

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

| | 2021/22 | 2020/21 |
|------------------------------|---------|---------|
| Total number of losses | 567 | 563 |
| Total value of losses (£000) | 1,502 | 1,579 |

The losses incurred during 2021/22 relate to the write-off of irrecoverable receivables invoices following the exhaustion of collection. CQC incurred no individual losses exceeding £300k during the year (2020/21: 2 cases totalling £1,232k).

1.2 Special payments

| | 2021/22 | 2020/21 |
|--|---------|---------|
| Total number of special payments | 5 | 1 |
| Total value of special payments (£000) | 11 | 1 |

The special payments incurred during the year relate to ex gratia payments made to individuals. There were no individual losses exceeding £300k during the year (2020/21: none).

1.3 Gifts

During 2021/22 CQC made no gifts or donations (2020/21: none).

2. Remote contingent liabilities

There were no remote contingent liabilities as at 31 March 2022 (31 March 2021: 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 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 | 2021/ 22 Surplus £000 | 2020/ 21 Surplus £000 |
|---|----------------|----------------------|--|--|
| Regulatory fees for chargeable activities | (207,909) | 201,793 ¹ | 6,116 | 9,144 |

¹Full chargeable cost of £201,793k excludes non-cash items totalling £4,176k 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 £2,393k, net interest on pension scheme assets and liabilities £1,510k, expected credit loss (£136k), provision expenses £319k and apprenticeship training grant expense £90k 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. During 2020/21 the full cost of our chargeable activities was lower than anticipated due to the impact of COVID-19 on our normal operations, which continued into 2021/22.

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.

| | | 2021/22 | 2021/ 22 | 2020/21 | 2020/ 21 |
|-------------------------------------|--------|---------|-------------|---------|-------------|
| Average across financial year | Target | Number | Value | Number | Value |
| Invoices paid within 5 working days | 90% | 86.9% | 90.4% | 76.6% | 71.5% |
| Invoices paid within 30 days | 100% | 99.5% | 99.8% | 98.4% | 98.1% |

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Care Quality Commission

4 July 2023

