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**Annual Report  
& Accounts  
2022-2023**



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 publication. Any enquiries or comments regarding this document/publication should be addressed to:

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

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## Chief Inspector's foreword

Welcome to Estyn's Annual Report and Accounts, which is my second 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 we continued our return to normal activities: we completed our piloting of our inspection arrangements for schools and pupil referral units during the summer term, before recommencing a full programme of inspections from the autumn term onwards. With the current cycle of inspections of schools and pupil referral units set to end in July 2024, we increased our rate of inspection activity in the autumn and spring terms, to the extent that by the end of July 2023 we will have completed up to 20% more inspections over the academic year than was the case before the pandemic lockdown.

During the year we also continued with our programme of non-maintained nursery inspections alongside Care Inspectorate Wales, worked with stakeholders to pilot inspections of independent specialist colleges and work-based learning apprenticeship providers, continued our programme of inspecting local government education services with Audit Wales, and completed our cycle of core inspections to further education colleges.

As inspections recommenced during this period, we also moved back to publishing effective practice case studies, showcasing best practice as identified across the education sectors.

We also continued the formal monitoring of each provider in need of follow-up activity as a result of core inspections, removing a total of 22 providers from statutory follow-up categories over the course of the year.

Our thematic reports this year have included a review of effective approaches to assessment, and a review of the current 16-19 Curriculum in Wales. Early in the financial year, we also published an accessible pupil version of our well received thematic report on peer-on-peer sexual harassment in schools.

We took a new approach this year with my Annual Report about education and training in Wales. Before publication of our main report in January, in September we worked with an interactive design company to publish our interim summary findings, together with interactive walk-through resources for primary and secondary schools. This successful approach has generated a lot of interest from our stakeholders, and we will continue to publish our interim findings in the autumn following the reporting year.

This year we also appointed five new Non-executive Directors, from a diverse range of backgrounds and experiences to widen the horizons of Estyn's strategy board and provide advice and constructive challenge at our strategy board meetings as well as at our Audit and Risk Assurance Committee.

In 2022-2023, we carried out a full programme of both online and in-person events. We ran 52 events during the year, with 490 individual registrations. Feedback on

these, which can be seen on page 24, has been overwhelmingly positive.

During the year, we have continued to ensure that our learning and development programme supports staff to further develop the skills that help underpin our values and maintain our high levels of engagement. Our ongoing programme of professional learning for inspectors focused on a well-structured and comprehensive approach to meeting the professional development needs of staff. We also conducted a comprehensive review of our Bullying and Harassment Policy, with input from colleagues, trade unions and management. Our new Dignity at Work Policy was published at the end of the year, and is complemented by Bullying and Harassment training for all new recruits.

In resuming our normal inspection activity and increasing our momentum further as a result of the pandemic pause on activities, it has been an exceptionally busy year for us all. I therefore wish 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.

## **Owen Evans**

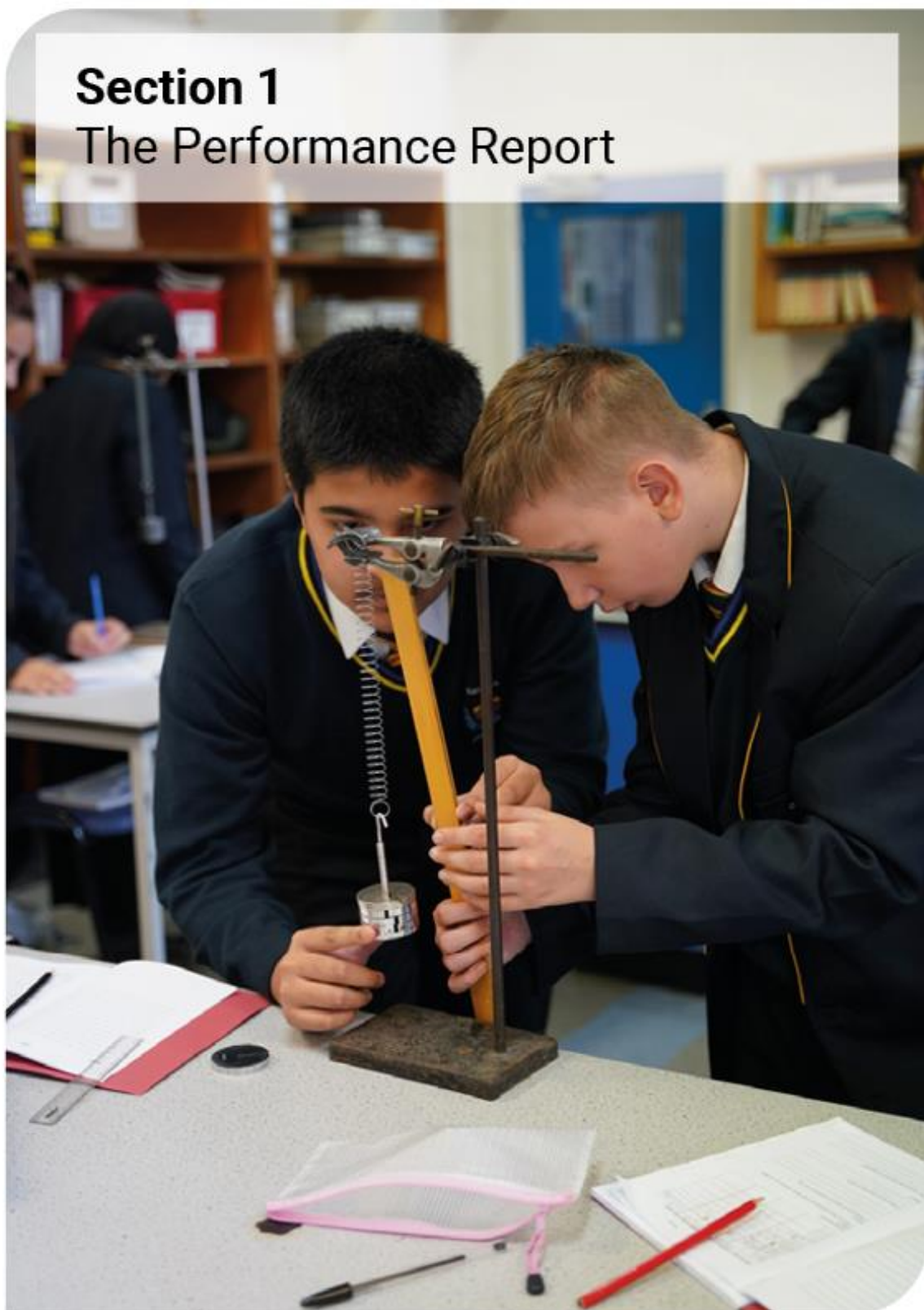
His Majesty's Chief Inspector of Education and Training in Wales and Accounting Officer

The Accounting Officer authorised these financial statements in section 3 of this report for issue on September 4<sup>th</sup>, 2023.



## Section 1

### The Performance Report



## 1.1 Overview

### Our purpose

Estyn is His 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).

### Our activities

#### Vision and Mission

Our **vision** is to improve the quality of education and training, and outcomes for all learners in Wales

Our **mission** is to support education and training providers to develop a self-improving and learning culture through our advice, inspection and capacity building

#### Strategic objectives

**Providing public accountability** to service users on the quality and standards of education and training provision in Wales

**Informing the development** of national policy by the Welsh Government

**Building capacity** for improvement of the education and training system in Wales

#### Values

- Place learners at the heart of our work
- Listen, learn and work with others
- Act openly, fairly and with integrity
- Show effective leadership and teamwork
- Promote health, wellbeing and equality in all we do
- Value and respect people and their work
- Encourage responsibility, initiative and innovation

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.

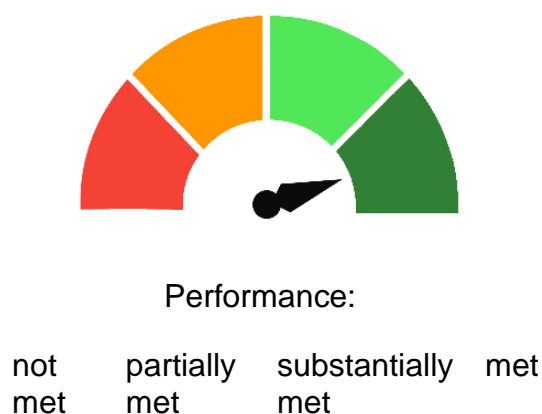
Our [Annual Plan 2022-2023](#) reflected our return to inspections and nearer normal activities. We continued to measure and monitor performance throughout the year to help:

- 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 2021-2022 were produced within statutory timescales and Estyn's annual resource accounts were not qualified by external audit.

In 2022-2023, we achieved our expected performance level in most areas. The indicator gauge below indicates our level of performance throughout the report.



## 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.



## Key events during the year included

### Summer 2022

We continued to pilot the changes to our inspection arrangements, gathering feedback from school leaders and staff as well as from our peer inspectors. This included the removal of summative gradings for reports for most sectors.

We continued to carry out engagement visits to a sample of schools, focusing on helping schools and PRUs plan and prepare for Curriculum for Wales and Additional Learning Needs (ALN) reform. Throughout, we continued with monitoring visits to schools and PRUs in statutory follow-up.

We consulted with work-based learning apprenticeship providers about resuming core inspections from the autumn term 2022. We completed our visits to work-based learning apprenticeships providers so that we will have visited all the apprenticeship providers over the course of the year.

We published a blog about our new approach to the annual report, with the aim of ensuring it remains timely and relevant, asking for feedback.

We published a thematic report about the Impartial careers advice and guidance to young people aged 14-16 years provided by Careers Wales advisers.

We published a pupil version of our well received thematic report on peer-on-peer sexual harassment in schools.

We appointed five new Non-executive Directors, Dr Emyr Roberts, David Jones OBE, Maria Rimmer, Professor Brett Pugh and Professor Charlotte Williams OBE (Co-optee) from a diverse range of backgrounds and experiences to widen the horizons of Estyn's strategy board and provide advice and constructive challenge.

### Autumn 2022

We held our annual staff conference, enabling staff-wide discussions on topics relevant to upcoming priorities, and continued our programme of professional development for HMI, as well as training for Central Services in relevant topics.

For the first time, we published our 2021-2022 Annual report interim summary findings, together with interactive walk-through resources for primary and secondary schools.

We recommenced a full programme of inspection activity, following from the feedback from the summer term inspection pilots.

For school inspections we started the publication of parent summary reports, to sit alongside the main reports for each school on our website.

We published two thematic reports on "A review of the 16-19 curriculum in Wales" and "Effective approaches to assessment that improve teaching and learning".

## Spring 2023

We published HM Chief Inspector's Annual Report for 2021-2022.

We continued with a full programme of inspection activity, and for the first time began publishing the outcome letters from our engagement visits to primary and secondary schools, for those visits carried out as from the autumn.

We provided detailed responses to Qualifications Wales consultations and held a series of workshops with them to discuss their proposals in relation to general and vocational qualifications.

We published a series of reports in relation to the post-16 sectors: "Educational visits in further education colleges – autumn 2022 insights"; "Digital and online learning in further education colleges" and "Apprenticeships – early feedback on delivery under the new contracts".

We commenced our preparation for "Inspecting for the future (2024-2030)", setting up a series of programme board meetings to discuss the way forward and preparing for consultation activity with all stakeholders, to be carried out as from the summer term.

In March, we were re-accredited with the Corporate Health Standard, Silver Level.

## 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

**Table 1: Estyn core inspections by sector 2022-2023**

Sector	Actual number 2022-2023	Number in 2021-2022 <sup>1</sup>
Non-maintained nursery settings*	93	30
Primary and maintained nursery schools	219	13
Secondary schools	29	6
All age schools	7	1
Special schools	7	1
Pupil referral units (PRUs)	4	1
Independent Schools (including independent special schools)	12	3
Independent specialist colleges	3	
Teacher education and training (TET)	2	
Local government education services	5	3
Further education institutions	2	1
Work based learning / apprenticeship	2	
Adult learning (AL)	4	1
Welsh for Adults (WfA)	2	2
<b>Total number of inspections</b>	<b>391</b>	<b>62</b>

\* Joint inspections with Care Inspectorate Wales

(All figures - financial year)

<sup>1</sup> For much of 2021-2022, providers were still in lock-down due to the COVID-19 pandemic; we therefore carried out lower numbers of inspections, piloting new arrangements in some schools in spring 2022.

## **Overview of inspection 2022-2023**

### **Maintained schools and pupil referral units**

During the summer term we continued with our pilot inspections of maintained schools and pupil referral units (PRUs). Subsequently, we evaluated these pilots, making updates to our inspection guidance document, [What we inspect](#) and [How we inspect](#), and rolled out our new arrangements from September 2022, carrying out a full programme in the autumn and spring terms.

We continued to monitor schools in a statutory category and attended a number of multi-agency improvement meetings to support schools causing concern.

### **Non-maintained nursery settings**

During the year we also proceeded with our core inspection work in non-maintained settings (with Care Inspectorate Wales).

### **Local government educational services**

We also continued our programme of inspecting local government education services (with Audit Wales). Every LGES inspection report includes commentary and an evaluation on the quality of the support provided by the school improvement services through our local inspection questions. We are also providing updates on the new school improvement arrangements in south-west Wales.

### **Post-16 sectors**

In the post-16 sectors, we worked with stakeholders to pilot inspections of independent specialist colleges and work-based learning apprenticeship providers. At the start of the autumn term, we sent out a letter to outline our intentions to inspect the apprenticeship providers, and provided links to the new inspection guidance. We arranged an online training event with all of our work-based learning peer inspectors at the end of September to take them through the new arrangements for these inspections. We also discussed the new arrangements and guidance with senior leaders in work-based learning providers in our link inspector visits or calls during the autumn term.

We also visited independent specialist colleges to consider registration and material change requests.

We completed our cycle of core inspections to further education colleges and continued our inspection of adult learning in the community partnerships.

We also conducted regional monitoring visits to the work-based learning providers delivering the Jobs Growth Wales+ youth employability programme.

We presented at the NATSPEC network meeting to outline our new arrangements for independent specialist colleges, and shared links to the new guidance handbooks for the inspection and for nominees.

We discussed our youth work sector pilot inspections with key stakeholders, including Welsh Government officers responsible for youth services. We will engage

them further as we develop options for stand-alone youth services inspections – with a consultation launched in May 2023.

### **Welsh for Adults**

We continued with our programme of core inspections for Learn Welsh providers using a hybrid model to reflect the online provision within the sector, inspecting one provider in the summer term and one in the autumn.

### **Independent schools**

During the summer term we continued with our pilot inspections of independent schools, subsequently rolling out our new arrangements from September 2022, carrying out a full programme in the autumn and spring terms.

When necessary, we visited independent schools to consider registration and material change requests – in total nine registration requests were carried out in the year and 36 material change requests. A significant increase was seen in material changes during the spring term, due to the registration of independent schools wishing to offer additional learning provision. In addition, we continued with our annual monitoring visits to each of the independent schools that provide ALN provision, visiting 26 providers across the year.

### **Learning in the justice sector**

Working in partnership with HMI of Prisons and HMI of Probation, we continued to inspect learning in the justice sector in Wales, including the inspection of Youth Offending Teams in Wales – with four providers inspected in 2022-2023.

In all our inspection work, we remained vigilant and continued to evaluate how well providers carry out their responsibilities in a manner that safeguards children and, where appropriate, vulnerable adults.

## Follow-up activity

We continued the formal monitoring of each provider in need of follow-up activity as a result of core inspections. The table below shows the number of providers that went into, and came out of, statutory follow-up over the course of 2022-2023.

Number of providers going into and coming out of follow-up, financial year 2022-2023 <sup>(1)</sup>						
Level of follow-up	Sector	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	Maintained schools and PRUs	16	26	4	9	34*
	Non-maintained nurseries	3	4	0	3	4
	LGES	0	0	0	0	0
	Post-16	1	1	0	0	2
Estyn review / Estyn monitoring / Progress review / Local authority causing serious concern	Maintained schools and PRUs	8	38	0	6	40*
	Non-maintained nurseries	6	2	0	1	7
	LGES	3	0	0	0	3
	Post-16	1	0	0	1	0

\* Increase in number of schools in follow-up explained by resumption of full programme of inspections in the financial year, following period of pandemic lockdown

Figures are calculated based on data stored in our system, not date of publication of report.

20 providers were removed from follow-up categories during the year.

When a provider is placed in statutory monitoring, it is a statutory requirement that immediately after the report's publication, the governing body devises a post-inspection action plan (PIAP), and the local authority writes a statement of action. Inspectors meet with the provider and the local authority to ensure that the plans are likely to bring about the required improvements, before the plans are forwarded to the Welsh Government. We call these visits PIAP visits.



Number of providers going into and coming out of follow-up, 2021-22 <sup>(1)</sup> and 2022-23											
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		
	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	
Statutory and enhanced (special measures / significant improvement), focused improvement and re-inspection	43	20	3	31	0	4	27	12	19	40	
Estyn review / Estyn monitoring / Progress review / Local authority causing serious concern	55	18	2	40	0	0	38	8	19	50	

	All-age SM	Maintained Special SM	Primary SI	Primary SM	Secondary SI	Secondary SM	Total
PIAP Visits	1	1	3	7	3	4	19

Once the plans have been accepted, we monitor the progress of these providers. For maintained schools and PRUs in special measures, the monitoring visits take place every four-six months. In practice, this is normally termly. For providers placed in significant improvement, we return to evaluate progress around 12 to 18 months after the core inspection.

	All Age SI	All Age SM	Primary SI	Primary SM	Secondary SI	Secondary SM	Total
SI/SM Monitoring visits	1	1	1	7	3	20	33

Estyn Review LA panels	Adult Learning	Maintained Special	Primary	Secondary	Total
ALCP Estyn Review Desk Based	1				1
Estyn Review Panel Meetings (maintained schools and PRUs)	0	1	5	1	7

	Maintained Special	Non-maintained nursery	Primary	Secondary	All Age	Total
Estyn Review Visit	1	1	1	1	0	4
SCC Multi Agency Review				34	3	37

In addition this year, we continued our involvement with the Welsh Government multi-agency programme for secondary schools causing concern, including all secondary schools in special measures. This work has now been extended to include all-age schools in special measures. A pastoral HMI is allocated to each provider once the school is identified as requiring special measures.

During the year also, we worked closely with the three local authorities who were judged to be causing significant concern following their inspections. Our link inspectors have engaged regularly with senior officers, providing challenge and support as necessary. This has included reviewing the progress against the recommendations and providing a commentary on the evidence base provided by the local authorities to demonstrate progress. Powys and Pembrokeshire were judged to have made sufficient progress to be moved out of category whilst Wrexham have made good progress in three out of the four recommendations.

In terms of our performance measures:

Although there was a smaller programme of pilot inspections in the summer term, we returned to a full programme for the autumn and spring terms. None of our 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.

Two formal complaints received about inspection process. In the first, one element was upheld; in the second, one element was upheld and two elements were partially upheld.

## Engagement work

	All Age	Primary	Secondary	Total
Engagement Visits carried out in 2022-2023	1	7	12	20
2021-2022	2	381	61	444

Engagement activity has significantly lessened in this year due to the concentration of resources on resuming a full programme of inspection. However, it remains an important element of our work. Since we re-commenced inspection in Spring 2022, both virtual and face to face engagement activity has continued. In the spring term for the first time undertook to publish the resulting outcome letters on our website.

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.

During 2022-2023, our focus remains on how schools are preparing for and implementing education reform. This maintains the focus of engagement work during 2021-2022 on developing curriculum, improving teaching, professional learning and leadership. There also remains a focus on the way schools are adapting their practice in light of ALN reform.

Here is a selection of comments we have received regarding our inspection activity in the last year:

I just wanted to reiterate my thanks to yourself and the team. Having reflected again last night, I think it is important that the purposeful and professional tone, of the team, be recognised. In my opinion, if inspections worked to measure and challenge in this way, I can see huge potential for knowledge sharing across the system and potential for a more open and honest approach to Estyn-School relationships.

Primary school headteacher

Your sensitivity, attention to detail, professionalism, and good nature all very much appreciated. Of course, your report will inform and guide us all.

Secondary school headteacher

It was good to meet you last week. It was an intense experience for all concerned but the manner in which the inspection team undertook its work and engaged with our teams was excellent. The feedback on Friday was balanced, objective and a fair reflection of the many strengths of our services. The areas for improvement and recommendations are constructive. I was particularly impressed with the manner in which the inspector led the inspection, which although rigorous and demanding was done with courtesy and consideration throughout.

Chief executive, following local authority inspection

I just wanted to thank you all for making what is a challenging experience as enjoyable as possible. All staff have commented on how easy the “Inspectors” were to talk to and how they felt comfortable answering the questions they were asked. I am very grateful for all the strengths you saw and mentioned during the week as the whole team have worked really hard to pull everything together – their main concern was not letting each other down and making sure they shared everything they are so proud of.

Head of Education, local authority following JICPA inspection

A recent experience of interim leadership at another special school has firmly secured in my mind the sheer value of inspection and I have always recognised the importance of the ESTYN experience in underpinning and supporting the school improvement journey.

Headteacher, maintained special school

## **Collaboration work**

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

- four joint inspections involving learning in the justice sector and five LGES inspections alongside Audit Wales
- 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
- collaboration with the Education Workforce Council (EWC) to develop joint inspection and monitoring arrangements for Initial Teacher Education (ITE) partnerships
- 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 January 2023, we published HMCI's 2021-2022 Annual Report on the quality of education and training in Wales. The report commented on the continued effects of the pandemic, with most learners' progress, to varying extents, negatively affected, and the problem being compounded by issues in recruiting suitably qualified staff. It also reflected on the continued challenge of Curriculum reform, highlighting the ways that schools are adapting, although progress remains variable.

The report highlighted case studies from successful education and training providers around Wales, and the ways in which schools can make a difference to the national priorities such as Welsh language education. The report also highlighted examples of providers who are effective in alleviating the impact of poverty on educational attainment.

HMCI Annual Report was published in January 2023, in line with the target date within our Annual Plan 2022-2023.



For the first time, we published our interim findings in September 2022, in a series of interactive web pages and a walk through for primary and secondary sectors. This was well received, and we will be continuing the arrangement this year.

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

During 2022-2023, we published three [thematic reports](#) on a range of topics in response to the [Minister's annual remit letter](#). These reports contained an overall total of 23 recommendations, 10 for the Welsh Government. All recommendations for improvement were accepted or commented on by the Welsh Government during the reporting period.

In addition during this period, following the successful publication of our thematic report on peer-on-peer sexual harassment in schools, we published a version specifically for pupils, which has been well received by schools and extensively downloaded: [Sexual Harassment Report 2022 \(gov.wales\)](#)



**Thematic reports published in 2022-2023**

Name	Date of publication
<a href="#">Impartial careers advice and guidance to young people aged 14-16 years provided by Careers Wales advisers</a>	May 2022
<a href="#">16-19 Curriculum: A review of the current 16-19 curriculum in Wales</a>	October 2022
<a href="#">Effective approaches to assessment that improve teaching and learning</a>	October 2022

**Additional reports published in 2022-2023**

In addition to the thematic reports above, we published four reports providing further updates in relation to the link inspector visits to post-16 providers.

Name	Date of publication
<a href="#">Initial Teacher Education reform in Wales: emerging strengths and areas for consideration</a>	October 2022
<a href="#">Apprenticeships: early feedback on delivery under the new contracts</a>	February 2023
<a href="#">Digital and online learning in further education colleges: autumn 2022 insights</a>	February 2023
<a href="#">Educational visits in further education colleges: autumn 2022 insights</a>	February 2023

We also published the following blog posts:

Name	Date of publication
<a href="#">Adapting teaching and learning – Annual Report 2020-21 insights</a>	April 2022
<a href="#">The Chief Inspector's Annual Report - a new approach</a>	May 2022
<a href="#">Embedding the Four Purposes: what works well in primary schools?</a>	October 2022
<a href="#">We may not tell our teachers, but we want to feel safe to 'reach out' to them</a>	November 2022
<a href="#">Listening to learners – a new approach</a>	November 2022

As inspections recommenced during this period, we also moved back to publishing effective practice case studies, a total of 64 in 2022-2023.

During 2022-2023, 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:

23 June 2022 – CYPE Committee re Pupil Absences

6 July 2022 – Culture Committee re Welsh in Education Strategic Plans

2 February 2023 – CYPE Committee re HMCI Annual Report

Written evidence was given to the following Committee:

- Culture, Communications, Welsh Language, Sport and International Relations Committee and the Children, Young People and Education Committee for information regarding the inquiry into Welsh-medium education, with a specific focus on Welsh in Education Strategic Plans

## **Curriculum for Wales**

Regarding implementation of the Curriculum for Wales, we have continued to provide timely advice to the Welsh Government based on inspection findings, and through delivering presentations to regions and the Welsh Government, making recommendations as appropriate. We regularly attend meetings with Welsh Government officials to discuss progress toward the Curriculum for Wales and how well policy is being implemented in schools, building progression into curriculum design and planning. We regularly attend Camau i'r Dyfodol meetings to support developments, and have published our thematic report highlighting effective practice relating to assessment.

We have continued to inform the Welsh Government about strengths and areas for improvement in assessment and progression based on inspection findings, and have published our [Leadership document](#), which identifies effective leadership of teaching and curriculum.

We continue to address important misconceptions through our communications with school leaders and LGES, and have provided a series of curriculum update training about our approaches to inspecting curriculum for school leaders, regional staff and peer and additional inspectors.

## **The impact of poverty on attainment**

In response to the Welsh Government's drive to place tackling the impact of poverty on educational attainment at the heart of the national mission for education, we have updated our [supplementary guidance](#). Our guidance strengthens our approach to inspecting educational inequalities. When inspecting the approaches taken by schools, PRUs and local government education services to reduce the impact of poverty on educational attainment and well-being, we carefully consider the points made in The Minister's Speech "High standards and Aspirations for All" (June 2022).

As a result, our inspections now normally report on the progress of pupils eligible for free school meals and those from low-income households in inspection area 1 of

reports. Inspectors also now report on the extent to which leaders pay due regard to addressing the impact of poverty on educational attainment in inspection area 5 of reports. We are carefully monitoring our work in this area.

In addition, we are working as part of the Welsh Government's Community Focus School External Reference Group to continue to develop our approach to inspecting this area and to build on the good work identified in our thematic report on ["Community Schools: families and communities at the heart of school life"](#) (July 2020)

## **Qualifications Wales**

We are working with Qualifications Wales to contribute to the development of new qualifications at GCSE. This includes attending stakeholder meetings as well as responding to consultations. We have held a number of workshops with staff from Qualifications Wales where we have been able to discuss in more detail their plans for new GCSEs. In the spring term, we provided detailed responses to Qualifications Wales consultations and held a series of workshops with them to discuss their proposals in relation to general and vocational qualifications.

We will also continue our focus on ALN reform, and the way schools and PRUs are developing their approaches and practice in light of the changes. We may also consider a few sector-specific aspects which will evolve over time depending upon the sector.

## **Engagement work**

This year we have carried out engagement visits to schools and the information gathered supports our thematic work as appropriate.

During engagement visits we engaged in professional dialogue with leaders and teachers, and discussed the progress schools are making. During these visits we considered curriculum, teaching, professional learning and leadership. Below are a few examples of the questions we asked:

### **Curriculum and teaching:**

- What is your vision for curriculum and teaching? Tell us about what you have been working on towards your implementation of Curriculum for Wales?
- What lessons have you learnt? What changes have worked?

### **Improving teaching:**

- How are teachers adapting their practice and exploring different approaches to curriculum and teaching?
- What is working well in individual classrooms and across the school?
- What are your priorities for improving teaching?

### **Professional learning:**

- What professional learning has the school provided for staff?
- What regional / local opportunities has the school taken advantage of to support their curriculum design and delivery? What impact has it had?

## Leadership:

- What were/are the particular strategic challenges which you continue to face as a leader as you lead the school towards the Curriculum for Wales?
- What are the challenges for leaders at all levels in preparing the school to deliver the Curriculum for Wales?

## Post-16

Our link inspectors visited or had online meetings with their linked further education colleges, work-based learning providers and adult learning in the community partnerships in the autumn 2022 and spring 2023. These engagements help to develop constructive professional dialogue to support evaluation and improvement.

We have had ongoing engagement with the Welsh Government and other stakeholders in respect of PCET reform and preparations following legislation in creating the Commission for Tertiary Education and Research – and have attended monthly meetings to steer on quality aspects. In addition, one of our HMI has been on loan to the Welsh Government from April 2022 to March 2023, working on an independent review of post-16 initial teacher education. This report, [Towards a new vision for initial teacher education in the post-compulsory education and training sectors](#), was published in May 2023. The review makes a series of recommendations aligned to a reform the process for post-16 initial teacher education.

## Local authority link inspectors

During the autumn 2022 and spring 2023 terms, link inspectors visited local authorities with colleagues from the Welsh Government to review the use of education technology funding. These visits have enabled the link inspectors to evaluate how well the local authority identifies the impact of its work in this field.

## Consultation responses

We also used our extensive evidence base to respond to 27 consultations on a wide range of educational matters during the financial year, 14 from the Welsh Government and 13 from other organisations. Consultation responses to the Welsh Government included:

- [Changes to school admission appeal arrangements](#)
- [Refresh of the 'Criteria for accreditation of initial teacher education in Wales'](#)
- [Draft assessment arrangements for funded non-maintained nursery settings](#)
- [Developing a national framework for social prescribing](#)
- [Liberty protection safeguards](#)

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

Consultation responses to other organisations include:

- [Promoting and facilitating Welsh-medium qualifications](#)
- [National safeguarding training standards](#)
- [Code of Professional Conduct and Practice review](#)

- [Children, Young People and Education Committee's inquiry on pupil absence from schools](#)
- [Food \(Wales\) Bill](#)

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

### Responses to school reorganisation proposals

2019-2020	2020-2021	2021-2022	2022-2023
33	30	32	11

In 2022-2023, we responded to 11 school re-organisation proposals, with fewer requests received than in previous years. In each case, 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.

### Advice and support to key national steering groups

In addition, we continued to contribute to a range of national steering groups during the year, which can be broken down as follows:

Catch-ups / regular stakeholder meeting groups: 64

Committees: 10

Formally constituted working groups: 54

Project groups: 7

Reference groups: 7

Examples of the groups attended this year are as follows:

- All Wales Forum of Gypsy Traveller Education Practitioners
- Curriculum for Wales Curriculum and Assessment Group
- Digital Standards Working Group
- Welsh Government External Stakeholder Group
- ALN Reform National Steering Group
- Vocational Qualification Review Steering Group
- External Reference Group for adult education review

## 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 us to play a key role in building capacity for improvement across the education system. This work includes effective practice conferences, stakeholder events, and publishing [improvement resources](#) on our website. Our improvement resources include: influential [thematic reports](#), and a wide range of [effective practice](#).

Our engagement activity with schools and other providers helps 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.

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.

*Thematic report: Effective approaches to assessment that improve teaching and learning*

This report was the most popular download on our website during this period. It features case studies and strategies from schools known for their strong teaching practices.

Schools can use the report to plan for assessment, use assessment to support responsive teaching and develop collaborative approaches in the classroom.

64 case studies of interesting practice were published during 2022-2023, with 87,888 unique English and Welsh pageviews for this area of the website during the financial year.



In 2022-2023, we carried out a full programme of both online and in-person events.

We ran 52 events during the year, with 490 individual registrations. Of these, 11 were stakeholder engagement events (compared with 42 in 2021-2022), and 41 were training events for education and training professionals (compared with 81 in 2021-2022).

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-nine per cent of delegates said that the events they attended were either excellent or good.

Here are some of the comments:

**"Well led event. Fully met all of my expectations."**

**"Thank you - I am very much looking forward to the two day face to face training."**

**"Diolch am y cyfle i hyfforddi gyda chi. Yn edrych ymlaen yn fawr"**

**"I am hugely grateful that WAG have permitted Estyn to engage in such helpful and supportive activities."**

**"all sessions were very interesting and increased my understanding of the inspection process, and Estyn requirements for an RI"**

99 % of delegates indicated satisfaction in evaluation of our hosted events – 98 % for training events / 100 % for stakeholder engagement events (target 96%)



We also began a series of livestreamed events – Estyn Live:

- 21 June – peer-on-peer sexual harassment in schools
- 9 October – proposed changes to inspection in 2024
- 27 February – Annual Report for Secondary Schools

Although attendance fell slightly after the first event (200 at the first compared with 80 at the last), engagement has improved with each Estyn Live we have hosted (0 audience questions in the first to 10 audience questions in the last). This shows that we're reaching our intended audience and that they are interested in the content.

### **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.

- Anti-Bullying Alliance Wales
- CYDAY annual Secondary conference
- Rhondda Cynon Taf Federation of Headteachers
- Pembrokeshire County Council headteachers' meeting
- Pembrokeshire County Council Governors framework
- Early Years Wales
- Headteachers and Chairs of Governing Bodies of Ceredigion Schools, at the National Eisteddfod of Wales 2022
- SICI –Concluding the 2022 theme: Contribution of inspection to equity and excellence and General Assembly

### **Inspecting for the future (2024-2030)**

It was in this financial year that we began our forward look and discussions in relation to our future inspection plans as from 2024. A communications plan was set up to include engagement with third party organisations, including the parent and carer reference group, and the teacher forum.

There have been further opportunities to discuss and gather feedback from current inspections and proposals for inspections as from 2024 through our termly meetings with our headteacher reference group and post-16 reference group. Both groups will be included within the planned consultation. After a period of virtual meetings, we recommenced face to face meetings with the headteacher reference group as from 24 March 2023.

### **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 2022-2023, over 600 peer inspectors attended conversion training and 164 new peer inspectors were trained online in readiness for 2023-2024.

We also deployed peer inspectors on 223 inspections throughout this reporting year.

This summer we will be piloting the use of peer inspectors for annual monitoring visits in independent special schools.

### **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.

In 2022-2023 we reviewed this work with local authorities and school improvement services so that we can work more flexibly and use our resources more efficiently. We have retained a named link inspector for each local authority and established regional teams who plan their work across the local authorities and the school improvement services. This approach means that we may not focus on the same areas in every local authority as the context will be different. This is helping us to respond to local authorities' improvement priorities as well as ensuring that we gather a national view about important areas of their work.

We have considered the new approach and received feedback from our link inspectors about the strengths and challenges. As part of our work in this area, we identified key assurances and risks in each local authority's education services and shared these with senior leaders and elected members with colleagues from Audit Wales and CIW. Following from this, very early in the summer term 2023, we wrote to each local authority with a summary of our observations and evaluations.

### **Our website**

Making sure that our publications are accessible and engaging is a priority for us.

From the autumn term, we started producing a new style of summary inspection report for parents, carers, learners and practitioners. The first batch was published on 28 November, alongside the main reports, and feedback has been positive. The preparation of the summary report is currently manual. However, a project is underway to automate the production and publication of parent reports directly to our website.

## How we deliver our work:

### Building a better organisation and living our values

#### A great place to work

**Throughout 2022-2023, 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.**

This year increased our Mental Health First Aiders (MHFA) to 10, training seven new and providing refresher training for three existing MHFAs. Our new MHFAs represent a cross section of employees across Estyn. Also this year we completed the roll out of Mental Health Awareness and Inclusive Language training, and continued to take steps to reach a wider, more diverse audience through our recruitment activities.

Our [Strategic Equality Plan \(SEP\) 2020-2024](#) is published on our website. Our annual review from our Strategic Equality Plan was considered by our senior management group meeting in September. The plan has been revised to take into consideration our responsibilities as a public sector body arising under Welsh Government's Anti-Racist Action Plan.

We have started work to develop a programme aimed at middle and senior leaders from ethnic minority backgrounds, to increase diversity of our peer inspector workforce and provide beneficial CPD to those involved to support their career progression. We have received some seed funding from the National Academy of Education Leadership for the programme. Recruitment to the programme will launch in June 2023.

In March this year, we were successful with the Corporate Health Standard (Silver level) reaccreditation exercise, with external auditors working with Public Health Wales providing us with positive feedback, in relation to the range of well-being and mental health examples and initiatives, that we are promoting within the organisation.

We plan to put a greater emphasis on the importance of employee well-being over the coming year.

#### Civil Service People Survey 2022:

Staff engagement score: 66%  
(Civil Service High Performers top quartile 68%)

Our Engagement Score was below the Civil Service high performers benchmark



For the first time in 2022, the results of the Civil Service People Survey showed that Estyn was below the top quartile in terms of employee engagement across the Civil Service. We developed an action plan to address five key areas of improvement:

- Resources: we increased our recruitment activity to both permanent and temporary roles to address issues around workload and this will continue
- Pay and benefits: we implemented a pay award of 4% for all delegated grades (i.e. colleagues below Senior Civil Servant level) and improved our Wellbeing Time scheme to enable more colleagues to benefit
- Learning and Development: we developed a draft Learning and Development strategy in consultation with our people – at the time of writing, this is due to be completed and implemented
- Working together: we have focused on finding more time for colleagues across the organisation to come together, share knowledge and information and get to know each other better
- Communication: we have developed an internal communications strategy to ensure that everyone in the organisation is more informed about the organisational priorities and projects

### **Action taken following People survey results 2021**

As a result of the findings of the 2021 people survey, over the course of the 2022-2023 financial year, we have undertaken a number of significant actions to reduce the risk of bullying in the organisation. We communicated to staff that Estyn has a zero tolerance approach to bullying, and ran a series of Anti-bullying and Harassment training for all employees. This was well received and will be rolled out to all future joiners. We reviewed our bullying, harassment, and discrimination policy with the trade unions, and our processes for reporting and dealing with complaints to make it as easy and stress free for people to make a complaint and ensure that effective action is taken after a complaint is made.

We appointed a senior leader to lead and co-ordinate a new approach to anti-bullying and raising concerns. They are now responsible for oversight of all issues raised, ensuring that all complaints are followed up appropriately, ensuring all complainants are treated with respect and kept informed, and that there is effective follow up where needed. We also appointed two Assistant Anti-bullying and Harassment Officers to support them in their role.

We have held regular meetings with the Trade Unions to discuss any issues and ensure progress, and implemented a new facility to report concerns anonymously. To date, no issues have been reported.

Turnover for the year was 11.4% (compared to 10.2% in 2021-2022)

There were 16 leavers in the period: 6 inspectors and 10 from central services

## Relationship with unions

During 2022-2023, we maintained our productive and professional relationship with the two unions, Public and Commercial Services Union (PCS) and FDA. We worked together to revise and refine terms of reference for the two formal meeting fora: the strategic and operational fora. We have continued to work collaboratively on policy development, including our dignity at work policy. We also discuss together the outcomes of the annual People Survey and how we will tackle issues identified.

## Prioritising stakeholder engagement

Improving how we communicate and promote our work has been an important focus this year.

We want our inspections to have the most impact possible, but we'll only achieve that if we have the support of educators and those involved in training and support services to help us shape and test our ideas. That's why we've gathered feedback from practitioners, partners and learners to gauge how our work can make the most impact.

For instance, we have introduced reports tailored to specific readers such as parents and young people to give us a new way to engage larger audiences about our work. Changes made in our [Annual Report 2021-2022](#) demonstrate our desire to create resources that are more usable and accessible. Its new format aims to make it easier for users to find the information most applicable to their setting, including practical materials that practitioners can use to help guide improvement where they are.

Getting our stakeholders involved and listening to their feedback is so important in helping us improve education and training in Wales. Making sure we work together in a more collaborative way is key to how we see the future of how we inspect and report going forward.

All the changes we have made over the last 12 months have come about through listening to 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.

During 2022-2023 we have continued to work in partnership with the UK and Ireland education inspectorates to:

- share inspection practice, particularly strategies for re-starting inspection following the pandemic
- arrange opportunities to shadow the work of other inspectorates
- share strategies for supporting providers causing concern



- evaluate approaches to HMI professional learning and induction
- share intelligence
- where appropriate, directly support each other's work where providers work across more than one country

During the 2022-2023 academic year, we continued to collaborate with HM Inspectorates of Prisons and Probation. In this time, we responded to consultations from both bodies on their inspection arrangements for their upcoming cycles.

To share practice and to build capacity in the justice sector, we have shadowed two inspections conducted by His Majesty's Inspectorates of Prisons and Probation in England.

We have attended joint inspection training offered by HMI Probation and attend regular meeting chaired by them involving all their partner inspectorates to discuss inspection arrangements and current challenges in youth justice.

We have carried out five joint inspections with HM Inspectorates of Prisons and Probation in the 2022-2023 year, including four inspections of adult prisons in Wales and one youth offending team.

The joint thematic inspection report that we participated in with HMI Probation during 2022 of education, training and employment services in youth offending teams in England and Wales was published in June 2022. We continue to work collaboratively with His Majesty's Prison and Probation Service Wales to identify opportunities to work together for the good of the justice sector in Wales.

We continue to engage closely with the activities of the Standing International Conference of Inspectorates, with its 37 members across Europe and beyond, to ensure that we benefit from the ability to learn from other inspectorates and their processes. In 2022 to 2023 we attended several SICI workshops and partnership events where practice and approaches on the following were shared:

- Inclusion and equity, including the launch of the follow up project to BIBESOIN – "Better Inspection for Better Social Inclusion".
- Quality and school improvement
- European school history and evaluation, charting the evolution of inspectorates across Europe over the past 200 years

In addition, in July 2022 we attended an Erasmus+ event in Germany on the digitalisation of Vocational Education and Training (VET).

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.

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. Exchanges and co-operation 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.

### **Skilled people**

During the year, we have continued to ensure that our learning and development programme supports staff to further develop the skills that help underpin our values and maintain our high levels of engagement.

We are exploring options for a leadership development programme to start in April 2023, and plan to develop line manager skills through a series of sessions to run during 2023-2024 covering topics including performance management, having difficult conversations, managing conflict, managing discipline and grievance cases, resilience and managing employee mental health.

The following professional development activities also took place in 2022-2023:

- induction for new joiners (virtual and in person when restrictions eased)
- we have developed ongoing initiatives to train staff through the use of LinkedIn training and Duo Lingo
- we continued support staff to develop Welsh language skills
- supporting good mental health and raising mental health awareness
- attendance at professional seminars and conferences for both inspection and corporate services employees

In drafting our learning and development strategy, we have focused on developing a well-structured and comprehensive approach to meeting the professional development needs of both HMI and Central Services staff. The strategy has been structured around the three following levels of provision, ensuring that learning opportunities are provided based on their specific requirements:

- universal
- targeted
- individual

The universal level is focusing on preparing for our new inspection arrangements, ensuring that staff are equipped with the necessary skills and knowledge to adapt to the new framework. The inclusion of a universal offer for personal and professional development acknowledges the importance of individual growth and will provide staff with a well-rounded learning experience.

The targeted level is focusing on team-specific PLD needs. By identifying these needs through sector/team annual PLD plans and delivering them through sector meetings, we will be ensuring that staff receive targeted and relevant development opportunities. This approach allows for deeper discussions, knowledge sharing, and collaboration within specific sectors or teams.

The individual level, which emphasises personal and professional development, showcases Estyn's commitment to individual growth and career progression.

We recognise the value of face-to-face interaction in an increasingly digital age and face-to-face training events provide unique opportunities for meaningful connections, idea exchange, and the development of a strong professional network within the organisation. By transitioning from virtual events to face-to-face professional learning activities during 2022-2023, we acknowledge the significant value that in-person interactions bring to the learning experience.

In 2022-2023 we also increased our recruitment activity, working towards ensuring that we have talented people to support delivery of the new inspection framework, which begins in 2024. For example, we recruited to new posts across several Central Services areas and this increased activity will continue throughout 2023-2024.

We conducted a comprehensive review of our Bullying and Harassment Policy, with input from colleagues, trade unions and management. The new Dignity at Work Policy was published at the end of the year, and is complemented by Bullying and Harassment training for all new recruits.

We listened to the feedback of our colleagues and carried out a review of the Travel and Subsistence policy and procedures. As a result, we have put in place a number of improvements designed to ensure that provision is both fair and compliant with all rules.

## **Equality and employee welfare**

During 2022-2023, 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:

- [Educational visits in further education colleges – autumn 2022 insights](#)
- [Digital and online learning in further education colleges – autumn 2022 insights](#)
- [Impartial careers advice and guidance to young people aged 14-16 years provided by Careers Wales advisers](#)
- [We don't tell our teachers but schools need to know – a report for learners](#)

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

Relevant effective practice includes:

- [Sport for all](#)
- [Developing a school community](#)
- [Supporting the mental health of the school community](#)
- [Supporting the learning of children and young people of asylum-seeking families and refugees](#)
- [The Cardiff Commitment – raising the aspirations, ambitions and outcomes for children and young people](#)
- [A different approach to ALN](#)
- [Improving the evaluation, planning and co ordination of provision for learners with special educational needs \(SEN\) and other pupils who may require extra support](#)
- [Building effective links with parents to support equity in pupil learning](#)

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 2022.

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. 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
- 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

In 2022-2023 we enhanced the Wellbeing Hour scheme, to increase its availability to all colleagues. HMI are now able to benefit from one half-day of Wellbeing per half-term, which better suits their working patterns. For Central Services, we increased the flexibility of the conditions, enabling colleagues to take Wellbeing time at the start or the end of the day, and also to carry over one week's worth of Wellbeing time, thus increasing the entitlement to a maximum of two hours per fortnight.

## Welsh language standards

In 2022-2023, our tenth [Annual report on the Welsh language in Estyn 2021-2022](#) was published, which included a progress summary and priorities for 2022-2023. The report highlighted how we continued to comply successfully with the legal duties placed upon us as an organisation under the Welsh Language Standards. During the reporting year we introduced our first corporate [Strategic Welsh Language Plan 2021-2024](#) . [Cynllun Strategol y Gymraeg 2021-2024](#)

We have identified five key Welsh language objectives for 2021-2024. For each objective, we have also set out key actions we will take to deliver them and our success criteria. These objectives, and progress against them are standing items on each agenda of the Welsh Language Working Group's meetings.

Met the requirements of Welsh Language Standards

## Comments and complaints

With the resumption of a full inspection programme during the year, the number of complaints we received about our inspection activity increased. Four stage 2 complaints were received during the period, each of which underwent a stage 2 investigation.

Conduct of HMI during follow-up visit	June 2022	Partially upheld
Conduct of HMI	September 2022	Partially upheld
Conduct relating to a previous complaint investigation	December 2022	Not upheld
Conduct of inspectors	March 2023	Partially upheld

In all four cases, the response was provided in full by the required or agreed extended deadline. Where aspects of the complaints were upheld, an action plan was produced in order that the issues raised could be addressed as quickly as possible, either through training, or through modification of our systems and processes.

A total of 15 informal stage 1 complaints were also received, each of which required in response an explanatory note about our procedures and decision-making, or a telephone call to provide reassurance about our systems where necessary.

We also logged a total of 41 compliments about our work, for example in relation to the conduct of our inspections, about our support on training or participation in conferences, and about our response to the recent pandemic.

We strive to improve our processes on a continual basis, using the experience of each complaint investigation to refine our internal guidance, for example in the administration of our complaints in relation to meeting arrangements.

Four formal complaints – completed by agreed extended deadline

## Requests for information

This year we received a total of 19 Freedom of Information requests, one more than last year, and responded to all 19 within 20 working days.

We fully released information in 16 of the 19 cases. In two other cases we did not hold the information to release. In the one remaining case, we did not release the information because of section 33 exemptions relating to prejudice to our audit functions. This decision is now subject to ongoing review by the Information Commissioner's Office.

All requests investigated and responded to within statutory 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 CO<sub>2</sub> emissions in 2022-2023 were 92,588 kg CO<sub>2</sub>. In the previous year (2021-2022), total emissions were 60,068 kg CO<sub>2</sub> as we still hadn't returned to normal business operations. However, a more typical year for comparison would be 2019-2020 when total emissions were 120,709 kg CO<sub>2</sub>.

Our main impact on the environment arises from transport CO<sub>2</sub> emissions when our inspectors visit education and training providers. We conducted 391 core inspections in 2022-2023 (322 in 2019-2020) plus a considerable amount of follow-up inspection, thematic report and event/training activity. Both hire cars and personal cars were used during this period. There were two rail journeys and one air travel.

Our total emissions from transport were 86,508 kg CO<sub>2</sub> in 2022-2023 (43,539 kg CO<sub>2</sub> in 2021-2022 when our business operations were only starting to return to normal). In 2019-2020, a more typical business year, transport emissions were 109,977kg CO<sub>2</sub>. Our private and hire car mileage totaled 304,663 miles travelled during 2022-2023, compared to 356,129 in 2019-2020. This reduction can be somewhat explained by our move to more virtual meetings in recent times. All 11 stakeholder events were held online and of 41 training events, 30 were held online and a further 11 held in person.

Payment for gas usage within our building is apportioned by the landlord between the tenants and included in our service charge. Downsizing our office has impacted our gas usage as has central services staff now following a pattern of hybrid working. CO<sub>2</sub> emissions from gas usage was 6,080 kg CO<sub>2</sub> in 2022-2023 compared to 10,731 kg CO<sub>2</sub> in 2019-2020.

This is our fifth 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 fifth 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: [Environmental report \(including biodiversity and resilience of ecosystems duty reporting\) 2023](#).

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.

The Green Dragon Environmental Standard recognises effective environmental management. Estyn was re-accredited to level 3 of the Standard on 21 June 2022. We are seeking re-accreditation in summer term 2023.

## Financial performance highlights

Our 2022-2023 total funding from the Welsh Government was £13.613m. Of this, £13.363m was funding to cover operating costs and depreciation, an increase of £2.14m (19%) on the previous year. Operating costs rose significantly during the period because of domestic and international inflationary pressures. Depreciation costs also rose significantly due to the implementation of IFRS 16, which requires an entity to recognise certain leases as assets and to depreciate them accordingly<sup>2</sup>. However, throughout the year we were able to identify efficiencies, and rationalise and reprioritise operational activities. Consequently, total net operating costs for the year totalled £13.091m (an increase of 22% on the previous year).

In 2022-2023, we drew down grant funding totalling £169k to support several programmes of work including,

- a review of ITE/PCET provision within Further Education
- a review of the Independent Schools Regulations
- a thematic review of ALN provision within Wales
- the provision of advice on the registration of several independent specialist colleges and review material change requests from independent mainstream and specialist school based in Wales as required under the Additional Learning Needs Act 2016
- the development of an interactive resource for schools on using data and evidence for self-evaluation<sup>3</sup>
- a review of child protection structures and processes (in collaboration with CIW, HIW and HMI Probation Service)

Staff costs for the period include additional posts in both the Inspection and Central Services departments, with the average number of permanently employed whole-time equivalent persons for the period increasing by 6.9 whilst the equivalent number of agency and seconded colleagues reduced by 1.2. It also includes a 4% pay award for all staff other than Senior Civil Servants, effective from the 1<sup>st</sup> of April 2022 which is in keeping with our alignment with the award by Welsh Government to its staff. Details of our remuneration policy and pay rates are available within our published [Pay Policy Statement](#). The increase in staff costs is a significant factor in the increased overall expenditure compared to 2021-2022.

During the year, we continued to invest for the future by,

- installing 20 new sit-stand desks and associated chairs at our office in Anchor Court to aid the physical wellbeing of colleagues
- continuing to develop our Virtual Inspection Room application to deliver a more streamlined, efficient, and stable environment for colleagues to work with
- procuring e-learning technologies and services to develop and enhance staff knowledge and skills (including an application to improve Welsh language competencies)

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<sup>2</sup> Prior to the implementation of IFRS 16, lease costs associated with our Anchor Court officers would have been included within Accommodation costs.

<sup>3</sup> Funding for this workstream is split evenly between 2022-23 and 2023-24 financial years.

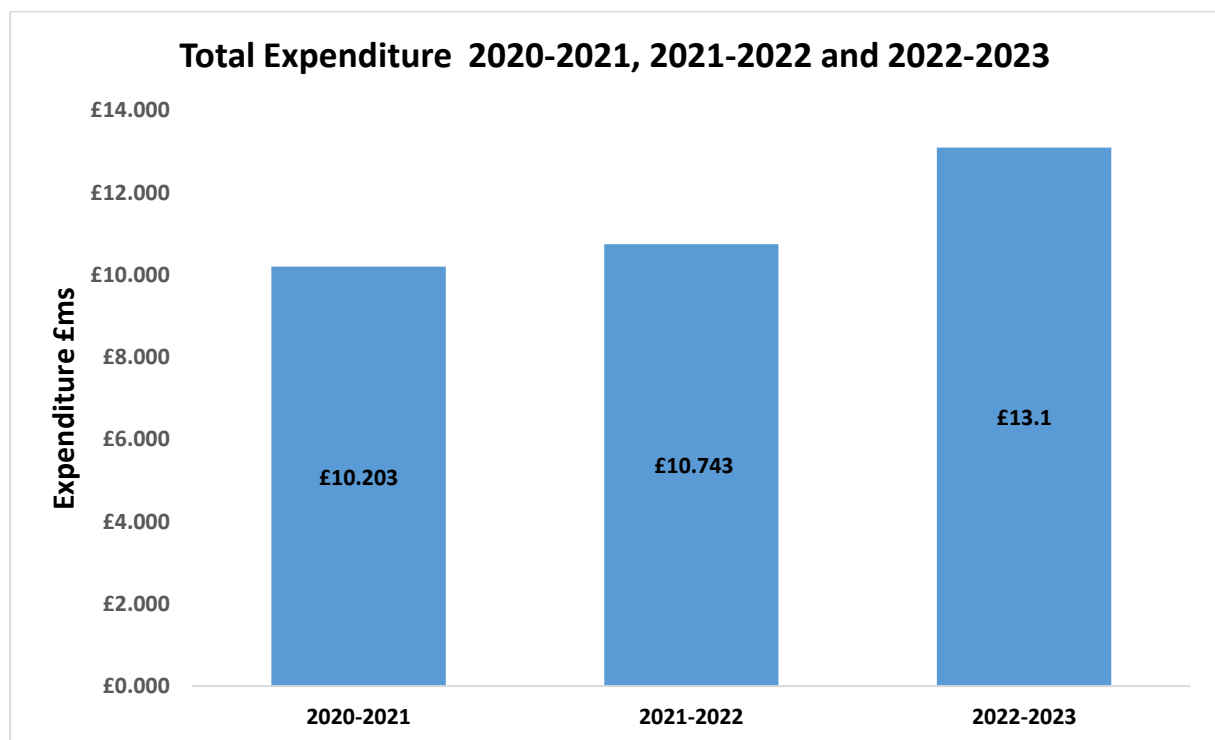


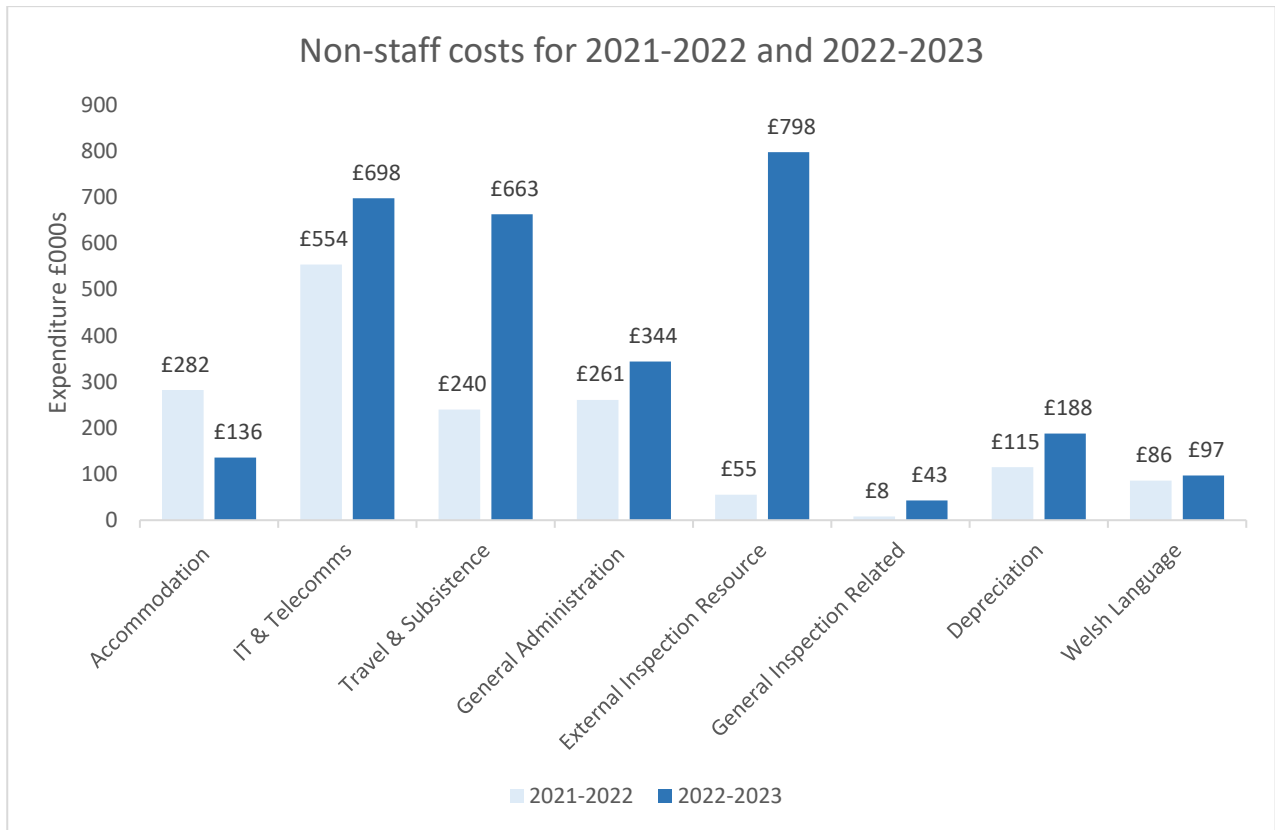
- commissioning an independent review our website to assess its suitability to meet the needs of our stakeholders
- embarking on our 'Inspecting for the Future' project to develop a new inspection framework ahead of its implementation in the 2024 academic year
- embarking upon a digital transformation project that will leverage new technologies and systems to improve organisation efficiency and effectiveness

We used £202k of the £250k capital funding budget allocated by the Welsh Government. Almost all of this was spent on replacing aging or obsolete IT equipment including items to support our IT infrastructure and laptops for staff.

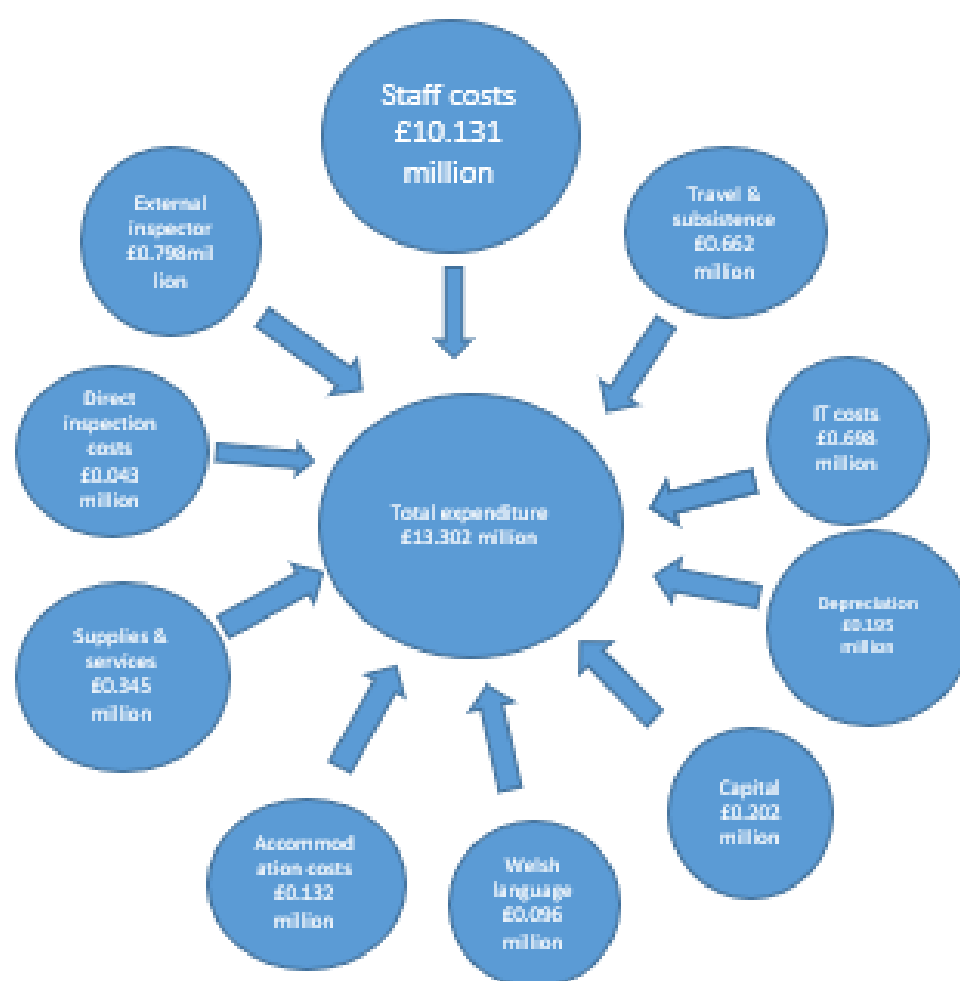
The Statement of Financial Position (SofFP) as of 31 March 2022 shows net liabilities of £158k (2021-2022: net assets of £507k). It is not unusual for our SofFP to show a relatively small surplus or deficit position at the end of a financial year due to the high level of receivables and payables.

During 2023-2024, 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 2022-2023 and there were no early departure costs.





# **Total expenditure (revenue and capital) by budget headings for 2022-2023**



## **Section 2**

### **The Accountability Report**



## 2.1 Corporate governance report

### The Directors report

Our **Strategic Management Group**, comprised of executive members ([HMCI](#) and [strategic directors](#)), supports and assists HMCI in leading and managing Estyn corporately. Our **Operational Group**, which is attended by 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 HMCI and has two sub-committees, 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

Declarations are also made by all permanent employees, secondees and temporary staff in line with our 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. Our Information Governance Group has 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 2022-2023, 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 77% of undisputed invoices within 10 days which is outside target (95%). We paid 86% of invoices within 30 days. Failure to reach both targets was mainly because of reduced staff resource which fell during summer 2022 by 75%.

86% of undisputed invoices were paid within 30 days (against a target of 100%)



77% 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
- 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**

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

Date: September 4<sup>th</sup>, 2023

## 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 2022-2023, we maintained our full governance arrangements with most of our meetings being held virtually. 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 2022-2023, 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 2022, we appointed a new team of non-Executive Directors, one of whom had previously been on the board in a co-opted capacity, and further strengthened the Board by increasing the number of non-Executive

Directors to five. 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 2022-2023 included:

- reviewing the challenges of new inspection arrangements to be implemented in 2024
- findings and advice arising from our engagement (calls and visits) and our resumed inspection programme, which was piloted in summer 2022 before being fully implemented in autumn 2022
- strengthening of our relationships with stakeholders and managing expectations in relation to our accountability role
- reviewing the learning and development programme for Central Services
- 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 2022-2023.

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, Tim Moss, Chief Operating Officer. 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.

## **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 2022-2023 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 2022-2023. There was one area, IT Business Continuity and Disaster Recovery, where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited assurance'. Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted.

RSM continued to provide our internal audit service up to the end of May 2022. Since June 2022, following a procurement exercise, the service has been provided by TIAA. The work has been carried out on a hybrid basis, partly remotely and partly on site, and we worked closely with audit staff to ensure that this did not hinder the



effectiveness and quality of the service provided; elements of the 'remote' aspects of audit work carried out has provided greater flexibility and efficiency, and has been embedded in our ongoing arrangements.

Our ARAC approved the 2022-2023 audit programme, using a risk-based approach to establish areas of coverage within a rolling three-year audit programme agreed with TIAA. 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 2022-2023 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**  
**2022-2023 internal audit programme**

Reports	Assurance rating	Number of recommendations (priority rating)
HR Performance Management *	Reasonable	6 (4 medium, 2 low)
Risk management framework	Reasonable	15 (4 important, 7 routine, 4 operational)
Workforce planning and allocation	Advisory	21 (2 urgent, 6 important, 2 routine, 11 operational)
Key financial controls	Substantial	6 (3 routine, 3 operational)
Travel and subsistence	Substantial	2 (1 routine, 1 operational)
Business continuity and disaster recovery	Limited	13 (1 urgent, 10 important, 1 routine, 1 operational)
Recruitment and training	Substantial	2 (1 routine, 1 operational)
Cyber-security	Reasonable	4 (4 important)
Performance monitoring and reporting	Substantial	1 (Operational)

\* Audit work undertaken in 2021-2022 and reported in 2022-2023

Our Remuneration Committee met (with all members in attendance) during 2022-2023 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 2022-20223, 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.

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 subject to an internal audit in 2022-2023 with a review of the policy and arrangements beginning in 2023 and a revised policy to be in place during the first half of 2023-2024. 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 2022-2023, risk registers continued to be maintained at a strategic level by our Strategic Management Group (and further reviewed at Strategy Board) and at operational levels by 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. Corporate level and operational level risk registers maintained by working groups and functional teams have been the subject of the internal audit with a revised framework for these risks being developed. Central Services functional risks continued to be directly managed within each area controlled by established governance fora including desk instructions and operational procedures/contingency planning. 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 2022-2023 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 2022-2023. 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.

## 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.

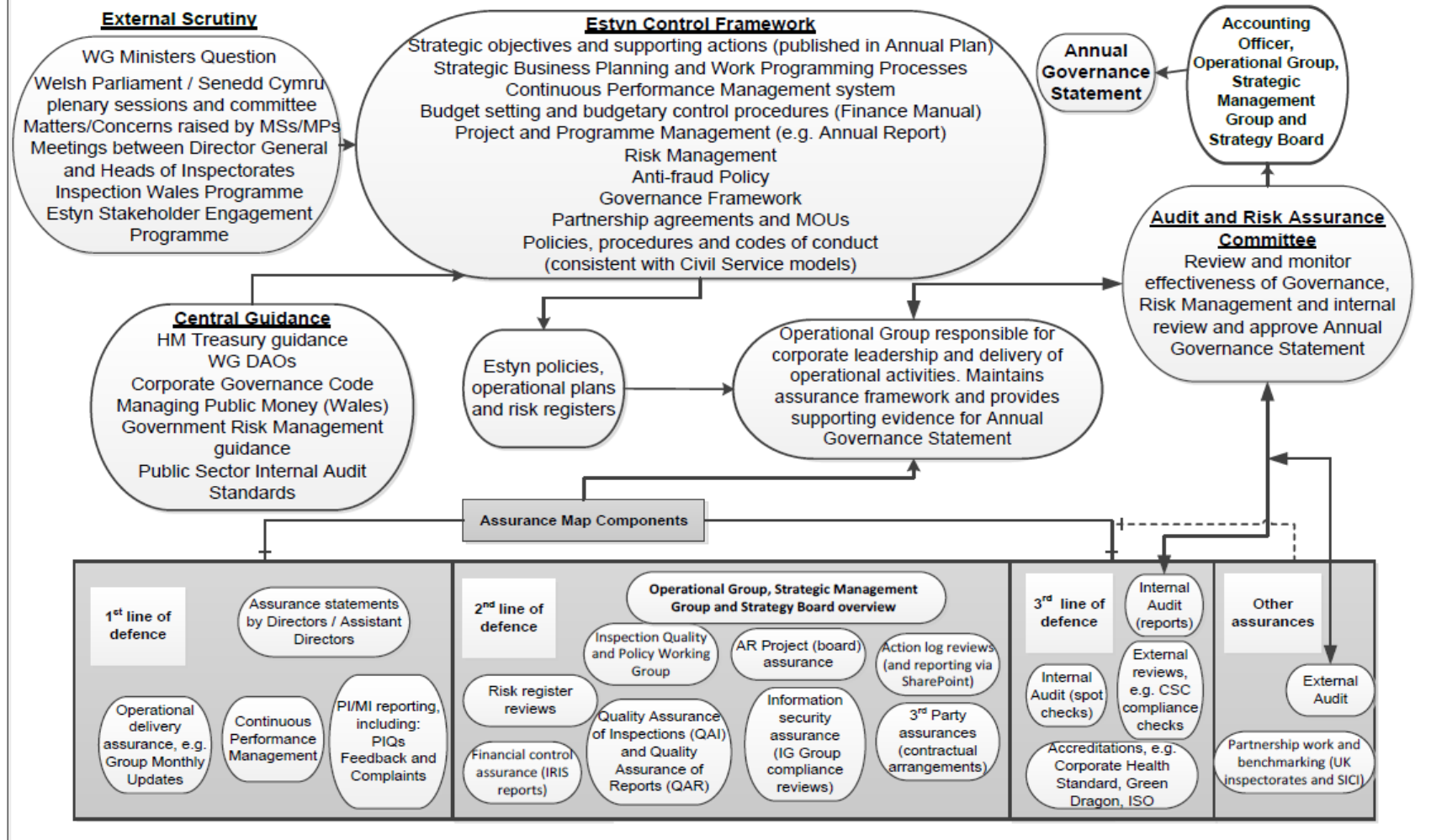
During this financial year, I have been reassured by the processes in evidence and the engagement and commitment to our values and the civil service code shown by colleagues. In due course I will seek to review and refine our governance arrangements to ensure that Estyn continues to run as an exemplar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

### **Owen Evans**

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

September 4<sup>th</sup>, 2023

## Estyn assurance and scrutiny framework arrangements



## 2.2 Remuneration and staff report

The remuneration of His 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.

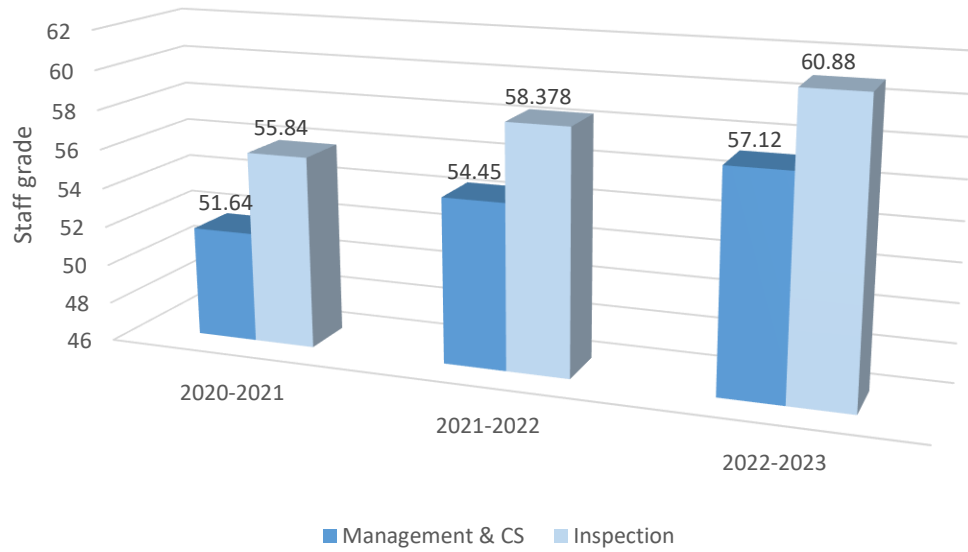
In agreeing pay awards for individual staff, the Estyn Remuneration Committee take particular regard of the following criteria:

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

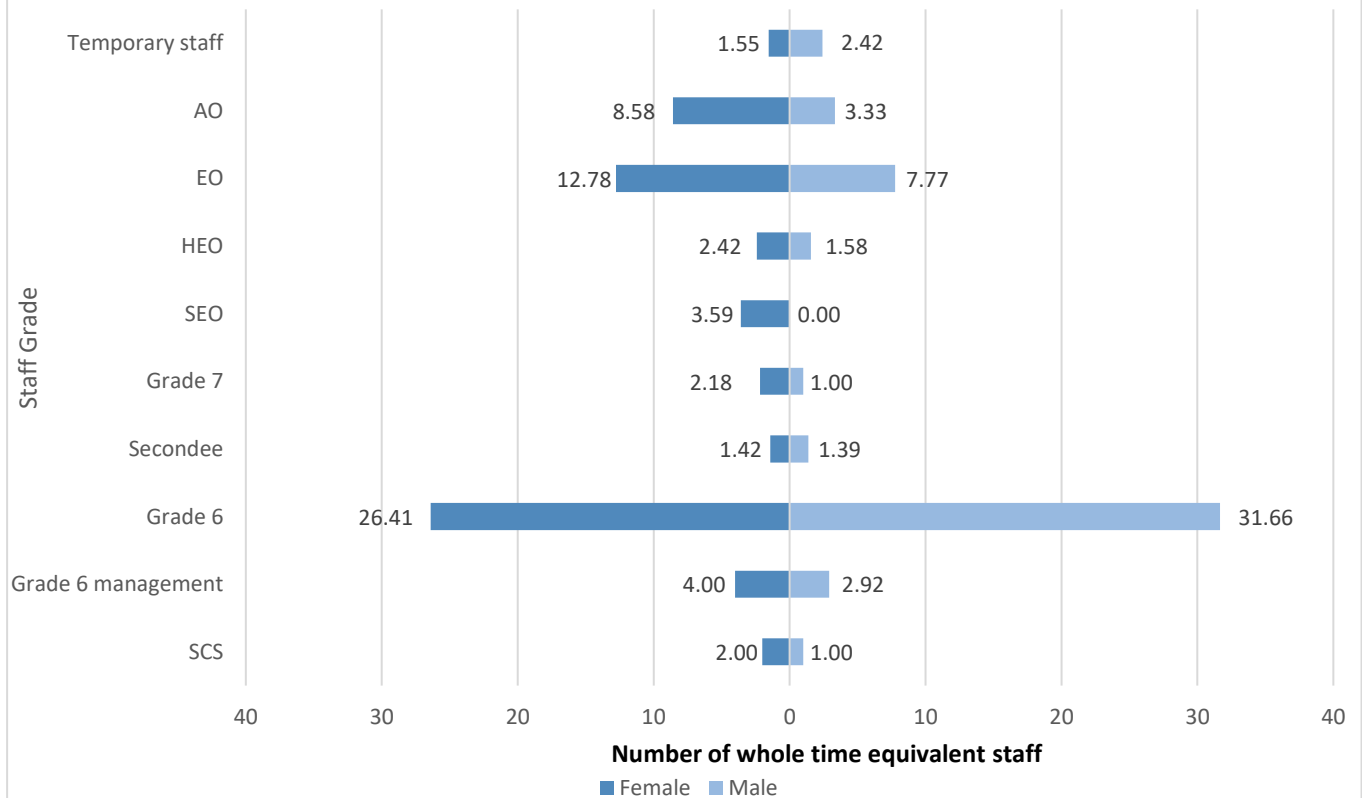
No SCS staff bonuses were paid in 2022-2023.

In line with the pay award for the Welsh Government SCS officials (1<sup>st</sup> April 2022) Estyn SCS Band 1 officials were awarded a pay increase of 2%.

Average whole time equivalent persons employed by staff category for 2020-2021, 2021-2022 and 2022-2023



Number of whole time equivalent staff employed average for 2022-2023



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

<b>Remuneration (salary, benefits in kind, and pensions) <sup>4</sup></b>										
<b>Officials<sup>5</sup></b>	<b>2022-2023</b>					<b>2021-2022</b>				
	<b>Salary £000's</b>	<b>Non-Consolidated Performance Pay £000's</b>	<b>Benefits in kind (to nearest £100)</b>	<b>Pension benefits to nearest £1,000<sup>6</sup></b>	<b>Total £000's</b>	<b>Salary £000's</b>	<b>Non-Consolidated Performance Pay £000's</b>	<b>Benefits in kind (to nearest £100)</b>	<b>Pension benefits to nearest £1,000</b>	<b>Total £000's</b>
Owen Evans OBE, His Majesty's Chief Inspector of Education & Training in Wales	140-145	-	-	55	195-200	45-50	-	-	13	45-50
Meilyr Rowlands – His Majesty's Chief Inspector of Education & Training in Wales ( April 1 <sup>st</sup> , 2021 – 31 <sup>st</sup> August 2021)	-	-	-	-		40-45	-	-	-8	35-40
Claire Morgan Strategic Director April 1 <sup>st</sup> , 2021 – July 31 <sup>st</sup> , 2021. & January 1 <sup>st</sup> , 2022 – present) Acting Chief Inspector of Education & Training in Wales (August 1 <sup>st</sup> – 31 <sup>st</sup> December 2021)	90-95	-	-	35	125-130	95-100	-	-	39	135-140
Jassa Scott – Strategic Director	90-95	-	-	7	95-100	85-90	-	-	22	110-115
Cath Evans - Acting Strategic Director (September 1 <sup>st</sup> , 2021-December 31 <sup>st</sup> 2021)	-	-	-	-	-	25-30	-	-	13	35-40
Mererid Wyn Williams Corporate Services Director Effective from January 1 <sup>st</sup> , 2022 – present)	85-90	-	-	17	95-100	20-25	-	-	4	20 - 25
Phillip Sweeney - Corporate Services Director (April 1 <sup>st</sup> , 2021 – 31 <sup>st</sup> December 2021)	-	-	-	-	-	70 - 75	-	-	9	75-80
Ronald Alexander - Non-Executive Director (finished August 31 <sup>st</sup> 2022)	0-5	-	-	-	0-5	5 - 10	-	-	-	5 - 10
Judith Fabian – Non-Executive Director (finished August 31 <sup>st</sup> 2022)	0-5	-	-	-	0-5	5 - 10	-	-	-	5 - 10
Arwel Thomas – Non-Executive Director (Finished August 31 <sup>st</sup> 2022)	0-5	-	-	-	0-5	5 - 10	-	-	-	5 - 10

<sup>4</sup> Audited

<sup>5</sup> FTE for each Official post in table below

<sup>6</sup> 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)



Remuneration (salary, benefits in kind, and pensions) <sup>7</sup>										
Officials <sup>8</sup>	2022-2023					-2021-2022				
	Salary £000's	Non- Consolidated Performance Pay £000's	Benefits in kind (to nearest £100)	Pension benefits to nearest £1,000 <sup>9</sup>	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
Dr Emyr Roberts – Non-Executive Director	0-5	-	-	-	0-5	0 - 5	-	-	-	0 - 5
Professor Charlotte Williams OBE FRS – Non-Executive Director (September 2022 to present)	0-5	-	-	-	0-5	-	-	-	-	-
Professor Brett Pugh – Non-Executive Director (September 2022 to present)	0-5	-	-	-	0-5	-	-	-	-	-
David Jones OBE – Non-Executive Director (September 2022 to present)	0-5	-	-	-	0-5	-	-	-	-	-
Maria Rimmer – Non-Executive Director (September 2022 to present)	0-5	-	-	-	0-5	-	-	-	-	-

<sup>7</sup> Audited

<sup>8</sup> FTE for each Official post in table below

<sup>9</sup> 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)

<b>Pension entitlements for senior managers<sup>10</sup></b>						
<b>Officials</b>	<b>Accrued pension at pension age as at 31/3/23 and related lump sum £000's</b>	<b>Real increase/ (decrease) in pension and related lump sum at pension age £000's</b>	<b>CETV at 31/3/23 £000's</b>	<b>CETV at 31/3/22 £000's</b>	<b>Real increase/ (decrease) in CETV £000's</b>	<b>Employer contribution to partnership pension account nearest £100</b>
Owen Evans His Majesty's Chief Inspector of Education & Training in Wales	0 – 5 plus lump sum of 0	2.5 - 5 plus lump sum of 0	53	10	32	-
Claire Morgan Strategic Director	30 - 35 plus lump sum of 0	0 – 2.5 plus lump sum of 0	492	438	24	-
Jassa Scott Strategic Director	35 - 40 plus lump sum of 0	0 – 2.5 plus lump sum of 0	502	454	-5	-
Mererid Wyn Williams Corporate Services Director	25-30 plus lump sum of 0	0 – 2.5 plus lump sum of 0	397	354	4	-

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<sup>10</sup> audited

Fair Pay Disclosure												
Descriptor	2022-2023										2021-2022	
Band of Highest-Paid Director's Total Salary	£140,000-145,000										£135,000-140,000	
Median total	£73,206										£72,935	
Ratio using the mid-point of the highest salary band	25 <sup>th</sup>	4.65 %	Median	1.94 %	75 <sup>th</sup>	1.81%	25 <sup>th</sup>	4.67 %	Median	1.89 %	75 <sup>th</sup>	1.82%
Calculation of ratio		$\frac{142,500}{73,206}$		$\frac{142,500}{73,206} : 1$		$\frac{142,500}{78,528} : 1$		$\frac{137,500}{29,430}$		$\frac{137,500}{72,935}$		$\frac{137,500}{75,480} : 1$
Range of staff remuneration	£22,150 -£140,117										£21,300 - £137,500	
% change in Highest-Paid Director's Total Salary between 2021-2022 and 2022-2023	3.64%										17.02%	
% change in the average staff salary between 2021-2022 and 2022-2023	2.89%										8.88%	

## 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 PCS or alpha – as appropriate. Where the official has benefits in both the PCS 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](http://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.

### **Fair pay disclosure**

We are required to disclose the relationship between the highest paid Director in Estyn and the average remuneration of our workforce. Total remuneration includes the items detailed in the above “Salary” paragraph. It does not include employer pension contributions, severance payments or the CETV of pensions. The increase in average salary for 2022-23 includes 4% pay increase.

There were no exit packages in 2022-2023

### **Owen Evans**

His Majesty’s Chief Inspector of Education and Training in Wales and  
Accounting Officer

September 4<sup>th</sup> 2023

## 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 <sup>[1]</sup>	Total staff
2021-2022	104.92	7.97	112.89
2022-2023	111.22	6.78	118

Staff sickness rates are as follows:

Headline staff measures		
Measure	2021-2022	2022-2023
Sickness absence rate	2.5%	4.4%
Proportion of staff accruing sickness absence	46.5%	56.4%
Average working days lost per employee	5.4	9.7
Average length of absence	5.9	8.9
Sickness absence occurrences (new)	59	79
Proportion of long term absence	57%	75%
Mental Health accounts for around a third of all absence. Respiratory System (38%) and COVID-19 (27%) are the main reasons for 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 32 above.



Total sickness absence rate of 4.4% against a target of <4%

<sup>[1]</sup> Other staff refers to secondees and agency staff.

## 2.3 Audit report

### Proposed Audit Report

#### The Certificate and 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: His Majesty's Inspectorate of Education and Training in Wales (Estyn) for the year ended 31 March 2023 under the Government of Wales Act 1998.

The financial statements 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 the significant accounting policies. 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, in all material respects, the financial statements:

- give a true and fair view of the state of Estyn's affairs as at 31 March 2023 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.
- 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 income and expenditure recorded 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 for 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 certificate.

My staff and I are 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 certificate.

The going concern basis of accounting for Estyn is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

## **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. 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.

## **Opinion on other matters**

In my opinion, the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government of Wales Act 1998.

In my opinion, based on the work undertaken in the course of my audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Government of Wales Act 1998; and

- the information given in the Chief Inspector's Foreword, Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

### **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 Chief Inspector's Foreword, Performance Report and Accountability Report.

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

- I have not received all of the information and explanations I require for my audit.
- 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 Accountability Report are not in agreement with the accounting records and returns;
- information specified by HM Treasury regarding remuneration and other transactions is not disclosed;
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### **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:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and financial statements as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing Estyn's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Estyn will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Government of Wales Act 1998.

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 management override of controls;
- Obtaining an understanding of Estyn's framework of authority as well as other legal and regulatory frameworks that 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;
- Obtaining an understanding of related party relationships.

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, the Audit and Risk Assurance Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of the Audit and Risk Assurance Committee and Strategy Board;
- 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 members 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### **Other auditor's responsibilities**

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Report**

I have no observations to make on these financial statements.

Adrian Crompton  
Auditor General for Wales  
September 6<sup>th</sup>, 2023

1 Capital Quarter  
Tyndall Street  
Cardiff  
CF10 4BZ

## Section 3

### Financial statements



### 3.1 Statement of comprehensive net expenditure for the year ended 31st March 2023

		2022-2023			2021-2022
	Notes	Budget £'000's	Outturn £'000's	Variance £'000's	Outturn £'000's
<b>Resources</b>					
Staff costs	2	10,226	10,131	-95	9,143
Depreciation	5a&b	200	195	-5	170
Other expenditure	3	3,074	2,748	-326	1,391
Auditors' remuneration	3	32	29	-3	40
<b>Total Resources</b>		<b>13,532</b>	<b>13,103</b>	<b>-429</b>	<b>10,744</b>
<b>Miscellaneous Income</b>	4	-	- 3	-3	- 1
<b>Net Operating Costs for the Year</b>		<b>13,532</b>	<b>13,100</b>	<b>-432</b>	<b>10,743</b>

Net expenditure is reported as a single segment in line within [Annual Plan 2022-2023](#)

Budget figures are stated as within Estyn's Annual Plan 2022-2023.

The notes on pages 71 to 81 form part of these accounts.

**3.2 Statement of financial position at 31st March 2023**

	Note	2022-2023		2021-2022	
		£'000's	£'000's	£'000's	£'000's
<b><u>Non-current assets</u></b>					
Property, plant, and equipment	5a	238		112	
Intangible assets	5b	124		165	
Right-Of-Use assets	5a	269		-	
<b><u>Total non-current assets</u></b>			<b>631</b>		<b>277</b>
<b><u>Current assets</u></b>					
Trade and other receivables	7	190		358	
Cash and cash equivalents	8	1,461		922	
<b><u>Total current assets</u></b>			<b>1,651</b>		<b>1,280</b>
<b><u>Total assets</u></b>			<b>2,282</b>		<b>1,557</b>
<b><u>Current liabilities</u></b>					
Trade and other payables	9	-2,059		-1,005	
Lease liabilities	12	-78			
Contribution received in advance <sup>11</sup>		-11		-	
<b><u>Total current liabilities</u></b>			<b>-2,148</b>		<b>-1,005</b>
<b><u>Total assets less current liabilities</u></b>			<b>134</b>		<b>552</b>
<b><u>Non-current liabilities</u></b>					
Provisions	10	-45		-45	
Lease liabilities	13	-193		-	-45
<b><u>Total non-current liabilities</u></b>			<b>-238</b>		<b>-45</b>
<b><u>Assets less liabilities</u></b>			<b>-104</b>		<b>507</b>
<b><u>Total Tax Payers Equity</u></b>			<b>-104</b>		<b>507</b>

<sup>11</sup> Grant funded monies received in 2022-2023 for 2023-2024 work.

**3.3 Cash Flow 2022-2023**

		<b>2022-2023</b>	<b>2021-2022</b>
	<b>Note</b>	<b>£000's</b>	<b>£000's</b>
<b><u>Cash flows from operating activities</u></b>			
<b>Net Operating Cost</b>		<b>-13,100</b>	<b>-10,743</b>
<b><u>Adjustments for non-cash transactions:</u></b>			
Depreciation	5a&b	195	170
Other Costs - provisions	10	-	-55
Increase / (Decrease) in Trade & other payables	9	1,054	-542
(Increase) / Decrease in Trade & other receivables	7	47	-56
Increase / (Decrease) contribution received in advance		11	-
Interest element on lease liability payments		3	-
<b><u>Less movements in payables not passing through the SoCNE:</u></b>			
Capital creditors		-15	-3
Grant funding		120	-150
Use of provisions	10	-	-77
<b>Net Cash outflow from operating activities</b>		<b>-11,685</b>	<b>-11,456</b>
<b><u>Cash flows from investing activities</u></b>			
Purchase of Property, Plant & equipment	5a	-187	-58
Purchase of intangible assets	5b	-	-104
<b>Net cash flow from investing activities</b>		<b>-187</b>	<b>-162</b>
<b><u>Cash flows from Financing activities</u></b>			
Financing activities – lease	13	-78	-
<b>Net Financing from the Welsh Government</b>		<b>12,489</b>	<b>11,350</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>		<b>539</b>	<b>-268</b>
Cash and Cash equivalents at beginning of year	8	922	1,190
Cash and Cash equivalents at end of year	8	1,461	922



### 3.4 Statement of Change in Taxpayers Equity

	£000s	£000s
<b>Balance at March 31st 2022</b>		<b>507</b>
Total recognised income and expense for 2022-2023	13,100	
Net Welsh Government Funding for 2022-2023	12,489	
Deficit for the year		-611
<b>Balance at 31 March 2023</b>		<b>-104</b>

The notes on pages 71 to 81 form part of these accounts.

#### **Owen Evans**

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

September 4<sup>th</sup>, 2023

## 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) 2022-2023 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 circumstances, for the purpose of giving a true and fair view. The accounting policies adopted by Estyn for 2022-2023 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 few 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. In the year 2022-2023 we changed from an annual depreciation charge to a monthly depreciation charge – depreciation is charged from the month that the asset is acquired. The impact on the Income and Expenditure Account and the Fixed Asset value is not material. Asset lives remain 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**

Estyn no longer has any operating leases due to the implementation of IFRS16. The lease is now recognised as a right of use asset on the statement of financial position as well as a corresponding lease liability.

## **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 2022-2023 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

Description	2022-2023 Total £000's	Permanently Employed Staff	Agency & secondes	2021-2022
<b>Wages and Salaries</b>	6,895	6,895	-	6,137
<b>Social Security Costs</b>	823	823	-	721
<b>Pension Costs</b>	1,928	1,928	-	1,733
<b>Total Net Costs</b>	<b>9,646</b>	<b>9,646</b>	-	<b>8,591</b>
<b>Plus:</b>				
<b>Secondes in</b>	291	-	291	274
<b>Secondes out</b>	-	-	-	-
<b>Agency Staff</b>	154	-	154	189
<b>NED costs</b>	23	-	23	21
<b>RGNI payments</b>	-	-	-	52
<b>Apprenticeship Levy</b>	17	-	17	16
<b>Total Staff Costs</b>	<b>10,131</b>	<b>9,646</b>	<b>485</b>	<b>9,143</b>

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 2022-2023, employers’ contributions of £1.928m were payable to the PCSPS (2021-2022 £1.733m) 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 2022-2023 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

### 3 Other Costs

General Administration Costs	2022-2023	2021-2022
	£000's	£000's
Rental Under Operating leases - Accommodation	21	119
Other Accommodation	111	163
IT & Telecoms	698	554
Travel Subsistence & hospitality	662	240
Welsh Government Central Services	19	18
Auditors Remuneration - audit of accounts	29	40
General Administration Costs	318	254
<b>Non Cash items:</b>		
Change Provision for accommodation refit costs	-	-55
- Tangible asset depreciation	76	130
- Lease (Right of use of asset) depreciation	78	-
- Lease liability interest charge	3	-
- Intangible asset depreciation	41	40
<b>Sub-Total Administrative Costs</b>	<b>2,056</b>	<b>1,503</b>
<b>Operating Income</b>	<b>-3</b>	<b>-1</b>
<b>Sub-Total Net Administration Costs</b>	<b>2,053</b>	<b>1,502</b>
<b>Other Costs</b>		
Post 16 education inspections and associated costs		-
School Inspections and associated costs	798	55
General Inspection Related Costs	118	44
Remit Costs	-	-
<b>Sub Total: Programme</b>	<b>916</b>	<b>99</b>
<b>Total Other Costs</b>	<b>2,969</b>	<b>1,601</b>
<b>without income and dep</b>	<b>2,777</b>	<b>1,431</b>

**4 Miscellaneous Income 2022-2023**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>£000s</b>	<b>£000s</b>
<b>Income:</b>		
Registration fees	-2	-1
Miscellaneous	-1	-
<b>Total Income</b>	<b>-3</b>	<b>-1</b>

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 Fixed Assets**

	<b>IT Equipment</b>	<b>Furniture &amp; Fittings</b>	<b>Office Equipment</b>	<b>Right of use asset</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000's</b>	<b>£000</b>
<b><u>Cost or valuation</u></b>					
At 1 April 2022	754	134	3	347 <sup>12</sup>	1,238
Additions	202	-	-	-	202
Disposals	-	-	-	-	-
<b>At 31 March 2023</b>	<b>956</b>	<b>134</b>	<b>3</b>	<b>347</b>	<b>1,440</b>
<b><u>Depreciation</u></b>					
At 1 April 2022	647	129	3	-	779
Charged in year	74	2	-	78	154
Disposals	-	-	-	-	-
<b>At 31 March 2023</b>	<b>721</b>	<b>131</b>	<b>3</b>	<b>78</b>	<b>933</b>
<b><u>Net book value</u></b>					
<b>At 31 March 2023</b>	<b>235</b>	<b>3</b>	<b>-</b>	<b>269</b>	<b>507</b>
<b>At 31 March 2022</b>	<b>107</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>112</b>
<b><u>Asset Financing:</u></b>					
<b>Owned</b>	<b>235</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>238</b>
<b>Leased</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>269</b>	<b>269</b>

<sup>12</sup> Opening balances restated to include impact of IFRS16 – see Note 12

**5b Intangible Assets**

	<b>Software</b>	<b>IT Systems</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Cost</b>			
At April 1st 2022	11	402	413
Additions	-	-	-
Disposals	-	-	-
<b>At March 31st 2023</b>	<b>11</b>	<b>402</b>	<b>413</b>
			-
<b>Depreciation</b>			-
At April 1st 2022	11	237	248
Charged in Year	-	41	41
Disposals	-	-	-
<b>At March 31st 2023</b>	<b>11</b>	<b>278</b>	<b>289</b>
<b>Net book Value as at 31 March 2023</b>	<b>-</b>	<b>124</b>	<b>124</b>
<b>At March 31st 2022</b>	<b>-</b>	<b>165</b>	<b>165</b>

**6 Financial instruments**

Whilst Estyn receives its money via the Welsh Government and not through the normal supply estimates, most 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**

<b>Amounts Falling Due within Year</b>	<b>2022-2023 £000's</b>	<b>2021-2022 £000's</b>
Trade Receivables	-	-
Other Receivables	93	195
Prepayments and accrued income	97	162
<b>Total Debtors</b>	<b>190</b>	<b>357</b>

**8 Cash and Cash Equivalents**

	<b>31 March 2023</b>	<b>31 March 2022</b>
Balance at 1 April 2022	922	1,190
Net Cash Inflow/(outflow)	539	268
<b>Balance as at March 31<sup>st</sup> 2023</b>	<b>1,461</b>	<b>922</b>

**9 Trade Payables & Other Current Liabilities**

	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Amounts falling due within one year</b>		
Trade Payables	1,488	586
Payroll Funding	571	419
<b>Total</b>	<b>2,059</b>	<b>1,005</b>

## 10 Provisions for liabilities

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

Provisions	Dilapidation Provision £000's	Total £000's
<b>Balance as at 1 April 2022</b>		
Within one year		
Between two and five years	45	45
Increase/decrease in provision	-	-
Amounts utilised in year	-	-
<b>Remaining Provision</b>	<b>45</b>	<b>45</b>
Within one year	-	-
Between two and five years	45	45
<b>Total provision at 31 March 2023</b>	<b>45</b>	<b>45</b>

## 11 Capital commitments

There are no capital commitments at 31<sup>st</sup> March 2023.

## 12 Leases Right of use assets

Right of use assets relate to lease properties that do not meet the definition of investment properties and are presented within Note 5a – Property, Plant & Equipment. Estyn has only one, lease, the Anchor Court office. The lease includes a break-out clause at the end of year 2 which is November 2023 and year 3, which is November 2024, it is unlikely this will be enacted.

Right of Use Assets have been measured at the present value of the lease liability, discounted at the incremental borrowing rate promulgated in the PES Treasury papers. The cost model will be used as a proxy for the current value in existing use in subsequent years.

	<b>Lease Liability</b> <b>£'000</b>
Balance at 1 April 2022	-
Additions in year	347 <sup>13</sup>
Lease payment	(78)
Interest Charge	3
Balance at 31 March 2023	272
Current lease liabilities	78
Non-current lease liabilities	194
	<b>272</b>

### 13 Commitments under leases

#### Operating leases

	<b>2022-2023<sup>14</sup></b> <b>Land &amp;</b> <b>Buildings</b> <b>£000's</b>	<b>2021-2022</b> <b>Land &amp;</b> <b>Buildings</b> <b>£000's</b>
At 31 March 2022 Estyn was committed to making the following payments during future years in respect of operating leases expiring:		
- within one year	-	<b>77</b>
- between two and five years	-	<b>336</b>
- after five years	-	-
<b>Total</b>	-	<b>413</b>

### 14 Other commitments

Estyn has not entered into any non-cancellable contracts (which are not operating leases) as at 31st March 2023 (there were no non-cancellable contracts as at 31<sup>st</sup> March 2022).

### 15 Contingent liabilities

There were contingent liabilities of £100k as at 31<sup>st</sup> March 2023 (there were no contingent liabilities as at 31<sup>st</sup> March 2022).

<sup>13</sup> Implementation of IFRS16

<sup>14</sup> This figure is zero following the implementation of IFRS16

## **16 Related party transactions**

The Welsh Government is a related party to Estyn. Material transactions with Welsh Government during 2022-2023 are:

- funding of £12.489m from Welsh Government (£11.350m 2021-2022)
- we paid Welsh Government £8.806m, mainly for reimbursement of staff salaries and corresponding deductions they pay on our behalf (£9.550m in 2021-2022)  
The decrease relates mainly to Paying March's salary bill in April rather than the usual practice of paying the bill in advance in April.
- We had £823k accruals with the Welsh Government (£14k 2021-2022) and there were £31k debtors (£153k 2021-2022).

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

## **17 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.

## **18 IFRS16 disclosure**

The 2022-2023 accounts have been prepared incorporating IFRS16 relating to the treatment of the lease we hold for the Anchor Court office in Cardiff. The balance sheet now reflects the lease as both an asset and a liability. The income and expenditure account reflects the depreciation and the interest on the liability showing a small increase in expenditure.

## Annex 1: Glossary of acronyms used in this report

ALC	Adult learning in the community
ALN	Additional learning needs
ARAC	Audit Risk and Assurance Committ
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
CYPE	Children, Young People and Education
DAO	Welsh Dear Accounting Officer letters
FAQ	Frequently asked question
FDA	Association of First Division Civil Servants
FOIA	Freedom of Information Act
FReM	Financial Reporting Manual
GBS	Government Banking Service
HIW	The Health Inspectorate Wales
HMCI	His Majesty's Chief Inspector of Education and Training in Wales
HMI	His Majesty's Inspector
IFRS	International Financial Reporting Standards
ISAs(UK)	International Standards on Auditing in the United Kingdom
ITE	Initial teacher education
LGES	Local government education services
MHFA	Mental health first-aiders
NASUWT	National Association of Schoolmasters Union of Women Teachers
NED	Non-Executive Director
NEU	National Education Union
NTfW	National Training Federation for Wales
PCET	Post-compulsory Education and Teaching
PCS	Public and Commercial Services Union
PCSPS	Principal Civil Service Pension Scheme
PI	Performance Indicator
PIAP	Post-inspection action plan
PLD	Professional learning and development
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