

# Parliamentary accountability and audit report

The content of notes 1 to 3 are subject to audit.

## 1. Regularity of expenditure

Losses and special payments are items that Parliament would not have contemplated when it agreed funding or passed legislation. By their nature, they are items that ideally should not arise and should only be accepted if there is no feasible alternative. They are therefore subject to special control procedures compared with the generality of payments.

### 1.1 Losses

	2022/23	2021/22
Total number of losses	534	567
Total value of losses (£000)	638	1,502

The losses incurred during 2022/23 relate to the write-off of irrecoverable receivables invoices following the exhaustion of collection. CQC incurred no individual losses exceeding £300k during the year (2021/22: no cases).

## 1.2 Special payments

	2022/23	2021/22
Total number of special payments	11	5
Total value of special payments (£000)	476	11

The special payments incurred during the year relate to ex gratia payments made to individuals. There were no individual special payments exceeding £300k during the year (2021/22: none).

## 1.3 Gifts

During 2022/23 CQC made no gifts or donations (2021/22: none).

## 2. Remote contingent liabilities

There were no remote contingent liabilities as at 31 March 2023 (31 March 2022: none).

## 3. Fees and charges

Fees are charged in accordance with section 85 of the Health and Social Care Act 2008 to cover the cost of our regulatory functions. This includes initial registration, changes to registration and our activities associated with monitoring, inspection and rating registered providers. Other existing responsibilities, such as our work under the Mental Health Act, are funded by grant-in-aid from DHSC.

Registered providers are charged an annual fee based on the type and scale of services provided. The current fees scheme, effective from 1 April 2019, sets fees at a level to recover our chargeable costs in fees as required by HM Treasury policy.

See [www.cqc.org.uk/guidance-providers/fees/fees](http://www.cqc.org.uk/guidance-providers/fees/fees) for further details.

The following table provides an analysis of the income and costs associated with our regulatory activities for which a fee is charged, see notes to the financial statements (note 2.3) for further details.

	Income £000	Full cost £000	<b>2022/23 Deficit £000</b>	<b>2021/22 Surplus £000</b>
Regulatory fees for chargeable activities	(215,751)	217,921 <sup>1</sup>	<b>2,170</b>	<b>(6,116)</b>

<sup>1</sup> Full chargeable cost of £217,921k excludes non-cash items totalling £5,327k from the total expenditure relating to chargeable activities presented in note 2.3 in the notes to the Financial Statements. These non-cash items consist of the provision for pension fund deficits £2,108k, net interest on pension scheme assets and liabilities £787k, expected credit loss £209k, provision expenses £1,871k, apprenticeship training grant expense £272k and finance costs £80k all of which are covered by non-cash budgets.

There will always be variation when aligning costs for chargeable activity to our fee income on an annual basis.

## 4. Better payment practice code

In accordance with the government's prompt payment policy, CQC aims to pay 90% of undisputed and valid invoices within 5 working days and 100% of all undisputed and valid invoices within 30 days. The table below shows average performance across each financial year.

Average across financial year	Target	2022/23 Number	2022/23 Value	2021/22 Number	2021/22 Value
Invoices paid within five working days	90%	90%	93%	87%	90%
Invoices paid within 30 days	100%	100%	100%	100%	100%

Our performance against the target to pay invoices within five working days has improved through the year and we ended the financial year exceeding the target for both volume and value, marking an improvement from our performance during 2021/22.

## 5. Functional standards

The functional standards are designed to promote consistent and coherent working within government organisations. During 2022/23, we identified the appropriate functional standards that were applicable and sought to assess against the minimum requirements – listed in the standards as “shall” which is the first requirement as part of the standard adoption.

This showed that we had good coverage of the minimum requirements and in a lot of areas more than exceeded, however in some standards we didn't meet the minimum across all criteria and therefore need to do more, for example Counter Fraud, Communication and Project Delivery.

Plans are being developed to ensure the minimum requirements are met in all standards, with a clear action plan to enable that and then we will look to strengthen our position across all standards, focusing on better and best practice.

**Kate Terroni**

Interim Chief Executive  
Care Quality Commission

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