

Parliamentary accountability and audit report

1. Regularity of expenditure (subject to audit)

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

	2023/24	2022/23
Total number of losses	385	534
Total value of losses (£000)	292	638

The losses incurred during 2023/24 relate to the write-off of irrecoverable receivables invoices following the exhaustion of collection. CQC incurred no individual losses exceeding £300k during the year (2022/23: no cases).

1.2 Special payments

	2023/24	2022/23
Total number of special payments	4	11
Total value of special payments (£000)	33	476

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 (2022/23: none).

1.3 Gifts

During 2023/24 CQC made no gifts or donations (2022/23: none).

2. Remote contingent liabilities (subject to audit)

There were no remote contingent liabilities as at 31 March 2024 (31 March 2023: none).

3. Fees and charges (subject to audit)

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 the Department of Health and Social Care.

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 our [Fees webpage](#) 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	2023/ 24 Deficit £000	2022/ 23 Deficit £000
Regulatory fees for chargeable activities	(223,326)	247,809	24,483	2,170

There will always be variation when aligning costs for chargeable activity to our fee income on an annual basis. The deficit increased as we completed our transformation programme utilising funds from our retained reserve and includes an impairment charge relating to our intangible assets.

Note:

¹ Full chargeable cost of £247,809k excludes non-cash items totalling a credit of £142k 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 £2,939k, net interest on pension scheme assets and liabilities negative £4,099k, expected credit loss £332k, provision expenses £488k, apprenticeship training grant expense £101k and finance costs £97k all of which are covered by non-cash budgets.

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	Number 2023/24	Value 2023/24	Number 2022/23	Value 2022/23
Invoices paid within five working days	90%	89%	94%	90%	93%
Invoices paid within 30 days	100%	100%	100%	100%	100%

Our performance against the target to pay invoices within 5 working days has remained stable through the year and we ended the financial year exceeding the target for value.

5. Functional standards

During 2023/24 we saw improvements on those functional standards that had undergone a review by government bodies. We continued to build on our approach to review all functional standards that apply, by developing and collating tools to complete self-assessments early in 2024/25.

During 2024/25, we aim to meet the minimum requirements and set our ambitions for improvement to further strengthen our position across all the functional standards that apply, focusing on better and best practice as stated in the Cabinet Office's Guide to continuous improvement against functional standards.

Sir Julian Hartley

Chief Executive

14 July 2025

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