000	Payments £000	Receipts £000
Kingsbridge Academy	146	-	-	142	-
Mercia Learning Trust	-	-	-	7	-
King Egbert School	48	-	-	-	-
The Nether Edge Primary School	6	-	-	6	-
Valley Park Community School	-	-	-	6	-
Manchester M.U.	1,395	-	50	7,469	-
Sheffield Hallam University	755	-	-	4,538	-

10. Events after the reporting period

The Accounting Officer authorised these accounts for issue on the date they were certified by the Comptroller & Auditor General. These accounts do not consider events after that date.

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 remains within the Agency which is to be renamed the Teaching Regulation Agency (TRA).

The following tables show the agency costs split by their newly designated body; DfE or TRA.

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2018

	TRA 2017-18 Total £000	DfE 2017-18 Total £000	2017-18 Total £000
Total operating income	(178)	(4)	(182)
Staff costs	17,154	252	17,406
Grant expenditure	-	286,005	286,005
Other expenditure	20,524	82,748	103,272
Total operating expenditure	37,678	369,005	406,683
Net operating expenditure	37,500	369,001	406,501
Comprehensive net expenditure for the year	37,500	369,001	406,501

Statement of Financial Position

	TRA 2018 Total £000	DfE 2018 Total £000	2018 Total £000
Current assets			
Receivables	227	8,326	8,553
Total current assets	227	8,326	8,553
Total assets	227	8,326	8,553
Current liabilities			
Payables	(2,152)	(23,464)	(25,616)
Total current liabilities	(2,152)	(23,464)	(25,616)
Total assets less current liabilities	(1,925)	(15,138)	(17,063)
Non-current liabilities			
Provisions	-	-	-
Total non-current liabilities	-	-	-
Total assets less total liabilities	(1,925)	(15,138)	(17,063)
Taxpayers' equity and other reserves			
General fund	(1,925)	(15,138)	(17,063)
Total taxpayers' equity	(1,925)	(15,138)	(17,063)

Annex - Glossary of terms

Abbreviation or term	Description
Academies	All schools operated by Academy Trusts encompassing academies, Free Schools, University Technical Colleges and Studio Schools
AGR	Annual Grant Return
ARA	Annual report and accounts
ARC	Audit and Risk Committee
ASL	Ambition School Leadership
BAME	Black, Asian and minority ethnic
BEIS	Business Energy and Industrial Strategy
CEO	Chief Executive Officer
CPD	Continuous Professional Development
CSOPS	Civil Servant Other Pension Scheme
DfE	Department for Education
EA	Executive Agency
EBacc	English Baccalaureate
ESD	Education Standards Directorate, a directorate of the Department
FASG	Financial Assurance Strategy Group
FRoM	Financial Reporting Manual
GIAA	Government Internal Audit Agency
HEI	Higher Education Institution
HMT	HM Treasury
ITT	Initial Teacher Training
MAT	Multi Academy Trust
MFL	Modern Foreign Language
NAO	National Audit Office
NCTL	National College for Teaching and Leadership
NLE	National Leaders of Education
NPQ	National Professional Qualification
PCSPS	Principal Civil Service Pension Scheme
PRRC	Performance Risk and Regulatory Committee
QTS	Qualified Teacher Status
SCITT	School Centred Initial Teacher Training
SCS	Senior Civil Servants
SKE	Subject Knowledge Enhancement
SMT	Senior Management Team
SoCNE	Statement of Comprehensive Net Expenditure
SoFP	Statement of Financial Position
SPR	Strategic Performance Review
SRO	Senior Responsible Owner
STEM	Science, Technology, Engineering and Mathematics
TRA	Teacher Regulation Agency
TSC	Teaching Schools Council
TSM	Teacher Supply Model
2016-17 & 2017-18	Financial years, ending on 31 March
2016/17 & 2017/18	Academic years, ending on 31 August

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