
Annual Report
& Accounts
2021-2022



The purpose of Estyn is to inspect quality and standards in education and training in Wales. Estyn is responsible for inspecting:

- ▲ nursery schools and settings that are maintained by, or receive funding from, local authorities
- ▲ primary schools
- ▲ secondary schools
- ▲ special schools
- ▲ pupil referral units
- ▲ all-age schools
- ▲ independent schools
- ▲ further education
- ▲ independent specialist colleges
- ▲ adult learning in the community
- ▲ local authority education services for children and young people
- ▲ initial teacher education
- ▲ Welsh for adults
- ▲ work-based learning
- ▲ learning in the justice sector

We also:

- ▲ report to Senedd Cymru and provide advice on quality and standards in education and training in Wales to the Welsh Government and others
- ▲ make public good practice based on inspection evidence

Every possible care has been taken to ensure that the information in this document is accurate at the time of going to press. Any enquiries or comments regarding this document/publication should be addressed to:

Publication Section

Estyn

Anchor Court

Keen Road

Cardiff

CF24 5JW or by email to publications@estyn.gov.wales

This and other Estyn publications are available on our website: www.estyn.gov.wales

This document has been translated by Trosol (English to Welsh).

© Crown Copyright 2022: This report may be re-used free of charge in any format or medium provided that it is re-used accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the document/publication specified.

Chief Inspector's foreword	1
Section 1: The Performance Report	3
1.1 Overview	4
1.2 Performance analysis	8
Strategic Objective 1: Provide public accountability to service users on the quality and standards of education and training in Wales	8
Strategic Objective 2: Inform the development of national policy by the Welsh Government	18
Strategic Objective 3: Build capacity for improvement of the education and training system in Wales	23
How we deliver our work	27
Section 2: The Accountability Report	39
2.1 Corporate governance report	40
The Directors report	40
The Statement of Accounting Officer's responsibilities	42
The governance statement	42
2.2 Remuneration and staff report	49
2.3 Accountability and audit report	58
The Certificate and Report of the Auditor General for Wales to Estyn	58
Section 3: Financial statements	65
3.1 Statement of comprehensive net expenditure	66
3.2 Statement of financial position	67
3.3 Statement of cash flows	68
3.4 Statement of changes in taxpayers' equity	69
3.5 Notes to the departmental resource accounts	70
Annex 1: Glossary of acronyms used in this report	82

Chief Inspector's foreword

Welcome to Estyn's Annual Report and Accounts, which is my first as Chief Inspector. The Report details how we've adapted and continued to develop as an organisation and provides a performance report, an accountability report and a full set of financial statements.

This year saw a return to nearer normal activities as we returned to inspections across many sectors, and as we began to pilot our inspection arrangements in schools and pupil referral units during the spring term. We also made engagement phone calls, held virtual meetings and visited providers across many sectors and continued to publish reports sharing insights and interesting practice from our engagement work. Our engagement activity has been widely welcomed by leaders across all sectors.

During our monitoring activities of providers found in need of improvement this year, we removed around a half of providers from statutory follow-up. Inspectors found that a majority of providers made rapid progress in bringing about the required improvements, alongside managing the COVID-19 situation.

We resumed our programme of annual monitoring visits to independent schools who provide Additional Learning Needs (ALN) provision during the year. We also wrote to all local authorities and regional consortia to report on their progress against the recommendations in our report on their support for schools during the pandemic.

This year we have published a total of seven thematic surveys on various topics. The list of survey reports, additional (engagement) reports and blog posts is provided on page 20. In the main, they are used by education and training providers as a benchmark for their own progress. We also used our extensive evidence base to respond to 48 consultations on a wide range of educational matters during the year.

One of our priorities is to increase the impact of our work. Since the start of the pandemic we have rolled out our Parent and Carers Reference Group and set up a Teachers' Forum. We're also looking at ways to further involve learners and support staff. An example of this is our recent report for learners on our thematic report on experiences of peer-on-peer sexual harassment among secondary school pupils in Wales.

We ran 123 events during the year, with 1,429 individual registrations. Of the 123, 42 were stakeholder engagement events and 81 were training events for education and training professionals. We collated feedback from our events completed by delegates and received lots of positive feedback. Some comments are listed on page 24.

Our concern for the health and wellbeing of our staff has been a priority area of focus as we transition to new ways of working and resumed our inspection activity. We've listened to our staff's views on a number of themes including hybrid working and our organisational structure through surveys and focus groups and used the information to inform our future approach. Our staff have continued to demonstrate initiative and efficiency in implementing processes and procedures to continuously develop how we deliver our work.

In August 2021, Meilyr Rowlands, Chief Inspector for the earlier period of this report, retired from Estyn after 22 years. Meilyr led the development of our new inspection arrangements for schools and PRUs and saw the publication of the first draft of these arrangements in the summer term. We all wish him well for the future. Claire Morgan, as interim Chief Inspector, led us through the Autumn term and the publication of Chief Inspector's Annual Report in December. I want to thank Claire for her leadership during this time. I also want to thank everyone who works for Estyn for the way in which they have worked to support the achievement of all of our objectives throughout the year.

A handwritten signature in black ink, appearing to read 'Owen Evans', enclosed in a thin black rectangular border.

Owen Evans

Her Majesty's Chief Inspector of Education and Training in Wales and Accounting Officer

The Accounting Officer authorised these financial statements in section 3 of this report for issue on 8th August 2022.

Section 1

The Performance Report



1.1 Overview

Our purpose

Estyn is Her Majesty's Inspectorate for Education and Training in Wales. Our mission is to support excellence for all learners in Wales. We do this by providing an independent, high-quality inspection and advice service to the Welsh Government and the citizens of Wales. We are independent of, but funded by, the Welsh Government (section 104 of the Government of Wales Act 1998).

The COVID-19 pandemic has resulted in unprecedented changes to our lives and the economy. At Estyn we have concentrated on supporting education and training providers and government as they adapted to these extraordinary circumstances and as the situation has allowed we have slowly and sensitively re-started our direct inspection work.

Our activities

A strategic overview setting out our mission, vision and values together with our three strategic objectives is available on our website. The '[about us](#)' section on our website further explains the work we do in more detail.

Details of our [inspector roles](#) can be found on our website along with our [organisational structure](#).

Our performance summary

Each year we publish an Annual Plan, which sets out the key activities for the year that support the delivery of our mission, objectives and reflect how we deliver our work.

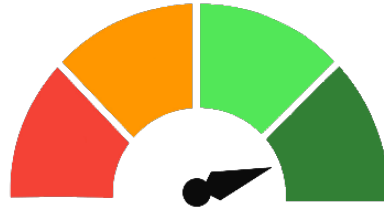
Our [Annual Plan 2021-2022](#) was adjusted to meet the COVID-19 situation. We necessarily reduced some of our usual business activities such as inspection on which we report performance but continued to measure and monitor performance throughout the year to help:

- evaluate the effectiveness of our processes
- learn from experience
- improve performance
- make resource allocation decisions

Achievement against [performance indicators](#) is monitored on a termly basis by our Strategy Board.

Our Annual Report and Accounts 2020-2021 were produced within statutory timescales and Estyn's annual resource accounts were not qualified by external audit.

In 2021-2022, we achieved our expected performance level in most areas. The indicator gauge below indicates our level of performance throughout the report.



Performance:

not met	partially met	substantially met	met
------------	------------------	----------------------	-----

The Well-being of Future Generations (Wales) Act

The Act sets out a shared purpose to achieve a better and lasting quality of life for us all. Although the duty does not apply to us (we are not a listed public body for the purposes of the Act), we continue to play our part in delivering this vision for the people of Wales. Our report on this area of work is published on our website.

Key events during the year included

Summer 2021

We published the first draft of our new inspection arrangements for schools and PRUs. Developed in consultation with all our stakeholders, the what we inspect provides a clear picture of the inspection areas we cover and the how we inspect provides details about our inspection mindset and approaches to inspection. We also announced changes to the inspection report to support a deeper focus on a school's strengths and areas for development with a removal of summative judgements and a clear overview at the start of the report to capture key messages for parents and other stakeholders.

We wrote to all local authorities and regional consortia to report on their progress against the recommendations in our report on their support for schools during the pandemic.

We also continued to publish reports from different sectors of education sharing insights and interesting practice from our engagement work, held further webinars focusing on topics such as the curriculum and language acquisition and reflected on remote learning in the second lockdown in independent, special and PRU providers.

It was also a term where we wished our Chief Inspector Meilyr Rowlands a long and happy retirement as he left Estyn after 22 years.

Autumn 2021

Our interim HMCI Claire Morgan led us through this term and published the Chief Inspector's Annual Report in December. Providing a state of the nation overview on education and training, the report recognised the resilience and innovation of those working in education and called for their well-being still to be a priority.

We also published a review of peer-on-peer sexual harassment in maintained and independent secondary schools, following the request of the Minister for Education and Welsh Language.

While following careful guidance, we were pleased to continue some in-person visits to providers that were comfortable with this. Meeting staff in schools and other providers after so long without face-to-face contact was a welcome experience on both sides. We carried out engagement activity and follow-up work in schools, colleges, adult learning in the community and work-based learning apprenticeship providers.

Inspections of local government education services and Learn Welsh providers resumed, and we started the new cycle of initial teacher education inspections. During this term, we also provided feedback to local authorities across Wales on their draft Welsh in Education Strategic Plans.

Spring 2022

January saw a handing over of the Chief Inspector reins to Owen Evans who joined us from his position of Chief Executive of S4C. With wide-ranging public and private sector experience behind him, Owen has already set out a clear vision for increasing the impact of our work and strengthening stakeholder engagement.

Beginning to pilot our inspection arrangements in schools and PRUs was a milestone this term. Having delayed this after recognising the pressures of the pandemic on educators, we were pleased that so many volunteered to take part in the pilot inspections and we would like to thank those peer inspectors who supported us in rolling out these arrangements.

We resumed joint inspections with Care Inspectorate Wales in non-maintained nursery settings and we resumed annual monitoring visits of independent specialist colleges. Having consulted with the post-16 sectors on amendments to our inspection arrangements, we resumed our inspections of further education colleges and adult learning in the community partnerships.

As a result of our monitoring activity, we removed around a half of providers from statutory follow-up over the year.

We published our Welsh Immersion Education thematic report that looked at strategies and approaches to support 3 to 11-year-old learners.

We also welcomed two new staff to our central services teams, increasing leadership capability in inspection coordination, finance and IT.

1.2 Performance analysis

Performance against strategic objectives

Strategic Objective 1:

Provide public accountability to service users on the quality and standards of education and training in Wales

Overview of inspection 2021-2022

During the summer term we:

- published the first draft of our new inspection arrangements for schools and PRUs
- resumed follow up visits for school and PRUs in a statutory category
- continued to publish reports from different sectors of education sharing insights and interesting practice from our engagement work

During the autumn term we resumed inspection in the following sectors:

- local government educational services (LGES)
- initial teacher education
- Welsh for adults
- learning in the justice sector

We also resumed our programme of annual monitoring visits to independent schools who provide Additional Learning Needs (ALN) provision.

During the spring term, we:

- piloted new inspection arrangements in the maintained school and PRU sectors
- resumed inspection, piloting the new inspection arrangements, in independent schools
- resumed joint inspections with CIW in the non-maintained sector
- continued with inspections in sectors where activity resumed in the autumn term
- piloted new inspection arrangements in further education and adult learning in the community sectors

Table 1
Estyn core inspections by sector 2021-2022

Sector	Actual number
Non-maintained nursery settings*	30
Primary and maintained nursery schools	13
Secondary schools	6
All age schools	1
Special schools	1
Pupil referral units (PRUs)	1
Independent Schools (including independent special schools)	3
Teacher education and training (TET)	**
Local government education services	3
Further education institutions	1
Adult learning (AL)	1
Welsh for Adults (WfA)	2
Total number of inspections	62

(All figures - financial year)

* includes joint pilot inspections with CIW and pilot inspections of Estyn's inspection arrangements

** we started a teacher education and training inspection in Autumn 2021, which will finish in Summer 2022 (the inspection spans two financial years and will be included in next year's reporting figures)

In terms of our performance measures:

The majority of our 62 inspections took place in Spring 2022 with reports published in the 2022-2023 financial year. None of our seven published inspection reports during the reporting period required substantial amendment after publication as a result of challenge and all were published in a timely manner.



Almost all providers express satisfaction with the reliability and independence of inspection judgements.

One formal complaint received about the follow-up inspection process, one element of which was partially upheld

Maintained sectors (primary, secondary, PRUs, all-age and special schools)

Table 2

Engagement phone calls and visits 2021-2022

	Summer 2021	Autumn 2021	Spring 2022	Total 2021-2022
Primary	204	80	97	381
Secondary	31	20	10	61
Pupil referral unit	10	2	0	12
All age schools	0	2	0	2
Maintained special	16	2	0	18
Total	261	106	107	474

(all figures - financial year)

During the summer term, we made engagement phone calls, virtual meetings and visits to 261 providers and continued to publish reports sharing insights and interesting practice from our engagement work.

During the autumn term, engagement activity continued (106 calls / visits) and we also continued to focus on resuming monitoring visits to schools and PRUs in statutory follow-up. We visited nearly all schools in special measures and a few schools in significant improvement where they were ready for a monitoring visit. See the section below '**statutory and enhanced inspection follow-up activity**' for further information on this area of our work. These activities followed on from the positively received pastoral engagement during 2020-2021. The return to monitoring sensitively and professionally, in line with the inspection mindset we signalled for our core work, helped to pave the way for our pilot inspections in the spring term.

We piloted our new inspection arrangements in maintained schools and PRUs during the spring term (please refer to table 1 above for a sector breakdown). To identify a suitable range of providers for pilots, we asked schools and PRUs to nominate themselves for inspection. We developed criteria to ensure that we achieved a representative sample of schools within our pilots. We asked for nominations after the October half term. To prepare for pilot inspections, we provided conversion training to a small group of external inspectors and professional learning opportunities for HMI. Engagement activity also continued in the spring term with 107 calls / visits made.

474 engagement calls/visits carried out to the maintained sector during 2021-2022

Non-maintained nursery settings

During the summer term we engaged with 165 non-maintained settings. [Engagement work: Non-maintained sector update summer term 2021](#) captures the main themes from our summer term engagement activities.

During the autumn term, in preparation for resuming joint inspection we undertook a series of joint training events that involved Estyn HMI, RgNI and CIW inspectors. Estyn inspectors conducted engagement visits to 61 settings. We also engaged with Early Years Advisory Teachers (EYATs) in four regional groups three times during the term.

Together with CIW, we resumed joint inspections during spring 2022 with a revised framework. During the pandemic we have engaged with a range of stakeholders, including providers, umbrella organisations, local authority advisory teachers and inspectors to evaluate the joint inspection framework. Feedback received indicated a general level of satisfaction with the existing framework and arrangements. We have therefore limited the number of changes to focus on reducing duplication within the framework, to reflect education reform in relation to the curriculum and ALN, and to include how we will take account of the pandemic in our work.

Independent sectors

During the summer term we continued our engagement with independent schools and published a [Summary of engagement calls and visits to independent special schools – Spring and summer terms, 2021](#). In addition to this report, we published a report on the [Evolving approaches to blended learning in independent schools \(gov.wales\)](#). This report evaluates how independent schools adapted their approaches to online teaching and learning and how they monitored the quality and effectiveness of learning throughout the pandemic.

For the autumn term, we suspended all engagement visits to independent mainstream schools and resumed our programme of annual monitoring visits to independent schools who provide Additional Learning Needs (ALN) provision. We considered requests for Additional Learning Provision registrations as well as

material change requests as they arrived. We conducted three annual monitoring visits to independent special schools in autumn 2021 and eight in spring 2022.

We resumed core inspections, piloting our new inspection arrangements in three independent schools during the spring term. This core inspection activity included independent special schools.

Our new approach to inspection has been shared with the sector via our stakeholder forum and the WISC conference.

See the section below '**statutory and enhanced inspection follow-up activity**' for further information on this area of our work.

Local government educational services

We consulted with the sector and published revised guidance during the summer term. We resumed our usual programme of inspection and monitoring from the autumn term.

We also wrote to all local authorities and regional consortia to report on their progress against the recommendations in our report on their support for schools during the pandemic – [Local authority and regional consortia support for schools and PRUs in response to COVID-19](#).

During the autumn and spring terms we conducted three core inspections. In preparation for the core inspection, we gathered the views of headteachers through a bespoke online survey. We also included direct observation of youth work.

During the year, we also carried out improvement conferences and a monitoring visit. See the section below '**statutory and enhanced inspection follow-up activity**' for further information on this area of our work.

Initial Teacher Education

Our report [Engagement work: Initial Teacher Education sector update 2020-2021](#) was published in the summer term and is based on the information discussed during remote meetings with partnership leaders, tutors and mentors and student teachers during the pandemic.

We piloted new inspection arrangements in the autumn and spring term. This was a year-long longitudinal inspection. This was the first time we inspected the sector since 2015-2016. This pause in inspection was due to new accreditation arrangements for the sector and the impact of the pandemic delaying the start of our new programme of inspections.

During the autumn term we also undertook two try-outs to evaluate different methodologies and gather feedback from the sector.

Welsh for Adults

Following the success of the virtual inspection of the National Centre for Learning Welsh published in March 2021, we resumed inspection of the individual Learn

Welsh providers from the autumn term. We piloted an online inspection model to reflect the model of delivery currently in place in this sector.

Two learn Welsh providers were inspected – one in the autumn and one in the spring term.

Post-16 sectors (further education (FE) colleges, adult learning in the community, independent specialist colleges and work-based learning)

From the summer term we worked with stakeholders from across these sectors to develop new inspection arrangements. This included setting up a post-16 reference group.

During the autumn term, we continued engagement visits to further education colleges and adult learning in the community sectors and published an update report in March 2022 based on the information discussed during face-to-face and online meetings with senior and middle leaders and small groups of learners. [Engagement work: Further education and adult learning in the community sectors update – autumn 2021](#).

We developed and piloted new arrangements during the spring term 2022 in the further education and adult learning in the community sectors. These pilots will continue during the summer term 2022.

During autumn term 2021 and spring term 2022, we carried out monitoring visits to six out of the 10 main apprenticeship providers. This activity will continue into summer term 2022 and includes visits to sub-contractors and consortium members. It results in published letters for each of the main apprenticeship providers.

Engagement visits were carried out with many of the traineeship providers before those contracts came to an end in March 2022.

During the spring term, we carried out annual monitoring visits to three independent specialist colleges.

We also worked with providers identified as needing follow up activity. See the section below '**statutory and enhanced inspection follow-up activity**' for further information on this area of our work.

Careers

We undertook a thematic review of the impartial advice and guidance to young people by Careers Wales advisers.

Learning in the justice sector

We continued to work with other inspectorates in the justice sector to support the inspection of education, training and employment in Wales. We joined HMI Probation for a joint thematic review of education, training and employment in young offending teams in England and Wales. This report was published in June 2022. [A joint inspection of education, training and employment services in youth offending teams in England and Wales](#).

Throughout the year we asked for feedback on our new inspection arrangements and other activity. This included 'drop in' sessions for stakeholders to provide feedback, alongside engagement with peer inspectors, our headteacher and post-16 reference groups and unions. Materials published to explain our work included:

- [What to expect- engagement activity](#)
- [What to expect - thematic work](#)
- [What to expect - monitoring visits](#)

Engagement will continue until we complete piloting and publish our final 'What' and 'How' in 2022-2023. We envisage needing to amend our guidance at least annually, for the next couple of years, for example to align with schools' work to develop their own curriculum models.

Here are a selection of comments we have received regarding our reports, visits, and Estyn's response to the pandemic following our work last year:

Thank you so much for coming to see us and for listening to us regarding the challenges we have faced as a school. We are so very proud of our pupils, staff and all stakeholders. We love our little school and are doing our best to make the experience such a worthwhile one for our children.

Thank you for making us all feel relaxed and valued.

Primary school headteacher

I just wanted to thank you both for your feedback during your recent visit and for the visit as a whole.

As always, we were delighted to meet with you and we hope that the visit provided insights into how the school has operated throughout the pandemic, throughout the CDG process and throughout the re-acclimatisation period for our pupils.

I wanted to thank you also for your constant and clear communication prior to the visit, the clarity and precision of your feedback and for the way in which you approached and conducted the visit. As ever, the supportive way in which you engaged with us and our colleagues was thoroughly appreciated.

Secondary school headteacher

We have found this a hugely valuable, open and constructive experience. We know where we need to focus on, and your visit has provided valuable context and clarity.

Head of education, initial teacher education provider

All members of the Centre felt that the inspection was held in a 'very rigorous and extremely friendly manner' that led them to relax and enjoy the experience. This was their first Estyn inspection and therefore they were quite apprehensive in terms of the process and level of engagement prior to the inspection week. However, they felt that the team were 'approachable and professional' in the way they carried out the inspection which resulted in a 'positive and proactive level of discussion'.

Director, Welsh for adults centre

I just wanted to say a huge thank you for the opportunity to meet with you today. I found it a really positive experience and enjoyed the chance to reflect on our journey thus far/discuss plans for our future.

Headteacher, maintained special school

Statutory and enhanced inspection follow-up activity'

Throughout 2021-2022, we continued to engage with providers found to require [follow-up](#) at their core inspection.

Statutory follow-up

Since April 2021, inspectors have resumed on-site monitoring of the progress made by providers in statutory follow-up.

All of the providers in special measures received a pastoral visit from one HMI, prior to us resuming our statutory monitoring visits and reports. The pastoral visit helped to ensure that the provider was ready to resume monitoring following the restrictions as a result of the pandemic. This helped inspectors and the school to identify and work within any potential barriers to monitoring, for example where 'bubbles' meant that visitors' access to classrooms was limited.

Inspectors resumed our normal schedule of special measures monitoring visits with a comprehensive visit that evaluated progress against all of the recommendations. This was to support providers with a full external evaluation of progress to date. Since the first visit, we have returned to our pre-pandemic pattern of monitoring progress

against a sample of recommendations every four to six months. Generally, inspectors found that a majority of providers made rapid progress in bringing about the required improvements, alongside managing the COVID-19 situation.

In addition, when the pastoral visit identified that the time was appropriate, we resumed our monitoring of providers requiring significant improvement. Normally, these providers receive a single monitoring visit around 12-18 months after publication of the report from the core inspection.

As a result of our monitoring activity, we have removed around a half of providers from statutory follow-up over the year. For a few providers, progress has been slower, and we continue to monitor the improvements closely. Often this is because of specific local barriers such as leadership or staffing turbulence.

Multi-agency programme for secondary schools causing concern

We have continued our involvement with the Welsh Government's multi-agency programme for secondary schools causing concern throughout the year. All secondary schools in special measures are involved in the project. Improvement conferences have taken place for all schools and multi-agency meetings have taken place (the number varies according to provider).

Estyn review and progress review

We have used online conferencing to review the progress made by providers in Estyn review and progress review with local authorities.

Over the course of the year, most of the providers we have reviewed have been removed from Estyn review. A few providers have required additional time to embed the improvements that they have made, and we made visits to a very few providers to evaluate progress first hand.

Local authorities generally know their providers well and have been well placed to evaluate their progress, particularly during the period of restrictions. We intend to build on our learning from virtual review conferences as we continue to evolve our inspection arrangements and review the progress made by providers in Estyn review.

Our link inspectors have continued to provide support to local authorities causing concern throughout the year. We have carried out improvement conferences in two of these local authorities and a monitoring visit in another.

We have also undertaken focused visits to three independent schools as well as four focused improvement conferences in this sector.

Of the four post-16 providers requiring follow-up, three providers were removed from follow up, following reviews. We used a mixture of a new improvement conference style monitoring and desk-based activity.

The table below sets out the number of providers going into and coming out of follow-up activity during the year.

Number of providers going into and coming out of follow-up, 2021-22 ⁽²⁾					
Level of follow-up	In follow-up at the start of the year	Placed in follow-up from core during the year	Downgraded level of follow-up	Removed from follow-up during the year	In follow-up at the end of the year
Statutory and enhanced (special measures / significant improvement), focused improvement and re-inspection	43	3	0	27	19
Estyn review / Estyn monitoring / Progress review / Local authority causing serious concern ⁽¹⁾	55	2	0	38	19

⁽¹⁾ Includes only providers in progress review where Estyn had some involvement in the follow-up.

⁽²⁾ Calculated based on data stored in our system, not date of publication of report

65 providers removed from follow-up categories during the year.

Collaboration work

Our collaboration work over the course of the reporting period has included the following:

- five joint inspections including learning in the justice sector, three LGES inspections and our second pilot joint inspection of child protection arrangements
- improvement conferences carried out jointly with CIW and Welsh Government for independent schools
- Secondary Schools Causing Concern multi-agency work
- close work with CIW in the non-maintained sector, also delivered and attended joint training during the spring term
- shadowing an Ofsted inspection of an independent specialist college where Welsh learners were receiving education
- inspectors from Education Scotland joining our team on a thematic review of Careers Wales
- joint project on social inclusion and equity with five international inspectorates; two events attended virtually
- planned and ad hoc joint meetings and discussions with specialist inspectors across Europe to share practice building on current arrangements
- workshops organised by the Standing International Conference of Inspectorates

Strategic Objective 2:

Inform the development of national policy by the Welsh Government

In December 2021, we published HMCI's 2020-2021 Annual Report on the quality of education and training in Wales. The report highlighted the ways that practitioners in schools, colleges and settings across Wales showed resilience and perseverance during the pandemic, and that educators had been flexible and creative, continually adapting in innovative ways. It emphasised that schools need use the same mindset that energised them to rethink teaching and learning, as they plan and prepare for the Curriculum for Wales. It also signaled that some areas need monitoring closely for longer-term effects, and that learners' progress in areas such as their independence, and communication and social skills will need ongoing support.

HMCI Annual Report was published in December 2021, in line with the target date within our Annual Plan 2021-2022.



Engagement on social media and the volume of media coverage shows an unsurprising downward turn, reflecting the difficult circumstances in which the Report was published. However this has not negatively affected report downloads and we secured more media interviews than last year.

All recommendations for improvement in thematic reports were accepted for implementation /commented on by the Welsh Government during the reporting period. One thematic currently being considered by the Minister.

During 2021-2022, we published seven [thematic reports](#) on a range of topics in response to the [Minister's annual remit letter](#). These reports contained an overall total of 55 recommendations, 15 for the Welsh Government. All recommendations for improvement were accepted for implementation /commented on by the Welsh Government during the reporting period. However, the Welsh Government response to one thematic report ("The teaching of Welsh history including Black, Asian and Minority Ethnic history, identity and culture") is currently being considered by the Minister.

Thematic reports published in 2021-2022

Name	Date of publication
How schools and colleges used the RRRS and catch-up grants for post-16 learners	June 2021
The teaching of Welsh history including Black, Asian and Minority Ethnic history, identity and culture	October 2021
Initial teacher education in the post-compulsory education and training sectors	October 2021
“We don’t tell our teachers”: Experiences of peer-on-peer sexual harassment among secondary school pupils in Wales	December 2021
All-age schools in Wales – A report on the challenges and successes of establishing all-age schools	January 2022
Welsh Immersion Education – Strategies and approaches to support 3 to 11-year-old learners	February 2022
The Curriculum for Wales – How are regional consortia and local authorities supporting schools?	March 2022

Additional reports published in 2021-2022

In addition to the thematic reports above, we published 11 reports providing further updates in relation to the engagement visits to schools and other education providers.

Name	Date of publication
Engagement work: Initial Teacher Education sector update 2020-2021	July 2021
Engagement work: Maintained special school and pupil referral unit (PRU) update summer term 2021	July 2021
Evolving approaches to blended learning in independent schools	July 2021
Engagement work: Non-maintained sector update summer term 2021	July 2021
Engagement work: Secondary sector update summer term 2021	July 2021
Engagement work: Primary sector update Summer term 2021	July 2021
Reflections on refining remote learning in maintained special schools and pupil referral units (PRUs)	July 2021

Summary of engagement calls and visits to independent special schools - Spring and summer terms, 2021	September 2021
Summary of engagement calls and visits to schools and PRUs – Autumn 2021	February 2022
Engagement work: Non-maintained sector update Autumn term 2021	March 2022
Engagement work: Further education and adult learning in the community sectors update – autumn 2021	March 2022

We also published the following blog posts:

Name	Date of publication
Inspecting the value of youth work	May 2021
Building on strengths and removing barriers – preparing for the Curriculum for Wales	July 2021
Our work on equality and diversity	January 2022
Trialling and evaluating authentic learning experiences - preparing for the Curriculum for Wales	February 2022
Establishing a vision and ensuring high quality teaching and learning – preparing for the Curriculum for Wales	February 2022
Inspecting a school's safeguarding culture	March 2022
Post-16 education and training – Annual Report 2020-21 insights	March 2022
Making wellbeing a priority – Annual Report 2020-21 insights	March 2022

And despite the fact that there were fewer inspections than normal over the year, we also published the following effective practice case studies:

Name	Date of publication
Turning learners into users of the Welsh language	May 2021
Creating a digital platform for the Welsh for Adults sector	May 2021
Developing pupils' social and emotional skills	October 2021

During 2021-2022, we continued to provide advice and support to the Welsh Government's Education, Social Justice and Welsh Language Group as required, including participating in committees, working and advisory groups.

Throughout the year, senior management and HMI attended the Children, Young People and Education (CYPE) Committee hearings:

- 13 December 2021 – HMCI's Annual Report
- 9 December 2021 - Tertiary Education and Research (Wales) Bill
- 10 February 2022 - "We don't tell our teachers": Experiences of peer-on-peer sexual harassment among secondary school pupils in Wales

Written evidence was given to the following Committee:

- CYPE – Tertiary Education and Research (Wales) Bill.

We continued to work with the Welsh Government and stakeholders to support post-compulsory education and training (PCET) reform. For example, we established a quality meeting with WG, HEFCW, QAA to discuss quality issues on a regular basis. We also contributed to a joint paper on quality principles, with a workshop on quality as part of the PCET Strategy and Implementation Board meeting in autumn term 2021.

We also used our extensive evidence base to respond to 48 consultations on a wide range of educational matters during the financial year, of which 22 were Welsh in Education Strategic Plan (WESP) consultations from local authorities. Consultation responses to the Welsh Government included:

- [Curriculum for Wales Enabling Pathways guidance](#)
- [Guidance on the design and delivery of mandatory Religion, Values and Ethics \(RVE\)](#)
- [Curriculum for funded non-maintained nursery settings](#)
- [Draft progression code | GOV.WALES](#)
- [Statement of what matters code](#)

The Welsh Government's consultation page can be found [here](#).

Consultation responses to other organisations include:

- [Qualifications Wales: Qualified for the Future](#)
- [Education Workforce Council \(Interim Suspension Orders\) \(Additional Functions\) \(Wales\) Order 2021](#)
- [Consultation on the draft code of practice for bodies that are subject to the Welsh Language Standards \(Number 2\) Regulations 2016](#) (Welsh Language Commissioner)
- [Using national milestones and indicators to measure our nation's progress](#) (Equality and Human Rights)

You can view all our [consultation responses](#) on our website:

Responses to school reorganisation proposals¹

2019-2020	2020-2021	2021-2022
33	30	32

In 2021-2022, we responded to 32 school reorganisation proposals. In 30 cases we concluded that the proposal is likely to at least maintain the current standards in terms of education, provision, and leadership and management. We noted that the proposer has identified a clear rationale for the proposal and gives reasons why change is necessary. Observations were made in a number of cases and, in two cases, we commented that not enough clarity had been provided on the proposals.

Advice and support to the Welsh Government on other areas

In 2021-2022, we provided advice and support in the following other areas:

- responded and met all requests for advice in relation to independent schools and independent specialist colleges
- sixteen registration visits to mainstream independent and independent special schools on behalf of the Welsh Government; these have been a combination of virtual assessments and when necessary, face-to-face on-site visits
- contribution to the Welsh Government review of policy on tackling the impact of socio-economic disadvantage, including the Pupil development grant
- involvement with new policy development around community schools through liaison with Welsh Government officials and, when necessary, reference groups
- Estyn representation on the Welsh Government post-16 workforce development steering group, whose task it is to develop a post-16 workforce development framework; that work is ongoing
- Twenty seven material change visits to independent schools and five to independent specialist colleges
- two unannounced focused visits and one announced focused visit to independent schools
- advice on an honours request

Advice and support to key national steering groups

In addition, we continued to contribute to a range of national steering groups during the year. A few examples of the groups we participated in are below.

- Joint Ministerial Task & Finish Group on a Whole-School Approach to Mental Health & Wellbeing
- ALN Reform National Steering Group
- Welsh Government external reference group for Adult learning
- National Mission Programme Delivery Board
- All Wales Safeguarding in Education Group

¹ Note: information calculated from 'date proposals received' in the school reorganisation log

Strategic Objective 3:

Build capacity for improvement of the education and training system in Wales

Information gathered from inspection and engagement work, and thematic survey work helps inform our building capacity work which includes effective practice conferences, stakeholder events, and publishing [improvement resources](#) on our website. Improvement resources include: [thematic reports](#), and [effective practice](#).

Our engagement activity with schools and other providers leads us to highlight examples of interesting practice worthy of sharing. Such examples are summarised into effective practice case studies that we publish on our website. The pause in inspections due to the pandemic has meant few case studies from providers this last year.

Education professionals and other stakeholders access our thematic report recommendations, guidance and effective practice case studies through a range of communication channels. We actively promote our resources through social media and our website using graphics and videos to boost engagement and attract the attention of busy headteachers, teachers and others who work in or support education and training.

Published in December 2021, one of our most read thematic reports this year was *We don't tell our teachers – Experiences of peer-on-peer sexual harassment among secondary school pupils in Wales*. From conversations with over 1,400 pupils in secondary schools, inspectors found that peer-on-peer harassment happens mostly online and outside school, but pupils want teachers and school staff to understand how common it is. The recommendations in this report were recognised as a priority area by the Welsh Government and will help inform a national plan of professional learning as well as resources for relationships and sexuality education in schools.

Three case studies of interesting practice were published during 2021-2022, with 46,942 English and 4,967 Welsh page views for this area of the website during the financial year.

As a consequence of the pandemic, we continued with online events in 2021-2022.

We ran 123 events during the year, with 1,429 individual registrations. Of the 123, 42 were stakeholder engagement events (compared with 32 in 2020-2021), and 81 were training events for education and training professionals (compared with 8 in 2020-2021). We held all of these events online.

We value the feedback we receive from evaluation forms and use this to continually improve. We collated feedback from our training events and best practice conferences completed by delegates and received lots of positive feedback. Ninety-seven per cent of delegates said that the events they attended were either excellent or good.

Here are some of the comments:

“great opportunity to compare and listen to others’ experiences, discuss, and reflect on responses”

(Advisory Teacher Briefing, June 2021)

“A really interesting webinar with a very good balance of discussion and examples from schools.”

(Language Acquisition Webinar, October 2021)

“The session has helped me to prepare for inspection through raising important considerations linked to challenges arising from the pandemic, and alerting me to new requirements such as completing a risk assessment prior to the inspection”

(Engagement conference for non-maintained settings, January 2022)

“Good information on what the inspection process could include going forward and when that would likely be..... Plenty of opportunity to discuss these to promote a clear understanding across all delegates.”

(Post-16 sector update training, summer 2021)

“I really appreciated the collaborative approach and the opportunity for frequent small group discussion.”

(Initial Peer Inspector Training for Local Government Education Services, February 2022)

97% of delegates indicated satisfaction in evaluation of our hosted events – 97% for training events / 98% for stakeholder engagement events (target 95%)



Some key events we participated in

We attended both virtual and in-person events during the year to share our findings to support improvement. A few examples of the key events we participated in are below.

- Social Care Wales conference
- The National Conference of the Association of School and College Leaders
- CYPE committee on our own thematic report “We don’t tell our teachers: Experiences of peer-on-peer sexual harassment among secondary school pupils in Wales”
- The Welsh Independent Schools Council conference

Peer inspectors

Peer inspectors (professional practitioners who have a leadership role in a school or provider and have significant teaching or training experience in the relevant sector) remained an integral part of our inspection processes. We have around 855 peer inspectors on our lists.

We recruit and train peer inspectors for all sectors apart from the non-maintained nursery sector. We annually review our pool of inspectors and deliver training, as appropriate. In 2021-2022, 853 existing peer inspectors attended online update training and 26 new peer inspectors were trained online in readiness for 2022-2023. As we resumed inspections, we also deployed 59 peer inspectors on inspections throughout this reporting year.

Link inspectors

Our system of link inspectors for further education, work-based learning, adult learning in the community, local authorities and regional consortia enabled us to maintain constructive working relationships with providers and share effective practice. They engaged with senior leaders to enable us to build our understanding of what is working well and the main challenges facing the respective organisations.

During 2021-2022, our link work in local authorities and regional consortia focused on their work in supporting their learning communities through the pandemic. In July 2021, we wrote letters to local authorities and regional consortia to consider their responses to the recommendations from our January 2021 thematic report. The report focused on their work with schools and PRUs to promote learning and support vulnerable pupils during the COVID-19 period between June and November 2020.

Our website

Making sure that our publications are accessible and engaging is a priority for us. Introducing HTML versions of our supplementary guidance and some thematic reports has helped readers to more quickly and easily browse lengthy content, even on a mobile and when using assistive technology.

How we deliver our work:

Building a better organisation and living our values

A great place to work

Throughout 2021-2022, we maintained our focus on being a well-run and efficient organisation that values its people, is seen as a great place to work and supports the principles of the Well-being of Future Generations (Wales) Act 2015.

Our Employee Well-being and Engagement Group continued to identify, monitor and implement improvement actions relating to health and safety, well-being and engagement.

Our concern for the health and wellbeing of our people has been a priority area of focus as we transition to new ways of working and resumed our inspection activity. We continue to promote and raise awareness around health and well-being, including avoiding burnout and anxiety as we emerge from COVID-19 restrictions and raising awareness of the menopause and its impact.

We continue to monitor progress against our action plan in support of our Time to Change Pledge. The Pledge underpins our commitment to recognising the importance of looking after our own and our colleagues' mental health. Our Time to Change Champions have continued to run monthly coffee catch ups that bring a social aspect that's been missing since the pandemic began, enabling colleagues across the organisation to catch up on a wide range of topics.

During 2021-2022, we developed a hybrid working framework and began to pilot hybrid working arrangements for our office-based staff at the end of February. Phase one of the pilot saw office-based employees returning to work in the office for one day a week. We plan to review the arrangements throughout the pilot phase and use feedback from our people and stakeholders to shape our plans for hybrid working beyond the pilot phase. In March we began a consultation on proposals for a restructure to encourage greater collaboration with colleagues and stakeholders.

We've listened to our people's views on a number of themes including hybrid working and our organisational structure through surveys and focus groups and used the information to inform our future approach.

Civil Service People Survey 2021:

Staff engagement score: 73%
(civil service top quartile 70%)

6th highest engagement level of the 101 organisations completing the survey.



HMCI ran a series of focus groups with staff to discuss key areas for action in our People Survey results and actions are being progressed.

Turnover for the year to date is 10.2% (compared to 6.6% in 2020-2021)

There were 13 leavers in the period: 1 management leaver, 7 inspectors and 5 from central services

During 2021-2022, we also maintained our productive and professional relationship with the unions. Working with our TUS colleagues we commissioned a survey to look into issues around bullying and harassment and are committed to taking action to address the issues highlighted by a small number of colleagues. HMCI has discussed the issues and potential solutions in the People Survey focus groups and will share plans on how we're going to tackle bullying in the near future.

Strengthening stakeholder engagement and overall communications

We're committed to making our work a positive experience by identifying key stakeholder groups we engage with. This facilitates a much more effective stakeholder prioritisation process, and ensures that we consider individual stakeholder's needs when deciding how to engage them. Throughout the pandemic, we engaged regularly with Headteachers through our Headteacher Reference Group and Regional Consortia and Local Authority leads through the work of our Local Authority Link Inspectors. During this year, we also created our Post-16 reference group to help shape our thinking about the return to inspection and future inspections. Our engagement activity has been widely welcomed by leaders across all sectors. They appreciated professional conversations with our inspectors, and we shared emerging practice across all sectors through our termly publications.

One of our priorities is to increase the impact of our work. Since the start of the pandemic we have rolled out our Parent and Carers Reference Group and set up a Teachers' Forum. We're also looking at ways to further involve learners and support staff.

Our [Stakeholder Engagement Strategy 2020-2023](#) was updated in April 2022 to reflect the rapid changes in the past year. It shows how we've adapted and continue to grow, helping us to listen to, inform and involve all our stakeholders.

Learning together with organisations within Wales and our international partners

Each year we share practice and work collaboratively with a range of government organisations, inspectorates and other bodies inside and outside of Wales to develop our view of education systems and inspection practice across the United Kingdom and the world. Such joint work progresses our own approaches to inspection and thematic working, supports our advice to the Welsh Government, and aids the implementation of government policy.

As part of Inspection Wales, a joint initiative between Estyn, Care Inspectorate Wales (CIW), Healthcare Inspectorate Wales (HIW) and Audit Wales ((AW) we held a joint

workshop to consider effective self-evaluation and planning for improvement and our approaches to inspecting this. We carried out a further pilot joint inspection of child protection arrangements.

We have carried out three inspections with Her Majesty's Inspectorates of Prisons and Probation and also a joint thematic inspection of education, employment and training in youth offending teams in England and Wales with HM Inspectorate of Probation and Ofsted. The [thematic inspection report](#) is published in June 2022.

We continue to take advantage of the ability to arrange meetings online and have shared practice with colleagues in the UK and in Europe in a number of virtual events and meetings.

We held a series of workshops with the Department of Education (DOE) and Training in Ireland on supporting vulnerable learners, promoting learning in schools and PRUs, professional learning for inspectors and support for schools in difficulty. We shared practice with the DOE on our inspections of education, training and employment in the justice sector.

In 2021-2022 we continued our close cooperation with the Standing International Conference of Inspectorates (SICI), which has 37 members throughout Europe. This year saw the Better Inspection for Better Social Inclusion "BIBESOIN" project culminate in a hybrid event in Poitiers in France. This project, which ran from 2019 to 2021, brought inspectorates from Wales, Estonia, Cyprus, Flanders and Malta together with stakeholders from Spain and France to share ways of evaluating equity and inclusion to improve provision and secure strong outcomes for vulnerable learners. We explored barriers to achieving equity, developed a framework for evaluating mainstream education providers' approaches and tested the framework in Cyprus in October 2021. In Poitiers, we disseminated the framework and a set of tools with members from SICI from across Europe. The toolkit and framework can be found on [SICI's website](#).

We supported our colleagues in Finland at their workshop on "Enhancement-led evaluation" by contributing with a presentation of our approaches in Wales. In addition, we attended webinars on formative assessment, European school history and evaluation and quality management systems. We have also shared practice informally with other SICI members, for example on inspector competencies and professional development.

Our regular discussions with inspectorates from across the UK and Ireland continue to provide valuable opportunities to share thinking and test developments in environments that are similar to our own. For example, we have discussed our practices in inspecting online and blended learning in post-16 sectors.

Exchanges and cooperation such as these are part of our commitment to working with our peers. In addition to sharing common experiences and exploring similarities and differences, these exchanges have helped inform future developments in policy and practice. They contribute to the professional development of inspectors and inspection practice in the inspectors' home jurisdictions. In this way, they play an important role in improving the educational outcomes for learners. New ways of working have allowed us to explore efficient ways of sharing such knowledge,

information and practice, and we will continue to build on these approaches throughout 2022-2023.

Skilled people

During the year, a number of organisational learning events took place including three professional learning weeks for inspectors. However, our usual programme of learning and development activities was impacted by the COVID-19 pandemic. Where possible we moved to virtual delivery.

The following professional development activities also took place in 2021-2022:

- induction for new joiners (virtual and in person when restrictions eased)
- continued support to develop Welsh language skills
- supporting good mental health and raising mental health awareness
- focused activities to support people to adapt to the changes brought about by the COVID-19 pandemic e.g. Zoom training to support the delivery of online parents' meetings during inspection
- piloted an inclusive language and practice session that will be rolled out to all employees next year
- attendance at professional seminars and conferences for both inspection and corporate services employees

HMI

In 2021-2022, our ongoing programme of professional learning for inspectors focused on:

- developing our new approach to inspection and consolidating our inspection mindset
- developing inspectors' knowledge and understanding of the Curriculum for Wales, ALN reform, equity and diversity, relationships and sexuality education (RSE), with input from specialist and expert contributors in these key areas
- delivering media training for senior managers and a number of our inspectors
- providing training on our 'tone of voice' - how our mindset aligns with the our written and verbal language
- providing updated safeguarding training for all inspectors

Central services

In 2021-2022 we increased our leadership capacity by supporting four managers to attend a leadership development programme that includes essential management skills and strategic leadership.

Equality and employee welfare

During 2021-2022, we continued to raise awareness of equality and diversity. Our equality objectives cover how we consider equality when we inspect and regulate and how we will ensure that our own staff and those we contract with have equality of opportunity and are treated equally. Our [Strategic Equality Plan 2020-2024](#) is available on our website.

Our work continued to ensure compliance with our responsibilities under the Equality Act 2010 and the Public Sector Equality Duty (Wales)

A number of our published thematic reviews and best practice case studies covered how equality and diversity issues can impact on learners and how providers can tackle these important issues.

Relevant thematic reviews include:

- [Further education and adult learning in the community sectors – update 2021](#)
- [Local authority and regional consortia support for schools and PRUs in response to COVID-19](#)
- [Good practice in supporting lesbian gay bisexual and transgender \(LGBT\) learners in schools and colleges](#)
- [The teaching of Welsh history including Black, Asian and Minority Ethnic history, identity and culture](#)
- [Insights into how independent schools and specialist colleges have responded during the COVID-19 pandemic](#)

Full details of our thematic reports can be found following this [link](#).

Relevant effective practice includes:

- [Developing pupils' social and emotional skills](#)
- [Supporting pupils' individual learning needs](#)
- [Using male role models to improve boys' writing skills](#)

Full details of our effective practice studies can be found using this [link](#).

Our concern for the health and well-being of our staff was recognised by our re-accreditation to the Corporate Health Standard in April 2021, with plans to be reassessed by Public Health Wales in 2022-2023 when their new online interactive portal is up and running.

Our Corporate Health Standard action plan is monitored by our Employee, Well-being and Engagement Group with the well-being and safety of our staff being at the forefront of our organisation's plans, particularly given the move to a new hybrid working model. The group regularly promote well-being including by arranging training and linking with national events such as mental health awareness week, Pride month, carers' week, cycling challenges and men's health week.

We also ensure all staff are:

- equipped with software, laptops and other IT equipment to work securely and efficiently from home
- aware of the support services on offer via the Employee Assistance Programme – this included a range of weekly Care First webinars that were shared with colleagues

- provided with a range of safety equipment required to carry out their inspection activity visits safely
- given the opportunity to review their DSE assessment, following changes to their original home/work base set up
- encouraged to 'keep in touch' with their colleagues, either by face-to-face or by Microsoft teams and/or email, including regular 'virtual coffee catch ups'
- given the opportunity to undertake an annual health check – this year was the first time this well-supported service was available to colleagues since 2019
- aware of the 'well-being hour' to improve 'work-life balance', whereby colleagues can take advantage of activities, including walking, gardening and keep fit as part of their working day.

Welsh language standards

In 2020-2021, our ninth [Annual Report on the Welsh Language in Estyn 2020-2021](#) was published, which included a progress summary and priorities for 2021-2022. The report highlighted how we continued to comply with the legal duties placed upon us as an organisation under the Welsh Language Standards.

Met the requirements of Welsh Language Standards

Comments and complaints

Despite it being another quiet year in terms of the number of complaints received, we took the opportunity to further revise our policy and procedures, addressing improvement areas identified as part of self-evaluation, as well as in response to advice from the Welsh Language Commissioner's office regarding the management of complaints relating to the Welsh language. We also provided more information about who is responsible for investigating complaints received by Estyn.

Over the course of the year we received only one complaint requiring a stage 2 full investigation, relating to a monitoring visit carried out in summer 2021. An investigation was carried out, and an extension agreed to the timescale for its completion, due to it being received in the August holiday. The response was sent in late September, largely not upholding the complaint but partially upholding in one aspect, relating to management of sensitivities in the circumstances of the pandemic.

Three informal stage 1 complaints were also received, each of which required in response an explanatory note about our procedures and decision-making.

One formal complaint – completed by agreed extended deadline

Requests for information

This year we received a total of 18 Freedom of Information requests, and responded to 17 within 20 working days. An extension was agreed for one due to the level of

survey work involved. The response was sent out in accordance with the agreed extension date.

We fully-released information in 17 of the 18 cases, and in the one other case we did not hold the information to release.

All requests investigated and responded to within statutory or agreed extended deadlines

Details of FOIA requests and responses are published on our website and can be found [here](#).

Sustainability and biodiversity reporting

We continue to seek opportunities to identify ways to further improve our environmental management activities and set these out in our [environmental report](#).

Total overall CO₂ emissions in 2021-2022 were 60,068 kg CO₂, showing the effect of a gradual return to Estyn's business operations and office use following almost 18 months of staff predominantly homeworking due to the impact of the Covid-19 pandemic. In the previous year, total emissions were 9,819 kg CO₂, however total emissions were 120,709 kg CO₂ in 2019-2020 which is a more typical year.

Our main impact on the environment arises from transport CO₂ emissions when our inspectors visit education and training providers. Engagement activity continued this year and inspections began to resume. However, all conferences and training events were held online. Both hire cars and personal cars were used during this period. There was one rail journey and no air travel.

Our total emissions from transport were 43,539 kg CO₂, less than half of emissions in 2019-2020 (109,977kg CO₂) which is a more typical year. As you would expect our private and hire car mileage also halved with 153,897 miles travelled during the period, compared to 356,129 in 2019-2020.

Payment for gas usage within our building is apportioned by the landlord between the tenants and included in our service charge. CO₂ emissions from gas usage have substantially increased during the most recent reporting – an 87% increase from 2019-2020. This can be attributed to use of radiators to heat the office while the air conditioning system was out of use pending confirmation of Covid-19 compliance. Also, whilst we have only been back in the office on a hybrid arrangement since February 2022, many of the other tenants continued to operate throughout the pandemic.

The impact of the air conditioning system being switched off has resulted in significantly reduced electricity usage over the last two years (74% reduction on 2019-2020 usage). This is our fourth year of using clean energy and as confirmed by the Green Energy Centre, our scope 2 emissions for electricity drawn from the national grid can be reported as zero.

This is also our fourth reporting year of zero waste going to landfill.

Our environmental policy and performance against environmental objectives for the period can be found in the latest environmental report on our website. Here is the [Environmental report \(including biodiversity and resilience of ecosystems duty reporting\) 2022](#).

Our Environmental report was agreed by our Executive Board in June 2022 and includes our compliance with the section 6 duty of the Environment (Wales) Act.

Financial performance highlights

Results for the year

Our 2021-2022 'cash equivalent' funding of just over £11m from the Welsh Government remained unchanged for the third successive year. We were allocated two grants from Welsh Government for two specific projects, £500k for our Engagement Visit work and £200k for our work on "Secondary schools causing concern – Multi-agency improvement panels". Whilst we drew down and utilised the £200k grant, we did not require the further £500k as we were able to divert resources we would have used for our core inspection work had COVID not reduced activity, to fund our Engagement Visits work.

For the second year running, restrictions imposed by the COVID-19 pandemic had a significant impact on our use of resources throughout 2021-2022. Because there were no core inspections in the summer term and reduced activity in the autumn and spring terms, there was a considerable reduction in our spending on external inspector costs and on the travel and accommodation expenses incurred by our internal inspectors (HMI) as shown in the Note 4 to the Accounts Section of this report. Changes to our annual plan arising from the limitations imposed by the pandemic meant that our work programme was refocused and a significant portion of planned visits to providers were replaced with engagement phone calls.

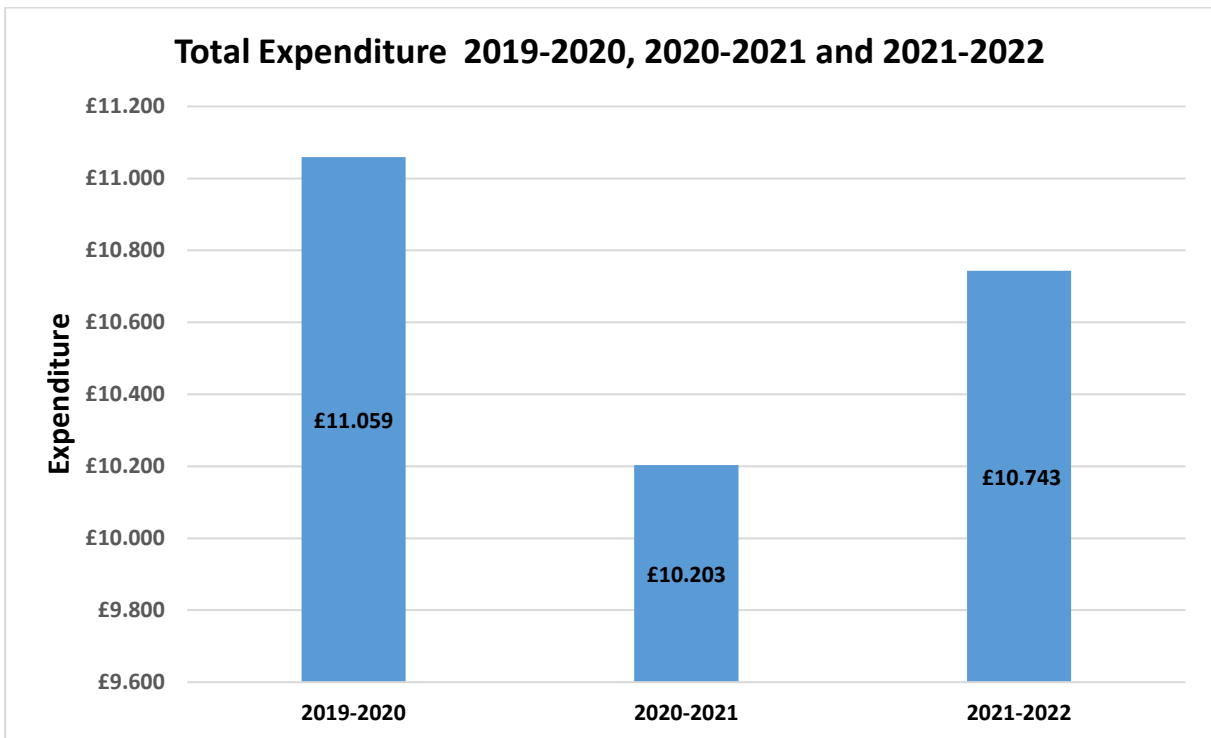
During the year we delayed recruiting to vacant support staff posts due to the planned restructure of Corporate Services. The table shown on page 73 shows a rise in "other" staff attributable to our increased use of temporary agency staff during this time. The staffing costs include a 1% pay award implemented in April 2021 in alignment with the award by the Welsh Government to its staff. Details of our remuneration policy and pay rates are available within our published [Pay Policy Statement](#). The overall savings in 'Other costs' (see Note 4 to the accounts for details) is largely due to the reduction in inspection activity. Overall, costs increased from last year as inspection activity increased from levels in 2020-2021.

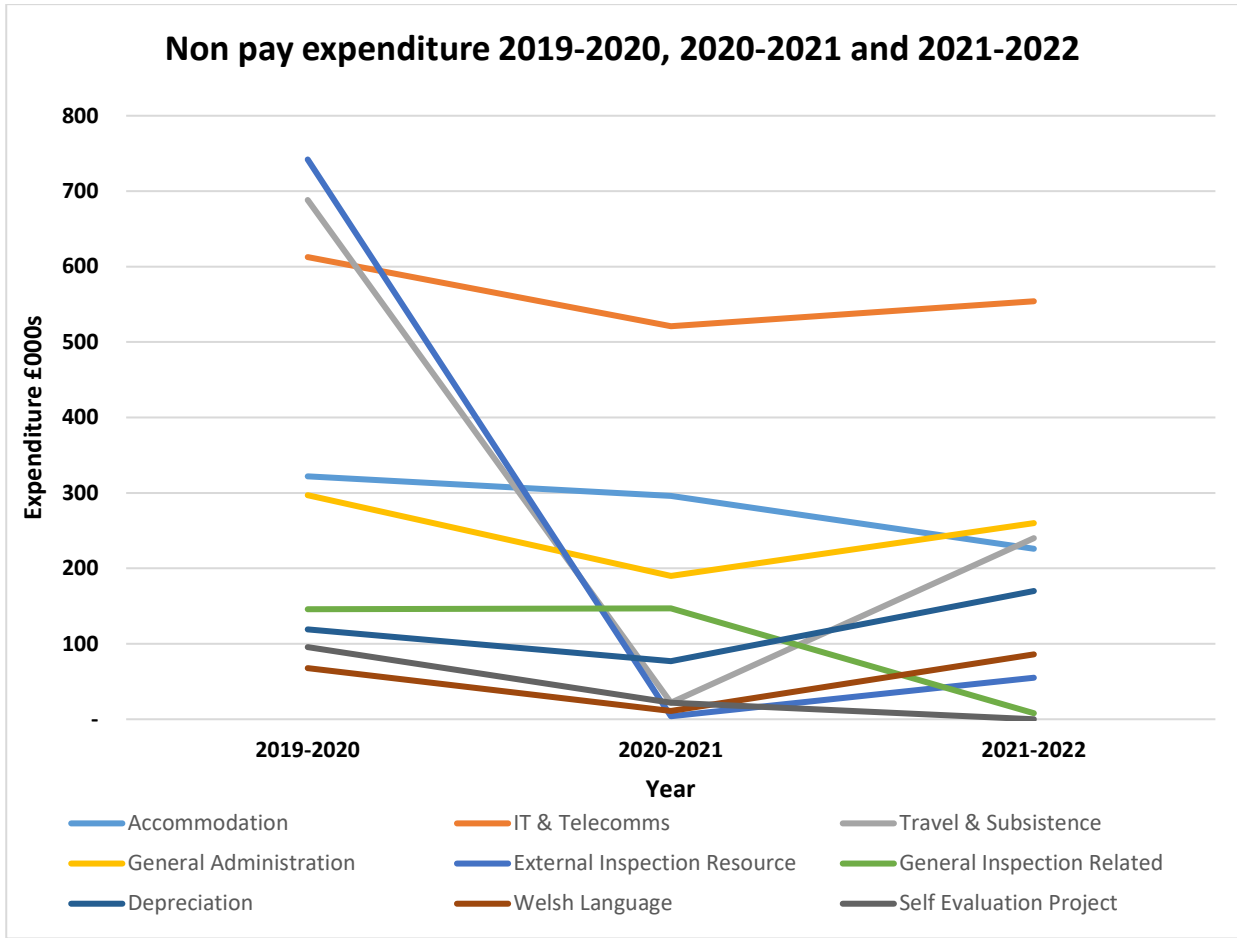
In 2021- 2022 Estyn signed a new five-year lease for half of the space previously leased. The new lease commenced on November 1st, 2021, and has a two and three year break clause. 2021- 2022 costs include a part year impact of the reduced office costs however, this was largely offset as additional costs were incurred installing a new kitchen and decorating the new office area during the year. £76k of the dilapidation provision was used to restore the vacated office space to the state it was prior to Estyn's occupation leaving a provision of £100k remaining. We sought the services of a surveyor to estimate the dilapidation provision of the remaining occupied area and their recommendation was to reduce it to £45k. Consequently, the unused provision, £55k, was written back to the profit and loss account reducing our overall expenditure by £55k.

We used £167k of the £200k capital funding budget allocated by the Welsh Government. Most of this expenditure was used to renew laptops for Estyn staff and to continue the implementation a new bilingual Virtual Inspection Room, a bespoke application that manages inspection related documentation and allows safe sharing of data.

The Statement of Financial Position (SofFP) as of 31 March 2022 shows net assets of £510k (2020-2021: net liabilities of £100k). The change relates to the net effect of the increase/decrease in fixed assets and bank balance, debtors, provisions and accruals. It is not unusual for our SofFP to show a relatively small surplus or deficit position at the end of a financial year due to the high level of receivables and payables. Payables reduced by £545k as the net effect of no large payment to WG for March salaries (paid in March 2022) and an increase in inspection activity prior to the end of year, increasing the number of invoices needing to be accrued for.

On 31 March 2022, receivables were £206k higher than for 2021 because there was grant income due from Welsh Government and we were awaiting a council tax rebate relating to the vacated office space. During 2022-2023, we will receive funding from the Welsh Government to meet our liabilities in line with the 'going-concern' basis adopted in the preparation of these financial statements. No losses or special payments have been incurred in 2021-2022 and there were no early departure costs.





Total expenditure (revenue and capital) by budget headings for 2021-2022



Section 2

The Accountability Report



2.1 Corporate governance report

The Directors report

Our **Executive Board**, comprised of executive members ([HMCI](#) and [strategic directors](#)), supports and assists HMCI in leading and managing Estyn corporately and has one sub-committee. Our **Inspection and Policy Advice Committee**, which is attended by HMCI and our directors, supports HMCI in leading and managing our inspection and policy advice work.

Our **Strategy Board (the Board)**, consisting of executive members and non-executive members ([non-executive directors](#)), sets and monitors our strategic agenda. The Strategy Board is chaired by a non-executive member and has two sub-committees, also chaired by non-executive members; the **Audit and Risk Assurance Committee** and the **Remuneration Committee**. A full record of [Strategy Board / Committee membership and attendance](#) can be found on our website.

Significant interests held by members

We maintain [a register of interest](#) for Board members. Declarations are also made by all permanent employees, secondees and temporary staff in line with our [managing potential conflicts of interest policy](#). No member of the Board holds directorship or other significant interests that might conflict with their management responsibility.

Personal data related incidents

There were no personal data related incidents to be reported to the Information Commissioner's Office during the year. Throughout 2021-2022, our Information Governance Group monitored and reviewed information governance arrangements across the organisation and provided oversight of compliance with policies and assurance processes within our [information governance framework](#).

Payment policy

In 2021-2022, we worked to achieve compliance with our responsibilities under the Late Payment of Commercial Debts (Interest) Act 1998 to pay undisputed suppliers' invoices within 30 days of receipt of goods or services or valid invoice, whichever is the later. This policy is stated in the Terms and Conditions covering Estyn Contracts. We paid 96% of undisputed invoices within 10 days which is within target (95%). We paid 98% of undisputed invoices within 30 days. The 2% which did not get paid within 30 days mainly related to delays for small invoices pending confirmation of delivery. Our policy has subsequently been revised to require confirmation prior to payment only for invoices over £100, any non-deliveries under this threshold will be dealt with via credit notes.

98% of undisputed invoices were paid within 30 days (against a target of 100%)



96% of undisputed invoices were paid within 10 days (against a target of 95%)



Statement of accounting officer's responsibilities

HMCI is the Accounting Officer for Estyn. HMCI has prepared the statement of accounts in accordance with the Direction issued by HM Treasury and with the accounting principles and disclosure requirements set out in the Government Financial Reporting Manual. The Accounts are prepared on an accruals accounting basis and give a true and fair view of Estyn's state of affairs at the year-end and of its statement of comprehensive net expenditure; statement of financial position; cash flows, and statement of changes in taxpayers' equity for the financial year.

In preparing the accounts the HMCI has:

- complied with the accounts direction issued by HM Treasury;
- complied with the relevant accounting and disclosure requirements and applied suitable accounting policies on a consistent basis;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepared the accounts on a going concern basis.

The relevant responsibilities of the Accounting Officer, including the responsibility for the propriety and regularity of the finances of Estyn and for the keeping of proper records, are set out by HM Treasury.

HMCI confirms that:

- (a) as far as they are aware, there is no relevant audit information of which Estyn's auditors are unaware
- (b) the Accounting Officer has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that Estyn's auditors are aware of that information.
- (c) the annual report and accounts as a whole is fair, balanced and understandable
- (d) they take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.



Owen Evans

Her Majesty's Chief Inspector of Education and Training in Wales and
Accounting Officer

8th August 2022

The governance statement

Introduction

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Estyn's policies, aims and objectives while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

In discharging this overall responsibility, I have maintained proper arrangements for the governance of our affairs. We have a sound system of internal control that facilitates the effective exercise of our functions and includes arrangements for the management of risk. The principles of The Corporate governance in central government departments: Code of Good Practice 2017 (The Code), within our context as a non-ministerial department, are reflected in our governance arrangements. This annual governance statement outlines how we maintain good governance and explains the main challenges we face and how these are being managed.

The governance framework

I have established a governance framework that describes the systems, processes, culture and values by which our organisation is directed and controlled and by which we monitor the achievement of our strategic objectives and engagement with our stakeholders. Throughout 2021-2022, we maintained our full governance arrangements with most of our meetings being held virtually in line with public health guidance. The diagram at the end of this statement succinctly illustrates the range and level of assurances that underpin our governance arrangements. Our [Corporate governance framework](#) is published on our website.

A clear statement of our purpose and vision is set out on our website and in our Annual Plan. The Annual Plan outlines our overarching vision and sets out our principal aims and objectives. Information on our performance and delivery against the Annual Plan is also published on our website. Our plan continued to reflect our continued engagement work and support of the Welsh Government's learning recovery plan as part of a sensitive transition back to on-site activities and to a more normal pattern of inspection work as restrictions relating to the pandemic lifted.

Oversight is exercised through our Strategy Board and its sub-committees (Audit and Risk Assurance Committee and Remuneration Committee). Members were supported throughout the year with access to appropriate technologies, such as Microsoft Teams, to ensure that business could be conducted securely and efficiently on a remote working basis. All components of our governance structure continued to work effectively; with updates to our ARAC and an internal audit report that provided a 'substantial assurance' rating.

During 2021-2022, the Strategy Board and the Audit and Risk Assurance Committee (ARAC) met on a quarterly basis; all ARAC meetings were attended in full by all members. In June 2021, we strengthened the board by co-opting an additional member - the Strategy Board has received sound external advice on strategic matters and risk management as part of the non-executive director role to provide

challenge and support to our executive. Some of the key areas of review and discussion by the Strategy Board during 2021-2022 included:

- the re-focusing of our work during the year
- findings and advice arising from our engagement (calls and visits)
- strengthening of our relationships with stakeholders and managing expectations in relation to our accountability role
- the development of our future inspection arrangements
- development and implementation of our hybrid working model
- structural and leadership changes, including HMCI
- budget and allocation of resources
- HMCI's Annual Report
- outcomes of CS People's Survey

Each meeting concludes with a self-evaluation of the effectiveness of the meeting; our non-executive directors have confirmed they are content with proceedings and the quality of information presented and discussed at meetings, that they have appropriate input to agenda and have sufficient opportunity to raise any concerns. The Strategy Board is satisfied that our whistleblowing arrangements are effective; no whistleblowing cases were raised in 2021-2022.

We liaise with the Welsh Government on matters of financial management and accountability is managed through an Accounting Officer Agreement between HMCI and the Additional Accounting Officer designated by the Welsh Government, Andrew Goodall, and then Judith Paget, Director General and Chief Executive Officer of NHS Wales. This link governance arrangement helps maintain our independence in training and education matters, although close links with the Welsh Government's Education, Social Justice and Welsh Language Group and the Department for Skills, Higher Education and Lifelong Learning continue to support a strategic and coherent approach on key matters and emerging priorities. Our non-executive directors have direct access to Helen Arthur, Director of Workforce and Organisational Development (Health and Social Services Group), whose role is to represent Estyn's Additional Accounting Officer within the Welsh Government.

Audit and impact

An annual report of the Chair of the ARAC is published on our website; the report highlights the key work undertaken during the year and comments on the internal audit reviews undertaken and reported to the committee. The Chair's report for 2021-2022 provides assurances on the quality of audit work and the effectiveness of the committee; the committee is satisfied that our arrangements for governance and risk management were appropriate throughout 2021-2022. The board undertakes an annual self-evaluation exercise to reflect on its effectiveness and to identify capacity to enhance practice.

RSM continued to provide our internal audit service. All audit work continued to be done on a remote basis and we worked closely with audit staff to ensure that this did not hinder the effectiveness and quality of the service provided; elements of this form of 'remote' audit work provided greater flexibility and efficiency and will be embedded in our ongoing arrangements.

Our ARAC approved the 2021-2022 audit programme, continuing to use a risk-based approach to establish areas of coverage within a rolling three-year audit programme agreed with RSM. Progress against the audit plan was monitored and at the year-end an annual report of the Internal Auditor was considered. This report advised on the work undertaken during the year and furnished an overall view on the internal control environment for consideration by members of the ARAC. The outcome from the internal audit coverage informed the Head of Internal Audit's opinion on the overall adequacy of our internal control framework; *'the organisation has an adequate and effective framework for risk management, governance and internal control'*. Work completed by our internal auditors during 2021-2022 resulted in reports that included an independent opinion on the adequacy and effectiveness of the system of internal control together with recommendations for improvement. All internal audit assurance reports were reviewed and the main issues arising discussed by the ARAC, which was satisfied that all management actions had been implemented or were being actioned.

Table 1
2021-2022 internal audit programme

Internal audit area	Assurance level	Number of enhancement actions agreed by management			
		High priority	Medium priority	Low priority	Total
Cybersecurity*	Advisory		3	2	5
Travel and subsistence*	Substantial			1	1
Governance	Substantial			2	2
Stakeholder engagement	Reasonable		2		2
Key financial controls	Substantial				0
Human resources – performance management	Reasonable		4	1	5
Totals			9	6	15

* Audit work undertaken in 2020-2021 and reported in 2021-2022

Our Remuneration Committee met (with all members in attendance) during 2021-2022 and considered the review of Strategic Directors' performance undertaken by HMCI. Committee members also provided advice to HMCI regarding pay levels and allowances for our staff.

As in previous years, we ensured compliance with Managing Welsh Public Money, Cabinet Office Procurement Policy Notes and Welsh Dear Accounting Officer (DAO) letters. Our Corporate Services Director provided an assurance statement to each Audit and Risk Assurance Committee, which reported on the above and provided assurance on other relevant areas, such as procurement, the meeting of tax obligations, adherence with the civil service recruitment principles and compliance with Cabinet Office reporting. During 2021-2022, we did not use any form of confidentiality agreement with its employees and workers.

We work closely with the Welsh Government but maintain our status as an independent body. Therefore, as a non-ministerial department we are not subject to Ministerial Directions.

We maintain a [register of interest](#) for Strategy Board members, published on our website. No member of the Strategy Board held directorships or other significant interests that conflicted with their work responsibilities. A Register of Interest and Gifts and a Hospitality Register is maintained for all our permanent employees, secondees and temporary staff.

The above assurance areas were also covered within the regular assurance statement presented at each meeting of the ARAC, along with updates on fraud, information security, tracking against performance indicators, and financial matters impacting the annual accounts.

Managing risk

Our risk management policy was updated and reviewed by ARAC in 2021. Our risk management system is based on an ongoing process designed to identify and prioritise the risks to the achievement of our aims and objectives, and to evaluate the likelihood of these risks being realised and the impact should they be realised. For 2021-2022, risk registers continued to be maintained at a strategic level by our Executive Board (and further reviewed at Strategy Board), at a corporate level by our Directors Group and at operational levels by working groups, functional teams and project teams. Each risk has an individual owner responsible for detailing and recording the controls in place and further actions planned to mitigate the risk; there is also an escalation process in place to raise risks to a higher level of management. Risk owners provide assurance and evidence that key controls for managing risks are in place and are working effectively. We continued to ensure that supportive measures were in place to manage potential risks of remote working. For example, staff well-being remained high on our agenda and was a focus of regular discussion corporately and at team and one-to-one meetings.

Annual assurance statements for 2021-2022 completed by all our directors provided confirmation that there were no major concerns and that action had been taken where minor issues of control had been identified; there are no reportable breaches of security and no reportable losses of personal data in 2021-2022. Where appropriate, we also sought and received assurances received externally, for example from the Welsh Government in respect of the payroll and human resources services it provides to us under a formal service level agreement.

Page Break

Managing our budget to deliver the priorities in our Annual Plan



Our three-year priorities in our Annual Plan are rebuilt annually and regularly refined in light of developments. We receive a three year indicative budget, which will allow for the longer term planning of resources.

Our senior management boards review approaches to emerging budget scenarios and assess options and evaluate impact ahead of dialogue with Welsh Government.

Ensuring that we have the people resource to deliver our plan



Detailed work planning informs future inspection resource requirements.

Flexible resource models are used, including contracted Additional Inspectors.

Ensuring the quality of our work



We use experienced inspectors to monitor a proportion of inspections, as well as to quality assure and proofread every inspection report published.

Our internal audit programme is focused on key risk areas and provides assurances against key processes and systems.

Maximising our impact on policy making



Our directors have strong links with relevant contacts in Welsh Government departments and meet with them as appropriate. Discussions focus on matters such as planned education and legislation changes and identifying opportunities for us to inform policy.

Links with WG Knowledge and Analytical Services (KAS), Wales Centre for Public Policy (WCPP), Qualifications Wales and Education Workforce Council (EWC) ensure that we are sighted of commissioned reviews and publications.

Maintaining public and professional respect for Estyn



Learners are at the heart of all our work. Every part of our work feeds into improvement in education and training and we are committed to making everything we do a positive experience for those involved in our work.

We keep open channels of communication with stakeholders such as Government, policy makers and providers.

We have communications and stakeholder engagement strategies to ensure that stakeholders, including learners, parents and carers, education professionals and the public are aware of our work and publications. We adapt the focus and methods of communication to prevailing circumstances and they are currently focused on our role in getting education and training back to a new normal.

Significant governance issues

No significant issues have been identified during the year in relation to our overall governance framework. Internal audit reviews covered key areas of our business and it is pleasing to report that there were no significant areas of control weaknesses identified and no high-level recommendations raised in assurance reports.

Since taking up post in January 2022, I have been reassured by the processes in evidence and the engagement and commitment to our values and the civil service code shown by colleagues. In due course I will seek to review and refine our governance arrangements to ensure that Estyn continues to run as an exemplar public body.

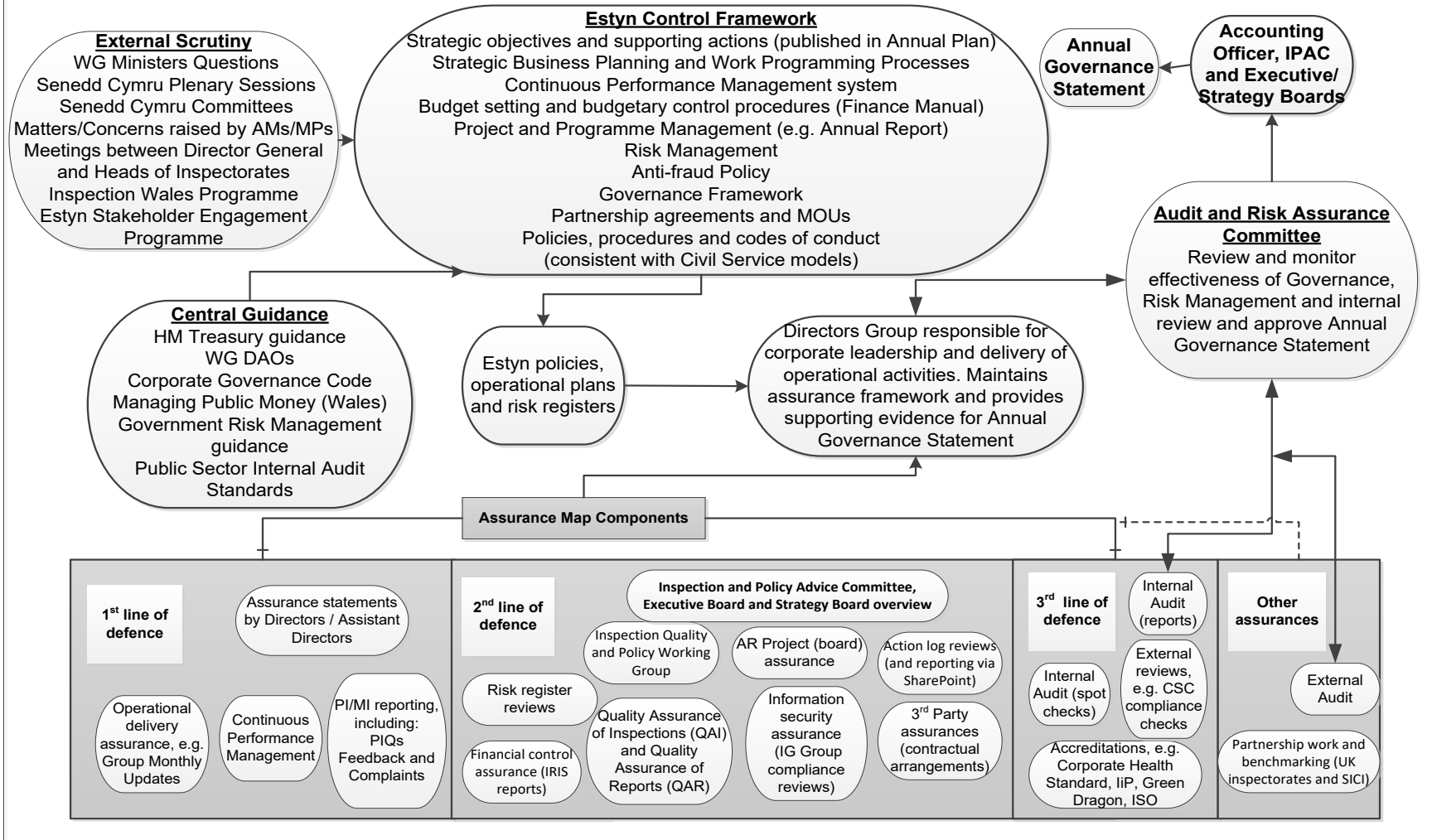
A handwritten signature in black ink, appearing to read 'Owen Evans', enclosed in a thin black rectangular border.

Owen Evans

Her Majesty's Chief Inspector of Education and Training in Wales and Accounting Officer

8th August 2022

Estyn assurance and scrutiny framework arrangements



2.2 Remuneration and staff report

The remuneration of Her Majesty's Chief Inspector of Education and Training in Wales is determined by the National Assembly for Wales under paragraph 3 of Schedule 2 to the Education Act 2005.

For other permanent senior staff members of the Board, remuneration was determined by Estyn's Remuneration Committee comprising the Chief Inspector of Education and Training in Wales and three non-executive directors, in accordance with Cabinet Office guidance on Senior Civil Service (SCS) remuneration.

In reaching its recommendations, the Estyn Remuneration Committee has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities
- benchmarking information available from Cabinet Office and other Government departments, including those closest to Estyn in location and work type
- the funds available to the department and the advice available annually from the Welsh Government
- Government policies for improving public service delivery and the role of performance management in securing and recognising value to the organisation and rewarding contributions to business and corporate objectives

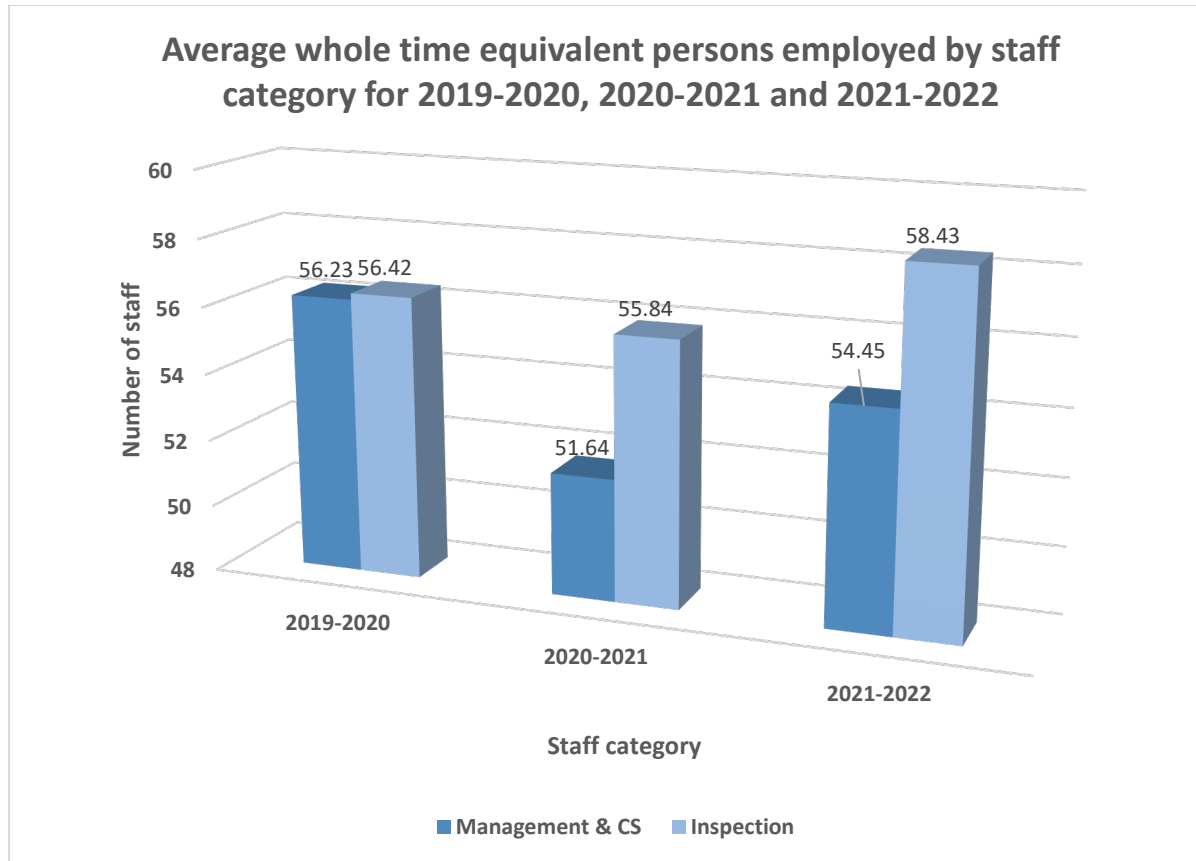
The Estyn Remuneration Committee takes account of the evidence available in respect of wider economic considerations and the affordability of its recommendations.

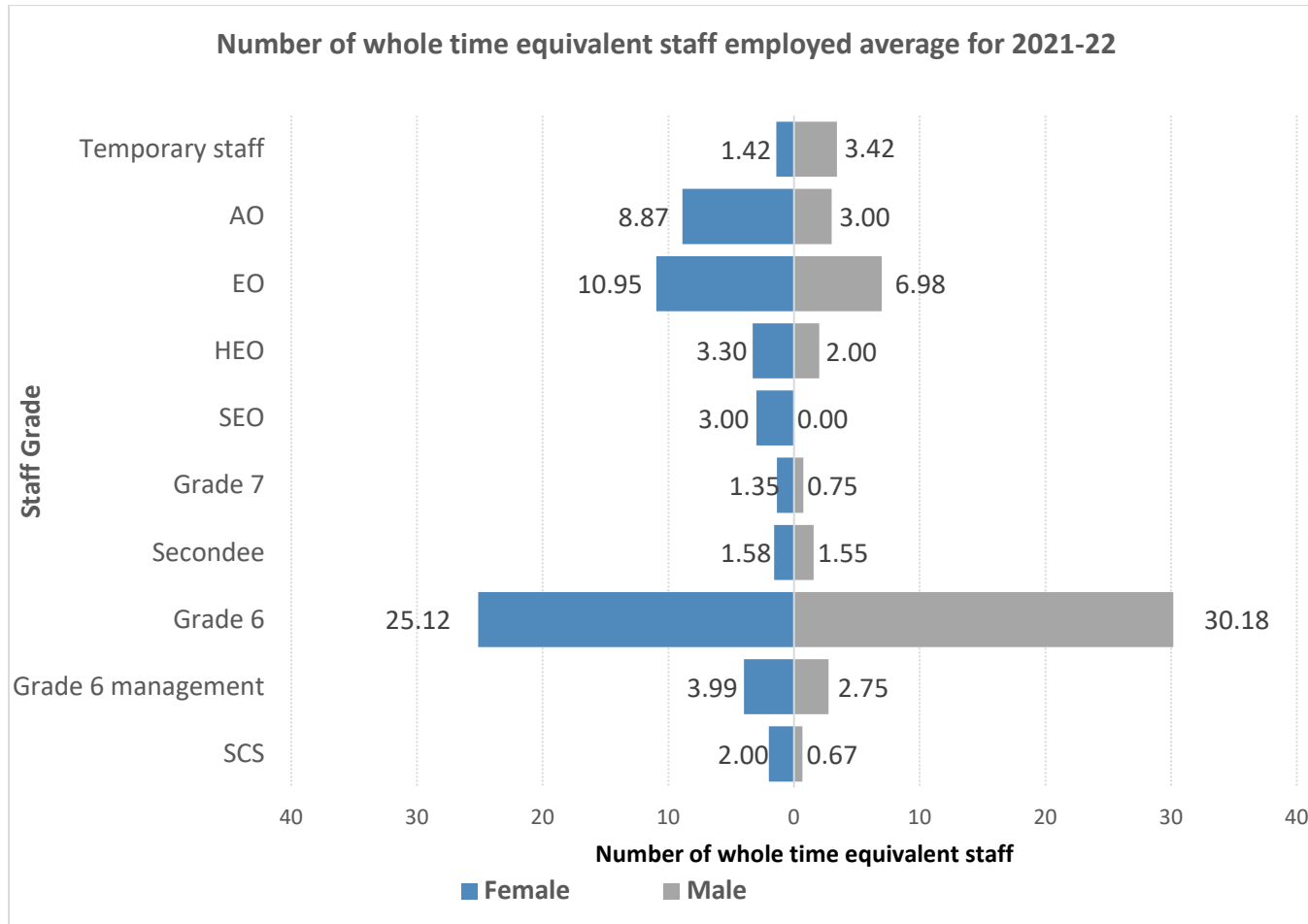
In agreeing pay awards for individual staff, the Estyn Remuneration Committee take particular regard of the following criteria:

- the individual's growth in competency
- challenge associated with the job
- confidence in the individual's future performance

No SCS staff bonuses were paid in 2021-2022.

In line with the pay award for the Welsh Government SCS officials (1st April 2021) Estyn SCS Band 1 officials were not awarded a pay award for 2021-2022.





The following sections provide details of the remuneration and pension interests of the most senior officials (i.e. Board members) of Estyn.

Estyn Annual Report and Accounts 2021-2022

Remuneration (salary, benefits in kind, and pensions) ²										
Officials ³	2021-2022					2020-2021				
	Salary £000's	Non- Consolidated Performance Pay £000's	Benefits in kind (to nearest £100)	Pension benefits to nearest £1,000 ⁴	Total £000's	Salary £000's	Non- Consolidated Performance Pay £000's	Benefits in kind (to nearest £100)	Pension benefits to nearest £1,000	Total £000's
Owen Evans Her Majesty's Chief Inspector of Education & Training in Wales (January 1 st 2022 - present)	135-140	-	-	13	45-50					
Meilyr Rowlands – Her Majesty's Chief Inspector of Education & Training in Wales (April 1 st 2020 – 31 st August 2021)	115-120	-	-	-8	40-45	115-120	-	-	52	165-170
Claire Morgan Strategic Director April 1 st 2020 – July 31 st 2021. & January 1 st 2022 – present) Acting Chief Inspector of Education & Training in Wales (August 1 st – 31 st December 2021)	95-100	-	-	39	135-140	85-90	-	-	35	120-125
Jassa Scott – Strategic Director	85-90	-	-	22	110-115	85-90	-	-	43	125-130
Cath Evans - Acting Strategic Director (September 1 st 2021- December 31 st 2021)	25-30	-	-	13	35-40					
Phillip Sweeney Corporate Services Director (April 1 st 2020 – 31 st December 2021)	70 - 75	-	-	9	80 - 85	75-80	-	-	29	105-110
Mererid Wyn Williams Corporate Services Director Effective from January 1 st 2022 – present)	20-25	-	-	4	20 - 25	-	-	-	-	-
Ronald Alexander - Non-Executive Director	5 - 10	-	-	-	5 - 10	5 - 10	-	-	-	5 - 10
Judith Fabian – Non-Executive Director	5 - 10	-	-	-	5 - 10	5 - 10	-	-	-	5 - 10
Arwel Thomas – Non-Executive Director	5 - 10	-	-	-	5 - 10	5 - 10	-	-	-	5 - 10
Emyr Roberts – Non – Executive Director	0 - 5	-	-	-	0 - 5	-	-	-	-	-

² Audited

³ FTE for each Official post in table below

⁴ The value of pension benefits accrued during the year is calculated as (the real increase in pension x 20) + (the real increase in any lump sum) – (contributions made by the individual)

Estyn Annual Report and Accounts 2021-2022

Full-Time Equivalent Salaries	
Officials	Salary £000's
Owen Evans Her Majesty's Chief Inspector of Education & Training in Wales	135-140
Meilyr Rowlands – Her Majesty's Chief Inspector of Education & Training in Wales	115-120
Claire Morgan Strategic Director	85-90
Jassa Scott – Strategic Director	85-90
Cath Evans - Acting Strategic Director	85-90
Phillip Sweeney - Corporate Services Director	80-85
Mererid Wyn Williams - Corporate Services Director	80-85

Fair Pay Disclosure							
Descriptor	2021-2022						2020-2021
Band of Highest-Paid Director's Total Salary	135-140						115-120
Median total	72,935						£74,730
Ratio using the mid-point of the highest salary band	25th	4.67	Median	1.89	75th	1.82	1.57
Calculation of ratio	25th	(137,500/29430):1	Median	(137,500/72935): 1	75th	(137,500/75480):1	-
Range of staff remuneration	£21,300 - £137,500						£20,500- £117,500
% change in Highest-Paid Director's Total Salary between 2020-2021 and 2021-2022	17.02%						-
% change in the average staff salary between 2020-2021 and 2021-2022	8.88%						-

Estyn Annual Report and Accounts 2021-2022

Pension entitlements for senior managers ⁵						
Officials	Accrued pension at pension age as at 31/3/22 and related lump sum £000's	Real increase/ (decrease) in pension and related lump sum at pension age £000's	CETV at 31/3/22 £000's	CETV at 31/3/21 £000's	Real increase/ (decrease) in CETV £000's	Employer contribution to partnership pension account nearest £100
Owen Evans Her Majesty's Chief Inspector of Education & Training in Wales - (January 1 st , 2022 - present)	0 – 5 plus lump sum of 0	0 – 2.5 plus lump sum of 0	10	0	8	-
Meilyr Rowlands – Her Majesty's Chief Inspector of Education & Training in Wales (April 1 st , 2021 – 31 st August 2021)	60 – 65 plus lump sum of 185 - 190	0 plus lump sum of 0	1409	1429	-8	-
Claire Morgan Strategic Director April 1 st , 2021 – August 31 st , 2021 & January 1 st , 2022 – present) Acting Chief Inspector of Education & Training in Wales (September 1 st – 31 st December 2021)	25 – 30 plus lump sum of 0	0 – 2.5 plus lump sum of 0	438	392	26	-
Jassa Scott Strategic Director	30 – 35 plus lump sum of 0	0 – 2.5 plus lump sum of 0	454	422	6	-
Catherine Evans, Acting Strategic Director September 1 st to December 31 st	20 – 25 plus lump sum of 0	0 – 2.5 plus lump sum of 0	234	226	5	-
Mererid Wyn Williams Corporate Services Director Effective from January 1 st , 2022 – present)	25-30 plus lump sum of 0	0 – 2.5 plus lump sum of 0	354	347	-1	-
Phillip Sweeney Corporate Services Director (April 1 st , 2021 – 31 st December 2021)	20-25 plus lump sum of 0	0 – 2.5 plus lump sum of 0	495	470	9	-

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by Estyn and thus recorded in these accounts.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable

earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

There were no exit packages in 2021-2022.

A handwritten signature in black ink, appearing to read 'Owen Evans', is written over a light grey rectangular background.

Owen Evans

Her Majesty's Chief Inspector of Education and Training in Wales and
Accounting Officer

8th August 2022

Staff report

The average number of whole-time equivalent persons employed (including senior management) during the year was as follows:

Year	Permanently employed staff	Other ^[1]	Total staff
2020-2021	105.89	1.59	107.48
2021-2022	104.92	7.97	112.89

Staff sickness rates are as follows:

Headline staff measures		
Measure	2020-2021	2021-2022
Sickness absence rate	2.3%	2.5%
Proportion of staff accruing sickness absence	24.8%	46.5%
Average working days lost per employee	5.1	5.4
Average length of absence	13.2	5.9
Sickness absence occurrences (new)	39	59
Proportion of long term absence	75%	57%
COVID-19 accounts for almost a fifth of all absence and is the main reason for the increase in the proportion of short term absence		

Staff turnover is noted on page 28 above.

For information about our approach to ensuring equality and diversity in our recruitment and retention practices, see page 30 above.



Total sickness absence rate of 2.5% against a target of <4%

^[1] Other staff refers to secondees and agency staff.

2.3 Audit report

The Certificate and independent auditor's report of the Auditor General for Wales to the Senedd

Opinion on financial statements

I certify that I have audited the financial statements of Estyn: Her Majesty's Inspectorate of Education and Training in Wales (Estyn) for the year ended 31 March 2022 under the Government of Wales Act 1998. These comprise the Statement on Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers Equity and related notes, including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion the financial statements:

- give a true and fair view of the state of Estyn's affairs as at 31 March 2022 and of its net expenditure and application of resources for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with HM Treasury directions issued under the Government of Wales Act 1998.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer 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 other than the financial statements and other parts of the report that are audited and my auditor's report thereon. Legislation and directions issued to Estyn do not specify the content and form of the other information to be presented with the financial statements. The Accounting Officer is responsible for the other information in the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

As legislation and directions issued to Estyn do not specify the content and form of the other information to be presented with the financial statements, I am not able to confirm that the Annual Report has been prepared in accordance with guidance.

In my opinion, based on the work undertaken in the course of my audit, the information given in the Annual Report, including the Governance Statement, is consistent with the financial statements.

Although there are no legislative requirements for a Remuneration Report, Estyn has prepared such a report and in my opinion, that part ordinarily required to be audited has been properly prepared in accordance with HM Treasury guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report provided with the financial statements or the Governance Statement.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- proper accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records and returns;
- information specified by HM Treasury regarding remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for preparing the financial statements in accordance with the Government of Wales Act 1998 and HM Treasury directions made there under, for being satisfied that they give a true and fair view and for such internal control as the Accounting Officer determines 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 Accounting Officer is responsible for assessing the body'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 deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My 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 my 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. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to Estyn's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: management over-ride of controls, revenue and expenditure recognition and posting of unusual journals.
- Obtaining an understanding of Estyn's framework of authority as well as other legal and regulatory frameworks that the Estyn operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Estyn.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above
- enquiring of management, and the Audit & Risk Assurance Committee about actual and potential litigation and claims
- reading minutes of meetings of the Audit & Risk Assurance Committee and the leadership team
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Estyn's controls, and the nature, timing and extent of the audit procedures performed.

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

Responsibilities for regularity

The Accounting Officer is responsible for ensuring the regularity of financial transactions.

I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Ann-Marie Harkin
For and on behalf of the Auditor General for Wales
18 August 2022

24 Cathedral Road
Cardiff
CF11 9LJ

Section 3

Financial statements



3.1 Statement of comprehensive net expenditure for the year ended 31st March 2022

	2021-2022				2020-2021
	Note	Budget	Actual Outturn	Net Total Outturn compared with Estimate (saving)/excess	Prior Year Outturn
Resources:		£000's	£000's	£000's	£000's
Staff costs	2	9,091	9,143	52	8,913
Depreciation	5a & 5b	200	170	(30)	147
Other costs	3	2,310	1,391	(955)	1,113
Auditors remuneration	3	32	40	8	32
Gross operating costs		11,669	10,744	(925)	10,205
Operating income	4	-	(1)	(1)	(2)
Operating Expenditure for the Year		11,669	10,743	(926)	10,203

Net expenditure is reported as a single segment in line within [Annual Plan 2020-2021](#)

Budget figures are stated as within Estyn's Annual Plan 2021-2022.

The notes on pages 70 to 81 form part of these accounts.

3.2 Statement of financial position as at 31st March 2022

Non-current assets	Note	2021-2022		2020-2021	
		£'000's	£'000's	£'000's	£'000's
Property, plant and equipment	5a	112		180	
Intangible assets	5b	165		101	
Total non-current assets			277		281
Current assets					
Trade and other receivables	7	358		152	
Cash and cash equivalents	8	922		1,190	
Total current assets			1,280		1,342
Total assets			1,557		1,623
Current liabilities					
Trade and other payables	9a&b	(1,005)		(1,547)	
Provisions within one year	10	-		(176)	
total current liabilities			(1,005)		(1,723)
Total assets less current liabilities			552		(100)
Non-current liabilities		(45)			
Between two and five years	10		(45)	-	
Assets less liabilities			507		(100)
Taxpayers' equity:					
General Fund		507		(100)	
Total taxpayers' equity			507		(100)

3.3 Statement of cash flows for the year ended 31st March 2022

	Note	2021-2022 £000's	2020-2021 £000's
<u>Cash flow from operating activities</u>		(10,743)	(10,203)
Net operating cost			
Adjustments for non-cash transactions:			
Depreciation	5a&b	170	147
Other costs (change in provision)	10	(55)	-
Increase / (decrease) in trade and other payables	9 a&b	(542)	(274)
Increase/ (decrease) in contributions received in advance		-	(36)
(Increase) / decrease in trade and other receivables	7	(56)	183
Use of provisions	10	(77)	-
Less movements in payables not passing through the SoCNE:			
Debtor – grant funding		(150)	-
Capital creditors	5 a&b	(3)	(12)
Net cash outflow from operating activities		(11,456)	(10,195)
<u>Cash flows from investing activities</u>			
Purchase of property, plant and equipment	5 a&b	(58)	(148)
Purchase of intangible assets		(104)	
Net cash flow from investing activities		(162)	(148)
<u>Cash flows from financing activities</u>			
Net financing (from the Welsh Government)		11,350	10,260
Net increase (decrease) in cash and cash equivalents	8	(268)	(83)
Cash and cash equivalents at the beginning of year	8	1190	1,273
Cash and cash equivalents at the end of the year	8	922	1,190

3.4 Statement of changes in taxpayers' equity for the year ended 31st March 2022

	<u>2020-2021</u>
<u>Statement of Change in Tax Payers' Equity</u>	<u>£000's</u>
Balance as at 31 March 2020	(157)
Net operating cost for the year	(10,203)
Total recognised income and expense 2020-2021	(10,203)
Net Welsh Government Funding	10,260
	57
Balance as at 31 March 2021	(100)
<u>Changes in taxpayers equity 2021-2022</u>	
Total recognised income and expense for 2021-2022	(10,743)
Net Welsh Government Funding	11,350
	607
Balance as at 31 March 2022	507

The notes on pages 70 to 81 form part of these accounts.



Owen Evans

Her Majesty's Chief Inspector of Education and Training in Wales and
Accounting Officer

8th August 2022

3.5 Notes to the resource accounts

1 Statement of accounting policies

The financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) 2021-2022 issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, Estyn has selected the policy it judged to be the most appropriate to its particular circumstances, for the purpose of giving a true and fair view. The particular accounting policies adopted by Estyn for 2021-2022 are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

In consultation with HM Treasury and the Welsh Government, we agreed a revised accounts direction in 2011-2012 which continues to be used.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of fixed assets and intangible assets at their fair value. Expenditure on services, licences and subscriptions which straddle more than one financial year are treated as costs within the financial year that a payment is made, where the individual transaction does not exceed £1000.

1.2 Property, plant and equipment and Intangible assets

Expenditure is capitalised where the asset purchased is expected to have a useful life extending over a number of years and the cost of the item(s) exceeds £1,000. Fixed assets are shown at cost less an allowance for depreciation (see note 1.3 below). Given that no property is held, it is the opinion of Estyn, that there is no material difference between the historic net book value of the assets and their fair value. Where the value of assets purchased at the same time of an identical type, e.g. laptops, they will be capitalised if the total value is over £10,000.

1.3 Depreciation

Depreciation is provided at rates calculated to write off the value of fixed assets by equal instalments over their estimated useful lives. A full year's depreciation is charged in the year of acquisition of an asset. Lives are as follows:

- | | |
|------------------------|-----------|
| • IT Equipment | 3-5 years |
| • Furniture & Fittings | 5 years |
| • Office Equipment | 5 years |
| • IT Systems | 5 years |
| • Intangible Assets | 3 years |

Where an impairment of a tangible fixed asset has occurred the net impairment is charged to the Statement of Comprehensive Net Expenditure in the year in which it has occurred.

1.4 Provisions

Provisions are included in the accounts for liabilities that are likely or certain to arise but uncertain as to the amount or dates on which they will arise. Provisions are created or increased by making a charge to revenue expenditure in the year of creation. When the expenditure is actually incurred, the expenditure is charged directly to the provision. The provision included within these accounts are regarded as short term, within one year and medium term, between two and five years. All provisions are subject to annual review, to ensure they are still relevant and sufficient to fund the specific future liability.

The provision in the accounts is for the works required to restore the property back to its original condition prior to tenancy. This is a requirement of the lease agreement and the clause is activated when we vacate the Cardiff office.

1.5 Operating income

Operating income is income that relates directly to the operating activities of Estyn.

It principally comprises fees and charges for services provided and other miscellaneous income. HM Treasury has issued a receipts direction allowing Estyn to retain such receipts.

1.6 Staff costs and other costs

The Statement of Comprehensive Net Expenditure is analysed between Staff and Other costs incurred in the undertaking of Estyn's purpose. The Welsh Government provides Estyn with a single budget line for Revenue expenditure and a separate budget line for Depreciation. Estyn has discretion to allocate its revenue budget in accordance with its operational requirements. For transparency, 'Other costs' are reported in Note 3 against sub totals for Administration expenditure and Programme expenditure.

1.7 Value Added Tax

Most of our activities are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.8 Pensions

Present and past employees are covered by the provisions of the Civil Service Pension Schemes, which are described in Note 3. The defined benefit elements of the schemes are unfunded and are non-contributory except in respect of dependents' benefits. Estyn recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Principal Civil Service Pension Schemes (PCSPS) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, Estyn recognises the contributions payable for the year.

1.9 Early departure costs

Estyn is required to meet the additional cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early. Estyn provides for this cost in full when the liability arises.

1.10 Operating leases

Operating lease rentals are charged to the Statement of Comprehensive Net Expenditure in equal amounts over the lease term.

1.11 Cash and Cash Equivalents

Cash and cash equivalent is solely composed of the balance held at Estyn's bank accounts.

1.12 Going Concern Concept

Estyn is expected to remain in existence for the foreseeable future and will receive funding from the Welsh Government to meet all of its current liabilities when they mature in the 2021-2022 financial year. It has accordingly been considered appropriate to adopt a 'going-concern' basis for the preparation of these financial statements.

1.13 Accrued Leave

Staff annual leave accrual is accounted for within Table 2 - Staff costs. The accrual is a calculation to reflect the net annual leave owed or owing to staff at the year end. Movement in year is now charged as an accrual within salaries.

2 Staff costs

	Total 2021 2022 £000's	Permanently employed staff £000's	Others £000's	2020-2021 £000's
Wages and salaries ⁶	6,137	6,137	-	6,313
Social security costs	721	721	-	715
Other pension costs	1,733	1,733	-	1,729
Total net costs	8,591	8,591	-	8,757
Plus:				
Secondees in	274	-	274	91
Secondees out	-	-	-	(20)
Agency staff	189	-	189	24
NEDs costs	21	-	21	15
Registered inspector costs ⁷	52	-	51	32
Apprenticeship Levy	16	-	16	14
Total	9,143	8,591	552	8,913

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “Alpha” – are unfunded multi-employer defined benefit schemes but (insert employer’s name) is unable to identify its share of the underlying assets and liabilities.

The scheme actuary valued the PCSPS as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation [here](#).

For 2021-2022, employers’ contributions of £1.733m were payable to the PCSPS (2020-2021 £1.729m) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2021-2022 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

⁶ Salaries expenditure includes -£103k which is the reduction in the accrual for staff accrued leave.

⁷ External registered inspector payments through payroll

3 Other costs

Expenditure	2021-2022 £000's	2020-2021 £000's
Rental under operating leases: accommodation	119	139
Other accommodation costs	163	157
IT & telecommunications	554	521
Welsh Government central services	18	18
Travel and subsistence	240	22
Auditor's remuneration – audit of accounts ⁸	40	32
General administration expenditure	254	182
Non-cash items:		
- change in provision for accommodation dilapidation	(55)	-
- tangible asset depreciation	130	147
- Intangible asset depreciation	40	
Total general administration expenditure	1,503	1,218
Less: Operating income (Note 4)	(1)	(2)
Subtotal: Net administration costs	1,502	1,216
Local Education Authority and Associated costs	-	
Post 16 education inspections and associated costs	-	-
School inspections and associated costs	55	4
General inspection related costs	44	40
Self-Evaluation Project direct costs ⁹	-	30
Subtotal: Programme costs	99	74
Total other costs	1,601	1,290
Total Other costs without Income and depreciation	1,431	1,145

⁸ Net figure for Auditor's remuneration includes refund of VAT applied in previous years and realignment of fees paid for the correct year.

⁹ Includes practitioner time from schools, translation and communications costs

4 Income

Income	2021-2022 £000's	2020-2021 £000's
Registration fees	(1)	(1)
Miscellaneous	-	(1)
Total	(1)	(2)

As the amount of income is received is relatively small and can vary year on year, it is excluded from Estimate figures in the Statement of net comprehensive expenditure.

5a Property, plant and equipment

	IT equipment £000's	Furniture & fittings £000's	Office equipment £000's	Total £000's
Cost or valuation				
At 1 April 2021	776	305	3	1084
Additions	63	-	-	63
Disposals	(85)	(171)	-	(256)
At 31 March 2022	754	134	3	891
Depreciation				
At 1 April 2021	604	298	3	905
Charged in year	128	2	-	130
Disposals	(85)	(171)	-	(256)
At 31 March 2022	647	129	3	779
Carrying amount at 31 March 2022	107	5	-	112
At 1 April 2021	173	7	-	180

5b Intangible Assets

	Software	Training Materials	IT Systems	Total
	£000's	£000's	£000's	£000's
Cost or valuation				
At 1 April 2021	11	21	298	330
Additions	-	-	104	104
Disposals	-	-	-	-
At 31 March 2022	11	21	402	434
Depreciation				
At 1 April 2021	11	21	196	228
Charged in year	-	-	41	41
Disposals	-	-	-	-
At 31 March 2022	11	21	237	269
Carrying amount at 31 March 2022	-	-	165	165
At 1 April 2021	-	-	101	101

6 Financial instruments

Whilst Estyn receives its money via the Welsh Government and not through the normal supply estimates, the majority of the financial instruments relate to contracts for non-financial items in line with their expected purchase and usage requirements and Estyn's exposure to credit, liquidity or market risk is therefore minimal. Estyn does not hold financial instruments that are complex or play a significant medium to long term role in the financial risk profile of Estyn.

Liquidity risk

Estyn relies primarily on funding from the Welsh Government for its resource requirements and is not therefore exposed to significant liquidity risks.

Interest rate and foreign currency risk

Whilst the bank balance that Estyn holds is material, the risk related to the balance is minimal as it is held within the Government Banking Service (GBS) set of bank accounts. All material deposits and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or foreign currency risk.

Credit risk

Estyn is funded, under legislation, by the Welsh Government and is therefore not exposed to any material credit risks.

7 Trade and other receivables

7a Analysis by type

	At 31/03/2022 £000's	At 31/03/2021 £000's
Amounts falling due within one year:		
Trade receivables		-
Other receivables	195	-
Prepayments and accrued income	162	152
Total	358	152

8 Cash and cash equivalents

	31 st March 2022 £000's	31 st March 2021 £000's
Balance at March 31 st 2021	1,190	1,273
Net change in cash and cash equivalent balances	(268)	(83)
Balance at 31st March 2022	922	1,190

Estyn uses the Government Banking Service and operates one bank account. The NatWest account provides a BACS payment service, collection of BACS income and

local banking facilities. The following balance was held at 31st March 2021 and 31st March 2022:

	31st March 2022 £000's	31st March 2021 £000's
Balance at NatWest	922	1,190
Total	922	1,190

9 Trade and other payables

9a Analysis by type

	31st March 2022 £000's	31st March 2021 £000's
Amounts falling due within one year:		
Trade payables	586	310
Payroll funding	419	1,237
Accruals & deferred income	-	-
	1,005	1,547

10 Provisions for liabilities

Accommodation refit: Obligations arising for refitting of leased office property to its original condition on termination of a lease

Provisions	Accommodation refit	Total
	£000's	£000's
Balance at 1 April 2021		
- Within one year	176	176
- Between two and five years	-	-
- After five years	-	-
Increase/(Decrease) in provision	-55	-55
Amounts utilised in the year	-76	-76
Remaining provision:	45	45
- Within one year	-	-
- Between two and five years	45	45
- After five years	-	-
<u>Total provision as at 31st March 2022¹⁰</u>	45	45

¹⁰ Accommodation provision was re-assessed by a professional surveyor in March 2022.

11 Capital commitments

There are no capital commitments as at 31st March 2022.

12 Commitments under leases

Operating leases

	2022 Land & Buildings £000's	2021 Land & Buildings £000's
At 31 March 2022 Estyn was committed to making the following payments during future years in respect of operating leases expiring:		
- within one year	77	34
- between two and five years	336	-
- after five years	-	-
Total	413	34

13 Other commitments

Estyn has not entered into any non-cancellable contracts (which are not operating leases) as at 31st March 2022 (there were no non-cancellable contracts as at 31st March 2021).

14 Contingent liabilities

There were no contingent liabilities as at 31st March 2022 (there were no contingent liabilities as at 31st March 2021).

15 Related party transactions

The Welsh Government is as a related party to Estyn. Material transactions with Welsh Government during 2021-2022 are:

- funding of £11.35m from Welsh Government (£10.26m 2020-2021)
- we paid Welsh Government £9.550 m, mainly for reimbursement of staff salaries and corresponding deductions they pay on our behalf (£8.783 m in 2020-2021)
- We had £14k accruals with the Welsh Government (£748k 2020-2021) and there were £153k debtors (£0k 2020-2021).

No board member, key manager or other related parties have undertaken any material transactions with Estyn during the year.

16 Events after the reporting period

There have been no events since the Statement of Financial Position date that affect the understanding of these financial statements.

17 IFRS16 disclosure

Accounting standard IFRS16, issued in January 2016, but not effective until 1st April 2022, requires that all leases with a lease term of more than 12 months be recognised as assets and liabilities in financial statements. If this standard had been effective for 2021-2022, there would have been an increase in both assets and liabilities of £346k. There is no material impact to net expenditure position. The lease will end in 2026-2027, with a 2 year and 3-year break clause in between.

Annex 1: Glossary of acronyms used in this report

ACES	Adverse childhood experiences
ADEW	Association of Directors of Education in Wales
ALC	Adult learning in the community
ALN	Additional learning needs
ARAC	Audit Risk and Assurance Committee
ASCL	Association of School and College Leaders
AW	Audit Wales
BACS	Bankers' Automated Clearing Services
BIBESOIN	Better Inspection for Better Social Inclusion
CETV	Cash Equivalent Transfer Value
CIW	Care Inspectorate Wales
CSOPS	Civil Servant and Other Pension Scheme
CWLWM	Childcare Wales Learning and Working Mutually
CYPE	Children, Young People and Education
DAO	Welsh Dear Accounting Officer letters
EAS	Education Achievement Service (South-East Wales consortium)
ERW	Education through Regional Working (West Wales consortium)
FAQ	Frequently asked question
FDA	Association of First Division Civil Servants
FOIA	Freedom of Information Act
FReM	Financial Reporting Manual
GBS	Government Banking Service
GwE	Gogledd Cymru (North Wales consortium)
HIW	The Health Inspectorate Wales
HMCI	Her Majesty's Chief Inspector of Education and Training in Wales
HMI	Her Majesty's Inspector
IFRS	International Financial Reporting Standards
IPAC	Inspection and Policy Advice Committee
ISAs(UK)	International Standards on Auditing in the United Kingdom
ITE	Initial teacher education
LGES	Local government education services
NASUWT	National Association of Schoolmasters Union of Women Teachers
NED	Non-Executive Director
NEIR	National Evaluation and Improvement Resource
NEU	National Education Union
NTfW	National Training Federation for Wales
PCS	Public and Commercial Services Union
PCSPS	Principal Civil Service Pension Scheme
PI	Performance Indicator
PLD	Professional learning and development
PLJ	Professional learning journey
PRU	Pupil referral unit
Rgl	Registered Inspector
RgNI	Registered Nursery Inspector
RI	Reporting inspector
SCS	Senior Civil Service
SEN	Special educational needs
SICI	Standing International Conference of Inspectorates
SoFFP	Statement of Financial Position

UCAC	Undeb Cenedlaethol Athrawon Cymru
UP	Underlying Principles
VAT	Value Added Tax
VIR	Virtual inspection room