

THE CHARTERED QUALITY INSTITUTE

England & Wales · Charity number 259678

Details

Other names THE INSTITUTE OF QUALITY ASSURANCE

Status Registered

Legal form Other

Registered 1969-11-05

Register [View on the Charity Commission register](#)

Contact

Address Third Floor
90 Chancery Lane
Holborn
London
WC2A 1EU

Phone 020 7245 8600

Email info@quality.org

Website <http://www.quality.org>

Activities

Objects: FOR THE BENEFIT OF THE PUBLIC TO ADVANCE EDUCATION IN, AND KNOWLEDGE OF AND THE PRACTICE OF, QUALITY IN INDUSTRY, COMMERCE, THE PUBLIC SERVICE AND THE VOLUNTARY SECTOR

Activities: The institute is a global professional body advancing the practice of quality management. We promote benefits of the quality management approach to industry. We maintain a competency framework for the profession. We share quality knowledge and resources. We provide training and certify learning providers.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Economic/community Development/employment
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** UNITED KINGDOM
- Japan
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£7,277,000	£6,638,000	£5,154,000	57
2023-12-31	£6,304,000	£6,084,000	£4,360,000	53
2022-12-31	£5,374,000	£4,888,000	£4,095,000	50
2021-12-31	£4,998,000	£4,673,000	£3,850,000	47
2020-12-31	£4,537,000	£4,473,000	£3,311,000	49

Trustees

Name	Role	Appointed
Alan Paul Robinson		2026-03-11
Asimakis Foros		2023-06-14
Christopher Chinapoo		2022-03-09
David Anderson		2021-03-10
Dr Evdoxia Viza		2023-06-14
Dr Karmela Palma		2026-03-11
Howard Cooper		2023-06-14
Michael Edward Bostock		2025-01-01
Rashad Issa		2021-03-10
Roxann Dawson		2017-09-07
Victoria Derbyshire		2022-03-09
Victoria Yates		2023-06-14

Linked charities

- THE INSTITUTE OF QUALITY ASSURANCE (259678-1)

THE CHARTERED QUALITY INSTITUTE

England & Wales - Charity number 259678

Accounts

The Chartered Quality Institute **Annual Report 2024**

Trustees' report for the year ended 31 December 2024

The CQI is the professional body for experts in improving product, project and service quality.

Our mission

As a registered charity with a Royal Charter, our purpose is to champion quality management in all sectors for the benefit of society* through the work of our members, the training and education we provide, our research and the outreach we conduct.

*The Trustees confirm they have referred to the Charity Commission's guidance on public benefit when reviewing the Institute's aims and objectives, planning future activities and setting the annual operating plan.

Our vision

Our vision is a world in which organisations of all types and sizes thrive by providing outstanding value for customers, stakeholders and society.

Our values

- **Inclusion** – we respect and value everyone, support each other to do our best, and collaborate to make a difference to society.
- **Integrity** – we act ethically, make decisions in the best interests of our stakeholders and take ownership for our actions.
- **Innovation** – we invite new ways of thinking that challenge the status quo, help us to remain relevant and ensure we continuously improve.

Our strategy

This report explains our progress towards our mission and vision in 2024, and our plans for the future. As reported in our 2023 annual report, the trustees completed a strategic review three years into our 2030 strategy, which was designed in 2019. We considered member and wider stakeholder feedback and the changing external environment. In particular:

- **Technology agenda** - That technology will have a large impact on where and how quality is managed within organisations.
- **Sustainability agenda** - That organisations need to respond innovatively to environmental, social and governance agendas.
- **Performance agenda** - That the true value of quality management and the quality profession in protecting and improving business performance is insufficiently understood by leaders and organisations.
- **Skills agenda** - That tight labour markets combined with the requirement for new skills are creating resource gaps in the quality profession.
- **CQI and IRCA relevance** - That a traditional membership offer is unlikely to sustain the CQI especially given our legacy digital systems and products.

This review underlined the need to increase investment in advocating for the value of quality management to society. From 2024 our strategic plan evolved to focus on three themes:

Quality management - engaging wider industry and stakeholders and helping quality professionals develop quality awareness, culture and capability within their organisations.

Quality profession - upskilling the profession especially in response to the digital and sustainability agendas, attracting new diverse talent into the profession, and positioning the profession as a driver of strategic value.

CQI - improving our systems and capability to deliver value for quality professionals and wider society.

Strategy overview 2024-2030

Strategic theme	Visions for quality, the profession and the CQI	Our ambition by 2030
<p>Promoting quality management</p> <p>Helping organisations develop a quality management culture and capabilities as a strategic enabler for sustainable competitiveness.</p>	<p>Our vision for quality management</p> <p>Quality capability - That ownership for the management of quality has been embedded in organisational value chains through the development of quality culture and capability.</p> <p>Trust and guardianship - That quality management is valued as the way to protect and enhance organisational reputation, mitigating the risk of operational failure and supporting social and environmental goals by building quality into products, services, projects and processes.</p> <p>Agility and adaptability - That quality enables organisations to work at pace to de-risk transformation and achieve performance improvement, including through new digital technologies.</p> <p>Strategic value - That quality management has grown from primarily operational to strategically significant.</p>	<p>Expanding our corporate offer - To develop a corporate offer that supports both the development of the quality professional and the management of quality more widely within organisations.</p> <p>Developing corporate quality capability and culture - To develop an organisational quality capability development asset that helps quality professionals improve the management of quality within their organisations.</p> <p>Developing non-quality professionals - To develop competence assets to support non-quality professional roles and allied professional domains.</p> <p>Advocating for quality - To implement an advocacy programme to promote the value of quality management and the quality profession. This is underpinned by a compelling argument for the value of quality management and the role of the quality professional, delivered through collaboration with relevant partner bodies.</p>

Strategic theme	Visions for quality, the profession and the CQI	Our ambition by 2030
<p>Growing the quality profession</p> <p>Attracting new talent into the profession and developing the new knowledge and skills required in the wider profession to enable the above.</p>	<p>Our vision for the quality profession</p> <p>Business partner - The profession is viewed as a business partner by organisations, enabling superior quality culture and capability.</p> <p>Context relevant - The profession enables organisations to adapt quality management to their specific contexts and strategies.</p> <p>Technologically agile - The profession is adaptable to technology in terms of digitalising quality management and supporting digital transformation.</p> <p>Societally positive - The profession responds proactively to the sustainability and circular economy agendas.</p> <p>Diverse and learning - the profession is inclusive and diverse to meet new challenges, and focused on learning and improvement.</p>	<p>Career Pathways Map – To define role profiles and career and learning pathways to encourage new talent and support quality professionals advance through their career.</p> <p>Professional development - To implement a professional development ecosystem that disseminates knowledge and good practice, leveraging the collective expertise within our membership for the profession’s benefit.</p> <p>Audit and assurance – To update our IRCA assurance and audit offer to support organisational risk and performance management.</p> <p>Quality business partner – To define the role of the quality profession as an enabling business partner for organisations and society.</p>
<p>Developing the CQI</p> <p>Investing in the technology and capability to deliver the above sustainably.</p>	<p>Our vision for the CQI</p> <p>Organisations – value the CQI for helping develop quality capability as a tool for success and the quality profession as the key enabler.</p> <p>The quality profession - values the CQI for driving the profession forwards.</p> <p>Members - value the CQI as the leading and inclusive go-to organisation.</p> <p>Society - values CQI and quality as a force for sustainable good and improving quality of life.</p>	<p>Digital transformation – To refresh our digital infrastructure to deliver secure IT systems that support superior, scalable customer value.</p> <p>Growth plan – To deliver growth that meets our strategic ambition.</p> <p>Business intelligence – To implement a data and insights-led approach that supports the needs of the CQI.</p> <p>Brand identity – To position the CQI as relevant and valued to the profession and society.</p> <p>Environmental, social and governance (ESG) strategy – To implement an ESG strategy that supports the value and development of quality globally.</p> <p>CQI capability – To secure the appropriate internal capability and competence to deliver the strategy.</p>

“We must evidence simply and clearly how good quality management and good quality practitioners can make the difference ... our growing outreach and collaboration with the wider quality ecosystem is vital.”



CQI President's foreword

As a professional body our mission to advance the practice of quality management for the benefit of society is both important and challenging. Important because our societies need the private and public sectors to innovate and deliver new value at pace, safely and efficiently. Challenging because, if we are honest, the value of good quality management is still not widely accepted as the best way to design and deliver superior, sustainable value. For this reason, balancing our support of our profession with a focus on engaging with and influencing industry and policy marks an important next stage in our strategy. On the demand side, we need to show that we understand the challenges that society and organisations face. We must evidence simply and clearly how good quality management and good quality practitioners can make the difference. That is not something the CQI can do alone and that is why our growing outreach and collaboration with the wider quality ecosystem is vital.

On the supply side we need to deliver value for our organisations and live the 2024 World Quality Week theme - 'from compliance to performance'. A critical task to secure the future of the profession is to attract new people with new skills into our profession. This may be challenging when all professional domains are competing for talent, but what a career option for people who want to make organisations better.

Our Board of Trustees, Council, staff team and volunteers continue to work hard on these matters as you will read in this annual report, and I thank them all for their commitment and contribution to our mission. The result is that we have a growing body of quality professionals. If each of us plays our part in communicating the power of quality management and delivering on that every day, we will succeed.

**Lord Jamie Lindsay, President,
Chartered Quality Institute**



In simple terms, quality is about people working together to deliver value. Our progress is the result of the work of many people.

Chair's introduction

2024 was another year of good progress for an ambitious CQI. Growth in CQI and IRCA members and learners has boosted our revenue, allowing us to continue investing in the profession. Equally, it is important because our collective success requires momentum and reach in positioning quality as an attractive, professional career option and positioning quality management as a force for good.

In 2024, we continued our investment in the profession, publishing career pathways and Typical Competence Profiles content and delivering our first Quality Careers Week. These are important for the growing number of employers we work with who recognise the need to professionalise the quality function that attracts the kind of exciting new talent represented by our 2024 Emerging Talent Award winner, Lilly Caskey.

Equally important is keeping current quality practitioners up to date with emerging trends and industry changes. It was good to see our first major e-learning CPD course on artificial intelligence. I am grateful to our volunteers who run our branches and Special Interest Groups, which continued to provide excellent professional development opportunities for their member communities. In both our professional networks and at our annual conference, Quality Live, it is encouraging to see the profession embracing digital quality, sustainable quality and, crucially, quality culture.

Getting our quality message out is a growing focus. I was delighted to see another inspiring group of finalists and winners at the International Quality Awards and was staggered by the impact of World Quality Week, themed 'from compliance to performance' which reached over 16 million people globally through social media.

A major milestone in 2024 was the first meeting of our CQI Council, which now includes elected members, stakeholder members from industry, allied professional bodies and the wider quality ecosystem. Economies, such as the UK, want to see meaningful performance improvement, as we underlined in the CQI's response to the UK's planned industrial strategy. I am encouraged with the appetite for collaboration in the UK and globally to promote the quality agenda.

We finished 2024 in a strong financial position. With that foundation, the Board of Trustees is fully focused on promoting quality as a career, keeping the profession relevant, advocating for quality and improving the CQI. Over the coming months you will see the CQI release more research on the value of quality management and quality as a business partner. You will see more professional development content, including new e-learning courses. You will see us continue to grow our influence with industry and policy makers and continue our work to support ongoing ISO management systems standards revisions. And behind the scenes we will be investing in our digital infrastructure to improve customer experience.

In simple terms, quality is about people working together to deliver value. Our progress is the result of the work of many people. On behalf of the Board of Trustees and our members, my gratitude and admiration go to our superb staff team, volunteers and partners. Thank you all.

**Rashad Issa, Chair of the Board of Trustees,
Chartered Quality Institute**

Strategic plan progress

2024 highlights

Promoting quality management



World Quality Week - We promoted the value of quality management through World Quality Week 2024: from compliance to performance, achieving 69,664 resource kit downloads (2023: 44,733) and 16 million impressions on social media (2023: 14 million).



International Quality Awards - We promoted the value of the quality profession through the 2024 International Quality Awards with 87 entries from 19 countries.



Global quality community – We represented the CQI at the European Organization for Quality and American Society for Quality conferences and continued supporting the revision of ISO management systems standards.

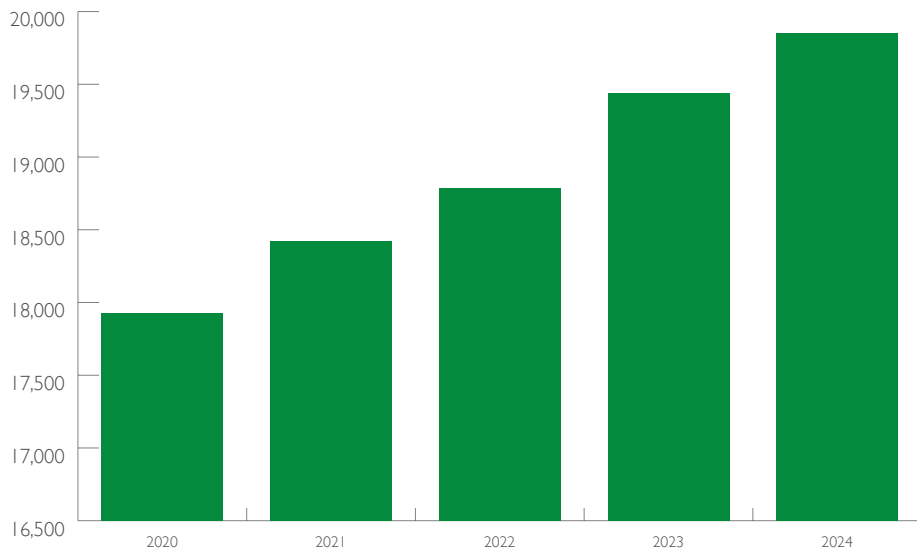


Policy – We responded to the UK government's green paper on industrial strategy calling for support of quality skills development within the wider economy.

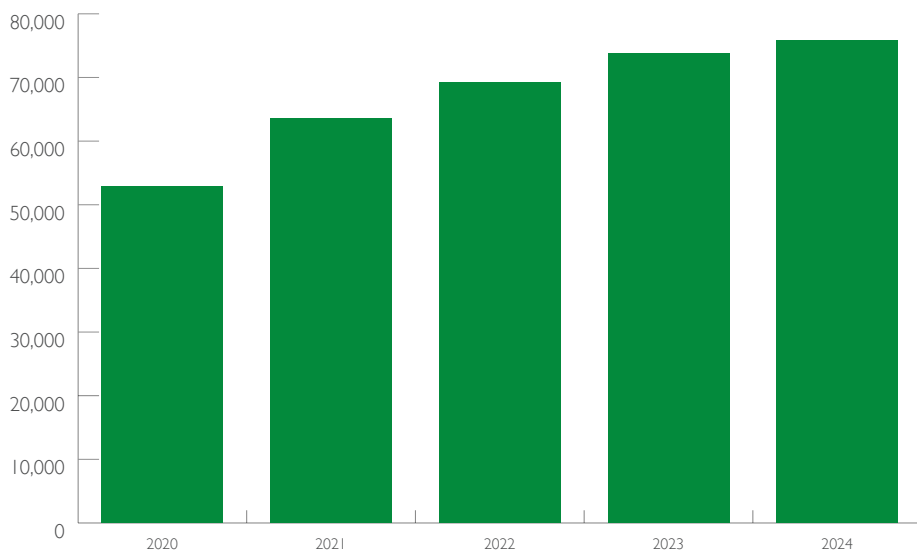
Growing the quality profession



Member growth - Individual membership grew globally by 411 members to 19,851 from 19,440 at the end of 2023.



Learner growth - Learner numbers on CQI and IRCA Certified Training courses increased by 2,036 to 75,882.





Professional development – We hosted 107 professional development events on quality management topics with 4,286 quality professionals in attendance, including our annual conference, Quality Live.



Mentoring - We supported 345 active mentoring relationships through our online mentoring platform.



Typical Competence Profiles – We launched our Typical Competence Profiles for key quality management job roles to provide clarity over the typical scope and competence required.

Developing the CQI



People - At the end of 2024 we employed 56 staff (54.5 FTE) in the UK and six in Japan and supported a community of 347 volunteers. Our staff engagement and satisfaction levels remained high, with staff satisfaction scoring 8/10.



Financial growth – Our revenue increased by £876k to £7.28m driven by growth in membership and learners on CQI and IRCA Certified Training courses.



Capital investment – We invested £725k in strategic projects to support our strategies to promote quality management, develop the profession and improve the CQI. The majority (85%) of the investment was made in improving our digital offerings including the development of a new membership system (CRM) and completion of the online examination platform with additional languages. We also completed the Typical Competence Profiles initiative to support members in their quality careers.

“As we move into the second phase of our 10-year strategy, we remain committed to reviewing and adjusting our plans to align with our mission and vision. New ideas and innovations continue at pace, and developing a dynamic quality profession for the future drives our strategic vision.”

OUR PROGRESS IN 2024



Strategic theme 1: quality management

Advocating with the quality ecosystem

The first meeting of the refreshed CQI Council took place in July 2024, bringing together representatives from the wider quality infrastructure, industry and other professional bodies (see page 85).

The Council discussed critical priorities from positioning quality management as a strategic tool to developing a quality management culture and capability.

CQI Council Chair, Dave Smith noted after the meeting that, "The CQI Council represents a significant advancement in our strategy. As we operate within a broader ecosystem that positively impacts society, it is crucial to have a platform that integrates external insights and connects with the diverse communities of quality, certification, accreditation and improvement. This is key to our continued success."

The Council confirmed many of the barriers to positioning quality as a strategic asset and therefore to developing quality culture and capability within our organisations. These common barriers identified ranged from the perception that quality is seen as a compliance activity to the challenge of competing topics, such as security, safety and sustainability.

The Council agreed on several responses to overcome these barriers – many of these are key areas of focus in the next phase of our 2030 strategy. At the core of these responses is the need to escalate our outreach and advocacy to drive engagement. This underscored the input we had from CQI and IRCA volunteers and members while developing our 2030 strategy.

There was strong support for the CQI to balance its focus between the profession and on advocating for quality management with policymakers and industry. One of the CQI's key messages to stakeholder members was that the CQI cannot achieve its Royal Charter purpose alone. This requires the ecosystem of quality and associated bodies.

69,664

resource kit downloads

16 million

impressions on social media

Advocating through World Quality Week

Our theme for World Quality Week (WQW) 2024 was: Quality: from compliance to performance

This theme reflected the focus of many organisations, sectors and economies on improving productivity and competitiveness. It coincided with the new UK government's focus on growth; a debate in the EU on the need to balance investment in regulation and compliance with investment in innovation and performance improvement; and the need to improve efficiency by reducing error and waste in sectors from healthcare to construction.

When employed as a strategic tool, quality management has a track record in improving competitiveness and productivity based on innovating value for customers and superior ways of delivering that value. This campaign was an opportunity to position good quality management as a response to societal need for exceptional organisational performance. We were delighted with the global response and the proactive contributions of CQI members and quality professionals in all sectors and geographies.

WQW 2024 video – 10,000 + views

WQW 2024 articles – 11,000 + views

WQW 2024 social media engagement – 16 million + impressions



Advocating for quality in the UK's industrial strategy

In December 2024 we responded to the UK government's green paper on a proposed UK industrial strategy. While the green paper briefly acknowledged the importance of the UK competing on quality, it failed to provide policy details on quality management.

The green paper excludes detailed plans to support the UK industry's ability to deliver superior, quality products and services to domestic and global markets, and commitment to improving efficiency and effectiveness to drive productivity growth. Ultimately, to compete on quality.

Our response was to advocate for the inclusion of the following critical success factors in the industrial strategy:

- align industry and the public sector
- grow quality skills across the economy
- grow awareness of quality management
- grow a culture of quality within UK industry
- align voluntary standards and regulation with competitiveness

Promoting quality through the International Quality Awards

Our quality awards celebrate and showcase how quality management and the profession can make tangible contributions to organisations' success and sustainable performance.

In 2024, we were pleased to have entries from 25 sectors and 19 countries.



Emerging Talent Winner 2024: Lilly Caskey

Lilly is a passionate advocate for the quality profession as demonstrated through her active role co-chairing Leonardo's Next Generation Network. In collaboration with Leonardo's management team, she identifies challenges facing the profession and supports the drive for solution-focused change.



Volunteer of the Year 2024: Christopher Chinapoo

Christopher Chinapoo has given exceptional service to the CQI and the quality profession in his time as a volunteer. His contributions have made a tangible difference to quality professionals in the Caribbean and worldwide.



Quality Professional of the Year 2024: Judith Ward

One of Judith's biggest strengths is her ability to make quality accessible to those outside the profession, as showcased through her industry knowledge, quality skills and business acumen. Our judges were impressed with the growth of Mott MacDonald's quality function under Judith's leadership and her passion for positioning quality as a key part of project delivery.



Quality Team of the Year 2024: Arden and GEM IT

The Arden and GEM IT service desk is a multidisciplinary department – comprising approximately 100 staff – providing technical support to over 70,000 NHS employees across the UK. Established in 2022, the Quality Improvement Team has transformed the outputs and outcomes of the service. Creating clear and robust processes, boosting staff morale and harnessing talent has led to increased retention and, ultimately, improved service delivery to their customers.



Digital Innovation Winner 2024: Netcare Ltd

Netcare Ltd's CareOn project has revolutionised the way healthcare is provided across South Africa, and increasingly the globe. Transitioning from a paper-based medical records system to a digital-first approach for hospitals, medical staff, patients and other key stakeholders relied on significant technical innovation and fostering new skills across thousands of end users.



Sustainability Impact Winner 2024: Hayleys Fabric

Former Sustainability Impact winners, Hayleys Fabric, have once again been recognised for their continued commitment to the environmental, social and governance (ESG) agenda. New initiatives include an effective water reduction programme and an innovative underwear fabric. This innovation ensures women and young girls in rural communities have autonomy over their personal care, enabling them to continue to work and attend school while menstruating.



Quality Organisation 2024: Shell

United by the vision of 'No Defects', Shell drives continuous improvement across all projects and their supply chain, ingraining a Quality Everyday mindset. By embedding a No Defects culture, Shell's projects have achieved a steep reduction in defects eliminating recurrence while driving transparency on performance and reducing costs attributed to poor quality.



Outstanding Contribution Winner 2024: ADS SC21

Awarded in recognition of its significant impact improving quality at all levels of the supply chain in the aerospace and allied sectors, SC21 offers a simple maturity framework that encourages organisations to build capability and performance in delivery, quality and sustainable improvement.



Supporting standards and conformity assessment

During 2024 the CQI continued to support the following UK and global bodies advising on policy and plans:

- United Kingdom Accreditation Service (UKAS), Policy Advisory Committee, Policy Advisory Forum, and Management Systems Technical Advisory Committee
- European Organisation for Quality (EOQ), Executive Board
- British Standards Institute (BSI) / International Organisations for Standardisation (ISO) - liaison status as follows:

CQI ISO liaisons	
ISO/TC 176	Quality Management and Quality Assurance
ISO/PC 302	Guidelines for auditing management systems
ISO/TC 283	Occupational Health and Safety Management
ISO/TC 309	Governance of Organizations
ISO/IEC JTC 1/SC 27	Information security, cybersecurity and privacy protection

The CQI Standards Coordination Committee (SCC) has continued to lead the CQI's standards-related activities.

CQI has retained Category A Liaison for ISO Technical Committee (TC) 176 (responsible for the ISO 9000 series of standards) and has continued to deliver its programme of work related to the revision of ISO 9001. Additionally, the CQI has been a principal participant in TC 176 Task Group (TG) 4, which is focused on emerging themes including digital transformation/Quality 4.0.

The CQI was awarded Category A Liaison status to ISO Project Committee (PC) 302, responsible for guidelines for auditing management systems. We have remained an active contributor to the revision of ISO 19011 focusing on the key trends and drivers identified through the CQI research and development programme, member feedback and consultation and the CQI's strategic and operational priorities.

The SCC has led the production of a series of articles, webinars and supporting content to keep members informed of standards revision activity and proactively supports the maintenance and development of CQI products and services.

In 2024, the SCC commenced a systematic review of its structure and operations resulting in a series of recommendations for the improvement of the committee to be implemented in 2025.

SCC expert members

- John Abson CQP MCQI
- Kate Armitage CQP MCQI
- Dr John Bullivant CQP FCQI, FRCPE, FRSM
- Richard Green CQP FCQI CITP FBCS, IRCA Principal Auditor
- Zukiswa Raditladi IRCA Principal Auditor
- Simon Waite CQP MCQI

SCC CQI staff members

- Ian Howe - Head of Membership
- Debbie John - Head of Product and Assessment
- Gareth Kingston - Head of Professional Development
- Holly Mulvihill Clark - Head of Certified Training and Education
- Lyndsey Nassim - Head of Marketing
- Mike Turner - Head of Profession
- Alexander Woods – Policy Manager (Committee Chair)

CQI ISO 9001 Working Group

- Nina Abbassi CQI FCQI
- Richard Green CQP FCQI
- Neil O'Doherty MSc CQP FCQI PIEMA
- Alexander Woods – Policy Manager

Quality research

Feedback from our members indicated a strong desire to help the profession promote quality management and develop quality culture and capability within their wider organisations.

We initiated a programme of research with Cranfield University to establish the value of quality management in the modern context. This first phase of research commenced in 2024. It focused on a review of existing research and case studies to understand how quality management influences business performance. It aimed to identify key performance indicators that reflect the contribution to quality management and consider emerging trends such as sustainability and digitalisation.

Our future plans

In 2025 we are committed to delivering:

Quality research

Building on the first phase of research undertaken in 2024 to develop a framework to help quality professionals align quality activities to corporate strategy and develop quality culture and capability.

Advocacy capability

We will build our advocacy and outreach capability to develop relationships with and influence industry bodies and policymakers to promote the value of quality management across organisations, sectors and the wider economy.

1,967
new members



Strategic theme 2: quality professionals

Professional community

CQI and IRCA (rest of the world) register

Across both CQI and IRCA global membership grew to 19,851. We were pleased to report a growth of 2.1% in CQI members, with the register standing at 9,551 members at the end of December. Retention remained broadly in line with previous years, finishing at 83.9%. The main reasons for members leaving were either retirement or moving outside of quality roles.

The IRCA register remained at circa 6,200 for the fourth consecutive year. The overall IRCA member retention figure for 2024 was 81%, seeing a slight drop of 26 members in 2024. We were pleased to launch digital packs for IRCA members, replacing plastic cards and paper certificates with digital assets. This gave members the opportunity to add membership cards to their phone wallets, download digital certificates and share their digital pins on social media. This was well received by members and gave the IRCA brand widespread promotion across a variety of social media channels.

New CQI and IRCA applications

We saw growth in new CQI members for the fourth consecutive year. We finished the year with 1,967 new members, 47 above target and up from 1,805 in 2023.

The number of new IRCA members joining remained steady with 1,282, compared to 1,300 in 2023.

IRCA Japan

The market in Japan remains strong with the membership register breaking 4,000 certificated auditors for the first time, closing the year at 4,122 (3,961 in 2023). The growth is driven by consistently strong retention rates and high levels of recruitment, 545 new members in 2024 (441 in 2023), in part driven by the introduction of online assessments as well as good relationships with industry.

IRCA Japan and the CQI is widely recognised for thought leadership in Japan, evidenced by the strengthening relationship with the Japanese Union of Scientific Engineers (JUSE). The signing of a memorandum of understanding in 2024 between JUSE and the CQI set out the intent for future collaboration.

8

new corporate partners

40

corporate partners

Corporate partners

We were pleased to welcome eight new organisations to our corporate partner programme. Our programme aims to help the CQI understand and respond to the priorities of quality leaders in industry.

These priorities include attracting new talent into quality teams, engaging the wider organisation in quality and responding to the digitalisation agenda – especially understanding where and how digital technologies can be used to manage and improve quality.



“Becoming a corporate partner or corporate affiliate demonstrates your commitment to quality. CQI corporate partnership will enhance your reputation with your stakeholders and bolster the confidence of your clients to gain a competitive advantage.”

Vince Desmond
Chief Executive Officer, CQI

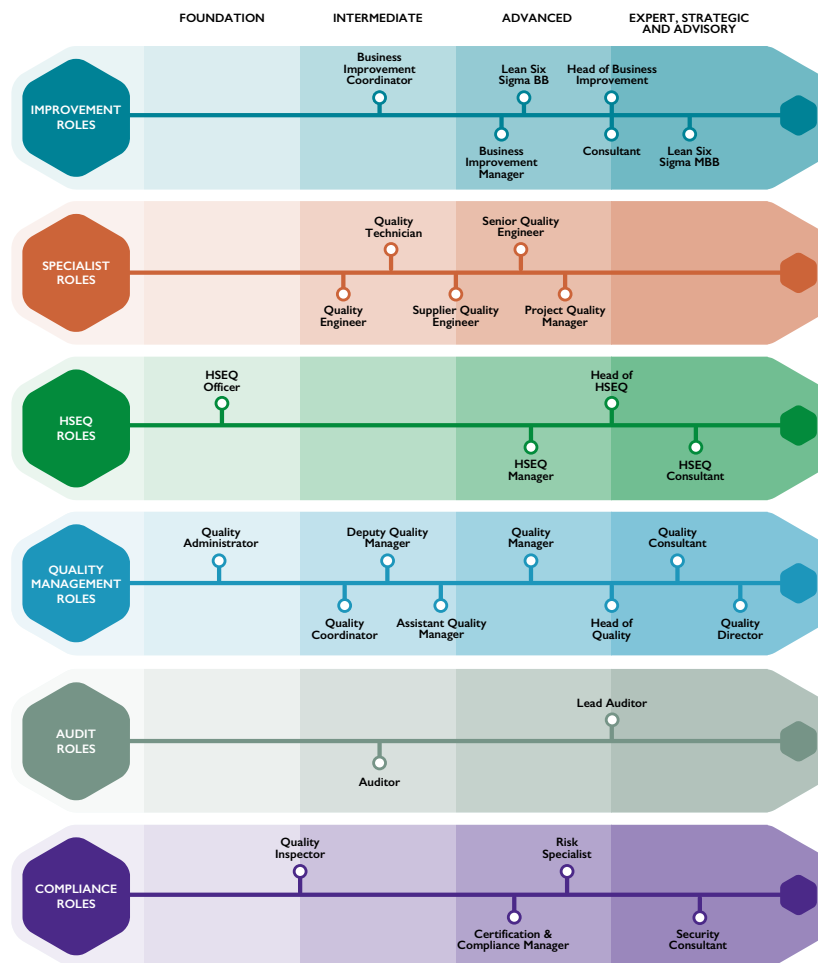
Career pathways

Building on the release of the CQI Profession Map in 2023, we released:

A high-level career pathway

This asset outlines the various routes into and through quality careers. It helps individuals understand the diversity of roles and options available to them. It supports employers to present the rich variety of opportunities available to individuals interested in ensuring organisations sustain and improve performance.

The Career Pathways Map

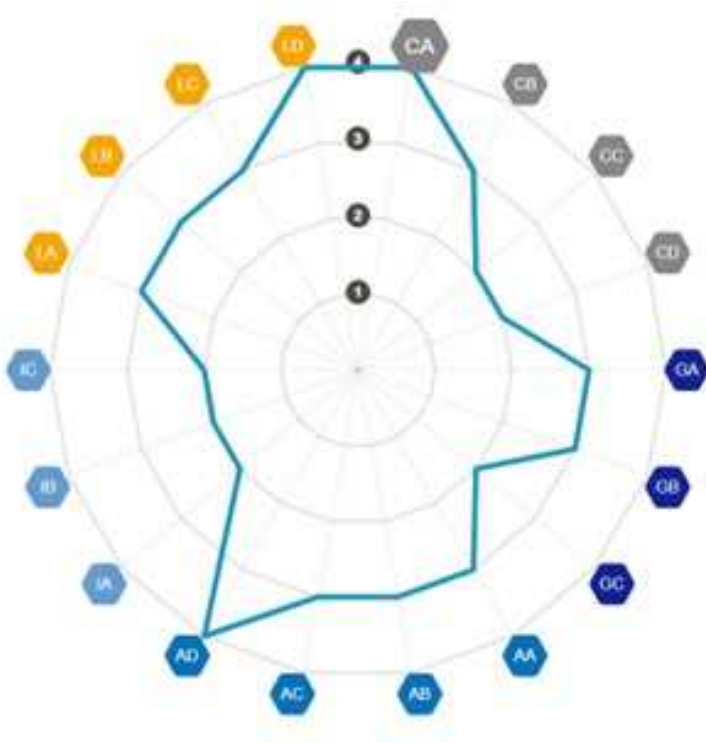


based on data collected from
over 470
international practicing professionals

Typical Competence Profiles

In conjunction with the Careers Pathway Map, we released the first six Typical Competence Profiles. These profiles, developed with Catalyst Consulting and The University of the West of Scotland, were based on data collected from from over 470 international practicing professionals to provide a current-state benchmark of competence. The profiles allow professionals to benchmark competence for current and future roles, acting as an input into professional development plans.

The following example profile displays a summary of the competence of a typical Quality Manager. It describes the typical tier of competence for each of the 18 components of The Profession Map across the five elements of Context, Governance, Assurance, Improvement, Leadership.



382
 attendees from 24 countries

Quality Careers Week 2024

A new initiative for 2024 saw the launch of our first annual careers weeks, bringing together employers, recruiters and professionals at varying stages of their career to promote the opportunities provided by a career in quality.

We delivered a series of six webinars across the week, with 1,708 people registering to attend them from 78 countries.

Professional development

Quality Live 2024

Our conference aims to provide quality professionals with the opportunity to network and learn with the wider quality community and consider common current and emerging opportunities and challenges. This year's conference focused on quality culture, digital quality, sustainable quality and skills.

It progressed the digital and sustainability conversation started in 2023 from why the profession should address these topics to practical examples of how they are being approached.

We had 382 attendees, from 24 countries across six continents. They represented the full range of career stages (9% junior/entry level, 55% mid-level and approximately 36% senior level).

The conference featured 12 CPD sessions, and 94% of attendees rated Quality Live at 4/5 or higher.



L-R: **Lee Major**, Deputy Director; Quality and Regulatory Assurance Division, UKHSA, **Chris Achillea**, HSEQ Director, Sodexo, **Fiona Payne**, Senior Quality Manager, CapGemini and **Alex Woods** Policy Manager CQI.



Roxann Dawson, Business Assurance Director, Tilbury Douglas and CQI Trustee

96
events

E-learning courses

Our e-learning is designed to provide relevant and engaging CPD to quality professionals. Following our two successful pilot courses on Quality 4.0 in 2022, and a guide to The Profession Map in January 2024, we released our first full e-learning course in October 2024 – The future of assurance: discovering the potential of AI.

This course is designed to provide quality professionals with a solid foundation and understanding of the dynamic relationship between assurance and AI implementation. Based on early uptake and positive feedback, we have confidence in our ambitious e-learning programme for 2025.

CPD events – Branches and Special Interest Groups

In 2024 we had 18 active branches and nine active Special Interest Groups (SIGs). We launched one new Special Interest Group (digital transformation) and two micro-SIGs (healthcare and medical devices).

Collectively, our networks delivered CPD to members through 96 events, including 73 webinars, 13 physical meetings and 10 site visits.

Throughout 2024, the CQI executive consulted with members and volunteers about a new model for improved branch operation. This aims to facilitate a greater variety of networks, with governance arrangements proportionate to risk, rather than the current model that takes no account of demographics, geography or member needs. The new model is scheduled to launch in the first half of 2025.

75,882

learner numbers

2,036

increase in 2024

45,514

learners sat an online assessment

Certified training courses

CQI and IRCA Certified Training courses delivered through our network of 101 approved training partners continue to be a valued offering, with certified courses being delivered to learners in 145 countries. Learner numbers on CQI and IRCA Certified Training courses increased by 2,036 to 75,882.

E-assessment numbers and exam languages

We first went live with online assessments in November 2022 with ISO 9001 (Quality Management) in English. During 2023 we launched lead auditor and auditor conversion online exams as appropriate for the following ISO standards: 45001 (Occupational Health and Safety), 14000 (Environmental), 27000 (Information Security) and 22000 (Food Safety - including FSSC 22000).

In 2024 we focused on translating the assessments into Spanish, Arabic, Traditional Mandarin and Japanese. As a result, 45,514 learners sat an online assessment, with an additional 4,228 taking re-sit assessments.

Research

We commenced the first phase of our research into the quality business partner concept, examining how professional domains have approached the business partner role at the individual and team levels.

Our future plans

In 2025 we are committed to delivering:

Career pathways and Typical Competence Profiles

We will research and publish our second tranche of Typical Competence Profiles.

Career pathways and certified training

We will commence a review of our current portfolio and certified training courses against market needs, taking into account changes to relevant ISO management systems standards.

Professional development

We will create a content hub to enable the delivery of multiple content formats to members and non-members, ensuring enhanced accessibility.

We will develop a suite of e-learning courses that address CPD needs relating to Tiers 1 and 2 of the CQI Profession Map.

We will introduce a new model of operation for our member networks that takes a risk-based approach to governance to improve the impact of our volunteer community, and encourage more small-scale networking.

Research

We will complete and publish the second phase of our quality business partner research.



Strategic theme 3: the CQI

Digital revitalisation (Project Xcelerate)

Project Xcelerate aims to upgrade our technology and business processes to deliver enhanced customer experience more efficiently and effectively. In 2024 we successfully completed a pilot project to test a new CRM database solution and reviewed the core customer processes within our operating framework. Once complete the new database will provide improved access to our services and a more seamless member experience.

Sustainability strategy

In 2024, the Board of Trustees approved a sustainability strategy, outlined in page 40, which brings together a variety of ongoing initiatives from carbon reporting to professional diversity. It focuses on how quality management, the quality profession and the CQI can make a difference.

Our people

Our network of approximately 350 volunteers continues to deliver CPD value to members through 21 geographical networks and 13 special interest networks. We are continuing with the development of our new network governance structure to ensure we are providing the best experience for our volunteer network.

Staff satisfaction remains high with the majority of colleagues being engaged in the strategy and their contribution to it.

Our future plans

In 2025 we are committed to delivering:

Project Xcelerate

We will begin the implementation phase of our new CRM database.

Sustainability strategy

We will commence key activities in our sustainability strategy as outlined on page 40.

£2.96m

cash balance

£5.1m

unrestricted reserves

£1.61m

free reserves

Investment policy and performance

The CQI operates a low-risk investment policy designed to deliver income while protecting the investment funds over the longer term. This is consistent with the provisions of the Royal Charter. The CQI is a long-term investor, and the value of its investments remains significantly above its original investment. Funds are invested in a Common Investment Fund (CIF), the Newton Global Growth and Income Fund for Charities, which invests within environmental, social, and governance policies.

The CQI's investment yielded a slightly lower dividend in the year of £42k compared with £44k in 2023, respectively. Market volatility and global geopolitical factors continued to impact the value of investments throughout the year, but were still able to experience some gains. The fund had a closing value of £1.96m (from £1.83m in 2023) and gain of £131k recognised to the accounts compared with a profit of £102k in 2023. The balance of cash held by the group has remained stable over the two years, despite CQI's levels of investment activity. These investment activities have been made possible due to consistent cash generation from operating activities.

The Finance and Remuneration Committee, responsible for reviewing investment performance and policy, considers the cash holding in individual institutions and manages this risk actively by ensuring the CQI is not over-committed to any one entity. The investment policy is deemed fit for purpose by the Board and is regularly monitored for compliance through the CQI's quarterly reporting.

Reserves policy

The CQI operates a reserves policy that requires a minimum of three months of budgeted annual operating costs to be retained as free reserves. The trustees consider that this level will provide sufficient funds to respond to any unexpected events.

Group reserves rose to £5.1m in 2024 (2023: £4.4m). Net assets include an investment portfolio valued at £1.96m (2023: £1.83m) at the year end and a cash balance of £2.96m (2023: £3.11m). Through the year 2024, our balances on reserves and short-term liquid funds continued to be in compliance with our investment and reserves policy respectively. At the end of 2024, free reserves was £1.6m which equates to 3.1 months of average 2024 operating costs, compliant with the Institute's reserves policy of three months.

Summary

Having reviewed the financial position, the trustees are confident that the Institute has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.

Risk profile



Risk management

Good risk management is fundamental to the continued work and sustainability of the Institute. We identify and manage risks which could adversely impact the achievement of our strategic purpose and determine the calculated risks we need to take to succeed.

The Institute operates a formal framework for the management of risk, taking the view that risk can represent positive opportunities or negative threats. The Institute maintains a risk register incorporating strategic, economic, operational and compliance risks which are informed by its strategic objectives, performance, voice of its stakeholders, regulatory environment, and analysis of the external environment.

The Board delegates day-to-day responsibility for risk management to the Senior Management Team, who are responsible for identifying and evaluating risks that relate to their areas and activities, implementing appropriate controls, and for ongoing monitoring.

The Governance and Risk Committee reviews the management of risk in detail at each meeting and the Board reviews the Institute's strategic and compliance risks and the associated project portfolio at each board meeting.

“The Institute operates a formal framework for the management of risk, taking the view that risk can represent positive opportunities or negative threats.”

Key business risks and mitigations

Risk	Risk response
<p>Cyber security (threat) – Because cybercrime is growing exponentially, there is a threat that a successful security compromise will lead to the loss of confidentiality, integrity, or availability of information, data, or information (or control) systems.</p>	<p>The Board monitors cyber security mitigations including controls and testing through its Governance and Risk Subcommittee. We continue to strengthen our response to the cyber threat through proactive and reactive measures, adopting a best in market approach.</p>
<p>Economic (threat) – Because of uncertain geopolitical and economic trajectories, and because of potential internal factors, such as poor operational performance, there is a threat that the Institute’s revenue and investments are compromised.</p>	<p>The Board monitors financial performance through its Finance and Remuneration Committee, adapting financial scenarios to operational and financial viability. It also adapts financial plans and controls to maintain our sustainability and reserves policy.</p>
<p>Technology (threat) – Because our current technology stack (website, iMIS, etc.) is reaching end of life in terms of support and underlying technology, and with the shift to SAAS (software as a service), our current self-hosted solutions become less viable. The current systems are not optimised for an integrated approach limiting our opportunity to provide a clear customer experience, and there is a threat that our ability to maintain and develop our IT will be compromised and unaffordable.</p>	<p>The Board has agreed investment in updating the Institute’s technology platforms as part of its phase 2 strategy and monitors implementation and benefit realisation through quarterly board meetings.</p>
<p>Digital quality (opportunity) – Because the impact of technology will shift how and where quality of product, service and process is managed, there is an opportunity to support quality functions reposition and to support organisations develop competence and capability.</p>	<p>The Board has agreed investment in research and development of new competences and approaches to quality management as part of the Institute’s phase 2 strategy and monitors implementation and benefit through quarterly board meetings.</p>
<p>Quality skills (opportunity) – Because 67% of surveyed employers (in 2022) struggle to attract and develop quality professional talent, and because organisations are joining the CQI to help address this, and because members seek help in educating and informing non-quality professionals, there is an opportunity to meet these needs through our competence, education, professional credential and CPD offer.</p>	<p>The Board has agreed investment in research and development of career pathways and refreshed training and education provision as part of the strategy’s phase 2. The Board monitors the implementation of this programme and its benefits through its quarterly meetings.</p>

Risk	Risk response
<p>Sustainability (opportunity) – Because society is placing increased ESG expectations on organisations and because quality management provides a proven system for policy deployment, waste reduction and product, service and process improvement, there is an opportunity to position the CQI, quality management and the profession as a force for social good.</p>	<p>The Board has agreed as part of its phase 2 strategy the development of an ESG strategy building on the work completed in phase 1 to measure baseline carbon footprint, development of its EDI policy, the development of a new member-led Sustainability Special Interest Group and the introduction of new sustainability competences in The Profession Map.</p>
<p>Value of quality (opportunity) – Because the value of quality management and the quality function is not fully understood by organisations, there is an opportunity to reposition quality as a strategic, competitive and social benefit.</p>	<p>The Board has agreed as part of its phase 2 strategy investment in research and a new advocacy programme to define and promote the value of quality management to organisations and society.</p>
<p>Business continuity (threat) – Because of external events, there is always a threat that the Institute's operations may be compromised due to sudden and unexpected lack of access to IT, premises, people and suppliers.</p>	<p>The Board monitors the business continuity arrangements and tests through its Governance and Risk Subcommittee.</p>
<p>IRCA offering (opportunity) – Because over half of the Institute's revenue is derived from the IRCA product and because the external environment for how quality is managed in industry is changing rapidly, there is an opportunity to update and develop this product.</p>	<p>The Board has agreed as part of its phase 2 strategy investment in review and update of its IRCA products and wider assurance offer, and monitors implementation and benefit through quarterly board meetings.</p>
<p>Reputation (threat) – Because of illegal, unethical or incompetent actions directly by the CQI, its employees or indirectly by external customers/members or suppliers/partners, there is a threat to the good name and good standing of the CQI.</p>	<p>The Board monitors reputation risk through its Governance and Risk Subcommittee, through ongoing monitoring of compliance and through ongoing monitoring of the Institute's operational management system in terms operational risk, controls and improvement.</p>
<p>Ability to deliver strategy (threat) – Because we have an ambitious strategy, and we recognise the demand for services/support from our customers/stakeholders there is a threat that we are limited in our capacity to deliver both the strategy and the operational demands in line with market expectations and opportunities.</p>	<p>The Board reviews strategy deployment quarterly and agrees annual business plans and budgets considering resource requirements. Any changes or extra resources to strategy deployment are identified by the Senior Management Team as part of the portfolio management system.</p>

Governance and management



Legal status and group structure

Charitable status and administrative details

The CQI is a registered charity (no. 259678) under the Charities Act 2011 and its expenditure is directed in furtherance of its charitable objects. The Institute was granted a Royal Charter on 23 November 2006.

The charity has two active, wholly owned subsidiary companies, IRCA Japan Kabushiki Kaisha (IRCA Japan KK) and CQI Services,

IRCA Japan KK is a company registered in Japan. Its principal activity is to provide membership services to our members in Japan and to promote the Institute's auditor certification services offered in Japan.

CQI Services Limited is registered in the UK under company registration number 04572473. The company's principal activities relate to securing advertising in the Institute members' magazine, generation of commissions from the Quality Jobs recruitment website and generation of sponsorship income from the International Quality Awards. The Governance and Risk Committee reviews the management of risk in detail at each meeting and the Board reviews the Institute's strategic and compliance risks and the associated project portfolio at each board meeting.



Board and committee structure

Board of Trustees

The trustees, as members of the Board, are the directors of the Institute and the trustees of the charity. The trustees are accountable to the Charity Commission and to CQI members.

The composition of the Board is set out on page 83 (along with the respective meeting participation during the year). New trustees complete an induction programme covering trustee responsibilities, the CQI's strategy and objectives and undertake periodic refresher training.

Board effectiveness is reviewed after each meeting by the Board, and individual trustee and CEO performance is reviewed annually by the Chair. The Board agenda is built around the CQI strategy so that trustees steer direction based on an understanding of risk, performance and external developments. A board development topic is included in most board meetings.

Statement of trustees' responsibilities

The trustees are responsible for preparing this Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law, applicable to charities in England and Wales, requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and charity and of the net movement in funds of the group and charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy, at any time the financial position of the group and charity, and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Royal Charter.

The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as each of the trustees is aware at the time of the report:

- there is no relevant audit information of which the charity and the group's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the group and charity's financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

The trustees are responsible for approving and directing overall group strategy, major capital projects, budgets, financial control, and risk management.

The trustees are responsible for directing the Institute's activities and for overseeing the management of the affairs of the Institute; they delegate day-to-day management of the organisation to the Chief Executive and the Senior Management Team. The Board acts on advice and information from regular meetings with the Chief Executive and Senior Management Team. The Board reviews operational performance regularly to satisfy itself that the activities of the Institute are in accordance with the agreed strategic direction and ensures that the executive management has the capacity and resources to meet the Institute's objectives. The Board meets four times a year.

The CQI Council

The CQI Council exists to advise the Board of Trustees on matters related to its strategy and elect, re-elect and dismiss CQI trustees and council stakeholder members.

The full Council meets once a year to advise the Board. Other duties are conducted by email as required throughout the year.

2024 was the first year of operation of the CQI Council constituted with ordinary members elected by the voting CQI membership and stakeholder members drawn from industry bodies, allied professional bodies, government/regulators and the quality infrastructure. A list of Council members is provided on page 85.

“The trustees are responsible for the maintenance and integrity of the group and charity's financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.”

The CQI Nominating Committee (NC)

The Nominating Committee is drawn from members of the Board. The charter and byelaws grant specific powers and duties to the Council of the Institute to elect up to 15 trustees through the CQI Nominating Committee. The CQI Council appoints new trustees based on recommendations from the CQI Nominating Committee. The Nominating Committee can recommend up to three Trustees for co-option to the Board for appointment as per regulation.

The CQI Finance and Remuneration Committee (FRC)

The FRC is drawn from members of the Board, chaired by a co-opted trustee who is a chartered accountant. The FRC ensures the system of internal control is satisfactory to deliver regulatory compliance, financial probity and value for money. This includes reviewing and challenging financial plans; reviewing budgets and financial statements; overseeing the annual financial audit; reviewing investment policy and performance; and reviewing the reserves policy and staff remuneration.

The CQI Governance and Risk Committee (GRC)

The GRC is drawn from members of the Board and ensures the corporate governance and risk management systems support the CQI's purpose and strategy through the CQI's Framework for the Management of Corporate Governance and Framework for the Management of Risk.

Charity Governance Code

The Board uses the Charity Governance Code as the standard against which it measures governance performance. The Board reviewed the status against this code in December 2024, and the analysis below shows good progress since 2023. In 2023, the Board introduced a new principle of sustainability to reflect the need for the Institute to lead by example and measure, improve and transparently report on its environmental impact. In 2024, and as part of phase 2 of its 2030 strategy, the Board developed a more holistic sustainability strategy which is reported below.

Charity Governance Code Principle	2023	2024
1. Organisational Purpose	Green	Green
2. Leadership	Green	Green
3. Integrity	Green	Green
4. Decision making, risk and control	Green	Green
5. Board effectiveness	Green	Green
6. Diversity	Green	Green
7. Openness and accountability	Green	Green
8. Sustainability	Yellow	Green

Green – Good practice in place, reviewed and improving.
 Yellow – Good practice in place but requires improvement.
 Red – Good practice absent.

Sustainability report

Sustainability strategy

The CQI operates in a fragile world. We aim to minimise our negative impact on people and the planet and maximise the good we can do aligned with our mission, unique competence and resources. The UN Sustainable Development Goal 17 outlines key areas for our collective action. We can support many of these, directly through how we operate and our 2030 strategy, and indirectly through our members and partners.

Governance goals

1. **To leverage the role of management systems in sustainability governance** - By positioning management systems and good governance, assurance and improvement to effectively deploy sustainability policy and objectives within organisations to improve sustainability performance in product, service and process.
2. **To leverage the quality profession for sustainability** - By engaging the quality profession and wider UK and global quality ecosystem to apply its quality management expertise and learn the new sustainability knowledge required to drive and deploy sustainability goals in their organisations.
3. **Lead by example** - By using quality management principles and methods to drive, measure and transparently report performance against our sustainability goals each year in our annual trustee report.

Environmental goals

1. **To leverage quality management for the benefit of the planet** - By positioning quality management principles, methods and tools as the key to improving organisations' environmental impact and performance.
2. **To leverage the quality profession for the benefit of the planet** - By encouraging the quality profession to apply its quality management expertise and learn the new knowledge required to improve environmental performance of processes, products, services, and supply chains.
3. **To achieve net zero** - By achieving net zero in scopes 1* (direct operational greenhouse gasses) and 2 (indirect energy purchase sources) and in scope 3 (upstream and downstream in our value chain) by end 2027.

Societal goals

1. **To leverage quality management for the benefit of people and society** - By positioning quality management principles, methods and tools as the key to improving organisations' impact on people and society.
2. **To leverage the quality profession for the benefit of people and society** - By encouraging the quality profession to apply its quality management expertise and learn the new knowledge to improve societal impact of processes, products, services, and supply chains.
3. **To support quality capability in developing economies** - By working with development agencies to make CQI services and networks available in support of quality development projects.
4. **To ensure diversity in the quality profession** - By working with quality leaders, employers and the wider profession to make the quality profession attractive to all and to ensure we attract the new diversity of mindsets, skills and experience to support sustainable quality.

Progress in 2024

Sustainability and quality management

We continued to spotlight the role of quality management in supporting sustainability through our International Quality Awards (see page 16). We also used our liaison status with ISO 9001 management system committees to promote the appropriate consideration of sustainable products, services and processes.

Sustainability and the quality profession

In 2024, we continued to operate our Sustainability Special Interest Group to provide CPD for members and promote the role of quality management in supporting sustainability. This builds on previous work to include sustainability topics within The Profession Map and a focus on sustainability during World Quality Week.

Sustainability and the CQI

The major progress in 2024 was for the Board to approve the above sustainability strategy.

Operationally, the CQI's quality policy, 'The CQI Way', embraces quality, ethics, safety, security, and sustainability, including diversity. These topics are reviewed as part of the CQI's annual internal assessment programme and reported to the Board via the GRC.

Ethical decision-making

A focus in 2024 was to review our policies and processes around robust and ethical decision-making to ensure that we are working with the right partners and supplier organisations.

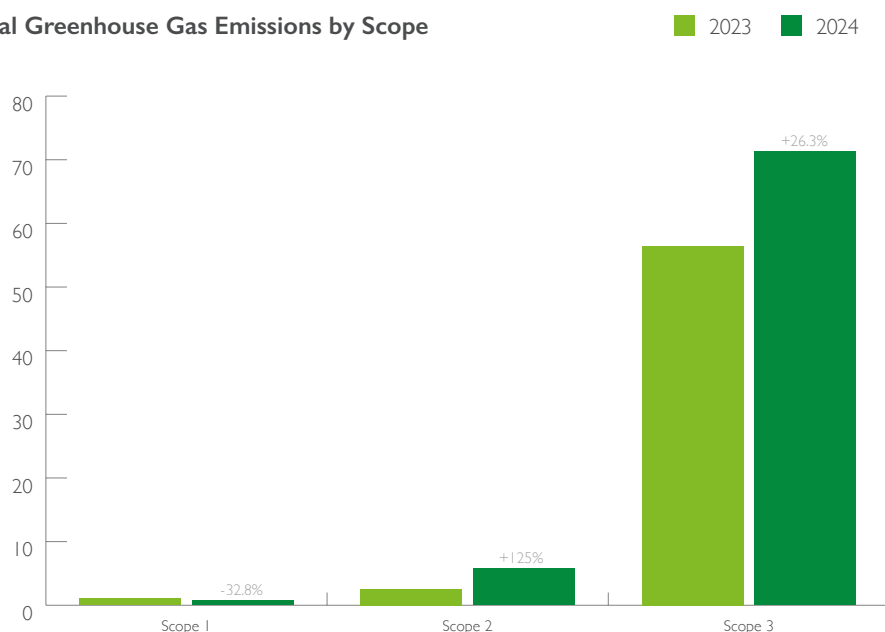
Environmental improvements

The figures below outline our total greenhouse gas emissions in 2024 compared to 2023.

Total Reported Greenhouse Gas Emissions and Intensity Ratios						
Scope	Total (tCO ₂ e) (2023)	Total (tCO ₂ e) (2024)	tCO ₂ e / Revenue (2023)	tCO ₂ e / Revenue (2024)	tCO ₂ e / FTE (2023)	tCO ₂ e / FTE (2024)
Scope 1	1.099	0.738	0.178	0.120	0.022	0.013
Scope 2	2.579	5.806	0.418	0.942	0.052	0.104
Scope 3	56.430	71.309	9.152	11.565	1.129	1.273
All Scopes	60.108	77.852	9.748	12.626	1.202	1.390

tCO₂e – tonnes of carbon dioxide equivalent emissions

Total Greenhouse Gas Emissions by Scope



We remain committed to monitoring our emissions and making improvements where possible.

Scopes 1 and 2 are largely constant year on year, and we note that electricity supplied to our building is 100% renewable from UK sources.

Though our overall consumption is low, scope 3 emissions have seen a slight rise, mainly in connection to an increase in in-person attendance at business meetings and events.

We undertook the following initiatives to reduce carbon use:

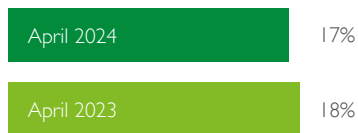
- We moved to Dotdigital, the world's first carbon-neutral cross-channel marketing automation platform, reducing the impact of our marketing email campaigns by 126g CO₂e.
- New IRCA digital cards introduced in the first half of 2024 reduced the emissions in this specific category by 42% (plastic production) and 86% (overall freight for worldwide delivery) respectively.

Equity, diversity and inclusion

The CQI built on its equity, diversity and inclusion (EDI) activity from previous years. The EDI process was reviewed and updated to ensure that it remained up to date and suitable for the CQI's needs internally and externally.

The entire staff team engaged in an interactive workshop to establish a common understanding of EDI and the CQI's approach. Following this, individual teams reviewed the CQI's EDI maturity self-assessment and began the process of identifying the activities that are needed to progress EDI maturity throughout the organisation. In 2025 these activities will continue to be the focus of the CQI's internal EDI activities. Work plans will be developed to improve both the staff and the customer experience.

Mean gender pay gap



Management positions



The percentage of women in management positions was 55% in 2024 compared to 54% in 2023

Remuneration policy

The Institute's policy is to position its overall reward package at the market rate for membership bodies of a similar size, and to encourage and enable individual progression and career development of staff. Recruitment and reward are based on potential and performance only, with policies and training in place to ensure no discriminatory factors are involved. The Institute considers its key management personnel to comprise the trustees and the Senior Management Team (SMT). The trustees provide their time free of charge. The Senior Management Team is listed on page 91.

The FRC undertakes an annual salary review that considers the financial status of the Institute, cost of living and market rates. Once approved by the Board, changes are applied to all employees, at all levels, including key management personnel. In addition, individual salary increases may be offered during the year, following a business case process that looks at performance against objectives (including behavioural) and changes in job role scope. For 2024, a general staff salary increment of 5% was awarded (2025: 3.5%). This considered the rise in the cost of living and general volatility in the markets.

The Institute participates in the Voluntary Gender Equality Reporting Initiative. Calculated in April 2024, the Institute's mean gender pay gap is 18% (April 2023: 19%) and the median gender pay gap is 9% (April 2023: 26%). Calculations show the gap reducing by 1% and 17% respectively between the two reporting periods. The percentage of women in management positions was 55% in 2024 compared to 54% in 2023. The analysis indicates almost equal numbers of management positions being held by both men and women. The CQI strongly supports equal pay, with individuals carrying out the same role being paid the same, irrespective of gender. Our salaries are benchmarked at market and internal rate. We are open to, and encourage, flexible and part-time working and we promote internal job mobility where possible. The FRC will continue to monitor equal pay and diversity within the context of remuneration.

A working group with representatives from all teams in the CQI is co-ordinating this work, and increasingly EDI is a priority in new and ongoing activities.

As part of the CQI's workforce and sustainability priority themes, we delivered a series of EDI resources for members, including webinars and videos. During Quality Careers Week, our EDI webinar provided expert insights on the positive impacts of embracing EDI within organisations.

EDI remained an area examined by the CQI's internal assessment process in 2024, ensuring that all teams prioritise and implement good EDI practice

“The CQI strongly supports equal pay, with individuals carrying out the same role being paid the same, irrespective of gender.”

Financial statements

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Institute's Royal Charter, the Charities Act 2011 and Accounting and Reporting by Charities Statement of Recommended Practice (revised 2015) (Second Edition, effective 1 January 2019) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for the UK and Republic of Ireland (FRS 102).

By order of the Board of Trustees,

A handwritten signature in black ink that reads "Rashad Issa". The signature is written in a cursive style with a large initial 'R'.

Rashad Issa CQP FCQI

Chair, Board of Trustees, Chartered Quality Institute

Date 11.06.2025

Auditor statement

Independent auditor's report to the Trustees of the Chartered Quality Institute

Opinion

We have audited the accounts of Chartered Quality Institute (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, balance sheets, consolidated statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2024 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements.
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives of management and the review of minutes of Board of Trustee meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of where management considers there was susceptibility to fraud and knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- tested and reviewed journal entries to identify unusual transactions;
- tested the authorisation of expenditure;
- gained an understanding of the processes in place for the management of the charity's investments and confirmed the validity of withdrawals from investments; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- review of the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- agreeing accounts disclosures to underlying supporting documentation.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzacott Audit LLP

Buzacott Audit LLP

Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Date: 13 June 2025

Financial statements

Consolidated statement of financial activities for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Income from:			
Charitable activities			
Membership services		4,029	3,635
Learning and development		3,087	2,542
Awareness		94	62
Investments	3	67	65
Total		7,277	6,304
Expenditure on:			
Charitable activities			
Membership services	4	3,092	3,143
Learning and development	4	2,458	1,887
Awareness	4	1,088	1,054
Total		6,638	6,084
Net income before gains/(losses) on investments and foreign exchange			
		639	220
Net gain/(loss) on investments	13	131	102
Net gain/(loss) on foreign exchange		24	(57)
Net income		794	265
Reconciliation of funds:			
Funds brought forward		4,360	4,095
Total unrestricted funds carried forward	20	5,154	4,360

There are no recognised gains or losses other than those recognised above. All activities are continuing.

All activities (income and expenditure) in both years are unrestricted and, therefore, a comparable statement of financial activities is not required.

The notes on pages 54-79 form part of these financial statements

Balance sheet

as at 31 December 2024

	Note	Group		Institute	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible fixed assets	11	1,339	822	1,329	823
Tangible fixed assets	12	231	250	225	246
Investments	13	1,964	1,833	2,025	1,906
		3,534	2,905	3,579	2,975
Current assets					
Debtors	14	1,373	877	1,282	956
Cash at bank and in hand		2,959	3,112	2,493	2,688
		4,332	3,989	3,775	3,644
Current liabilities					
Creditors: amounts due within one year	15	2,671	2,504	2,368	2,127
		1,661	1,485	1,407	1,517
Net current assets					
Provisions for other liabilities due within one year	17	41	30	41	30
		5,154	4,360	4,945	4,462
Net assets					
Total funds:					
General funds	20	1,612	1,930	1,416	2,034
Designated funds	20	3,542	2,430	3,529	2,428
		5,154	4,360	4,945	4,462
Total unrestricted funds					

These accounts were approved by the Board and authorised for issue on 11 June 2025 and were signed on its behalf by:



Rashad Issa Chair

The notes on pages 54-79 form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities:			
Net cash provided by operating activities		576	399
Cash flow from investing activities:			
Dividends and interest from investments		59	65
Spend on internally generated intangible assets		(775)	(261)
Purchase of tangible assets		(37)	(5)
Net cash provided by/(used in) investing activities		(753)	(201)
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at beginning of reporting period		3,112	2,971
Exchange gains/(losses) on cash and cash equivalents		24	(57)
Cash and cash equivalents at end of reporting period		2,959	3,112
Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting period (as per the statement of financial activities)		794	265
Adjustments for:			
Depreciation charges		56	57
Amortisation charges		258	256
(Gains)/losses on investments		(131)	(102)
(Gains)/losses on exchange		(24)	57
Dividends and interest from investments		(67)	(65)
Increase/(decrease) in provisions		11	11
(Increase)/decrease in debtors		(488)	(72)
Increase/(decrease) in creditors		167	(8)
Net cash provided by operating activities		576	399
Analysis of cash and cash equivalents			
Cash at bank and in hand		2,959	3,112
Total cash and cash equivalents	22	2,959	3,112

The notes on pages 54-79 form part of these financial statements.

Notes to the financial statements

I. Accounting policies

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention modified to include the recognition of listed investments measured at fair value, which is consistent with the prior year. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities ("The SORP"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The Chartered Quality Institute ("The Institute") meets the definition of a public benefit entity under FRS 102.

General information

The Institute is a charity registered in England and Wales (charity number 259678). The Institute's registered office address is Third floor, 90 Chancery Lane, Holborn, London WC2A 1EU.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Institutes accounting policies. In the application of the accounting policies, trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation;
- estimating the useful economic life of intangible fixed assets for the purposes of determining the amortisation; and
- allocation of staff and support costs across activities.

Basis of consolidation

The Group accounts include the results of the Institute's subsidiaries: CQI Services Ltd and the International Register of Certificated Auditors Japan Kabushiki Kaisha ("IRCA Japan KK"). A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The subsidiaries comply with the same accounting policies as the Institute and have been consolidated on a line-by-line basis. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

The Institute has taken advantage of the exemption from the SORP FRS 102 from disclosing its individual statement of financial activities. The gross income of the Institute for the year was £6.61m (2023: £5.71m) and its result for the year was a net income surplus of £888k (2023: £230k).

Foreign currency

i) Functional and presentation currency

The group financial statements are presented in pound sterling and rounded to thousands. The Institute's functional and presentation currency is the pound sterling.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate at transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at balance sheet date. Differences are taken to the income and expenditure account.

iii) Translation

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings are translated at the exchange rates ruling at the year-end.

Going concern

The trustees continue to monitor the changing landscape resulting from various global geopolitical factors witnessed over the last few years (war in Europe, rising costs etc.) and its impact on the Group's financials, through scenario planning, monthly review of results against budgets, and assumptions. The Group holds a significant portion of its reserves as cash, has a strong level of free reserves and has been able to adjust its cost base to adapt to the reductions in revenue. In view of this, the trustees are of the opinion that the Institute and Group continue to operate on a going concern basis.

Income

All income is recognised once the Institute and group has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably. Income of the Institute is, where applicable, included net of Value Added Tax (VAT) and is allocated to the period to which it relates, carrying forward that part of the income relating to future accounting periods. Income received relating to future accounting periods is deferred and recognised as a creditor within the balance sheet.

Member subscription income is recognised over the period to which the subscription relates and over which the membership services and benefits are provided. Where the subscription spans more than one financial year the income received but not earned in the current financial year is deferred into the next.

Income from all other charitable activities is recognised as earned as the related services are provided.

Income from other trading activities is recognised as earned as the related goods are provided. Investment income is recognised on a receivable basis and the amounts can be measured reliably.

Dividends are recognised once the dividend has been declared, and notification has been received that the dividends are due.

Expenditure

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the Institute and group to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably. Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

All the Institute's expenditure is classified as expenditure on charitable activities and allocated between activity streams. Expenditure is allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, known as 'support costs' and comprising the salary and overhead costs of the central function, is apportioned based on staff time attributable to each activity.

Support costs also include governance costs, which comprise organisational administration and compliance with constitutional and statutory requirements. The allocation of support and governance costs is analysed in notes 5 and 6.

Employee benefits

Short-term benefits, including holiday pay, are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

The Institute contributes to Group personal pension schemes, the assets of which are administered by Aviva. They are defined contribution schemes. All contributed costs are accounted for on the basis of charging the cost of providing pensions over the period when the Institute and Group benefits from the employees' services. The Institute and Group have no further liability under the scheme.

Leasing and hire purchase commitments

Rentals paid under operating leases are charged to the income and expenditure account on a straight-line basis over the lease term. The Institute holds no assets under finance leases or hire purchase contracts

Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- product development – three to five years
- intellectual property – three to five years

Where factors, such as changes in market demand or price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the product so that it will be available for use
- management intends to complete the product and use or sell it
- there is an ability to use or sell the product
- it can be demonstrated how the product will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the product are available
- the expenditure attributable to the product during its development can be reliably measured

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Tangible fixed assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. The minimum threshold for capitalisation is £1,000. Depreciation is provided at the following annual rates to write off each asset over its estimated useful life:

- improvements to premises – over the term of the lease
- office equipment and furniture – five years
- computer equipment and software – three years

Investments

Investments are a form of basic financial instrument and are initially shown in the financial statements at fair value. Movements in the fair values of investments are shown as net gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Net gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Financial instruments

The Group has chosen to adopt Section 11 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction value and subsequently measured at amortised cost. Other financial assets, including investments, are initially measured at fair value. Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. A specific provision is made for debts for which recoverability is in doubt.

ii) Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at the transaction price. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions

iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Provisions

Provisions are recognised where the Institute has a present legal or constructive obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Provisions are measured at the present value or the expenditures expected to be required to settle the obligation.

Fund accounting

Unrestricted funds are those funds available to the Institute and Group for its general purposes. They include funds designated (Note 20) by the trustees for purposes where their use remains at the discretion of the Trustees. It is the policy of the Trustees to retain in unrestricted funds, amounts which in their judgement, can help to mitigate the short-term effects of income volatility; and retain as long-term investment funds to generate sufficient income to meet current and future operational activities of the charity. The Group does not hold any restricted funds. Further information is available in the reserves section of the Trustees' report.

2. Trading activities of subsidiary undertakings

The Institute has two wholly owned trading subsidiaries. A summary of their trading results is shown below.

CQI Services Limited is incorporated in England and Wales, registered number 04572473. Its registered office is 90 Chancery Lane, London WC2A 1EU. The principal activity of the company is the generation of advertising revenue placed in the Institute's members' magazine and helping members find new jobs through the institute's jobsite. Income and expenditure are included in Membership Services and Awareness in the Group financial statements. Any profits are gift aided to the Institute.

IRCA Japan KK is incorporated in Japan, registered number 0100-01-130705. Its registered office is Burex Kojimachi 8F, 3-5-2 Kojimachi, Chiyoda-ku 102-0083 Tokyo, Japan. The principal activity of the company is to provide local marketing, certification and administration services to IRCA for its auditors in Japan. The income and expenditure of the company has been included under charitable activities of Membership Services in the Group financial statements. IRCA Japan KK pays an annual royalty to the Institute.

2. Trading activities of subsidiary undertakings (continued)

	CQI Services Limited	IRCA Japan KK	Total	CQI Services Limited	IRCA Japan KK	Total
	2024	2024	2024	2023	2023	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Summary profit and loss accounts:						
Turnover	126	746	872	77	688	765
Operating costs	(25)	(554)	(579)	(34)	(492)	(526)
Operating profit	101	192	293	43	196	239
Interest receivable	-	-	-	-	-	-
Profit/(loss) on ordinary activities before taxation	101	192	293	43	196	239
Taxation	-	(10)	(10)	-	(5)	(5)
Profit/(loss) on ordinary activities after taxation	101	182	283	43	191	234
Gift Aid/Royalty to parent charity	-	(124)	(124)	-	(166)	(166)
Retained in subsidiary	101	58	159	43	25	68
The assets and liabilities of the subsidiaries were:						
Current assets	156	435	591	85	450	535
Current liabilities	(45)	(262)	(307)	(49)	(269)	(318)
Total net assets	111	173	284	(36)	181	217
Aggregate share capital and reserves	111	173	284	(36)	181	217

3. Investment income

	2024 £'000	2023 £'000	
Bank deposit interest and other income	25	21	
Dividend income from shares listed on the London Stock Exchange	42	44	
Total	67	65	

4. Total expenditure

	Staff costs	Other direct activity costs	Support costs	Total 2024
	£'000	£'000	£'000	£'000
Charitable activities 2024				
Membership services	1,156	1,060	876	3,092
Learning and development	732	1,308	418	2,458
Awareness	510	311	267	1,088
Support costs	1,077	484	(1,561)	-
Total charitable costs	3,475	3,163	-	6,638

	Staff costs	Other direct activity costs	Support costs	Total 2023
	£'000	£'000	£'000	£'000
Charitable activities 2023				
Membership services	1,115	1,126	902	3,143
Learning and development	557	992	338	1,887
Awareness	486	343	225	1,054
Support costs	1,020	445	(1,465)	-
Total charitable costs	3,178	2,906	-	6,084

Support costs totalling £1,561,109 (2023: £ 1,465,091) have been allocated across the activities. These include costs associated with IT, HR, finance, property and other central services across the Group. The costs have been allocated based on time spent by departments supporting the various activities.

5. Support costs

	Staff costs £'000	Premises and office costs £'000	Resources £'000	Information technology £'000	Governance £'000	Total 2023 £'000
Support costs 2024						
Membership services	604	124	7	118	23	876
Learning and development	289	59	3	56	11	418
Awareness	184	38	2	36	7	267
Total support costs	1,077	221	12	210	41	1,561

	Staff costs £'000	Premises and office costs £'000	Resources £'000	Information technology £'000	Governance £'000	Total 2022 £'000
Support costs 2023						
Membership services	628	144	4	106	20	902
Learning and development	235	55	1	40	7	338
Awareness	157	35	1	27	5	225
Total support costs	1,020	234	6	173	32	1,465

6. Governance costs

	2024 £'000	2023 £'000
Meetings and travel expenses	1	1
Audit fees – current year	32	30
Audit fees – prior year	-	(5)
Legal and professional	8	7
Total	41	33

7. Net expenditure for the year

The net outgoing resources for the year are stated after charging:

	2024	2023
	£'000	£'000
Depreciation	56	57
Amortisation	258	256
Operating lease rentals for land and buildings	239	239
Auditor's remuneration – External audit (excludes VAT)	32	24
Overseas taxation	10	5

8. Staff costs

	2024	2023
	£'000	£'000
Wages and salaries	2,742	2,583
Social security costs	320	294
Pension costs	175	166
Other staff costs	238	135
Total	3,475	3,178

Other staff costs includes staff training, welfare and recruitment and fees for agency staff. £65,258, of staff costs have been capitalised during 2024 (2023: £44,404), for staff time spent exclusively on the Learning & Development E-Assessment Project.

The average monthly number of employees during the year was as follows:

Number of employees involved in charitable activities:

	2024	2023
Membership	23	24
Learning and development	11	9
Awareness	7	6

Number of employees involved in non-charitable activities:

Support	16	14
Total	57	53

8. Staff costs (continued)

The number of employees whose remuneration (excluding redundancy) fell into the following bands were:

	2024	2023
£60,001 – £70,000	2	5
£70,001 – £80,000	5	3
£80,001 – £90,000	-	-
£90,001 – £100,000	1	1
£100,001 – £110,000	-	1
£110,001 – £120,000	2	1
£120,001 – £130,000	-	1
£130,001 – £140,000	1	-

The Institute made contributions of £60,553 (2023: £60,537) to the money purchase personal pension schemes of eleven (2023: nine) employees whose emoluments exceeded £60,000.

The Institute considers its key management personnel to comprise the trustees and the Senior Management Team (SMT). The trustees provide their time free of charge. The total remuneration, employer's national insurance contributions, benefits and pensions paid to or on behalf of the SMT in the year was £452,579 (2023: £427,081).

9. Related Party Transactions

No member of the Board received any remuneration in 2024 (2023: £nil) for their roles as trustees. A total of £2,582 (2023: £17,828) was paid to, or to third parties on behalf of 6 (2023: 4) members of the Board in reimbursement of expenses incurred on Institute business during the year. In addition to this, the Institute paid £3,793 for indemnity insurance (2023: £3,793).

One of the Institute's trustees is the Head of Business Process and Quality at BAM Nuttall Ltd. As a CQI corporate partner, BAM Nuttall Ltd were invoiced and paid a membership fee of £5,500 in 2024 (2023: £5,250). This transaction was in line with the Institute's normal course of business and its standard terms and conditions, there was no outstanding balance at 31 December 2024 (2023: £nil) and no amounts were written off during the year 2024: (2023: £nil). In addition to the activities listed with the CQI, BAM Nuttall Ltd paid £3,600 (2023: £6,000) to CQI Services Limited toward the annual International Quality Awards event.

A member of the Institute's Senior Management Team is on the Board of the European Organisation for Quality (EOQ). As a corporate member of the EOQ, CQI paid €18,500 (£16,287) (2023: €17,903 (£16,181)) in membership fees in 2024. All transactions were at arm's length. There was no outstanding balance as at 31 December 2024 (2023: £nil).

The following members of the Institute's senior management team are also members of the Board of Directors of the Institute's subsidiary, IRCA Japan KK: Vincent Desmond and Tracey Singer. In 2024, an annual royalty of £123,882 (2023: £165,611) was charged by the Institute to IRCA Japan KK, with the full balance being outstanding at 31 December 2024 and expected to be paid in 2025. Both were also members of the Board of Directors of CQI Services where the company was charged a management fee by the Institute of £18,181 (2023: £17,315).

One of the Institute's Trustees was a Director of Quality at AWE plc and resigned in September 2023. In the prior year as a Corporate Partner of the CQI, AWE plc were invoiced and paid a membership fee of £5,500 in 2023. This transaction was in line with the Institute's normal course of business and its standard terms and conditions, there was no outstanding balance at 31 December 2024 and no amounts were written off during the year. Before joining AWE plc, this Trustee had been Director of Quality at Balfour Beatty, another Corporate Partner of the Institute. In the prior year Balfour Beatty was invoiced a membership fee of £5,500. This transaction was in line with the Institute's normal course of business and its standard terms and conditions, there was no outstanding balance at 31 December 2024. (2023: £nil) and no amounts were written off during the year (2023: £nil). As at the end of the financial year (31.12.24), the trustee has since stepped down. In addition to the activities listed with CQI, AWE PLC paid £15,000 + Vat to CQI Services as sponsorship income toward the annual International Quality Awards event (£7,500 + VAT in 2023).

10. Taxation

The Institute is a registered charity and is, therefore, not subject to corporation tax on its charitable activities. A provision has not been made for corporation tax for CQI services, in spite of the profit realised in 2024 as the profits will be Gift Aided to the Institute. Overseas taxation relates to income tax suffered by IRCA Japan KK on its profits for the year.

	2024 £'000	2023 £'000	
Overseas taxation	10	5	

11. Intangible fixed assets

Group	Website development £'000	Intellectual property £'000	Software and systems £'000	Total £'000	
Cost					
As at 1 January 2024	596	549	1,093	2,238	
Additions – internally generated	9	197	569	775	
Written off in the year	-	-	-	-	
As at 31 December 2024	605	746	1,662	3,013	
Amortisation					
As at 1 January 2024	558	346	512	1,416	
Charge for the year	13	68	177	258	
Impairment	-	-	-	-	
Written off in the year	-	-	-	-	
As at 31 December 2024	571	414	689	1,674	
Net book value					
As at 31 December 2024	34	332	973	1,339	
As at 31 December 2023	38	203	581	822	

I I. Intangible fixed assets (continued)

The Institute	Website development £'000	Intellectual property £'000	Software and systems £'000	Total £'000
Cost				
As at 1 January 2024	557	549	1,093	2,199
Additions – internally generated	-	197	569	766
Written off in the year	-	-	-	-
As at 31 December 2024	557	746	1,662	2,965
Amortisation				
As at 1 January 2024	519	346	512	1,377
Charge for the year	14	68	177	259
Impairment	-	-	-	-
Written off in the year	-	-	-	-
As at 31 December 2024	553	414	689	1,636
Net book value				
As at 31 December 2024	24	332	973	1,329
As at 31 December 2023	38	203	581	822

Included in intangible fixed assets: website development costs of £8,973 (2023: £38,761), accumulated depreciation of £Nil (2023: £38,761) and net book value of £8,973 (2023: £Nil) relating to assets developed by IRCA Japan KK. At the year end £403k was committed to software and systems project.

12. Tangible fixed assets

Group	Improvements to premises	Office equipment and furniture	Computer hardware	Total
	£'000	£'000	£'000	£'000
Cost				
As at 1 January 2024	486	85	113	684
Additions in year	0	7	30	37
Disposals	-	-	-	-
As at 31 December 2024	486	92	143	721
Depreciation				
As at 1 January 2024	274	72	88	434
Charge for the year	29	9	18	56
Eliminated on disposal	-	-	-	-
As at 31 December 2024	303	81	106	490
Net book value				
As at 31 December 2024	183	11	37	231
As at 31 December 2023	212	13	25	250

12. Tangible fixed assets (continued)

The Institute	Improvements to premises	Office equipment and furniture	Computer hardware	Total
	£'000	£'000	£'000	£'000
Cost				
As at 1 January 2024	486	48	113	647
Additions in year	-	-	31	31
Disposals	-	-	-	-
As at 31 December 2024	486	48	144	678
Depreciation				
As at 1 January 2024	274	39	87	400
Charge for the year	29	6	18	53
Eliminated on disposal	-	-	-	-
As at 31 December 2024	303	45	105	453
Net book value				
As at 31 December 2024	183	3	39	225
As at 31 December 2023	212	9	26	247

13. Fixed asset investments

	Group		Institute	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Listed investments	1,964	1,833	1,964	1,833
Unlisted investments	-	-	61	73
Market value as at 31 December 2024	1,964	1,833	2,025	1,906
Historic cost of investments	950	950	1,031	1,031
Analysis of movement:				
At 1 January	1,833	1,731	1,906	1,804
Additions	-	-	-	-
Net gains/(losses)	131	102	131	102
As at 31 December 2024	1,964	1,833	2,037	1,906

Listed Investments

The CQI continued to invest in a Common Investment Fund. As at 31 December 2024, the fund comprised 31% UK equities, 47% overseas equities, 18% bonds, and 4% cash. Their fair value as at 31 December 2023 and 2024 is shown above at £1.83m and £1.96m respectively.

Unlisted investments in subsidiary undertakings

The Institute holds 100% of the voting capital of CQI Services Ltd, a company registered in England. The share capital of the company comprises 10,000 shares of £1 each. The company's principle activities are the provision of advertising revenue in the Quality World magazine and the CQI websites, management consultancy referrals, catering and hire of facilities. The company also manages the International Quality Awards.

The Institute holds 100% of the 10 million Japanese Yen voting share capital of the International Register of Certified Auditors Japan KK, a company registered in Japan. The company's principal activity is to provide local marketing, administration and certification services to Japanese auditors.

14. Debtors

	Group		Institute	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade debtors	740	406	693	380
Amounts owed by Group undertakings	-	-	28	181
Other debtors	284	191	217	118
Prepayments and accrued income	349	280	344	277
Total	1,373	877	1,282	956

15. Creditors

	Group		Institute	
	2023 £'000	2023 £'000	2023 £'000	2023 £'000
Trade creditors	253	222	225	209
Other taxes and social security	97	92	76	70
Other creditors	72	48	72	48
Accruals and deferred income	2,249	2,142	1,995	1,800
Total	2,671	2,504	2,368	2,127

16. Deferred income

	Group		Institute	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At 1 January 2024	1,826	1,746	1,498	1,405
Amount released to incoming resources	(1,826)	(1,746)	(1,498)	(1,405)
Amount deferred in the year	2,009	1,826	1,578	1,498
At 31 December 2024	2,009	1,826	1,578	1,498

Textbox 271, Textbox Textbox 272, Textbox Included in creditors (deferred income) is a total of £2,009,060 (2023: 1,826,466) which relates to deferred income. £714,831 relates to IRCA membership renewal fees received in the year but not yet earned (2023: £734,668). The remainder is income for 2024 fees raised in October, November and December 2024. This figure consists of £939,784 (2023: £768,736) for CQI Membership, £219,065 (2023: £205,337) for IRCA Membership, £48,190 for fees from Corporate Partners (2023: £21,950), £50,299 from IRCA OEA fees (2023: £52,031) and £36,891 from ATPs (2023: £36,220). Sponsorship income received in 2024 relating to the International Quality Awards was £15,000 + VAT (2023: £7,500 + VAT).

17. Provisions for other liabilities

The Group and Institute had the following provisions during the year:	Dilapidations provision 2024 £'000	Total 2024 £'000	Dilapidations provision 2022 £'000	Total 2022 £'000
At 1 January 2024	30	30	19	19
Additions dealt with in the Statement of Financial Activity	11	11	11	11
Reclassified as current liability during the year	-	-	-	-
At 31 December 2024	41	41	30	30

As part of the Group's property leasing arrangements there is an obligation to repair damages which are incurred during the life of the lease, such as wear and tear. The cost relating to the Institute's new premises on Chancery Lane is charged to profit and loss as the obligation arises. The provision is expected to be utilised in 2031 when the lease terminates.

18. Financial instruments

The Group has the following financial instruments:

	Group		Institute	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Financial assets that are debt instruments measured at amortised cost:				
Trade receivables	740	406	693	380
Other receivables	284	191	217	118
Amounts owed by Group	-	-	28	181
	1,024	597	938	679
Financial assets that are debt instruments measured at fair value:				
Investments	1,964	1,833	1,964	1,833
Investment in cash and cash equivalents	2,959	3,112	2,493	2,688
	4,923	4,945	4,457	4,521
Financial liabilities measured at amortised cost:				
Trade creditors	253	222	225	209
Other creditors	169	140	148	118
	422	362	373	327
Net financial assets measured at amortised cost	5,525	5,180	5,022	4,873

19. Other financial commitments

At 31 December 2024, the Group and Institute had the following future lease payments under non-cancellable operating leases:

Land and buildings	Group		Institute	
	2023	2023	2023	2023
	£'000	£'000	£'000	£'000
Not later than one year	293	293	233	233
Later than one year and not later than five years; and	95	388	19	253
Later than five years	-	-	-	-
Lease payments recognised as an expense through the statement of financial activity	239	239	175	175

Equipment Leases:

Land and buildings	Group		Institute	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Not later than one year	3	7	4	4
Later than one year and not later than five years; and	6	11	1	4
Later than five years	-	-	-	-
Lease payments recognised as an expense during the year	3	7	1	4

20. Funds

All assets and liabilities are held within unrestricted funds.

Group 2024	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
Fund Name	£'000	£'000	£'000	£'000	£'000	£'000
General Funds	1,930	7,241	(6,283)	(1,428)	152	1,612
Fixed Asset Reserve	1,073	-	(316)	812	-	1,569
PQG Reserve	136	36	(39)	-	3	136
IT Project Reserve	765	-	-	700	-	1,465
Product Development Reserve	456	-	-	(84)	-	372
Total Funds	4,360	7,277	(6,638)	-	155	5,154
Institute 2024						
General Funds	2,034	6,443	(5,844)	(1,412)	195	1,416
Fixed Asset Reserve	1,069	-	(311)	796	-	1,554
PQG Reserve	136	36	(39)	-	3	136
IT Project Reserve	767	-	-	700	-	1,467
Product Development Reserve	456	-	-	(84)	-	372
Total Funds	4,462	6,479	(6,194)	-	198	4,945

20. Funds (continued)

All assets and liabilities are held within unrestricted funds.

	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
Group 2023	£'000	£'000	£'000	£'000	£'000	£'000
General Funds	2,047	6,275	(5,736)	(697)	41	1,930
Fixed Asset Reserve	1,113	-	(307)	267	-	1,073
PQG Reserve	144	29	(41)	-	4	136
IT Project Reserve	511	-	-	254	-	765
Product Development Reserve	280	-	-	176	-	456
Premises Reserve	-	-	-	-	-	-
Total Funds	4,095	6,304	(6,084)	-	45	4,360
Institute 2023						
General Funds	2,185	5,685	(5,213)	(694)	71	2,034
Fixed Asset Reserve	1,107	-	(302)	264	-	1,069
PQG Reserve	144	29	(41)	-	4	136
IT Project Reserve	513	-	-	254	-	767
Product Development Reserve	280	-	-	176	-	456
Premises Reserve	-	-	-	-	-	-
Total Funds	4,229	5,714	(5,556)	-	75	4,462

The Fixed Asset reserve represents the approximate value of tangible and intangible assets as these funds are not available for day-to-day operations of the Institute.

The PQG reserve is equal to the bank balances and share of investments held by the Pharmaceutical Quality Group. This special interest group meets the needs of quality professionals within the pharmaceutical industry through regular meetings on quality assurance, good manufacturing practice and 'hot-topics' and developing guidance on a range of regulatory requirements.

The IT project reserve represents money set aside for the planned redevelopment of the Institute's digital infrastructure including the replacement CRM system due to deliver the first phase in 2026.

The product development reserve represents money set aside for the continuation of learning and development and policy projects, to be expended over the next two financial years.

There is no current premises reserve as there are a further 5 years available on the current building lease and future offices are likely to be fully fitted on occupation.

21. Analysis of net assets between funds

	General Funds	PQG Reserve	IT Project Reserve	Fixed Asset Reserve	Product Development Reserve	Premises Reserve	2024 Total Funds
Group 2024	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	-	-	-	1,339	-	-	1,339
Tangible fixed assets	-	-	-	231	-	-	231
Investments	1,886	78	-	-	-	-	1,964
Current assets	2,436	59	1,465	-	372	-	4,332
Current liabilities	(2,671)	-	-	-	-	-	(2,671)
Non-current liabilities	(41)	-	-	-	-	-	(41)
	1,612	136	1,465	1,569	372	-	5,154
Institute 2024							
Intangible fixed assets	-	-	-	1,329	-	-	1,329
Tangible fixed assets	-	-	-	225	-	-	225
Investments	1,947	78	-	-	-	-	2,025
Current assets	1,878	59	1,467	-	372	-	3,775
Current liabilities	(2,368)	-	-	-	-	-	(2,368)
Non-current liabilities	(41)	-	-	-	-	-	(41)
	1,416	136	1,467	1,554	372	-	4,945

21. Analysis of net assets between funds (continued)

	General Funds	PQG Reserve	IT Project Reserve	Fixed Asset Reserve	Product Development Reserve	Premises Reserve	2023 Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Group 2023							
Intangible fixed assets	-	-	-	822	-	-	822
Tangible fixed assets	-	-	-	250	-	-	250
Investments	1,755	78	-	-	-	-	1,833
Current assets	2,709	59	765	-	456	-	3,989
Current liabilities	(2,504)	-	-	-	-	-	(2,504)
Non-current liabilities	(30)	-	-	-	-	-	(30)
	1,930	137	765	1,072	456	-	4,360
Institute 2023							
Intangible fixed assets	-	-	-	822	-	-	822
Tangible fixed assets	-	-	-	247	-	-	247
Investments	1,828	78	-	-	-	-	1,906
Current assets	2,363	58	767	-	456	-	3,644
Current liabilities	(2,127)	-	-	-	-	-	(2,127)
Non-current liabilities	(30)	-	-	-	-	-	(30)
	2,034	136	767	1,069	456	-	4,462

22. Analysis of changes in net debt

	At 1 January 2024	Cash flows	Acquired	Foreign exchange movements	At 31 December 2024
Group 2024	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	3,112	(177)	-	24	2,959
Cash and cash equivalents	3,112	(177)	-	24	2,959

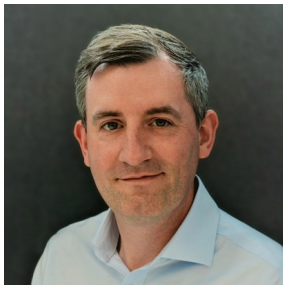
	At 1 January 2023	Cash flows	Acquired	Foreign exchange movements	At 31 December 2023
Group 2023	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	2,971	198	-	(57)	3,112
Cash and cash equivalents	2,971	198	-	(57)	3,112

Board of trustees



Rashad Issa CQP, FCQI is the Quality and Business Improvement Lead at the Baltic Exchange overseeing the organisation's improvement and assurance programmes. Before becoming a trustee, he volunteered for the CQI's London Committee, participating in the mentoring

programme and the Quality Connect platform. Rashad's experience spans the financial services, retail, health and shipping sectors. He has expertise in developing and implementing robust operational strategies, streamlining complex policies and procedures on a global scale, establishing project management offices, and implementing quality management frameworks with key stakeholders to achieve strategic objectives. Rashad has been recognised as a Fellow of the CX Academy for his contributions to elevating the profile of the customer experience industry. He was an Insights' Advisor for the Global Diversity, Equity and Inclusion initiative with the Project Management Institute.



Mike Bostock FCA is a finance professional with extensive experience in audit, financial management and strategic planning. He holds an Economics degree from Leeds University, qualified as a Chartered Accountant in 2000, and achieved fellowship status in 2010. He began his

career in audit before moving to the Chartered Institute of Management Accountants (CIMA), where he progressed from Financial Accountant to Head of UK Finance. In 2018, he joined the Rail Safety and Standards Board (RSSB) as Head of Finance, overseeing budgeting, forecasting and financial reporting. His key achievements include leading multiple ERP and budgeting software implementations, supporting company-wide post-Covid restructuring and delivering the organisation's five-year strategic plan.



Christopher Chinapoo ASQ CMQ/OE, ASQ CQA CQP FCQI has over 25 years' experience in quality, health, safety, sustainability, resilience and risk management. He is currently the Chair of the technical

oversight committee to the CARICOM Secretariat for the 10 EDF fund on Crime and Violence Prevention. Christopher is a consultant, coach and auditor in various sectors, including energy, construction, water, national security, and higher education. He is a life member of the National Association of Blacks in Criminal Justice and a regular contributor to the UK Chartered Quality Institute's *Quality World* magazine and the Journals of the American Society for Quality. Christopher is also a member of the CQI Caribbean Branch, the CQI Deming Special Interest Group and Secretary for the CQI Renewable Energy Special Interest Group.



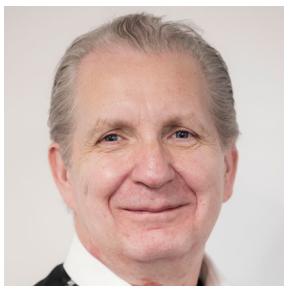
David Anderson CQP FCQI is the Director of Business Assurance, Quality, and Management Systems at BAM UK & Ireland. With over 30 years of experience in the construction industry, David is dedicated to

enhancing quality, assurance and operational excellence within the built environment. He focuses on future practices and innovative strategies to improve business outcomes. His leadership has been instrumental in positioning BAM UK & Ireland as a leader in quality, process management and assurance. He is an advocate for diversity of thinking and inclusion as an enabler to any high performing business. David's involvement in various industry groups demonstrates his commitment to collaboration for the benefit of the industry and society. Recognising his influence on quality management practices and leadership, he was named the CQI's International Quality Professional of the Year in 2020.



Dr Evi Viza MIET FRSA, CQP MCQI, IET, FRSA, LSSBB is a Manufacturing Engineer specialising in quality management and continuous improvement. She is a Chartered Quality Professional, and a Black Belt Lean Six Sigma practitioner. Dr Viza is a

member of the Institute of Engineering and Technology (IET) and Chair of the IET Manufacturing group in Scotland. She is also a Fellow of the Royal Society of Arts (FRSA) and a trustee member of the Kenyan Women in Scotland Association. Currently, Dr Viza is the Programme Leader on the MSc Quality Management at the University of the West of Scotland, driving innovation and gender equality in manufacturing. She is passionate about gender diversity and has led interdisciplinary research projects on systems approach and sustainability with a user-centric focus, including the Royal Academy of Engineering's 'FemaleInspires' initiative and partnerships with Association with Professional Women Engineers in Nigeria (APWEN).



Howard Cooper CQP FCQI is a retired quality professional who was a Specialist Director – Nuclear Quality for Jacobs UK. With a 37-year career in the UK nuclear and defence industry, including 23 years in senior quality roles, Howard has led the

establishment, refreshment and implementation of quality management for projects, programmes, organisations and enterprises. A founding member of the CQI Nuclear Special Interest Group, Howard is passionate about the importance of professional qualification for quality professionals, as well as supporting education, career pathways, mentoring and leadership development.



Dr. Makis Foros CQP MCQI, BTEC, BEng (Hons), MBA, PhD currently works as a Product Optimisation Manager for the Board & Accessories Optimisation Team within Saint Gobain

Interior Solutions. Besides being an active World Class Manufacturing TPM Instructor and Lean Six Sigma black belt / Kaizen practitioner, his true passion lies with coaching and mentoring people; assisting them with reaching their true potential and meeting their aspirations. Makis has held many roles within the quality, process, technical production and new product development arenas, and brings over 25 years' experience within the construction industry, including strategic policy deployment and change management within organisations.



Rachelle Beasley CQP MCQI is the Quality and Health & Safety Manager at WEPA, with experience in manufacturing, house and social care. She brings over a decade of experience in

quality and auditing across various industries and gained a MSc in Quality Management in 2017. Rachelle was part of the CQI's Next Generation Network Committee from 2015 to 2019, working to make quality a career choice for young people. She brings experience within the voluntary sector and as a board member, sitting on boards for charitable organisations committed to improving lives within communities. Rachelle is also an advocate for young quality professionals, diversity and the future of quality.



Roxann Dawson CQP FCQI is the Diversity & Inclusion Governor & Lead for a local secondary school. Through her work the school has been awarded both Silver and Gold RACE CHARTER status. Before becoming a trustee in September 2017,

Roxann served as a member of the Advisory Council and now chairs the CQI Governance Risk Committee. She is an active volunteer for the CQI and has contributed to the establishment of the 2030 strategy, the Competency Framework 2.0, The Profession Map and *Quality World* magazine. Roxann is known for her passion and energy for the sustainability of the quality profession, advocating for the CQI and quality profession. Roxann is a diversity and equality ambassador and seeks out opportunities to be the change she would like to see.



Victoria Yates CQP MCQI is the Head of Change and Transformation at leading temporary works provider Mabey Hire. She brings over 16 years of experience from a variety of operational and

business improvement roles from the construction and engineering sector, with the first five years of her career in site management roles on major construction and infrastructure projects. Victoria is passionate about continuous improvement and is an advocate for balancing creativity with a structured approach to develop the best solutions. Victoria loves being a STEM ambassador to promote quality and engineering careers to young women and girls. She was a member of the CQI's winning Team of the Year Award in 2018.



Victoria Derbyshire CQP MCQI is Business Stream Quality Manager for Cavendish Nuclear Ltd. Her experience ranges across the nuclear, defence, construction, and utilities sectors, specialising in utilising data analysis to inform business

improvement and delivering corporate and operational governance and assurance activities. She started her career in one of the first quality apprenticeships of its kind and is passionate about raising the profile of the quality profession. Victoria wants young people to have the same opportunities available that she did and has worked closely with organisations helping them develop and introduce their own quality apprenticeships and early career options. She also coaches and mentors quality professionals undertaking apprenticeships. Victoria actively engages with the Nuclear Special Interest Group, as a steering group member and has previously supported Women in Nuclear UK as Quality Lead. Victoria won the CQI's the Emerging Talent Award in 2019.

Trustee Participation 2024

Position	Current office holder	Date of appointment/ resignation	Attendance at Board meetings in 2024	Committee member	Attendance at committee meetings 2024
Chair	Rashad Issa	Appointed March 2021	4/4	Finance and Remuneration Committee	4/4
Honorary Treasurer	Mike Bostock	Appointed January 2025	1/0*	Finance and Remuneration Committee Chair	1/0**
Honorary Treasurer	Hannah Kingsley	Appointed December 2024 Resigned	4/4	Finance and Remuneration Committee Chair	4/4
Board Member	Roxann Dawson	Appointed September 2017	3/4	Governance and Risk Committee Chair	4/4
Board Member	Rachelle Beasley	Appointed March 2020	4/4	Governance and Risk Committee	2/4
Board Member	David Anderson	Appointed March 2021	3/4	Finance and Remuneration Committee	2/4
Board Member	Christopher Chinapoo	Appointed March 2022	4/4	Governance and Risk Committee	4/4
Board Member	Victoria Derbyshire	Appointed March 2022	4/4	Finance and Remuneration Committee Nominating Committee	4/4 4/4
Board Member	Dr Evi Viza	Appointed June 2023	2/4	Governance and Risk Committee	2/4

Trustee Participation 2024 (continued)

Position	Current office holder	Date of appointment/resignation	Attendance at Board meetings in 2024	Committee member	Attendance at committee meetings 2024
Board Member	Howard Cooper	Appointed June 2023	4/4	Governance and Risk Committee	4/4
				Nominating Committee Chair	4/4
Board Member	Dr Makis Foros	Appointed June 2023	2/4	Finance and Remuneration Committee	2/4
Board Member	Victoria Yates	Appointed June 2023	3/4	Nominating Committee	3/4

* Participated in December 2024 as a non-voting member

** Participated in November 2024 as a non-voting member

CQI Council

Name	Position
Dave Smith	Chair – Ordinary member
Tom Antony	Ordinary Member
Tony Brachmanski	Ordinary Member
Abigail Carpenter	Ordinary Member
Michelle Clark	Ordinary Member
Nicola Cornforth	Ordinary Member
David Edwards	Ordinary Member
Mark Eydman	Ordinary Member
Andy Garner	Ordinary Member
Sarah Harper	Ordinary Member
Leigh Henderson	Ordinary Member
Martin Jackson	Ordinary Member
Simon Jordan	Ordinary Member
Mehrdad Kamali	Ordinary Member
Cheryl ORourke	Ordinary Member
Fiona Payne	Ordinary Member
Steve Savage	Ordinary Member
Nicola Selway	Ordinary Member
ADS Group Limited	Stakeholder Member
Get it Right Initiative – GIRI	Stakeholder Member
Society of Motor Manufacturers and Traders LTD – SMMT	Stakeholder Member
Engineering Council	Stakeholder Member
Institute for Continuous Improvement in Public Service	Stakeholder Member
Institute for Business Ethics	Stakeholder Member
Association of British Certification Bodies – ABCB	Stakeholder Member
United Kingdom Accreditation Service - UKAS	Stakeholder Member
British Standards Institute - BSI	Stakeholder Member
BQF	Stakeholder Member
Chartered Trading Standards Institute	Stakeholder Member
Military Aviation Authority - MAA	Stakeholder Member
Ministry of Defense – MOD	Stakeholder Member
Home Office	Stakeholder Member
The Chartered Institute for IT, BC	Stakeholder Member
Cranfield University	Stakeholder Member

Professional Networks Officers

Special Interest Groups (SIG)

Construction SIG	Chair	Steffan Spear
	Vice Chair	David Anderson
	Secretary	David Myers
Defence SIG	Chair	Robert Gibbs
	Secretary	Nicola Abrams
Deming SIG	Chair	Angelique Macrez (March-October)
	Vice Chair	Kevan Leach (until December 2024)
Integrated Management SIG	Chair	Jonathan Bishop
	Vice Chair	Gary Ruffhead (from April 2024)
	Secretary	Oluwafemi Adare
Nuclear SIG	Chair	Richard Hibbert
	Vice Chair	James Brown
	Secretary	Charlotte Louise Orton (from Jan 2024)
	Secretary	Owen Tennant
Pharmaceutical SIG	Chair	David Waddington
	Secretary	Neil Wayman
	Treasurer	Steve Moss
Rail SIG	Chair	Robert Mackay (from May 2024)
	Vice Chair	Alice Sizer (until October 2024)
Health SIG	Chair	Thomas Rose
Sustainability SIG	Chair	Zoi Kontodimou
	Vice Chair	Muruges Sivasubramanian
Audit SIG	Chair	William Rankin
	Vice Chair	Richard Brett
	Secretary	Doris Cadar
Renewable Energy SIG	Vice Chair	Robert Owen
	Secretary	Paul Robinson
Medical Laboratories SIG	Chair	Dennis Mok

Branch Networks

EASTERN REGION		Regional Chair	Barry Avis
Peterborough and Cambridge Branch	Chair		Kevin Newey
South Anglia Branch	Chair		Barry Avis

MIDLANDS REGION		Regional Vice Chair	Tony Brachmanski
		Regional Secretary	Suzanne Hill
Birmingham Branch	Chair		Claire Lewis
	Vice Chair		Amandip Sandhu
	Secretary		Matthew Moss
Derby and Nottingham Branch	Chair		Suzanne Hill
	Vice Chair		Grant Nicholson
	Secretary		Craig Stillwell
Leicester and Coventry Branch	Chair		Simon Jones
	Vice Chair		Christopher Parry
	Secretary		Adrian Stokes
Wolverhampton Branch	Chair		Tony Brachmanski
	Vice Chair		Craig Cartwright
	Secretary		Samantha Wright

NORTH EAST REGION		Regional Chair	Leigh Henderson
Northeast Branch	Chair		Leigh Henderson
	Vice Chair		Colin Humble
	Secretary		John Mills

NORTHERN REGION		Regional Chair	-
Cumbria Branch	Chair	Ryan Mower	
	Vice Chair	Kyle McNicol	
	Secretary	Paul Johnson	
Yorkshire Branch	Chair	Katja Danson (from March 2024)	
	Secretary	Asimakis Foros	

NORTHERN IRELAND		Regional Chair	Michael McCusker
Northern Ireland Branch	Chair	Michael McCusker	
	Vice Chair	Gerard Heatley	
	Secretary	Siobhan Murphy	

SCOTLAND		Regional Chair	Colin Campbell
		Secretary	Jeffrey Marven
North of Scotland Branch	Chair	Colin Campbell	
	Vice Chair	Samantha Withers	
	Secretary	Abigail Readman	
West of Scotland Branch	Chair	Marc Elmes	
	Vice Chair	James Burns	
	Secretary	Jeffrey Marven	
East of Scotland Branch	Chair	Gemma Parnell	
	Secretary	Victoria Tait	

SOUTH EAST REGION		Regional Chair	-
London Branch	Chair	Jessican Naidoo	
	Vice Chair	Adebisi Alonge	
Kent Branch	Chair	Roderick Hogarth	
Surrey and Sussex Branch	Chair	Luke Higgins	
	Secretary	Heather Kane	

SOUTH WEST REGION		
	Regional Chair	Angela Fumpson
	Regional Vice Chair	Derek Lewis
Avon Branch	Chair	Neil O'Doherty (from February 2024)
	Vice Chair	Angela Fumpson
	Secretary	Denise Ramsay
Gloucester Branch	Chair	Gary Martin
Wales Branch	Chair	Derek Lewis
	Secretary	Karl Mrosek

OVERSEAS		
Hong Kong Branch	Chair	Ian Streeter
	Vince Chair	Wai Hang Cris Tam
	Secretary	KharVoen Chin
Caribbean Branch	Chair	Christopher Chinapoo (from August 2024)
	Vice Chair	Roger Herelle (from August 2024)
	Secretary	Sucilla Harrikissoon

Corporate Partners

- | | | |
|-------------------------|------------------------|-------------------------|
| AWE | ISS | Raytheon |
| Babcock | Jacobs | Restoration and Renewal |
| BAE Systems | JDR Cables | Rolls Royce |
| Balfour Beatty | Kier Transportation | Saab |
| BAM Nuttall | Kingspan | Sellafield |
| BP | Leonardo | Shell |
| British America Tobacco | Laing O'Rourke | Siemens |
| Bureau Veritas | Macfarlane t/a MCFT | Skanska |
| Costain | MOD | Spirax Sarco |
| Element Materials | Network Rail | TCO |
| Frontier Certification | Nuclear Waste Services | Thales |
| Hitachi Rail | Nuvia | Wabtec |
| IMSM | Oakland Group | |
| Innovo | QTS | |



Key management personnel

Director General and Chief Executive, Vince Desmond
Executive Director of Membership and Commercial Services, Tally Singer
Executive Director of Corporate Services, Andrew Lannin

Office address

Third Floor
90 Chancery Lane
London WC2A 1EU

Principal professional advisers

Bankers

Lloyds Bank Plc
98 Victoria Street
London SW1E 5JL

External auditors

Buzzacott Audit LLP
130 Wood Street
London EC2V 6DL

Solicitors

Russell Cooke
2 Putney Hill
London SW15 6AB

Investment managers

Newton Investment Management Ltd
BNY Mellon Centre
160 Queen Victoria Street
London ECV4 4LA

Chartered Quality Institute

Third floor, 90 Chancery Lane
Holborn, London WC2A 1EU

Incorporated by Royal Charter and
registered as charity number 259678

www.quality.org

THE CHARTERED QUALITY INSTITUTE

England & Wales - Charity number 259678

Accounts

The Chartered Quality Institute **Annual Report 2023**

“We help organisations guard against failure, but also deliver superior outcomes for customers and stakeholders through innovation and improvement. In other words, competitive advantage.”



CQI President's foreword

In 2023, the world grappled with huge challenges. How to make the potential of artificial intelligence a force for good? How to navigate the shifting sands of geopolitics and global trade? How to tackle our impact on climate crisis at pace?

The quality community has the potential to make a difference in all these areas, from providing good practice standards to offering confidence through accredited certification. The CQI and the quality profession has a unique part to play. By helping organisations and policymakers to apply our quality principles and methods to translate environmental, social, and governance (ESG) policy aspirations into operational success. By helping organisations maximise the benefits of digital transformation while mitigating the risks of failure. And by helping businesses build resilience in supply chain quality. I am delighted that the CQI has grasped many of these big issues through its research, content, and outreach again in 2023.

Real quality starts when the basics of quality control and compliance are in place. However, we continue to see examples in the media of what happens when basic quality management capability and culture are absent. At worst, lives are ruined, and people die. Therefore, I am very pleased that the CQI's new Council and the next phase of our strategy focuses on engaging with industry and policymakers to promote the value of good quality management. We help organisations guard against failure, but also deliver superior outcomes for customers and stakeholders through innovation and improvement. In other words, competitive advantage.

I hope that you share my satisfaction with the progress and growth that the CQI achieved again in 2023. I look forward to supporting our most important profession during CQI's next phase.

**Lord Jamie Lindsay, President,
Chartered Quality Institute**



“My first Annual Report message coincides with the completion of phase 1 of the CQI’s 2030 strategy and I am pleased to report excellent progress.”

Chair's introduction

During our centenary in 2019, we recognised that for the quality profession to continue being relevant, we had to respond to the digital and sustainability agendas. We needed to act to position good quality management and the expert quality professional as critically value-adding to organisations. We had to work with industry to better attract new, diverse talent into the profession. And we needed to support a global membership operating in over 100 countries. My first Annual Report message coincides with the completion of phase I of the CQI's 2030 strategy and I am pleased to report excellent progress.

Since 2019, we have invested in research to understand why and how our profession can support digital transformation and the new digital and sustainability competences needed. I am delighted that 2023 saw this work come together in the launch of our Profession Map, which provides the foundation for the development of our profession.

As a professional body, our members and volunteers are a vital component in developing and promoting quality management – from those leading our branches and special interest groups to those lecturing at universities, supporting STEM outreach, working with BSI and ISO on standards, and supporting our various advisory panels. We have seen a significant growth in volunteers - reaching almost 400 in 2023 - and launched new special interest groups focused on digital and sustainability agendas.

Our annual Quality Live conference and awards event is now established as a focal point for the profession. The 2023 International Quality Awards underlined the value that quality

management and our profession deliver for organisations and society.

Our annual World Quality Week campaign continues to grow, reaching over 8 million social media impressions globally as we promote the competitive advantage that superior quality management and improvement affords.

This investment in creating value for the profession led to growth in membership, learners taking CQI and IRCA-certified training, revenue, global influence, and customer satisfaction. And a solid financial basis to invest in our next phase of development.

The Board of Trustees completed a comprehensive strategy review in 2023 reflecting feedback from our members, volunteers, and staff in our response. This process indicated satisfaction with the progress we have made supporting the profession, but also identified a need to place more emphasis on advocating quality management with industry and policymakers. We will continue to lead the development of our profession and expand our global reach and influence.

One of the first steps is to align our governance. I must thank the CQI Advisory Council, which proposed the evolution of our Council to involve wider stakeholders as well as elected practitioner members, implemented in early 2024.

None of this progress would have been possible without the contributions of our superb volunteer and partner community and our committed staff team in London and Tokyo. Thank you all.

**Rashad Issa, Chair of the Board of Trustees,
Chartered Quality Institute**

Trustees' report

For the year ended 31 December 2023



Our impact – 2023 highlights

As a registered charity with a Royal Charter, our purpose is to champion quality management in all sectors for the benefit of society. We deliver on this mission through¹:

- The contribution made by CQI members and IRCA certificated auditors in supporting and improving the quality of products, services, and organisations.
- The training and education delivered through our approved training partners (ATPs) and university courses.
- The research we perform to advance the discipline of quality management methods and tools.
- The policy outreach we conduct to support and influence UK and global quality infrastructures.

¹The Trustees confirm they have referred to the Charity Commission's guidance on public benefit when reviewing the Institute's aims and objectives, planning future activities and setting the annual operating plan.

“In 2023, we grew our community with 546 new individual members, learner growth numbers increased by 4,574, we hosted 109 professional development events with 4,575 quality professionals and supported 319 mentoring relationships.”

A growing institute:



Member growth – Individual membership grew globally by 546 members to 19,440 from 18,894 at the end of 2023.



Learner growth – Learner numbers on CQI and IRCA certified training courses increased by 4,574 to 74,119.



Volunteer growth – Our community of member volunteers grew by 20 to 394.



Financial growth – Our revenue increased by £930k to £6.3m

Value for members:



The Profession Map – We implemented our new Profession Map to support the development of quality and non-quality professionals.



Research – We developed the next set of research assets to support the Quality 4.0 agenda, including a new framework for digital assurance and new report on customer experience in collaboration with Gartner.



Special Interest Groups (SIGs) – We supported the introduction of new Digital and Sustainability SIGs to support these important new agendas.



Continuing Professional Development (CPD) events – We hosted 109 professional development events on quality management topics, reaching 4,575 quality professionals, including our new annual conference format, Quality Live.



Mentoring – We supported 319 active mentoring relationships through our online mentoring platform.

Advocating for quality and our profession:



World Quality Week 2023 – We promoted the value of quality management through the World Quality Week 2023 theme of 'competitive potential', achieving 44,733 resource kit downloads and 90,928 main webpage views.



International Quality Awards – We promoted the value of the quality profession through the 2023 International Quality Awards with a record number of 144 entries from 29 different countries.



Standards and Conformity Assessment – We represented our members through our liaison status with ISO to support the revision of ISO 9001 in response to the changing operating landscape for organisations.



Global Quality Community – We represented the CQI at the European Organization for Quality and American Society for Quality conferences, speaking on the topics of Quality 4.0 and professional competence. We hosted a visit from the Saudi Quality Council and visited the Japanese Union of Scientific Engineers.



Our strategy

Our Annual Report is structured around the five strategic themes on which our strategy is built.

Our five strategic themes

Align operating model

Improve our systems, processes, and people to deliver the strategy.

Redesign offerings

Enhance value for individual and corporate members through digital and expanded member services.

Lead quality management practice

Invest in research and CPD to demonstrate the relevance of the profession to organisations within the future world of work.

Broaden the scope of the profession

Gain the support of allied professions in delivering excellence in governance, assurance, and improvement.

Grow our global influence

Become more actively involved in quality communities around the world, recognising the complex environments in which members operate.

Positive changes in our discipline and profession

The quality management discipline

A broader scope: will be embraced by organisations and allied professions.

Technology: will adapt to support digital transformation and improvement.

Trust and guardianship: will support ethical decision making and performance improvement.

Strategic quality: will shift focus from the tactical to the strategic.

Agility and adaptability: will adapt to the increasing speed of change.

The quality profession

Global influence: will be able to operate in an increasingly complex and fast-moving global context.

New behaviours and roles: will focus on strategic leadership, improvement and championing organisational conscience.

Automation/Internet of Things: will embrace technology in the design of business models and systems.

Diversity: will embrace wider scopes of experience, skills, and backgrounds to deliver its wider breadth and new roles.

Big data: will embrace data and analytics to drive improvement at speed.

Learning: will maintain value through increased life-long learning.

To deliver...

In response to...

Key external trends

The global trade challenge – of shifting global trade arrangements, emerging compliance requirements and new markets and supply chains, which will require organisations to adapt to new opportunity and risk.

The technology challenge – of Industry 4.0 technologies (connectivity, quantum computing, big data, and artificial intelligence) in transforming business models and systems, and the nature of work.

The demographics challenge – of ageing populations putting pressure on skills and public services, and diversity in society, organisations, and teams.

The personal value challenge – of providing value to customers and consumers in a digital age, combined with the pressure on organisations to satisfy the widening societal and stakeholder expectations.

Value for society

In terms of improved quality of product, service, organisation, sector, and national competitiveness.



Our vision

A world in which organisations of all types and sizes thrive by providing outstanding value for customers, stakeholders, and society.

To provide...

To achieve...

OUR 2023 PERFORMANCE

Strategic theme I – Align operating model



To improve our systems, processes, and people to deliver our strategy.

Measure	2023	2022
Financial net income (before gains and losses)	£220K	£486k
Capital expenditure	£267K	£491k
% of projects completed	71%	80%
Staff satisfaction (1–10)	7.7	8.25
Volunteer engagement (Net Promoter Score ²)	+22 NPS	+17 NPS
Compliance (with Charity Governance Code)	Compliant	Compliant

²The Net Promoter Score (NPS) is a customer loyalty score, ranging from –100 to 100, calculated by asking customers one question: "On a scale from 0 to 10, how likely are you to recommend this product/company to a friend or colleague?" Any score above 0 reads as 'good' because it indicates that a business has more promoters than detractors.

Operating financial outturn

We achieved a surplus of £220k, and along with our brought forward funds of over £4m, this puts us in a comfortable position for the execution of the 2024 operational plan, in addition to maintaining our reserves to policy. Please refer to page 24 for more detail on our financial performance for the year:

We delivered

£267k

of our planned capital project budget of £566K (excluding contingency) and completed five out of seven of the associated projects.

Capital project delivery

We delivered £267k of our planned capital project budget of £566K (excluding contingency) and completed five out of seven of the associated projects. This included: £87K in the development of our online examination platform for candidates sitting relevant CQI and IRCA certified training courses; £61K in the development of our new competence assessment tool and e-learning platform (launched in 2024); £44K in the development and online presentation of the new CQI Profession Map; £52K in the planning for our initiative to renew our technology platform (in preparation for development in 2024); and £10K in the update of our IRCA Food Safety Auditor scheme to reflect market changes. The unspent capital budget relates to a delay of:

- The update of our technology platform project as we completed additional planning work. With planning completed in 2023, the capital spend element for this project has commenced in 2024.
- A project to build model role profiles to provide further CPD support for members as we completed the roll out of our Profession Map. This will be completed in 2024.
- The launch of our new digital badge for IRCA certificated auditors to replace the printing and distribution of plastic certification ID cards. This was delivered at the beginning of 2024.

Staff engagement

We saw stability in staff satisfaction and engagement. We were pleased that, of those staff that responded to staff surveys in 2023, most colleagues view that working at the CQI serves a purpose; they are clear on their goals and objectives; and have the right balance of support and autonomy. Access to training and development and internal communication were two areas that colleagues focused on for future improvement and are being addressed in 2024.

Volunteer engagement

Volunteer satisfaction improved in 2023. After engaging with our branches and special interest groups, we have recognised how, where, and when members expect value in terms of networking, professional development, and that knowledge exchange has changed faster than our digital systems and processes. In 2024, we are collaborating with our volunteer community to improve how we support this shift.

Strategic theme 2 – Redesign offerings

2

To enhance value for individual and corporate members through digital and expanded member services.

Measure	2023	2022
CQI member satisfaction (NPS)	+44	+44
CQI member register	9,247	8,846
IRCA auditor satisfaction (NPS) – Rest of World (ROW)	+51	+42
IRCA auditor register ROW	6,232	6,190
IRCA auditor satisfaction (NPS) Japan	+5	-3
IRCA auditor register Japan	3,961	3,858
Corporate register	36	34
Delegates on CQI and IRCA certified courses	74,119	69,265

Overall, we are pleased to report a fourth year of growth in our community of CQI members and IRCA certificated auditors. This is a result of our investment in promoting quality management, the quality profession, and our ongoing development of new services and research.

CQI membership

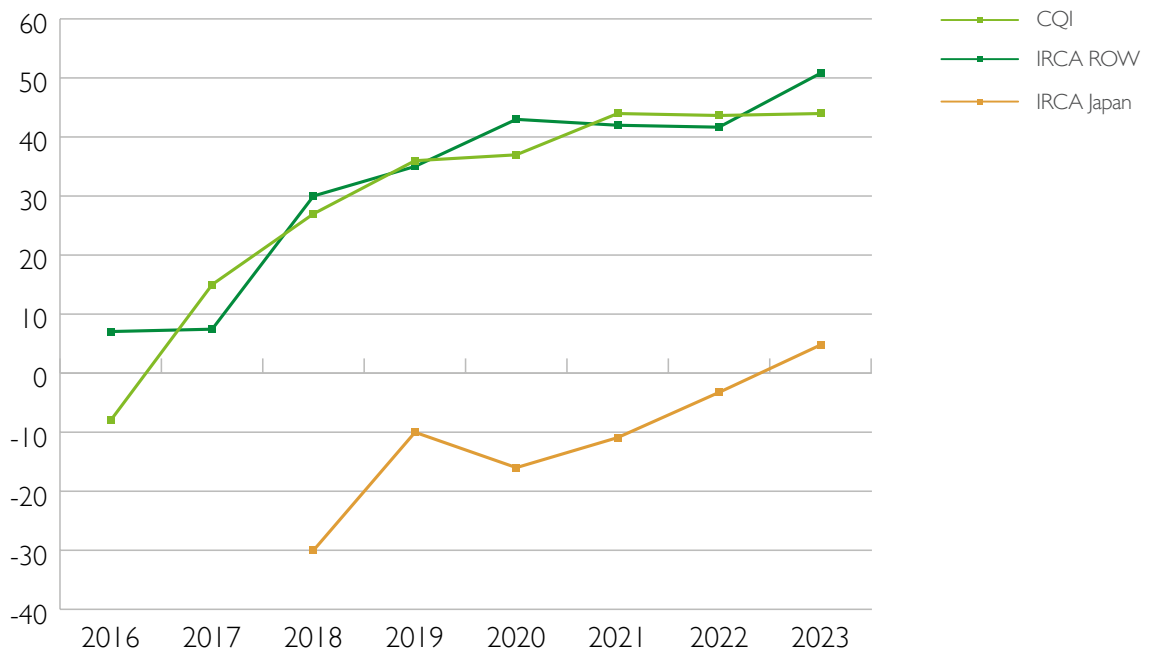
We were pleased to see a net increase of 4.5% in CQI members in 2023. CQI member retention remained stable at 85% with the major reasons for members leaving being retired and moving out of quality roles. CQI member acquisition saw another increase with 1,433 new members joining (1,321 in 2022). CQI member satisfaction remained strong at +44 NPS (net promoter score) for CQI members, exceeding our target for the end of the first phase of our strategy of +37 NPS.

IRCA auditor certification

Overall, we were pleased to see the IRCA (excluding Japan) register of certificated auditors held steady, with a small net increase of 42 members, while retention remained stable at 82%, with the major reasons for members leaving being the same as for the CQI above. We saw growth in Japan, with the register increasing from 3,858 in 2022 to 3,961 at the end of 2023.

The number of new auditor certifications increased during the year to 1,329 joining (1,237 in 2022), with particular interest in Japan. IRCA auditor satisfaction improved again this year with an increase of NPS from -3 in 2022 to +5 in 2023 with our Japanese community – an improvement of 10 NPS points to +51 across the rest of the world.

Member NPS



“The Profession Map was viewed over 71,000 times by more than 23,000 unique users and has seen over 155,000 individual interactions.”

CQI Quality Careers Hub

In 2023, 1,370 members accessed the Quality Careers Hub (QCH) in search of support for their career development. Collectively, members undertook 23,894 activities on the platform, which was a small increase on 2022, and viewed 3,737 jobs, which represents a 27% year-on-year increase.

CQI eLibrary

Usage of the eLibrary was slightly down in 2022, with a drop in logins of 5%. Following the launch of the Profession Map and self-assessment tool, increased communication about the importance of CPD is expected to raise awareness of the eLibrary.

CQI Mentoring Hub

There were 319 active mentoring relationships at the end of 2023, an increase on 285 at the end of 2022.

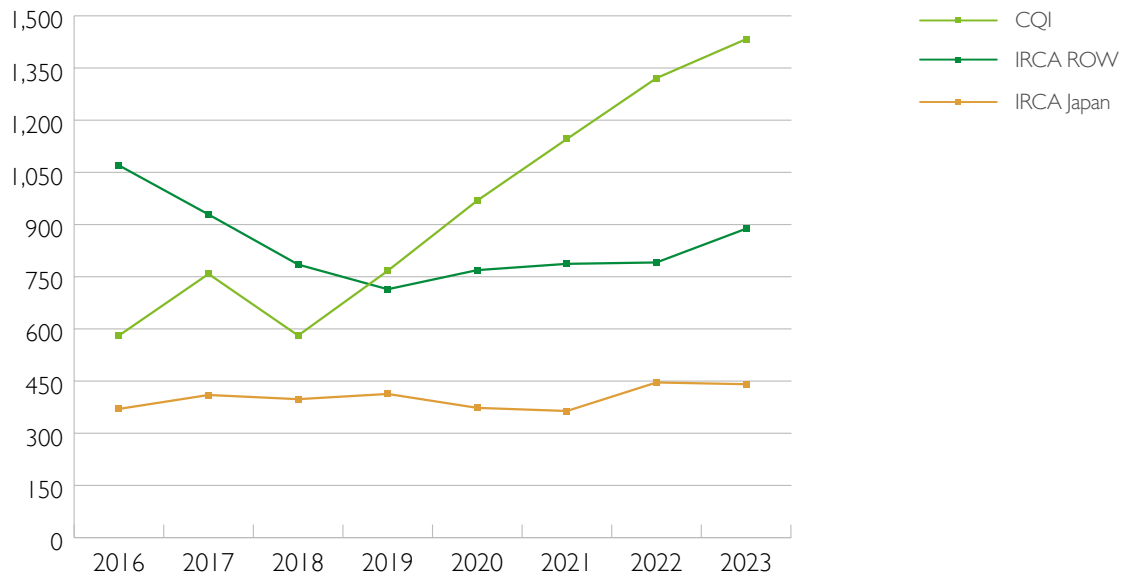
CQI Profession Map

The open access Profession Map was launched on 15 June 2023, an updated and more detailed version of the competency framework, previously launched in 2014. Following the launch, the Profession Map was viewed over 71,000 times by more than 23,000 unique users and has seen over 155,000 individual interactions.

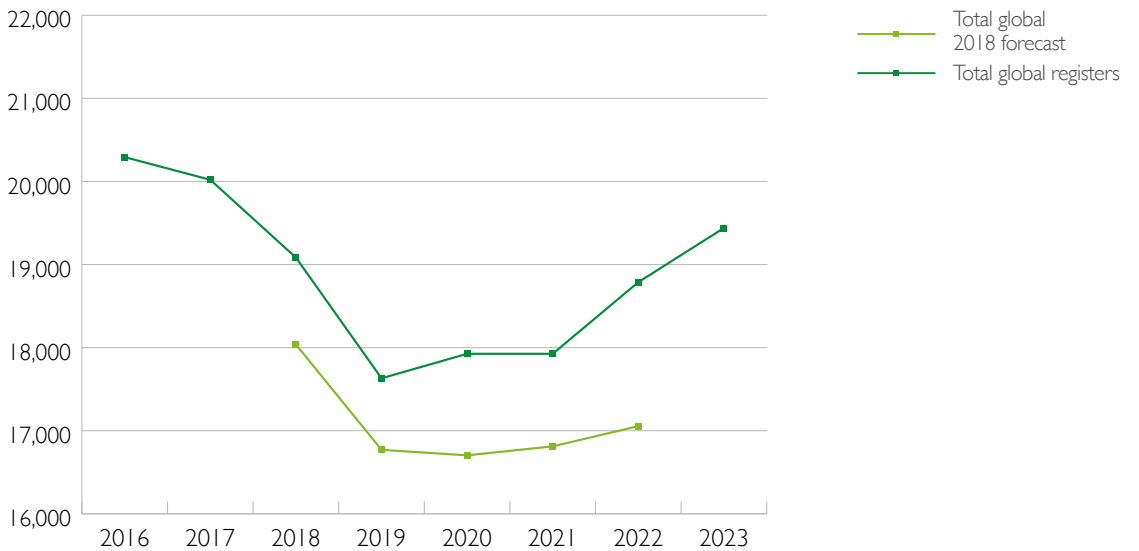
Response from users has been very positive: “The profession map is timely and an excellent tool for the modern professional, it will help many people across many industry sectors to position for the future.”

The Profession Map will be followed in early 2024 by a self-assessment tool and Quality Learning Hub, further supporting professionals with their development.

New members



Global register



73

branch events

21

Special Interest Group events

2,720

combined total of attendees

CQI member networks

The CQI supports a network of eight regions, 25 active branches, and 10 active Special Interest Groups (SIGs), with a further four in development, supported by the volunteer members and the Professional Networks staff team. The branches network delivered 73 events, the SIGs delivered 21 events, and there were five regional events. Combined, these events had a total of 2,720 attendees.

Members are a key asset in promoting and developing the profession and we thank our superb community of 394 volunteer members worldwide.

Corporate partners

Our corporate membership programme allows the CQI to build relationships with large employers, enabling organisations to network across industries, sharing their insights and experiences with each other. Our corporate partners and members also make a valuable contribution to our research agenda. We ended the year with a combined 41 corporate partners and corporate members, a slight increase on 2022.

Listed below are new corporate partners that joined in 2023:

- QTS
- Bureau Veritas
- ISS
- Laing O'Rourke
- BP
- Element Materials Technology

Current partners include:

AWE, Babcock, BAE Systems, Balfour Beatty, BAM Nuttall, BP, British America Tobacco, Bureau Veritas, Costain, Element Materials, IMSM, ISS, Jacobs, Kier Transportation, Leonardo, Laing O'Rourke, Ministry of Defence, Network Rail, Nuclear Waste Services, Nuvia, QTS, Raytheon, Restoration and Renewal of Parliament, Rolls Royce, Sellafield, Shell, Siemens, Skanska, Spirax Sarco, TCO, Thales, Tokomak Energy, Wabtec.

Current members include:

Accenture, Frontier, Glacier Energy, JDR Cables, Macfarlane t/a MCFT, and Mildmay Uganda.



74,119
learners in 2023

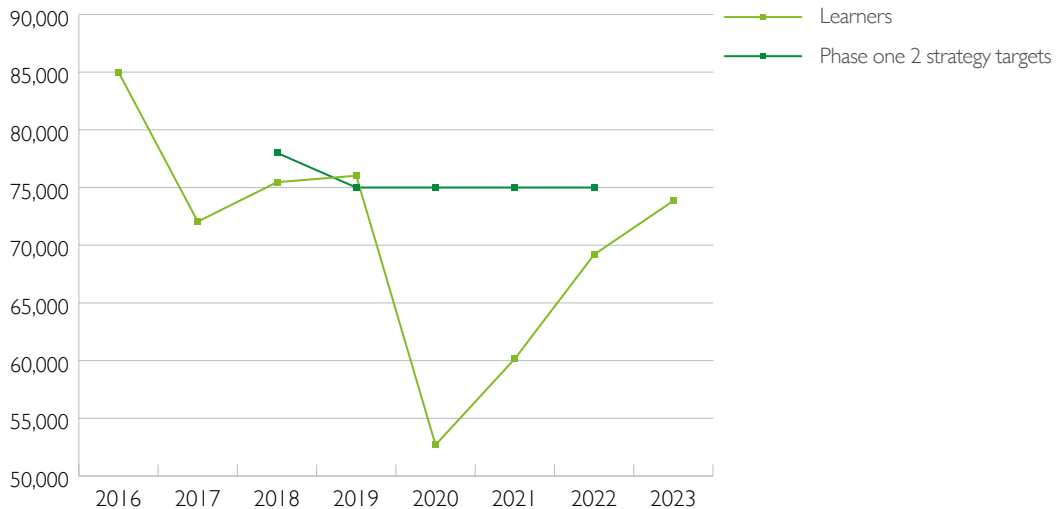
Training and education

In 2023, there was a return to pre-pandemic numbers, with 74,119 learners attending certified training courses. Of these learners, 56% attended a classroom-based course, an increase of 6% compared with 2022.

Launched at the end of 2022, online assessments accounted for just over 42% of all assessments completed in 2023. All courses that are delivered and/or examined in English for quality, information security, occupational health and safety, environmental and food safety are now assessed online.

In 2024, online assessments will be extended to include Spanish, Arabic, Japanese, and Mandarin in the five schemes.

Learners



+5

improved member satisfaction
NPS score

IRCA Japan highlights

The membership register in Japan grew again as described above. The team in Japan continues to support members, delivering high levels of services and value-add activities, resulting in improved member satisfaction NPS score of +5. The IRCA is increasingly recognised within the Japanese industry as adding value and thought leadership, by bringing the international view from the CQI and sharing unique research, resulting in improved relationships with bodies like JUSE (Japanese Union of Scientific Engineers).



Strategic theme 3 – Lead quality management practice



To invest in research and CPD to demonstrate the relevance of the profession to organisations within the future world of work.

New professional competences

We were delighted that the second iteration of the CQI quality management competence framework was released in 2023 in the form of the CQI Profession Map. The major research for this was achieved in 2022, and the Profession Map now includes new competences for quality professionals relating to common trends experienced by organisations:

- digital (quality 4.0)
- sustainability
- risk
- agility
- innovation

New Quality 4.0 research

The Future of Assurance – This research was reported to members in 2023, providing a high-level framework for the assurance of digital technologies. This work was released during a year of increased societal focus on mitigating the threats associated with artificial intelligence (AI) and included an AI summit hosted by the UK government and the release of an ISO standard relating to AI. Further work took place in 2023 to develop a playbook for digital assurance, which will be published in 2024.

In 2021, a pulse survey was conducted to test awareness within the quality professional community regarding the importance of the digital and sustainability agendas. The survey was repeated in 2023 to test sentiment following work completed by the CQI on the digital agenda. This found that:

- There is an increase in sentiment that, unless professionals acquire new competencies, the future of the profession could be under threat.
- More quality professionals agree that the profession can add value to the pursuit of ESG goals.
- More organisations have or are developing strategies for Q4.0 and ESG than two years ago, although this is still less than half of the total sample.

CQI research governance

Our expert Research Advisory Panel (RAP) advises the CQI on research plans and reviews research methods and outputs. Dr Nigel Croft stepped down from the RAP in 2023 and was replaced by Estelle Clark, ex CQI Chair and Head of Policy.

RAP Members include:

- Estelle Clark FCQI CQP
- Professor Dr Michele Cano
- Professor John Oakland
- Dr Martin Brenig-Jones
- Dave Smith FCQI CQP, Chair Membership Council
- Mike Turner, Head of Profession, CQI
- Vince Desmond, CEO, CQI
- Gareth Kingston, Head of Professional Development, CQI

Strategic theme 4 – Broaden the scope of the profession



To gain the support of allied professions in delivering excellence in governance, assurance, and improvement.

International Quality Awards 2023

The 2023 International Quality Awards (IQA) once again celebrated the profession and its successes. We received a record number of entries – 144 in total – from 12 different sectors, with 35 different countries represented, and winners coming from as far away as the United Arab Emirates and Australia.

The IQA is not just an important way to celebrate the profession, but also provides real life examples of effective quality management in action from the winners and finalists. These case studies are valuable material to promote the value of quality management and the quality profession, and to provide learning to practitioners and organisations.

Quality Live 2023

Building on the successful panel discussions held at the 2022 IQA, and responding to feedback that people would like more of a focus on learning, we held the inaugural Quality Live conference.

The programme consisted of 30 expert speakers taking part in 10 sessions, covering a variety of topics relating to the themes of competitiveness, people, and innovation. The event concluded with the IQA winners being announced. The conference was sold out in person and streamed live, allowing international delegates to attend.

Based on the success of this new event, the 2024 conference will move to a larger venue, enabling a marketplace-style exhibition and greater opportunities for networking, as well as a full conference programme.



44,733
downloads of our resources

World Quality Week (WQW) 2023

The 2023 World Quality Week (WQW) took place 6–10 November 2023 with the theme 'Quality: realising your competitive potential'.

Awareness of WQW has grown significantly in recent years, and the improvement in 2023 was exceptional. We experienced a staggering 1,209% increase in webpage views from 2022 (6,947) to 2023 (90,928), resulting in 44,733 downloads of our resources. Engagement on social media exceeded all expectations with an incredible 8.1 million impressions and an impressive positive sentiment score of 84.3%.

The CQI executive supported several industry and professional events ranging from supporting our corporate partners with their in-company celebrations to speaking at the European Organisation for Quality conference.



Strategic theme 5 – Grow global influence

5

To become more actively involved in quality communities around the world, recognising the complex environments in which members operate.

During 2023, the CQI supported the following UK and global bodies advising on policy and plans:

- United Kingdom Accreditation Service (UKAS), Policy Advisory Committee, Policy Advisory Forum, and Management Systems Technical Advisory Committee
- European Organisation for Quality (EOQ), Executive Board
- Japanese Union of Scientific Engineers (progressed discussions to formalise the relationship with an MOU expected to be signed in 2024)
- British Standards Institute (BSI)/International Organisations for Standardisation (ISO) – liaison status as follows:

CQI ISO liaisons	
ISO/TC 176	Quality Management and Quality Assurance
ISO/TC 176/SC 1	Concepts and Terminology
ISO/TC 176/SC 2	Quality Systems
ISO/TC 176/SC 3	Supporting Technologies
ISO/TC 283	Occupational Health and Safety Management
ISO/TC 309	Governance of Organisations
ISO/IEC JTC 1/SC 27	Information Security, Cybersecurity, and Privacy Protection



CQI Standards Coordination Committee

The CQI Standards Coordination Committee (SCC) has continued to lead the CQI's standards-related activities, particularly regarding the revision of ISO 9001. We have retained Category A Liaison for ISO Technical Committee (TC) 176 (responsible for the ISO 9000 series of standards) and TC 283 (ISO 45001). Following the announcement in August 2023 that a refresh of ISO 19011, guidelines for auditing management systems, had been approved, we have also submitted a liaison request to PC302 for membership of the project committee.

Throughout 2023, the SCC has continued to deliver its programme of work related to the revision of ISO 9001. The CQI delegation to TC 176 has been an active participant in Working Group 29, the body responsible for drafting the design specification for ISO 9001. Drawing on our research and development programme, member feedback and consultation (including an extensive member survey), and our strategic and operational priorities, the SCC has driven forward a series of proposed revisions to the standard and remains intimately involved in its development.

In 2023, the publication of several occupational health and safety standards designed to support the primary standard in the series, ISO 45001, were witnessed. In December 2023, confirmation was received that ISO 45001 itself would also be reviewed, commencing 2024, with the CQI participating at the heart of the process.

The SCC has also participated in ISO/TC 176/TG 'Emerging trends in quality'. This has included presenting our research programme on digital transformation of quality and the mapping of the CQI Q4.0 principles to the ISO 9000 principles of quality management.

The SCC has led the production of a series of articles, webinars, and supporting content to keep members informed of standards revision activity, and proactively supports the maintenance and development of CQI products and services, including the new ISO 13485 – Medical Devices auditor certification scheme and the updates to ISO 27001 Information Security Management System – Requirements.

CQI Standards Coordination Committee members

Member volunteers:

- John Abson CQP MCQI
- Dr John Bullivant CQP FCQI, FRCPE, FRSM
- Richard Green CQP FCQI CITP FBSC, IRCA Principal Auditor
- Zukiswa Raditladi IRCA Principal Auditor
- Simon Waite CQP MCQI
- Kate Armitage CQP MCQI

CQI staff members:

- Ian Howe – Head of Membership
- Debbie John – Head of Product and Assessment
- Gareth Kingston – Head of Professional Development
- Holly Mulvihill Clark – Head of Certified Training and Education
- Lyndsey Nassim – Head of Marketing
- Mike Turner – Head of Profession
- Alexander Woods – Policy Manager (Committee Chair)

CQI ISO 9001 working group:

- Richard Green CQP FCQI
- Alexander Woods – Policy
- Nina Abbassi CQI FCQI
- Neil O'Doherty MSc CQP FCQI PIEMA

Net income
surplus before
gains and losses
2023: £220k
2022: £486k

££££££££££ | £220k
2023

££££££££££££££££££££££££££££££££££ | £486k
2022

Financial performance



The group generated an operating surplus of £220k in 2023 (£486k in 2022). In addition, a non-operating surplus of £45k has resulted in a final net income of £265k in 2023 (2022: non-operating deficit of £241k with a final net income of £245k). The main drivers of the improved non-operating surplus in 2023 are appreciation of the group's long-term investment (see note 13) and more favourable forex exposure over the year. Overall, the CQI recorded a higher income in 2023 (compared with 2022) by 17% with costs increasing by 24% for the same period, resulting in a lower operating surplus as of December 2023. The higher costs are primarily attributable to the fuller effects of e-Assessment, which went live in November 2022.

CQI and IRCA learning and development recorded favourable performance compared with 2022, with income increasing by 38% to £2.54m, and with 74,119 delegates sitting CQI and IRCA certified courses (2022: £1.84m income and 69,496 delegates).

CQI and IRCA membership income showed an increase of £0.18m to £3.64m (2022: £3.46m) with year-on-year increase in new member acquisition in both the CQI and IRCA registers, resulting in an uplift in the global register (see Strategic theme 2 – Redesign offerings).

Trading subsidiaries – The group's financial results include figures from two wholly owned trading subsidiaries.

- IRCA Japan KK revenue grew 1.93% (compared with 1.4% income growth achieved in 2022) and delivered a royalty payment to the CQI of £0.17m (2022: £0.16m).
- CQI Services Limited activities include sponsorship event income of £35k (2022: £25k) in addition to advertising income. The company produced a contribution to reserves of £43k (2022: £46k) in the year, which has continued to result in a much-improved financial position with a surplus showing on its retained earnings of £36k compared with 2022 where we were carrying a deficit £6k.

Group reserves rose to £4.4m in 2023 (2022: £4.1m). Net assets include an investment portfolio valued at £1.83m (2022: £1.73m) at the year end and a cash balance of £3.11m (2022: £2.97m). Throughout 2023, our balances on reserves and short-term liquid funds remained in compliance with our Investment and Reserves policy, respectively.

Summary Having reviewed the financial position, the trustees are confident that the CQI has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.

£3.11m
cash balance

£4.36m
unrestricted reserves

£1.93m
free reserves

Investment policy and performance

The CQI operates a low-risk investment policy designed to deliver income while protecting the investment funds over the longer term. This is consistent with the provisions of the Royal Charter. The CQI is a long-term investor, and the value of its investments remains significantly above its original investment.

Funds are invested in a Common Investment Fund (CIF), the Newton Global Growth and Income Fund for Charities, which invests within environmental, social, and governance policies. The CQI's investment yielded a slightly higher dividend in the year of £44k compared with £39k in 2022, respectively. Market volatility and global geopolitical factors continued to impact the value of investments through the year but were still able to experience some gains.

The fund had a closing value of £1.83m (from £1.73m in 2022) and profit of £102k recognised to the accounts compared with a loss of £136k in 2022. The balance of cash held by the group has remained stable over the two years, despite CQI's levels of investment activity. These investment activities have been made possible due to consistent cash generation from operating activities.

The Finance and Remuneration Committee, responsible for reviewing investment performance and policy, considers the cash holding in individual institutions and manages this risk actively by ensuring the CQI is not over committed to any one entity. The investment policy is deemed fit for purpose by the Board and is regularly monitored for compliance through the CQI's quarterly reporting.

Reserves policy

The CQI operates a reserves policy that requires a minimum of three months of budgeted annual operating costs to be retained as free reserves. The trustees consider that this level will provide sufficient funds to respond to any unexpected events.

The balance held as unrestricted reserves at 31 December 2023 was £4.36m (£4.09m in 2022). £1.93m of this was regarded as free reserves, after allowing for funds allocated to fixed assets (£1.07m) and other designated reserves, including funds for IT projects (£0.77m) and a zero-product development reserve. The £1.93m equates to 4.5 months' worth of average 2023 operating costs, compliant with the Institute's reserves policy, and more than the minimum requirement of three months.

“The CQI operates a formal framework for the management of risk, taking the view that risk can represent positive opportunities or negative threats.”

Risk management



Good risk management is fundamental to the continued work and sustainability of the CQI. We identify and manage risks that could adversely impact the achievement of our strategic purpose and determine the calculated risks we need to take to succeed.

The CQI operates a formal framework for the management of risk, taking the view that risk can represent positive opportunities or negative threats. We maintain a risk register incorporating strategic, economic, operational, and compliance risks, which are informed by its strategic objectives, performance, voice of its stakeholders, regulatory environment, and analysis of the external environment.

The Board delegates day-to-day responsibility for risk management to the Senior Management Team, who are responsible for identifying and evaluating risks that relate to their areas and activities, implementing appropriate controls, and for ongoing monitoring.

The Governance and Risk Committee reviews the management of risk in detail at each meeting and the Board reviews the Institute’s strategic and compliance risks and the associated project portfolio at each board meeting.

Key business risks and mitigations

The Board considers the key strategic risk landscape for the CQI, and approved responses, as described in the table below. Special mention is made of two major issues.

Risk	Risk response
<p>Cyber security (threat) – Because cybercrime is growing exponentially, there is a threat that a successful security compromise will lead to the loss of confidentiality, integrity, or availability of information, data, or information (or control) systems.</p>	<p>The Board monitors cyber security mitigations including controls and testing through its Governance and Risk Committee.</p>
<p>Economic (threat) – Because of uncertain geopolitical and economic trajectories, and potential internal factors, such as poor operational performance, there is a threat that our revenue and investments are compromised.</p>	<p>The Board monitors financial performance through its Finance and Remuneration Committee, adapting operational plans to ensure financial viability and to remain compliant with our reserves policy.</p>
<p>Technology (threat) – Because:</p> <ul style="list-style-type: none"> • our current technology stack (website, iMIS etc) is reaching end of life in terms of support and underlying technology, • with the shift to SAAS (software as a service), our current self-hosted solutions become less viable, and current systems are not optimised for an integrated approach, limiting our opportunity to provide a clear customer experience. There is a threat that our ability to maintain and develop our IT will be compromised and unaffordable. 	<p>The Board has agreed investment in updating the CQI's technology platforms as part of its phase 2 strategy, monitoring implementation and benefit realisation through quarterly board meetings.</p>
<p>Digital quality (opportunity) – Because the impact of technology will shift how and where quality of product, service, and process is managed, there is an opportunity to support quality functions reposition and to support organisations to develop competencies and capabilities.</p>	<p>The Board has agreed investment in research and development of new competences and approaches to quality management as part of the CQI's phase 2 strategy, monitoring implementation and benefit through quarterly board meetings.</p>
<p>Quality skills (opportunity) – Because 67% of surveyed employers (in 2022) struggle to attract and develop quality professional talent, organisations are joining the CQI to help address this, and members are seeking help in educating and informing non-quality professionals. There is an opportunity to meet these needs through our competence, education, professional credential and CPD offer:</p>	<p>The Board has agreed investment in research and development of career pathways and refreshed training and education provision as part of the CQI's phase 2 strategy, monitoring implementation and benefit through quarterly board meetings.</p>

Risk	Risk response
<p>Sustainability (opportunity) – Because society is placing increased environmental, social, and governance (ESG) expectations on organisations. Quality management provides a proven system for policy deployment, waste reduction, and product, service, and process improvement. There is an opportunity to position the CQI, quality management, and the profession as a force for social good.</p>	<p>The Board has agreed, as part of its phase 2 strategy, the development of an ESG strategy building on the work completed in phase 1. This will measure: a baseline carbon footprint, development of its Equality Diversity Inclusion policy, development of a new member-led Sustainability Special Interest Group, and the introduction of new sustainability competences in the CQI Profession Map.</p>
<p>Value of quality (opportunity) – Because the value of quality management and the quality function is not fully understood by organisations, there is an opportunity to reposition quality as a strategic, competitive, and social benefit.</p>	<p>The Board has agreed, as part of its phase 2 strategy, investment in research and a new advocacy programme to define and promote the value of quality management to organisations and society.</p>
<p>Business continuity (threat) – Because of external events, there is always a threat that our operations may be compromised due to sudden and unexpected lack of access to IT, premises, people, and suppliers.</p>	<p>The Board monitors currency of business continuity arrangements and tests through its Governance and Risk Committee.</p>
<p>IRCA offering (opportunity) – Because over half of our revenue is derived from audit via the IRCA product, and because the external environment for how quality and audit is managed in industry is changing rapidly, there is an opportunity to update this product to maintain and develop the IRCA products.</p>	<p>The Board has agreed, as part of its phase 2 strategy, investment in a review and update of its audit and wider assurance offer, monitoring implementation and benefit through quarterly board meetings.</p>
<p>Reputation (threat) – Because of illegal, unethical, or incompetent actions taken directly by the CQI and its employees or indirectly by customers/members or suppliers/partners, there is a threat to our reputation and brand.</p>	<p>The Board monitors reputation risk through its Governance and Risk Subcommittee, through ongoing monitoring of compliance and the CQI's operational management system in terms of operational risk, controls, and improvement.</p>

Future plans



During 2023, the Board of Trustees completed a review of the CQI strategy (see page 6 for the CQI 2030 strategy summary) as reported in the 2022 Annual Report. This review considered: progress in phase I; feedback from members, volunteers, and the executive; and changes in the external operating environment noted in the CQI strategic risk register above.

Good progress has been made in phase I (2022–2023) with growth in membership numbers, volunteer numbers, member satisfaction, revenue, and learners during that period. This reflects the progress made in delivering the majority of phase I strategic initiatives under our five strategic themes. We did not deliver 100% of our planned phase I strategic programme (specifically the improvement in our IT systems and the revision of our learning and development offering). This is partly due to external factors, particularly the COVID-19 pandemic, which required a focus on sustaining the CQI and a shift to developing digital platforms, such as our new Profession Map, assessment tool, and on online CPD platform.

The Board review recognised that we have a number of specific internal and external factors to address in the next phase of our strategy.

External drivers for change

Technology – While this was a driver for the CQI strategy in 2020, we recognise that progress with digital technologies and adoption of digital transformation has accelerated. This has an even higher potential impact on how quality is managed, how digital technologies are assured, and the skills required for quality professionals to remain relevant. This is closely linked to the sustainability agenda where innovation in product, service, and process will be vital.

Value of mutuality management – Many members, volunteers, and corporate partners expressed appreciation of our work to support the profession. They asked that we balance this with more focus on advocating for quality, promoting the value of good quality management, and developing materials and tools for quality professionals to educate and inform their wider organisations.

Skills and resources – Again, many members expressed appreciation with our work supporting professional development and recognition, such as the quality apprenticeships and the Profession Map. Attracting talent into the profession remains a challenge, as it does for many professional domains, and more work is required to make the quality role aspirational and attractive.

Internal drivers for change

IT Infrastructure – As reported above, we did not address this requirement in phase I of our strategy. This has been moved into priority status for our next phase with a focus on improving value for members and how members and volunteers collaborate and co-create value for the profession.

IRCA products – With the digital shift likely to require assurance of new technologies and to offer new ways of approaching product and process assurance, we recognise the need to reflect this, especially in our audit-focused products.

Growth and impact – Having completed the development of core elements in phase I, we have a number of opportunities to grow and deliver impact. With limited resources, we cannot target all areas of the economy simultaneously, and working to focus our impact aligned with our core purpose and customer needs is essential.

Next phase strategy 2024–2030

The Board has synthesised the above and approved a next phase strategy, which will focus on three themes as follows:

1. Achieving our vision for quality management

- Quality capability – Ownership for the management of quality has been embedded in organisational value chains through the development of quality culture and capability.
- Trust and guardianship – Quality management is valued as the way to protect and enhance organisational reputation, mitigating risk of operational failure, and supporting social and environmental goals by building quality into products, services, projects, and processes.
- Agility and adaptability – Quality enables organisations to work at pace to de-risk transformation and achieve performance improvement, including through new digital technologies.
- Strategic value – Quality management has grown from primarily operational to strategically significant.

2. Achieving our vision for the quality profession

- Business partner – The profession is viewed as a business partner by organisations, enabling superior quality culture and capability.
- Context relevant – The profession enables organisations to adapt quality management to their specific contexts and strategies.
- Technologically agile – The profession is adaptable to technology in terms of digitalising quality management and supporting digital transformation.
- Societally positive – The profession responds proactively to the sustainability and circular economy agendas.
- Diverse and learning – The profession is inclusive and diverse to meet new challenges and focused on learning and improvement.

3. Achieve our vision for the CQI

- Organisations value the CQI for helping develop quality capability as a tool for success and the quality profession as the key enabler.
- The profession values the CQI for driving the profession forwards.
- Members value the CQI as the inclusive go-to organisation.
- Society values the CQI and quality as a force for sustainable good and improving quality of life.

We thank the many members, volunteers, and partners who have contributed to this review.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charitable status and administrative details



The CQI is a registered charity (no. 259678) under the Charities Act 2011 and its expenditure is directed in furtherance of its charitable objects. The CQI was granted a Royal Charter on 23 November 2006. Its registered office is as shown on page 85. The current trustees, and any past trustees who served during the year, are listed on pages 78-79 with the names of the senior management team and the external advisers of the charity on page 85.

Board of Trustees



The trustees, as members of the Board, are the directors of the CQI and the trustees of the charity. The trustees are accountable to the Charity Commission and to CQI members.

The composition of the Board is set out on pages 75-79 (along with the respective meeting participation during the year). New trustees complete an induction programme covering trustee responsibilities as well the CQI strategy and objectives, and periodic refresher training is provided.

Board effectiveness is reviewed after each meeting by the Board, and individual trustee and CEO performance is reviewed annually by the Chair. The board agenda is built around the CQI strategy so that trustees steer direction based on an understanding of risk, performance, and external developments.

Rashad Issa was elected by the trustees, replacing as chair, Amanda McKay, who stepped down as a trustee in September 2023, as did trustee David Straker.

“The trustees are responsible for the maintenance and integrity of the group and charity’s financial information included on the charity’s website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.”

Statement of trustees’ responsibilities

The trustees are responsible for preparing this Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law, applicable to charities in England and Wales, requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and charity, and of the net movement in funds of the group and charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities Statement of Recommended Practice.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy, at any time the financial position of the group and charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Royal Charter.

The trustees are also responsible for safeguarding the assets of the charity, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as each of the trustees is aware at the time of the report:

- there is no relevant audit information of which the charity and the group’s auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the group and charity’s financial information included on the charity’s website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

The trustees are responsible for approving and directing overall group strategy, major capital projects, budgets, financial control, and risk management.

“Board effectiveness is reviewed after each meeting by the board, and individual trustee and CEO performance is reviewed annually by the Chair.”

The trustees are responsible for directing the CQI's activities and for overseeing the management of its affairs; they delegate day-to-day management of the organisation to the chief executive and the senior management team. The Board acts on advice and information from regular meetings with the chief executive and senior management team. The Board reviews operational performance regularly to satisfy itself that the activities of the CQI are in accordance with the agreed strategic direction and ensures that the executive management has the capacity and resources to meet the CQI's objectives. The Board meets four times a year and is provided with a written report from the CEO.

Governance benchmark – Charity Governance Code

The Board uses the Charity Governance Code as the standard against which it measures governance performance. The Board reviewed status against this code in December 2023 and the analysis below shows good progress since the first review in 2018. As part of this review, the Board elected to include – from 2023 – a new principle of sustainability to reflect the need for the CQI to lead by example and measure, improve, and transparently report on environmental impact. Building on our environmental and EDI policies, the Board decided to develop a more holistic sustainability strategy as part of the next phase of our strategy (see future plans above), which will be developed in 2024. We will report on this in the next Annual Report.

Charity Governance Code Principle	2022	2023
1. Organisational Purpose	Green	Green
2. Leadership	Green	Green
3. Integrity	Green	Green
4. Decision making, risk and control	Green	Green
5. Board effectiveness	Green	Green
6. Diversity	Green	Green
7. Openness and accountability	Green	Green
8. Sustainability	Yellow	Yellow

Green – Good practice in place, reviewed and improving.
 Yellow – Good practice in place but requires improvement.
 Red – Good practice absent.

Environmental impact

Our quality policy, 'The CQI Way', embraces quality, safety, and environmental aspects. Under this policy, we 'commit to protect and improve the environment and recognise that our day-to-day operations can impact it both directly and indirectly. We work to integrate environmental considerations into our business decisions and to adopt greener alternatives throughout our operations.' In 2021, we established a baseline analysis of the group's carbon footprint under three scopes using the 'Compare Your Footprint' tool.

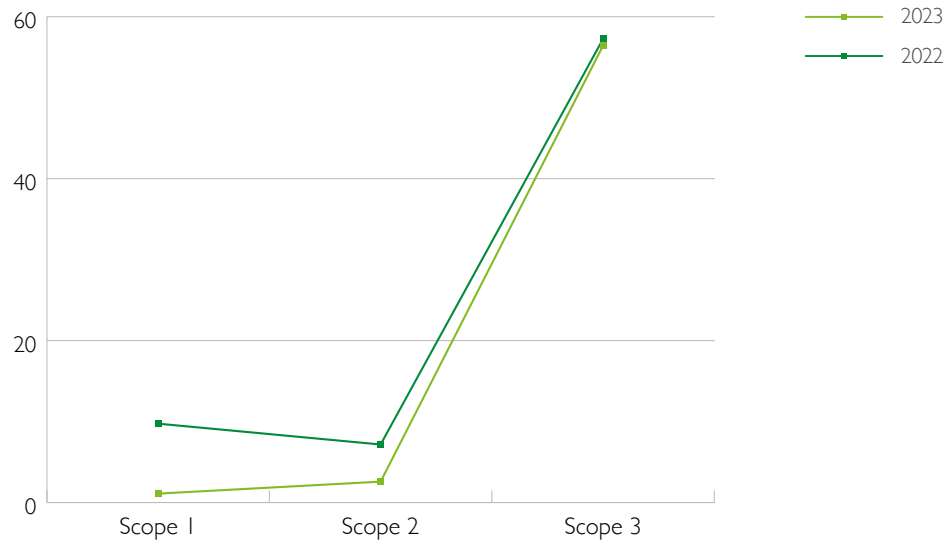
A comparison between 2022 and 2023 is provided below. Unfortunately, the data relating to utilities for 2023 is not comparable with the previous year's due to tenancy changes in our serviced building. Most tenants vacated their units at different dates in 2023, leading to lower energy and water consumption overall. To keep some form of consistency in reporting year-on-year, we have continued to apportion consumption according to our unit's size (14.52% of the building). This has led to reporting much lower values than previous years in both scope 1 and 2.

As expected, scope 3 emissions remain high, though we have seen a reduction by one tonne of CO₂ compared with 2022. We continue to consider and implement adjustments wherever possible when undertaking major projects and changes in process, as well as in our day-to-day activities.

Total Reported Greenhouse Gas Emissions and Intensity Ratios						
Scope	Total (tCO ₂ e) (2022)	Total (tCO ₂ e) (2023)	tCO ₂ e / Revenue (2022)	tCO ₂ e / Revenue (2023)	tCO ₂ e / FTE (2022)	tCO ₂ e / FTE (2023)
Scope 1	9.737	1.099	1.825	0.178	0.195	0.022
Scope 2	7.165	2.579	1.343	0.418	0.143	0.052
Scope 3	57.262	56.43	10.73	9.152	1.145	1.129
All Scopes	74.164	60.108	13.898	9.748	1.483	1.202

tCO₂e – tonnes of carbon dioxide equivalent emissions

**Total
Greenhouse
Gas
Emissions
by Scope**



Equality, Diversity, and Inclusion (EDI)

Previously, the Board of Trustees mapped the CQI against the 'Diversity and Inclusion Progression Framework for Professional Bodies', published by the Royal Academy of Engineering and the Science Council, and adopted an Equality, Diversity, and Inclusion (EDI) policy. In 2021, we started the process of progressing the CQI's EDI maturity as a strategic priority.

While in 2022 we progressed our improvement in key areas and gathered baseline EDI data in respect of the quality profession, 2023 saw an increased output of professional development content in respect of EDI as a part of the workforce and sustainability priority content themes. EDI e-learning content was also available through the newly launched Quality Careers Hub.

Organisationally, the CQI further embedded EDI considerations upfront in its decision-making processes, in pursuance of its aim of 'EDI by design'. An example of this was with the development of the Quality Learning Hub, where accessibility, language, and imagery were considered from the start, while all third-party content was vetted not just for quality but also for compliance with our EDI policy.

EDI was an area examined by the CQI's internal assessment process in 2023, ensuring that all teams consider and implement good EDI practice.

The Board and its Committees



The Membership Council (MC)

The Membership Council (MC) was formed in 2017 as a means of connecting the volunteer networks to the Board of Trustees, to ensure the good governance of member-led networks, to appoint trustees, and to hear code of conduct appeals.

Achievements include:

- The MC designed a robust structure for member networks, and support for new networks.
- The MC developed a maturity model for networks to facilitate tailored support.
- Special Interest Groups were brought into the MC's remit and have grown in number.

With the networks in a healthy state and delivering great value to our members, the MC conducted a review of its purpose and activities in 2022.

In response to recognising that the landscape had changed since the MC was formed:

- the CQI has created a Professional Networks Team to support our member networks
- the Professional Networks Team took over day-to-day support for members' networks and operation of the maturity model
- responsibility for code of conduct appeals is no longer with the MC
- the Board's Governance and Risk Committee (GRC) was created with a remit that includes all CQI governance arrangements.

The MC concluded that it was the right time for some radical change.

In 2023, the Board of Trustees accepted recommendations that the Membership Council should change to become a council that includes internal and external stakeholders. The Council will retain the role of appointing/removing trustees.

It will gain an enhanced role to advise the Board of threats or opportunities, and to respond to any strategic or operational issues at the Board's request. The initial tranche of ordinary members was elected in 2023, recruiting from the whole membership for the first time.

The Board of Trustees are confident that our networks will be effectively supported by the Professional Networks Team, and that the CQI's Governance and Risk Committee will ensure that members continue to play a key role in assuring the good governance of our networks.

We are also confident that the reconstituted council will give members and other stakeholders a stronger voice within the CQI. A number of MC members will continue to serve on the Council to ensure a smooth transition, with the Council formally commencing work on 1 January 2024.

The FRC is drawn from members of the Board and ensures the system of internal control is satisfactory to deliver regulatory compliance, financial probity, and value for money. This includes reviewing and challenging financial plans; reviewing budgets and financial statements; overseeing the annual financial audit; reviewing investment policy and performance; and reviewing the reserves policy and staff remuneration.

The CQI Nominating Committee (NC)

The charter and byelaws grant specific powers and duties to the CQI Council to elect up to 17 trustees through the Nominating Committee. The CQI Council fulfils the role of the council, appointing new trustees based on recommendations from the CQI Nominating Committee, which comprises members from the Board.

The CQI Finance and Remuneration Committee (FRC)

The Finance and Remuneration Committee (FRC) is drawn from members of the Board and ensures the system of internal control is satisfactory to deliver regulatory compliance, financial probity, and value for money. This includes reviewing and challenging financial plans; reviewing budgets and financial statements; overseeing the annual financial audit; reviewing investment policy and performance; and reviewing the reserves policy and staff remuneration.

The CQI Governance and Risk Committee (GRC)

The Governance and Risk Committee (GRC) is drawn from members of the Board. It ensures the corporate governance and risk management systems support the CQI's purpose and strategy through the CQI's Framework for the Management of Corporate Governance and Framework for the Management of Risk.



Remuneration policy

The CQI's policy is to position its overall reward package at market rate for membership bodies of a similar size, and to encourage and enable individual progression and career development of staff. Recruitment and reward are based on potential and performance only, with policies and training in place to ensure no discriminatory factors are involved.

The FRC undertakes an annual salary review that considers the financial status of the CQI, cost of living, and market rates. Once approved by the Board, changes are applied to all employees, at all levels, including key management personnel. In addition, individual salary increases may be offered during the year, following a business case process that looks at performance against objectives (including behavioural) and changes in job role scope. For 2024, a general staff salary increment of 5% was awarded. This considered the rise in costs of living and general volatility in the markets.

The CQI participates in the Voluntary Gender Equality Reporting Initiative. Calculated in April 2024, the CQI's mean gender pay gap is 18% (April 2023: 19%) and the median gender pay gap is 9% (April 2023: 26%). Calculations show the gap reducing by 1% and 17% respectively between the two reporting periods. The percentage of women in management positions was 55% at the start 2024 compared with 54% in 2023. The analysis indicates almost equal numbers of management positions being held by both men and women. The CQI strongly supports equal pay, with individuals carrying out the same role being paid the same, irrespective of gender. Our salaries are benchmarked at market and internal rate. We are open to, and encourage, flexible and part-time working and we promote internal job mobility where possible. The FRC will continue to monitor equal pay and diversity within the context of remuneration.



The percentage of women in management positions was 55% at the start 2024 compared with 54% in 2023.

Group structure

The charity has two active, wholly owned, subsidiary companies, IRCA Japan Kabushiki Kaisha (IRCA Japan KK) and CQI Services Limited.

IRCA Japan KK is a company registered in Japan. Its principal activity is to provide membership services to our members in Japan and to promote the Institute’s auditor certification services offered in Japan.

CQI Services Limited is registered in the UK under company registration number 04572473. The company’s principal activities relate to securing advertising in the CQI members’ magazine, generation of commissions from the Quality Jobs recruitment website, and generation of sponsorship income from the International Quality Awards.

Financial statements

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the CQI’s Royal Charter; the Charities Act 2011, and Accounting and Reporting by Charities Statement of Recommended Practice (revised 2015) (Second Edition, effective 1 January 2019) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for the UK and Republic of Ireland (FRS 102).

By order of the Board of Trustees,

Rashad Issa CQP FCQI

Chair, Board of Trustees, Chartered Quality Institute

Date 15.07.2024

Independent auditor's report to the Trustees of the Chartered Quality Institute

Opinion

We have audited the accounts of Chartered Quality Institute (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2023, which comprise the group and parent charity statement of financial activities, balance sheets, statement of cash flows, the principal accounting policies, and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2023 and of their income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' annual report is inconsistent in any material respect with the accounts
- sufficient accounting records have not been kept by the parent charity
- the parent charity accounts are not in agreement with the accounting records and returns
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes our opinion. 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements.
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives of management and the review of minutes of Board of Trustee meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of where management considers there was susceptibility to fraud and knowledge of actual, suspected, and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships
- challenged assumptions and judgements made by management in its significant accounting estimates
- tested and reviewed journal entries to identify unusual transactions
- tested the authorisation of expenditure
- gained an understanding of the processes in place for the management of the charity's investments and confirmed the validity of withdrawals from investments
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- review of the minutes of meetings of those charged with governance
- enquiring of management as to actual and potential litigation and claims; and
- agreeing accounts disclosures to underlying supporting documentation.

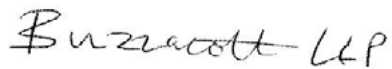
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor

130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Date: 17 July 2024

Consolidated statement of financial activities

for the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Income from:			
Charitable activities			
Membership Services		3,635	3,458
Learning and Development		2,542	1,836
Awareness		62	37
Investments	3	65	43
Total		6,304	5,374
Expenditure on:			
Charitable activities			
Membership Services	4	3,143	2,755
Learning and Development	4	1,887	1,117
Awareness	4	1,054	1,016
Total		6,084	4,888
Net income before gains/(losses) on investments and foreign exchange			
		220	486
Net gain/(loss) on investments	13	102	(136)
Net gain/(loss) on foreign exchange		(57)	(105)
Net income		265	245
Reconciliation of funds:			
Funds brought forward		4,095	3,850
Total unrestricted funds carried forward	20	4,360	4,095

There are no recognised gains or losses other than those recognised above. All activities are continuing.

All activities (income and expenditure) in both years are unrestricted and, therefore, a comparable statement of financial activities is not required.

The notes on pages 48-74 form part of these financial statements

Balance sheet

as at 31 December 2023

	Note	Group		Institute	
		2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible fixed assets	11	822	817	823	809
Tangible fixed assets	12	250	302	246	299
Investments	13	1,833	1,731	1,906	1,804
		2,905	2,850	2,975	2,912
Current assets					
Debtors	14	877	805	956	879
Cash at bank and in hand		3,112	2,971	2,688	2,572
		3,989	3,776	3,644	3,451
Current liabilities					
Creditors: amounts due within one year	15	2,504	2,512	2,127	2,116
		2,504	2,512	2,127	2,116
Net current assets					
		1,485	1,264	1,517	1,336
Provisions for other liabilities due within one year	17	30	19	30	19
Net assets					
		4,360	4,095	4,462	4,229
Total funds:					
General funds	20	1,930	2,047	2,034	2,185
Designated funds	20	2,430	2,048	2,428	2,044
Total unrestricted funds					
		4,360	4,095	4,462	4,229

These accounts were approved by the Board and authorised for issue on 12 June 2024 and were signed on its behalf by:



Rashad Issa Chair

The notes on pages 48-74 form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities:			
Net cash provided by operating activities		399	589
Cash flow from investing activities:			
Dividends and interest from investments		65	43
Spend on internally generated intangible assets		(261)	(480)
Purchase of tangible assets		(5)	(12)
Net cash provided by/(used in) investing activities		(201)	(449)
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at beginning of reporting period		2,971	2,934
Exchange gains/(losses) on cash and cash equivalents		(57)	(103)
Cash and cash equivalents at end of reporting period		3,112	2,971
Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting period (as per the statement of financial activities)		265	245
Adjustments for:			
Depreciation charges		57	59
Amortisation charges		256	106
(Gains)/losses on investments		(102)	136
(Gains)/losses on exchange		57	105
Dividends and interest from investments		(65)	(43)
Increase/(decrease) in provisions		11	11
(Increase)/decrease in debtors		(72)	(149)
Increase/(decrease) in creditors		(8)	119
Net cash provided by operating activities		399	589
Analysis of cash and cash equivalents			
Cash at bank and in hand		3,112	2,971
Total cash and cash equivalents	22	3,112	2,971

The notes on pages 48-74 form part of these financial statements.

Notes to the financial statements

I. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention modified to include the recognition of listed investments measured at fair value, which is consistent with the prior year. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities ('The SORP'), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The Chartered Quality Institute ('The Institute') meets the definition of a public benefit entity under FRS 102.

General information

The Institute is a charity registered in England and Wales (charity number 259678). The Institute's registered office address is Third floor, 90 Chancery Lane, Holborn, London WC2A 1EU.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Institute's accounting policies. In the application of the accounting policies, trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation;
- estimating the useful economic life of intangible fixed assets for the purposes of determining the amortisation; and
- allocation of staff and support costs across activities.

Notes to the financial statements

Basis of consolidation

The Group accounts include the results of the Institute's subsidiaries: CQI Services Limited and the International Register of Certificated Auditors Japan Kabushiki Kaisha (IRCA Japan KK). A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The subsidiaries comply with the same accounting policies as the Institute and have been consolidated on a line-by-line basis. All intra-Group transactions, balances, income, and expenses are eliminated on consolidation.

The Institute has taken advantage of the exemption from the SORP FRS 102 from disclosing its individual statement of financial activities. The gross income of the Institute for the year was £5.71m (2022: £4.78m) and its result for the year was a net income surplus of £233k (2022: £170k).

Foreign currency

i) Functional and presentation currency

The group financial statements are presented in pound sterling and rounded to thousands. The Institute's functional and presentation currency is the pound sterling.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at balance sheet date. Differences are taken to the income and expenditure account.

iii) Translation

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings are translated at the exchange rates ruling at the year-end.

Going concern

The trustees continue to monitor the changing landscape resulting from various global geopolitical factors witnessed over the last few years (war in Europe, rising costs etc.) and its impact on the Group's financials, through scenario planning, monthly review of results against budgets, and assumptions. The Group holds a significant portion of its reserves as cash, has a strong level of free reserves and has been able to adjust its cost base to adapt to the reductions in revenue. In view of this, the trustees are of the opinion that the Institute and Group continue to operate on a going concern basis.

Notes to the financial statements

Income

All income is recognised once the Institute and Group has entitlement to income, it is probable that income will be received, and the amount of income receivable can be measured reliably. Income of the Institute is, where applicable, included net of Value Added Tax (VAT) and is allocated to the period to which it relates, carrying forward that part of the income relating to future accounting periods. Income received relating to future accounting periods is deferred and recognised as a creditor within the balance sheet.

Member subscription income is recognised over the period to which the subscription relates and over which the membership services and benefits are provided. Where the subscription spans more than one financial year, the income received but not earned in the current financial year is deferred into the next.

Income from all other charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided. Investment income is recognised on a receivable basis and the amounts can be measured reliably. Dividends are recognised once the dividend has been declared and notification has been received that the dividends are due.

Expenditure

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the Institute and Group to that expenditure, it is probable that settlement will be required, and the amount of obligation can be measured reliably. Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

All the Institute's expenditure is classified as expenditure on charitable activities and allocated between activity streams. Expenditure is allocated to the activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, known as 'support costs' and comprising the salary and overhead costs of the central function, is apportioned based on staff time attributable to each activity.

Support costs also include governance costs, which comprise organisational administration and compliance with constitutional and statutory requirements. The allocation of support and governance costs is analysed in notes 5 and 6.

Notes to the financial statements

Employee benefits

Short-term benefits, including holiday pay, are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

The Institute contributes to Group personal pension schemes, the assets of which are administered by Aviva. They are defined contribution schemes. All contributed costs are accounted for on the basis of charging the cost of providing pensions over the period when the Institute and Group benefit from the employees' services. The Institute and Group have no further liability under the scheme.

Leasing and hire purchase commitments

Rentals paid under operating leases are charged to the income and expenditure account on a straight-line basis over the lease term. The Institute holds no assets under finance leases or hire purchase contracts.

Notes to the financial statements

Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Product development – three to five years
- Intellectual property – three to five years

Where factors, such as changes in market demand or price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Intangible assets are usually directly linked to projects with future income generating potential and are capitalised on that basis after thorough discussions held. There are currently no set limits thresholds for capitalisation of intangible assets.

Tangible fixed assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. The minimum threshold for capitalisation is £1,000. Depreciation is provided at the following annual rates to write off each asset over its estimated useful life:

- Improvements to premises – over the term of the lease
- Office equipment and furniture – five years
- Computer equipment and software – three years

Investments

Investments are a form of basic financial instrument and are initially shown in the financial statements at fair value. Movements in the fair values of investments are shown as net gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Net gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Notes to the financial statements

Financial instruments

The Group has chosen to adopt Section 11 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other receivables, cash, and bank balances, are initially recognised at transaction value and subsequently measured at amortised cost. Other financial assets, including investments, are initially measured at fair value. Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. A specific provision is made for debts for which recoverability is in doubt.

ii) Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

iii) Offsetting

Financial assets and liabilities are offset, and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Provisions

Provisions are recognised where the Institute has a present legal or constructive obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Provisions are measured at the present value, or the expenditures expected to be required to settle the obligation.

Notes to the financial statements

Fund accounting

Unrestricted funds are those funds available to the Institute and Group for its general purposes. They include funds designated (Note 20) by the trustees for particular purposes where their use remains at the discretion of the trustees. It is the policy of the trustees to retain in unrestricted funds, amounts that in their judgement, can help to mitigate the short-term effects of income volatility; and retain as long-term investment funds to generate sufficient income to meet current and future operational activities of the charity.

Reserves

The Group does not have any restricted funds. Further information on the Charity's reserves are available in the reserves section of the trustees' report

2.Trading activities of subsidiary undertakings

The Institute has two wholly owned trading subsidiaries. A summary of their trading results is shown below.

CQI Services Limited is incorporated in England and Wales, registered number 04572473. Its registered office is 90 Chancery Lane, London WC2A 1EU. The principal activity of the company is the generation of advertising revenue placed in the Institute's members' magazine and helping members find new jobs through the Institute's job site. Income and expenditure are included in Membership Services and Awareness in the Group financial statements. Any profits are gift aided to the Institute.

IRCA Japan KK is incorporated in Japan, registered number 0100-01-130705. Its registered office is Burex Kojimachi 8F, 3-5-2 Kojimachi, Chiyoda-ku 102- 0083 Tokyo, Japan. The principal activity of the company is to provide local marketing, certification, and administrative services to IRCA for its auditors in Japan. The income and expenditure of the company has been included under the charitable activities of Membership Services in the Group financial statements.

IRCA Japan KK pays an annual royalty to the Institute.

2. Trading activities of subsidiary undertakings (continued)

	CQI Services Limited	IRCA Japan KK	Total	CQI Services Limited	IRCA Japan KK	Total
	2023	2023	2023	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Summary profit and loss accounts:						
Turnover	77	688	765	79	675	754
Operating costs	(34)	(492)	(526)	(33)	(487)	(520)
Operating profit	43	196	239	46	188	234
Interest receivable	-	-	-	-	-	-
Profit/(loss) on ordinary activities before taxation	43	196	239	46	188	234
Taxation	-	(5)	(5)	-	(4)	(4)
Profit/(loss) on ordinary activities after taxation	43	191	234	46	184	230
Gift Aid/Royalty to parent charity	-	(166)	(166)	-	(155)	(155)
Retained in subsidiary	43	25	68	46	29	75
The assets and liabilities of the subsidiaries were:						
Current assets	85	450	535	29	488	517
Current liabilities	(49)	(269)	(318)	(35)	(298)	(333)
Total net assets	(36)	181	217	(6)	190	184
Aggregate share capital and reserves	(36)	181	217	(6)	190	184

3. Investment income

	2023 £'000	2022 £'000
Bank deposit interest and other income	21	4
Dividend income from shares listed on the London Stock Exchange	44	39
Total	65	43

Notes to the financial statements

4. Total expenditure

	Staff costs	Other direct activity costs	Support costs	Total 2023
	£'000	£'000	£'000	£'000
Charitable activities 2023				
Membership Services	1,115	1,126	902	3,143
Learning and Development	557	992	338	1,887
Awareness	486	343	225	1,054
Support Costs	1,020	445	(1,465)	-
Total charitable costs	3,178	2,906	-	6,084

	Staff costs	Other direct activity costs	Support costs	Total 2022
	£'000	£'000	£'000	£'000
Charitable activities 2022				
Membership Services	1,026	885	844	2,755
Learning and Development	310	427	380	1,117
Awareness	442	321	253	1,016
Support Costs	1,054	424	(1,477)	-
Total charitable costs	2,832	2,057	-	4,888

Support costs totalling £1,465,091 (2022: £1,477,896) have been allocated across the activities. These include costs associated with IT, HR, finance, property, and other central services across the Group. The costs have been allocated based on time spent by departments supporting the various activities.

Notes to the financial statements

5. Support costs

	Staff costs £'000	Premises and office costs £'000	Resources £'000	Information technology £'000	Governance £'000	Total 2023 £'000
Support Costs 2023						
Membership Services	628	144	4	106	20	902
Learning and Development	235	55	1	40	7	338
Awareness	157	35	1	27	5	225
Total support costs	1,020	234	6	173	32	1,465

	Staff costs £'000	Premises and office costs £'000	Resources £'000	Information technology £'000	Governance £'000	Total 2022 £'000
Support Costs 2022						
Membership Services	602	119	1	94	28	844
Learning and Development	271	54	-	42	13	380
Awareness	181	35	-	28	9	253
Total support costs	1,054	208	1	164	50	1,477

6. Governance costs

	2023 £'000	2022 £'000
Meetings and travel expenses	1	1
Audit fees – current year	30	42
Audit fees – prior year	(5)	-
Legal and professional	7	7
Total	33	50

Notes to the financial statements

7. Net expenditure for the year

The net outgoing resources for the year are stated after charging:

	2023	2022
	£'000	£'000
Depreciation	57	59
Amortisation	256	106
Operating lease rentals for land and buildings	239	237
Auditor's remuneration – External audit (excludes VAT)	24	42
Overseas taxation	5	4

8. Staff costs

	2023	2022
	£'000	£'000
Wages and salaries	2,583	2,302
Social security costs	294	269
Pension costs	166	141
Termination payments	-	20
Other staff costs	135	211
Total	3,178	2,943

Other staff costs include staff training, welfare, recruitment, and fees for agency staff. £44,404 of staff costs have been capitalised during 2023 (2022: £131,203), for staff time spent exclusively on the Learning and Development e-Assessment Project.

The average monthly number of employees during the year was as follows:

Number of employees involved in charitable activities:

	2023	2022
Membership	24	20
Learning and Development	9	9
Awareness	6	6

Number of employees involved in non-charitable activities:

Support	14	15
Total	53	50

Notes to the financial statements

The number of employees whose remuneration (excluding redundancy) fell into the following bands were:	2023	2022
£60,001 – £70,000	5	5
£70,001 – £80,000	3	1
£80,001 – £90,000	-	-
£90,001 – £100,000	1	1
£100,001 – £110,000	1	1
£110,001 – £120,000	1	1
£120,001 – £130,000	1	1

The Institute made contributions of £60,537 (2022: £51,984) to the money purchase personal pension schemes of nine (2022: seven) employees whose emoluments exceeded £60,000.

The Institute considers its key management personnel to comprise the Board of Trustees and the Senior Management Team (SMT). The trustees provide their time free of charge. The total remuneration, employer's National Insurance contributions, benefits and pensions paid to or on behalf of the Senior Management Team in the year was £427,081 (2022: £395,321).

Notes to the financial statements

9. Related Party Transactions

No member of the Board received any remuneration in 2023 (2022: £nil) for their roles as a trustee. A total of £17,828 (2022: £980) was paid to, or to third parties on behalf of, four (2022: 0) members of the Board in reimbursement of expenses incurred on Institute business during the year. In addition to this, the Institute paid £3,793 for indemnity insurance (2022: £3,793).

One of the Institute's trustees is a Director of Quality at AWE plc. As a corporate partner of the CQI, AWE plc was invoiced and paid a membership fee of £5,500 in 2023 (2022: £4,950). This transaction was in line with the Institute's normal course of business and its standard terms and conditions, there was no outstanding balance at 31 December 2023, and no amounts were written off during the year. Before joining AWE plc, this trustee had been Director of Quality at Balfour Beatty, another corporate partner of the Institute. Balfour Beatty was invoiced and paid a membership fee of £5,500 in 2023 (2022: £4,950). This transaction was in line with the Institute's normal course of business and its standard terms and conditions, there was no outstanding balance at 31 December 2023 (2022: £nil), and no amounts were written off during the year (2022: £nil). As at the end of the financial year (31.12.23), the trustee has since stepped down. In addition to the activities listed with the CQI, AWE PLC paid £9,000 to CQI Services Limited as sponsorship income toward the annual International Quality Awards event.

One of the Institute's trustees is the Head of Business Process and Quality at BAM Nuttall Ltd. As a corporate partner of the Institute, BAM Nuttall Ltd was invoiced and paid a membership fee of £5,250 in 2023 (2022: £4,950). This transaction was in line with the Institute's normal course of business and its standard terms and conditions, there was no outstanding balance at 31 December 2023 (2022: £nil) and no amounts were written off during the year 2023: (2022: £nil). In addition to the activities listed with the CQI, BAM Nuttall Ltd paid £6,000 to CQI Services Limited as sponsorship income toward the annual International Quality Awards event.

A member of the Institute's Senior Management Team is on the Board of the European Organisation for Quality (EOQ). As a corporate member of the EOQ, CQI paid €17,903 (£16,181) in membership fees in 2023. All transactions were at arm's length. There was no outstanding balance as at 31 December 2023 (2022: £nil).

The following members of the Institute's senior management team are also members of the Board of Directors of the Institute's subsidiary, IRCA Japan KK: Vincent Desmond and Tracey Singer. In 2023, an annual royalty of £165,611 (2022: £154,993) was charged by the Institute to IRCA Japan KK, with the full balance being outstanding at 31 December 2023 and expected to be paid in 2024. Both were also members of the Board of Directors of CQI Services Limited where the company was charged a management fee by the Institute of £17,315 (2022: £16,029).

Notes to the financial statements

10. Taxation

The Institute is a registered charity and is, therefore, not subject to corporation tax on its charitable activities. A provision has not been made for corporation tax for CQI Services Limited, despite the profit realised in 2023 as the profits will be Gift Aided to the Institute. Overseas taxation relates to income tax suffered by IRCA Japan KK on its profits for the year:

	2023 £'000	2022 £'000
Overseas taxation	5	4

11. Intangible fixed assets

Group	Website development £'000	Intellectual property £'000	Software and systems £'000	Total £'000
Cost				
As at 1 January 2023	596	494	887	1,977
Additions – internally generated	-	55	206	261
Written off in the year	-	-	-	-
As at 31 December 2023	596	549	1,093	2,238
Amortisation				
As at 1 January 2023	536	303	321	1,160
Charge for the year	22	43	191	256
Impairment	-	-	-	-
Written off in the year	-	-	-	-
As at 31 December 2023	558	346	512	1,416
Net book value				
As at 31 December 2023	38	203	581	822
As at 31 December 2022	60	191	566	817

Notes to the financial statements

The Institute	Website development £'000	Intellectual property £'000	Software and systems £'000	Total £'000
Cost				
As at 1 January 2023	557	494	887	1,938
Additions – internally generated	-	55	206	261
Written off in the year	-	-	-	-
As at 31 December 2023	557	549	1,093	2,199
Amortisation				
As at 1 January 2022	505	303	321	1,129
Charge for the year	14	43	191	248
Impairment	-	-	-	-
Written off in the year	-	-	-	-
As at 31 December 2023	519	346	512	1,377
Net book value				
As at 31 December 2023	38	203	581	822
As at 31 December 2022	52	191	566	809

Included in intangible fixed assets: website development costs of £38,761 (2022: £38,761), accumulated depreciation of £38,761 (2022: £29,753) and net book value of £nil (2022: £9,008) relating to assets developed by IRCA Japan KK.

Notes to the financial statements

12. Tangible fixed assets

Group	Improvements to premises	Office equipment and furniture	Computer hardware	Total
	£'000	£'000	£'000	£'000
Cost				
As at 1 January 2023	486	82	111	679
Additions in year	0	3	2	5
Disposals	-	-	-	-
As at 31 December 2023	486	85	113	684
Depreciation				
As at 1 January 2023	245	64	68	377
Charge for the year	29	8	20	57
Eliminated on disposal	-	-	-	-
As at 31 December 2023	274	72	88	434
Net book value				
As at 31 December 2023	212	13	25	250
As at 31 December 2022	241	18	43	302

Notes to the financial statements

12. Tangible fixed assets (continued)

The Institute	Improvements to premises	Office equipment and furniture	Computer hardware	Total
	£'000	£'000	£'000	£'000
Cost				
As at 1 January 2023	486	48	111	645
Additions in year	-	-	2	2
Disposals	-	-	-	-
As at 31 December 2023	486	48	113	647
Depreciation				
As at 1 January 2023	245	33	68	346
Charge for the year	29	6	19	54
Eliminated on disposal	-	-	-	-
As at 31 December 2023	274	39	87	400
Net book value				
As at 31 December 2023	212	9	26	247
As at 31 December 2022	241	15	43	299

Included in tangible fixed assets: office equipment and furniture costs of £34,296 (2022: £31,836), depreciation of £30,468 (2022: £29,291) and net book value of £3,828 (2022: £2,545) relating to assets purchased by IRCA Japan KK.

Notes to the financial statements

13. Fixed asset investments

	Group		Institute	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Listed investments	1,833	1,731	1,833	1,731
Unlisted investments	-	-	73	73
Market value as at 31 December 2023	1,833	1,731	1,906	1,804
Historic cost of investments	950	950	1,031	1,031
Analysis of movement:				
At 1 January	1,731	1,867	1,804	1,941
Additions	-	-	-	-
Net gains/(losses)	102	(136)	102	(137)
As at 31 December 2023	1,833	1,731	1,906	1,804

Listed Investments

The CQI continued to invest in a Common Investment Fund. As at 31 December 2023, the fund comprised 31% UK equities, 45% overseas equities, 20% bonds, and 4% cash. Their fair value as at 31 December 2022 and 2023 is shown above at £1.73m and £1.83m respectively.

Unlisted investments in subsidiary undertakings

The Institute holds 100% of the voting capital of CQI Services Limited, a company registered in England. The share capital of the company comprises 10,000 shares of £1 each. The company's principal activities are the provision of advertising revenue in the Quality World magazine and the CQI websites, management consultancy referrals, catering, and hire of facilities. The company also manages the International Quality Awards.

The Institute holds 100% of the 10 million Japanese Yen voting share capital of the International Register of Certified Auditors Japan KK, a company registered in Japan. The company's principal activity is to provide local marketing, administration, and certification services to Japanese auditors.

Notes to the financial statements

14. Debtors

	Group		Institute	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	406	357	380	334
Amounts owed by Group undertakings	-	-	181	185
Other debtors	191	205	118	123
Prepayments and accrued income	280	243	277	237
Total	877	805	956	879

15. Creditors

	Group		Institute	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade creditors	222	196	209	177
Other taxes and social security	92	95	70	72
Other creditors	48	20	48	20
Accruals and deferred income	2,142	2,201	1,800	1,847
Total	2,504	2,512	2,127	2,116

Notes to the financial statements

16. Deferred income

	Group		Institute	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
At 1 January 2023	1,746	1,731	1,405	1,355
Amount released to incoming resources	(1,746)	(1,731)	(1,405)	(1,355)
Amount deferred in the year	1,826	1,746	1,498	1,405
At 31 December 2023	1,826	1,746	1,498	1,405

Included in creditors is a total of £1,826,466 (2022: 1,745,929) that relates to deferred income (see note 16). Of this, £734,668 relates to IRCA membership renewal fees received in the year but not yet earned (2022: £710,333). The remainder is income for 2023 fees raised in October, November, and December 2023. This figure consists of £768,736 (2022: £695,973) for CQI Membership, £205,337 (2022: £200,269) for IRCA Membership, £21,950 for fees from Corporate Partners (2022: £55,151), £52,031 from IRCA OEA fees (2022: £46,429) and £36,220 from ATPs (2022: £37,774). Sponsorship income received in 2023 relating to the International Quality Awards was £7,500 (2022: £nil).

17. Provisions for other liabilities

The Group and Institute had the following provisions during the year:	Dilapidations provision 2023 £'000	Total 2023 £'000	Dilapidations provision 2022 £'000	Total 2022 £'000
At 1 January 2023	19	19	8	8
Additions dealt with in the Statement of Financial Activity	11	11	11	11
Reclassified as current liability during the year	-	-	-	-
At 31 December 2023	30	30	19	19

As part of the Group's property leasing arrangements, there is an obligation to repair damage that is incurred during the life of the lease, such as wear and tear. The cost relating to the Institute's new premises on Chancery Lane is charged to profit and loss as the obligation arises. The provision is expected to be utilised in 2031 when the lease terminates.

Notes to the financial statements

18. Financial instruments

The Group has the following financial instruments:

	Group		Institute	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Financial assets that are debt instruments measured at amortised cost:				
Trade receivables	406	357	380	334
Other receivables	191	205	118	123
Amounts owed by Group	-	-	181	185
	597	562	679	642
Financial assets that are debt instruments measured at fair value:				
Investments	1,833	1,731	1,833	1,731
Investment in cash and cash equivalents	3,112	2,971	2,688	2,572
	4,945	4,702	4,521	4,303
Financial liabilities measured at amortised cost:				
Trade creditors	222	196	209	177
Other creditors	140	115	118	91
	362	311	327	268
Net financial assets measured at amortised cost	5,180	4,953	4,873	4,677

Notes to the financial statements

19. Other financial commitments

At 31 December 2022, the Group and Institute had the following future lease payments under non-cancellable operating leases:

Land and buildings	Group		Institute	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Not later than one year	293	284	233	223
Later than one year and not later than five years; and	388	501	253	486
Later than five years	-	-	-	-
Lease payments recognised as an expense through the statement of financial activity	239	237	175	173

Equipment Leases:

Land and buildings	Group		Institute	
	2022 £'000	2022 £'000	2022 £'000	2022 £'000
Not later than one year	7	7	4	4
Later than one year and not later than five years; and	11	19	4	8
Later than five years	-	-	-	-
Lease payments recognised as an expense during the year	7	6	4	4

Notes to the financial statements

20. Funds

All assets and liabilities are held within unrestricted funds.

Group 2023	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
Fund Name	£'000	£'000	£'000	£'000	£'000	£'000
General Funds	2,047	6,275	(5,736)	(697)	41	1,930
Fixed Asset Reserve	1,113	-	(307)	267	-	1,073
PQG Reserve	144	29	(41)	-	4	136
IT Project Reserve	511	-	-	254	-	765
Product Development Reserve	280	-	-	176	-	456
Premises Reserve	-	-	-	-	-	-
Total Funds	4,095	6,304	(6,084)	-	45	4,360
Institute 2023						
General Funds	2,185	5,685	(5,213)	(694)	71	2,034
Fixed Asset Reserve	1,107	-	(302)	264	-	1,069
PQG Reserve	144	29	(41)	-	4	136
IT Project Reserve	513	-	-	254	-	767
Product Development Reserve	280	-	-	176	-	456
Premises Reserve	-	-	-	-	-	-
Total Funds	4,229	5,714	(5,556)	-	75	4,462

Notes to the financial statements

20. Funds (continued)

Group 2022	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
Fund Name	£'000	£'000	£'000	£'000	£'000	£'000
General Funds	1,987	5,344	(4,690)	(359)	(235)	2,047
Fixed Asset Reserve	794	-	(172)	491	-	1,113
PQG Reserve	146	30	(26)	-	(6)	144
IT Project Reserve	185	-	-	326	-	511
Product Development Reserve	738	-	-	(458)	-	280
Premises Reserve	-	-	-	0	-	-
Total Funds	3,850	5,374	(4,888)	-	(241)	4,095
Institute 2022						
General Funds	2,208	4,750	(4,200)	(356)	(217)	2,185
Fixed Asset Reserve	780	-	(161)	488	-	1,107
PQG Reserve	146	30	(26)	-	(6)	144
IT Project Reserve	187	-	-	326	-	513
Product Development Reserve	738	-	-	(458)	-	280
Premises Reserve	-	-	-	-	-	-
Total Funds	4,059	4,780	(4,387)	-	(223)	4,229

The Fixed Asset Reserve represents the approximate value of tangible and intangible assets as these funds are not available for day-to-day operations of the Institute.

The PQG Reserve is equal to the bank balances and share of investments held by the Pharmaceutical Quality Group. This special interest group meets the needs of quality professionals within the pharmaceutical industry through regular meetings on quality assurance, good manufacturing practice and 'hot topics' and developing guidance on a range of regulatory requirements.

The IT project Reserve represents money set aside for the planned redevelopment of the Institute's digital infrastructure.

The Product Development reserve represents money set aside for the continuation of Learning and Development and Policy projects to be expended over the next financial year.

Notes to the financial statements

21. Analysis of net assets between funds

	General Funds	PQG Reserve	IT Project Reserve	Fixed Asset Reserve	Product Development Reserve	Premises Reserve	2023 Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Group 2023							
Intangible fixed assets	-	-	-	822	-	-	822
Tangible fixed assets	-	-	-	250	-	-	250
Investments	1,755	78	-	-	-	-	1,833
Current assets	2,709	59	765	-	456	-	3,989
Current liabilities	(2,504)	-	-	-	-	-	(2,504)
Non-current liabilities	(30)	-	-	-	-	-	(30)
	1,930	137	765	1,072	456	-	4,360
Institute 2023							
Intangible fixed assets	-	-	-	822	-	-	822
Tangible fixed assets	-	-	-	247	-	-	247
Investments	1,828	78	-	-	-	-	1,906
Current assets	2,363	58	767	-	456	-	3,644
Current liabilities	(2,127)	-	-	-	-	-	(2,127)
Non-current liabilities	(30)	-	-	-	-	-	(30)
	2,034	136	767	1,069	456	-	4,462

Notes to the financial statements

21. Analysis of net assets between funds (continued)

	General Funds	PQG Reserve	IT Project Reserve	Fixed Asset Reserve	Product Development Reserve	Premises Reserve	2022 Total Funds
Group 2022	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	-	-	-	809	-	-	809
Tangible fixed assets	-	-	-	304	-	-	304
Investments	1,653	78	-	-	-	-	1,731
Current assets	2,919	68	511	-	280	-	3,776
Current liabilities	(2,506)	-	-	-	-	-	(2,506)
Non-current liabilities	(19)	-	-	-	-	-	(19)
	2,047	144	511	1,113	280	-	4,095
Institute 2022							
Intangible fixed assets	-	-	-	809	-	-	809
Tangible fixed assets	-	-	-	298	-	-	298
Investments	1,726	78	-	-	-	-	1,804
Current assets	2,594	66	513	-	280	-	3,453
Current liabilities	(2,116)	-	-	-	-	-	(2,116)
Non-current liabilities	(19)	-	-	-	-	-	(19)
	2,185	144	513	1,107	280	-	4,229

Notes to the financial statements

22. Analysis of changes in net debt

	At 1 January 2023	Cash flows	Acquired	Foreign exchange movements	At 31 December 2023
	£'000	£'000	£'000	£'000	£'000
Group 2023					
Cash at bank and in hand	1,733	1,436	-	(57)	3,112
Short-term deposits	1,238	(1,238)	-	-	-
Cash and cash equivalents	2,971	198	-	(57)	3,112

	At 1 January 2022	Cash flows	Acquired	Foreign exchange movements	At 31 December 2022
	£'000	£'000	£'000	£'000	£'000
Group 2022					
Cash at bank and in hand	1,698	140	-	(105)	1,733
Short-term deposits	1,234	4	-	-	1,238
Cash and cash equivalents	2,932	144	-	(105)	2,971

Board of Trustees



Rashad Issa CQP, FCQI works for the Baltic Exchange as the Quality and Business Improvement Lead. Before becoming a trustee, he volunteered for the CQI's London Committee for over three years and was

part of the pilot groups of various CQI initiatives, such as the mentoring programme and the Quality Connect platform. His experience ranges from the financial services and retail to the health and shipping sectors. Rashad has experience in guiding the development and delivery of robust operational strategies, streamlining complex policies and procedures on a global scale, establishing project management offices from the ground up, and bringing quality management frameworks to stakeholders at different levels to achieve strategic initiatives. He currently volunteers with the Project Management Institute as an insights advisor of the Global Diversity, Equity, and Inclusion initiative, and recently concluded a two-year term on the board of the Project Management Institute UK in December 2021.



Hannah Kingsley, BVSc FCA currently works for Rail Safety & Standards Board (RSSB) as Chief Financial Officer and is a member of the RSSB Board, and the CIRAS (Confidential Incident Reporting and

Analysis Service) Board. In addition, Hannah has held several executive roles within the rail industry, including Finance Director for Network Rail Anglia Route and Director Commercial Service and Assurance for Rail Delivery Group, leading teams working across governance, internal audit and risk, business change and procurement, as well as in previous senior finance roles at Network Rail and Deloitte LLP. In her role as Honorary Treasurer, Hannah brings to the CQI experience working across financial control, financial planning and analysis, and commercial finance. Hannah is also a passionate supporter of work to increase gender equality across the STEM disciplines and has acted as a mentor for the Women in Rail scheme.



Christopher Chinapoo, ASQ CMQ/OE, ASQ CQA CQP FCQI has over 25 years' experience in quality, health, safety, sustainability, resilience, and risk management. He is currently the chair of the technical oversight committee to the

CARICOM Secretariat for the I0 EDF fund on Crime and Violence Prevention. Christopher is a consultant, coach, and auditor in various sectors, namely energy, construction, water, national security, and higher education. He is a live member of the National Association of Blacks in Criminal Justice, a regular contributor to the UK Chartered Quality Institute's Quality World Magazine, and the Journals of the American Society for Quality. Christopher is also a member of the CQI Caribbean Branch, the CQI Deming Special Interest Group, and the Secretary of the CQI Renewable Energy Special Interest Group.



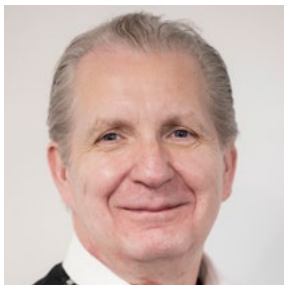
David Anderson CQP FQCI is Director Business Assurance, Quality and Systems BAM UK&I. He brings over 30 years' experience within the construction industry. David is passionate about the driving role quality plays within

business and operational excellence and is an advocate in utilising technology as an enabler for the future of quality. He is actively engaged with the CQI Construction Special Interest Group and a variety of other groups and organisations within the UK and Europe. He is a director and trustee of the Lean Construction Institute, an educational charity.



Dr Evi Viza, CQP CQI MIET FRSA, CQP MCQI, IET, FRSA, LSSBB is a Manufacturing Engineer specialising in quality management and continuous improvement. As a Chartered Quality

Professional and a Black Belt Lean Six Sigma practitioner, she brings expertise to her field. In addition to being a trustee of the CQI, Dr Viza holds multiple positions. She is a member of the Institute of Engineering and Technology (IET) and serves as the chair of the IET Manufacturing group in Scotland. Furthermore, Dr Viza is a Fellow of the Royal Society of Arts (FRSA) and contributes as a trustee member of the Kenyan Women in Scotland Association. Currently, Dr Viza is the Programme Lead on the MSc Quality Management at the University of the West of Scotland, driving innovation and gender equality in manufacturing. Her research focuses on applying operations management, quality improvement, and lean principles to solve industry problems. She is particularly passionate about gender diversity and has led interdisciplinary research projects on systems approach and sustainability with a user-centric focus. Notable projects include the Royal Academy of Engineering's 'FemaleInspires' initiative and partnerships with APWEN (Association with Professional Women Engineers in Nigeria).



Howard Cooper CQP FCQI is a retired quality professional who was a Specialist Director – Nuclear Quality for Jacobs UK. With a 37-year career in the UK Nuclear and Defence industry, including 23 years in

senior quality roles, Howard has led the establishment, refreshment, and implementation of quality management programmes for projects, programmes, organisations, and enterprises. A founding member of the CQI Nuclear Special Interest Group, Howard is passionate about the importance of professional qualifications for quality professionals, as well as supporting education, career pathways, mentoring and leadership development.



Dr Makis Foros, MBA, CQP MCQI, BTEC, BEng (Hons), PhD currently works as a Quality and Process Improvement Manager within the Operational Excellence Team for Saint Gobain Interior Solutions. Besides being an active

World Class Manufacturing TPM Instructor and Lean 6 Sigma black belt/Kaizen practitioner, his true passion lies with coaching and mentoring people; assisting them with reaching their true potential and meeting their aspirations. Makis has held many roles within the Quality, Process, Technical Production and New Product Development Arenas, and brings over 25 years' experience within the construction industry, including strategic policy deployment and change management within organisations.



Rachelle Beasley CQP MCQI is the Quality Manager at WEPA, with experience in manufacturing, housing, and social care. She brings over a decade of experience in quality and auditing across various industries and gained a MSc in Quality

Management in 2017. Rachelle was part of the Next Generation Network Committee from 2015 to 2019, working to make quality a career choice for young people. She brings experience within the voluntary sector and as a board member, sitting on boards for charitable organisations that work to make lives better within communities. Rachelle is also an advocate for young quality professionals, diversity, and the future of quality.



Roxann Dawson CQP

FCQI has more than 25 years' experience in quality, assurance, and business improvement and has held several senior leadership roles in the transportation and construction industry. Roxann is the Business Assurance Director

for Tilbury Douglas, with expertise in risk, compliance, stakeholder engagement, and organisational culture. Before becoming a trustee in September 2017, Roxann served as a member of the Advisory Council and now chairs the CQI Governance and Risk Committee. She is an active volunteer for the CQI who has contributed to the establishment of the 2030 strategy, the Competency Framework 2.0, the Profession Map, and Quality World.

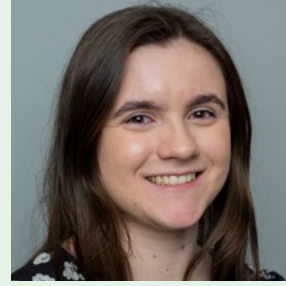
Roxann is known for her passion and energy for the sustainability of the quality profession and is an advocate not only for the CQI, but also for the profession at large. Roxann is an ambassador for diversity and equality and seeks out opportunities to be the change she would like to see. Roxann is known for her passion and energy for the sustainability of the quality profession and is an advocate not only for the CQI, but also for the profession at large. Roxann is an ambassador for diversity and equality and seeks out opportunities to be the change she would like to see.



Victoria Yates CQP

MCQI is the Head of Change and Transformation at leading temporary works provider Mabey Hire. She brings over 16 years of experience from a variety of operational and business improvement roles from the construction and

engineering sector. The first five years of her career were spent in site management roles on major construction and infrastructure projects. Victoria is passionate about continuous improvement and is an advocate for balancing creativity with a structured approach to develop the best solutions. Victoria loves being a STEM ambassador to promote quality and engineering careers to young women and girls. She was a member of the winning Team of the Year Award in 2018.



Victoria Derbyshire

CQP MCQI is Senior Quality Practitioner for Cavendish Nuclear Ltd. Her experience ranges across the nuclear, defence, construction, and utilities sectors, specialising in utilising data analysis to inform

business improvement and delivering corporate and operational governance and assurance activities. She started her career in one of the first quality apprenticeships of its kind straight from education and is passionate about raising the profile of the quality profession. Victoria wants young people to have the same opportunities available that she did and has worked closely with various organisations helping them develop and introduce their own quality apprenticeships. She also provides coaching and mentorship to other quality professionals who have chosen apprenticeships. This has contributed to changing people's perceptions of what it is to be a quality professional, helping to make it an enticing career option for the next generation and ensuring organisations are in the position to provide quality apprenticeships and other early careers options. Victoria actively engages with the Nuclear Special Interest Group, as a steering group member and has previously supported Women in Nuclear UK as Quality Lead. Victoria was also the winner of the Emerging Talent Award at the 2019 International Quality Awards.

Trustee Participation 2023

Position	Current office holder	Date of appointment/resignation	Attendance at Board meetings in 2023	Committee member	Attendance at committee meetings 2023
Chair (until September 2023)	Amanda McKay	Appointed September 2014 Resigned September 2023	2/3	Finance and Remuneration Committee	3/3
Chair (from September 2023)	Rashad Issa	Appointed March 2021	4/4	Governance and Risk Committee Finance and Remuneration Committee	1/2 2/2
Honorary Treasurer	Hannah Kingsley	Appointed March 2019	4/4	Finance and Remuneration Committee Chair	4/4
Board Member	David Straker	Appointed September 2014 Resigned September 2023	3/3	N/A	N/A
Board Member	Roxann Dawson	Appointed September 2017	3/4	Governance and Risk Committee Chair	4/4
Board Member	Rachelle Beasley	Appointed March 2020	3/4	Nominating Committee	2/3
Board Member	David Anderson	Appointed March 2021	2/4	Finance and Remuneration Committee Nominating Committee	1/4 4/4
Board Member	Christopher Chinapoo	Appointed March 2022	4/4	Governance and Risk Committee	4/4

Position	Current office holder	Date of appointment/ resignation	Attendance at Board meetings in 2023	Committee member	Attendance at committee meetings 2023
Board Member	Victoria Derbyshire	Appointed March 2022	4/4	Finance and Remuneration Committee Nominating Committee**	3/3 0/0
Board Member	Dr Evi Viza	Appointed June 2023	4/3*	Governance and Risk Committee	1/1
Board Member	Howard Cooper	Appointed June 2023	4/3*	Governance and Risk Committee	1/1
Board Member	Dr Makis Foros	Appointed June 2023	4/3*	Finance and Remuneration Committee **	0/0
Board Member	Victoria Yates	Appointed June 2023	4/3*	Nominating Committee **	0/0

* Participated in March 2023 as non-voting members **Assigned but attending from 2024

Membership Council

Name	Position
Dave Smith	Chair
Mark Eydman	Vice Chair
Angela Fumpson	Member
Leigh Henderson	Member
Mehrdad Kamali	Member
Victor Williams	Member
Barry Avis	Member
Marc Elmes	Member
Michael McCusker	Member
Tony Brachmanski	Member

CQI Council

Name	Position
Dave Smith	Ordinary Member
Mark Eydman	Ordinary Member
Angela Fumpson	Ordinary Member
Leigh Henderson	Ordinary Member
Mehrdad Kamali	Ordinary Member
Barry Avis	Ordinary Member
Marc Elmes	Ordinary Member
Tony Brachmanski	Ordinary Member
Nicola Selway	Ordinary Member
Sarah Harper	Ordinary Member
David Edwards	Ordinary Member
Steve Savage	Ordinary Member
Marie-Claude Laubier	Ordinary Member
Cheryl ORourke	Ordinary Member
ADS Group Limited	Proposed Stakeholder Member
Get it Right Initiative – GIRI	Proposed Stakeholder Member
Society of Motor Manufacturers and Traders LTD – SMMT	Proposed Stakeholder Member
Engineering Council	Proposed Stakeholder Member
Institute for Continuous Improvement in Public Service	Proposed Stakeholder Member
Institute for Business Ethics	Proposed Stakeholder Member
Association of British Certification Bodies – ABCB	Proposed Stakeholder Member
United Kingdom Accreditation Service – UKAS	Proposed Stakeholder Member
British Standards Institute – BSI	Proposed Stakeholder Member
British Quality Foundation - BQF	Proposed Stakeholder Member
Chartered Trading Standards Institute	Proposed Stakeholder Member
Military Aviation Authority – MAA	Proposed Stakeholder Member
Ministry of Defence – MOD	Proposed Stakeholder Member
Home Office	Proposed Stakeholder Member

Professional Networks Officers 2023

Special Interest Groups (SIG)

Construction SIG	Chair	Steffan Spear
	Vice Chair	David Anderson
	Secretary	David Myers
Defence SIG	Chair	Richard Ellis
	Chair	Robert Gibbs (October-present)
	Secretary	Nicola Abrams
Deming SIG	Chair	Alan Hodges
	Vice Chair	Kevan Leach
Integrated Management SIG	Chair	Jonathan Bishop
	Secretary	Oluwafemi Adare
Nuclear SIG	Chair	Richard Hibbert
	Vice Chair	James Brown
	Secretary	Rebecca Tomlinson
	Secretary	Owen Tennant
Pharmaceutical SIG	Chair	David Waddington
	Vice Chair	Neil Wayman
	Secretary	Jane Smith
Rail SIG	Chair	Jon Briggs
	Vice Chair	-
Health SIG	Chair	-
	Vice Chair	-
	Secretary	-
Sustainability SIG	Chair	Zoi Kontodimou
	Vice Chair	Muruges Sivasubramanian
	Secretary	-
Audit SIG	Chair	William Rankin
	Vice Chair	Richard Brett
	Secretary	Doris Cadar
Renewable Energy SIG	Chair	Sara Johnson
	Vice Chair	Robert Owen
	Secretary	Paul Robinson
Medical Laboratories SIG	Chair	Dennis Mok

Branch Networks

EASTERN REGION	Regional Chair	Barry Avis
Milton Keynes Branch	Chair	Paul Simpson
Peterborough and Cambridge Branch	Chair	Kevin Newey
South Anglia Branch	Chair	Barry Avis

MIDLANDS REGION	Regional Vice Chair	Simon Jones
	Regional Vice Chair	Tony Brachmanski
	Regional Secretary	Suzanne Hill
Birmingham Branch	Chair	Claire Lewis
	Vice Chair	Amandip Sandhu
	Secretary	Matthew Moss
Derby and Nottingham Branch	Chair	Suzanne Hill
	Vice Chair	Adrian Petch
	Secretary	Grant Nicholson (until summer 2023)
	Secretary	Craig Stillwell (Summer 2023–present)
Leicester and Coventry Branch	Chair	Simon Jones
	Vice Chair	Christopher Parry
	Secretary	Adrian Stokes
Wolverhampton Branch	Chair	Tony Brachmanski
	Vice Chair	Craig Cartwright
	Secretary	Samantha Wright

NORTH EAST REGION	Regional Chair	Leigh Henderson
Northeast Branch	Chair	Leigh Henderson
	Vice Chair	Colin Humble
	Secretary	John Mills

Branch Networks

NORTHERN REGION	Regional Chair	-
Cumbria Branch	Chair	Ryan Mower
	Vice Chair	Kyle McNicol
	Secretary	Paul Johnson
Greater Manchester Branch	Chair	-
Yorkshire Branch	Chair	Hugh Everson
	Secretary	Asimakis Foros

NORTHERN IRELAND	Regional Chair	Michael McCusker
Northern Ireland Branch	Chair	Michael McCusker
	Vice Chair	Gerard Heatley
	Secretary	Siobhan Murphy

SCOTLAND	Regional Chair	Colin Campbell
	Secretary	Jeffrey Marven
North of Scotland Branch	Chair	Colin Campbell
	Vice Chair	Samantha Withers
	Secretary	Abigail Readman
West of Scotland Branch	Chair	Marc Elmes
	Vice Chair	James Burns
	Secretary	Jeffrey Marven
East of Scotland Branch	Chair	Gemma Parnell
	Vice Chair	-
	Secretary	Victoria Tait

Branch Networks

SOUTH EAST REGION		Regional Chair	-
London Branch	Chair	Jessican Naidoo	
	Vice Chair	Adebisi Alonge	
Kent Branch	Chair	Roderick Hogarth	
	Vice Chair	Steven Pettifer	
	Secretary	Paul Boother	
Surrey and Sussex Branch	Chair	Luke Higgins	
	Vice Chair	-	
	Secretary	Heather Kane	

SOUTH WEST REGION		Regional Chair	Angela Fumpson
		Regional Vice Chair	Derek Lewis
Thames Valley Branch	Secretary	Tom Gould	
Avon Branch	Chair	Angela Fumpson	
	Vice Chair	Neil Mellor	
	Secretary	Denise Ramsay	
Devon and Cornwall Branch	-	-	
Gloucester Branch	Chair	Gary Martin	
	Secretary	Ryan Renard	
Wales Branch	Chair	Derek Lewis	
	Secretary	Karl Mrosek	

Branch Networks

OVERSEAS		
Hong Kong Branch	Chair	Ian Streater
	Vince Chair	Wai Hang Cris Tam
	Secretary	KharVoen Chin
Taiwan Branch	Chair	Jeff Monk
	Secretary	Murli Mohan
Ireland Branch	Chair	Caroline Geoghegan
	Secretary	Suzanne Carpenter
Caribbean Branch	Chair	Glenroy London
	Vice Chair	Susan Samaroo
	Secretary	Sucilla Harrikissoon

Key management personnel

Director General and Chief Executive, Vince Desmond
Executive Director of Membership and Commercial Services, Tally Singer
Executive Director of Corporate Services, Andrew Lannin

Office address

Third Floor
 90 Chancery Lane
 London WC2A 1EU

Principal professional advisers

Bankers

Lloyds Bank Plc
 98 Victoria Street
 London SW1E 5JL

External auditors

Buzzacott LLP
 130 Wood Street
 London EC2V 6DL

Solicitors

Russell Cooke
 2 Putney Hill
 London SW15 6AB

Investment managers

Newton Investment Management Ltd
 BNY Mellon Centre
 160 Queen Victoria Street
 London ECV4 4LA

Chartered Quality Institute

Third floor, 90 Chancery Lane
Holborn, London WC2A 1EU

Incorporated by Royal Charter and
registered as charity number 259678

www.quality.org

THE CHARTERED QUALITY INSTITUTE

England & Wales - Charity number 259678

Accounts

The Chartered Quality Institute **Annual Report 2022**

“Individually, each of our members is key to enabling this crucial quality culture and capability within their organisations. Collectively, our members are critical to our mission to promote the benefit of quality to society.”



© Sunday Treat

CQI President's foreword

Global geopolitical and economic turbulence is now the norm. As we came out of the pandemic we were immediately faced with the war in Ukraine, the terrible impact on their people, and the wider global pressures on supply chains and inflation. For many economies - the UK included - this requires a continued need to build resilience, but also a growing need to improve competitiveness and productivity. In this context, I am delighted that the CQI continues to champion excellence in quality management for organisations in the public, private and non-profit sectors through initiatives such as world quality week and our annual quality awards.

The case studies from our International Quality Awards finalists and winners shine a powerful light on how a positive quality culture and solid quality

capability can help organisations improve the quality of process, product, and service to generate significant economic benefits and superior customer value. This does not happen by magic. The work that we are doing to promote the role and value of the expert quality professional is equally important.

Individually, each of our members is key to enabling this crucial quality culture and capability within their organisations. Collectively, our members are critical to our mission to promote the benefit of quality to society. I welcome the many new members and partners who joined the CQI in 2022 and thank all of you for your commitment and contribution to quality. Our society needs you more than ever.

**Lord Jamie Lindsay, President,
Chartered Quality Institute**



“It has been an honour to serve as Chair of my professional body and work with so many talented quality professionals. I am delighted to leave a Board which represents the diversity issue that we aspire to for our profession.”

Chair’s introduction

This is my final introduction to our Annual Report as Chair of the CQI Board after nine years serving as a CQI Trustee.

Externally driven disruption has been a constant during my tenure as Chair with external events creating challenges for the CQI, our members, our staff, and our stakeholders. We have navigated this disruption very well, but only as a consequence of the world class collective effort of our volunteers and staff for which the Board of Trustees is deeply appreciative.

I am pleased to report that this effort has resulted in positive financial outturn in 2022 as we saw another increase in the number of new members joining the Institute and the recovery of our certified training activity as the pandemic receded.

Our investment in our 2030 strategy continued. We completed a significant project to move our examinations online to improve reliability of examinations taken by 40,000 individuals across the globe. We continued our investment in research to support the ongoing relevance of quality management in the digital age with the completion of our ‘Future of Assurance’ research project, which built on our Quality 4.0 work. An important project was the upgrade of our competency framework to embrace the new knowledge and skills required to support the sustainability and digital agendas due for release in 2023.

Our volunteer members continue to grow in number, activity and impact serving members communities with professional development

and support. These communities are our powerhouse and I thank you all for your work and contributions.

Promoting quality is a core part of our mission. I am delighted that our World Quality Week initiative continues to grow globally with over one million people reached in 2022 on our topic of ‘doing the right thing’. Equally encouraging were the number and quality of entries into our International Quality Awards last year, especially as our strategy recognises the need to attract new and more diverse entrants into quality and embrace the digital and sustainability agendas.

It has been an honour to serve as Chair of my professional body and work with so many talented quality professionals. I am delighted to leave a Board that represents the diversity and values that we aspire to for our profession. I step down hugely encouraged by what we have achieved in recent years, and I look forward to the future, confident in this platform for growth under the leadership of your new Chair, Rashad Issa.

Professor Amanda McKay, Chair of the Board of Trustees, Chartered Quality Institute

Trustees' report

For the year ended 31 December 2022



Our impact – 2022 highlights

As a registered charity with a Royal Charter, our purpose is to champion quality management in all sectors for the benefit of society. We deliver on this mission through¹:

- The contribution made by CQI members and IRCA certificated auditors in supporting and improving the quality of products, services, and organisations.
- The training and education delivered through our approved training partners (ATPs) and university courses.
- The research we perform to advance the discipline of quality management methods and tools.
- The policy outreach we conduct to support and influence UK and global quality infrastructures.

¹The Trustees confirm they have referred to the Charity Commission's guidance on public benefit when reviewing the Institute's aims and objectives, planning future activities and setting the annual operating plan.

“In 2022, we grew our community with 2,558 new individual members and 6 new corporate members, rebuilt learner numbers to 69,496, hosted 106 professional events with 4,525 professionals, and supported 277 mentoring relationships.”

In 2022, we worked with partners and volunteers to:



Grow our community of members with 2,558 new individual members and six new corporate members and partners (2,297 new individual members and five new corporate members/partners in 2021).



Rebuild learner numbers on CQI and IRCA certified training courses post-pandemic to 69,496 (an increase of over 6,000).



Implement a new online examination system to improve reliability of assessment for over 35,000 candidates taking examinations globally.



Host 106 professional development events on quality management topics with 4,525 quality professionals in attendance.



Support CQI's 277 active mentoring relationships through our online mentoring platform.



Support our group of 374 volunteers who operate 11 Special Interest Groups and 27 Branches.



Extend our Quality 4.0 research programme into the specific area of the Future of Assurance.



Promote the value of quality management through World Quality Week 2022 theme of 'quality conscience: doing the right thing', achieving 56,508 resource kit downloads, 83 webform submissions, and 21,161 views of our official video.



Promote the value of the quality profession through the 2022 International Quality Awards with a record number of 130 entries from 15 different countries, representing 15 different sectors.



Represent the profession through our liaison status with ISO and contribute to the development of food safety, quality and occupational health and safety standards.



Our strategy

Our Annual Report is structured around the five strategic themes on which our strategy is built.

Our five strategic themes

Align operating model

Improve our systems, processes, and people to deliver the strategy.

Redesign offerings

Enhance value for individual and corporate members through digital and expanded member services.

Lead quality management practice

Invest in research and CPD to demonstrate the relevance of the profession to organisations within the future world of work.

Broaden the scope of the profession

Gain the support of allied professions in delivering excellence in governance, assurance, and improvement.

Grow our global influence

Become more actively involved in quality communities around the world, recognising the complex environments in which members operate.

Positive changes in our discipline and profession

The quality management discipline

A broader scope: will be embraced by organisations and allied professions.

Technology: will adapt to support digital transformation and improvement.

Trust and guardianship: will support ethical decision making and performance improvement.

Strategic quality: will shift focus from the tactical to the strategic.

Agility and adaptability: will adapt to the increasing speed of change.

The quality profession

Global influence: will be able to operate in an increasingly complex and fast-moving global context.

New behaviours and roles: will focus on strategic leadership, improvement and championing organisational conscience.

Automation/Internet of Things: will embrace technology in the design of business models and systems.

Diversity: will embrace wider scopes of experience, skills, and backgrounds to deliver its wider breadth and new roles.

Big data: will embrace data and analytics to drive into improvement at speed.

Learning: will maintain value through increased life-long learning.

Key external trends

The global trade challenge – of shifting global trade arrangements, emerging compliance requirements and new markets and supply chains, which will require organisations to adapt to new opportunity and risk.

The technology challenge – of Industry 4.0 technologies (connectivity, quantum computing, big data, and artificial intelligence) in transforming business models and systems, and the nature of work.

The demographics challenge – of ageing populations putting pressure on skills and public services, and diversity in society, organisations, and teams.

The personal value challenge – of providing value to customers and consumers in a digital age, combined with the pressure on organisations to satisfy the widening societal and stakeholder expectations.

Value for society

In terms of improved quality of product, service, organisation, sector, and national competitiveness.



Our vision

A world in which organisations of all types and sizes thrive by providing outstanding value for customers, stakeholders, and society.

To deliver...

In response to...

To provide...

To achieve...

OUR 2022 PERFORMANCE

Strategic theme I – Align operating model



Improve our systems, processes and people to deliver our strategy.

Measure	2022	2021
Financial net income (before gains & losses)	£486k	£325k
Capital expenditure	£495k	£598k
% of projects completed	80%	80%
Staff satisfaction (1–10)	8.25	7.35
Volunteer engagement (Net Promoter Score ²)	+17	+28
Compliance (with Charity Governance Code)	Compliant	Compliant

²The Net Promoter Score (NPS) is a customer loyalty score, ranging from –100 to 100, calculated by asking customers one question: "On a scale from 0 to 10, how likely are you to recommend this product/company to a friend or colleague?" Any score above 0 reads as 'good' because it indicates that a business has more promoters than detractors.

Operating financial outturn

We achieved a surplus, before gains and losses, of £486k, providing a strong starting position for the 2023 operational plan and maintained our reserves to policy. Please refer to page 24 for more detail on CQI's Financial Performance for the year.

Capital project delivery

We delivered 80% of our planned capital projects including: the launch of an online examination platform, upgrade of our website content management system, development of our new online presentation of the CQI Profession Map (launch in 2023); development of our new online competence assessment, CPD and e-learning tool (launch in 2023); completion of our finance system upgrade. The body of knowledge review was planned but not progressed in 2022 due to technology constraints. Similarly, the ambition to commence the development of career pathway and model role competence assets were delayed as we focused on completion of the profession map tools.

80%

of our planned capital projects were delivered, including the launch of an online examination platform, upgrade of the website content management system, and completion of a finance system upgrade.

Staff engagement

We saw an increase in staff satisfaction as we emerged from the pandemic, adapting more staff-focused policies through new agile working and an improved staff benefit and support package. We responded to the cost-of-living challenges with the Board of Trustees providing a one-off payment of £600 to all staff. The CQI continues to monitor the ongoing impact on staff closely.

Volunteer engagement

In 2022, the CQI adopted a new methodology for capturing volunteer feedback that accounted for visible movements in responses received, which explains why, at first glance, volunteer satisfaction shows a significant drop in 2022 compared with 2021. This involved a change in the gathering of data from a generic electronic survey, which had limited responses and value, to a telephone-based quarterly approach. This new methodology provides detailed and valuable insights, enhancing our ability to improve the volunteering experience. One of the key reasons for dissatisfaction given by volunteers is regarding perceived levels of underperformance compared with expectations. In general, volunteers tell us that they are appreciative of the support they receive from the CQI team and are enjoying the volunteering experience. Considering the positive results emanating from the new methodology, the CQI will continue to use this new approach going forward.



As has been the custom over the last five years, we celebrated National Volunteers' Week, recognising the vital value that our volunteer community of 374 members provides the CQI and the profession.

COVID-19

Through the year, we continued to adapt our COVID-19 policies in line with UK government and, for our IRCA Japan operation, Japanese government policies, maintaining this threat on our risk register and reviewing and adapting controls as necessary.

This risk was closed in 2023.

44
Corporate Partners

85
branch events, with a 17.3% increase in attendees compared to with 2021.

Strategic theme 2 – Redesign offerings

2

Enhance value for individual and corporate members through digital and expanded member services.

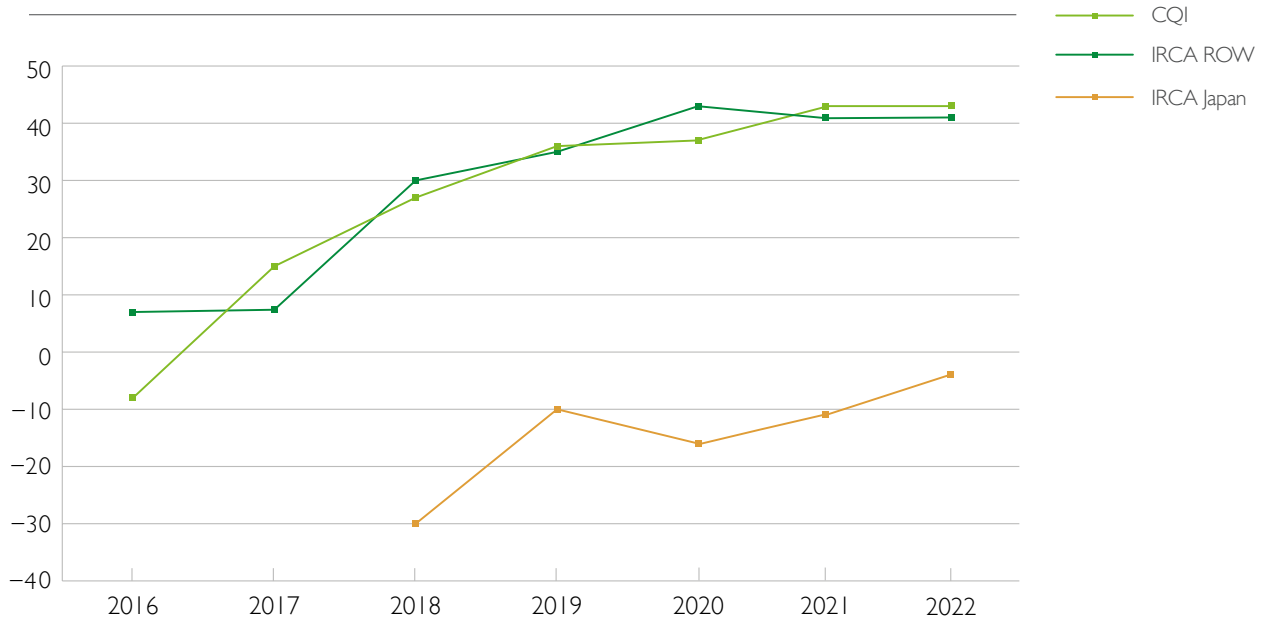
Measure	2022	2021
CQI member satisfaction (NPS)	+44	+44
CQI member register	8,591	8,566
IRCA auditor satisfaction NPS – Rest of World (ROW)	+42	+42
IRCA auditor register ROW	6,189	6,186
IRCA auditor satisfaction NPS – Japan	-3	-11
IRCA auditor register Japan	3,491	3,168
Corporate partner register	39 partners and 5 members	35 partners and 5 members
Delegates on CQI and IRCA certified courses	69,496	63,002

CQI member and IRCA certificated auditor satisfaction

Member satisfaction measured through net promoter score remained strong in 2022 and above our target improvement for the end of our first strategic phase, which was NPS +37 for CQI members and +27 for IRCA certificated auditors. Japan saw another improvement as our team in Tokyo continue to improve content and professional development services. It should be noted that, typically in Japan, an NPS of -47 is considered good, compared with +29 in the UK (source Qualtrics, XM Institute, Calibrating NPS Across 18 Countries, May 2021).

As we come to the close of our first strategic phase at the end of 2023, we completed a survey and workshop with volunteer members to understand key elements of value our members require moving forwards. Please view the future plans section of this report on page 30.

Member NPS



CQI Quality Careers Hub – Launched late 2021, this is now fully live. Running the hub continued to provide benefit to our members with career-based content and advice, as well as an updated jobs board. The platform provides members with useful career support, CV and interview guidance as well as hosting the job site. In its first full year of operation in 2022, we recorded 1,832 users, 2,946 jobs viewed, and 23,726 activities completed.

CQI e-library – We recorded 35,832 searches and 6,474 downloads from our extensive e-library. While records show lower interactions (compared with 2021), the results are quite encouraging taking into consideration post-pandemic behavioural change. Regular monitoring and continuous improvements are ongoing.

CQI Mentoring Hub - There was an 11.6% increase in the average number of active mentoring relationships during 2022 compared with the previous year, 279 mentoring relationships compared with 250 in 2021.

Improvement projects

CQI Profession Map – Having completed the development of the revision of the CQI Competence Framework in 2021, we commenced a project in 2022 to present this to the public and members as an interactive profession map tool, supported by a self-assessment and e-learning platform (which was piloted in 2022 with two Quality 4.0 courses). These services are due for release in 2023.

Membership trends

Since the commencement of the CQI 2030 strategy, we are pleased to see that our global membership register (CQI members and IRCA certificated auditors) continues to perform ahead of the target of 17,942 for the end of phase I (end 2023), primarily through growth in the IRCA Japan and CQI registers (see chart).

Indeed, 2022 was the fourth consecutive year of growth in the number of new members joining both the CQI and IRCA rest of world (ROW) (see chart) resulting from; improved services, such as our mentoring scheme, careers hub, content; increases in employer support via our corporate schemes; and from enhanced marketing of member products and new services.


Retention remains consistent at 85.1% for CQI, at 80% for IRCA ROW and 90% for IRCA Japan.



“We ended the year with 44 organisations spread between both corporate partner and corporate member programmes, up from 40 at the end of 2021.”

CQI member networks

The CQI Membership Council oversees the Institute’s network of 8 regions, 27 Branches and 11 Special Interest Groups (SIGs), with the support of the volunteer members and the Professional Networks staff team. The Branch network delivered 85 events to 3,409 professionals, a 17.3% increase in attendees compared with 2021. The SIGs delivered 21 events to 1,116 attendees, a 57% increase on the previous year.

 Members are a key asset in promoting and developing the profession and we thank our superb community of volunteer members, which remained consistent at 374.

Membership Council (MC) report

Having supported volunteer leaders of CQI Branches and Special Interest Groups through the pandemic in preceding years, the Membership Council continued to work with the Professional Networks staff team in 2022, in updating and deploying the network maturity model, which supports the ongoing development of our member-led networks.

As noted in the 2021 Annual Report, the Membership Council concluded its review of activity and provided the Board of Trustees with a review of its work in 2022, reflecting on changes and improvements that have taken place during the first phase of the CQI 2030 strategy. The ideas offered for improvement were fully supported by the Board and will be implemented in 2023.

David Smith, Chair, Membership Council

Corporate partners

Our corporate membership programme allows the CQI to gain insight from organisations that helps to inform our strategy and plans. It also provides the opportunity to promote quality management methods and good practice and individual membership to professionals within those organisations. Corporate partners are able to attend facilitated networking round tables, exploring key topics relevant to industry, and use the CQI’s Competence Framework and professional recognition and development services to support the development of their quality function personnel.

We ended the year with 44 organisations spread between both corporate partner and corporate member programmes, up from 40 at the end of 2021. We observe more corporate quality leaders recognising the value in engaging with the CQI to share experience in a unique cross-sector format, and in providing the basis to develop their quality teams within the professional frameworks we offer.

The shared challenges for quality leaders in our corporate community continue to be the quality professional skills deficit, how quality functions respond to the digital challenge and how quality functions can better support business strategy, leaders, and managers.

Split across two levels, our corporate partners are generally large enterprises while our corporate member product is aimed at small and medium-sized enterprises (SMEs), offering organisations an opportunity to have a relationship with the CQI. Five new corporate partners and one new corporate member joined in 2022, listed below.

- Jacobs
- British Volt
- The Home Office
- Restoration and Renewal Delivery Authority
- Wabtec Corporation
- Accenture Consulting



69,496
learners in 2022

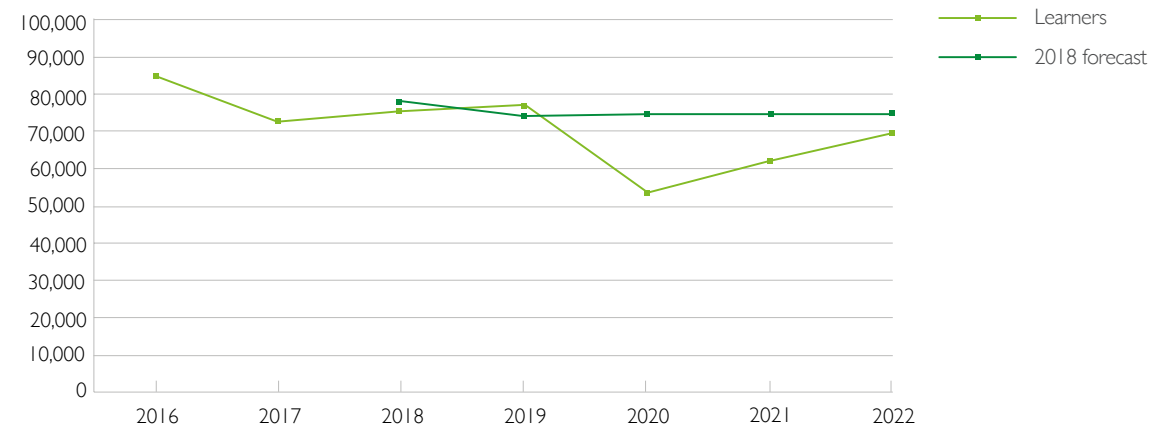
Training and education

The impact of the COVID-19 pandemic subsided in 2022 and the number of learners on certified courses offered by our community of 104 CQI and IRCA approved training partners returned to pre-pandemic levels: (69,496 learners in 2022 compared with 63,002 in 2021).

The year saw the full implementation of the virtual instructor-led training (VILT) policy, which allows for effective online learning on CQI and IRCA certified training courses, responding to demand for this form of learning coming from the pandemic. However, in 2022 50% of learners attended a classroom-based course, an increase from 39% in 2021, indicating a significant return to face-to-face delivery post-COVID-19.

The chart below shows learner results from 2016 to date including a comparison of actuals to the target forecast numbers for phase I of the strategy.

Learners



Improvement projects

E-assessment digitalisation: Our project to move from paper based to online examinations went live in 2022. Key benefits of the e-assessment platform include improving the reliability of examinations, reducing the risk of fraud, and improving learner experience.

Phase I of the project completed in November 2022 with QMS, EMS and OHS English language exams moving online. Further phases, including moving our food safety and information security exams, and the introduction of language options beginning with Spanish and Japanese, will roll out in 2023. We are grateful for the support of the many approved training partners who provided support and feedback in the design, testing and implementation of this new system.

3,858
registrations, IRCA Japan sets record
with impressive growth

IRCA Japan highlights

IRCA Japan continued to build on its strong performance, finishing the year with a new record register of 3,858, a growth of 207 auditor certifications. This growth was driven by strong retention (averaging 90%) and a consistent performance for new certifications of 464 (366 in 2021). The approved training partner (ATP) scheme was introduced in 2022, and the number of new applications increased (see chart) by strengthening cooperation with ATPs, building new direct-promotion activities to learners, and communicating the value and benefits of registering with IRCA along with the CQI's global and advanced knowledge. In addition, providing regular CPD webinars to members has contributed significantly to member satisfaction.

Strategic theme 3 – Lead quality management practice

3

Invest in research and CPD to demonstrate the relevance of the profession to organisations within the future world of work.

Quality 4.0 research

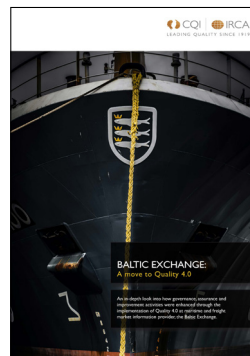
In 2022, the CQI extended its Quality 4.0 research programme into the specific area of assurance.

The CQI's Future of Assurance research project sought to determine how existing models of assurance could, and must, change in order for organisations to continue to determine that policies, processes, and plans are effectively implemented and that all intended outcomes are consistent with the needs and expectations of their relevant interested parties. Specifically, the project explored how emerging technologies might be applied to quality control and assurance in both the product and service environments and to what benefit for the organisation, customers, and other stakeholders in the immediate, mid, and long term. Further work in 2023 will see the development of this research into products and tools that will assist assurance professionals in determining how their work, and that of their organisations or clients, must adapt to keep pace with technological development. The CQI was also delighted to publish three case studies that showcase excellent work being undertaken to transform quality management practice using digital technologies.

In 2022, we published valuable research into the relationship between the Quality 4.0 principles and the established seven principles that underpin the ISO 9001 standard. In addition, extensions of the 2021 research work yielded a set of professional competencies required to pursue Quality 4.0 strategies and these have been incorporated into the Profession Map, due for launch in 2023.

In 2021, a pulse survey was carried out to test awareness within the quality professional community regarding the importance of the digital and sustainability agendas. This provided useful baseline data and will be rerun in 2023 to test sentiment having completed further work especially in the digital area in 2022.

Our work in 2022 attracted attention in the UK and abroad, with members of the team presenting at conferences and attending events in the UK, India, Saudi Arabia and in Europe. An article was also published in a Japanese journal.



CQI research governance

Our independent Research Advisory Panel advises on research plans and reviews research methods and outputs, providing expert knowledge and experience. The panel met just once during 2022, focusing on the process taken in developing our research on the future of assurance in the digital age, and implications for the profession. This research was reported in *Quality World* in 2023.

Advisory Panel members include:

- Dr Nigel Croft
- Professor Dr Michele Cano
- Professor John Oakland
- Dr Martin Brenig-Jones
- Dave Smith, Chair Membership Council
- Mike Turner, Head of Profession, CQI
- Vince Desmond, CEO, CQI
- Gareth Kingston, Head of Professional Development, CQI

Strategic theme 4 – Broaden the scope of the profession

4

Gain the support of allied professions in delivering excellence in governance, assurance, and improvement.

International Quality Awards 2022

The year 2022 saw the International Quality Awards return to a physical event with two new categories – a Digital Innovation category to support the profession's Quality 4.0 agenda and a Sustainability category to support the environmental and social agendas.

We received a record number of 130 entries, from 36 different countries, representing 15 different sectors. These entrants play an important part in our efforts to recognise and celebrate the value that quality management and the quality profession brings to organisations and their customers and stakeholders. The finalists and winners have provided useful case study material, both to promote the value of quality management and the quality profession, and to provide learning to practitioners and organisations.

The event included two panel discussions exploring the topics of 'Quality and the Digital Age' and 'Quality and Society'. Feedback from the attendees was very positive, which has led to a further enhanced approach for the event in 2023 – 2023 will be the inaugural Quality Live, combining a full conference programme with the presentation of the winners in the International Quality Awards.



World Quality Week (WQW) 2022

The theme for WQW 2022 was 'quality conscience – doing the right thing', which resonated well with many organisations and quality professionals globally, with more people than ever engaging during the second week in November.

We measured a 49% increase in the number of downloads of the WQW resource pack compared with 2021, a 56% increase in the views of our WQW video and we reached 2.3 million people globally through our social media activity.



Strategic theme 5 – Grow global influence

5

Become more actively involved in quality communities around the world, recognising the complex environments in which members operate.

During 2022, the CQI supported the following UK and global bodies advising on policy and plans:

- United Kingdom Accreditation Service (UKAS), Policy Committee
- European Organisation for Quality (EOQ), Executive Board
- International Organisations for Standardisation (ISO) - liaison status as follows:

CQI ISO liaisons	
ISO/TC 176	Quality management and quality assurance
ISO/TC 176/SC 1	Concepts and terminology
ISO/TC 176/SC 2	Quality systems
ISO/TC 176/SC 3	Supporting technologies
ISO/TC 283	Occupational health and safety management
ISO/TC 309	Governance of organizations



We continued to represent the profession with the UK Quality Infrastructure through our role on the UKAS Policy Advisory Committee and Forum, with a focus in 2021 on supporting the shift to remote assessment in the test, inspection and conformity assessment sector.

CQI Standards Committee

The CQI Standards Coordination Committee has continued its work informing the CQI's position on standards-related activity. This includes work with respect to the revision of ISO 9001, 9004, the ISO 45000 series of standards, and the publication of ISO/IEC 27001:2022.

Through the work of the committee, the CQI has retained its Category A Liaison for ISO Technical Committee (TC) 176, which is responsible for the ISO 9000 series of standards, and TC 283 (ISO 45001). Following its participation in a workshop on the impact of digital technologies of quality management, the CQI was invited to participate directly in ISO TC 176 Task Group 4 - Emerging Themes. This recognises both the value of the CQI's participation in such standards development work and the importance of its research on digital transformation and Quality 4.0.

TC 176 continues its preparations for a potential early revision of ISO 9001:2015. In response, the CQI Standards Coordination Committee has commenced a programme of work setting out key themes and topics for consideration in any future review. These themes have been communicated to TC 176 through CQI's direct participation in TG 5, the group tasked with preparing a design specification for any future revision of ISO 9001:2015.

Standards Committee members

- John Abson CQP MCQI
- Dr John Bullivant CQP FCQI, FRCPE, FRSM
- Richard Green CQP FCQI
- Zukiswa Raditladi CQP MCQI
- Simon Waite CQP MCQI
- Kate Armitage CQP MCQI

Net income surplus before gains and losses
2022: £486k
2021: £325k



Financial performance



The group generated a healthy surplus in 2022: £486k (2021: £325k) net income before gains and losses. This is a strong and welcome recovery following the pandemic.

CQI and IRCA Learning and Development recorded an improved performance compared with 2021 returning to pre-pandemic levels with income increasing by 23% to £1.84m and with 69,496 delegates sitting CQI and IRCA certified courses (2021: £1.63m income and 63,002 delegates)

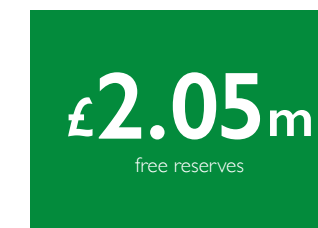
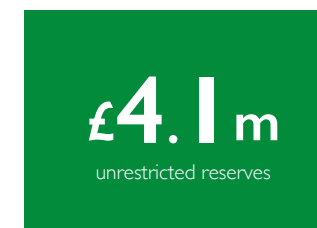
CQI and IRCA Membership income showed a modest uplift of £142k to £3.46m (2021: £3.32m) with year-on-year increase in new member acquisition in both the CQI and IRCA registers resulting in a slight uplift in the global register (see Strategic theme 2 - Redesign offerings).

Trading Subsidiaries - The group's financial results include figures from two wholly owned trading subsidiaries.

- IRCA Japan KK revenue grew 1.4% (compared with 3% income growth achieved in 2021) and delivered a royalty payment to the Institute of £0.15m.
- CQI Services Ltd activities increased in 2022 to include sponsorship events, in addition to advertising income, generating £25k worth of income. Within CQI Services, a significant contribution to reserves of £46k in the year has resulted in a much-improved position with only a small deficit remaining on its retained earnings due to previous years' accumulated losses.

Group reserves rose to £4.1m in 2022 (2021: £3.9m). Net assets include an investment portfolio valued at £1.7m (2021: £1.9m) at the year end and a cash balance of £2.97m (2021: £2.9m). Through the year 2022, our balances on reserves and short-term liquid funds continued to be in compliance with our Investment and Reserves policy respectively.

Summary - Having reviewed the financial position, the trustees are confident that the Institute has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.



Investment policy and performance

The CQI operates a low-risk investment policy designed to deliver income while protecting the investment funds over the longer term. This is consistent with the provisions of the Royal Charter. The Institute is a long-term investor, and the value of its investments remains significantly above its original investment.

Funds are invested in a Common Investment Fund (CIF, the Newton Global Growth and Income Fund for Charities, which invests within environmental, social and governance policies. The CQI's investment yielded a slightly higher dividend in the year of £39k compared with £37k in 2021 respectively. Market volatility and global geopolitical factors did impact the value of investments through the year, resulting in a lower closing value of £1.7m (from £1.9m in 2021). The balance of cash held by the Group has remained stable over the two years at £2.97m (2021: £2.93m), despite CQI's levels of investment activity. These investment activities have been made possible due to improved cash generation from operating activities.

The Finance & Remuneration Committee, responsible for reviewing investment performance and policy, considers the cash holding in individual institutions and manages this risk actively by ensuring the Institute is not over committed to any one entity. The investment policy is deemed fit for purpose by the Board and is regularly monitored for compliance through the CQI's quarterly reporting.

Reserves policy

The Institute operates a reserves policy that requires a minimum of three months of budgeted annual operating costs to be retained as free reserves. The trustees consider that this level will provide sufficient funds to respond to any unexpected events.

The balance held as unrestricted reserves on 31 December 2022 was £4.1m (£3.85m in 2021). £2.05m (2021: £1.99m) of this was regarded as free reserves, after allowing for funds allocated to fixed assets (£1.1m) and other designated reserves, including funds for IT projects (£0.5m) and a product development reserve (£0.2m). The £2.05m equates to five months' worth of budgeted 2022 operating costs: compliant with the Institute's reserves policy, and more than the minimum operational cost requirement of three months.

The Institute operates a formal framework for the management of risk, taking the view that risk can represent positive opportunities or negative threats.

Risk management



Good risk management is fundamental to the continued work and sustainability of the Institute. We identify and manage risks that could adversely impact the achievement of our strategic purpose and determine the calculated risks we need to take to succeed.

The Institute operates a formal framework for the management of risk, taking the view that risk can represent positive opportunities or negative threats. The Institute maintains a risk register incorporating strategic, operational and compliance risks, which are informed by its strategic objectives, performance, voice of its stakeholders, regulatory environment, and analysis of the external environment.

The Board delegates day-to-day responsibility for risk management to the Senior Management Team, who are responsible for identifying and evaluating risks that relate to their areas and activities, implementing appropriate controls, and for ongoing monitoring.

The Governance & Risk Committee reviews the management of risk in detail at each meeting and the Board reviews the Institute's strategic and compliance risks and the associated project portfolio at each Board meeting.

Key business risks and mitigations

The Board considers that the key strategic risk landscape for the Institute is as described in the table below and has approved the responses. Special mention is made of two major issues below.

COVID-19

In 2022, we recovered from the impact on revenue from certified training and adjusted our pandemic-related policies as the world returned to work. We have maintained COVID-19 as a risk into 2023 with the assumption that we will be able to close this during the year.

We have removed COVID-19 as a strategic risk in 2023 as we consider this to be closed.

Ukraine and global economic uncertainty

The Ukraine conflict in March 2022 did not have a direct impact on CQI operations or strategy. However, the CQI took into consideration compliance with UK sanctions placed on Russia and Belarus and framed a policy statement to align with these but also to mitigate the impact on members and staff colleagues, as described in our published statement indicating that the CQI would suspend activity in Russia and Belarus. The conflict has of course had an impact on the global economy, characterised by further supply chain disruption and inflation. The CQI Board took account of this new global event and its impact on the CQI members, partners, and colleagues. We did not raise a specific new risk, instead considering this as part of the existing risk on financial sustainability.

The CQI has established an equality, diversity, and inclusion initiative to drive diversity in the profession to help attract and develop the new skills and experience the industry needs.

Risk: Short term	Risk response
<p>Pandemic</p> <ul style="list-style-type: none"> Realised threat of COVID-19's impact on the CQI's financial viability and customer contexts. Opportunity to adapt ways of working and provide increased value for colleagues and customers. 	<ul style="list-style-type: none"> The CQI continued to monitor the impact of COVID-19 throughout 2022 and 2023, adapting working practices as necessary. The risk was closed in mid 2023. The CQI adopted a flexible working policy in response to the pandemic. This policy has been revised and remains in force.
<p>Financial sustainability</p> <ul style="list-style-type: none"> Threat of disruption in markets, supply chains and economies impacting members and impacting CQI membership and L&D provision and take up. Threat of global sanctions and inflation creating recession impacting CQI membership and L&D provision and take up, and cost of living for colleagues. 	<ul style="list-style-type: none"> The board, via its Finance & Remuneration Committee, monitors and adapts financial scenarios to operational and financial viability. It also adapts financial plans and controls to maintain our sustainability and reserves policy. The executive continues to provide information and guidance to members relating to topics, such as supply chain disruption.
<p>Technology</p> <ul style="list-style-type: none"> Threat that our IT infrastructure will not support scalability of growth and superior customer experience. Threat of a breach of cyber security due to internal or external factors. 	<ul style="list-style-type: none"> The Board has included projects to update our technology infrastructure in phase 1 of the strategy. The CQI has controls in place to mitigate and test cyber security arrangements.

Risk: Long term	Risk response
<p>Professional body relevance</p> <ul style="list-style-type: none"> Threat of a rapidly changing external global environment compromising the relevance of professional bodies including the CQI. Opportunity to position the CQI as the trusted provider of professional standards and content in our quality domain. 	<ul style="list-style-type: none"> The CQI has developed processes and plans to deliver the programme defined under the Redesign Offerings strategic theme. This will improve the value of services to professionals and organisations and support them in their approach to quality management. Our marketing plan will underline this.
<p>Relevance of the profession</p> <ul style="list-style-type: none"> Threat that the fast-changing and volatile external environment reduces the relevance of the profession. Opportunity to provide value to organisations and society in the spheres of Industry 4.0 and sustainability. 	<ul style="list-style-type: none"> The CQI has developed processes and plans to deliver the programme defined under the Lead Quality Management and Broaden the Scope strategic themes. This will develop and promote the value of quality management in tackling external trends, and attract new, diverse talent into the profession. Our marketing and advocacy plans support this effort.
<p>Scope of membership opportunity</p> <ul style="list-style-type: none"> The opportunity to attract new customers including specialist quality practitioners (such as business improvement), new sector domains (such as public sector) and global markets. The threat of an aging demographic, which will reduce availability of skills required by industry over time. 	<ul style="list-style-type: none"> The Board has progressed a planning process for phase 2 of the CQI strategy to define growth focus from 2024. The CQI has established an equality, diversity, and inclusion initiative to drive diversity in the profession to help attract and develop the new skills and experience the industry needs.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Future plans



In March 2022, the Board of Trustees commenced review of the CQI strategy (see page 6 for the CQI 2030 strategy) as the CQI approaches the end of the first strategy phase at the end of 2022. This review, which will be completed by the end of 2023, has taken into account: progress in phase 1; feedback from members, volunteers, and the executive; and changes in the external operating environment.

Good progress has been made in phase 1 of the strategy despite the impact of external events, such as COVID-19 and the Ukraine conflict. This has translated into increased customer satisfaction, financial, and member acquisition results ahead of plan, as noted in the 2022 performance report above. We also note that a number of the macro trends upon which the strategy is based have accelerated during the past few years, especially the pace of adoption of technology; the nature of societal and environmental expectations being placed on organisations; and the impact of geopolitics on markets, supply chains and economies underlining the need for increased resilience and competitiveness.

The synthesis of feedback from members via our 2022 Workforce Insight study, from our corporate partners via our roundtables, and from our volunteer leaders did not raise any new threats or opportunities for the profession or the CQI (see risk section above). However, it confirmed the need to focus effort particularly on:

- Promoting the value of the profession and quality management to organisations, including supporting education for non-quality professionals.
- Supporting the development of quality management in line with the technology and sustainability agendas.
- Helping industry address the skills deficit experienced by organisations that struggle to attract, develop, and retain people into the quality profession and function.

Addressing these significant strategic opportunities will be the focus of future phases of the CQI strategy and the Board will publish details once this review process is completed at the end of 2023. We thank the many members, volunteers and partners who have contributed to this review.



Charitable status and administrative details

The Institute is a registered charity (no. 259678) under the Charities Act 2011 and its expenditure is directed in furtherance of its charitable objects. The Institute was granted a Royal Charter on 23 November 2006. Its registered office is as shown on page 80 Key Management Personnel. The current trustees, and any past trustees who served during the year; present/past Trustees are listed on page 78-79 with the names of the senior executive staff and the external advisers of the charity on page 80.

Board of Trustees



The trustees, as members of the Board, are the directors of the Institute and the trustees of the charity. The trustees are accountable to the Charity Commission and to CQI members.

Statement of trustees' responsibilities

The trustees are responsible for preparing this Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law, applicable to charities in England and Wales, requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and charity and of the net movement in funds of the group and charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities Statement of Recommended Practice.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy, at any time the financial position of the group and charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Royal Charter.

The trustees are responsible for the maintenance and integrity of the group and charity's financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

- The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the trustees is aware at the time of the report:

- There is no relevant audit information of which the charity and the group's auditors are unaware, and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the group and charity's financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

- The trustees are responsible for approving and directing overall group strategy, major capital projects, budgets, financial control, and risk management.
- The trustees are responsible for directing the institute's activities and for overseeing the management of the affairs of the Institute; they delegate day-to-day management of the organisation to the chief executive and the senior management team.
- The Board acts on advice and information from regular meetings with the chief executive and senior management team.
- The Board reviews operational performance regularly to satisfy itself that the activities of the Institute are in accordance with the agreed strategic direction and ensures that the executive management has the capacity and resources to meet the Institute's objectives. The Board meets four times a year and is provided with a monthly written report from the CEO.

“Board effectiveness is reviewed after each meeting by the Board, and individual trustee and CEO performance is reviewed annually by the chair.”

Board effectiveness

The Board uses the ACEVO Charity Governance Code as the standard it measures itself against. The Board reviewed status against this code in December 2022 and the analysis below shows good progress since the first review in 2018. As part of this review, the Board elected to include from 2023 a new principle of sustainability to reflect the need for the Institute to lead by example and measure, improve and transparently report on environmental impact.

Charity Governance Code Principle	2018	2022
1. Organisational purpose	Green	Green
2. Leadership	Green	Green
3. Integrity	Green	Green
4. Decision-making, risk and control	Yellow	Green
5. Board effectiveness	Green	Green
6. Diversity	Yellow	Green
7. Openness and accountability	Green	Green

Green – Good practice in place, reviewed and improved.
 Yellow – Good practice in place but requires improvement.
 Red – Good practice absent.

Board composition

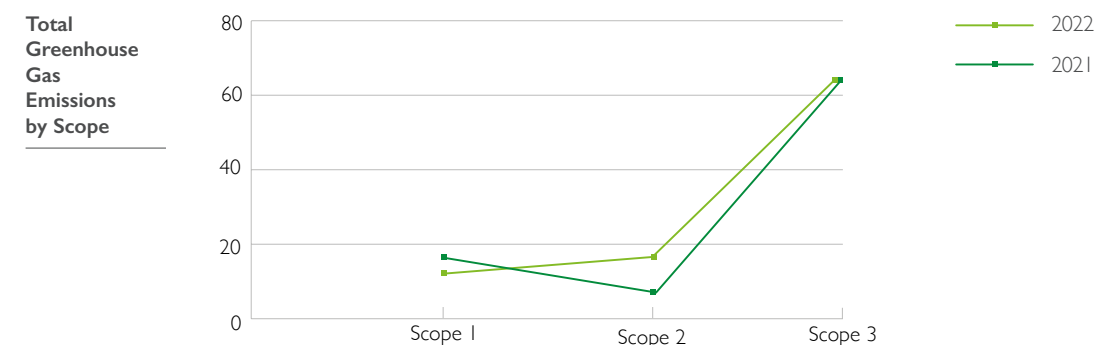
The composition of the Board is set out on page 74. New trustees complete an induction programme covering trustee responsibilities as well as the Institute strategy and objectives and periodic refresher training is provided.

Board effectiveness is reviewed after each meeting by the Board, and individual trustee and CEO performance is reviewed annually by the Chair. The Board agenda is built around the CQI strategy so that trustees steer direction based on an understanding of risk, performance, and external developments.

Our current Chair, Amanda McKay, comes to the end of her term as a Trustee in September 2023 and the Board elected a new Chair, Rashad Issa, who will take the Chair role from that point.

Environmental impact

Our quality policy, The CQI Way, embraces quality, safety, and environmental aspects. Under this policy, we “commit to protect and improve the environment and recognise that our day-to-day operations can impact it, both directly and indirectly. We work to integrate environmental considerations into our business decisions and to adopt greener alternatives throughout our operations.” In 2021, we established a baseline analysis of the group’s carbon footprint under three scopes using the ‘Compare Your Footprint’ tool. A comparison between 2021 and 2022 is provided below.



Total Reported Greenhouse Gas Emissions and Intensity Ratios						
Scope	Total (tCO2e) (2021)	Total (tCO2e) (2022)	tCO2e / Revenue (2021)	tCO2e / Revenue (2022)	tCO2e / FTE (2021)	tCO2e / FTE (2022)
Scope 1	12.697	9.737	2.556	1.825	0.282	0.195
Scope 2	5.436	7.165	1.094	1.343	0.121	0.143
Scope 3	62.514	56.722	12.583	10.629	1.389	1.134
All Scopes	80.648	73.624	16.233	13.797	1.792	1.472

tCO2e – tonnes of carbon dioxide equivalent emissions

Business slowly picking up following the pandemic, along with the London Office relocation and elements of unclear data around CQI’s volunteers’ travel all contributed to the high results for scope 3 emissions in 2021. As expected in 2022, with most business operations fully back on board, there were increases in business travel, office procurement, and office waste, which kept scope 3 emissions high.

Scope 2 emissions – mainly relating to electricity usage – increased in 2022, as expected due to a higher office footfall, while the total market-based emission under scope 1 – gas, fuel, refrigerants – decreased from 2021 to 2022.

Overall, the quality of the footprint for 2022 has improved due to expansion of the categories that are being included in our calculations, as well as clearer data available on volunteer business travel. Our CQI Way policy defines our approach to delivering and improving quality, safety, and environmental performance. Under this policy, we consider environmental impacts of our operations and ensure that environmental impact is considered in our decision making. As reported on page 33 we have elected to add environmental impact as a new principle to the existing 7 Charity Governance Code principles. To support this, we report for the first time our baseline carbon footprint for 2021 and 2022, both for the sake of transparency and to help us measure future performance in this area.

Diversity and inclusion

Previously, the Board of Trustees mapped the CQI against the 'Diversity and Inclusion Progression Framework for professional bodies' published by the Royal Academy of Engineering and the Science Council and adopted an EDI policy. In 2021, we started the process of progressing the CQI's EDI maturity as a strategic priority. We understand the need to position the quality profession and the CQI as attractive and inclusive to a wider range of background skills and experience, especially to achieve our 2030 vision for the profession.

In 2022, we progressed our improvement in key areas supported by our nominated EDI champion, focusing on:

- internal arrangements, including staff training, identifying process improvements, and setting targets
- engaging our volunteer networks in our EDI strategy
- communicating to members what we are trying to achieve
- providing leadership to the profession
- monitoring and evaluating the impact of our activity.

The gathering of baseline EDI data in respect of the quality profession was integrated into the 2022 Workforce Insights project to facilitate meaningful measures of improvement. This survey provided the following baseline demographic position with UK benchmarks as below.

Age group comparison with UK census data					
Age group	UK working age population ¹	UK-based respondent	Difference	UK-based CQI/IRCA member respondents	Difference
16-24	15%	2%	-13	0%	-15
25-34	17%	15%	-2	8%	-9
35-44	17%	20%	+3	17%	-
45-54	17%	24%	+7	28%	+11
55-64	16%	27%	+11	33%	+17
65-74	13%	9%	-4	12%	-1
75+	5%	2%	-3	3%	-2

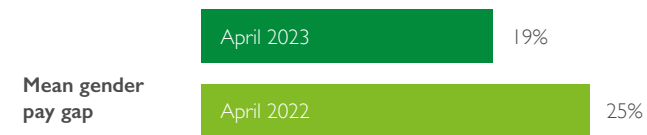
Base: UK working age population (52m); UK-based respondents (1,246); UK-based CQI/IRCA member respondents (915)

Ethnicity comparison with UK census data					
Ethnicity	UK working age population ³	UK-based respondent	Difference	UK-based CQI/IRCA member respondents	Difference
Asian	7%	3%	-4	4%	-3
Black	3%	1%	-2	2%	-1
Mixed/Multiple	2%	1%	-1	1%	-1
White	87%	94%	7	93%	6
Another ethnic group	1%	0%	-1	1%	0

Base: UK working age population (52m); UK-based respondents (1,210); UK-based CQI/IRCA member respondents (889)

Gender comparison with UK census data					
Gender*	UK working age population ²	UK-based respondent	Difference	UK-based CQI/IRCA member respondents	Difference
Male	50%	72%	22	73%	23
Female	50%	28%	-22	27%	-23

*Note that less than 1% of respondents identified as non-binary (8 respondents), transgender (7 respondents), or in another way (5 respondents).



The Board and its Committees



The Membership Council and Nominating Committee

The charter and byelaws grant specific powers and duties to an Advisory Council of the Institute to elect up to 17 trustees through the CQI Nominating Committee.

The CQI Membership Council fulfils the role of the Advisory Council appointing new trustees based on recommendations from the CQI Nominating Committee, which comprises members from the Board and Membership Council. In addition, the Membership Council operates and supports the CQI's professional networks of regions, Branches, and Special Interest Groups. In 2022, the Membership Council conducted a review of its activities and presented an option for change to better support the CQI's governance and strategy. This was work appreciated and supported by the Board and a new terms of reference is being developed in 2023.

Finance & Remuneration Committee (FRC)

The FRC is drawn from members of the Board and ensures the system of internal control is satisfactory to deliver regulatory compliance, financial probity, and value for money. This includes reviewing and challenging financial plans; reviewing budgets and financial statements; overseeing the annual financial audit; reviewing investment policy and performance; and reviewing the reserves policy and staff remuneration.

Governance & Risk Committee (GRC)

The GRC is drawn from members of the Board and ensures the corporate governance and risk management systems support the CQI's purpose and strategy through the CQI's Framework for the Management of Corporate Governance and Framework for the Management of Risk.

Remuneration policy

The Institute's policy is to position its overall reward package at market rate for membership bodies of a similar size, and to encourage and enable individual progression and career development of staff. Recruitment and reward are based on potential and performance only, with policies and training in place to ensure no discriminatory factors are involved.

The FRC undertakes an annual salary review that takes into account the financial status of the Institute, cost of living and market rates. Once approved by the Board, changes are applied to all employees, at all levels, including key management personnel. In addition, individual salary increases may be offered during the year, following a business case process that looks at performance against objectives (including behavioural and changes in job role scope). For 2023, a general staff salary increment of 5% was awarded. This considered the rise in costs of living and general volatility in the markets.

The Institute participates in the Voluntary Gender Equality Reporting Initiative. Calculated in April 2023, the CQI's mean gender pay gap is 19% (April 2022: 25%) and the median gender pay gap is 26% (April 2022: 28%). Both calculations show the gap reducing by 6% and 2% respectively between the two reporting periods. The percentage of men to women in management positions was 54% in 2023 compared with 45% in 2022. The analysis indicates almost equal numbers of management positions being held by both men and women. The CQI strongly supports equal pay, with individuals carrying out the same role being paid the same, irrespective of gender. Our salaries are benchmarked at market and internal rate. We are open to, and encourage, flexible and part-time working and we promote internal job mobility where possible. The FRC will continue to monitor equal pay and diversity within the context of remuneration.



The proportion of women in our workforce holding management positions increased from 45% in 2022 to 54% in 2023.

Group structure

The charity has two active, wholly owned subsidiary companies, IRCA Japan Kabushiki Kaisha (IRCA Japan KK and CQI Services).

IRCA Japan KK is a company registered in Japan. Its principal activity is to provide membership services to our members in Japan and to promote the Institute's auditor certification services offered in Japan.

CQI Services Limited is registered in the UK under company registration number 4572473. The company's principal activities relate to securing advertising in the Institute members' magazine, generation of commissions from the Quality Jobs recruitment website and generation of sponsorship income from the International Quality Awards.

Financial statements

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Institute's Royal Charter, the Charities Act 2011 and Accounting and Reporting by Charities Statement of Recommended Practice (revised 2015) (Second Edition, effective 1 January 2019) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for the UK and Republic of Ireland (FRS 102).

By order of the Board of Trustees,

Amanda McKay
Chair of the Board of Trustees, Chartered Quality Institute

Date 14/06/2023

Independent auditor's report to the Trustees of the Chartered Quality Institute

Opinion

We have audited the financial statements of the Chartered Quality Institute for the year ended 31 December 2022, which comprise the Consolidated Statement of Financial Activities, the Balance Sheet and the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as of 31 December 2022 and of the group's net movement in funds for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Chair's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 31- 32, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes our opinion. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, the Charity's Royal Charter, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities.
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Evaluating management's controls designed to prevent and detect irregularities.
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Consolidated statement of financial activities for the year ended 31 December 2022

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors
Date: 01 August 2023

10 Queen Street Place
London
EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

	Note	2022 £'000	2021 £'000
Income from:			
Charitable activities			
Membership Services		3,458	3,316
Learning & Development		1,836	1,631
Awareness		37	13
Investments	3	43	38
Total		5,374	4,998
Expenditure on:			
Charitable activities			
Membership Services	4	2,755	2,583
Learning & Development	4	1,117	1,227
Awareness	4	1,016	863
Total		4,888	4,673
Net income before gains/(losses) on investments and foreign exchange			
		486	325
Net gain/(loss) on investments	13	(136)	257
Net gain/(loss) on foreign exchange		(105)	(43)
Net income		245	539
Reconciliation of funds:			
Funds brought forward		3,850	3,311
Total unrestricted funds carried forward	20	4,095	3,850

There are no recognised gains or losses other than those recognised above. All activities are continuing.

All activities (income and expenditure) in both years are unrestricted and therefore a comparable statement of financial activities is not required.

The notes on pages 48-73 form part of these financial statements.

Balance sheet

as at 31 December 2022

	Note	Group		Institute	
		2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible fixed assets	11	817	445	809	436
Tangible fixed assets	12	302	349	299	344
Investments	13	1,731	1,867	1,804	1,941
		2,850	2,661	2,912	2,721
Current assets					
Debtors	14	805	658	879	767
Cash at bank and in hand		2,971	2,932	2,572	2,537
		3,776	3,590	3,451	3,304
Current liabilities					
Creditors: amounts due within one year	15	2,512	2,393	2,116	1,958
		2,512	2,393	2,116	1,958
Net current assets		1,264	1,197	1,336	1,346
Provisions for other liabilities due within one year	17	19	8	19	8
Net assets		4,095	3,850	4,229	4,059
Total funds:					
General funds	20	2,047	1,987	2,185	2,208
Designated funds	20	2,048	1,863	2,044	1,851
Total unrestricted funds		4,095	3,850	4,229	4,059

These accounts were approved by the Board and authorised for issue on 14 June 2023 and were signed on its behalf by:



Amanda McKay Chair

The notes on pages 48-73 form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2022

	Note	2022	2021
		£'000	£'000
Cash flows from operating activities:			
Net cash provided by operating activities		589	969
Cash flow from investing activities:			
Dividends and interest from investments		43	38
Spend on internally generated intangible assets		(478)	(269)
Purchase of tangible assets		(12)	(357)
Net cash provided by/(used in) investing activities		(447)	(588)
Change in cash and cash equivalents in the reporting period		142	382
Cash and cash equivalents at beginning of reporting period		2,934	2,935
Exchange gains/(losses) on cash and cash equivalents		(103)	(43)
Cash and cash equivalents at end of reporting period		2,973	2,934
Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting period (as per the statement of financial activities)		245	539
Adjustments for:			
Depreciation charges		59	56
Amortisation charges		106	141
Impairments		0	71
(Gains)/losses on investments		136	(257)
(Gains)/losses on exchange		105	43
Dividends and interest from investments		(43)	(38)
Increase/(decrease) in provisions		11	8
(Increase)/decrease in debtors		(149)	99
Increase/(decrease) in creditors		119	308
Net cash provided by operating activities		589	970
Analysis of cash and cash equivalents			
Cash at bank and in hand		1,733	1,698
Short term deposits		1,238	1,234
Total cash and cash equivalents	22	2,971	2,932

The notes on pages 48-73 form part of these financial statements.

Notes to the financial statements

I. Accounting policies

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention modified to include the recognition of listed investments measured at fair value, which is consistent with the prior year. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities ("The SORP", the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102 and the Charities Act 2011). The Chartered Quality Institute ("The Institute") meets the definition of a public benefit entity under FRS 102.

General information

The Institute is a charity registered in England and Wales (charity number 259678). The Institute's registered office address is Third floor, 90 Chancery Lane, Holborn, London WC2A 1EU.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Institute's accounting policies. In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Basis of consolidation

The Group accounts include the results of the Institute's subsidiaries: CQI Services Ltd and the International Register of Certificated Auditors Japan Kabushiki Kaisha ("IRCA Japan KK"). A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The subsidiaries comply with the same accounting policies as the Institute and have been consolidated on a line-by-line basis. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Notes to the financial statements

The Institute has taken advantage of the exemption from the SORP FRS 102 from disclosing its individual statement of financial activities. The gross income of the Institute for the year was £4.78m (2021: £4.48m) and its result for the year was a net income surplus of £170k (2021: £499k).

Foreign currency

i) Functional and presentation currency

The Group financial statements are presented in pound sterling and rounded to thousands. The Institute's functional and presentation currency is the pound sterling.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate at transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at balance sheet date.

Differences are taken to the income and expenditure account.

iii) Translation

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings are translated at the exchange rates ruling at the year-end.

Going concern

The Trustees continue to monitor the changing landscape resulting from the COVID-19 pandemic and its impact on the Group's financials through scenario planning, monthly review of results against budgets, and regular review of assumptions. The Group holds a significant portion of its reserves as cash, has a strong level of free reserves and has been able to adjust its cost base to adapt to the reductions in revenue, therefore, the Trustees are of the view that the Institute and Group are a going concern.

Income

All income is recognised once the Institute and Group has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably. Income of the Institute is, where applicable, included net of Value Added Tax (VAT) and is allocated to the period to which it relates, carrying forward that part of the income relating to future accounting periods. Income received relating to future accounting periods is deferred and recognised as a creditor within the balance sheet.

Member subscription income is recognised over the period to which the subscription relates and over which the membership services and benefits are provided. Where the subscription spans more than one financial year, the income received but not earned in the current financial year is deferred into the next.

Income from all other charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided. Investment income is recognised on a receivable basis and the amounts can be measured reliably. Dividends are recognised once the dividend has been declared and notification has been received the dividends are due.

Notes to the financial statements

Expenditure

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the Institute and group to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably. Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

All of the Institute's expenditure is classified as expenditure on charitable activities and allocated between activity streams. Expenditure is allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, known as "support costs" and comprising the salary and overhead costs of the central function, is apportioned based on staff time attributable to each activity.

Support costs also include governance costs, which comprise organisational administration and compliance with constitutional and statutory requirements. The allocation of support and governance costs is analysed in notes 5 and 6.

Employee benefits

Short-term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

The Institute contributes to Group personal pension schemes, the assets of which are administered by Aviva. They are defined contribution schemes. All contributed costs are accounted for on the basis of charging the cost of providing pensions over the period when the Institute and Group benefits from the employees' services. The Institute and Group has no further liability under the scheme.

Leasing and hire purchase commitments

Rentals paid under operating leases are charged to the income and expenditure account on a straight line basis over the lease term. The Institute holds no assets under finance leases or hire purchase contracts.

Notes to the financial statements

Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Product development – three to five years
- Intellectual property – three to five years

Where factors, such as changes in market demand or price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the product so that it will be available for use;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- the expenditure attributable to the product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Tangible fixed assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. The minimum threshold for capitalisation is £1,000. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- Improvements to premises – over the term of the lease
- Office equipment and furniture – five years
- Computer equipment and software – three years

Notes to the financial statements

Investments

Investments are a form of basic financial instrument and are initially shown in the financial statements at fair value. Movements in the fair values of investments are shown as net gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Net gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Financial instruments

The Group has chosen to adopt Sections 11 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction value and subsequently measured at amortised cost. Other financial assets, including investments, are initially measured at fair value. Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. A specific provision is made for debts for which recoverability is in doubt.

ii) Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements

Provisions

Provisions are recognised where the Institute has a present legal or constructive obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Provisions are measured at the present value or the expenditures expected to be required to settle the obligation.

Fund accounting

Unrestricted funds are those funds available to the Institute and Group for its general purposes. They include funds designated (Note 20) by the Trustees for particular purposes where their use remains at the discretion of the Trustees. It is the policy of the Trustees to retain in unrestricted funds, amounts that in their judgement can help to mitigate the short-term effects of income volatility; and retain as long-term investment funds to generate sufficient income to meet current and future operational activities of the charity. The Group does not hold any restricted funds. Further information is available in the reserves section of the Trustees' report.

2. Trading activities of subsidiary undertakings

The Institute has two wholly owned trading subsidiaries. A summary of their trading results is shown below.

CQI Services Limited is incorporated in England and Wales, registered number 04572473. Its registered office is 90 Chancery Lane, London WC2A 1EU. The principal activity of the company is the generation of advertising revenue placed in the Institute's members' magazine and helping members find new jobs through the Institute's jobsite. Income and expenditure are included in Membership Services and Awareness in the Group financial statements. Any profits are gift aided to the Institute.

IRCA Japan KK is incorporated in Japan, registered number 0100-01-130705. Its registered office is Burex Kojimachi 8F, 3-5-2 Kojimachi, Chiyoda-ku 102-0083 Tokyo, Japan. The principal activity of the company is to provide local marketing, certification and administration services to IRCA for its auditors in Japan. The income and expenditure of the company has been included under charitable activities of Membership Services in the Group financial statements. IRCA Japan KK pays an annual royalty to the Institute.

Notes to the financial statements

2. Trading activities of subsidiary undertakings (continued)

	CQI Services Limited	IRCA Japan KK	Total	CQI Services Limited	IRCA Japan KK	Total
	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Summary profit & loss accounts:						
Turnover	79	675	754	63	666	729
Operating costs	(33)	(487)	(520)	(69)	(460)	(529)
Operating profit	46	188	234	(6)	206	200
Interest receivable	-	-	-	-	-	-
Profit/(loss) on ordinary activities before taxation	46	188	234	(6)	206	200
Taxation	-	(4)	(4)	-	(5)	(5)
Profit/(loss) on ordinary activities after taxation	46	184	230	(6)	201	195
Gift Aid/Royalty to parent charity	-	(155)	(155)	-	(180)	(180)
Retained in subsidiary	46	29	75	(6)	21	15
The assets and liabilities of the subsidiaries were:						
Current assets	29	488	517	26	514	540
Current liabilities	(35)	(298)	(333)	(77)	(335)	(412)
Total net assets	(6)	190	184	(51)	179	128
Aggregate share capital and reserves	(6)	190	184	(51)	179	128

3. Investment income

	2022 £'000	2021 £'000
Bank deposit interest and other income	4	1
Dividend income from shares listed on the London Stock Exchange	39	37
Total	43	38

Notes to the financial statements

4. Total expenditure

	Staff Costs £'000	Other direct activity costs £'000	Support Costs £'000	Total 2022 £'000
Charitable activities 2022				
Membership Services	1,026	885	844	2,755
Learning & Development	310	427	380	1,117
Awareness	442	321	253	1,016
Support Costs	1,054	424	(1,477)	0
Total charitable costs	2,832	2,057	0	4,888
Charitable activities 2021				
Membership Services	898	911	774	2,583
Learning & Development	265	653	309	1,227
Awareness	367	303	193	863
Support Costs	844	432	(1,276)	-
Total charitable costs	2,374	2,299	-	4,673

Support costs totaling £1,477,896 (2021: £1,276,589) have been allocated across the activities. These include costs associated with IT, HR, finance, property and other central services across the Group. The costs have been allocated based on time spent by departments supporting the various activities.

Notes to the financial statements

5. Support costs

	Staff Costs £'000	Premises & Office Costs £'000	Resources £'000	Information Technology £'000	Governance £'000	Total 2022 £'000
Support Costs 2022						
Membership Services	602	119	1	94	28	844
Learning & Development	271	54	0	42	13	380
Awareness	181	36	0	28	9	254
Total support costs	1,054	209	1	164	50	1,478

	Staff Costs £'000	Premises & Office Costs £'000	Resources £'000	Information Technology £'000	Governance £'000	Total 2021 £'000
Support Costs 2021						
Membership Services	512	142	4	88	29	775
Learning & Development	205	57	1	35	12	310
Awareness	128	35	1	22	7	193
Total support costs	845	234	6	145	48	1,278

6. Governance costs

	2022 £'000	2021 £'000
Meetings and travel expenses	1	1
Audit fees	42	34
Legal & professional	7	13
Total	50	48

Notes to the financial statements

7. Net expenditure for the year

The net outgoing resources for the year are stated after charging:

	2022 £'000	2021 £'000
Depreciation	59	56
Amortisation	106	141
Operating lease rentals for land and buildings	237	303
Auditor's remuneration – External audit (excludes VAT)	42	34
Overseas taxation	4	5

8. Staff costs

	2022 £'000	2021 £'000
Wages and salaries	2,302	2,015
Social security costs	269	228
Pension costs	141	131
Termination payments	20	-
Other staff costs	211	110
Total	2,943	2,484

Other staff costs includes staff training, welfare and recruitment and fees for agency staff. £131,203 of staff costs have been capitalised during 2022 (2021: £114,299), for staff time spent exclusively on the Learning & Development E-Assessment Project.

The average monthly number of employees during the year was as follows:

	2022	2021
Number of employees involved in charitable activities:		
Membership	20	20
Learning & Development	9	8
Awareness	6	5
Number of employees involved in non-charitable activities:		
Support	15	14
Total	50	47

Notes to the financial statements

The number of employees whose remuneration (excluding redundancy) fell into the following bands were:	2022	2021
£60,001 – £70,000	5	3
£70,001 – £80,000	1	1
£80,001 – £90,000	-	1
£90,001 – £100,000	1	2
£100,001 – £110,000	1	-
£110,001 – £120,000	1	2
£120,001 – £130,000	1	

The Institute made contributions of £51,984 (2021: £48,783) to the money purchase personal pension schemes of seven (2021: seven) employees whose emoluments exceeded £60,000.

The Institute considers its key management personnel comprises the Trustees and the Senior Management Team (SMT). The Trustees provide their time free of charge. The total remuneration, employer's national insurance contributions, benefits and pensions paid to or on behalf of the SMT in the year was £395,321 (2021: £471,011).

Notes to the financial statements

9. Related Party Transactions

No member of the Board received any remuneration in 2022 (2021: £nil) for their roles as Trustees. There were no funds (2021: £250) paid to, or to third parties on behalf of 11 (2021: 11) members of the Board in reimbursement of expenses incurred on Institute business during the year. In addition to this, the Institute paid £3,387 for indemnity insurance (2021: £2,945).

One of the Institute's Trustees is a Director of Quality at AWE plc. As a Corporate Partner of the CQI, AWE plc were invoiced and paid a membership fee of £4,950 in 2022 (£4,950 in 2021). This transaction was in line with the Institute's normal course of business and its standard terms and conditions, there was no outstanding balance at 31 December 2022 and no amounts were written off during the year. Before joining AWE plc, this Trustee had been Director of Quality at Balfour Beatty. Another Corporate Partner of the Institute, Balfour Beatty were invoiced and paid a membership fee of £4,950 in 2022 (2021: £4,950). This transaction was in line with the Institute's normal course of business and its standard terms and conditions, there was no outstanding balance at 31 December 2022 (2021: £nil), and no amounts were written off during the year (2021: £nil).

One of the Institute's Trustees is the Head of Business Process and Quality at BAM Nuttall Ltd. As a Corporate Partner of the Institute, BAM Nuttall Ltd were invoiced and paid a membership fee of £4,950 in 2022 (2021: £4,950). This transaction was in line with the Institute's normal course of business and its standard terms and conditions, there was no outstanding balance at 31 December 2022 (2021: £nil) and no amounts were written off during the year 2022: (2021: £nil).

One of the Institute's Trustees (up to 24 August 2022) is a Director at NXTGen Quality Limited. NXTGen Quality Limited was contracted by Oakland Research Institute to work on a research project commissioned by the Chartered Quality Institute, and the Trustee worked as a Research Associate on this project.

The following members of the Institute's senior management team are also members of the Board of Directors of the Institute's subsidiary, IRCA Japan KK: Vincent Desmond and Tracey Singer. In 2022, an annual royalty of £154,993 (2021: £180,203) was charged by the Institute to IRCA Japan KK, with the full balance being outstanding at 31 December 2022 and expected to be paid in 2022.

10. Taxation

The Institute is a registered charity and is, therefore, not subject to corporation tax on its charitable activities. A provision has not been made for corporation tax for CQI services, in spite of the profit realised in 2022 as we expect to recover prior year losses and gift any balance to the Institute. Overseas taxation relates to income tax suffered by IRCA Japan KK on its profits for the year:

	2022 £'000	2021 £'000
Overseas Taxation	4	5

Notes to the financial statements

11. Intangible fixed assets

Group	Website Development £'000	Intellectual Property £'000	Software & Systems £'000	Total £'000
Cost				
As at 1 January 2022	542	421	536	1,499
Additions – internally generated	54	73	351	478
Written off in the year	-	-	-	-
As at 31 December 2022	596	494	887	1,977
Amortisation				
As at 1 January 2022	533	295	226	1,054
Charge for the year	3	8	95	106
Impairment	-	-	0	0
Written off in the year	-	-	-	-
As at 31 December 2022	536	303	321	1,160
Net book value				
As at 31 December 2022	60	191	566	817
As at 31 December 2021	9	126	310	445

Notes to the financial statements

The Institute	Website Development £'000	Intellectual Property £'000	Software & Systems £'000	Total £'000
Cost				
As at 1 January 2022	503	421	536	1,460
Additions – internally generated	54	73	351	478
Written off in the year	-	-	-	-
As at 31 December 2022	557	494	887	1,938
Amortisation				
As at 1 January 2022	503	295	226	1,024
Charge for the year	2	8	95	105
Impairment	-	-	0	0
Written off in the year	-	-	-	-
As at 31 December 2022	505	303	321	1,129
Net book value				
As at 31 December 2022	52	191	566	809
As at 31 December 2021	-	126	310	436

Included in intangible fixed assets: website development costs of £38,761 (2021: £38,761), accumulated depreciation of £29,753 (2021: £29,001) and net book value of £9,008 (2021: £9,760) relating to assets developed by IRCA Japan KK.

Notes to the financial statements

12. Tangible fixed assets

Group	Improvements to premises	Office equipment and furniture	Computer hardware	Total
	£'000	£'000	£'000	£'000
Cost				
As at 1 January 2022	486	77	104	667
Additions in year	0	5	7	12
Disposals	-	-	-	-
As at 31 December 2022	486	82	111	679
Depreciation				
As at 1 January 2022	216	55	47	318
Charge for the year	29	9	21	59
Eliminated on disposal	-	-	-	-
As at 31 December 2022	245	64	68	377
Net book value				
As at 31 December 2022	241	18	43	302
As at 31 December 2021	270	22	57	349

Notes to the financial statements

12. Tangible fixed assets (continued)

The Institute	Improvements to premises	Office equipment and furniture	Computer hardware	Total
	£'000	£'000	£'000	£'000
Cost				
As at 1 January 2022	486	45	104	635
Additions in year	0	3	7	10
Disposals	-	-	-	-
As at 31 December 2022	486	48	111	645
Depreciation				
As at 1 January 2022	216	28	47	291
Charge for the year	29	5	21	55
Eliminated on disposal	-	-	-	-
As at 31 December 2022	245	33	68	346
Net book value				
As at 31 December 2022	241	15	43	299
As at 31 December 2021	270	17	57	344

Included in intangible fixed assets: website development costs of £38,761 (2021: £38,761), accumulated depreciation of £29,753 (2021: £29,001) and net book value of £9,008 (2021: £9,760) relating to assets developed by IRCA Japan KK.

Notes to the financial statements

13. Fixed asset investments

	Group		Institute	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Listed investments	1,731	1,867	1,731	1,867
Unlisted investments	-	-	73	74
Market value as at 31 December	1,731	1,867	1,804	1,941
Historic cost of investments	950	950	1,031	1,031
Analysis of movement:				
1 January 2022	1,867	1,610	1,941	1,691
Additions	-	-	-	-
Net gains/(losses)	(136)	257	(137)	250
As at 31 December	1,731	1,867	1,804	1,941

Listed Investments

In January 2021, an investment was made in a Common Investment Fund. As at 31 December 2022, the fund comprised 40% UK equities, 42% overseas equities, 12% bonds and 6% cash. Their fair value as at 31 December 2021 and 2022 is shown above.

Unlisted investments in subsidiary undertakings

The Institute holds 100% of the voting capital of CQI Services Ltd, a company registered in England. The share capital of the company comprises 10,000 shares of £1 each. The company's principal activities are the provision of advertising revenue in the Quality World magazine and the CQI websites, management consultancy referrals, catering and hire of facilities. The company also manages the International Quality Awards.

The Institute holds 100% of the 10 million Japanese Yen voting share capital of the International Register of Certified Auditors Japan KK, a company registered in Japan. The company's principal activity is to provide local marketing, administration and certification services to Japanese auditors.

Notes to the financial statements

14. Debtors

	Group		Institute	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	357	127	334	85
Amounts owed by Group undertakings	-	-	185	221
Other debtors	205	128	123	64
Prepayments and accrued income	243	403	237	397
Total	805	658	879	767

15. Creditors

	Group		Institute	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade creditors	196	116	177	96
Other taxes and social security	95	81	72	56
Other creditors	20	57	20	57
Accruals and deferred income	2,201	2,139	1,847	1,749
Total	2,512	2,393	2,116	1,958

Notes to the financial statements

16. Deferred income

	Group		Institute	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
1 January 2022	1,731	1,645	1,355	1,254
Amount released to incoming resources	(1,731)	(1,645)	(1,355)	(1,254)
Amount deferred in the year	1,746	1,731	1,405	1,355
At 31 December	1,746	1,731	1,405	1,355

Included in creditors (deferred income) is a total of £1,745,929 (2021: £1,730,695) which relates to deferred income. £710,333 relates to IRCA membership renewal fees received in the year but not yet earned (2021: £726,408). The remainder is income for 2022 fees raised in October, November & December 2022. This figure consists of £695,973 (2021: £636,489) for CQI Membership, £200,269 (2021: £210,920) for IRCA Membership, £55,151 for fees from Corporate Partners (2021: £59,400), £46,429 from IRCA OEA fees (2021: £50,621) and £37,774 from ATPs (2021: £31,857). Sponsorship income received in 2022 relating to the International Quality Award, was nil (2021: £15,000).

17. Provisions for other liabilities

The Group and Institute had the following provisions during the year:	Dilapidations Provision 2022 £'000	Total 2022 £'000	Dilapidations Provision 2021 £'000	Total 2021 £'000
1 January 2022	8	8	0	0
Additions dealt with in the Statement of Financial Activity	11	11	8	8
Reclassified as current liability during the year	0	0	0	0
At 31 December	19	19	8	8

As part of the Group's property leasing arrangements, there is an obligation to repair damages that are incurred during the life of the lease, such as wear and tear. The cost relating to the Institute's new premises on Chancery Lane is charged to profit and loss as the obligation arises. The provision is expected to be utilised in 2031 when the leases terminate.

Notes to the financial statements

18. Financial instruments

The Group has the following financial instruments:

	Group		Institute	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Financial assets that are debt instruments measured at amortised cost:				
Trade receivables	357	127	334	85
Other receivables	205	128	123	65
Amounts owed by Group	-	-	185	221
	562	255	642	371
Financial assets that are debt instruments measured at fair value:				
Investments	1,731	1,867	1,731	1,867
Investment in short-term deposits	2,971	2,932	2,572	2,537
	4,702	4,799	4,303	4,404
Financial liabilities measured at amortised cost:				
Trade creditors	196	116	177	96
Other creditors	115	138	91	113
	311	254	268	209
Net financial assets measured at amortised cost	4,953	4,800	4,677	4,566

Notes to the financial statements

19. Other financial commitments

At 31 December 2022, the Group and Institute had the following future lease payments under non-cancellable operating leases:

Land and buildings	Group		Institute	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Not later than one year	284	131	223	117
Later than one year and not later than five years; and	501	709	486	709
Later than five years	-	-	-	-
Lease payments recognised as an expense through the statement of financial activity	237	303	173	239

Equipment Leases:

Land and buildings	Group		Institute	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Not later than one year	7	4	4	4
Later than one year and not later than five years; and	19	13	8	13
Later than five years	-	-	-	-
Lease payments recognised as an expense during the year	6	4	4	4

Notes to the financial statements

20. Funds

All assets and liabilities are held within unrestricted funds.

Group 2022	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
Fund Name	£'000	£'000	£'000	£'000	£'000	£'000
General Funds	1,987	5,343	(4,704)	(359)	(220)	2,047
Fixed Asset Reserve	794	-	(172)	491	-	1,113
PQG Reserve	146	30	(26)	-	(6)	144
IT Project Reserve	185	-	-	326	-	511
Product Development Reserve	738	-	-	(458)	-	280
Premises Reserve	-	-	-	0	-	-
Total Funds	3,850	5,373	(4,902)	-	(226)	4,095
The Institute 2022						
General Funds	2,208	4,750	(4,200)	(356)	(217)	2,185
Fixed Asset Reserve	780	-	(161)	488	-	1,107
PQG Reserve	146	30	(26)	0	(6)	144
IT Project Reserve	187	-	0	326	-	513
Product Development Reserve	738	0	0	(458)	0	280
Premises Reserve	0	0	0	0	0	0
Total Funds	4,059	4,780	4,387)	-	(223)	4,229

Notes to the financial statements

20. Funds (continued)

Group 2021	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
Fund Name	£'000	£'000	£'000	£'000	£'000	£'000
General Funds	1,919	4,971	(4,384)	(722)	203	1,987
Fixed Asset Reserve	436	-	(269)	627	-	794
PQG Reserve	128	27	(20)	-	11	146
IT Project Reserve	210	-	-	(25)	-	185
Product Development Reserve	330	-	-	408	-	738
Premises Reserve	288	-	-	(288)	-	0
Total Funds	3,311	4,998	(4,673)	-	214	3,850
The Institute 2021						
General Funds	2,187	4,420	(3,879)	(722)	202	2,208
Fixed Asset Reserve	414	-	(261)	627	-	780
PQG Reserve	128	27	(20)	-	11	146
IT Project Reserve	212	-	-	(25)	-	187
Product Development Reserve	330	-	-	408	-	738
Premises Reserve	288	-	-	(288)	-	-
Total Funds	3,559	4,447	(4,160)	-	213	4,059

The Fixed Asset reserve represents the approximate value of tangible and intangible assets as these funds are not available for day-to-day operations of the Institute.

The PQG reserve is equal to the bank balances and share of investments held by the Pharmaceutical Quality Group. This special interest group meets the needs of quality professionals within the pharmaceutical industry through regular meetings on quality assurance, good manufacturing practice and 'hot-topics' and developing guidance on a range of regulatory requirements. The IT project reserve represents money set aside for the planned redevelopment of the Institute's digital infrastructure.

The Product Development reserve represents money set aside for the continuation of Learning and Development and Policy projects.

The Premises reserve represents money set aside for relocation when the Institute's lease of its Furnival Street offices expired in 2021. This project was completed in 2021.

Notes to the financial statements

21. Analysis of net assets between funds

	General Funds	PQG Reserve	IT Project Reserve	Fixed Asset Reserve	Product Development Reserve	Premises Reserve	2022 Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Group 2022							
Intangible fixed assets	-	-	-	817	-	-	817
Tangible fixed assets	-	-	-	302	-	-	302
Investments	1,653	78	-	-	-	-	1,731
Current assets	2,917	68	511	-	0	-	3,776
Current liabilities	(2,512)	-	-	-	-	-	(2,512)
Non-current liabilities	(19)	-	-	-	-	-	(19)
	2,039	146	511	1,119	280	-	4,095
The Institute 2022							
Intangible fixed assets	-	-	-	809	-	-	809
Tangible fixed assets	-	-	-	299	-	-	299
Investments	1,726	78	-	-	-	-	1,804
Current assets	2,590	68	513	-	280	0	3,451
Current liabilities	(2,116)	-	-	-	-	-	(2,116)
Non-current liabilities	(19)	-	-	-	-	-	(19)
	2,181	146	513	1,108	280	0	4,228

Notes to the financial statements

21. Analysis of net assets between funds (continued)

	General Funds	PQG Reserve	IT Project Reserve	Fixed Asset Reserve	Product Development Reserve	Premises Reserve	2021 Total Funds
Group 2021	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	-	-	-	445	-	-	445
Tangible fixed assets	-	-	-	349	-	-	349
Investments	1,789	78	-	-	-	-	1,867
Current assets	2,599	68	185	-	738	0	3,590
Current liabilities	(2,393)	-	-	-	-	-	(2,393)
Non-current liabilities	(8)	-	-	-	-	-	(8)
	1,987	146	185	794	738	0	3,850
The Institute 2021							
Intangible fixed assets	-	-	-	436	-	-	436
Tangible fixed assets	-	-	-	344	-	-	344
Investments	1,863	78	-	-	-	-	1,941
Current assets	2,311	68	187	-	738	0	3,304
Current liabilities	(1,958)	-	-	-	-	-	(1,958)
Non-current liabilities	(8)	-	-	-	-	-	(8)
	2,208	146	187	780	738	0	4,059

Notes to the financial statements

22. Analysis of changes in net debt

	At 1 January 2022	Cash flows	Acquired	Foreign exchange movements	At 31 December 2022
Group 2022	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	1,698	140	-	(105)	1,733
Short-term deposits	1,234	4	-	-	1,238
Cash and cash equivalents	2,932	144	-	(105)	2,971
	At 1 January 2021	Cash flows	Acquired	Foreign exchange movements	At 31 December 2021
Group 2021	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	1,361	380	-	(43)	1,698
Short-term deposits	1,233	1	-	-	1,234
	2,594	381	-	(43)	2,932

Board of Trustees



Amanda McKay
CQP FCQI is Director of Quality for AWE at Aldermaston. She has 35 years' experience in the construction, nuclear and power generation sectors and also in charity operation, people management and diversity

in her role as a Trustee with other charities. A founding member of the CQI Nuclear Special Interest Group, Amanda has worked to develop additional competency requirements for quality professionals and to help establish the first Quality Apprentice Scheme for the Nuclear sector. Amanda is a passionate advocate for Diversity and Inclusion.



Hannah Kingsley,
BVSc FCA currently works for Rail Safety & Standards Board (RSSB) as Chief Financial Officer and is a member of the RSSB Board. In addition, Hannah has held several executive roles within the rail industry including Finance

Director for Network Rail Anglia Route and Director Commercial Service and Assurance for Rail Delivery Group, leading teams working across governance, internal audit & risk, business change & procurement, as well as in previous senior finance roles at Network Rail and Deloitte LLP. In her role as Honorary Treasurer, Hannah brings to the CQI extensive experience working across financial control, financial planning & analysis, and commercial finance. Hannah is also a passionate supporter of work to increase gender equality across the STEM disciplines and acts as a mentor for the Women in Rail scheme.



Christopher Chinapoo,
ASQ CMQ/OE, ASQ CQA CQP FCQI has over 25 years' experience in Quality, Health, Safety, Sustainability, Resilience and Risk Management. He is currently the Chair of the Technical Oversight Committee to the

CARICOM Secretariat for the I0 EDF fund on Crime and Violence Prevention. Christopher is a consultant, coach, and auditor in various sectors namely energy, construction, water; national security, higher education and so on. He is a live member of the National Association of Blacks in Criminal Justice, regular contributor to the Chartered Quality Institute's Quality World Magazine and the Journals of the American Society for Quality. Christopher is also a member of the CQI Caribbean Branch, the CQI Deming Special Interest Group and the Secretary of the CQI Renewable Energy Special Interest Group.



David Anderson
CQP FQCI is Director of Business Assurance, Quality and Systems BAM UK&I. He brings over 30 years' experience within the construction industry. David is passionate about the driving role quality plays within business and

operational excellence and is an advocate in utilising technology as an enabler for the future of quality. He is actively engaged with the CQI Construction Special Interest Group and a variety of other groups and organisations within the UK and Europe. He is a Director and Trustee of the Lean Construction Institute, an educational charity.



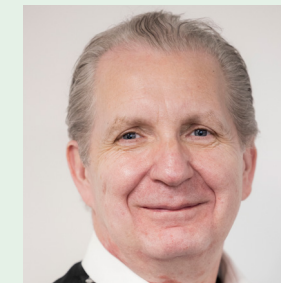
David Straker
CQP FCQI is now retired. He brings to the CQI experience from an extensive career in a variety of roles, in both public and private organisations. These included a leading role in the award-winning

Hewlett Packard UK quality department and as Quality Manager for the national school Statutory Assessment Tests (SATs). He also brings an understanding of psychology within the profession and still writes about 'changing minds' for a major knowledge website on this topic.



Dr Evi Viza, CQP CQI MIET FRSA, CQP MCQI, IET, FRSA, LSSBB is a Manufacturing Engineer specialising in Quality Management and Continuous Improvement. As a Chartered Quality

Professional and a Black Belt Lean Six Sigma practitioner, she brings expertise to her field. In addition to being a Trustee of the CQI, Dr Viza holds multiple positions. She is a member of the Institute of Engineering and Technology (IET) and serves as the Chair of the IET Manufacturing group in Scotland. Furthermore, Dr Viza is a Fellow of the Royal Society of Arts (FRSA) and contributes as a trustee member of the Kenyan Women in Scotland Association. Currently, Dr Viza is the Program Leader on the MSc Quality Management at the University of the West of Scotland, driving innovation and gender equality in manufacturing. Her research focuses on applying operations management, quality improvement, and lean principles to solve industry problems. She is particularly passionate about gender diversity and has led interdisciplinary research projects on systems approach and sustainability with a user-centric focus. Notable projects include the Royal Academy of Engineering's "FemaleInspires" initiative and partnerships with APWEN (Association with Professional Women Engineers in Nigeria).



Howard Cooper
CQP FCQI is Specialist Director – Nuclear Quality for Jacobs UK. With a 37-year career in the UK Nuclear and Defence industry, including 23 years in senior quality roles, Howard has led the establishment, refreshment,

and implementation of Quality Management Programmes for projects, programmes, organisations, and enterprises. A founding member of the CQI Nuclear Special Interest Group, Howard is passionate about the importance of professional qualifications for quality professionals, as well as supporting education, career pathways, mentoring and leadership development.



Dr Makis Foros,
MBA, CQP MCQI, BTEC, BEng (Hons), PhD currently works as a Quality and Process Improvement Manager within the Operational Excellence Team for Saint Gobain Interior Solutions. Besides being an active

World Class Manufacturing TPM Instructor and Lean 6 Sigma black belt/Kaizen practitioner, his true passion lies with coaching and mentoring people; assisting them with reaching their true potential and meeting their aspirations. Makis has held many roles within the Quality, Process, Technical Production and New Product Development Arenas, and brings over 25 years' experience within the construction industry, including strategic policy deployment and change management within organisations.



Rachelle Beasley CQP MCQI works as Quality Leader at Cytiva, a global provider of technologies and services that advance and accelerate the development and manufacture of therapeutics. She brings a decade of experience in quality and

auditing across various industries and gained a MSc in Quality Management in 2017. Rachelle was part of the Next Generation Network Committee from 2015 to 2019, working to make quality a career choice for young people. She brings experience within the voluntary sector and as a board member, sitting on two boards for charitable organisations that work to make lives better within communities. Rachelle is also an advocate for young quality professionals, diversity, and the future of quality.



Rashad Issa CQP FCQI works for the Baltic Exchange as the Quality and Business Improvement Lead. Before becoming a Trustee, he volunteered for the CQI's London Committee for over three years and was part of the pilot groups of various CQI initiatives,

such as the mentoring programme and the Quality Connect platform.

His experience ranges from the financial services and retail to the health and shipping sectors. Rashad has extensive experience in guiding the development and delivery of robust operational strategies, streamlining complex policies and procedures on a global scale, establishing project management offices from the ground up, and bringing quality management frameworks to stakeholders at different levels in order to achieve strategic initiatives. He currently volunteers with the Project Management Institute as an insights advisor of the Global Diversity, Equity, and Inclusion initiative, and recently concluded a two-year term on the board of the Project Management Institute UK in December 2021.



Roxann Dawson CQP FCQI has more than 25 years' experience in quality, assurance and business improvement and have held several senior leadership roles in the transportation and construction industry. Roxann is Business Assurance Director for

Tilbury Douglas, with expertise in risk, compliance, stakeholder engagement and organisation culture. Before becoming a trustee in September 2017, Roxann served as a member of the Advisory Council and now Chair of the CQI Governance Risk Committee and is a Trustee on the Board. She is an active volunteer for the CQI who has contributed to the establishment of the 2030 strategy, input into the Competency Framework 2.0, contributor to BoK and QW. Roxann is known for her passion and energy for the sustainability of the quality profession and is an advocate not only for the CQI, but also for the profession at large. Roxann is an ambassador for diversity and equality and seeks out opportunities to be the change she would like to see.



Victoria Yates CQP MCQI is the Head of Change and Transformation at leading temporary works provider Mabey Hire. She brings over 16 years of experience from a variety of operational and business improvement roles from the construction and engineering sector, with the first five years of

her career in Site Management roles on major construction and infrastructure projects. Victoria is passionate about continuous improvement and is an advocate for balancing creativity with a structured approach to develop the best solutions. Victoria loves being a STEM Ambassador to promote quality and engineering careers to young women and girls. She was a member of the winning Team of the Year Award in 2018.



Victoria Derbyshire CQP MCQI is Quality & Compliance Manager for Bethell Construction Ltd. She has five years' experience across the Nuclear and Construction sectors and started her career with one of the first quality apprenticeships of its kind straight from education. Victoria

is passionate about raising the profile of the quality profession and changing people's perceptions of what it is to be a quality professional, making it an enticing career option for the next generation and ensuring organisations are in the position to provide quality apprenticeships and other early careers options. Victoria actively engages with the Nuclear Special Interest Group, as a steering group member for the Nuclear Next Generation working group and as a member of the Construction Special Interest Group. She also acts as the Quality Lead for Women in Nuclear UK. Victoria was also the winner of the Emerging Talent Award at the 2019 International Quality Awards.

The bios above also include four new Board Members joining the CQI board in June 2023 and all come from various fields of quality indicated in the following table:

Board of Trustees

Position	Current office holder	Date of appointment/resignation	Attendance at Board meetings in 2022	Committee member	Attendance at committee meetings 2022
Chair	Amanda McKay	Appointed September 2014	4/4	Finance & Remuneration Committee	4/4
Honorary Treasurer	Hannah Kingsley	Appointed March 2019	4/4	Finance & Remuneration Committee Chair	4/4
Board Member	David Straker	Appointed September 2014	4/4	n/a	n/a
Board Member	Roxann Dawson	Appointed September 2017	3/4	Governance & Risk Committee Chair	3/4
Board Member	Rachelle Beasley	Appointed March 2020	3/4	Membership Council Liaison Nominating Committee	3/4
Board Member	Natalie Shoemark-Dyer	Appointed 12/09/2018 Resigned 15/09/22	1/2	Finance & Remuneration Committee	1/3
Board Member	Ian McCabe	Appointed March 2020 Resigned 24/08/22	2/2	Governance & Risk Committee	2/3
Board Member	David Anderson	Appointed March 2021	3/4	Finance & Remuneration Committee Nominating Committee	3/4 2/4
Board Member	Rashad Issa	Appointed March 2021	3/4	Governance & Risk Committee	4/4
Board Member	Christopher Chinapoo	Appointed March 2022	4/4	Governance & Risk Committee	1/1
Board Member	Victoria Derbyshire	Appointed March 2022	3/4	n/a	n/a

Position	Current office holder	Date of appointment/resignation	Attendance at Board meetings in 2022	Committee member	Attendance at committee meetings 2022
Board Member	Dr Evi Viza	Appointed June 2023	n/a	n/a	n/a
Board Member	Howard Cooper	Appointed June 2023	n/a	n/a	n/a
Board Member	Dr Makis Foros	Appointed June 2023	n/a	n/a	n/a
Board Member	Victoria Yates	Appointed June 2023	n/a	n/a	n/a

Membership Council

Name	Position
Dave Smith	Chair
Mark Eydman	Vice Chair
Angela Fumpson	Member
Leigh Anderson	Member
Mehrdad Kamali	Member
Victor Williams	Member
Barry Avis	Member
Marc Elmes	Member
Michael McCusker	Member
Tony Brachmanski	Member
Jon Adshead	Member

Professional Networks Officers 2022

Key management personnel (Senior executive staff)

Director General and Chief Executive Vince Desmond	Executive Director of Corporate Services Andrew Lannin
Executive Director of Membership and Commercial Services Tally Singer	

Office address

Third Floor
90 Chancery Lane
London
WC2A 1EU

Principal professional advisers

Bankers

Lloyds Bank Plc
98 Victoria Street
London SW1E 5JL

External auditors

Haysmacintyre LLP
Chartered Accountants
10 Queen Street Place,
London EC4R 1AG

Investment managers

Newton Investment Management Ltd
BNY Mellon Centre
160 Queen Victoria Street
London ECV4 4LA

Special Interest Groups (SIG)

Construction SIG	Chair	Jon Adshead
	Vice Chair	David Anderson
	Secretary	David Myers
Defence SIG	Chair	Richard Ellis
	Secretary	Nicola Abrams
Deming SIG	Chair	Alan Hodges
	Vice Chair	Kevan Leach
	Secretary	Peter Leeson
Integrated Management SIG	Chair	Jonathan Bishop
	Vice Chair	Paul Simpson
	Secretary	Peter Leeson
	Secretary	Bob Blackwell
Nuclear SIG	Chair	Richard Hibbert
	Vice Chair	James Brown
	Secretary	Rebecca Tomlinson
Pharmaceutical SIG	Chair	David Waddington
	Secretary	Neil Wayman
	Vice Chair	Jane Smith
Rail SIG	Chair	-
	Secretary	Qun Yan
	Vice Chair	Daniel Quant
Health SIG	Chair	Dennis Mok
	Vice Chair	Hannah Murfet
	Secretary	Thomas Rose
Sustainability SIG	Chair	Zoi Kontodimou
	Vice Chair	Muruges Sivasubramanian
Audit SIG	Chair	William Rankin
	Vice Chair	Richard Brett
	Secretary	Doris Cadar
Renewable Energy	Chair	Gregorio Acero
	Vice Chair	Sara Johnson
	Secretary	Chris Chinapoo

Professional Network Officers

EASTERN REGION	Regional Chair	Barry Avis
Milton Keynes branch	Chair	Paul Simpson
Peterborough and Cambridge branch	Chair	Kevin Newey
South Anglia branch	Chair	Barry Avis
	Secretary	Neil Hilton

MIDLANDS REGION	Chair	Positions vacant as 31.12.22
	Secretary	Positions vacant as 31.12.22
Birmingham branch	Chair	Claire Lewis
	Vice Chair	Amandip Sandhu
	Secretary	Jaz Tanwar
Derby and Nottingham branch	Chair	Suzanne Hill
	Vice Chair	Adrian Petch
	Secretary	Grant Nicholson
Leicester and Coventry branch	Chair	Simon Jones
	Vice Chair	Chris Parry
Wolverhampton branch	Chair	Tony Brachmanski
	Vice Chair	Craig Cartwright

NORTH EAST REGION	Regional Chair	Leigh Henderson
Teesside branch	Chair	Trevor Walton
	Vice Chair	Mike Amour
	Secretary	Austin McGlynn
Tyne and Wear branch	Chair	Leigh Henderson
	Vice Chair	Colin Humble
	Secretary	John Mills

Professional Network Officers

NORTHERN REGION	Regional Chair	Victor Williams
Cumbria branch	Chair	Ryan Mower
	Vice Chair	Kyle McNicol
	Secretary	Paul Johnson
Greater Manchester branch	Chair	-
	Secretary	-
Yorkshire branch	Chair	Hugh Everson
	Vice Chair	Alexander Diamantis
	Secretary	Dr Asimakis Foros

NORTHERN IRELAND	Regional Chair	Michael McCusker
Northern Ireland branch	Chair	Michael McCusker
	Vice Chair	Gerard Heatley
	Secretary	Nuala O'Hare

SCOTLAND	Regional Chair	Colin Campbell
	Secretary	Jeffrey Marven
North of Scotland branch	Chair	Colin Campbell
	Vice Chair	-
	Secretary	Abigail Hastie
West of Scotland branch	Chair	Marc Elmes
East of Scotland branch	Chair	-
	Secretary	Victoria Tait

SOUTH EAST REGION		
London branch	Chair	Jessica Naidoo
	Vice Chair	Adebisi Alonge
	Secretary	Qun Yan

Professional Network Officers

Southern branch	Chair	Donna Hopkins
	Vice Chair	Maria-Louise Chandler
	Secretary	Csilla Bartyuk
Thames Valley branch	Chair	Natalie Shoemark-Dyer
	Secretary	Tom Gould
Surrey and Sussex branch	Chair	Luke Higgins
	Secretary	Heather Kane

SOUTH WEST REGION		
	Vice Chair	Derek Lewis
	Secretary	-
Avon branch	Chair	Neil O'Doherty
	Vice Chair	Angela Fumpson
	Secretary	Denise Ramsay
Gloucester branch	Chair	Ryan Renard
Wales branch	Chair	-
	Secretary	Robert James Christian Mrosek/ Ralph Cannon

OVERSEAS		
Hong Kong branch	Chair	-
	Vice Chair	Wai Hang Cris Tam / Vincent Chui
Taiwan branch	Chair	Jeff Monk
	Secretary	Murli Mohan
Ireland branch	Chair	Caroline Geoghegan
	Vice Chair	Shane Blaney
	Secretary	Susanne Carpenter
Caribbean branch	Chair	Dr Alison Gajadhar
	Vice Chair	Glenroy London
	Secretary	Sucilla Buchoon

Chartered Quality Institute

Third floor, 90 Chancery Lane
Holborn, London WC2A 1EU

Incorporated by Royal Charter and
registered as charity number 259678

www.quality.org

THE CHARTERED QUALITY INSTITUTE

England & Wales - Charity number 259678

Accounts

The Chartered Quality Institute **Annual Report 2021**

“At a time when society’s expectations are increasing at such pace, it’s more vital than ever that organisations maintain an unwavering commitment to quality and exceeding the expectations of all stakeholders.”



CQI President's foreword

Our Royal Charter charges us with advancing the practice of quality management for the benefit of society. At a time when society's expectations are increasing at such pace, it's more vital than ever that organisations maintain an unwavering commitment to quality and exceeding the expectations of all stakeholders.

In a world where our news media seems to offer a litany of examples where that focus on quality is absent, it is hugely encouraging to be president of an organisation that advocates for a profession dedicated to helping organisations do the right thing and improve value for customers and society.

Our 2021 Annual Report provides encouragement. The CQI continues to speak with authority, and I am pleased to see our leading work on the digital and sustainability agendas recognised by the

global quality community. We are a focal point for the quality profession, and I am delighted to see our membership grow in number and diversity. Our increasingly digital platform for the profession to collaborate is developing, and it is encouraging to see our members around the globe making use of this as our range of branches and special interest groups grows.

All of this bodes well for our profession, but we have much more to do to help individuals, teams, organisations, industry sectors and nations to improve quality and remain competitive. I look forward to supporting you all in this endeavour.

**Lord Jamie Lindsay, President,
Chartered Quality Institute**



“Our strategy recognises that we need to attract new and diverse talent into the profession and these kinds of improvements, along with the excellent work of our volunteers and staff, are helping to position quality as an aspirational career choice and the CQI as an indispensable resource.”

Chair's introduction

These past two years have been a testing time for everyone. Our world, characterised by disruption, has required deep reserves of resilience and agility, and I want to thank our volunteers, staff, partners and members who have continued to support the CQI and the quality profession globally.

Our 2030 strategy centres on how the CQI will support and develop the profession in response to these disruptive and transformational times, recognising that organisations need to build trust and deliver value for all stakeholders. I am pleased that we were able to progress our investment in this strategy again in 2021.

We established a new research capability that delivered our first research output on Quality 4.0, to support our profession's response to the digital transformation agenda. We had a superb response to our World Quality Week theme of sustainability, which helped to underline that today's quality is tomorrow's sustainability.

Building on our commitment to improve member value and the introduction of our Mentoring and Quality Connect platforms in recent years, we launched a new Careers Hub in 2021. Our strategy recognises that we need to attract new and diverse talent into the profession and these kinds of improvements, along with the excellent work of our volunteers

and staff, are helping to position quality as an aspirational career choice and the CQI as an indispensable resource.

It is encouraging that this investment has helped the CQI achieve another year of growth in our membership. It is particularly satisfying to see the diversity of new talent joining our community: green shoots for our profession which we must build on. I am also delighted that so many of you stepped forward to support the CQI as we saw our volunteer community double to more than 300 over the past two years, allowing us to grow our branch and special interest activity. Importantly, we delivered good financial results again in 2021, placing us in a good position to pursue our strategic goals.

I look forward to working with and supporting you all and reporting on more positive progress in 2022.



Amanda McKay, Chair of the Board of Trustees, Chartered Quality Institute

Trustees' report

For the year ended 31 December 2021



Our impact – 2021 highlights

As a registered charity with a Royal Charter, our purpose is to champion quality management in all sectors for the benefit of society. We deliver on this mission through¹:

- the contribution made by CQI members and IRCA certificated auditors in supporting and improving the quality of products, services and organisations;
- the training and education delivered through our approved training partners (ATPs) and university courses;
- the research we perform to advance the discipline of quality management methods and tools; and
- the policy outreach we conduct to support and influence UK and global quality infrastructures.

¹The Trustees confirm they have referred to the Charity Commission's guidance on public benefit when reviewing the Institute's aims and objectives, planning future activities and setting the annual operating plan.

“In 2021 we worked with partners and volunteers to host 167 virtual events on quality management topics for more than 7,000 quality professionals.”

In 2021, we worked with partners and volunteers to:



Grow our community of CQI members and IRCA certified auditors, with 2,297 new individual members and seven new corporate members and partners.



Host 167 virtual events on quality management topics for more than 7,000 quality professionals.



Launch the CQI Careers Hub: an online platform for our 17,000 quality management and auditing professionals providing a global jobs site and careers support.



Support more than 250 mentoring relationships through our online mentoring platform, contributing to the further career development of professionals working in quality management.



Launch four new Special Interest Groups (Audit, Health, Sustainability and Renewable Energy) and reconstituted the Integrated Management group.



Grow our community of volunteer members from 250 to 376.



Publish the first part of our Quality 4.0 (Q4.0) research with a working definition and eight Q4.0 principles to support quality professionals with the emergent digital transformation agenda.



Run our World Quality Week 2021 campaign underlining the importance of quality management in the rapidly emerging sustainability agenda, with a total of 37,400 downloads including 12,618 views of the video.



Encourage and support our 103 ATPs to continue rebuilding learner numbers during the pandemic for CQI and IRCA certified training courses which resulted in 63,002 learners completing a certified course.



Launch a new branch in the Caribbean.



Present at conferences of European Organization for Quality, Asian Network for Quality, Confederation of Indian Industry, and China Quality Association.



Represent the profession through our liaison status with ISO and contribute to the development of food safety, quality and occupational health and safety standards.



Relocate to our new London office, which provides a flexible collaboration workspace for volunteers and staff. The new office has halved our accommodation costs and reduced our carbon use.



Our strategy

Our annual report is structured around the five strategic themes on which our strategy is built.

Our five strategic themes

Align operating model

Improve our systems, processes and people to deliver the strategy.

Redesign offerings

Enhance value for individual and corporate members through digital and expanded member services.

Lead quality management practice

Invest in research and CPD to demonstrate the relevance of the profession to organisations within the future world of work.

Broaden the scope of the profession

Gain the support of allied professions in delivering excellence in governance, assurance and improvement.

Grow our global influence

Become more actively involved in quality communities around the world, recognising the complex environments in which members operate.

Positive changes in our discipline and profession

The quality management discipline

A broader scope: will be embraced by organisations and allied professions.

Technology: will adapt to support digital transformation and improvement.

Trust and guardianship: will support ethical decision making and performance improvement.

Strategic quality: will shift focus from the tactical to the strategic.

Agility and adaptability: will adapt to the increasing speed of change.

The quality profession

Global influence: will be able to operate in an increasingly complex and fast-moving global context.

New behaviours and roles: will focus on strategic leadership, improvement and championing organisational conscience.

Automation/Internet of Things: will embrace technology in the design of business models and systems.

Diversity: will embrace wider scopes of experience, skills and backgrounds to deliver its wider breadth and new roles.

Big data: will embrace data and analytics to drive improvement at speed.

Learning: will maintain value through increased life-long learning.

To deliver...

In response to...

Key external trends

The global trade challenge – of shifting global trade arrangements, emerging compliance requirements and new markets and supply chains, which will require organisations to adapt to new opportunity and risk.

The technology challenge – of Industry 4.0 technologies (connectivity, quantum computing, big data and artificial intelligence) in transforming business models and systems, and the nature of work.

The demographics challenge – of ageing populations putting pressure on skills and public services, and diversity in society, organisations and teams.

The personal value challenge – of providing value to customers and consumers in a digital age, combined with the pressure on organisations to satisfy the widening societal and stakeholder expectations.

Value for society

In terms of improved quality of product, service, organisation, sector and national competitiveness.



Our vision

A world in which organisations of all types and sizes thrive by providing outstanding value for customers, stakeholders and society.

To provide...

To achieve...

OUR 2021 PERFORMANCE

Strategic theme 1 – Align operating model



Improve our systems, processes and people to deliver our strategy.

Measure	2021	2020
Financial net income (before gains & losses)	£325k	£64k
Capital expenditure	£626k	£299k
% of projects completed	80%	60%
Staff satisfaction (1–10)	7.35	7.70
Volunteer engagement (Net Promoter Score ²)	+28	+28
Compliance (with Charity Governance Code)	Compliant	Compliant

²The Net Promoter Score (NPS) is a customer loyalty score, ranging from –100 to 100, calculated by asking customers one question: "On a scale from 0 to 10, how likely are you to recommend this product/company to a friend or colleague?" Any score above 0 reads as 'good' because it indicates that a business has more promoters than detractors.

Operating financial outturn

We achieved a surplus before gains and losses of £325k, providing a strong starting position for the 2022 operational plan, and maintained our reserves to policy.

Capital project delivery

We delivered 80% of our planned projects, with the remaining work planned to continue into 2022. 57% of the expenditure was for the office relocation and flexible working provision.

80%

of our planned projects were delivered,
with the remaining work planned to
continue into 2022.

Staff engagement

We saw a slight drop in staff satisfaction as we came out of the worst of the Covid-19 pandemic period. Towards the end of 2021, we engaged with colleagues to understand their expectations for work in terms of hybrid working and staff benefits. We were able to fully embrace our new agile working and introduce improved benefits in 2022.

Volunteer engagement

Volunteer satisfaction remained stable with a Net Promoter score of +28. We have continued to grow our volunteer community throughout the year:



In June, we celebrated National Volunteers' Week, recognising the vital value that our volunteer community of 376 members provides the CQI and the profession.

Improvement projects

CQI London office relocation – We completed an office relocation on 1 April 2021, reducing our accommodation and energy use costs by almost half, and providing for a more flexible collaboration space for staff and volunteers. As lockdown restrictions have eased and we welcome people back to the physical CQI, we are delighted that this new workspace has been so well received by visitors, volunteers and colleagues.

Agile working – We introduced a new principles-based agile working policy, learning lessons from the change in working practices as a result of Covid-19 to provide flexible working opportunities for all staff. Technology and quality line managers are important to make this effective for our customers, the CQI and colleagues. Therefore, we invested in laptops, VOIP telephony and office technology to provide the necessary tools, and we continue to invest in line-management support and training. Like many organisations, we have found significant personal benefit for employees in terms of work-life balance, which has allowed the CQI to better attract and retain staff in an employment context where flexible working is now seen as a prerequisite for many. Our periodic review of agile working has identified the need to adapt the flow of information and communication to avoid silo working and exclusion, and to ensure that agile working decisions balance what is right for the customer and the organisation with the desire to maximise work-life balance.

Strategic theme 2 – Redesign offerings



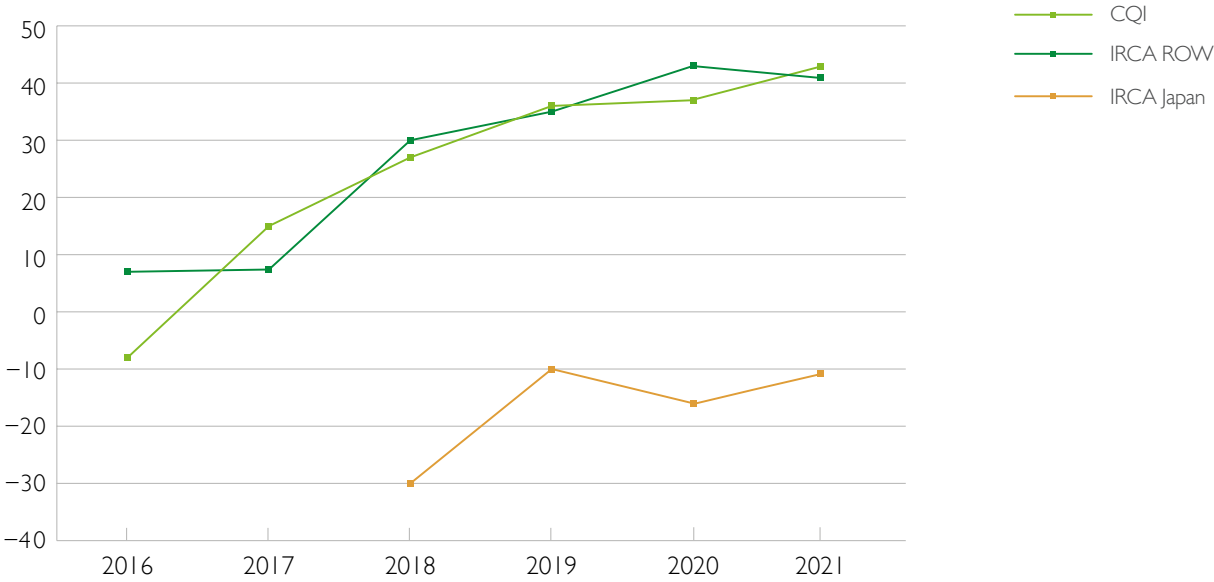
Enhance value for individual and corporate members through digital and expanded member services.

Measure	2021	2020
CQI member satisfaction (NPS)	+44	+37
CQI member register	8,619	8,319
IRCA auditor satisfaction NPS – Rest ofWorld (ROW)	+42	+43
IRCA auditor register ROW	6,186	6,026
IRCA auditor satisfaction NPS – Japan	-11	-16
IRCA auditor register Japan	3,695	3,581
Corporate partner register	40	35
Delegates on CQI and IRCA certified courses	63,002	52,699

CQI members and IRCA certified auditors

Our members, especially CQI members and IRCA Japan auditors, continue to value our products and services, as evidenced by the continued positive responses to our NPS surveys. Key themes that received positive feedback include our virtual events, value-added activities (such as mentoring and the CQI's Quality Careers Hub), and professional recognition. The areas in which members would like to see change are in their ability to tailor the content they access and the gap of e-learning in our CPD offer.

Member NPS



927

members have accessed
Quality Careers Hub

86%

retention for both CQI and
IRCA ROW, and 93% for
IRCA Japan

Improvement projects

Quality Careers Hub – launched at the end of 2021 on time and on budget. This provides members with career-based content and advice, as well as an updated jobs board. We are pleased that in the first two months since launch, 927 members have accessed it and 1,800 jobs have been searched. The platform provides members with useful career support, CV and interview guidance, as well as hosting the job site. This project is now in the monitoring phase.

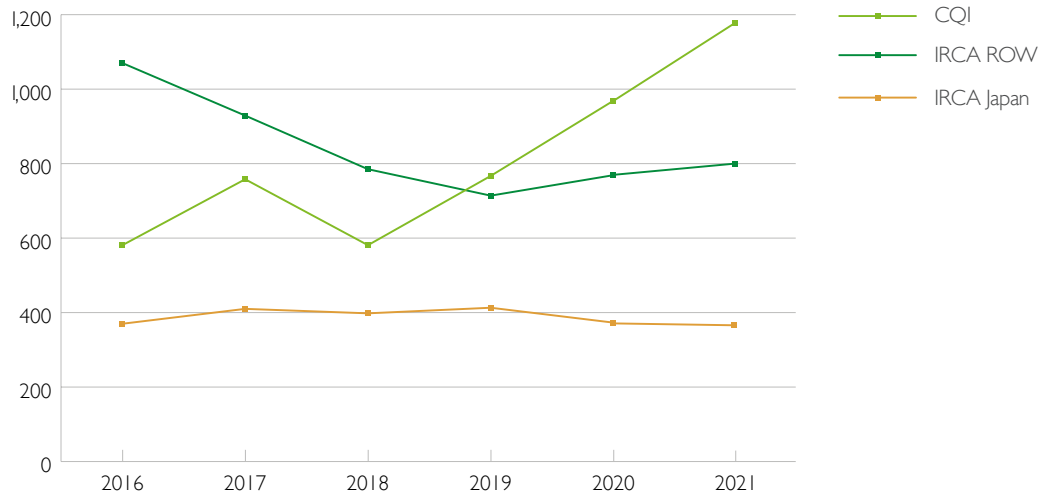
Membership trends

Despite the pandemic, the global register continues to recover from the planned drop in 2018/19 due to the ISO standard revisions at a rate significantly higher than expectations. The global, combined CQI and IRCA auditor member register continues to grow beyond the targets set for phase 1 of the CQI's 2030 strategy.

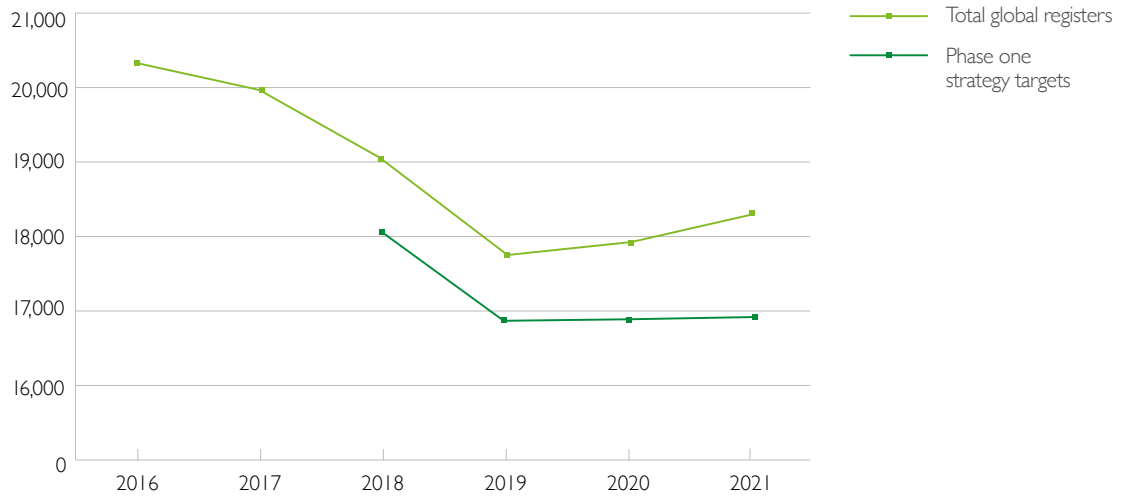
2021 was the third consecutive year of growth in the number of new members joining both the CQI and IRCA ROW. Growth in particular has been aided by improving membership offer; after the introduction of services such as our e-mentoring and Quality Careers Hub, and offering options for CQI membership, Corporate partners (for employers with groups of professionals) and the variety of IRCA auditor certification schemes.

Retention remains consistent at 86% for both CQI and IRCA ROW, and 93% for IRCA Japan.

New members



Global register



CQI member networks

The CQI Membership Council oversees the Institute's network of eight regions, 28 branches and 11 special interest groups (SIGs), with the support of the volunteer members and the Professional Networks staff team.



Members are a key asset in promoting and developing the profession and we increased our volunteer base by 126 to 376. The growth in our volunteer numbers enabled us to launch six new branch and SIG networks in 2021, providing further value to members.

Membership Council (MC) report

As businesses and individuals settle into permanent working arrangements following the impact of the Covid-19 pandemic, the MC has continued to lead the branch and SIG networks through online activities and remote support. In a year of growth, we have seen engagement and attendance increase as we reach a global audience at many of our events. Alongside the CQI professional networks team, we have been excited to launch and develop four new SIGs and two new international branches.

In addition to these activities, the MC has been focused on delivering tailored support to branch and SIG network committees through the development of the network maturity model with a view to networks being able to offer value to members in new ways. Over the past year our networks have offered membership regrading support, held book clubs and networking events, , to name just a few activities, and engaged the next generation of quality professionals through apprenticeship programmes and university relationships.

“In 2022, we will build on our governance and network foundations to steer our activity in line with the next phase of the CQI 2030 strategy.”

David Smith, Chair, Membership Council

“Overall, we exceeded our forecast, ending the year with 40 organisations within the programmes, up from 35 at the end of 2020.”

Corporate partners

Our corporate membership programme allows the CQI to gain insight from organisations that helps to inform our strategy and plans. It also provides the opportunity to promote quality management methods and good practice and individual membership to professionals within those organisations. Corporate partners are able to attend facilitated networking round tables, exploring key topics.

Overall, we exceeded our forecast, ending the year with 40 organisations within the programmes, up from 35 at the end of 2020, as corporate quality leaders recognise the value in engaging with the CQI to share experience in a unique cross-sector format, and in providing the basis to develop their quality teams within the professional frameworks we offer. The shared challenges for quality leaders in our corporate community continue to be: the quality professional skills deficit, how quality functions respond to the digital challenge and how quality functions can better support business strategy, leaders and managers.

Split across two levels, our corporate partners are generally large enterprises that, among other things, are able to attend and facilitate networking round tables on strategic topics affecting quality management. Our corporate member product is aimed at SMEs, offering smaller organisations an opportunity to have a relationship with the CQI. Five new corporate partners and two new corporate members joined in 2021.

CQI corporate partners:



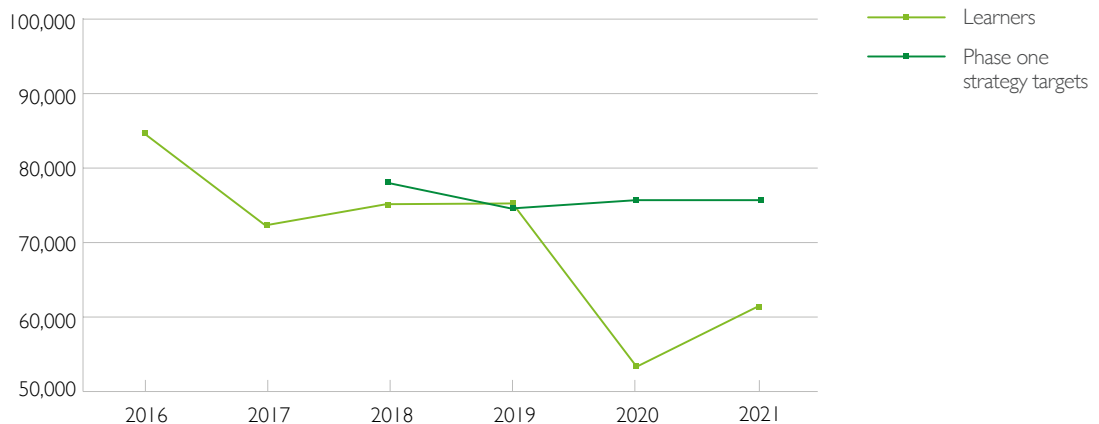
54

ATPs successfully approved to deliver virtual instructor lead training

Training and education

Despite the continuing pandemic, ATPs have delivered CQI and IRCA training courses with an improved performance from 2020 (63,002 learners compared to target of 55,000). During the year, we introduced detailed requirements and guidance for virtual instructor lead training, leading to 54 ATPs being successfully approved to deliver virtual instructor lead training and resulting in 55% of learners completing a virtual course. There is still a way to go to fully recover from the pandemic; however, the trend is positive and stronger than we had anticipated with learner numbers continuing to recover in 2022. This recovery, combined with the move to virtual learning and virtual examination (see below), provides confidence of recovery to pre-pandemic levels based on our accelerated move to digitalisation of both learning and examination.

Learners



Improvement projects

e-Assessment – This extensive project, which we began in 2020 is planned to launch in November 2022. It is designed to deliver assessments for certified training via an online platform, in multiple languages, with the first phase covering lead auditor and auditor conversion exams. The e-Assessment will improve the experience of learners and ATPs, and will increase the security and consistency of assessments. In 2021, we completed the new digital examination framework and questions, and configured the examination and proctoring platform and processes working closely with our ATPs. In 2022, we completed a proof-of-concept, testing the examination and proctoring arrangements, and learning from this is being addressed before we run a full pilot in 2022. One element of the project – an improvement to our ATP management through a new platform – was not progressed because we considered the platform would not provide the improvement in service we desired. This will be addressed through our customer relationship management (CRM) review planned for later in this strategy period.

IRCA Japan highlights – IRCA Japan has continued to build on its strong performance from 2020, finishing the year with a new record register of 3,695, a growth of 114 auditor certifications. This growth was driven by strong retention (averaging 93%) and a consistent performance for new certifications of 364 (373 in 2020).

The team has focused on improving value to members, especially leveraging the international perspective to the Japanese market through the relationship with the CQI. This is a key contributor to the improvement in member satisfaction, as well as an important differentiator from the local competitor.

Strategic theme 3 – Lead quality management practice



Invest in research and CPD to demonstrate the relevance of the profession to organisations within the future world of work.

While 2020 was focused on supporting the profession through the Brexit and Covid-19 disruptions, in 2021 we returned to the planned research roadmap, focusing on two core topics relevant to the ongoing relevance of quality management and quality profession: digital transformation and sustainability.

Quality 4.0 research

The growing focus on digital transformation to improve customer value and performance is one which the quality profession cannot ignore if it is to remain relevant. We recognised that there was growing 'noise' in the global quality community, but an absence of real insight into why and how the profession should respond. At the same time, our corporate partners place digital in their top three areas of interest, and we noted that other professions were investing in work to ensure they are prepared.

Our research agenda in this area recognises that quality functions and professionals have a role in making digital transformation successful, de-risking the adoption of new technology, and using digital technologies to enhance how they provide service and value.

Within the year we delivered and published the first two stages of our Q4.0 research: definition and principles, and we will publish further research outputs in 2022: case studies, ISO Quality Principles mapping and, through our competence framework, quality professional competences.

Through our communication of these research assets in 2021, we determined that member engagement on this topic varies, although digital transformation is increasingly seen as important for the profession. Our 2021 pulse survey found that only 23% of the organisations with or in which our respondents worked had a strategy for how quality management will change with increased digital enablement (Q4.0), although 75% of members agree that, unless quality management professionals understand and acquire new knowledge, skills and behaviours, the effects of digital transformation on the way businesses are run could threaten the future existence of the profession.

Our Q4.0 research involved a number our global partners and we have gladly answered requests to present our Q4.0 research outputs to quality bodies around the globe (see Strategic theme 5 below).



“Through our communication of these research assets in 2021, we determined that member engagement on this topic varies, although digital transformation is increasingly seen as important for the profession.”

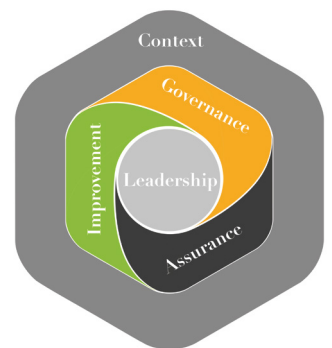
Competency Framework 2.0 (CF2.0) research

The CQI's high-level Competency Framework was launched over a decade ago and provided a definition of the scope, role and value of the quality profession.

In 2021, we commenced the next stage development of the Competency Framework aimed at:

- providing the detailed competences required by quality professionals;
- updating the framework to include emergent Quality 4.0 and sustainability (environmental, social and governance [ESG]) competences;
- providing a graded system of competence levels to help individuals and employers assess competence levels and plan development.

CF2.0 development was completed in 2021 and this will be tested in early 2022 ready for release later in the year.



Research governance

Our new Research Advisory Panel (RAP) is comprised of respected academics, consulting-based thought leaders, and CQI members and corporate partners. We are very grateful to RAP members who met four times during 2021 to advise on research plans and review research methods and outputs and provide expert knowledge and experience.

RAP members

- Dr Nigel Croft
- Professor Dr Michele Cano
- Professor John Oakland
- Dr Martin Brenig-Jones
- Dave Smith, Chair Membership Council
- Mike Turner, Head of Profession, CQI
- Vince Desmond, CEO, CQI

Global collaboration

In 2020, we recognised that a number of peer quality bodies had expertise in research and topics of mutual interest and so we built relationships, particularly through our membership of the European Organization for Quality. In 2021, these relationships realised value as we tested ideas with peers in Europe and Asia. We are very grateful for the support and input provided by these individuals and organisations and pleased that our findings reflect a concern in the wider global quality community that our profession has real value to offer both in supporting digital transformation and in adapting the services it provides to managers and leaders, as well as the perception that the profession needs to shift quickly in order to remain relevant.

Strategic theme 4 – Broaden the scope of the profession



Gain the support of allied professions in delivering excellence in governance, assurance and improvement.

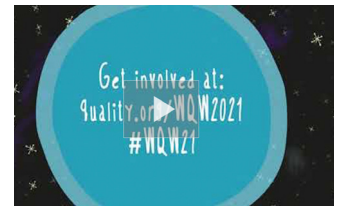
World Quality Week 2021

Sustainability: improving our products, people and planet

World Quality Week (WQW) is an annual campaign that gives the CQI and the profession the opportunity to promote quality management within the industry, organisations and to the public. In 2021, we aligned to the WQW approach taken by the European Organization for Quality.

The 2021 campaign made progress in persuading both the quality profession and its stakeholders that we have an important part to play in the sustainability agenda, with 37,000 downloads of our WQW kit and 15,000 views of our WQW 2021 video. We were pleased to launch our new Sustainability SIG to continue work in this important area.

We were pleased that the CQI's 2021 pulse survey suggested that members are committed to helping businesses deliver their environmental, social and governance goals, with 86% of members agreeing that quality and auditing professionals can help their business to deliver ESG goals, although only 38% of the organisations with or in which our respondents worked had a strategy for evaluating their awareness of ESG factors.



International Quality Awards 2022

We did not run our awards in 2021, taking the view that organisations would be rightly focused on navigating the pandemic. We were pleased to announce in WQW that these would return from 2022, and announced a new sustainability category and a new digital category. As with all our award categories, these new awards will provide an opportunity to showcase how the quality profession supports sustainability and digital transformation.

“In 2021, we signed a collaboration agreement with the Confederation of Indian Industry.”

Strategic theme 5 – Grow global influence



Become more actively involved in quality communities around the world, recognising the complex environments in which members operate.

Global quality community

Our Q4.0 work attracted interest with peer global bodies. We were invited to present at a variety of quality events:

- Confederation of Indian Industry Institute of Quality (CI-IQ) Quality Summit 2021
- Asian Quality Network 2021 Congress
- China Association for Quality 2021 Conference
- European Organization for Quality Webinar.

In 2021, we signed a collaboration agreement with the Confederation of Indian Industry based on a mutual interest in digital transformation. This builds on our other global relationships, which include the Saudi Quality Council and the European Organization for Quality.



We continued to represent the profession with the UK Quality Infrastructure through our role on the UKAS Policy Advisory Committee and Forum, with a focus in 2021 on supporting the shift to remote assessment in the test, inspection and conformity assessment sector.

Standards

The new CQI Standards Coordination Committee has continued its work informing the CQI's position on standards-related activity. This includes the CQI's contribution and response to the proposed revision to ISO 9004, a new research proposal on the Future of Assurance.

The CQI was reconfirmed as a Category A Liaison for ISO Technical Committee (TC) 176, responsible for ISO 9001, and TC 283 (ISO 45001), recognising the value of the CQI's contributions to the development of standards. We were also engaged as an external liaison to TC 176's Emerging Themes (previously "Future Concepts") group as a result of our Q4.0 research.

TC 176 has conducted a survey to obtain information on reasons for Member Bodies voting to confirm ISO 9001:2015. This will inform ISO's decision whether to fast track the next ballot to revise ISO 9001. In anticipation of a fast track decision, the CQI Standards Coordination Committee will commence activity in 2022 to define a CQI position paper on the future of ISO 9001.

The motion to make ISO 9004 a requirements standard did not pass, but there was support for incorporating elements of the standard into ISO 9001 at its next revision. A ballot is currently underway to determine if ISO 45001 should be substantively revised. ISO 45001 has been identified in the Sponsored Standard Survey as being of significant interest to members. If the ballot passes, the Committee will convene a working group to represent the CQI in the revision of the standard.

Standards Coordination Committee members

- John Abson
- Dr John Bullivant
- Richard Green
- Zukiswa Raditladi
- Simon Waite
- Kate Armitage

CQI ISO liaisons	
ISO/TC 176	Quality management and quality assurance
ISO/TC 176/SC 1	Concepts and terminology
ISO/TC 176/SC 2	Quality systems
ISO/TC 176/SC 3	Supporting technologies
ISO/TC 283	Occupational health and safety management
ISO/TC 309	Governance of organizations



Investment policy and performance

The CQI operates a low-risk investment policy designed to deliver income while protecting the investment funds over the longer term. This is consistent with the provisions of the Royal Charter. The Institute is a long-term investor, and the value of its investments remains significantly above its original investment.

Funds are invested in a Common Investment Fund (CIF), the Newton Global Growth and Income Fund for Charities, which invests within environmental, social and governance policies. Having suffered a small loss and reduced dividend income in 2020, the fund recovered strongly to pre-pandemic levels in 2021, although dividend income has remained slightly below historic levels. The balance of cash held by the Group has increased to £2.9m at the end of 2021 despite higher levels of investment activity due to improved cash generation from operating activities.

The Finance and Remuneration Committee is responsible for reviewing investment performance and policy, considers the cash holding in individual institutions and manages this risk actively by ensuring the Institute is not over committed to any one entity. The investment policy was reviewed during the year and deemed fit for purpose by the Board.

Reserves policy

The Institute operates a reserves policy which requires a minimum of three months of budgeted annual operating costs to be retained as free reserves. The trustees consider that this level will provide sufficient funds to respond to any unexpected events.

The balance held as unrestricted reserves at 31 December 2021 was £3.85m. £2.0m of this was regarded as free reserves, after allowing for funds tied up in fixed assets (£0.8m) and other designated reserves, including funds for IT projects (£0.2m) and a product development reserve (£0.7m). £2.0m equates to five months' worth of budgeted 2022 operating costs: compliant with the Institute's reserves policy, and more than the minimum requirement of three months due to the significant gain on the investment portfolio at the year end.

“We identify and manage risks which could adversely impact the achievement of our strategic purpose and determine the calculated risks we need to take to succeed.”

Risk management



Good risk management is fundamental to the continued work and sustainability of the Institute. We identify and manage risks which could adversely impact the achievement of our strategic purpose and determine the calculated risks we need to take to succeed.

The CQI operates a formal framework for the management of risk, taking the view that risk can be positive (opportunity) or negative (threat). The Institute maintains a risk register incorporating strategic, operational and compliance risks which are informed by its strategic objectives, performance, voice of its stakeholders, regulatory environment and analysis of the external environment.

The Board delegates day-to-day responsibility for risk management to the Senior Management Team, who are responsible for identifying and evaluating risks that relate to their areas and activities, implementing appropriate controls, and for ongoing monitoring.

The Governance & Risk Committee reviews the management of risk in detail at each meeting and the Board reviews the Institute's strategic and compliance risks and the associated project portfolio at each Board meeting.

Key business risks and mitigations

The Board considers that the key strategic risk landscape for the Institute are as described in the table on p28 and has approved the responses.

Covid-19

The CQI completed its three-phase response to the pandemic in 2021, focusing on the principles of safety, customer value and financial sustainability. Having successfully worked through the Stabilise and Adapt phases in 2020 the Board completed a strategy review in early 2021 and brought forward the introduction of a new e-learning service. As in 2020, the most severe financial impact of the pandemic in 2021 was on revenues from CQI and IRCA certified training courses, which remained 11% below pre-pandemic revenues. We are working on the assumption that this revenue will not return to pre-pandemic levels until the end of 2022.

Ukraine

The Board considered the impact of the Ukraine conflict in March 2022, taking into consideration compliance with sanctions and impact on members and staff colleagues, and published a statement indicating that the CQI would suspend activity in Russia and Belarus. The CQI has members in Ukraine and will provide support to these members where we can.

“The Board has conducted a strategy review to adapt the Institute’s plans and activity to the Covid-19 shift.”

Risk: Short term	Risk response
<p>Pandemic</p> <ul style="list-style-type: none"> Realised risk of Covid-19’s impact on the CQI’s financial viability and customer contexts Opportunity to adapt ways of working and provide increased value for colleagues and customers. 	<ul style="list-style-type: none"> The Board, via its Finance and Remuneration Committee, monitors and adapts financial scenarios to operational and financial viability. It also adapts financial plans and controls to maintain our sustainability and reserves policy. The Board has conducted a strategy review to adapt the Institute’s plans and activity to the Covid-19 shift.
<p>Geopolitics and global trade Brexit and Ukraine</p> <ul style="list-style-type: none"> Threat of distribution in managing quality in global supply chains impacting members and organisations and impacting CQI membership and Learning and Development (L&D) provision and take up. Threat of global sanctions and inflation creating recession impacting CQI membership and L&D provision and take up. 	<ul style="list-style-type: none"> The Board, via its Finance and Remuneration Committee, monitors and adapts financial scenarios to operational and financial viability. It also adapts financial plans and controls to maintain our sustainability and reserves policy. The executive continues to provide information and guidance to members relating to supply chain disruption.
<p>Technology</p> <ul style="list-style-type: none"> Threat that our IT infrastructure will not support scalability of growth and superior customer experience. 	<ul style="list-style-type: none"> The Board has included projects to update our technology infrastructure in phase I of the strategy.

Risk: Long term	Risk response
<p>Professional body relevance</p> <ul style="list-style-type: none"> • Threat of a rapidly changing external global environment compromising the relevance of professional bodies including the CQI. • Opportunity to position the CQI as the trusted provider of professional standards and content in our quality domain. 	<ul style="list-style-type: none"> • The CQI has developed processes and plans to deliver the programme defined under the Redesign Offerings strategic theme. This will improve the value of services to professionals and organisations and support them in their approach to quality management. Our marketing plan will underpin this.
<p>Relevance of the profession</p> <ul style="list-style-type: none"> • Threat that the fast-changing and volatile external environment reduces the relevance of the profession. • Opportunity to provide value to organisations and society in the spheres of Industry 4.0 and sustainability. 	<ul style="list-style-type: none"> • The CQI has developed processes and plans to deliver the programme defined under the Lead Quality Management and Broaden the Scope strategic themes. This will develop and promote the value of quality management in tackling external trends, and attract new, diverse talent into the profession. Our marketing plan will underline this.
<p>Scope of membership opportunity</p> <ul style="list-style-type: none"> • The opportunity to attract new customers including specialist quality practitioners (such as business improvement), new sector domains (such as public sector) and global markets. • The threat of an aging demographic which will reduce availability of skills required by industry over time. 	<ul style="list-style-type: none"> • The Board has agreed a planning process for phase 2 of the CQI strategy to define growth focus from 2024. • The CQI has established an equality, diversity and inclusion initiative to drive diversity in the profession to help attract and develop the new skills and experience the industry needs.

Future plans



Our future plans are driven by the CQI's 2020-30 Strategy set out on page 6–7.

Phase I – Prepare for Growth – 2020–2023	
Align operating model	<ul style="list-style-type: none"> • Update our core CRM to improve systems integration, customer experience and accessibility, irrespective of location. • Introduce a new online learning offer which has created a profitable new revenue stream, subject to business case. • Establish clear focus on the market segments we wish to pursue for phase 2 and associated marketing and communications plans.
Redesign offerings	<ul style="list-style-type: none"> • Introduce an online portal for individuals and employers to understand and assess quality management knowledge, skills and behaviours for individuals and employers (linking to Learning and Development and CPD). • Move all training course examinations online. • Introduce a superior, trusted online content offer covering global thought leadership, industry news and case studies. • Expand our range of member-led branch and special interest networks to include core communities of practice to meet current member needs and emergent practices.
Lead quality management practice	<ul style="list-style-type: none"> • Define the value of quality management in supporting the emerging technology and sustainability agendas and the nature of change required in the quality management practice. • Complete Q4.0, Competency Framework review and career path research and input to potential qualification design. • Support our members through the next ISO review of core management systems standards.

Phase I – Prepare for Growth – 2020–2023

Broaden scope

- Develop case studies that demonstrate the societal and competitive value of quality management and the quality professional via our international awards.
- Establish the value of quality management in supporting the emerging technology and sustainability agendas with key related bodies.
- Identify the sector/disciplines we wish to engage with to create value for CQI and members.

Grow global influence

- Collaborate with the European Organization for Quality (EOQ) and global quality associations on the development and promotion of quality practice.
- Grow the CQI's contribution to the UK Quality Infrastructure.
- Establish a clear position on the proposed ISO 9001 revision.

STRUCTURE, GOVERNANCE AND MANAGEMENT



Charitable status and administrative details

The Institute is a registered charity (no. 259678) under the Charities Act 2011 and its expenditure is directed in furtherance of its charitable objects. The Institute was granted a Royal Charter on 23 November 2006. Its registered office is as shown on page 46. The current trustees, and any past trustees who served during the year, are listed on page 74, with the names of the senior executive staff and the external advisers of the charity on page 76.

Board of Trustees



The trustees, as members of the Board, are the directors of the Institute and the trustees of the charity. The trustees are accountable to the Charity Commission and to CQI members.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing this Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law, applicable to charities in England and Wales, requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and charity and of the net movement in funds of the group and charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charity will continue in operation.

“The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.”

The trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy, at any time the financial position of the group and charity, and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Royal Charter.

The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the trustees is aware at the time of the report

- There is no relevant audit information of which the charity and the group's auditors are unaware, and
- The trustees have taken all steps that they ought to have taken to make themselves that information.

The trustees are responsible for the maintenance and integrity of the group and charity's financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

The trustees are responsible for approving and directing overall group strategy, major capital projects, budgets, financial control and risk management.

The trustees are responsible for directing the Institute's activities and for overseeing the management of the affairs of the Institute; they delegate day-to-day management of the organisation to the chief executive and the senior management team. The Board acts on advice and information from regular meetings with the chief executive and senior management team. The Board reviews operational performance regularly to satisfy itself that the activities of the Institute are in accordance with the agreed strategic direction and ensures that the executive management has the capacity and resources to meet the Institute's objectives. The Board meets four times a year and is provided with a monthly written report from the CEO.

“Board effectiveness is reviewed after each meeting by the Board, and individual trustee and CEO performance is reviewed annually by the chair.”

Board effectiveness

The Board uses the ACEVO Charity Governance Code as the standard it measures itself against. The Board reviewed its status against this code in December 2021 and the analysis below shows good progress since the first review in 2018.

Charity Governance Code Principle	2018	2021
1. Organisational purpose	Green	Green
2. Leadership	Green	Green
3. Integrity	Green	Green
4. Decision-making, risk and control	Yellow	Green
5. Board effectiveness	Green	Green
6. Diversity	Yellow	Green
7. Openness and accountability	Green	Green

Green – Good practice in place, reviewed and improved

Yellow – Good practice in place, but requires improvement

Board composition

The composition of the Board is set out on page 74. New trustees complete an induction programme covering trustee responsibilities as well the Institute strategy and objectives and periodic refresher training is provided.

Board effectiveness is reviewed after each meeting by the Board, and individual trustee and CEO performance is reviewed annually by the chair. The Board agenda is built around the CQI strategy so that trustees steer direction based on an understanding of risk, performance and external developments.

Diversity

Previously the Trustee Board mapped the CQI against the 'Diversity and Inclusion Progression Framework for professional bodies' published by the Royal Academy of Engineering and the Science Council, and adopted an equality, diversity and inclusion (EDI) policy. In 2021, we started the process of progressing the CQI's EDI maturity as a strategic priority.

The first step was the appointment of an EDI champion, to take the operational lead for EDI activities. An outline plan was developed, which includes:

- internal arrangements, including staff training, identifying process improvements and setting targets;
- engaging our volunteer networks in our EDI strategy;
- communicating to members what we are trying to achieve;
- providing leadership to the profession;
- monitoring and evaluating the impact of our activity.

An EDI project has been initiated and a project team has been formed with representatives from every business area. The gathering of baseline EDI data in respect of the quality profession was integrated into the Workforce Insights project in order to facilitate meaningful measures of improvement. In 2022, the project team will submit its project business case and department by department work plan to the Project Board, and begin the process of driving measurable and meaningful change throughout the executive, our volunteer community and the wider profession.

The Board and its Committees



The Membership Council and Nominating Committee

The charter and byelaws grant specific powers and duties to an Advisory Council of the Institute to elect up to 17 trustees through the CQI Nominating Committee.

The CQI Membership Council fulfils the role of the Advisory Council appointing new trustees based on recommendations from the CQI Nominating Committee which comprises members from the Board and Membership Council. In addition, the Membership Council operates and supports the CQI's professional networks of regions, branches and special interest groups.

Finance and Remuneration Committee

The Finance and Remuneration Committee (FRC) is drawn from members of the Board and ensures the system of internal control is satisfactory to deliver regulatory compliance, financial probity and value for money. This includes reviewing and challenging financial plans; reviewing budgets and financial statements; overseeing the annual financial audit; reviewing investment policy and performance; and reviewing the reserves policy and staff remuneration.

Governance and Risk Committee

The Governance and Risk Committee (GRC) is drawn from members of the Board and ensures the corporate governance and risk management systems support the CQI's purpose and strategy through the CQI's Framework for the Management of Corporate Governance and Framework for the Management of Risk.

Mean gender
pay gap



Remuneration policy

The Institute's policy is to position its overall reward package at market rate for membership bodies of a similar size, and to encourage and enable individual progression and career development of staff. Recruitment and reward are based on potential and performance only, with policies and training in place to ensure no discriminatory factors are involved.

The FRC undertakes an annual salary review that takes into account the financial status of the Institute, cost of living and market rates. Once approved by the Board, changes are applied to all employees, at all levels, including key management personnel. In addition, individual salary increases may be offered during the year, following a business case process that looks at performance against objectives (including behavioural) and changes in scope.

For 2021, it was agreed that the staff salary increment would be only be granted if the Institute achieved the 2021 operating budget outturn and after completion of CQI membership renewals. This was communicated to staff and we are grateful for their understanding. This was awarded in 2021 at the point at which we had confidence in achieving the budgeted operational outturn.

For 2022, a staff salary increment of 2.5% was awarded. In March 2022, the Board approved a flat £600 gross increase to all UK staff salaries in recognition of the impact of inflation on living costs.

The Institute has decided to participate in the Voluntary Gender Equality Reporting Initiative. Calculated in April 2022, the CQI's gender pay gap is 25% (April 2021: 19%). The pay gap indicates that while two-thirds of employees are women, the majority of men are in management roles and therefore in the upper quartile pay band. The Institute employs a large number of women in each of the quartile pay bands.

The CQI strongly supports equal pay, with individuals carrying out the same role being paid the same, irrespective of gender. Our salaries are benchmarked at market and internal rate. We are open to, and encourage, flexible and part-time working and we promote internal job mobility where possible. The FRC will continue to monitor equal pay and diversity within the context of remuneration.



Group structure

The charity has two active, wholly owned, subsidiary companies.

IRCA Japan Kabushiki Kaisha is a company registered in Japan. Its principal activity is to provide membership services to our members in Japan and to promote the Institute's auditor certification services offered in Japan.

CQI Services Limited is registered in the UK under company registration number 4572473. The company's principal activities relate to securing advertising in the Institute members' magazine, generation of commissions from the Quality Jobs recruitment website and generation of sponsorship income from the International Quality Awards.

Financial statements

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Institute's Royal Charter, the Charities Act 2011 and Accounting and Reporting by Charities Statement of Recommended Practice (revised 2015) (Second Edition, effective 1 January 2019) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for the UK and Republic of Ireland (FRS 102).

By order of the Board of Trustees,

Amanda McKay
Chair of the Board of Trustees, Chartered Quality Institute

Date: 15 June 2022

Independent auditor's report to the Trustees of the Chartered Quality Institute

Opinion

We have audited the financial statements of Chartered Quality Institute for the year ended 31 December 2021, which comprise the Consolidated Statement of Financial Activities, the Balance Sheet and the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2021 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Chair's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page [x], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, the Charity's Royal Charter, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP

Statutory Auditors

Date: 27 June 2022

10 Queen Street Place
London
EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated statement of financial activities

for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Income from:			
Charitable activities			
Membership Services		3,316	3,165
Learning & Development		1,631	1,321
Awareness		13	15
Investments	3	38	36
Total		4,998	4,537
Expenditure on:			
Charitable activities			
Membership Services	4	2,583	2,605
Learning & Development	4	1,227	1,089
Awareness	4	863	779
Total		4,673	4,473
Net income before gains/(losses) on investments and foreign exchange			
		325	64
Net gain/(loss) on investments	13	257	(11)
Net gain/(loss) on foreign exchange		(43)	(9)
Net income		539	44
Reconciliation of funds:			
Funds brought forward		3,311	3,267
Total unrestricted funds carried forward	20	3,850	3,311

There are no recognised gains or losses other than those recognised above. All activities are continuing.

All activities (income and expenditure) in both years are unrestricted and therefore a comparable statement of financial activities is not required.

The notes on pages 46 to 71 form part of these financial statements.

Balance sheet

as at 31 December 2021

	Note	Group		Institute	
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible fixed assets	11	445	388	436	378
Tangible fixed assets	12	349	48	344	37
Investments	13	1,867	1,610	1,941	1,691
		2,661	2,046	2,721	2,106
Current assets					
Debtors	14	658	759	767	870
Cash at bank and in hand		2,932	2,594	2,537	2,209
		3,590	3,353	3,304	3,079
Current liabilities					
Creditors: amounts due within one year	15	2,393	2,088	1,958	1,626
		2,393	2,088	1,958	1,626
Net current assets					
		1,197	1,265	1,346	1,453
Provisions for other liabilities due within one year	17	8	-	8	-
Net assets					
		3,850	3,311	4,059	3,559
Total funds:					
General funds	20	1,987	1,919	2,208	2,187
Designated funds	20	1,863	1,392	1,851	1,372
Total unrestricted funds					
		3,850	3,311	4,059	3,559

These accounts were approved by the Board and authorised for issue on 15 June 2022 and were signed on its behalf by:



Amanda McKay Chair

The notes on pages 46 to 71 form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities:			
Net cash provided by operating activities		969	593
Cash flow from investing activities:			
Dividends and interest from investments		38	36
Spend on internally generated intangible assets		(269)	(252)
Purchase of tangible assets		(357)	(47)
Net cash provided by/(used in) investing activities		(588)	(263)
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at beginning of reporting period		2,594	2,274
Exchange gains/(losses) on cash and cash equivalents		(43)	(9)
Cash and cash equivalents at end of reporting period		2,932	2,594
Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting period (as per the statement of financial activities)		539	44
Adjustments for:			
Depreciation charges		56	40
Amortisation charges		141	149
Impairments		71	-
(Gains)/losses on investments		(257)	11
(Gains)/losses on exchange		43	9
Dividends and interest from investments		(38)	(36)
Increase/(decrease) in provisions		8	(79)
(Increase)/decrease in debtors		101	186
Increase/(decrease) in creditors		305	269
Net cash provided by operating activities		969	593
Analysis of cash and cash equivalents			
Cash at bank and in hand		1,698	1,361
Short term deposits		1,234	1,233
Total cash and cash equivalents	22	2,932	2,594

The notes on pages 46 to 71 form part of these financial statements.

Notes to the financial statements

I. Accounting policies

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention modified to include the recognition of listed investments measured at fair value, which is consistent with the prior year. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities ("The SORP"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Chartered Quality Institute ("The Institute") meets the definition of a public benefit entity under FRS 102.

General information

The Institute is a charity registered in England and Wales (charity number 259678). The Institute's registered office address is Third floor, 90 Chancery Lane, Holborn, London WC2A 1EU.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Institutes accounting policies. In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Basis of consolidation

The Group accounts include the results of the Institute's subsidiaries: CQI Services Ltd and the International Register of Certificated Auditors Japan Kabushiki Kaisha ("IRCA Japan KK"). A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The subsidiaries comply with the same accounting policies as the Institute and have been consolidated on a line by line basis. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Notes to the financial statements

The Institute has taken advantage of the exemption from the SORP FRS 102 from disclosing its individual statement of financial activities. The gross income of the Institute for the year was £4.48m (2020: £4.04m) and its result for the year was a net income surplus of £500k (2020: £53k).

Foreign currency

i) Functional and presentation currency

The group financial statements are presented in pound sterling and rounded to thousands. The Institute's functional and presentation currency is the pound sterling.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate at transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at balance sheet date. Differences are taken to the income and expenditure account.

iii) Translation

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings are translated at the exchange rates ruling at the year-end.

Going concern

The Trustees continue to monitor the changing landscape resulting from the Covid-19 pandemic and its impact on the Group's financials through scenario planning, monthly review of results against budgets, and regular review of assumptions. The Group holds a significant portion of its reserves as cash, has a strong level of free reserves and has been able to adjust its cost base to adapt to the reductions in revenue, therefore the Trustees are of the view that the Institute and Group are a going concern.

Income

All income is recognised once the Institute and group has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably. Income of the Institute is, where applicable, included net of Value Added Tax (VAT) and is allocated to the period to which it relates, carrying forward that part of the income relating to future accounting periods. Income received relating to future accounting periods is deferred and recognised as a creditor within the balance sheet.

Member subscription income is recognised over the period to which the subscription relates and over which the membership services and benefits are provided. Where the subscription spans more than one financial year the income received but not earned in the current financial year is deferred into the next.

Income from all other charitable activities is recognised as earned as the related services are provided.

Notes to the financial statements

Income from other trading activities is recognised as earned as the related goods are provided.

Investment income is recognised on a receivable basis and the amounts can be measured reliably.

Dividends are recognised once the dividend has been declared and notification has been received the dividends are due.

Expenditure

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the Institute and group to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably. Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

All of the Institute's expenditure is classified as expenditure on charitable activities and allocated between activity streams. Expenditure is allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, known as "support costs" and comprising the salary and overhead costs of the central function, is apportioned based on staff time attributable to each activity.

Support costs also include governance costs, which comprise organisational administration and compliance with constitutional and statutory requirements. The allocation of support and governance costs is analysed in notes 5 and 6.

Employee benefits

Short-term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

The Institute contributes to Group personal pension schemes, the assets of which are administered by Aviva and Suffolk Life. They are defined contribution schemes. All contributed costs are accounted for on the basis of charging the cost of providing pensions over the period when the Institute and Group benefits from the employees' services. The Institute and Group has no further liability under the scheme.

Leasing and hire purchase commitments

Rentals paid under operating leases are charged to the income and expenditure account on a straight line basis over the lease term. The Institute holds no assets under finance leases or hire purchase contracts.

Notes to the financial statements

Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Product development – 3 to 5 years
- Intellectual property – 3 to 5 years

Where factors, such as changes in market demand or price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the product so that it will be available for use;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- the expenditure attributable to the product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Tangible fixed assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. The minimum threshold for capitalisation is £1,000. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- Improvements to premises – over the term of the lease.
- Office equipment and furniture – 5 years.
- Computer equipment and software – 3 years.

Notes to the financial statements

Investments

Investments are a form of basic financial instrument and are initially shown in the financial statements at fair value. Movements in the fair values of investments are shown as net gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Net gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Financial instruments

The Group has chosen to adopt Sections 11 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction value and subsequently measured at amortised cost. Other financial assets, including investments, are initially measured at fair value. Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. A specific provision is made for debts for which recoverability is in doubt.

ii) Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements

Provisions

Provisions are recognised where the Institute has a present legal or constructive obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Provisions are measured at the present value or the expenditures expected to be required to settle the obligation.

Fund accounting

Unrestricted funds are those funds available to the Institute and Group for its general purposes. They include funds designated (Note 20) by the Trustees for particular purposes where their use remains at the discretion of the Trustees. It is the policy of the Trustees to retain in unrestricted funds, amounts which in their judgement, can help to mitigate the short term effects of income volatility; and retain as long term investment funds to generate sufficient income to meet current and future operational activities of the charity. The Group does not hold any restricted funds. Further information is available in the reserves section of the Trustees' report.

2. Trading activities of subsidiary undertakings

The Institute has two wholly owned trading subsidiaries. A summary of their trading results is shown on page 52.

CQI Services Limited is incorporated in England and Wales, registered number 04572473. Its registered office is Third floor, 90 Chancery Lane, London WC2A 1EU. The principal activity of the company is the generation of advertising revenue placed in the Institute's members' magazine and helping members find new jobs through the Institute's jobsite. Income and expenditure are included in Membership Services and Awareness in the Group financial statements. Any profits are gift aided to the Institute.

IRCA Japan KK is incorporated in Japan, registered number 0100-01-130705. Its registered office is Burex Kojimachi 8F, 3-5-2 Kojimachi, Chiyoda-ku 102-0083 Tokyo, Japan. The principal activity of the company is to provide local marketing, certification and administration services to IRCA for its auditors in Japan. The income and expenditure of the company has been included under charitable activities of Membership Services in the Group financial statements. IRCA Japan KK pays an annual royalty to the Institute.

Notes to the financial statements

2. Trading activities of subsidiary undertakings (continued)

	CQI Services Limited	IRCA Japan KK	Total	CQI Services Limited	IRCA Japan KK	Total
	2021	2021	2021	2020	2020	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Summary profit & loss accounts:						
Turnover	63	666	729	55	645	700
Operating costs	(69)	(460)	(529)	(58)	(450)	(508)
Operating profit	(6)	206	200	(3)	195	192
Interest receivable	-	-	-	-	-	-
Profit/(loss) on ordinary activities before taxation	(6)	206	200	(3)	195	192
Taxation	-	(5)	(5)	-	(5)	(5)
Profit/(loss) on ordinary activities before taxation	(6)	201	195	(3)	190	187
Gift Aid/Royalty to parent charity	-	(180)	(180)	-	(186)	(186)
Retained in subsidiary	(6)	21	15	(3)	4	1
The assets and liabilities of the subsidiaries were:						
Current assets	26	514	540	17	534	551
Current liabilities	(77)	(335)	(412)	(62)	(353)	(415)
Total net assets	(51)	179	128	(45)	181	136
Aggregate share capital and reserves	(51)	179	128	(45)	181	136

3. Investment income

	2021 £'000	2020 £'000
Bank deposit interest and other income	1	4
Dividend income from shares listed on the London Stock Exchange	37	32
Total	38	36

Notes to the financial statements

4. Total expenditure

	Staff Costs	Other direct activity costs	Support Costs	Total 2021
	£'000	£'000	£'000	£'000
Charitable activities 2021				
Membership Services	898	911	774	2,583
Learning & Development	265	653	309	1,227
Awareness	367	303	193	863
Support Costs	844	432	(1,276)	-
Total charitable costs	2,374	2,299	-	4,673

	Staff Costs	Other direct activity costs	Support Costs	Total 2020
	£'000	£'000	£'000	£'000
Charitable activities 2020				
Membership Services	874	983	748	2,605
Learning & Development	325	479	285	1,089
Awareness	386	215	178	779
Support Costs	840	371	(1,211)	-
Total charitable costs	2,425	2,048	-	4,473

Support costs totalling £1,276,589 (2020: £1,210,651) have been allocated across the activities. These include costs associated with IT, HR, finance, property and other central services across the Group. The costs have been allocated based on time spent by departments supporting the various activities.

Notes to the financial statements

5. Support costs

	Staff Costs £'000	Premises & Office Costs £'000	Resources £'000	Information Technology £'000	Governance £'000	Total 2021 £'000
Support Costs 2021						
Membership Services	511	142	4	88	29	774
Learning & Development	205	56	1	35	12	309
Awareness	128	35	1	22	7	193
Total support costs	844	233	6	145	48	1,276

	Staff Costs £'000	Premises & Office Costs £'000	Resources £'000	Information Technology £'000	Governance £'000	Total 2020 £'000
Support Costs 2020						
Membership Services	519	127	14	68	20	748
Learning & Development	198	48	5	26	8	285
Awareness	124	30	3	16	5	178
Total support costs	841	205	22	110	33	1,211

6. Governance costs

	2021 £'000	2020 £'000
Meetings and travel expenses	1	5
Audit fees	34	23
Legal & professional	13	5
Total	48	33

Notes to the financial statements

7. Net expenditure for the year

The net outgoing resources for the year are stated after charging:

	2021 £'000	2020 £'000
Depreciation	56	40
Amortisation	141	149
Operating lease rentals for land and buildings	303	381
Auditor's remuneration – External audit (excludes VAT)	34	23
Overseas taxation	5	5

8. Staff costs

	2021 £'000	2020 £'000
Wages and salaries	2,015	2,103
Social security costs	228	202
Pension costs	131	128
Termination payments	-	4
Other staff costs	110	67
Total	2,484	2,504

Other staff costs includes staff training, welfare and recruitment and fees for agency staff. £110,299 of staff costs have been capitalised during 2021 (2020: £78,841), for staff time spent exclusively on the Learning & Development e-Assessment Project.

The average monthly number of employees during the year was as follows:

Number of employees involved in charitable activities:

	2021	2020
Membership	20	21
Learning & Development	8	8
Awareness	5	5

Number of employees involved in non-charitable activities:

Support	14	15
Total	47	49

Notes to the financial statements

The number of employees whose remuneration (excluding redundancy) fell into the following bands were:

£60,001 – £70,000

£70,001 – £80,000

£80,001 – £90,000

£90,001 – £100,000

£100,001 – £110,000

£110,001 – £120,000

	2021	2020
	3	3
	1	2
	1	-
	2	2
	-	-
	2	2

The Institute made contributions of £48,783 (2020: £47,824) to the money purchase personal pension schemes of seven (2020: eight) employees whose emoluments exceeded £60,000.

The Institute considers its key management personnel comprise the Trustees and the Senior Management Team (SMT). The Trustees provide their time free of charge. The total remuneration, employer's national insurance contributions, benefits and pensions paid to or on behalf of the SMT in the year was £471,011 (2020: £458,669).

Notes to the financial statements

9. Related party transactions

No member of the Board received any remuneration in 2021 (2020: £nil) for their roles as Trustees. A total of £250 (2020: £775) was paid to, or to third parties on behalf of 11 (2020: 11) members of the Board in reimbursement of expenses incurred on Institute business during the year. In addition to this, the Institute paid £2,945 for Trustee indemnity insurance (2020: £2,355).

One of the Institute's Trustees became Director of Quality at AWE plc in 2021. As a Corporate Partner of the Institute, AWE plc were invoiced and paid a membership fee of £4,950 in 2021. This transaction was in line with the Institute's normal course of business and its standard terms and conditions, there was no outstanding balance at 31 December 2021 and no amounts were written off during the year.

Before joining AWE plc, this Trustee had been Director of Quality at Balfour Beatty. Another Corporate Partner of the Institute, Balfour Beatty were invoiced and paid a membership fee of £4,950 in 2021 (2020: £4,950). This transaction was in line with the Institute's normal course of business and its standard terms and conditions, there was no outstanding balance at 31 December 2021 (2020: £nil), and no amounts were written off during the year (2020: £nil).

One of the Institute's Trustees is the Head of Business Process and Quality at BAM Nuttall Ltd. As a Corporate Partner of the Institute, BAM Nuttall Ltd were invoiced and paid a membership fee of £4,950 in 2021 (2020: £4,950). This transaction was in line with the Institute's normal course of business and its standard terms and conditions, there was no outstanding balance at 31 December 2021 (2020: £nil) and no amounts were written off during the year (2020: £nil).

One of the Institute's Trustees is a Director at NXTGen Quality Limited. In 2021 NXTGen Quality Limited was contracted by Oakland Research Institute to work on a research project commissioned by the Chartered Quality Institute, and the Trustee worked as a Research Associate on this project.

The following members of the Institute's senior management team are also members of the Board of Directors of the Institute's subsidiary, IRCA Japan KK: Vincent Desmond and Tally Singer. In 2021, an annual royalty of £180,203 (2020: £185,832) was charged by the Institute to IRCA Japan KK, with the full balance being outstanding at 31 December 2021 and expected to be paid in 2022 (2020: £185,832 was outstanding at 31 December 2020 and was paid in full in 2021).

10. Taxation

The Institute is a registered charity and is, therefore, not subject to corporation tax on its charitable activities. No provision has been made for corporation tax for CQI Services Ltd as the company has no taxable profits in 2021. Overseas taxation relates to income tax suffered by IRCA Japan KK on its profits for the year:

	2021 £'000	2020 £'000
Overseas Taxation	5	5

Notes to the financial statements

11. Intangible fixed assets

Group	Website Development £'000	Intellectual Property £'000	Software & Systems £'000	Total £'000
Cost				
As at 1 January 2021	542	300	388	1,230
Additions – internally generated	-	121	148	269
Written off in the year	-	-	-	-
As at 31 December 2021	542	421	536	1,499
Amortisation				
As at 1 January 2021	532	234	76	842
Charge for the year	1	61	79	141
Impairment	-	-	71	71
Written off in the year	-	-	-	-
As at 31 December 2021	533	295	226	1,054
Net book value				
As at 31 December 2021	9	126	310	445
As at 31 December 2020	10	66	312	388

Notes to the financial statements

The Institute	Website Development £'000	Intellectual Property £'000	Software & Systems £'000	Total £'000
Cost				
As at 1 January 2021	503	300	388	1,191
Additions – internally generated	-	121	148	269
Written off in the year	-	-	-	-
As at 31 December 2021	503	421	536	1,460
Amortisation				
As at 1 January 2021	503	234	76	813
Charge for the year	-	61	79	140
Impairment	-	-	71	71
Written off in the year	-	-	-	-
As at 31 December 2021	503	295	226	1,024
Net book value				
As at 31 December 2021	-	126	310	436
As at 31 December 2020	-	66	312	378

Included in intangible fixed assets: website development costs of £38,761 (2020: £38,761), accumulated depreciation of £29,001 (2020: £28,249) and net book value of £9,760 (2020: £10,513) relating to assets developed by IRCA Japan KK.

Notes to the financial statements

12. Tangible fixed assets

Group	Improvements to premises £'000	Office equipment and furniture £'000	Computer hardware £'000	Total £'000
Cost				
As at 1 January 2021	204	57	49	310
Additions in year	282	20	55	357
Disposals	-	-	-	-
As at 31 December 2021	486	77	104	667
Depreciation				
As at 1 January 2021	185	46	31	262
Charge for the year	31	9	16	56
Eliminated on disposal	-	-	-	-
As at 31 December 2021	216	55	47	318
Net book value				
As at 31 December 2021	270	22	57	349
As at 31 December 2020	19	11	18	48

Notes to the financial statements

12. Tangible fixed assets (continued)

The Institute	Improvements to premises £'000	Office equipment and furniture £'000	Computer hardware £'000	Total £'000
Cost				
As at 1 January 2021	204	25	49	278
Additions in year	282	20	55	357
Disposals	-	-	-	-
As at 31 December 2021	486	45	104	635
Depreciation				
As at 1 January 2021	185	25	31	241
Charge for the year	31	3	16	50
Eliminated on disposal	-	-	-	-
As at 31 December 2021	216	28	47	291
Net book value				
As at 31 December 2021	270	17	57	344
As at 31 December 2020	19	-	18	37

Included in tangible fixed assets: office equipment and furniture are costs of £32,768 (2020: £32,768), depreciation of £28,314 (2020: £21,489) and net book value of £4,454 (2020: £11,280) relating to assets purchased by IRCA Japan KK.

Notes to the financial statements

13. Fixed asset investments

	Group		Institute	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Listed investments	1,867	1,610	1,867	1,610
Unlisted investments	-	-	74	81
Market value as at 31 December	1,867	1,610	1,941	1,691
Historic cost of investments	950	950	1,031	1,031
Analysis of movement:				
At 1 January	1,610	1,621	1,691	1,699
Additions	-	-	-	-
Net gains/(losses)	257	(11)	250	(8)
As at 31 December	1,867	1,610	1,941	1,691

Listed Investments

In January 2011 an investment was made in a Common Investment Fund. As at 31 December 2021, the fund comprised 40% UK equities, 42% overseas equities, 12% bonds and 6% cash. Their fair value as at 31 December 2021 and 2020 is shown above.

Unlisted investments in subsidiary undertakings

The Institute holds 100% of the voting capital of CQI Services Ltd, a company registered in England. The share capital of the company comprises 10,000 shares of £1 each. The company's principle activities are the provision of advertising revenue in *Quality World* magazine and the CQI websites, and generation of sponsorship income from the International Quality Awards.

The Institute holds 100% of the 10 million Japanese Yen voting share capital of the International Register of Certified Auditors Japan KK, a company registered in Japan. The company's principal activity is to provide local marketing, administration and certification services to Japanese auditors.

Notes to the financial statements

14. Debtors

	Group		Institute	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	127	98	85	52
Amounts owed by Group undertakings	-	-	221	222
Other debtors	128	157	65	92
Prepayments and accrued income	403	504	396	504
Total	658	759	767	870

15. Creditors

	Group		Institute	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade creditors	116	69	96	36
Other taxes and social security	81	80	56	54
Other creditors	57	70	57	69
Accruals and deferred income	2,139	1,869	1,749	1,467
Total	2,393	2,088	1,958	1,626

Notes to the financial statements

16. Deferred income

	Group		Institute	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
At 1 January	1,645	1,375	1,254	995
Amount released to incoming resources	(1,645)	(1,375)	(1,254)	(995)
Amount deferred in the year	1,731	1,645	1,355	1,254
At 31 December	1,731	1,645	1,355	1,254

Included in creditors is a total of £1,730,695 (2020: £1,645,252), which relates to deferred income. £726,408 relates to IRCA membership renewal fees received in the year but not yet earned (2020: £792,938). The remainder is income for 2022 fees raised in October, November and December 2021. This figure consists of £636,489 (2020: £516,545) for CQI Membership, £210,920 (2020: £208,928) for IRCA Membership, £59,400 for fees from Corporate Partners (2020: £83,571), £50,621 from IRCA OEA fees (2020: £38,271) and £31,857 from ATPs (2020: £5,000). There was also £15,000 of sponsorship income received in 2021 relating to the International Quality Awards (2020: £nil).

17. Provisions for other liabilities

The Group and Institute had the following provisions during the year:	Dilapidations Provision 2021 £'000	Total 2021 £'000	Dilapidations Provision 2020 £'000	Total 2020 £'000
At 1 January	-	-	79	79
Additions dealt with in the Statement of Financial Activity	8	8	-	-
Reclassified as current liability during the year	-	-	(79)	(79)
At 31 December	8	8	-	-

As part of the Group's property leasing arrangements, there is an obligation to repair damages which are incurred during the life of the lease, such as wear and tear. The cost relating to the Institute's new premises on Chancery Lane is charged to profit and loss as the obligation arises. The provision is expected to be utilised in 2031 when the leases terminate. The dilapidations provision relating to the Institute's old premises on Furnival Street was recognised as a current liability in the 2020 financial statements and was utilised in March 2021 when the lease terminated.

Notes to the financial statements

18. Financial instruments

The Group has the following financial instruments:

	Group		Institute	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Financial assets that are debt instruments measured at amortised cost:				
Trade receivables	127	98	85	52
Other receivables	128	157	65	92
Amounts owed by group	-	-	221	222
	255	255	371	366
Financial assets that are debt instruments measured at fair value:				
Investments	1,867	1,610	1,867	1,610
Investment in short-term deposits	2,932	2,594	2,537	2,209
	4,799	4,204	4,404	3,819
Financial liabilities measured at amortised cost:				
Trade creditors	116	69	96	36
Other creditors	138	150	113	124
	254	219	209	160
Net financial assets measured at amortised cost	4,800	4,240	4,566	4,025

Notes to the financial statements

19. Other financial commitments

At 31 December 2021, the Group and Institute had the following future lease payments under non-cancellable operating leases:

Land and buildings	Group		Institute	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Not later than one year	131	162	117	98
Later than one year and not later than five years; and	709	16	709	-
Later than five years	-	-	-	-
Lease payments recognised as an expense through the statement of financial activity	303	381	239	326

Notes to the financial statements

20. Funds

All assets and liabilities are held within unrestricted funds.

Group 2021	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
Fund Name	£'000	£'000	£'000	£'000	£'000	£'000
General Funds	1,919	4,971	(4,384)	(722)	203	1,987
Fixed Asset Reserve	436	-	(269)	627	-	794
PQG Reserve	128	27	(20)	-	11	146
IT Project Reserve	210	-	-	(25)	-	185
Product Development Reserve	330	-	-	408	-	738
Premises Reserve	288	-	-	(288)	-	-
Total Funds	3,311	4,998	(4,673)	-	214	3,850
The Institute 2021						
General Funds	2,187	4,420	(3,879)	(722)	202	2,208
Fixed Asset Reserve	414	-	(262)	627	-	780
PQG Reserve	128	27	(19)	-	11	146
IT Project Reserve	212	-	-	(25)	-	187
Product Development Reserve	330	-	-	408	-	738
Premises Reserve	288	-	-	(288)	-	-
Total Funds	3,559	4,447	(4,160)	-	213	4,059

Notes to the financial statements

20. Funds (continued)

Group 2020	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
Fund Name	£'000	£'000	£'000	£'000	£'000	£'000
General Funds	2,007	4,511	(4,252)	(327)	(20)	1,919
Fixed Asset Reserve	326	-	(189)	299	-	436
PQG Reserve	134	26	(32)	-	-	128
IT Project Reserve	400	-	-	(190)	-	210
Product Development Reserve	100	-	-	230	-	330
Premises Reserve	300	-	-	(12)	-	288
Total Funds	3,267	4,537	(4,473)	-	(20)	3,311
The Institute 2020						
General Funds	2,280	4,013	(3,783)	(318)	(5)	2,187
Fixed Asset Reserve	293	-	(166)	288	-	415
PQG Reserve	133	26	(32)	-	-	127
IT Project Reserve	400	-	-	(188)	-	212
Product Development Reserve	100	-	-	230	-	330
Premises Reserve	300	-	-	(12)	-	288
Total Funds	3,506	4,039	(3,981)	-	(5)	3,559

The Fixed Asset reserve represents the approximate value of tangible and intangible assets as these funds are not available for day to day operations of the Institute.

The PQG reserve is equal to the bank balances and share of investments held by the Pharmaceutical Quality Group. This Special Interest Group meets the needs of quality professionals within the pharmaceutical industry through regular meetings on quality assurance, good manufacturing practice and 'hot topics' and developing guidance on a range of regulatory requirements.

The IT project reserve represents money set aside for the planned redevelopment of the Institute's digital infrastructure.

The Product Development reserve represents money set aside for the continuation of Learning and Development and Policy projects.

The Premises reserve represented money set aside for relocation when the Institute's lease of its Furnival Street offices expired in 2021. This project was completed in 2021.

Notes to the financial statements

21. Analysis of net assets between funds

	General Funds	PQG Reserve	IT Project Reserve	Fixed Asset Reserve	Product Development Reserve	Premises Reserve	2021 Total Funds
Group 2021	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	-	-	-	445	-	-	445
Tangible fixed assets	-	-	-	349	-	-	349
Investments	1,789	78	-	-	-	-	1,867
Current assets	2,599	68	185	-	738	-	3,590
Current liabilities	(2,393)	-	-	-	-	-	(2,393)
Non-current liabilities	(8)	-	-	-	-	-	(8)
	1,987	146	185	794	738	-	3,850
The Institute 2021							
Intangible fixed assets	-	-	-	436	-	-	436
Tangible fixed assets	-	-	-	344	-	-	344
Investments	1,863	78	-	-	-	-	1,941
Current assets	2,311	68	187	-	738	-	3,304
Current liabilities	(1,958)	-	-	-	-	-	(1,958)
Non-current liabilities	(8)	-	-	-	-	-	(8)
	2,208	146	187	780	738	-	4,059

Notes to the financial statements

21. Analysis of net assets between funds (continued)

	General Funds	PQG Reserve	IT Project Reserve	Fixed Asset Reserve	Product Development Reserve	Premises Reserve	2020 Total Funds
Group 2020	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	-	-	-	388	-	-	388
Tangible fixed assets	-	-	-	48	-	-	48
Investments	1,542	68	-	-	-	-	1,610
Current assets	2,465	60	210	-	330	288	3,353
Current liabilities	(2,088)	-	-	-	-	-	(2,088)
Non-current liabilities	-	-	-	-	-	-	-
	1,919	128	210	436	330	288	3,311
The Institute 2020							
Intangible fixed assets	-	-	-	378	-	-	378
Tangible fixed assets	-	-	-	37	-	-	37
Investments	1,623	68	-	-	-	-	1,691
Current assets	2,189	60	212	-	330	288	3,079
Current liabilities	(1,626)	-	-	-	-	-	(1,626)
Non-current liabilities	-	-	-	-	-	-	-
	2,186	128	212	415	330	288	3,559

Notes to the financial statements

22. Analysis of changes in net debt

	At 1 January 2021	Cash flows	Acquired	Foreign exchange movements	At 31 December 2021
Group 2021	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	1,361	380	-	(43)	1,698
Short-term deposits	1,233	1	-	-	1,234
Cash and cash equivalents	2,594	381	-	(43)	2,932

	At 1 January 2020	Cash flows	Acquired	Foreign exchange movements	At 31 December 2020
Group 2020	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	897	473	-	(9)	1,361
Short-term deposits	1,377	(144)	-	-	1,233
	2,274	329	-	(9)	2,594

Board of Trustees



Amanda McKay CQP FCQI is Director of Quality for AWE at Aldermaston. She has 35 years' experience in the construction, nuclear and power generation sectors, and also in charity operation, people management and diversity in her role as a trustee with

other charities. A founding member of the CQI Nuclear Special Interest Group, Amanda has worked to develop additional competency requirements for quality professionals and to help establish the first Quality Apprentice Scheme for the nuclear sector. Amanda is a passionate advocate for diversity and inclusion.



Hannah Kingsley BSc FCA currently works for the Rail Safety and Standards Board as Chief Financial Officer. In addition, Hannah has held several executive roles within the rail industry, including Finance Director for Network Rail Anglia Route and Director Commercial Service and

Assurance for Rail Delivery Group, leading teams working across governance, internal audit and risk, and business change and procurement, as well as in previous senior finance roles at Network Rail and Deloitte LLP. In her role as Honorary Treasurer, Hannah brings to the CQI extensive experience working across financial control, financial planning and analysis and commercial finance. Hannah is also a passionate supporter of work to increase gender equality across the STEM disciplines and acts as a mentor for the Women In Rail scheme.



Christopher Chinapoo CQP MCQI has more than 25 years' experience in quality, health, safety, sustainability, resilience and risk management. He is currently the Chairman of the technical oversight committee to the CARICOM Secretariat for the 10 EDF fund on Crime

and Violence Prevention. Christopher is a consultant, coach and auditor in various sectors, including energy, construction, water, national security and higher education. He is a member of the National Association of Blacks in Criminal Justice, and a regular contributor to the CQI's *Quality World* magazine and the journals of the American Society for Quality. Christopher is also a member of the CQI Caribbean Branch, the CQI Deming SIG and the Secretary of the CQI Renewable Energy SIG.



David Anderson CQP FCQI is Director Business Assurance, Quality and Systems BAM UK&I. He brings over 30 years' experience within the construction industry. David is passionate about the driving role quality plays within business and operational excellence and is an

advocate in utilising technology as an enabler for the future of quality. He is actively engaged with the CQI Construction Special Interest Group and a variety of other groups and organisations within the UK and Europe. He is a Director and Trustee of the Lean Construction Institute, an educational charity. He was the winner of the Quality Professional of the Year award at the 2020 International Quality Awards.



David Straker CQP FCQI is now retired. He brings to the CQI experience from an extensive career in a variety of roles, in both public and private organisations. These included a leading role in the award-winning Hewlett Packard UK quality department and as

Quality Manager for the national school Statutory Assessment Tests. He also brings an understanding of psychology in the profession and still writes about 'changing minds' for a major knowledge website on this topic.



Ian McCabe CQP FCQI is a Director at NXTGen Quality Ltd. He has over 20 years' experience as a senior leader helping organisations in both the public and private sectors across a number of industries to manage change, avoid excessive costs, protect reputation,

reduce risks and maximise opportunities. As a member of the CQI's Corporate Partner Directors Round Table, Ian helped to shape the CQI's strategic objectives. He has also been involved in the design, development and improvement of both the CQI's Competency and Learning and Development Frameworks. In 2015 Ian was recognised by *Quality World* magazine as one of the top 10 people who helped shape its thinking of best practice in quality. He is currently supporting the CQI's research and development into Quality 4.0 and the future of assurance.



Natalie Shoemark-Dyer CQP FCQI

is Head of Quality at Aspire Defence Services Ltd. She brings over a decade of experience in fields from facilities management to telecoms, implementing management systems and embedding quality culture. Natalie was Chair of the

CQI's Next Generation Network until October 2018 and worked with her team in supporting the mission of the CQI to redefine the profession and attract the next generation of quality professionals. She is also Chair of the CQI's Thames Valley branch and a judge for the International Quality Awards. Natalie remains an advocate for the future of the profession in her role as a Board Trustee.



Rachelle Beasley CQP MCQI works as Quality Leader at Cytiva, a global provider of technologies and services that advance and accelerate the development and manufacture of therapeutics. She brings a decade of experience in quality and auditing across various industries

and gained a MSc in Quality Management in 2017. Rachelle was part of the Next Generation Network Committee from 2015 to 2019, working to make quality a career choice for young people. She brings experience within the voluntary sector and as a board member, sitting on two boards for charitable organisations that work to make lives better within communities. Rachelle is also an advocate for young quality professionals, diversity and the future of quality.



Rashad Issa CQP FCQI works for the Baltic Exchange as the Quality and Business Improvement Lead. Before becoming a trustee, he volunteered for the CQI's London Committee for over three years and was part of the pilot groups of various CQI initiatives, such as

the mentoring programme and the Quality Connect platform. His experience ranges from the financial services and retail to the health sector. Rashad has extensive experience in guiding the development and delivery of robust operational strategies, streamlining complex policies and procedures on a global scale, establishing project management offices from the ground up, and bringing quality management frameworks to stakeholders at different levels in order to achieve strategic initiatives. He currently volunteers with the Project Management Institute as a project member of the Global Diversity, Equity and Inclusion initiative, and recently concluded a two-year term on the board of the Project Management Institute in December 2021.



Roxann Dawson CQP FCQI works for Network Rail as Head of Quality. Before becoming a trustee in September 2017, Roxann served as a member of the Advisory Council and in 2020 accepted the appointment to chair the Governance Risk Committee. She brings

a wealth of experience across construction including civil experience, project management and transportation (London Underground and Rail). Roxann is known for her passion and energy for the sustainability of the quality profession. She is an advocate not only for the CQI, but also for the profession at large.



Victoria Derbyshire CQP MCQI is Quality & Compliance Manager for Bethell Construction Ltd. She has 5 years' experience across the Nuclear and Construction sectors and started her career with one of the first quality apprenticeships of its kind straight from

education. Victoria is passionate about raising the profile of the quality profession and changing people's perceptions of what it is to be a quality professional, making it an enticing career option for the next generation and ensuring organisations are in the position to provide quality apprenticeships and other early careers options. Victoria actively engages with the Nuclear Special Interest Group, as a steering group member for the Nuclear Next Generation working group and as a member of the Construction Special Interest Group. She also acts as the Quality Lead for Women in Nuclear UK. Victoria was the winner of the Emerging Talent Award at the 2019 International Quality Awards.

Board of Trustees

Position	Current office holder	Date of appointment/resignation	Attendance at Board meetings in 2021	Committee member	Attendance at committee meetings 2021
Past Chair	Ian Mitchell	Appointed September 2012, resigned September 2021	3/3	Finance and Remuneration Committee	3/3
Chair	Amanda McKay	Appointed September 2014	4/4	Nominating Committee Governance & Risk Committee Finance and Remuneration Committee Membership Council	1/1 3/3 2/2 2/2
Honorary Treasurer	Hannah Kingsley	Appointed March 2019	4/4	Finance and Remuneration Committee Chair	4/4
Board Member	David Straker	Appointed September 2014	2/4		
Board Member	Roxann Dawson	Appointed September 2017	2/4	Governance & Risk Committee Chair	4/4
Board Member	Natalie Shoemark-Dyer	Appointed September 2018	2/4	Finance and Remuneration Committee	3/4
Board Member	Rachelle Beasley	Appointed March 2020	4/4	Membership Council Liaison Nominating Committee	3/3 4/4
Board Member	Ian McCabe	Appointed March 2020	3/4	Governance & Risk Committee	3/4

Position	Current office holder	Date of appointment/resignation	Attendance at Board meetings in 2021	Committee member	Attendance at committee meetings 2021
Board Member	David Anderson	Appointed March 2021	3/4	Finance and Remuneration Committee Nominating Committee	0/0 3/4
Board Member	Rashad Issa	Appointed March 2021	4/4	Governance & Risk Committee	1/1
Board Member	Richard Allan	Appointed September 2017, resigned September 2021	3/3	Finance and Remuneration Committee Nominating Committee	1/3 0/0
Board Member	Christopher Chinapoo	Appointed March 2022			
Board Member	Victoria Derbyshire	Appointed March 2022			

Membership Council

Name	Position
Dave Smith	Chair
Mark Eydman	Vice Chair
Angela Fumpson	Member
Leigh Anderson	Member
Mehrdad Kamali	Member
Victor Williams	Member
Barry Avis	Member
Marc Elmes	Member
Michael McCusker	Member
Tony Brachmanski	Member
Jon Adshead	Member

Key management personnel

Director General and Chief Executive Vince Desmond	Executive Director of Corporate Services Andrew Lannin
Executive Director of Membership and Commercial Services Tally Singer	

Principal professional advisers

Bankers

Lloyds Bank Plc
98 Victoria Street
London SW1E 5JL

External auditors

Haysmacintyre LLP
Chartered Accountants
10 Queen Street Place,
London EC4R 1AG

Investment managers

Newton Investment Management Ltd
BNY Mellon Centre
160 Queen Victoria Street
London ECV4 4LA

Professional Networks Officers 2021

Special Interest Groups

Audit SIG	Chair	William Rankin
	Secretary	Doris Cadar
Construction SIG	Chair	Jon Adshead
	Vice Chair	David Anderson
	Secretary	David Myers
Defence SIG	Chair	Richard Ellis
	Secretary	Steven Blaker
	Vice Chair	Richard Smith
Deming SIG	Chair	Alan Hodges
	Vice Chair	Kevan Leach
	Secretary	Peter Leeson
Integrated Management SIG	Chair	Ian Dalling
	Secretary	Bob Blackwell
Nuclear SIG	Chair	Richard Hibbert
	Vice Chair	James Brown
	Secretary	Rebecca Tomlinson
Pharmaceutical SIG	Chair	Jane Smith
	Secretary	Neil Wayman
	Vice Chair	David Waddington
Rail SIG	Chair	Jon Briggs
	Secretary	Qun Yan
	Vice Chair	Daniel Quant
Sustainability SIG	Chair	Zoi Kontodimou

Professional Network Officers

EASTERN REGION	Regional Chair	Don O'Connell
Milton Keynes branch	Chair	Paul Simpson
Peterborough and Cambridge branch	Chair	Kevin Newey
South Anglia branch	Chair	Barry Avis
	Secretary	Neil Hilton

MIDLANDS REGION	Regional Chair	Mark Eydman
Birmingham branch	Chair	Bob Hughes
	Vice Chair	Amandip Sandhu
	Secretary	Jaz Tanwar
Derby and Nottingham branch	Chair	Suzanne Hill
	Vice Chair	Adrian Petch
	Secretary	Grant Nicholson
Leicester and Coventry branch	Chair	Mark Eydman
	Vice Chair	Sarah Maddox
	Secretary	Adrian Stokes
Wolverhampton branch	Chair	Tony Brachmanski
	Vice Chair	Craig Cartwright

NORTH EAST REGION	Regional Chair	Trevor Walton
Teesside branch	Chair	Trevor Walton
	Vice Chair	Mike Amour
	Secretary	Austin McGlynn
Tyne and Wear branch	Chair	Leigh Henderson
	Vice Chair	Colin Humble
	Secretary	John Mills

Professional Network Officers

NORTHERN REGION		Regional Chair	Victor Williams
Cumbria branch	Chair	Kevin Taylor	
	Secretary	Paul Johnson	
Greater Manchester branch	Chair	Victor Williams	
	Vice Chair	Michelle Millington	
	Secretary	Laura Rigby	
Yorkshire branch	Chair	Hugh Everson	
	Vice Chair	Alexander Diamantis	
	Secretary	Dr Asimakis Foros	

NORTHERN IRELAND		Regional Chair	Michael McCusker
Northern Ireland branch	Chair	Michael McCusker	
	Vice Chair	Gerard Heatley	
	Secretary	Nuala O'Hare	

SCOTLAND		Regional Chair	Colin Campbell
North of Scotland branch	Chair	Ian Rose	
	Vice Chair	Colin Campbell	
	Secretary	Abigail Hastie	
West of Scotland branch	Chair	Ron Rivans	
	Vice Chair	Jim Burns	
	Secretary	Jeff Marven	
East of Scotland branch	Chair	Gemma Parnell	
	Secretary	Billy Shanks	

SOUTH EAST REGION			
London branch	Chair	Jessica Naidoo	
	Vice Chair	Adebisi Alonge	
	Secretary	Qun Yan	

Professional Network Officers

Kent branch	Chair	Roderick Hogarth
	Vice Chair	Steven Charles Pettifer
	Secretary	Paul Boother
Southern branch	Chair	Donna Hopkins
	Vice Chair	Maria-Louise Chandler
	Secretary	Csilla Bartyuk
Thames Valley branch	Chair	Natalie Shoemark-Dyer
	Secretary	Tom Gould
Surrey and Sussex branch	Chair	Mehrdad Kamali

SOUTH WEST REGION		Regional Chair	Angela Fumpson
Avon branch	Chair	Neil O'Doherty	
	Vice Chair	Angela Fumpson	
	Secretary	Denise Ramsay	
Gloucester branch	Chair	Gary Martin	
Wales branch	Chair	Derek Lewis	
	Secretary	Christian Mrosek/Ralph Cannon	

OVERSEAS		
Hong Kong branch	Chair	Ian Streeter
	Vice Chair	Vincent Chui
	Secretary	KharVoen Chin
Taiwan branch	Chair	Jeff Monk
	Secretary	Murli Mohan
Ireland branch	Chair	Caroline Geoghegan
	Vice Chair	Shane Blaney
	Secretary	Susanne Carpenter
Caribbean branch	Chair	Alison Gajadhar
	Vice Chair	Glenroy London
	Secretary	Sucilla Buchoon

Chartered Quality Institute

Third floor, 90 Chancery Lane
Holborn, London WC2A 1EU

Incorporated by Royal Charter and
registered as charity number 259678


www.quality.org

THE CHARTERED QUALITY INSTITUTE

England & Wales - Charity number 259678

Accounts

The Chartered Quality Institute **Annual Report 2020**

A portrait of Lord Jamie Lindsay, an older man with white hair, wearing a dark suit, a light blue striped shirt, and a dark patterned tie. He is standing in a room with dark wood paneling and a bookshelf filled with books in the background. A window is visible on the right side of the frame.

“There is now a great opportunity for the quality profession to help organisations compete in the so-called new normal and deliver societal value by embedding social and environmental policy and plans into their management systems.”

CQI President's foreword

The pandemic that has engulfed our world overshadowed most of 2020 and its effects, which have been wide reaching, will be felt for many years to come.

Weathering the storm has not been easy, so I must commend the CQI and its members for quickly responding to the many issues presented by the pandemic. I am particularly proud of how our Board, staff and volunteer teams have risen to the challenges.

During this time, COVID-19 and Brexit have shifted perceptions of organisational excellence. These disruptive events have underlined the potential for technology to create new value and new ways for customers to access value. They have exposed the importance of resilience in supply chains. They have also shone a light on the social purpose of organisations of all kinds. Indeed, the coronavirus shift has reflected many of the trends outlined in our *Future of Work* report, which was

published in the months before the pandemic struck. The report was not only timely in setting out the context for change, but in defining how quality management can drive this change.

There is now a great opportunity for the quality profession to help organisations compete in the so-called new normal and deliver societal value by embedding social and environmental policy and plans into their management systems.

Quality: Past, Present and Future – published in 2019 during our centenary year – highlights how the quality profession has evolved and adapted over time, and its crucial role in shaping the future. The CQI provides the focal point to collaborate with and lead our profession out of this pandemic, so we look forward to supporting you all on that important journey.

**Lord Jamie Lindsay, President,
Chartered Quality Institute**



“I am proud of what we have done to keep our operations running safely and provided the information and services our members need under exceedingly difficult circumstances.”

Chair's introduction

As our world adjusts to life in a COVID-19 environment, I reflect on the past year with mixed feelings. The pandemic has caused suffering and hardship for so many. It has put a strain on governments, healthcare services and businesses, and it is clear we will be contending with the consequences for some time.

Despite this, the spirit of collective purpose in the fight against the coronavirus has been remarkable, not least within the CQI community. From my Trustee colleagues to our volunteer members and staff, the CQI has shown immense resilience and dedication over the past year. I would like to thank them all for their incredible work in supporting the customers and partners that we serve globally.

I am proud of what we have done to keep our operations running safely and provided the information and services our members need under exceedingly difficult circumstances. I am delighted that we were also able to deliver financial results in 2020 that place us in a good position to pursue our strategic goals.

The CQI's clarity of purpose and resilience of governance and operational business systems played a key part in our performance last year. Equally, our culture and values of innovation, inclusion and integrity have provided a solid

foundation for the agility and adaptability our teams have shown.

This is my last year serving as Chair of the CQI's Board of Trustees, and not quite the year I had anticipated. However, it has been a privilege to serve my professional body as a Trustee for nine years; to have served as your Chair during the CQI's centenary in 2019; to have witnessed the joy of our International Quality Awards winners receiving their trophies; and to have steered the Institute through the development of its 10-year strategy. But most of all, it has been immensely satisfying to work with, support and learn from the members, volunteers and CQI colleagues that make up our diverse global community.

I leave the profession at an inflection point as it enters the digital age. The CQI has this firmly in its sights, and I have every confidence that, as the Institute continues to champion quality management and lead the profession, it will increase both its value and membership.



**Ian Mitchell, Chair of the Board of Trustees,
Chartered Quality Institute**

Trustees' report

For the year ended 31 December 2020



Our Impact – 2020 Highlights

As a registered charity with a Royal Charter, our purpose is to champion quality management in all sectors for the benefit of society. We deliver on this mission through¹:

- The contribution made by CQI members and IRCA certificated auditors in supporting and improving the quality of products, services and organisations
- The training and education delivered through our approved training partners (ATPs) and university courses
- The research we perform to advance the discipline of quality management methods and tools
- The policy outreach we conduct to support and influence UK and global quality infrastructures

¹The Trustees confirm they have referred to the Charity Commission's guidance on public benefit when reviewing the Institute's aims and objectives, planning future activities and setting the annual operating plan.

“In 2020 we worked with partners and volunteers to host 131 virtual events on quality management topics for over 8,000 quality professionals.”

In 2020, we worked with partners and volunteers to:



Host 131 virtual events on quality management topics for over 8,000 quality professionals.



Launch Quality Connect: an online platform that allows our 19,000 quality management and auditing professionals to network freely across profession, industry and location.



Publish two Managing Disruptive Change tools and provide dedicated website content, which are helping quality professionals navigate the pandemic and Brexit.



Support 223 new mentoring relationships through our online mentoring platform, contributing to the further career development of professionals working in quality management.



Recognise excellence in the profession and showcase the value of quality management to organisations and society through our 2020 International Quality Awards, which received entries from 107 individuals and organisations from 23 countries.



Run three Learning from Excellence webinars, which allowed our 2019 awards finalists and winners to share their stories of good practice.



Run our World Quality Day 2020 campaign to underline the importance of quality management in creating customer value – we received almost 11,000 unique web page views, over 1.5k logo and toolkit downloads.



Support the creation and launch of the Quality Practitioner apprenticeship in England as a way to develop quality management skills for industry. We also celebrated the Quality Apprenticeship Trailblazer Group's success in winning the 2020 MOD Inspiring Leadership Quality Award and our International Quality Award for Outstanding Contribution to Quality Management Practice.



Encourage and support our ATPs to offer online learning for CQI/IRCA certified training courses, which resulted in 22,336 learners completing a virtual course.



Join the European Organisation for Quality to collaborate on promoting and developing quality management and established links with European quality researchers to support our planned Quality 4.0 research agenda.



Represent the profession through our liaison status with ISO and contribute to the development of food safety, quality and occupational health and safety standards. We represented the profession in the development of the new ISO Corporate Governance Guide, the latest revision of Annex SL and future concepts for ISO 9001.

CQI Member Network Highlights

Our branches and special interest groups (SIGs) came to the fore in 2020. In response to the pandemic, they adapted their activities quickly and effectively from face-to-face networking to virtual events.

We trained volunteers in the use of new technologies and the result was a comparable number of events to those that would have otherwise happened physically. The events engaged and supported members and provided an essential supplement to the content that the CQI provided centrally.

A number of the webinars put on by the networks dovetailed with the priorities identified by the CQI's COVID-19 response 'Tiger Team', with branches including Northern Ireland and the East of Scotland running events on remote auditing. Other branches continued to deliver CPD events determined by the needs of their local members, but to an expanded global audience. A Leicester & Coventry webinar with Dame Judith Hackitt was particularly successful, with an audience (258) many times higher than any pre-COVID-19 event.

Geographical boundaries were no longer a barrier to members attending networking events and gaining value from their membership. International members, especially IRCA members, were able to participate in branch and SIG events for the first time.

SIGs also continued to work on their other less public facing, but no less important, activities, which included the development of sector-specific 'next generation' programmes.

At the end of a year that would have been considered successful even in less challenging times, there were signs of greater things to come with three new SIGs and a Caribbean branch in development for 2021.

CQI Standards Panel Highlights

Despite the challenges posed by the pandemic, the CQI Standards Panel continued to meet virtually rather than face-to-face over the course of the year.

During this time, the membership and primary purpose of the panel remained the same:

- To design, develop, maintain and review CQI policy and position relating to the development and implementation of CQI approved standards
- To identify potential opportunities for the CQI to influence standards development for the benefit of its stakeholders. Subsequently, to build the case for CQI direct participation/CQI approved standard status
- To commission research, as necessary, that will feed into the CQI's position on generic standards development

Panel members were actively involved in quality, occupational health and safety, and food safety standards work both domestically via BSI and internationally via ISO.

Quality-related standards work included an examination of how best protect and preserve the brand reputation of ISO 9001 and also identifying quality 'future concepts for inclusion'. The CQI has also participated in:

- Task Force 4, created to produce a new edition of Annex SL, "the Standard Writers' Standard"
- The development of ISO 45002 – guidelines for: the implementation of ISO 45001, ISO 45003; managing psychosocial risk and ISO 45005; and safe working during the COVID-19 pandemic
- Occupational health and safety future concepts

Food safety is also growing in prominence. Over the course of the last year, our food safety panel representative participated in ISO TC34 and assisted with the revision of FSSC 22000.

The Standards Panel has also played a critical role in the CQI review of sponsored standards activity, member surveys, and development of the new regime for CQI standards activity, which was launched in 2021.

IRCA Japan Highlights

Japan was one of the earlier countries to be impacted by COVID-19, so the team had to adapt to remote working and restrictions on face-to-face activities from early February 2020. Despite these restrictions, IRCA Japan continued to show growth, closing 2020 with a record register of 3,581 auditor certifications. Through a strong relationship with both training providers and large corporates, new member acquisition and retention of existing members remained strong. As a result, IRCA Japan's royalty payment to CQI in 2020 exceeded budget.



Our strategy

In 2019, which marked the CQI's centenary year, we published our 2020-2030 strategy ready for our journey into the next 100 years. Our 2020 annual report is therefore structured around the five strategic themes on which our strategy is built. It also takes account of the pandemic's impact.

Our five strategic themes

Align operating model

Improve our systems, processes and people to deliver the strategy.

Redesign offerings

Enhance value for individual and corporate members through digital and expanded member services.

Lead quality management practice

Invest in research and CPD to demonstrate the relevance of the profession to organisations within the future world of work.

Broaden the scope of the profession

Gain the support of allied professions in delivering excellence in governance, assurance and improvement.

Grow our global influence

Become more actively involved in quality communities around the world, recognising the complex environments in which members operate.

Positive changes in our discipline and profession

The quality management discipline

A broader scope: will be embraced by organisations and allied professions.

Technology: will adapt to support digital transformation and improvement.

Trust and guardianship: will support ethical decision making and performance improvement.

Strategic quality: will shift focus from the tactical to the strategic.

Agility and adaptability: will adapt to the increasing speed of change.

The quality profession

Global influence: will be able to operate in an increasingly complex and fast-moving global context.

New behaviours and roles: will focus on strategic leadership, improvement and championing organisational conscience.

Automation/Internet of Things: will embrace technology in the design of business models and systems.

Diversity: will embrace wider scopes of experience, skills and backgrounds to deliver its wider breadth and new roles.

Big data: will embrace data and analytics to drive improvement at speed.

Learning: will maintain value through increased life-long learning.

To deliver...

In response to...

Key external trends

The global trade challenge – of shifting global trade arrangements, emerging compliance requirements and new markets and supply chains, which will require organisations to adapt to new opportunity and risk.

The technology challenge – of Industry 4.0 technologies (connectivity, quantum computing, big data and artificial intelligence) in transforming business models and systems, and the nature of work.

The demographics challenge – of ageing populations putting pressure on skills and public services, and diversity in society, organisations and teams.

The personal value challenge – of providing value to customers and consumers in a digital age, combined with the pressure on organisations to satisfy the widening societal and stakeholder expectations.

Value for society

In terms of improved quality of product, service, organisation, and improved sector and national competitiveness.



Our vision

A world in which organisations of all types and sizes thrive by providing outstanding value for customers, stakeholders and society.

To provide...

To achieve...

OUR 2020 PERFORMANCE

Pandemic Response

In response to the onset of COVID-19 in the first quarter of 2020, we adapted our operating plan and priorities for the year.

Plans, Principles and Assumptions

We established three principles that would drive our decisions:

- **Safety** – to protect our staff, volunteers, members and partners
- **Value** – to provide support for our customers and society
- **Sustainability** – to ensure the CQI remained financially sustainable

We established a three-phase plan:

- **Phase 1: Stabilise** – to immediately pivot CQI staff and volunteer community into remote working from 17 March 2020
- **Phase 2: Adapt** – to adapt our operations and activities to the pandemic context from April to December 2020
- **Phase 3: Recover** – to ensure our planning supports the principle of financial sustainability, and to adapt our strategy based on the pandemic experience from May 2020 to quarter 1 2021

We based our plans on one key assumption:

- That the pandemic would continue to impact the world, our customers and our organisation significantly until at least summer 2021

52

online events our staff and volunteers held

46%

learners who completed training virtually in 2020

Governance and Management

The CQI Trustees immediately adapted the CQI's governance activities, including those of its subcommittees, to focus on the principles and plan above. Our senior management team, which acted as the executive pandemic management team, met daily throughout 2020.

Stabilise Phase – Our Executive Director – Corporate Services led this workstream, updating our systems, processes and equipment to achieve safe remote working and staff wellbeing.

Our business continuity plan was tested the week before the UK went into its first lockdown and was implemented successfully on 17 March 2020. Our earlier implementation of Office 365 proved serendipitous as the governance, volunteer and executive moved to remote working and to deliver our 'stabilise' phase. Providing for the equipment needs of staff was the first order priority, followed quickly by the need to put in place new ways of working to ensure good communication. Our monthly staff meeting provided the focal point to keep the staff team up to date on plans and progress. Wellbeing and inclusion were important topics to support resilience throughout the year and, following UK government guidance, we opened the physical office based on robust, risk-based arrangements for those who needed to use it for business critical or wellbeing reasons. Although we allowed some annual leave to be carried over to 2021, colleagues were encouraged to take time away from a hectic work environment.

Adapt Phase – Our Executive Director – Membership and Commercial led a cross-functional 'Pandemic Tiger Team' to understand customer and stakeholder needs and adapt our plans, activities and services accordingly, working closely with the Institute's Membership Council.

This was a year when the quality profession had to transform at huge speed to help their organisations navigate disruptive change. To support the quality profession in this change, we created Coronavirus and Brexit information hubs on our website, which have received 9,702 and 3,700 unique visits respectively. We also produced two disruptive change tools related to Brexit and the pandemic, and ran surveys to help the profession understand and share immediate challenges. Our staff and volunteer community held 52 online events covering topics from wellbeing to remote audit. And we supported our ATPs through the swift shift to online learning for CQI|IRCA certified training courses. During this time, we approved 71 providers to deliver courses virtually, which resulted in 42% of learners completing their training virtually in 2020.

Recover Phase – Our Executive Director – Corporate Services led the development of financial scenarios in conjunction with our Finance and Remuneration Committee. This ensured that decisions supported our customer value and safety principles, with a key focus on maintaining free reserves in line with our Reserves Policy and our financial sustainability principle.

As part of this phase, we decided to delay certain activities until the Institute had navigated the pandemic. This included putting on hold:

- New capital investment projects
- New permanent staff recruitment

We recognised that some CQI members and IRCA certificated auditors faced employment challenges as a result of the disruptive changes in 2020. Therefore, we held membership fees at 2020 levels for 2021 for those that paid by our 'early bird' deadline of 30 November 2020, and promoted our concessions policy to support members through this difficult time.

The CQI did not make use of the government furlough scheme, as this was not considered in the best interests of longer-term operations and only offered limited financial impact.

In addition to navigating pandemic shift, we delivered much of our planned programme for 2020.

Strategic theme 1 – Align operating model



Improve our systems, processes and people to deliver our strategy

Measure	2020	2019
Financial net income (before gains & losses)	£64k	£303k
Capital expenditure	£299k	£152k
% of projects completed	60%	90%
Staff satisfaction (1–10)	7.7	7.3
Volunteer engagement (Net Promoter Score ²)	+28	+14
Compliance (with Charity Governance Code)	Compliant	Compliant

²The Net Promoter Score (NPS) is a customer loyalty score, ranging from -100 to 100, calculated by asking customers one question: "On a scale from 0 to 10, how likely are you to recommend this product/company to a friend or colleague?" Any score above 0 reads as 'good' because it indicates that a business has more promoters than detractors.

Operating financial outturn

We achieved a surplus before gains and losses of £64k, providing a strong starting position for the 2021 operational plan and maintained our reserves to policy.

14th

the position we ranked as one of the top charities to work for in the UK

Capital project delivery

We delivered 60% of our planned projects at 36% of the budgeted capital cost. We delayed some capital investment as a result of the pandemic, to allow greater focus on operational delivery.

Staff engagement

We saw a continued improvement in staff satisfaction in 2020, building on the results from 2019. Given that most of 2020 was spent working from home, this is a welcome result.



In 2020, we were ranked in 14th place as one of the top charities to work for in the UK by the Third Sector Best Charities to Work For scheme.

Volunteer engagement

Volunteer satisfaction improved by 14 Net Promoter points from +14 to +28 as we invested in improving support of our member-led professional networks.



In June, we celebrated National Volunteers' Week, recognising the vital value that our volunteer community of 250 members provides the CQI and the profession.

Improvement projects

Finance system upgrade – We implemented a new finance system to provide a more modern and efficient platform that integrates with other applications. The new system also significantly improves our financial management and reporting capabilities.

Office 365 Adoption – We completed the transfer to the full Office 365 environment at the start of the first COVID-19 lockdown, allowing all staff to work effectively from home.

CQI London office relocation – We planned for our relocation into a new office space, which was completed on 1 April 2021, reducing our accommodation costs by almost half and providing for a more flexible collaboration space for staff and volunteers.

Strategic theme 2 – Redesign offerings



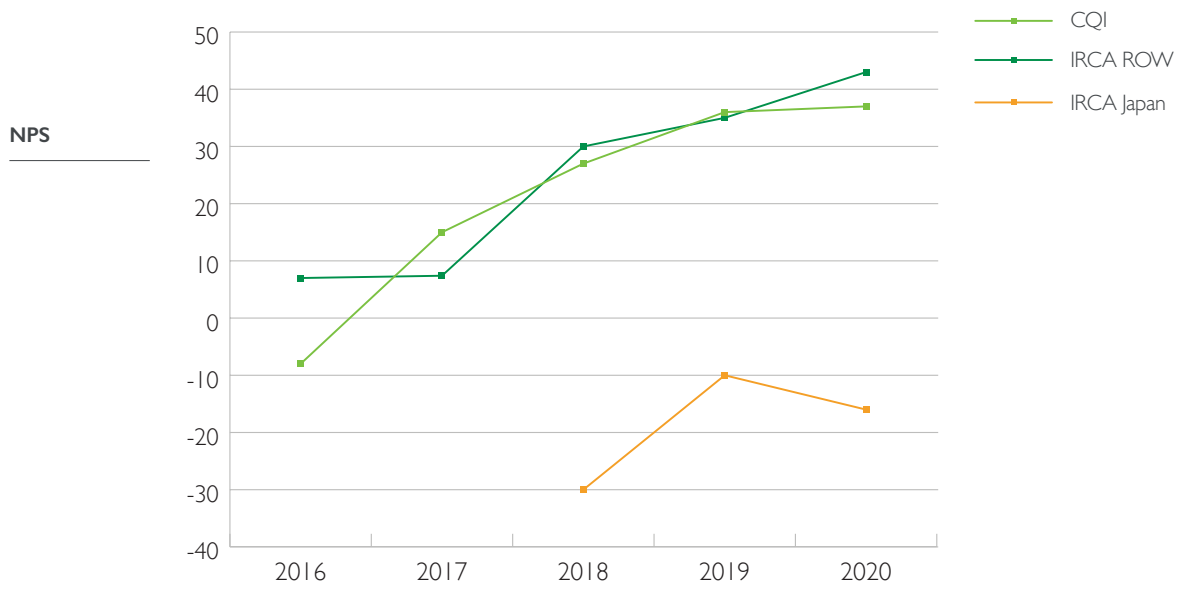
Enhance value for individual and corporate members through digital and expanded member services

Measure	2020	2019
CQI member satisfaction (NPS)	+37	+36
CQI member register	8,319	8,268
IRCA auditor satisfaction (NPS) ROW	+43	+35
IRCA auditor register ROW	6,026	6,222
IRCA auditor satisfaction (NPS) Japan	-16	-10
IRCA auditor register Japan	3,581	3,551
Corporate partner register	35	30
Delegates on CQI IRCA certified courses	52,699	78,201

CQI members and IRCA certified auditors

Maintaining our service and commitment to members was our priority throughout the challenges of 2020. Our success in adapting our offer to support members during the pandemic and improving member value is reflected in Net Promoter Scores (NPS), which saw an increase on 2019 among CQI and IRCA ROW (rest of world) members. After a significant increase in NPS within our Japanese community of certificated auditors resulting from investment in improved content in 2019, 2020 saw a slight drop.

Member NPS



68

discussions on Quality Connect since its launch

52

webinars delivered centrally as part of our pandemic response

Improvement projects

Quality Connect – A digital networking and discussion platform for members launched in September 2020. Since then, members have taken part in 68 discussion threads.

Digital Content – Although this was not planned for 2020, as part of our pandemic response, we developed digital content and events specifically for members. This involved delivering 52 webinars centrally in addition to virtual events hosted by our member-led networks. We also reduced the number of Quality World issues to focus on producing Quality World branded webinars and digital content instead. All webinar recordings are available in the Members' Area of the CQI website .

IRCA recertification – We moved to online recertification for IRCA members and introduced a new sampling approach to checking Continuing Professional Development and audit experience as part of the IRCA auditor certification process.

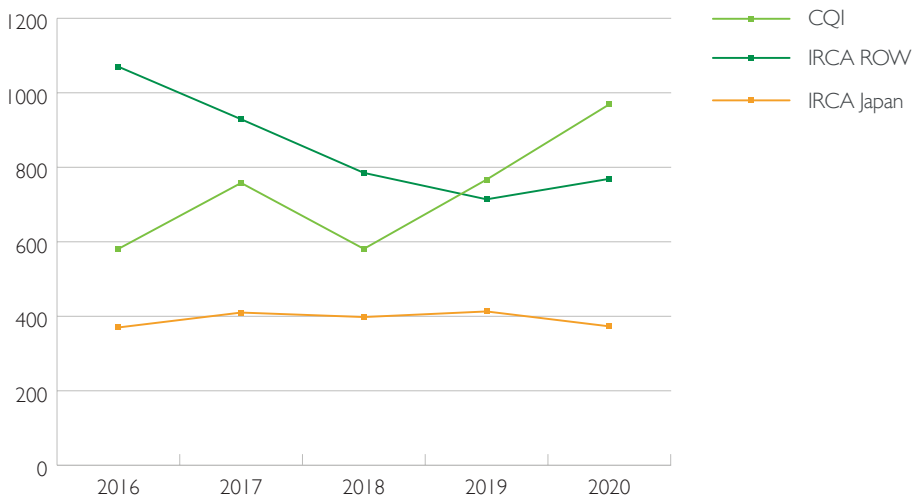
The top three attended webinars were:

- How to Hold an Engaging and Compelling Quality Management Review
- Root Cause Analysis
- Principles of Risk

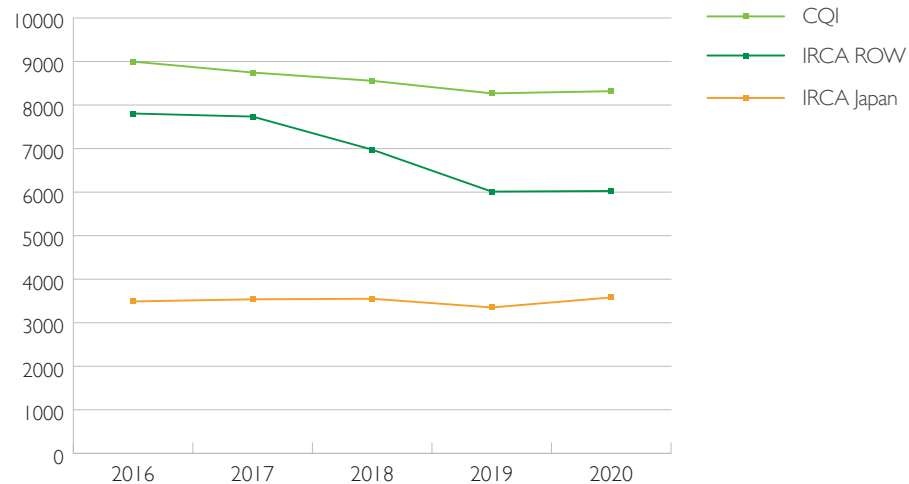
Membership Trends

2020 saw another year of growth in the number of individuals joining the CQI or achieving IRCA auditor certification, which, combined with improved retention rates, resulted in stabilisation in our membership registers and positive foundation for future growth.

New members



The IRCA & CQI register



CQI member networks

The CQI Membership Council operates the Institute's network of eight regions, 26 branches and seven special interest groups (SIGs), with the support of the volunteer members and the Professional Networks staff team.



We introduced a new Volunteer of the Year award to recognise and celebrate the time, expertise and impact that our volunteers provide. The inaugural winner in 2020 was Suzanne Hill.

“Volunteering with the CQI has enabled me to give something back to the profession as well as learn new skills; I am very proud of this award and encourage anyone interested in supporting the CQI to step forward and join the movement to increase the profile and value of the quality professional globally.”

Members are a key asset in promoting and developing the profession and we increased our Professional Network (PNet) team with one extra staff member to support the planned growth in member-led networks. As well as providing support to volunteers moving their events online, the PNet team worked with the Membership Council to support struggling networks and established a process to grow our networks in 2021.

Membership Council (MC) Report

The MC had a very successful 12 months working hard to support our networks through the COVID-19 pandemic.

In a year where there was virtually no face-to-face activity, the MC transitioned effectively to remote working. Holding our quarterly meetings and first virtual chairs' event has enabled us to continue our activity and make use of platforms like Quality Connect. Members of the MC also helped to support networks to hold virtual events as part of our pandemic response.

During the year, we focused on strengthening our network governance and operation through working groups and the creation of new processes. We have already seen success with our 'at risk network' process allowing us to identify, at the earliest opportunity, networks that require additional central support to maintain a base level of governance and activity to provide value to members. Going forward, we are preparing to expand our networks with new geographical branches and sector special interest groups, supported by the 'new network' process, developed in collaboration with the Professional Networks team.

We are looking forward to developing the MC and working with the executive to grow the networks it supports into 2021 and beyond.

David Smith, Chair, Membership Council

“Overall, we exceeded our forecast, ending the year with 37 organisations within the programme, up from 30 at the end of 2019”

Corporate partners

Our corporate membership programme allows the CQI to gain insight from organisations that helps to inform our strategy and plans. It also provides the opportunity to promote quality management methods and good practice and individual membership to professionals within those organisations. In 2020, we introduced corporate membership for Small and medium-sized enterprises to complement the existing corporate partnership product designed for larger corporates. Overall, we exceeded our forecast, ending the year with 37 organisations within the programme, up from 30 at the end of 2019. As well as benefitting from their own exclusive events programme, which were adapted to be run virtually, our corporates contributed to several pieces of CQI work in 2020. These included the *Managing Disruptive Change Guide* and the Learning from Excellence webinar series.

CQI corporate partners:



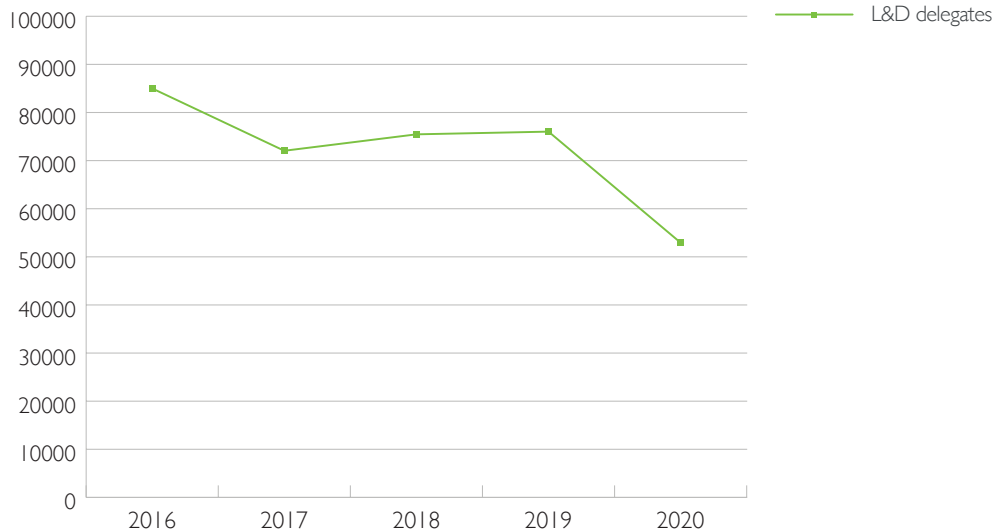
9

training providers approved to deliver the Quality Practitioner trailblazer apprenticeship

Training and education

Despite the pandemic, Approved Training Partners (ATPs) have continued to deliver CQI and IRCA training courses, with many using virtual classroom technology to deliver courses remotely. Although learner numbers were lower than in 2019 (52,934 compared with 77,203 in 2019), they have performed as well as can be expected given the worldwide COVID-19 restrictions. This reduction in learner numbers resulted in a 30%/£585k reduction in revenue from this activity compared with 2019.

Training delegates



Improvement Projects

Learning – this was not planned for 2020 but was implemented as part of our pandemic response. We worked with CQI/IRCA ATPs to help provide virtual courses and assessments.

e-Assessment – this extensive project, which we began in 2020 and is likely to launch in early 2022, is designed to deliver all assessments via an online platform, in multiple languages. It will improve the experience of learners and ATPs, and will increase the security of assessments.

Apprenticeships – the CQI worked with a cross-sector group to launch the Quality Practitioner (level 4) trailblazer apprenticeship in September 2020. Nine training providers are now approved to deliver the training. Employers can use the apprenticeship to develop new starters who have recently entered quality and to upskill employees in their current roles.

Strategic theme 3 – Lead quality management practice



Invest in research and CPD to demonstrate the relevance of the profession to organisations within the future world of work.

Key 2020 Projects

- Publish Future of Work Report – delivered
- Establish CQI Research Capability – commenced
- Deliver Quality 4.0 Research – not delivered
- Deliver updated Body of Quality Knowledge – not delivered
- Support the new ISO corporate governance guide – delivered

We focused our research efforts on responding to the pandemic and UK-EU trade deal for our members, which meant that our planned research into Quality 4.0 and impact on the Body of Quality Knowledge was not delivered in 2020 but has been progressed in 2021. Instead, we developed and published COVID-19 and Brexit guides to Managing Disruptive Change.

“We made contact with heads of profession and genuine thought leaders in other areas, and with several academic institutions in the UK that provide courses and carry out quality management research.”

2020 was an important planning and rebuilding year for our new research and development activity, which focused on providing the quality profession with the insights on the changing external context and assets to adapt and thrive.

Early in 2020, we published our *Future of Work* report, which proved timely in the content of COVID-19 and Brexit. It has given organisations and professionals a better understanding of growing trends in a digitally-enabled age, their impact on quality management and business, and how these developments should be managed.

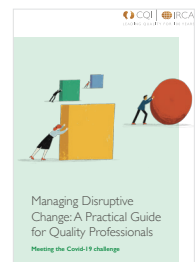


Research and Development

In June, we welcomed Mike Turner, our new Head of Profession, to lead on this work.

Understanding context

The Policy team started the process of scanning the strategic environment in which our members operate, referring to a variety of sources including volunteer networks, member survey data, credible journals, the press and relationships with key stakeholders. As a result of this, we recognised the need for and created the COVID-19 and Brexit Managing Disruptive Change Guide series.



The importance of collaboration

We made contact with heads of profession and genuine thought leaders in other areas, and with several academic institutions in the UK that provide courses and carry out quality management research. This has helped us to gain useful insights that have shaped our research roadmap for 2021, saved unnecessary duplication and reinforced the value of research work for the first phase of our strategic plan. We have also expanded our network of partners that can support and deliver projects within the roadmap.

Based on these activities, we scoped and planned a research programme for 2021 and 2022 that will develop the Competency Framework and define what the quality professional will require to thrive in our emerging digitally enabled world (the Quality 4.0 world). A world that is shifting its focus to sustainability, which has the United Nations Sustainable Development goals at its core. In support of this research, we planned for the creation of a new Research Advisory Panel comprised of respected academics, consulting-based thought leaders, and CQI members and corporate partners. The panel's purpose is to advise on our 2021 research projects.

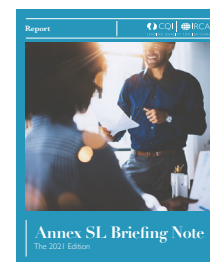
Standards and Conformity Assessment

The CQI's Standards Panel continued to work with BSI and ISO in 2020 in support of standards development.

CQI ISO liaisons	
ISO/TC 176	Quality Management and Quality Assurance
ISO/TC 176/SC 1	Concepts and Terminology
ISO/TC 176/SC 2	Quality Systems
ISO/TC 176/SC 3	Supporting Technologies
ISO/TC 283	Occupational Health and Safety Management
ISO/TC 309	Governance of Organizations

We published a briefing note to the revised ISO Annex SL (the high-level structure for ISO management systems standards).

We continued our contribution to the new ISO Corporate Governance guide, ISO 37000, through our liaison status, promoting the value of the operational management systems in delivering corporate strategy and policy. This ISO guide will be published in 2021.



Recognising the importance of standards to the profession, but also the breadth of standards our members use, we completed a survey of member needs and expectations. We are implementing our proposal for the renewed purpose, scope and activities of the CQI's sponsored standards work in early 2021. Our aim is to have the right consultation and communication processes, to get the right people in the right forums, and to generate value for members.

“Our 2020 awards series, which received 107 entries from 23 countries, continued to shine a light on the positive impact that quality management and the global quality profession have on organisational performance”

Strategic theme 4 – Broaden the scope of the profession



Gain the support of allied professions in delivering excellence in governance, assurance and improvement

Key 2020 Projects

- World Quality Day 2020 Campaign – delivered
- CQI International Awards – delivered
- Establish target allied professions for engagement – not delivered

We made limited progress in this area as COVID-19 focused our attention and allied professional bodies on our pandemic responses.

CQI International Quality Awards

These awards are designed to recognise and promote excellence in the quality profession and the strategic value of quality management to society.

Our 2020 awards series, which received 107 entries from 23 countries, continued to shine a light on the positive impact that quality management and the global quality profession have on organisational performance. Given the circumstances surrounding the pandemic, we delivered our awards event virtually. This had the added benefit of including many more people in the event, with attendees from around the world.

We would like to take this opportunity to thank our judging panels, without whom the awards simply could not have taken place. Our thanks also go to our Headline Partner, UKAS, who supported us through the shift to an online ceremony.



In the months leading up to the event, we teamed up with finalists and winners of our 2019 awards to host a series of Learning from Excellence webinars. These interactive events allowed us to share stories, achievements and good practice in quality management.

To encourage further the learning from our awards, we will publish case studies in 2021 from our 2020 award finalists and winners.

The winners from the 2020 International Quality Awards were:

- Emerging talent: John Jack, LifeScan
- Audit system: Qatargas
- Improvement system: TOFAŞ
- Quality professional of the year: David Anderson, BAM Nuttall
- Quality team of the year: Ministry of Defence, Defence Equipment and Support Team
- Quality organisation of the year (SME): Capella
- Quality organisation of the year (Large): Jacobs
- Volunteer of the year: Suzanne Hill
- Outstanding contribution of the year: Professor Jiju Antony
- Outstanding contribution of the year: Quality Practitioner Apprenticeship Trailblazer Team

11k
unique web page views

1.5k
logo and toolkit downloads

World Quality Day 2020

World Quality Day (WQD) is an annual campaign that gives the CQI and the profession the opportunity to promote quality management within industry, organisations and to the public. The 2020 WQD theme 'Creating Customer Value' celebrated the central role that quality management and professionals working within it play in helping organisations to understand and, increasingly, collaborate with customers to create value. During the campaign, we received almost 11,000 unique web page views, over 1.5k logo and toolkit downloads, and several hundred social media mentions.

How does quality help create customer value?

Get involved quality.org/wqd20





Age of Inspection – Faults found in the factory, avoiding failure at the point of use.



Quality by Design – Planning quality into product design. Process creates customer-driven features.



Zero defects – 'Right first time' means there is no allowable number of errors built into a product or process.



TQM (Total Quality Management) – Improvement of performance in all functions, departments and processes.



Six Sigma – Improving processes to produce a high proportion of output within specification, eliminating defects and reducing variation.



Change management – Collaboration between all employees, from entry-level to top-management.



Agile manifesto – People over process, working solutions over documentation, adaptability over plan, collaboration over contract.



The Competency Framework – Sustainable delivery of high-quality products and services requires effective systems of governance and assurance, and commitment to a culture of continuous improvement.



Recognition of customers as a key quality stakeholder – The consideration of interested parties as a cornerstone of quality management system design and deployment.



Development of organisational quality culture – Quality is at the core of culture and strategy, and customer value is central to achieving business goals.

“In 2019, the CQI renewed its relationship with European Organisation for Quality (EOQ)”

Strategic theme 5 – Grow global influence



Become more actively involved in quality communities around the world, recognising the complex environments in which members operate

2020 projects

- Rejoin the European Organisation for Quality – delivered
- Support the UK Quality Infrastructure approach to Quality 4.0 – not delivered

We made limited progress in this area as COVID-19 focused our attention and that of the UK and global quality community on our pandemic responses.

In 2020, the CQI renewed its membership of the European Organisation for Quality (EOQ), recognising value in working with peer national quality bodies on the shared challenges for quality management and the quality profession. This proved to be valuable in 2021 as EOQ members contributed to the CQI's Quality 4.0 research project and provided a vehicle for the CQI to share its research outputs within the European and global quality community.



We continued to represent the profession with the UK Quality Infrastructure through our role on the UKAS Policy Advisory Committee and Forum, with a focus in 2020 on supporting the shift to remote assessment in the test, inspection and conformity assessment sector.

£2.6m
cash balance

£3.31m
unrestricted reserves

£1.9m
free reserves

Investment policy and performance

The CQI operates a low-risk investment policy designed to deliver income while protecting the investment funds over the longer term. This is consistent with the provisions of the Royal Charter.

The high levels of volatility and continuing UK political change, combined with global political and economic uncertainty, resulted in a challenging environment in which to manage investments. The Institute is a long-term investor, and the value of its investments remains significantly above its original investment.

Funds are invested in a Common Investment Fund (CIF), the Newton Global Growth and Income Fund for Charities, which invests within environmental, social and governance policies. This investment fund suffered a small loss and slightly reduced level of dividend income in 2020. The balance of cash held by the Group has increased to £2.6m at the end of 2020 due to improved cash generation from operating activities.

The Finance and Remuneration Committee is responsible for reviewing investment performance and policy, considers the cash holding in individual institutions and manages this risk actively by ensuring the Institute is not over-committed to any one entity. The investment policy was reviewed during the year and deemed fit for purpose by the Board.

Reserves policy

The Institute operates a reserves policy that requires a minimum of three months of budgeted annual operating costs to be retained as free reserves. The Trustees consider that this level will provide sufficient funds to respond to any unexpected events.

The balance held as unrestricted reserves at 31 December 2020 was £3.31m. £1.9m of this was regarded as free reserves, after allowing for funds tied up in fixed assets (£0.4m) and other designated reserves, including funds for IT projects (£0.2m), product development (£0.3m) and a premises reserve (£0.3m) for office relocation costs. £1.9m equates to over five months' worth of budgeted 2021 operating costs, which was comfortably more than the minimum requirement of three months.

Risk Management



Good risk management is fundamental to the continued work and sustainability of the Institute. We identify and manage risks that could adversely impact the achievement of our strategic purpose and determine the calculated risks we need to take to succeed.

The Institute operates a formal framework for the management of risk, taking the view that risk can be positive (opportunity) or negative (threat). The Institute maintains a risk register incorporating strategic, operational and compliance risks that are informed by its strategic objectives, performance, voice of its stakeholders, regulatory environment and analysis of the external environment.

The Board delegates day-to-day responsibility for risk management to the Senior Management Team, who are responsible for identifying and evaluating risks that relate to their areas and activities, implementing appropriate controls, and for ongoing monitoring.

The Governance and Risk Committee reviews the management of risk in detail at each meeting and the Board reviews the Institute's strategic and compliance risks and the associated project portfolio at each Board meeting.

“The Board immediately agreed a risk-based focus to its activities and those of its subcommittees, focusing on the principles of safety, customer value and financial sustainability.”

Key business risks and mitigations

The Board considers that the key strategic threats landscape for the Institute are as follows and has approved the subsequent responses to threats.

In early 2020, the COVID-19 pandemic emerged and was recognised by the Board as a key long-term risk to the sustainability of the CQI and our ability to invest in our 2030 strategy.

The Board immediately agreed a risk-based focus to its activities and those of its subcommittees, focusing on the principles of safety, customer value and financial sustainability. An important part of the approach was to provide the necessary oversight and support of the executive team but remove unnecessary activity that might otherwise distract the Trustees and executive.

The CQI implemented a three-phase response as described on page 10 (Phase 1 Stabilise, Phase 2 Adapt, and Phase 3 Recover). Close monitoring of CQI performance and the external COVID-19 environment was undertaken with the Finance and Remuneration Committee (FRC) focusing on financial sustainability; the Governance and Risk Committee (GRC) focusing on operational and compliance risk; and the Board having overall responsibility for plans while maintaining appropriate reserves as per the risk response below.

Having successfully worked through the Stabilise and Adapt phases in 2020 (see pandemic response on page 10 above), and achieved good outcomes to the principles of safety, customer value and financial sustainability, the Board has turned its attention to the Recover phase in 2021.

The most severe financial impact of the pandemic is recognised to be on revenues from CQI|IRCA certified training courses, which saw a 30% reduction on budget. Professional recognition gained through membership can be countercyclical in times of economic turmoil as individuals seek to maximise employability. We were conscious that membership can be discretionary for individuals but important for employers who subsidise this.

For these reasons, the Board agreed that new capital investment spend, new recruitment and staff salary increments would be placed on hold until the Institute has completed its 2021 CQI membership renewals and until we have confidence that we will achieve the 2021 financial operating outturn. The Board also approved a policy of holding membership fees at the 2021 level for members that renewed early and the active promotion of concessionary fees to support individuals temporarily in difficult circumstances. This fair and prudent approach ensures the financial sustainability of the Institute, and also provided an opportunity for the Board to complete a strategy review to assess changes in our operating environment and to what extent we need to adapt our strategy.

This strategy review was conducted in the first quarter of 2021. In summary:

The external context

We found that the events of 2020 accelerated and accentuated the four key trends on which the Institute's strategy is based (see page 8 above). 2020 saw significant shifts in the adoption of technology, changes in how organisations think about resilience in complex global supply chains, and an increased focus on sustainability issues, from environment to ethical supply chains.

All of this reinforced the risk to the relevance of the profession (noted in the table on next page) and underlined the importance of our Lead Quality Management Practice and Broaden the Scope strategic themes.

The internal context

Our 2020 experience increased customer and partner expectations and acceptance of digital services and content. We learned more about the value and limitations of remote working, both through our own experience and working with members, volunteers and partners. We recognised that the external environment required a shift in focus for our marketing strategy and growth. Finally, we have assumed that our revenues from certified training courses will not recover until 2023 and that the effects of COVID-19 on face-to-face training will mean a greater emphasis on remote learning and assessment.

Again, changes in our internal context had an impact on the professional body relevance risk (noted in the table on next page) and underlined the importance of our Redesign Offerings and Align Operating Model strategic themes. In response, we have decided to bring forward our plans from later in our strategic roadmap to enhance our digital content offering and introduce an online learning service. This will create value for customers and new revenue for the Institute. We will also use our office relocation as an opportunity to adapt to new ways of agile and flexible working that will benefit the CQI, colleagues and volunteers.

“The Board has conducted a strategy review to adapt the Institute’s plans and activity to the COVID-19 shift”

Risk: Short term	Risk Response
<p>Pandemic</p> <ul style="list-style-type: none"> Realised risk of COVID-19’s impact on the CQI’s financial viability and customer contexts. Opportunity to adapt ways of working and provide increased value for colleagues and customers. 	<ul style="list-style-type: none"> The Board, via its Finance and Remuneration Committee, monitors and adapts financial scenarios to operational and financial viability. It also adapts financial plans and controls to maintain our sustainability and reserves policy. The Board has conducted a strategy review to adapt the Institute’s plans and activity to the COVID-19 shift
<p>Brexit</p> <ul style="list-style-type: none"> Threat to CQI people resources (staff with an EU passport). Impact on individuals and organisations managing quality in global supply chains. 	<ul style="list-style-type: none"> The CQI has supported colleagues with an EU passport to maintain their ability to work in the UK in line with UK government policy. We also continue to provide information and guidance to members on the UK-EU trade deal, especially on conformity assessment, test and inspection.

Risk: Long term	Risk Response
<p>Professional Body Relevance</p> <ul style="list-style-type: none"> • Threat of a rapidly changing external global environment compromising the relevance of professional bodies including the CQI. • Opportunity to position the CQI as the trusted provider of professional standards and content in our quality domain. 	<ul style="list-style-type: none"> • The CQI has developed processes and plans to deliver the programme defined under the Redesign Offerings strategic theme. This will improve the value of services to professionals and organisations and support them in their approach to quality management. Our marketing plan will underline this.
<p>Relevance of the Profession</p> <ul style="list-style-type: none"> • Threat that the fast-changing and volatile external environment reduces the relevance of the profession. • Opportunity to provide value to organisations and society in the spheres of Industry 4.0 and sustainability. 	<ul style="list-style-type: none"> • The CQI has developed processes and plans to deliver the programme defined under the Lead Quality Management and Broaden the Scope strategic themes. This will develop and promote the value of quality management in tackling external trends, and attract new, diverse talent into the profession. Our marketing plan will underline this.
<p>Scope of Membership Opportunity</p> <ul style="list-style-type: none"> • The opportunity to attract new customers including specialist quality practitioners (such as business improvement), new sector domains (such as public sector) and global markets. • The threat of an aging demographic, which will reduce availability of skills required by industry over time. 	<ul style="list-style-type: none"> • The COVID-19 shift has changed the market environment and the CQI is reframing its marketing focus and plans as part of the 2021 strategy review. • The CQI has established an equality, diversity and inclusion initiative to drive diversity in the profession to help attract and develop the new skills and experience the industry needs.

“At the time of writing this report, the COVID-19 pandemic remains ongoing, and will have an impact on our performance in 2021”

Future plans



Our future plans are driven by the CQI's 2020–30 Strategy set out on pages 8–9. As a result of the strategy review, we have adapted our Phase 1 plan (prepare for growth) as follows:

- Continue our development of CQI core professional assets (competence framework; learning; professional recognitions; CPD) with respect to the emergent Quality 4.0 agenda, but addressing in addition the role of quality management to the sustainability agenda.
- Accelerate our development of digital accessibility to our core services (career support; content; assessment; networking) completed and digitally accessible.
- Bring forward a new e-learning service as a new revenue stream and as value for members' CPD.

Green are new additions for Phase 1, brought forwards from Phase 2:

Phase 1: Prepare – 2020–2022	
Align operating model	<ul style="list-style-type: none"> • Update our core CRM to improve systems integration, customer experience and accessibility, irrespective of location. • Adapt new agile ways of working in a new London office focused on our purpose, values and strategy deployment at pace. • Introduce a new online learning offer that has created a profitable new revenue stream, subject to business case. • Establish clear focus on the market segments we wish to pursue for 2021 and Phase 2 and associated marcoms plans.
Redesign offerings	<ul style="list-style-type: none"> • Introduce an online portal for individuals and employers to understand and assess QM knowledge, skills and behaviours (linking to L&D and CPD). • Introduce an accessible Chartered Quality Professional qualification (in addition to apprenticeships and training). • Move all training course examinations online. • Introduce a superior, trusted online content offer covering global thought leadership, industry news and case studies. • Expand our range of member-led branch and special interest networks to include core communities of practice to meet current member needs and emergent practices.

Phase I: Prepare – 2020–2022

Lead quality management practice	<ul style="list-style-type: none">• Define the value of quality management in supporting the emerging technology and sustainability agendas and the nature of change required in the quality management practice.• Complete Q4.0, Competence Framework review and career path research and input to potential qualification design.• Support our members through the next ISO review of core management systems standards.
Broaden the scope of the profession	<ul style="list-style-type: none">• Develop case studies that demonstrate the societal and competitive value of QM and the QP via our international awards.• Establish the value of quality management in supporting the emerging technology and sustainability agendas with key related bodies.• Identify the sector/disciplines we wish to engage with to create value for the CQI and members.
Grow global perspective	<ul style="list-style-type: none">• Collaborate with EOQ and global quality associations on the development and promotion of quality practice.• Grow the CQI's contribution to the UK Quality Infrastructure.• Establish a clear position on the proposed ISO 9001 revision.

STRUCTURE, GOVERNANCE AND MANAGEMENT



Charitable status and administrative details

The Institute is a registered charity (no. 259678) under the Charities Act 2011 and its expenditure is directed in furtherance of its charitable objects. The Institute was granted a Royal Charter on 23 November 2006. Its registered office is as shown on page 44. The current Trustees, and any past Trustees who served during the year, are listed on page 80, with the names of the senior executive staff and the external advisers of the charity on page 82.

Board of Trustees



The Trustees, as members of the Board, are the directors of the Institute and the Trustees of the charity. The Trustees are accountable to the Charity Commission and to CQI members.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing this Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law, applicable to charities in England and Wales, requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and charity, and of the net movement in funds of the group and charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities Statement of Recommended Practice;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charity will continue in operation.

“The Trustees are responsible for approving and directing overall group strategy, major capital projects, budgets, financial control and risk management.”

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy, at any time the financial position of the group and charity, and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Royal Charter.

The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time of the report:

- There is no relevant audit information of which the charity and the group's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the group and charity's financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

The Trustees are responsible for approving and directing overall group strategy, major capital projects, budgets, financial control and risk management.

The Trustees are responsible for directing the Institute's activities and for overseeing the management of the affairs of the Institute; they delegate day-to-day management of the organisation to the chief executive and the senior management team. The Board acts on advice and information from regular meetings with the chief executive and senior management team. The Board reviews operational performance regularly to satisfy itself that the activities of the Institute are in accordance with the agreed strategic direction and ensures that the executive management has the capacity and resources to meet the Institute's objectives. The Board meets four times a year and is provided with a monthly written report from the CEO.

“To drive the improvement of inclusion within the CQI and the profession, the Board established a working group in March 2020”

Board effectiveness

The Board uses the ACEVO Charity Governance Code as the standard it measures itself against. The Board reviewed status against this code in December 2020 and the analysis below shows good progress since the first review in 2018.

Charity Governance Code Principle	2018	2020
1. Organisational Purpose	Green	Green
2. Leadership	Green	Green
3. Integrity	Green	Green
4. Decision making, risk and control	Yellow	Green
5. Board effectiveness	Green	Green
6. Diversity	Yellow	Green
7. Openness and accountability	Green	Green

Green – Good practice in place, reviewed and improved
 Yellow – Good practice in place, but requires improvement
 Red – Good practice absent

Diversity – During the development of the CQI's 2020–30 Strategy, the Board approved a vision for the quality profession that includes the need for diversity and “to embrace wider scopes of experience, skills and backgrounds to deliver its wider breadth and new roles”. To drive the improvement of inclusion within the CQI and the profession, the Board established a working group in March 2020 to establish a diversity and inclusion policy, and importantly, a structured deployment plan. The CQI equality, diversity and inclusion (EDI) policy was approved by the Board in March 2021 and will now be deployed.

Note: The Charity Code was updated in 2020 with the diversity principle expanded to EDI and the integrity principle expanded to emphasise safeguarding. These changes will be considered in the next review by the Governance and Risk Committee.

Board Composition

The composition of the Board is set out on page 80. New Trustees complete an induction programme covering Trustee responsibilities as well as the Institute strategy and objectives, and periodic refresher training is provided.

Board effectiveness is reviewed after each meeting by the Board, and individual Trustee and CEO performance is reviewed annually by the chair. The Board agenda is built around the CQI strategy so that Trustees steer direction based on an understanding of risk, performance and external developments.

The current Chair of the Board of Trustees, Ian Mitchell, comes to the end of his term at the September 2021 AGM. In December 2020, the Board agreed a process for the election of a new chair in line with the Board terms of reference and Amanda McKay was elected by the Trustees to take the position after the AGM.

The Board and its Committees



The Membership Council and Nominating Committee

The charter and byelaws grant specific powers and duties to an Advisory Council of the Institute to elect up to 17 Trustees through the CQI Nominating Committee.

The CQI Membership Council fulfils the role of the Advisory Council appointing new Trustees based on recommendations from the CQI Nominating Committee, which comprises members from the Board and Membership Council. In addition, the Membership Council operates and supports the CQI's professional networks of regions, branches and special interest groups.

Finance and Remuneration Committee

The Finance and Remuneration Committee (FRC) is drawn from members of the Board and ensures the system of internal control is satisfactory to deliver regulatory compliance, financial probity and value for money. This includes reviewing and challenging financial plans; reviewing budgets and financial statements; overseeing the annual financial audit; reviewing investment policy and performance; and reviewing the reserves policy and staff remuneration.

Governance and Risk Committee

The Governance and Risk Committee (GRC) is drawn from members of the Board and ensures the corporate governance and risk management systems support the CQI's purpose and strategy through the CQI's Framework for the Management of Corporate Governance and Framework for the Management of Risk.

Mean gender
pay gap

April 2020	19%
April 2021	19%

Remuneration policy

The Institute's policy is to position its overall reward package at market rate for membership bodies of a similar size, and to encourage and enable individual progression and career development of staff. Recruitment and reward are based on potential and performance only, with policies and training in place to ensure no discriminatory factors are involved.

The FRC undertakes an annual salary review that takes into account the financial status of the Institute, cost of living and market rates. Once approved by the Board, changes are applied to all employees, at all levels, including key management personnel. In addition, individual salary increases may be offered during the year, following a business case process that looks at performance against objectives (including behavioural) and changes in scope. For 2021, it was agreed that the staff salary increment would only be granted if the Institute achieved the 2021 operating budget outturn and after completion of CQI membership renewals. This was communicated to staff and we are grateful for their understanding.

The Institute has decided to participate in the Voluntary Gender Equality Reporting Initiative. Calculated in April 2021, the CQI's gender pay gap is 19% (April 2020: 19%). The pay gap indicates that while two thirds of employees are women, the majority of men are in management roles and therefore in the upper quartile pay band. The Institute employs a large number of women in each of the quartile pay bands. The proportion of men to women in our workforce has gone from 36%–64% in 2020 to 43%–57% in 2021.

The CQI strongly supports equal pay, with individuals carrying out the same role being paid the same, irrespective of gender. Our salaries are benchmarked at market and internal rate. We are open to, and encourage, flexible and part-time working and we promote internal job mobility where possible. The FRC will continue to monitor equal pay and diversity within the context of remuneration.



Group structure

The charity has two active, wholly owned, subsidiary companies.

IRCA Japan Kabushiki Kaisha is a company registered in Japan. Its principal activity is to provide membership services to our members in Japan and to promote the Institute's auditor certification services offered in Japan.

CQI Services Limited is registered in the UK under company registration number 4572473. The company's principal activities relate to securing advertising in the Institute members' magazine and helping members find new jobs through www.QualityJobs.org.

Financial statements

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Institute's Royal Charter, the Charities Act 2011 and Accounting and Reporting by Charities Statement of Recommended Practice (revised 2015) (Second Edition, effective 1 January 2019) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for the UK and Republic of Ireland (FRS 102).

The Institute does not generate income through fundraising; therefore, is not in breach of the Information Commissioner's Office's requirements with regard to fundraising.

By order of the Board of Trustees,

Ian Mitchell

Chair, Chair of the Board of Trustees, Chartered Quality Institute

Date: 9 June 2021

Independent auditor's report to the Trustees of the Chartered Quality Institute

Opinion

We have audited the financial statements of Chartered Quality Institute for the year ended 31 December 2020, which comprise the Consolidated Statement of Financial Activities, the Balance Sheet and the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2020 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs [UK]) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the [group/charity]'s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Chair's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 36, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes our opinion. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and the environment in which it operates, we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Charities Act 2011, the Charity's Royal Charter, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.



Haysmacintyre LLP

Statutory Auditors

Date: 10 June 2021

10 Queen Street Place
London
EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities

for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Income from:			
Charitable activities			
Membership Services		3,165	3,141
Learning & Development		1,321	1,905
Awareness		15	87
Investments	3	36	55
Total		4,537	5,188
Expenditure on:			
Charitable activities			
Membership Services	4	2,605	2,707
Learning & Development	4	1,089	1,331
Awareness	4	779	847
Total		4,473	4,885
Net income before gains/(losses) on investments and foreign exchange			
		64	303
Net gain/(loss) on investments	13	(11)	218
Net gain/(loss) on foreign exchange		(9)	(8)
Net income		44	513
Reconciliation of funds:			
Funds brought forward		3,267	2,754
Total unrestricted funds carried forward	20	3,311	3,267

There are no recognised gains or losses other than those recognised above. All activities are continuing.

All activities (income and expenditure) in both years are unrestricted and therefore a comparable statement of financial activities is not required.

The notes on pages 52 to 77 form part of these financial statements.

Balance sheet

as at 31 December 2020

	Note	Group		Institute	
		2020	2019	2020	2019
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible fixed assets	11	388	285	378	259
Tangible fixed assets	12	48	41	37	34
Investments	13	1,610	1,621	1,691	1,699
		2,046	1,947	2,106	1,992
Current assets					
Debtors	14	759	947	870	1,089
Cash at bank and in hand		2,594	2,274	2,209	1,882
		3,353	3,221	3,079	2,971
Current liabilities					
Creditors: amounts due within one year	15	2,088	1,822	1,626	1,378
		2,088	1,822	1,626	1,378
Net current assets					
		1,265	1,399	1,453	1,593
Provisions for other liabilities due within one year	17	-	79	-	79
Net assets					
		3,311	3,267	3,559	3,506
Total funds:					
General funds	20	1,919	2,007	2,187	2,280
Designated funds	20	1,392	1,260	1,372	1,226
Total unrestricted funds					
		3,311	3,267	3,559	3,506

These accounts were approved by the Board and authorised for issue on 9 June 2021 and were signed on its behalf by:



Ian Mitchell, Chair

The notes on pages 52 to 77 form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities:			
Net cash provided by operating activities		593	317
Cash flow from investing activities:			
Dividends and interest from investments		36	55
Spend on internally generated intangible assets		(252)	(143)
Purchase of tangible assets		(47)	(9)
Net cash provided by/(used in) investing activities		(263)	(97)
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at beginning of reporting period		2,274	2,062
Exchange gains/(losses) on cash and cash equivalents		(9)	(8)
Cash and cash equivalents at end of reporting period		2,595	2,274
Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting period (as per the statement of financial activities)		44	513
Adjustments for:			
Depreciation charges		40	140
Amortisation charges		149	70
(Gains)/losses on investments		11	(218)
(Gains)/losses on exchange		9	8
Dividends and interest from investments		(36)	(55)
Increase/(decrease) in provisions		(79)	-
(Increase)/decrease in debtors		186	(78)
Increase/(decrease) in creditors		269	(63)
Net cash provided by operating activities		593	317
Analysis of cash and cash equivalents			
Cash at bank and in hand		1,361	897
Short term deposits		1,233	1,377
Total cash and cash equivalents	22	2,594	2,274

The notes on pages 52 to 77 form part of these financial statements.

Notes to the financial statements

I. Accounting policies

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention modified to include the recognition of listed investments measured at fair value, which is consistent with the prior year. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities ("The SORP"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Chartered Quality Institute ("The Institute") meets the definition of a public benefit entity under FRS 102.

General information

The Institute is a charity registered in England and Wales (charity number 259678). The Institute's registered office address is Third floor, 90 Chancery Lane, Holborn, London WC2A 1EU.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Institutes accounting policies. In the application of the accounting policies, Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Basis of consolidation

The Group accounts include the results of the Institute's subsidiaries: CQI Services Ltd and the International Register of Certificated Auditors Japan Kabushiki Kaisha ("IRCA Japan KK"). A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The subsidiaries comply with the same accounting policies as the Institute and have been consolidated on a line-by-line basis. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Notes to the financial statements

The Institute has taken advantage of the exemption from the SORP FRS 102 from disclosing its individual statement of financial activities. The gross income of the Institute for the year was £4.04m (2019: £4.73m) and its result for the year was a net income surplus of £53k (2019: £522k).

Foreign currency

i) Functional and presentation currency

The group financial statements are presented in pound sterling and rounded to thousands. The Institute's functional and presentation currency is the pound sterling.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate at transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at balance sheet date. Differences are taken to the income and expenditure account.

iii) Translation

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings are translated at the exchange rates ruling at the year-end.

Going concern

The Trustees continue to monitor the changing landscape resulting from the COVID-19 pandemic and its impact on the Group's financials through scenario planning, monthly review of results against budgets, and regular review of assumptions. The Group holds a significant portion of its reserves as cash, has a strong level of free reserves and has been able to adjust its cost base to adapt to the reductions in revenue; therefore the Trustees are of the view that the Institute and Group are a going concern.

Income

All income is recognised once the Institute and Group has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably. Income of the Institute is, where applicable, included net of Value Added Tax (VAT) and is allocated to the period to which it relates, carrying forward that part of the income relating to future accounting periods. Income received relating to future accounting periods is deferred and recognised as a creditor within the balance sheet.

Member subscription income is recognised over the period to which the subscription relates and over which the membership services and benefits are provided. Where the subscription spans more than one financial year, the income received but not earned in the current financial year is deferred into the next.

Income from all other charitable activities is recognised as earned as the related services are provided.

Notes to the financial statements

Income from other trading activities is recognised as earned as the related goods are provided.

Investment income is recognised on a receivable basis and the amounts can be measured reliably.

Dividends are recognised once the dividend has been declared and notification has been received that the dividends are due.

Expenditure

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the Institute and Group to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably. Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

All of the Institute's expenditure is classified as expenditure on charitable activities and allocated between activity streams. Expenditure is allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, known as "support costs" and comprising the salary and overhead costs of the central function, is apportioned based on staff time attributable to each activity.

Support costs also include governance costs, which comprise organisational administration and compliance with constitutional and statutory requirements. The allocation of support and governance costs is analysed in notes 5 and 6.

Employee benefits

Short-term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

The Institute contributes to Group personal pension schemes, the assets of which are administered by Aviva, and Suffolk Life. They are defined contribution schemes. All contributed costs are accounted for on the basis of charging the cost of providing pensions over the period when the Institute and Group benefits from the employees' services. The Institute and Group has no further liability under the scheme.

Leasing and hire purchase commitments

Rentals paid under operating leases are charged to the income and expenditure account on a straight-line basis over the lease term. The Institute holds no assets under finance leases or hire purchase contracts.

Notes to the financial statements

Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Product development – 3 to 5 years
- Intellectual property – 3 to 5 years

Where factors, such as changes in market demand or price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the product so that it will be available for use;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- the expenditure attributable to the product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Tangible fixed assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. The minimum threshold for capitalisation is £1,000. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- Improvements to premises – over the term of the lease
- Office equipment and furniture – 5 years
- Computer equipment and software – 3 years

Notes to the financial statements

Investments

Investments are a form of basic financial instrument and are initially shown in the financial statements at fair value. Movements in the fair values of investments are shown as net gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Net gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Financial instruments

The Group has chosen to adopt Section 11 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction value and subsequently measured at amortised cost. Other financial assets, including investments, are initially measured at fair value. Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. A specific provision is made for debts for which recoverability is in doubt.

ii) Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements

Provisions

Provisions are recognised where the Institute has a present legal or constructive obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Provisions are measured at the present value or the expenditures expected to be required to settle the obligation.

Fund accounting

Unrestricted funds are those funds available to the Institute and Group for its general purposes. They include funds designated (Note 20) by the Trustees for particular purposes where their use remains at the discretion of the Trustees. It is the policy of the Trustees to retain in unrestricted funds amounts that in their judgement can help to mitigate the short-term effects of income volatility; and retain as long-term investment funds to generate sufficient income to meet current and future operational activities of the charity. The Group does not hold any restricted funds. Further information is available in the reserves section of the Trustees' report.

2. Trading activities of subsidiary undertakings

The Institute has two wholly-owned trading subsidiaries. A summary of their trading results is shown on page 58.

CQI Services Limited is incorporated in England and Wales, registered number 04572473. Its registered office is 90 Chancery Lane, London WC2A 1EU. The principal activity of the company is the generation of advertising revenue placed in the Institute's members' magazine and helping members find new jobs through the Institute's jobsite. Income and expenditure are included in Membership Services and Awareness in the Group financial statements. Any profits are Gift Aided to the Institute.

IRCA Japan KK is incorporated in Japan, registered number 0100-01-130705. Its registered office is Burex Kojimachi 8F, 3-5-2 Kojimachi, Chiyoda-ku 102-0083 Tokyo, Japan. The principal activity of the company is to provide local marketing, certification and administration services to IRCA for its auditors in Japan. The income and expenditure of the company has been included under charitable activities of Membership Services in the Group financial statements. IRCA Japan KK pays an annual royalty to the Institute.

Notes to the financial statements

2. Trading activities of subsidiary undertakings (continued)

	CQI Services Limited	IRCA Japan KK	Total	CQI Services Limited	IRCA Japan KK	Total
	2020	2020	2020	2019	2019	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Summary profit & loss accounts:						
Turnover	55	645	700	239	661	900
Operating costs	(58)	(450)	(508)	(239)	(436)	(675)
Operating profit	(3)	195	192	-	225	225
Interest receivable	-	-	-	-	-	-
Profit/(loss) on ordinary activities before taxation	(3)	195	192	-	225	225
Taxation	-	(5)	(5)	-	-	-
Profit/(loss) on ordinary activities before taxation	(3)	190	187	-	225	225
Gift Aid/Royalty to parent charity	-	(186)	(186)	-	(222)	(222)
Retained in subsidiary	(3)	4	1	-	3	3
The assets and liabilities of the subsidiaries were:						
Current assets	17	534	551	65	527	592
Current liabilities	(62)	(353)	(415)	(108)	(384)	(492)
Total net assets	(45)	181	136	(43)	143	100
Aggregate share capital and reserves	(45)	181	136	(43)	143	100

3. Investment income

	2020 £'000	2019 £'000
Bank deposit interest and other income	4	11
Dividend income from shares listed on the London Stock Exchange	32	44
Total	36	55

Notes to the financial statements

4. Total expenditure

	Staff Costs	Other direct activity costs	Support Costs	Total 2020
	£'000	£'000	£'000	£'000
Charitable activities 2020				
Membership Services	874	983	748	2,605
Learning & Development	325	479	285	1,089
Awareness	386	215	178	779
Support Costs	840	371	(1,211)	-
Total charitable costs	2,425	2,048	-	4,473

	Staff Costs	Other direct activity costs	Support Costs	Total 2019
	£'000	£'000	£'000	£'000
Charitable activities 2019				
Membership Services	874	1,023	810	2,707
Learning & Development	405	595	331	1,331
Awareness	393	307	147	847
Support Costs	924	364	(1,288)	-
Total charitable costs	2,596	2,289	-	4,885

Support costs totalling £1,210,651 (2019: £1,288,618) have been allocated across the activities. These include costs associated with IT, HR, finance, property and other central services across the Group. The costs have been allocated based on time spent by departments supporting the various activities.

Notes to the financial statements

5. Support costs

	Staff Costs £'000	Premises & Office Costs £'000	Resources £'000	Information Technology £'000	Governance £'000	Total 2020 £'000
Support Costs 2020						
Membership Services	519	127	14	68	20	748
Learning & Development	198	48	5	26	8	285
Awareness	124	30	3	16	5	178
Total support costs	841	205	22	110	33	1,211

	Staff Costs £'000	Premises & Office Costs £'000	Resources £'000	Information Technology £'000	Governance £'000	Total 2019 £'000
Support Costs 2019						
Membership Services	581	136	19	50	24	810
Learning & Development	238	55	8	21	10	332
Awareness	106	24	3	9	4	146
Total support costs	925	215	30	80	38	1,288

6. Governance costs

	2020 £'000	2019 £'000
Meetings and travel expenses	5	7
Audit fees	23	23
Legal & professional	5	8
Total	33	38

Notes to the financial statements

7. Net expenditure for the year

The net outgoing resources for the year are stated after charging:

	2020	2019
	£'000	£'000
Depreciation	40	140
Amortisation	149	66
Operating lease rentals for land and buildings	381	354
Auditor's remuneration – External audit (excludes VAT)	23	23
Overseas taxation	5	-

8. Staff costs

	2020	2019
	£'000	£'000
Wages and salaries	2,103	2,101
Social security costs	202	206
Pension costs	128	119
Termination payments	4	-
Other staff costs	67	170
Total	2,504	2,596

Other staff costs includes staff training, welfare and recruitment and fees for agency staff

£78,841 of staff costs have been capitalised during 2020 (2019: £nil), for staff time spent exclusively on the Finance System Upgrade and Learning & Development E-Assessment Projects.

The average monthly number of employees during the year was as follows:

	2020	2019
Number of employees involved in charitable activities:		
Membership	21	22
Learning & Development	8	9
Awareness	5	4
Number of employees involved in non-charitable activities:		
Support	15	15
Total	49	50

Notes to the financial statements

The number of employees whose remuneration (excluding redundancy) fell into the following bands were:	2020	2019	
£60,001 – £70,000	3	2	
£70,001 – £80,000	2	1	
£80,001 – £90,000	-	2	
£90,001 – £100,000	2	-	
£100,001 – £110,000	-	1	
£110,001 – £120,000	2	2	

The Institute made contributions of £47,824 (2019: £39,506) to the money purchase personal pension schemes of eight (2019: eight) employees whose emoluments exceeded £60,000.

The Institute considers its key management personnel comprises the Trustees and the Senior Management Team (SMT). The Trustees provide their time free of charge. The total remuneration, employer's national insurance contributions, benefits and pensions paid to or on behalf of the SMT in the year was £458,669 (2019: £484,773).

Notes to the financial statements

9. Related party transactions

No member of the Board received any remuneration in 2020 (2019: £nil) for their roles as Trustees. A total of £775 (2019: £4,806) was paid to, or to third parties on behalf of, 11 (2019: 11) members of the Board in reimbursement of expenses incurred on Institute business during the year. In addition to this, the Institute paid £2,355 for Trustee indemnity insurance (2019: £2,352).

One of the Institute's Trustees is the Director of Quality at Balfour Beatty. As a Corporate Partner of the Institute, Balfour Beatty were invoiced and paid a membership fee of £4,950 in 2020 (2019: £5,500). This transaction was in line with the Institute's normal course of business and its standard terms and conditions, there was no outstanding balance at 31 December 2020 (2019: £nil), and no amounts were written off during the year (2019: £nil).

An individual who up until December 2019 served as a Trustee commenced employment with the Institute as Executive Director of Policy in 2020.

The following members of the Institute's senior management team are also members of the Board of Directors of the Institute's subsidiary, IRCA Japan KK: Vincent Desmond and Tally Singer. In 2020, an annual royalty of £185,832 (2019: £221,720) was charged by the Institute to IRCA Japan KK, with the full balance being outstanding at 31 December 2020 and expected to be paid in 2021 (2019: £221,720 was outstanding at 31 December 2019 and was paid in full in 2020).

10. Taxation

The Institute is a registered charity and is, therefore, not subject to corporation tax on its charitable activities. No provision has been made for corporation tax for CQI Services Ltd as the company has no taxable profits in 2020. Overseas taxation relates to income tax suffered by IRCA Japan KK on its profits for the year.

	2020 £'000	2019 £'000	
Overseas Taxation	5	-	

Notes to the financial statements

11. Intangible fixed assets of the Group and Institute

Group	Website Development £'000	Intellectual Property £'000	Software & Systems £'000	Total £'000
Cost				
As at 1 January 2020	542	291	145	978
Additions – internally generated	-	9	243	252
Written off in the year	-	-	-	-
As at 31 December 2020	542	300	388	1,230
Amortisation				
As at 1 January 2020	516	175	2	693
Charge for the year	16	59	74	149
Written off in the year	-	-	-	-
As at 31 December 2020	532	234	76	842
Net book value				
As at 31 December 2020	10	66	312	388
As at 31 December 2019	26	116	143	285

Notes to the financial statements

The Institute	Website Development £'000	Intellectual Property £'000	Software & Systems £'000	Total £'000
Cost				
As at 1 January 2020	503	291	145	939
Additions – internally generated	-	9	243	252
Written off in the year	-	-	-	-
As at 31 December 2020	503	300	388	1,191
Amortisation				
As at 1 January 2020	503	175	2	680
Charge for the year	-	59	74	133
Written off in the year	-	-	-	-
As at 31 December 2020	503	234	76	813
Net book value				
As at 31 December 2020	-	66	312	378
As at 31 December 2019	-	116	143	259

Included in intangible fixed assets: website development costs of £38,761 (2019: £38,761), accumulated depreciation of £28,249 (2019: £12,696) and net book value of £10,513 (2019: £26,065) relating to assets developed by IRCA Japan KK.

Notes to the financial statements

12. Tangible fixed assets

Group	Improvements to premises £'000	Office equipment and furniture £'000	Computer hardware £'000	Total £'000
Cost				
As at 1 January 2020	192	46	25	263
Additions in year	12	11	24	47
Disposals	-	-	-	-
As at 31 December 2020	204	57	49	310
Depreciation				
As at 1 January 2020	165	34	23	222
Charge for the year	20	12	8	40
Eliminated on disposal	-	-	-	-
As at 31 December 2020	185	46	31	262
Net book value				
As at 31 December 2020	19	11	18	48
As at 31 December 2019	27	12	2	41

Notes to the financial statements

12. Tangible fixed assets (continued)

The Institute	Improvements to premises £'000	Office equipment and furniture £'000	Computer hardware £'000	Total £'000
Cost				
As at 1 January 2020	192	25	25	242
Additions in year	12	-	24	36
Disposals	-	-	-	-
As at 31 December 2020	204	25	49	278
Depreciation				
As at 1 January 2020	165	20	23	208
Charge for the year	20	5	8	33
Eliminated on disposal	-	-	-	-
As at 31 December 2020	185	25	31	241
Net book value				
As at 31 December 2020	19	-	18	37
As at 31 December 2019	27	5	2	34

Included in tangible fixed assets: office equipment and furniture are costs of £32,768 (2019: £21,373), depreciation of £21,489 (2019: £14,492) and net book value of £11,280 (2019: £6,881) relating to assets purchased by IRCA Japan KK.

Notes to the financial statements

13. Fixed asset investments

	Group		Institute	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Listed investments	1,610	1,621	1,610	1,619
Unlisted investments	-	-	81	80
Market value as at 31 December	1,610	1,621	1,691	1,699
Historic cost of investments	950	950	1,031	1,031
Analysis of movement:				
As at 1 January	1,621	1,403	1,699	1,481
Additions	-	-	-	-
Net gains/(losses)	(11)	218	(8)	218
As at 31 December	1,610	1,621	1,691	1,699

Listed investments

In January 2011, an investment was made in a Common Investment Fund. As at 31 December 2020, the fund comprised 38% UK equities, 45% overseas equities, 13% bonds and 4% cash. Their fair value as at 31 December 2020 and 2019 is shown above.

Unlisted investments in subsidiary undertakings

The Institute holds 100% of the voting capital of CQI Services Ltd, a company registered in England. The share capital of the company comprises 10,000 shares of £1 each. The company's principle activities are the provision of advertising revenue in the Quality World magazine and the CQI websites, management consultancy referrals, catering and hire of facilities. The company also manages the International Quality Awards.

The Institute holds 100% of the 10 million Japanese Yen voting share capital of the International Register of Certified Auditors Japan KK, a company registered in Japan. The company's principal activity is to provide local marketing, administration and certification services to Japanese auditors.

Notes to the financial statements

14. Debtors

	Group		Institute	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade debtors	98	146	52	110
Amounts owed by Group undertakings	-	-	222	307
Other debtors	157	184	92	101
Prepayments and accrued income	504	617	504	571
Total	759	947	870	1,089

15. Creditors

	Group		Institute	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade creditors	69	126	36	103
Other taxes and social security	80	81	54	59
Other creditors	70	45	69	45
Accruals and deferred income	1,869	1,570	1,467	1,171
Total	2,088	1,822	1,626	1,378

Notes to the financial statements

16. Deferred income

	Group		Institute	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
At 1 January	1,375	1,447	995	1,081
Amount released to incoming resources	(1,375)	(1,447)	(995)	(1,081)
Amount deferred in the year	1,645	1,375	1,254	995
At 31 December	1,645	1,375	1,254	995

Included in creditors is a total of £1,645,252 (2019: £1,374,978) that relates to deferred income. £792,938 relates to IRCA membership renewal fees received in the year but not yet earned (2019: £711,508). The remainder is income for 2021 fees raised in October, November and December 2020. This figure consists of £516,545 (2019: £443,705) for CQI Membership, £208,928 (2019: £176,490) for IRCA Membership, £83,571 for fees from Corporate Partners (2019: £7,200) and £38,271 from IRCA OEA fees (2019: £25,895).

17. Provisions for other liabilities

	Dilapidations Provision £'000	Total £'000
The Group and Institute had the following provisions during the year:		
At 1 January 2020	79	79
Additions dealt with in the Statement of Financial Activity	-	-
Reclassified as current liability during the year	(79)	(79)
As at 31 December 2020	-	-

As part of the Group's property leasing arrangements, there is an obligation to repair damages that are incurred during the life of the lease, such as wear and tear. The estimated full cost of the obligation was charged to the statement of financial activity in 2017 and no change to the provision has been deemed necessary in 2020. The provision was utilised in March 2021 when the lease terminated.

Notes to the financial statements

18. Financial instruments

The Group has the following financial instruments:

	Group		Institute	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Financial assets that are debt instruments measured at amortised cost:				
Trade receivables	98	146	52	110
Other receivables	157	184	92	101
Amounts owed by group	-	-	222	307
	255	330	366	518
Financial assets that are debt instruments measured at fair value:				
Investments	1,610	1,619	1,610	1,619
Investment in short-term deposits	2,594	2,273	2,209	1,882
	4,204	3,892	3,819	3,501
Financial liabilities measured at amortised cost:				
Trade creditors	69	126	36	103
Other creditors	150	126	124	104
	219	252	160	207
Net financial assets measured at amortised cost	4,240	3,970	4,025	3,812

Notes to the financial statements

19. Other financial commitments

At 31 December 2020, the Group and Institute had the following future lease payments under non-cancellable operating leases:

Land and buildings	Group		Institute	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Not later than one year	162	405	98	391
Later than one year and not later than five years; and	16	98	-	98
Later than five years	-	-	-	-
Lease payments recognised as an expense through the statement of financial activity	381	354	326	326

The Institute entered into a new 10 year lease in February 2021.

Notes to the financial statements

20. Funds

All assets and liabilities are held within unrestricted funds.

	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Group 2020						
General Funds	2,007	4,511	(4,252)	(327)	(20)	1,919
Fixed Asset Reserve	326	-	(189)	299	-	436
PQG Reserve	134	26	(32)	-	-	128
IT Project Reserve	400	-	-	(190)	-	210
Product Development Reserve	100	-	-	230	-	330
Premises Reserve	300	-	-	(12)	-	288
Total Funds	3,267	4,537	(4,473)	-	(20)	3,311
The Institute 2020						
General Funds	2,280	4,013	(3,783)	(318)	(5)	2,187
Fixed Asset Reserve	293	-	(166)	288	-	415
PQG Reserve	133	26	(32)	-	-	127
IT Project Reserve	400	-	-	(188)	-	212
Product Development Reserve	100	-	-	230	-	330
Premises Reserve	300	-	-	(12)	-	288
Total Funds	3,506	4,039	(3,981)	-	(5)	3,559

Notes to the financial statements

20. Funds (continued)

	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Group 2019						
General Funds	967	5,148	(4,638)	329	201	2,007
Fixed Asset Reserve	384	-	(210)	152	-	326
PQG Reserve	122	40	(37)	-	9	134
IT Project Reserve	966	-	-	(566)	-	400
Product Development Reserve	15	-	-	85	-	100
Premises Reserve	300	-	-	-	-	300
Total Funds	2,754	5,188	(4,885)	-	210	3,267
The Institute 2019						
General Funds	1,231	4,687	(4,177)	343	196	2,280
Fixed Asset Reserve	350	-	(195)	138	-	293
PQG Reserve	122	39	(37)	-	9	133
IT Project Reserve	966	-	-	(566)	-	400
Product Development Reserve	15	-	-	85	-	100
Premises Reserve	300	-	-	-	-	300
Total Funds	2,984	4,726	(4,409)	-	205	3,506

The Fixed Asset reserve represents the approximate value of tangible and intangible assets as these funds are not available for day-to-day operations of the Institute.

The PQG reserve is equal to the bank balances and share of investments held by the Pharmaceutical Quality Group. This special interest group meets the needs of quality professionals within the pharmaceutical industry through regular meetings on quality assurance, good manufacturing practice and 'hot-topics' and developing guidance on a range of regulatory requirements.

The IT project reserve represents money set aside for the planned redevelopment of the Institute's digital infrastructure.

The Product Development reserve represents money set aside for the continuation of Learning and Development projects.

The Premises reserve represents money set aside for relocation when the Institute's lease of its Furnival Street offices expires in 2021.

Notes to the financial statements

21. Analysis of net assets between funds

	General Funds	PQG Reserve	IT Project Reserve	Fixed Asset Reserve	Product Development Reserve	Premises Reserve	2020 Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Group 2020							
Intangible fixed assets	-	-	-	388	-	-	388
Tangible fixed assets	-	-	-	48	-	-	48
Investments	1,542	68	-	-	-	-	1,610
Current assets	2,465	60	210	-	330	288	3,353
Current liabilities	(2,088)	-	-	-	-	-	(2,088)
Non-current liabilities	-	-	-	-	-	-	-
	1,919	128	210	436	330	288	3,311
The Institute 2020							
Intangible fixed assets	-	-	-	378	-	-	378
Tangible fixed assets	-	-	-	37	-	-	37
Investments	1,623	68	-	-	-	-	1,691
Current assets	2,189	60	212	-	330	288	3,079
Current liabilities	(1,626)	-	-	-	-	-	(1,626)
Non-current liabilities	-	-	-	-	-	-	-
	2,186	128	212	415	330	288	3,559

Notes to the financial statements

21. Analysis of net assets between funds (continued)

	General Funds	PQG Reserve	IT Project Reserve	Fixed Asset Reserve	Product Development Reserve	Premises Reserve	2019 Total Funds
Group 2019	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	-	-	-	254	-	-	254
Tangible fixed assets	-	-	-	72	-	-	72
Investments	1,553	68	-	-	-	-	1,621
Current assets	2,355	66	400	-	100	300	3,221
Current liabilities	(1,822)	-	-	-	-	-	(1,822)
Non-current liabilities	(79)	-	-	-	-	-	(79)
	2,007	134	400	326	100	300	3,267
The Institute 2019							
Intangible fixed assets	-	-	-	254	-	-	254
Tangible fixed assets	-	-	-	39	-	-	39
Investments	1,631	68	-	-	-	-	1,699
Current assets	2,106	65	400	-	100	300	2,971
Current liabilities	(1,378)	-	-	-	-	-	(1,378)
Non-current liabilities	(79)	-	-	-	-	-	(79)
	2,280	133	400	293	100	300	3,506

Notes to the financial statements

22. Analysis of changes in net debt

	At 1 January 2020	Cash flows	Acquired	Foreign exchange movements	At 31 December 2020
Group 2020	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	897	473	-	(9)	1,361
Short-term deposits	1,377	(144)	-	-	1,233
	2,274	329	-	(9)	2,594

	At 1 January 2019	Cash flows	Acquired	Foreign exchange movements	At 31 December 2019
Group 2019	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	630	275	-	(8)	897
Short-term deposits	1,432	(55)	-	-	1,377
	2,062	220	-	(8)	2,274

Board of Trustees

Ian Mitchell, CQP FCQI works for Network Rail as Quality & Business Improvement Director. Before taking up the role as chair of the Board of Trustees in December 2015, Ian served the CQI as a Trustee and as a member of the Advisory Council, Governance Committee and the Professional Policy Panel. He brings to the CQI over 40 years of experience within the aerospace, defence, nuclear and rail sectors globally. During this time, he has led numerous quality teams but also held positions in manufacturing, project management, procurement, finance and engineering. This allows him to see quality from many perspectives.

Hannah Kingsley, BVSc FCA works for Network Rail as the Finance Director for Anglia Route, leading the finance, change and liabilities teams as part of the new devolved business structure. Prior to this, Hannah worked for Rail Delivery Group as Director Commercial Service and Assurance. She led the governance, internal audit & risk, business change and commercial & procurement functions, as well as in previous senior finance roles at Network Rail and Deloitte LLP. In her role as Honorary Treasurer, Hannah brings to the CQI extensive experience working across financial control, financial planning & analysis and commercial finance.

Amanda McKay, CQP FCQI is Quality & Assurance Director for Balfour Beatty Vinci. She has 27 years' experience in the construction, nuclear and power generation sectors and in charity operation, people management and diversity in her role as a Trustee with other charities. A founding member and Chair of the CQI Nuclear Special Interest Group, Amanda has worked to develop additional competency requirements for quality professionals and to help establish the first Quality Apprentice Scheme for the Nuclear sector.

David Anderson, CQP, FQCI is Head of Business Process and Quality for BAM Nuttall Ltd. He brings 30 years' experience within the construction industry. David is passionate about the role quality plays within business and operational excellence and is an advocate in utilising technology as an enabler for the future of quality. He is actively engaged with the CQI Construction Special Interest Group and a variety of other groups and organisations within the UK and Europe. He is a Director and Trustee of the Lean Construction Institute, an educational charity. He was also winner of the Quality Professional of the Year award at the 2020 International Quality Awards.

David Straker, CQP FCQI is now retired. He brings to the CQI experience from an extensive career in a variety of roles, in both public and private organisations. These included a leading role in the award-winning Hewlett Packard UK quality department and as Quality Manager for the national school Statutory Assessment Tests (SATs). He also brings an understanding of psychology within the profession and still writes about 'changing minds' for a major knowledge website on this topic.

Rashad Issa, CQP, FCQI works for the Baltic Exchange as the Quality and Business Improvement Lead and sits on the Board of the Project Management Institute UK. Before becoming a Trustee, he volunteered for the CQI London Committee for over three years and was part of the pilot groups of various CQI initiatives, such as the mentoring programme and the Quality Connect platform. His experience ranges from the financial services and retail to the health sector. Rashad has extensive experience in guiding the development and delivery of robust operational strategies, streamlining complex policies and procedures on a global scale, establishing project management offices from the ground up, and bringing quality management frameworks to stakeholders at different levels in order to achieve strategic initiatives.

Roxann Dawson, CQP FCQI works for Network Rail as Head of Quality. Before becoming a Trustee in September 2017, Roxann served as a member of the Advisory Council and in 2020 accepted the appointment to chair the Governance Risk Committee. She brings a wealth of experience across construction including civil experience, project management and transportation (London Underground & Rail). Roxann is known for her passion and energy for the sustainability of the quality profession. She is an advocate not only for the CQI, but also for the profession at large.

Richard Allan, CQP FCQI retired from the Kimberly-Clark Corporation in 2020 as Director, Global Quality Assurance. Before becoming a Trustee in September 2017, Richard served as a member of the Advisory Council, Nominating Committee and Standards Development Group. Richard has more than 35 years of industrial experience predominantly in quality management. He has extensive experience setting and deploying quality strategy, initiatives and metrics across a large and diverse multinational corporation well known for its leading brands of everyday products.

Natalie Shoemark-Dyer, CQP FCQI is Head of Quality at Aspire Defence Services Limited. She brings a decade of experience in fields from facilities management to telecoms, implementing management systems and embedding quality culture. Natalie was Chair of the CQI's Next Generation Network in October 2014, and October 2018 and worked with her team in supporting the mission of the CQI to redefine the profession and attract the next generation of quality professionals. She is also Chair of the CQI's Thames Valley branch. Natalie remains an advocate for the future of the profession in her role as a Board Trustee.

Rachelle Beasley, CQP MCQI works as Transformation Lead for Hafod, a not-for-profit housing, health and social provider. She brings a decade of experience in quality and auditing across various industries and gained a MSc in Quality Management in 2017. Rachelle was part of the Next Generation Network Committee from 2015 to 2019, working to make quality a career choice for young people. She brings experience within the voluntary sector and as a Board member, sitting on two Boards for charitable organisations that work to make lives better within communities. Rachelle is also an advocate for young quality professionals, diversity and the future of quality.

Ian McCabe, CQP FCQI is a Director at NXTGen Quality Limited. He has over 20 years' experience as a senior leader helping organisations in both the public and private sectors across a number of industries. These include: engineering, manufacturing, management consultancy, utilities and postal services to manage change, avoid excessive costs, protect reputation, reduce risks and maximise opportunities. As a member of the CQI's Corporate Partner Directors Round Table, Ian helped to shape the CQI's strategic objectives. He has also been involved in the design, development and improvement of both the CQI's Competence and Learning and Development Frameworks. In 2015, Ian was recognised by Quality World magazine as one of the top 10 people who helped shape its thinking of best practice in quality.

Board of Trustees

Position	Current office holder	Date of appointment/ resignation	Attendance at Board meetings in 2020	Committee member
Chair	Ian Mitchell	Appointed September 2012	4/4	Finance and Remuneration Committee
Honorary Treasurer	Hannah Kingsley	Appointed March 2019	4/4	Finance and Remuneration Committee
Board Member	Amanda McKay	Appointed September 2014	3/4	Governance and Risk Committee Nominating Committee Membership Council Liaison
Board Member	Andy Pitt	Appointed September 2014 Resigned September 2020	3/3	Governance and Risk Committee
Board Member	David Straker	Appointed September 2014	4/4	Governance and Risk Committee
Board Member	Roxann Dawson	Appointed September 2017	3/4	Governance and Risk Committee Chair
Board Member	Richard Allan	Appointed September 2017	4/4	Finance and Remuneration Committee Nominating Committee
Board Member	Natalie Shoemark-Dyer	Appointed September 2018	4/4	Finance and Remuneration Committee
Board Member	Rachelle Beasley	Appointed March 2020	4/4	Membership Council Liaison

Position	Current office holder	Date of appointment/resignation	Attendance at Board meetings in 2020	Committee member
Board Member	Ian McCabe	Appointed March 2020	4/4	Governance and Risk Committee
Board Member	David Anderson	Appointed March 2021	N/A	Nominating Committee
Board Member	Rashad Issa	Appointed March 2021	N/A	

Membership Council

Name	Position
Dave Smith	Chair
Suzanne Hill	Vice Chair
Angela Fumpson	Member
Don O'Connell	Member
Cathryn Valentyn	Member
Maurice Trevor Walton	Member
Victor Williams	Member
Neil Stanbury	Member
Marc Elmes	Member
Mark Eydman	Member
Kristian Hill	Member
Jon Adshead	Member

Key management personnel

Director General and Chief Executive Vince Desmond	Executive Director of Corporate Services Andrew Lannin
Executive Director of Membership and Commercial Services Tally Singer	Executive Director Marketing and Communications Heather Chappell

Principal professional advisers

Bankers

Lloyds Bank Plc
98 Victoria Street
London SW1E 5JL

External auditors

Haysmacintyre LLP
Chartered Accountants
10 Queen Street Place,
London EC4R 1AG

Investment managers

Newton Investment Management Ltd
BNY Mellon Centre
160 Queen Victoria Street
London ECV4 4LA

Special Interest Groups

Special Interest Groups

Construction SIG	Chair	Jon Adshead
	Vice Chair	David Anderson
	Secretary	Neil Mellor
Defence SIG	Chair	Neil Stanbury
	Secretary	John Entwistle
	Chair (April 2020)	Rick Ellis
	Vice Chair (April 2020)	Richard Smith
	Secretary (April 2020)	Steven Blaker
Deming SIG	Chair	Alan Hodges
	Vice Chair	Kevan Leach
	Secretary	Malcolm Gall
Integrated Management SIG	Chair	Ian Dalling
	Secretary	Robert Blackwell
Nuclear SIG	Chair	Amanda McKay
	Vice Chair	Richard Hibbert
	Secretary	James Brown
Pharmaceutical SIG	Chair	Jane Smith
	Vice Chair	Neil Wayman
Rail SIG	Chair	Jon Briggs
	Vice Chair	Daniel Quant

Professional Network Officers

EASTERN REGION	Regional Chair	Don O'Connell
Milton Keynes branch	Chair	Paul Simpson
Peterborough and Cambridge branch	Chair	Kevin Newey
	Secretary	Anthony Hayward
South Anglia branch	Chair	Barry Avis
	Secretary	Neil Hilton

MIDLANDS REGION	Regional Chair	Mark Eydman
	Vice Chair	Tony Brachmanski
	Secretary	Jaz Tanwar
Birmingham branch	Chair	Bob Hughes
	Secretary	Jaz Tanwar
Derby and Nottingham branch	Chair	Simon Dewsbury
	Vice Chair	Adrian Petch
	Secretary	Suzanne Hill
	Chair (April 2020)	Suzanne Hill
	Secretary (April 2020)	Samantha Jackson
Leicester and Coventry branch	Chair	Mark Eydman
	Vice Chair	Sarah Maddox
	Secretary	Adrian Stokes
Wolverhampton branch	Chair	Tony Brachmanski
	Vice Chair	Craig Cartwright
	Secretary	Keith Vaughan

NORTH EAST REGION	Regional Chair	Trevor Walton
Teesside branch	Chair	Trevor Walton
	Vice Chair	Mike Amour
	Secretary	Austin McGlynn
Tyne and Wear branch	Chair	Leigh Henderson
	Vice Chair	Colin Humble
	Secretary	John Mills

Professional Network Officers

NORTHERN REGION		Acting Regional Chair	Victor Williams
Cumbria branch	Chair		Kevin Taylor
	Vice Chair		Ryan Mower
	Secretary		Geoff Edmondson
Greater Manchester branch	Acting Chair		Victor Williams
	Secretary		Louise Buss
Yorkshire branch	Chair		Hugh Everson
	Vice Chair		Alexander Diamantis
	Secretary		Bob Marshall

NORTHERN IRELAND		Regional Chair	Kristian Hill
Northern Ireland branch	Chair		Kristian Hill
	Vice Chair		Michael McCusker
	Secretary		Gerard Heatley

SCOTLAND		Regional Chair	Colin Campbell
	Secretary		Jeff Marven
North of Scotland branch	Vice Chair		Colin Campbell
	Secretary		Denise Morrison
	Secretary		Abigail Hastie
West of Scotland branch	Chair		Ron Rivans
	Vice Chair		Jim Burns
	Secretary		Jeff Marven
East of Scotland branch	Chair		Gemma Parnell
	Secretary		William Shanks

Professional Network Officers

SOUTH EAST REGION		Regional Chair	Cathryn Valentyne
London branch	Chair		Jonathan Bishop
	Secretary		Jennifer De Sousa
Southern branch	Chair		Cathryn Valentyne
Thames Valley branch	Chair		Natalie Shoemark-Dyer
	Vice Chair		William Rankin
	Secretary		Tom Gould
Surrey and Sussex branch	Chair		Courtney Franklin
	Vice Chair		Nikki Thomas
	Secretary		Heather Kane
	Chair		Mehrdad Kamali

SOUTH WEST REGION		Regional Chair	Angela Fumpson
Avon branch	Chair		Angela Fumpson
	Vice Chair		Neil Hilton
	Secretary		Denise Ramsay
Gloucester branch	Chair		Paul Snowdon
	Secretary		Gary Martin
Wales branch	Chair		Derek Lewis

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	Vice Chair	Vincent Chui
	Secretary	Jaco Lee
	Treasurer	Eric Ng
Taiwan branch	Chair	Jeff Monk
	Secretary	Murli Mohan
Ireland branch	Chair	Caroline Geoghegan
	Vice Chair	Shane Blaney
	Secretary	Susanne Carpenter

Third floor, 90 Chancery Lane
Holborn, London WC2A 1EU

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