



Guidance for Recognition Applicants

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Criterion A: Identity, Constitution and Governance

A.1, A.2 and A.3 Identity and Constitution

In order for us to assess whether you meet Criteria A.1, A.2 and A.3 you will need to provide detail and structure of your organisation. You should explain how the organisation operates or will operate and demonstrate the arrangements in place. We need to know who owns and has a financial interest in your business. If the business is owned by other entities, a diagram detailing the group structure should be provided as part of the business plan.

At recognition you will need to demonstrate that your organisation is ordinarily resident or has a substantial presence in the UK, Gibraltar, the European Union (EU) or European Free Trade Association (EFTA). You need to explain how your organisation is structured and organised in a way which would allow it to comply with its Conditions of Recognition, particularly if you have most, if not all, of your staff working from separate residential locations. For example, we would be looking to understand at a high level:

- where your workforce is based – for example, are they all remote, a mix of office-based and home-working, all based in the same country?
- how you would manage with a dispersed workforce
- how you would know the workforce are effective
- how you would induct, train, supervise new staff etc.
- where your IT servers are based and who maintains them – for example, are they inhouse or third-party suppliers?
- how you would maintain security of information at individual locations, in the cloud, on servers and in emails (such as learner data, live and draft assessments and certificates where relevant)
- how we would access materials for audit purposes or for an investigation, as required by the Conditions of Recognition - for example, what IT would you have in place to allow us remote access, or if we needed access to hard copy materials how you would enable us to do this?

You must ensure you provide the following as a minimum in response to A.2 and A.3:

1. Evidence establishing that you operate within the UK, Gibraltar, a member state of the EU or EFTA.
2. A main contact address and contact telephone number registered in the UK, Gibraltar, EU or EFTA.
3. A valid UK, Gibraltar, EU or EFTA email address for your organisation.
4. The current legal status of your organisation – for example, registered charity, limited company, society established by Royal Charter.
5. A copy of your constitutional or governance documents – for example, articles of association, charter, partnership agreement, or any equivalent constitutional document, unless you are applying as an individual.
6. Evidence of relevant registration held by you with appropriate authorities within the UK,

Gibraltar, EU or EFTA. You should provide all relevant and appropriate registration numbers, for example, Companies House or the Charities Commission.

We will complete a due diligence check to verify information you have submitted as part of your application to investigate ownership and legal status.

Where any of the companies within the group structure are registered outside the UK, you should also provide the registration number of the company and the name of the country in which they are registered.

A.4, A.5 and A.6 Governance

Your response and supporting information for Criteria A.4, A.5 and A.6 should show how your organisation is or will be organised and governed. Where appropriate, you should also show how the awarding organisation will fit within any holding company and how it relates to any parent companies and sister companies.

A.4 Organisation and governance

You should provide information and supporting evidence on how your current or proposed organisational structure supports the development, delivery and award of qualifications. You may wish to provide information and documentation to assist us to consider the following questions in deciding whether you meet this criterion:

1. Is there a clear structure explaining how the organisation will function in relation to the development, delivery and awarding of qualifications?
2. Is it clear who is accountable for the quality of the development, delivery and awarding of qualifications?
3. Are reporting lines and structures clear?
4. Are there any potential conflicts of interest in the governance model?
5. Is the responsible officer role sufficiently senior to serve as the authoritative point of contact for CCEA Regulation in relation to all activities that would be undertaken by the awarding organisation?
6. Are the roles within the awarding organisation well defined? For example, job descriptions and role profiles.
7. Do the right roles exist to allow the awarding organisation to develop, deliver and award qualifications?

A.5 Conflicts of Interest

Your response and supporting information should show how you do or will identify, manage and mitigate conflicts of interest which may arise at individual and organisational level.

We understand that conflicts of interest may occur, but we need to understand how you will mitigate and manage these conflicts. That means we will expect to see policies, procedures and other documentation that you consider demonstrates that you understand conflicts of interest, and explains how you will mitigate and manage these on an ongoing basis, including any conflicts of interest you have already identified. Appendix 1 at the end of this document

provides further guidance on this topic.

The following are examples of activities that may give rise to a conflict of interest which needs to be managed by an awarding organisation. This list is not exhaustive:

- training organisations who are also awarding organisations
- awarding organisations that are subsidiaries of training providers
- individuals making decisions on finances who are also responsible for the standard of qualifications and apprenticeships, and could therefore influence that standard for financial gain
- authors of examinations who are also tutors
- authors of examinations who also write textbooks
- publishers of, for example, qualification textbooks acting as awarding organisations
- national governing bodies for sports acting as awarding organisations
- professional bodies acting as awarding organisations

You may wish to provide information and documentation to assist us to consider the following questions in deciding whether you meet this criterion:

1. Have you considered all elements of the business to identify those areas which may give rise to a conflict of interest?
2. Does a policy exist which explains how you identify and manage conflicts of interest?
3. How do individuals associated with your organisation declare conflicts of interest?
4. Does the policy cover conflicts of interest at all levels of your organisation?
5. Is the policy clear what actions will be taken where a conflict of interest is declared or otherwise identified, and will those actions be sufficient to protect learners?
6. What processes do you have in place to review conflicts of interest and how does this happen?

A.6 Governing body oversight

This only applies to organisations. Sole traders (individuals) are not required to provide a response.

You may wish to consider the following:

Have you correctly identified and defined the Governing Body of the legal entity for which you are applying for recognition?

Our Criteria for Recognition and Conditions of Recognition define a Governing Body as follows:

Where the awarding organisation is a limited company, the board of directors of the awarding organisation. Where the awarding organisation is not a limited company, a person or group of people having the equivalent status within the organisational structure of the awarding organisation.

This means that for **limited companies** the Governing Body must be the board of directors of

the organisation that is seeking recognition. The board of directors should comprise all validly appointed directors of the company (which should be listed on Companies House) and can only comprise directors (as opposed to other roles).

For organisations that are **not limited companies**, the Governing Body is a person or group of people that have the equivalent status within the organisational structure to the board of directors of a limited company. This may already be established in the organisation's documentation. For example:

- Partnerships – the Governing Body will be the partners in accordance with any partnership agreement
- Limited Partnerships – the Governing Body will be as per the Limited Partnership agreement
- Limited Liability Partnerships – the Governing Body will be as per the LLP agreement
- Royal Charters – the Governing Body will be defined in the Royal Charter and may be for example the Board of Trustees or the Council
- Charitable entities – the Governing Body is likely to be defined in the trust deeds, constitution, or written rules of the management committee

Who will be the chair of the Governing Body?

Once an awarding organisation is recognised by Ofqual, it is the chair of the Governing Body that will be responsible for signing the annual statement of compliance (under General Condition B2.2).

You may wish to identify in your application who the chair of the Governing Body will be.

Will the Governing Body have continuing oversight of, and be directly accountable for -

- (a) the performance of the organisation's activities as a recognised awarding organisation, and
- (b) the organisation's compliance with its Conditions of Recognition?

It is possible (and not uncommon) for the Governing Body to delegate certain responsibilities to a sub-committee and/or specific individuals, such as a management board, awarding committee or a board of governors and or for the Governing Body to meet with other individuals who act in an advisory capacity to the Governing Body. This can be considered an extension to the Governing Body.

However, under Criteria for Recognition A6, CCEA Regulation must be satisfied that the awarding organisation has in place appropriate arrangements to ensure that its Governing Body will have continuing oversight of, and be directly accountable for (a) the performance of the organisation's activities as a recognised awarding organisation, and (b) the organisation's compliance with its Conditions of Recognition.

That means that any delegation made by the Governing Body must be reasonable in scope and the Governing Body must be satisfied that the relevant person or committee is capable of carrying out the delegated matters and the Governing Body must oversee the matters as appropriate.

For **limited companies** we would expect the terms of any delegation to have been authorised by a resolution of the board of directors and for such authorisation to be documented either in a set of relevant board minutes or in a written resolution of the directors authorising the same. The terms of any delegation should be consistent with what is permitted under the company's articles of association and should be reflected accordingly in the Terms of Reference for any committees that the board has delegated authority to.

For organisations that are **not limited companies** we would expect the terms of any delegation to have been authorised and documented in a similar way to that set out for limited companies, in a manner that is consistent with, and permitted under, any written rules of the organisation (such as a partnership agreement, trust deeds, constitution or Royal Charter).

You may wish to provide with your application any documents that you have to evidence and explain any delegations that have been made by the Governing Body, including any structure charts which may help to illustrate your delegation, accountability and reporting lines. It is important to show how the Governing Body ensures that any delegations are operating effectively. For example, how do any sub-committees feedback information to the Governing Body.

Is the organisation you are seeking recognition for a wholly owned subsidiary?

If your organisation is/are a wholly owned subsidiary, you will need to show that your governing body has visible and authorised independence from the parent company. This is to ensure the opportunity exists for the awarding organisation to challenge operations in the parent company which may affect your ability to comply with the Conditions.

You may also wish to provide information and documentation to assist us to consider the following questions in deciding whether you meet this criterion:

- (a) does the governing body have defined roles and responsibilities and have any delegations been properly authorised and documented?
- (b) do your Terms of Reference for any delegated sub-committees show the upward route for reporting information and decisions to the Governing Body as well as showing how the sub-committees are governed?
- (c) is it clear how the governing body oversees performance across the organisation?
- (d) is it clear how the governing body integrates with governance at all levels within the organisation?
- (e) do policies and processes exist which enable the governing body to identify and manage risk?
- (f) does the governing body understand its function in ensuring the organisation's capability to comply with the Conditions?
- (g) is it clear what authority the Governing Body has to act and take responsibility for the operation and performance of the organisation?

Supporting information

As part of your application, you may wish to make reference to, and include as supporting evidence, some of the following information in your response to show how you meet the

requirements of Criteria A.1 to A.6. You may provide some of the evidence when addressing other Criteria. This is fine, you do not need to repeat it. Tell us where we can find the information. A well referenced application makes this much easier and quicker for us to review.

This list is not exhaustive:

- the articles of association (for limited companies) or any written rules (for organisations that are not limited companies)
- organisation structure charts
- lists and profiles of key staff
- job or role descriptions
- terms of reference for the governing body and relevant committees including written records of any delegations that have been made
- policy and processes for risk management
- committee structures
- information about other activities you may undertake as part of your business activities

Criterion B: Integrity

Criterion B is concerned with the suitability of the organisation or persons relevant to the application. Criterion B.1 relates to the declaration required to evidence suitability for the integrity of the entity applying for recognition and Criterion B.2 relates to the declaration required to evidence suitability for the integrity of senior officers.

B.1 Integrity of the Applicant

As part of the application, you should either declare that the entity applying for recognition has not:

- a) been the subject of any criminal convictions
- b) been found by a court or any professional, regulatory or government body to have breached any provision of competition law, equalities law or data protection law to which it has been subject
- c) been found by a court or any professional, regulatory or government body to have breached any provision of any relevant legislation or relevant regulatory obligation to which it is subject
- d) been the subject of any instance of insolvency or corporate financial restructuring to which it is or has been subject,
or, where you cannot do so, provide relevant details.

Where you provide evidence that you have been the subject of an action in points a) to d), this will not automatically lead to an application being refused. We will determine the weight we attach to the information, having regard to the nature and seriousness of the situation and the time which has elapsed since it occurred.

Should non-disclosure of an action be identified after an awarding organisation becomes recognised, we may request further information. As a result of this information, it may be the case that we investigate whether or not recognition has been granted erroneously as a result of failure to disclose the necessary information.

B.2 Integrity of Senior Officers

Likewise, you should either declare that your senior officers have not:

- a) been the subject of any criminal convictions
- b) been found by a court or any professional, regulatory or government body to have breached any provision of any relevant legislation or regulatory obligation, to which they are subject
- c) been the subject of any instance of bankruptcy or individual financial arrangements to which they are or have been subject
- d) been disqualified from holding the directorship of a company or from public office
- e) been subject to a finding of malpractice or maladministration, in relation to a qualification (whether regulated or unregulated)
or, where you cannot do so, provide relevant details.

Where you provide evidence that your senior officers have been the subject of an action in points a) to e), this will not automatically lead to an application being refused. We will determine the weight attached to the circumstances of the action, having regard to the nature and seriousness of the action and the time that has elapsed.

Criterion B.2 (c) specifically refers to “*any instance of bankruptcy or any financial arrangements to which he or she [the Senior Officer] is or has been subject*”. We complete due diligence checks through publicly available insolvency registers to verify information that you have submitted as part of your application. We need the application to clearly identify each senior officer.

Supporting information

In addition, you may wish to make reference to, and include as evidence, some of the following information in your response to evidence how your organisation meets the requirements of Criteria B.1 and B.2. You may choose to provide these as part of your evidence for Criterion C1a:

- CVs or biographies of senior officers
- recruitment procedures for senior officers
- processes for obtaining and verifying senior officer declarations
- processes to deal with allegations about employees
- robust decision-making process for confirming appointments, for example, appointment panels

Criterion C: Resources and financing

For Criterion C.1, you should evidence the resources you will have in place to develop, deliver and award the qualifications. It is possible that some of these things are not yet in place (for example, staff) as you may not yet be offering qualifications. If this is the case, your application and supporting information must show how this will be achieved if we decide to recognise you.

Criterion C.1 is split into 2 requirements, so you may want to structure your response accordingly:

- (a) systems, processes and resources
- (b) financial resources and facilities

C.1(a) Systems, processes and resources

In relation to Criterion C.1(a) you should provide evidence that you have appropriate arrangements in place to ensure you have or will have:

- IT infrastructure and systems to support the development, delivery and award of qualifications, also see Criterion A1, A2 and A3.
- any relevant third-party contracts, such as arrangements with IT providers, arrangements with Centres, or employers involved in the delivery of assessments, for example, providing facilities, invigilators and/or assessors. We would expect to see evidence that explains how you will manage your relationship with Centres (including employers or training providers); for example, how you would expect Centres to invigilate assessments, and how you would take action should any issues, such as malpractice or maladministration, occur. This evidence should include an example of the enforceable agreement you would have with those Centres which allows you to investigate issues such as malpractice allegations.
- processes for the development, delivery and award of qualifications (you may choose to provide these as part of your evidence for Criterion D instead)
- policies to meet legal and regulatory requirements, for example, reasonable adjustments, special considerations, appeals, complaints or malpractice policies
- staff resourcing plans which will enable you to develop, deliver and award qualifications and assessments successfully
- organisational policies and procedures, for example, recruitment of staff and members of the governing body.

You may provide some of the evidence when addressing other Criteria. This is fine, you do not need to repeat it. Tell us where we can find the information. A well referenced application makes this much easier and quicker for us to review.

You may wish to provide information and documentation to assist us to consider the following questions in deciding whether you meet this criterion:

1. Is it clear and have you provided evidence to show how you will develop, deliver and award qualifications, through your organisation, processes, people, infrastructure and systems?
2. Do you explain how IT will be managed and any products which you have or will purchase to support this?

3. Have you explained how you will manage data securely to comply with legislation requirements?
4. Have you explained the key components of the qualification lifecycle?
5. Do you have systems and processes in place which will take the Learner from registration to award?
6. Have you evidenced how you will manage and maintain Centres from a risk perspective?
7. Have you explained how you will respond to the requests of Centres and Learners?
8. Have you explained how your Centre systems link up with your own systems?
9. Have you explained your business continuity plan in relation to the development, delivery and award of qualifications and how that is aimed at protecting Learners?
10. Have you explained your people strategy, current and future staffing structure and needs?
11. Have you explained what skills, knowledge and experience you have in current staff who will deliver, develop and award qualifications?
12. Have you explained how new staff will be recruited, trained and managed?

C.1(b) Financial resources and facilities

In relation to Criterion C.1(b) you should provide evidence that you have appropriate arrangements in place to ensure you have or will have:

- adequate financial reserves which will support the organisation through the lifecycle of a qualification
- accounting and financial monitoring systems in place for the awarding organisation function, or for a new awarding organisation, detailed proposals for maintaining accounting records and monitoring financial performance; a business continuity plan focused on protecting Learners' interests
- third party arrangements that are in place or will be in place for any support services.

The following can be used as a guide to the type of financial and business information we would expect from you to support the CCEA Regulation C1(b) financial assessment of your application. The documents that we would expect to see are:

- published accounts
- business plan and key assumptions
- profit and loss forecast for 3 years
- cashflow forecast for 3 years
- statement of funding
- sensitivity analysis for 3 years

All these documents are mutually supporting and will help us understand your growth plans and the projected financial performance of the business for the first 3 years following CCEA Regulation recognition. Your application should explain how you intend to monitor financial performance and measure progress against the plan to verify that the business is performing as

anticipated. We expect you to provide assurance that you will carry out regular reviews, and take corrective action where necessary, in order to adjust the business to its intended direction.

Published accounts

For the majority of applications, we are able to obtain the trading history from Companies House or the Charities Commission. If accounts have not been filed in either of these places, please submit your accounts for the past 3 years with your application.

Whilst we prefer to see 3 years trading history, if you are a new entity, it does not prevent you from making an application. Please explain when the entity was created and provide any accounts that are available.

Business plan and key assumptions

This document should provide an overview of your business venture and include the following sections:

- market research you have undertaken
- competitor analysis
- pricing strategy with comparisons against similar qualifications where appropriate
- anticipated take up of your qualification during the period of the plan

A list of key assumptions should also be provided to assist CCEA Regulation in understanding the revenue and costs included in your plan. For example, a key assumption might be that the business will be operated from home for the first 3 years which will help to reduce accommodation costs. Another example might be that directors have chosen not to take a salary for 2 years to enable the business to become established.

As a general guide, assumptions should be listed for all revenue and cost lines in the profit and loss forecast, so that CCEA Regulation can understand the basis of calculation. Stated assumptions should also cover implications from significant wider economic and societal issues, such as the impact of coronavirus (COVID-19). You should include details of any financial contingency that you may have included within the plan.

Profit and loss forecast for 3 years

Usually presented as:

1. Year 1 – by month with an annual total
2. Year 2 – by quarter with an annual total
3. Year 3 – by quarter with an annual total

The profit and loss account is built in 3 sections:

- i. Income drivers – this is using the multipliers of certifications multiplied by price (there can be several income drivers, but all should be shown as volume × price).
- ii. Income – this is the result from the income driver (note all values exclude VAT if registered)
- iii. Cost – to actively manage the costs in a business this section must be constructed using

similar processes to the income drivers. Each cost line should be built from physical determinants. For example, salaries would be based upon the total number of employees multiplied by their individual salary cost, including employer pension and National Insurance contributions. Accommodation expenses will include all building and facilities related costs. This process is replicated for all the cost lines. It is advised to show the individual cost categories as a separate line item in the profit and loss. This allows CCEA Regulation to confirm all possible costs have been included.

Once the 3 sections are complete item 2 minus item 3 gives you a well-considered and informative forecast profit and loss.

Cashflow forecast for 3 years

Usually presented as:

1. Year 1 – by month with an annual total
2. Year 2 – by quarter with an annual total
3. Year 3 – by quarter with an annual total

The cashflow forecast is how you would expect the bank account to move over a period. It is presented in 4 sections:

- i. Opening balance – in a new start-up this would be zero.
- ii. Income (including VAT if charged) – when received from customer, this is normally after the invoice has been raised. Loans received from directors or investors. Plus, any other amounts paid into the bank.
- iii. Payments – all payments to suppliers, contractors, salaries, taxes, assets, cash drawn, plus all other items from the bank such as direct debits.
- iv. By adding 1 with 2 and minus 3 gives you the closing cash balance. The closing balance at the end of the first month becomes the opening balance for month 2.

Statement of funding

The statement is a document which sets out how the business will be funded. In some agreements the funding source can be made up of components such as cash, time, assets etc. We need to see the amounts included in individual funding sources plus associated terms and conditions.

Where loans have been taken out, we need to see the amount of the loan and conditions which control the repayment. We also need details of interest expectations and security for the lender.

If the new business is a limited company, formal documents are required to be ratified at a board meeting and that document should be included within the application. The document must be signed by both parties. In the cashflow statement only the cash funds element is to be shown as income.

Sensitivity Analysis for 3 years

This is a process applied to the profit and loss account forecast. The aim of the sensitivity

analysis is to establish the potential circumstances that may divert the profit and loss from its proposed trajectory. We would expect you to provide a sensitivity analysis that covers 3 scenarios. These are:

Base case (the plan)

Simply put, this is the profit and loss as in item 2 for 3 years.

Best Case

Using the plan as the baseline what could happen if learner numbers increased, or prices increased beyond those anticipated in the plan. Costs may reduce due to a number of reasons, such as greater business efficiency resulting from a new IT system or through improved productivity. This list is not exhaustive. Please consider the key variables that will affect your plan and how sensitive your numbers are to changes in those key variables.

Worst Case

The worst case could include such impacts such as the effects of a pandemic or global event, a reduction in learner numbers, change in legislation, increase in cost base, market forces bringing prices down etc. As above, please consider the key variables that will affect your plan and how sensitive your numbers are to changes in those key variables.

Final Note on finances

In some circumstances we may also ask for a balance sheet forecast. We do not expect to see this in your initial application, and will request one if required.

Facilities

In addition to the financial information, you should provide details of any facilities and premises that you have, with particular regard to how you will maintain security of digital and paper-based resources.

Supporting information

To demonstrate how you meet the requirements of Criterion C.1, you may wish to include some of the following in your response as evidence, or reference its location elsewhere in your application:

- an IT strategy and tools which support the development, delivery and award of qualifications, and the security of Learner information
- a business continuity plan focused on protecting Learners' interests
- third party arrangements that are in place or will be in place for any support services
- processes and policies for the key components of the development, delivery and award of qualifications, from identifying the demand for a new qualification through to review and withdrawal
- a process for maintaining comparability of standards within and across qualifications over time
- a written approach to evaluation and continuous improvement of processes and procedures
- a risk management strategy appropriate and proportionate to the awarding organisation function
- a security policy about protecting confidential materials and information

- management information reporting systems and processes
- Centre approval policies and processes
- arrangements for overseeing and managing Centres
- identified interactions between the awarding organisation and Centres, supported by training of Centre staff
- processes that allow Centres to apply for reasonable adjustments, special consideration and make appeals against results
- resources allocated to customer service for Centres and Learners
- policies for dealing with malpractice and maladministration
- an organisation structure chart
- a staffing vision for the different functions associated with developing, delivering and awarding qualifications showing:
 - headcount
 - posts with indication of time spent in roles (for example, FTE)
- indication of relevant skills and experience required of teams and individuals
- plans for recruitment for posts not yet filled
- training plans
- plans for recruiting (if applicable) and managing any outsourced operation

Criterion D: Competence

Under Criterion D.1, our assessment of the sufficiency of your understanding of, commitment to and approach to the development, delivery and award of qualifications takes place against 3 factors. These are the need to ensure that:

- (a) the applicant will be able to undertake the development, delivery and award the qualifications it wishes to award in accordance with the Conditions
- (b) any such qualification must, as far as possible, be valid, reliable, comparable, manageable and minimise bias
- (c) any such qualification must be compatible with the requirements of equalities law

If you are applying for recognition in respect of descriptions of qualifications with regard to which we have published particular requirements, for example, Essential Skills qualifications, you should demonstrate your understanding of these requirements as part of your application.

We need you to provide us with evidence that will enable us to conclude that you are competent to develop, deliver and award qualifications and assessments. We are looking for evidence on how you will develop, deliver and award the qualifications and assessments that you want to be regulated for. We need to determine on the basis of that evidence, that you understand how and why those processes are appropriate for the circumstances under which you will operate.

We do not prescribe or recommend a particular approach to providing the evidence against Criterion D. We find the most successful applications do this by explaining their organisation's processes by following the qualification or assessment lifecycle. We are interested in what your processes might reveal about your competence in assessment. We also find this effective as it allows you to explain how you might tackle associated issues such as malpractice, complaints, appeals etc. You may therefore wish to provide us with additional information, for example, a commentary on certain processes, to help us to gauge your understanding.

For example, in the development of a qualification and the assessments associated with it, how will you:

- develop the qualification
- decide what assessment methods you will use to demonstrate the knowledge skills and understanding required by the qualification
- develop each assessment and decide on how these will be delivered
- develop the mark schemes – how will assessments be marked and how will you standardise markers or assessors
- ensure the qualifications and assessments are valid, reliable, comparable, manageable and minimise bias
- ensure that the assessments and the student performances meet the required standards consistently
- review qualifications and assessments to ensure they remain valid

To use a specific example, if you are developing a multiple choice or written test some of the

things you may choose to explain to us are:

- how you are going to develop each item or question in the assessment
- if you are maintaining an item or question bank, and if so how do you build it and maintain it
- how you will ensure each item or question is valid, reliable, minimises bias and is at the right level of difficulty or demand
- how you will bring the items together into a paper or test – what is your approach to sampling content, formats and how many questions you will need
- how you will know the paper is of the right level of difficulty or demand and is a valid assessment
- how you will establish pass or grade thresholds
- how you will develop the mark scheme for each item or question
- what data you will collect to review the performance of the items you have used, and the test overall
- how you will address any issues you may have identified with the items, test or approach
- who will be involved in question or item writing, how you will appoint them, what expertise they need to have and how you will ensure they don't have any conflicts or personal interests
- who will be responsible for approving the questions and papers and checking that they are valid and reliable, what expertise you expect them to have to do this
- how you will deliver the test – for example:
 - how you will decide whether to offer it online, paper-based, or both
 - how you will develop or use an IT system to manage or interface with test processes
 - how you will authenticate the identity of the Learner taking the paper
 - how you will ensure the papers are kept securely
 - how you will ensure the delivery is manageable at the place it is being taken
 - who will be involved in the delivery of the assessment – is this your staff members or someone else
 - will the training provider, employer or Centre have a role in delivering the assessment – are they invigilating or handing out a paper
 - what enforceable agreement will you have with any training provider, employer or Centre - it is important because if someone does something wrong, like malpractice, you need to be able to take action
 - how will the Learners' responses be collected and returned to you
- how will you mark Learners' responses
- who will mark responses: people or machines
- if marked by people, how you will know they have the right expertise and no conflicts of interest

- how you will standardise your markers to ensure that they are marking consistently
- how you will generate a result in accordance with the requirements of the assessment plan
- how you will know these assessments are comparable to others you have set for this qualification that are taken at different places and over time – how will you maintain standards
- how you will identify wrongdoing such as malpractice or maladministration

You should also ensure your submission explains how you will ensure the qualifications and assessments you want to offer meet the relevant equalities law at every stage of the qualification lifecycle and how you will review your processes to ensure qualifications and assessments remain valid and reliable.

You may already have provided some of the evidence when addressing Criteria A or C1(a) (governance, conflicts of interest, IT systems, resources, job descriptions and role profiles, Centre approval, enforceable agreements, and reasonable adjustments). This is fine, you do not need to repeat it. Tell us where we can find the information. A well referenced application makes this much easier and quicker for us to review.

This is only an example of the sort of information we will look for in your application. Many of the points above also relate to the other forms of assessment you may be using. If you want to offer a range of qualifications that cover different regulatory types, we will expect to see in your application a document, or documents, that explain how you will develop, deliver and award across the range requested, including the range of assessment methods they may require.

We use all of this evidence together with the rest of the application to consider whether we are assured that you have the understanding of, commitment to and approach to the development, delivery and award of qualifications and assessments. These questions may help you check that you have provided information to support Criterion D elsewhere in your application:

1. Have you explained where each function of qualification development, delivery and awarding will sit within the organisation?
2. Have you explained your processes in such a way which provides evidence of your understanding and describes those processes to show how the different functions will interact?
3. Have you provided role profiles which clearly identify those roles which are responsible for development, delivery and award of each qualification type in respect of which you are applying for recognition? Do these roles have the appropriate technical skills to ensure subject content, reliability or equality?
4. Have you explained how these roles fit within the organisation?
5. Have you explained the staffing levels you believe you will need and why these seem appropriate?
6. What steps have you taken to identify, manage and mitigate any conflicts of interest which may arise?
7. Have you evidenced your business plan and associated funding for the whole of the qualification lifecycle?

8. Have you explained whether you would and, if so, how you will use expertise from other organisations, such as consultants, trade associations, subject experts?
9. Have you evidenced how you will ensure that the qualifications you offer will meet equalities law?

Supporting information

To demonstrate how you meet the requirements of Criterion D.1, you may wish to include some of the following in your response as evidence, or reference its location elsewhere in your application.

Information in relation to the development, delivery and award of a qualification which you may make available as an awarding organisation.

You may wish to provide:

- business strategy and plan or case
- staffing plan
- details of capital investment and financial forecasts
- plans for access to staff and equipment that are sufficient to support the expected current and future demand for services
- evidence that assessment personnel have the necessary experience, training and resources; senior managers similarly are adequately experienced and skilled in this area
- procedures in relation to maintaining archives, retaining and using evidence to guide the work of examiners and assessors
- systems in place for monitoring costs or detailed proposals for continued cost control
- policies on pricing, publishing information on fees and payment terms, and invoicing

Information in relation to securing, as far as possible, the requirement that such qualifications be valid, reliable, comparable, manageable and minimise bias.

You may wish to provide:

- details of capital investment and financial forecasts
- evidence of market scoping activity, demonstrating clear understanding of stakeholder requirements and likely delivery routes
- demonstrable support from relevant stakeholders
- compliance with qualification development procedures
- a clear understanding of policies and practices to evaluate requests from stakeholders and act accordingly
- processes and procedures for the reviewing of qualifications to ensure their quality
- processes to collect and evaluate review feedback

Information in relation to securing the compatibility of such qualifications with the requirements of equalities law.

You may wish to provide information on:

- how assessment personnel and procedures take into account relevant requirements which seek to minimise barriers to access wherever relevant
- policies and procedures to ensure the quality of internal and external assessment and deal with incidents of malpractice, appeals and complaints

Appendix 1 – Conflicts of Interest

Identifying Conflicts of Interest

- A4.1 An awarding organisation must identify and monitor –
 - (a) all Conflicts of Interest which relate to it, and
 - (b) any scenario in which it is reasonably foreseeable that any such Conflict of Interest will arise in the future.
- A4.2 An awarding organisation must establish and maintain an up-to-date record of all Conflicts of Interest which relate to it.

Managing Conflicts of Interest

- A4.3 An awarding organisation must take all reasonable steps to ensure that no Conflict of Interest which relates to it has an Adverse Effect.
- A4.4 Where such a Conflict of Interest has had an Adverse Effect, the awarding organisation must take all reasonable steps to mitigate the Adverse Effect as far as possible and correct it.

Interests in assessment

- A4.5 An awarding organisation must take all reasonable steps to avoid any part of the assessment of a Learner (including by way of Centre Assessment Standards Scrutiny) being undertaken by any person who has a personal interest in the result of the assessment.
- A4.6 Where, having taken all such reasonable steps, an assessment by such a person cannot be avoided, the awarding organisation must make arrangements for the relevant part of the assessment to be subject to scrutiny by another person.

The written conflict of interest policy

- A4.7 An awarding organisation must establish, maintain, and at all times comply with an up-to-date written conflict of interest policy, which must include procedures on how the awarding organisation intends to comply with the requirements of this condition.

A4.8 When requested to do so by Ofqual in writing, an awarding organisation must promptly submit to Ofqual its conflict of interest policy, and must subsequently ensure that the policy complies with any requirements which Ofqual has communicated to it in writing.

Guidance on Conflicts of Interest (including personal interest)

What is a Conflict of Interest?

In general terms, a conflict of interest exists when an organisation or an individual has competing interests, which might impair its or their ability to make objective, unbiased decisions.

Conflicts of interest can arise in a variety of contexts. Our Conditions cover conflicts of interest that affect (or could affect) an awarding organisation's ability to develop, deliver and award regulated qualifications in a way that complies with its Conditions of Recognition. We define the term '*Conflict of Interest*' in Condition J1 accordingly:

A Conflict of Interest exists in relation to an awarding organisation where –

- (a) its interests in any activity undertaken by it, on its behalf, or by a member of its Group have the potential to lead it to act contrary to its interests in the development, delivery and award of qualifications in a way that complies with its Conditions of Recognition,
- (b) a person who is connected to the development, delivery or award of qualifications by the awarding organisation has interests in any other activity which have the potential to lead that person to act contrary to his or her interests in that development, delivery or award in a way that complies with the awarding organisation's Conditions of Recognition, or
- (c) an informed and reasonable observer would conclude that either of these situations was the case.

The three parts of this definition are interrelated.

Part (a) covers Conflicts of Interest that relate to the awarding organisation. That is, situations where activities carried out by the awarding organisation itself (or on its behalf, or by a related company) might impair its ability to make objective, unbiased decisions about how best to develop, deliver or award its qualifications.

Similarly, part (b) covers Conflicts of Interest that relate to the individuals connected to any part of the development, delivery or award of its qualifications. That is, situations where a particular individual's interests might impair their ability to make the objective, unbiased decisions that are necessary to ensure the awarding organisation can develop, deliver and award its qualifications in line with the Conditions.

Part (c) extends our definition of Conflict of Interest to also include situations where an observer would perceive that an awarding organisation or individual has such a competing interest.

What requirements must an awarding organisation meet?

Condition A4 imposes a number of obligations on awarding organisations in relation to Conflicts of Interest. Awarding organisations must:

- identify and monitor all Conflicts of Interest which relate to it, as well as any scenario in which it is reasonably foreseeable that any such Conflict of Interest will arise in the future (Condition A4.1),
- establish and maintain an up-to-date record of all Conflicts of Interest which relate to it (Condition A4.2),
- take all reasonable steps to ensure no Conflict of Interest which relates to it has an Adverse Effect (Condition A4.3),
- in any case where a Conflict of Interest nonetheless results in an Adverse Effect, take all reasonable steps to mitigate the Adverse Effect as far as possible and correct it (Condition A4.4), and
- establish, maintain and comply with a written conflict of interest policy (Condition A4.7).

The Conditions do not impose a general prohibition on an awarding organisation operating when Conflicts of Interest exist. Rather, they require awarding organisations to identify, monitor and manage those Conflicts of Interest with a view to preventing any Adverse Effect that might arise from them, and to minimise any Adverse Effect should one nonetheless occur.

However, some of the Conditions do prohibit certain Conflicts of Interest in specific circumstances:

- Condition A8.3 prohibits anyone with a personal interest in the outcome of an investigation into potential malpractice from carrying out investigations of suspected or alleged malpractice
- Condition G4.6 prohibits anyone with a personal interest in the outcome of the investigation into potential breaches of confidentiality from carrying out investigations of suspected or alleged breaches of confidentiality
- Condition I1.2 prohibits anyone with a personal interest in the decision being appealed from taking decisions on that appeal.

In addition, Conditions A4.6 and A4.7 require awarding organisations to take all reasonable steps to avoid Learners being assessed by anyone with a personal interest in the outcome of the assessment, and – where it is unavoidable – to ensure any part of the assessment they do conduct is scrutinised by someone else who does not have such an interest.

What is a personal interest?

A personal interest is a Conflict of Interest that relates to a particular individual. All Conflicts of Interest that fall under part (b) of our definition are personal interests, as are any perceived Conflicts of Interest under part (c) that relate to individuals, rather than to the awarding organisation itself.

A personal interest can be financial or non-financial in nature.

In the situations covered by Conditions A4.6-A4.7, A8.3, G4.6 and I1.2, the relevant questions to ask are:

- Does the individual carrying out the assessment, investigation or appeal have any reason or incentive to make anything other than a decision in line with the relevant Conditions?
- Would an informed and reasonable observer conclude that such a reason or incentive exists?

Examples of situations where Conflicts of Interest and personal interests exist (or could be perceived to exist)

Example 1

An awarding organisation produces equipment or materials (such as textbooks) used in the teaching or assessment of its qualifications.

A Conflict of Interest arises here because the awarding organisation's decisions and actions in relation to its qualifications might also affect those other activities. For example, a decision to revise the content of the qualification might also create a commercial opportunity for the

awarding organisation to sell new equipment or materials to Centres offering its qualifications. In turn, consideration of these other commercial interests could impair – or be perceived to impair – the awarding organisation’s ability to make objective, unbiased decisions about how best to develop, deliver or award its qualifications.

Example 2

An awarding organisation is part of a Group, and another company within Group operates a number of Centres delivering its qualifications.

A Conflict of Interest arises here because the awarding organisation’s decisions and actions in relation to its qualifications will also affect that sister company – for example, by imposing costs or administrative burden.

In turn, consideration of the interests of this related company could impair – or be perceived to impair – the awarding organisation’s ability to make objective, unbiased decisions about how best to develop, deliver or award its qualifications.

In particular, the awarding organisation might have – or be perceived to have – an incentive not to uphold qualification standards if that would advance the commercial interests of the other Group company.

Example 3

Centre staff carry out assessment on behalf of an awarding organisation. The Centre’s main source of income is payments based on the number of students who pass the qualification. The pay and reward of Centre staff is directly linked to the Centre’s overall income.

A Conflict of Interest arises here because an individual Assessor has a financial incentive to ensure that as many students as possible pass the qualification, as this will maximise both the Centre’s and their own income.

That incentive could impair – or be perceived to impair – an Assessor’s ability to make unbiased judgements about the extent to which a student has demonstrated the required knowledge, skills and understanding. In turn, that makes it less likely that an Assessor will in fact make an objective and unbiased decision.

Indeed, in this case Centre staff would most likely have a personal interest in the outcome of assessments for any students at their Centre, and Condition A4.6 would require the awarding organisation to take all reasonable steps to avoid using them as Assessors for those students. If this were unavoidable, Condition A4.7 would require any such assessment to be scrutinised by another person.

Example 4

An awarding organisation has received an allegation of malpractice, and is deciding who should investigate it.

Condition A8.3(b) requires investigators to be ‘persons of appropriate competence’. In this case, one individual who meets that requirement is the Head of Centre.

Condition A8.3(b) also requires investigations to be undertaken by ‘persons ... who have no personal interest in their outcome’. Whether or not the Head of Centre has such a personal interest here will depend on the facts of the case. It will be a matter of judgement for the awarding organisation.

Examples of situations where a Head of Centre has a clear personal interest in the outcome of an investigation would include cases where:

- the Head of Centre is accused of, or potentially implicated in, the alleged malpractice,
- the Head of Centre is related to, or has a close personal relationship with, any of the individuals accused of malpractice, and
- a finding of malpractice would have direct financial consequences for the Head of Centre (for example, if it would place a performance-related bonus, or their job, at risk).

Other cases will be less clear-cut, and awarding organisations may need to consider factors such as the nature, scale and scope of alleged or suspected malpractice when deciding whether or not the Head of Centre can conduct the investigation.

In broad terms, a Head of Centre is more likely to have (or be perceived to have) a personal interest in the outcome of an investigation where the alleged malpractice is more cultural or systemic.

Another factor awarding organisations may need to consider is the potential consequences of a finding of malpractice for the Centre (and, by extension, the Head of Centre). Such findings can affect the outcomes achieved by Learners, and the Centre’s results in Government performance tables. They can also result in disciplinary action against Centre staff, which might disrupt the running of the Centre – significantly so if multiple staff members were implicated in the malpractice.

The greater the potential impact on the Centre, the more likely it is that the Head of Centre will have (or be perceived to have) a personal interest in the outcome of a particular investigation. There will also be situations where a member of the Centre’s staff who is not a Head of Centre could conduct an investigation. They must also meet the requirements of Condition A8.3(b). Many of the factors outlined above in respect of whether Heads of Centre have a personal interest in the outcome of an investigation may similarly be relevant for other Centre staff. Whether or not an individual has (or would be perceived to have) a personal interest will be a matter of judgement for the awarding organisation.

Example 5

An awarding organisation uses a large pool of markers for its assessments. Some of the more experienced markers also act as members of a panel which determines appeals.

One appeal involves a Learner whose work was originally marked by one of the panel members. A Conflict of Interest arises here in relation to that panel member – because it is their own marking decisions that are being scrutinised on appeal.

That also means the panel member would have a personal interest in the decisions being appealed, because the appeal would determine whether or not those marking decisions were appropriate.

As a result, Condition I1.2(b) would prohibit that panel member from taking decisions on this appeal. They would, however, be permitted to adjudicate appeals for other Learners whose work they had not marked.

In order to comply with Condition I1.2(c), the appeals panel would also need to include at least one decision maker who was not one of the awarding organisation's markers (and was not connected to the awarding organisation in some other way).

Example 6

An awarding organisation pays individuals who determine appeals.

A Conflict of Interest arises here because the fact that the individual is paid by the awarding organisation (a party to the appeal) creates - or could be perceived to create - an incentive for the individual to make decisions on appeal cases that favour the awarding organisation.

In this instance, a degree of Conflict of Interest is largely unavoidable, as it would be unrealistic to expect the awarding organisation to use unpaid volunteers to determine appeals. Our rules reflect this, and Condition I1.2(b) only prohibit individuals from taking decisions on appeals if (as in Example 5) they have a personal interest in the decision being appealed.

Rather, Condition A4 requires the awarding organisation to monitor and manage that Conflict of Interest to prevent it having an Adverse Effect, and to mitigate and correct any Adverse Effect that nonetheless occurs.

Guidance on Condition A4

In the guidance below 'confidential assessment information' refers to both the contents of assessment materials and information about the assessment in relation to which confidentiality must be maintained under Condition G4.1.

Examples of 'positive indicators' that would suggest an awarding organisation is likely to comply

The awarding organisation:

- ensures that its contractual arrangements with staff and third parties who have access to confidential assessment information clearly set out any obligations on those staff and third parties to manage conflicts of interest arising from other activities that they undertake;
- puts in place contractual arrangements which require, at a minimum, staff and third parties who have, or have had, access to confidential assessment information through the assessment development process (including quality assurance) to provide details to the awarding organisation of –
 - all instances in which such a person is, or has been, a Tutor for the relevant qualification, or is employed by a Centre at which that qualification is taught or delivered (even if that person does not themselves teach or deliver the qualification); and
 - all other conflicts of interest including personal conflicts such as, for example –
 - where a child, sibling, or other close family member is due to take the assessment

in relation to which the person has confidential assessment information, and

- where a partner or other close family member is teaching, or is due to teach, the relevant qualification;
- requires such details to be provided on an ongoing basis for as long as the relevant assessment information remains confidential;
- maintains records of all conflicts (using one or more documents) and retains relevant entries for as long as the relevant assessment information remains confidential or as long as required to undertake effective monitoring, whichever is later;
- puts in place contractual arrangements requiring staff and third parties who have had access to confidential assessment information to promptly notify it if they have been, or are currently, involved in the preparation of a resource designed to support the preparation of Learners for assessments for that qualification. One example of such a resource would be a textbook for the specification. This does not apply to the preparation of teaching resources or materials by a Tutor exclusively for Learners that he or she teaches (although the awarding organisation may choose to look at such materials in order to deter and detect any breach of confidentiality);
- monitors assessments set by staff and third parties who have been involved in the preparation of a resource designed to support the preparation of Learners for assessments for that qualification, to ensure that the fitness for purpose of those assessments has not been compromised by that resource. One example of such a resource would be a textbook for the specification. This does not apply to the preparation of teaching resources or materials by a Tutor exclusively for Learners that he or she teaches (although the awarding organisation may choose to monitor such materials in order to deter and detect any breach of confidentiality).
- investigates credible concerns which come to its attention in relation to conflicts of interest.

Examples of 'negative indicators' that would suggest an awarding organisation is not likely to comply.

The awarding organisation:

- did not know that the partner of a staff member involved in the development of confidential assessment information was employed at the time as a Tutor for the qualification for which the assessment would be taken;
- did not know that a third party who it contracted to develop or quality assure confidential assessment materials was employed at the time as a Tutor for the qualification for which the assessment would be taken;
- did not know that a third party who it contracted to assist with the development of confidential questions for an assessment – who did not teach the relevant qualification at the time – later became a Tutor of that qualification before the assessment was taken;
- did not know that a third party who modified confidential assessment materials worked at the time as a private tutor in respect of the qualification for which the assessment would be taken;
- where a current Tutor holds confidential assessment information, deletes relevant

information from its conflicts register where the Tutor stops teaching the relevant qualification before the assessment is taken or before any monitoring takes place.

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