



ANNUAL REPORT & ACCOUNTS 2024

This report is also available in Welsh.

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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Chief Inspector's foreword

Welcome to Estyn's Annual Report and Accounts, which outlines how we have continued to develop as an organisation and provides a performance report, an accountability report and a full set of financial statements.

This year we have moved forward in seeking to finish our current cycle of inspection activity – to be concluded in July 2024. This has entailed careful planning across the organisation to ensure that every education provider in Wales has received at least one full inspection or extensive monitoring activity in the current cycle by the end of the summer term 2024, and we are confident in achieving this milestone.

We have also taken significant steps in preparing for the new inspection cycle, to start in September 2024, developing our guidance and training materials, templates for our future inspection reports and other documents, and carrying out a full programme of pilot inspection visits to test out our new arrangements. We have also carried out a series of consultation exercises, assessing the feedback and taking it on board in the development of our new inspection programme. Our activities reached a milestone on 29 February 2024, with our national Headteachers' Conference, which was attended by 462 delegates, and where the overwhelmingly positive feedback about our new arrangements validated our decisions in this area.

In conjunction with our preparation work, we launched Ready Already (Barod yn Barod), a campaign addressing some of the misconceptions around inspections in schools and PRUs, aiming to reassure education providers not to overprepare for inspection and to teach as they usually would.

During the year we also carried out a full programme of core inspection work in non-maintained settings jointly with Care Inspectorate Wales (CIW), agreeing to retain judgement grades for this sector. Arrangements continue to be effective, and both organisations are currently in the process of scoping a review of the joint inspection process.

We continued our programme of inspecting local government education services with Audit Wales, our progress meaning that we will be able to complete the current cycle by the end of the summer term. In the spring term, we also completed two pilot inspections in the sector of statutory youth work.

We have continued the formal monitoring of each provider in need of follow-up activity as a result of core inspections, removing a total of 16 providers from statutory follow-up categories over the course of the year.

Our thematic reports this year have included an evaluation of the incidences of peer-on-peer sexual harassment and review of the culture and processes that help protect and support 16 to 18-year-old learners in colleges. We also carried out a review of the implementation of additional learning needs (ALN) reform in Wales. Furthermore, in January 2024, we responded quickly to a request from the Welsh Government to carry out a review of attendance levels in secondary schools in Wales, assessing the impact of the COVID-19 pandemic on attendance levels, and highlighting the strategies and actions that secondary schools are employing in order to improve pupils' attendance.

In 2023-2024, we carried out a full programme of both online and in-person events. Aside from the Headteachers' Conference I have referred to above, we ran 31 events including 11 stakeholder events and 20 training events. We also had 65 stakeholders attend my annual report launch at the Senedd on 31 January.

Of particular note this year has been our work in the area of "Belonging/Cynefin". In the summer we piloted a leadership development programme for practitioners from ethnic minority backgrounds to raise their awareness of our work and encourage them to be our future peer inspectors. The recruitment campaign successfully led to 18 applicants. Four were chosen across the primary, secondary and further education sectors, and two were fast tracked to initial peer inspector training. We have also this year started a new Parents and Carers Community, to replace the previous parents reference group, with the aim of gathering feedback and input from parents and carers across Wales.

The importance of "Belonging/Cynefin" has also been reflected in our conferences for all staff, with one of our conferences featuring a series of presentations and discussions on our strategic equality plan. Our other all-staff conference, entitled "Creating Memories," focused on new experiences and staff well-being – and we have continued to explore additional ways this year to bring our staff together, through joint training, and through Central Services staff attendance on inspections.

With momentum gathering in all of these areas, and in particular as we approach the end of one inspection cycle and the start of a new, with new arrangements tested and set to be implemented fully as from September 2024, it has been another busy, active and productive 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 17th, 2024.

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 2023-2024](#) acknowledged that we were moving towards the end of our current cycle of inspections. So our work has related largely to preparing for the new cycle of inspections, to start in Autumn 2024:

- Consulting with internal and external stakeholders about the best approaches to use in inspection
- The development of draft new inspection guidance and training materials
- The implementation of a comprehensive training programme for Estyn staff in the new arrangements
- The carrying out of a series of pilot inspections across a number of providers in Wales, to test out and fine tune our approach and arrangements

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

Our Annual Report and Accounts 2022-2023 were produced within statutory timescales and Estyn's annual resource accounts were not qualified by external audit.

In 2023-2024, we achieved our expected performance level in most areas. The indicator gauge below indicates our level of performance throughout the report.



Performance:

not met	partially met	substantially met	met
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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 2023

We carried out a full programme of inspection across the education sectors, including 83 schools, 20 non-maintained nursery providers, two local authorities and four post-16 providers.

We formally announced Inspecting for the Future, 2024-2030, giving notice of our intention to move to leaner, more focused inspections, that would be manageable for all providers and complement their own processes of evaluation and improvement.

We continued with monitoring visits to schools and PRUs in statutory follow-up.

We published our report, Developing pupils' English reading skills from 10 to 14 years of age, highlighting that the best schools teach strategies that help pupils to understand what they're reading and to develop speaking and listening skills.

We launched our thematic report on school governors, advising that most governors need further support to help them to act as effective "critical friends".

We published another thematic report on peer-on-peer sexual harassment among 16-18-year olds, as well as one on the equity of curriculum experience for pupils who are educated other than at school.

We launched a development programme to help reduce barriers to progression for education professionals from Black, Asian and other Ethnic Minority backgrounds.

We held a summer staff conference, entitled "Creating Memories," focusing on new experiences and staff well-being.

Autumn 2023

We carried out a full programme of inspection, including 117 schools, 31 non-maintained nurseries, and seven post-16 providers. This included the piloting of our new inspection arrangements in a small number of schools.

We published our 2022-2023 Annual Report interim summary findings.

We continued our Inspecting for the Future preparations by consulting on our proposed changes in the post-16, local government education services and Welsh for Adults sectors.

We started a new Parents and Carers Community, to replace the previous parents reference group, with the aim of gathering feedback and input from parents and carers across Wales.

We published a report looking at the phased implementation of the Welsh Government's reform of additional learning needs, exploring how well the schools that participated in the review are putting in place key aspects of the new system and the support given by local authorities.

Spring 2024

We published HM Chief Inspector's Annual Report for 2022-2023.

We continued with a full programme of inspection activity, including 118 schools, 29 non-maintained nurseries, and one local authority and five post-16 providers. This included continuing the piloting of our new inspection processes in a number of volunteer providers.

We recommenced our inspection work of youth services in Wales.

Based on the findings of our consultations and piloting of our new inspection arrangements, we compiled and updated our guidance documents "What we inspect" and "How we inspect" for various education sectors, and published on our website.

We prepared documentation to enable us to commence the inspection of Welsh immersion in different local authorities.

We published a thematic report on attendance in secondary schools, showing that this has declined since the COVID-19 pandemic and highlighting where schools are responding to this challenge and putting measures in place to increase attendance.

We launched Ready Already (Barod yn Barod), a campaign addressing some of the misconceptions around inspections in schools and PRUs, aiming to reassure education providers not to overprepare for inspection and to teach as they usually would.

We hosted a National Headteacher's Conference at Cardiff City Stadium, attended by 462 delegates, which enabled us to explore our new inspection arrangements from September and share effective practice from schools and PRUs across Wales.

We held our staff conference on the subject of "Belonging/Cynefin", with presentations and discussions on our strategic equality plan.

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 2023-2024

Sector	Number in 2023-2024	Number 2022-2023
Non-maintained nursery settings*	90	93
Primary and maintained nursery schools	254	219
Secondary schools	30	29
All age schools	6	7
Special schools	8	7
Pupil referral units (PRUs)	3	4
Independent Schools (including independent special schools)	14	12
Independent specialist colleges	3	3
Initial teacher education (ITE)	1	2
Local government education services	4	5
Further education institutions	0	2
Work based learning / apprenticeship	4	2
Adult learning (AL)	4	4
Youth Services (YS)	2	n/a
Welsh for Adults (WfA)	3	2
Total number of inspections	426	391

* Joint inspections with Care Inspectorate Wales

(All figures - financial year)

Overview of inspection 2023-2024

Inspecting for the Future – 2024-2030

Throughout the year we continued with our preparatory work for the new 2024 inspection cycle. This included trying out new approaches in a few school inspections in summer 2023, making adaptations to our framework after whole-sector discussions. Then we piloted new methodologies in autumn 2023 for core inspections, for example exploring different ways of collecting evidence and different ways of reporting. We also undertook formal consultation on our plans.

Our HMI, peer and lay inspectors had undergone additional training prior to the pilots to ensure understanding of the new methodologies and writing/reporting arrangements.

Members of our senior leadership group visited pilot inspections to gather feedback on the effectiveness of the new arrangements, assessing the implications of the reduced inspection footprint and reduction in team size for all-age and secondary school inspections.

Assistant Directors then followed-up with the providers after the pilots to gather further feedback from the providers' perspective.

Evaluations of the pilots and new reporting arrangements took place in December 2023, with further refinements to our guidance and then in spring 2024 we carried out a series of further pilot inspections in all school sectors. Feedback was collated in person – through visiting inspections, questionnaires, sector networks and stakeholder groups.

All feedback was considered, and we were able to sign off the final versions of 'What we inspect' and 'How we inspect' for maintained schools and PRUs in March 2024.

This year we also undertook try outs for our planned interim inspection visits.

As part of communicating our new programme of inspection, in spring we launched "Ready Already (Barod yn Barod)", a campaign addressing some of the misconceptions around inspections in schools and PRUs, aiming to reassure education providers not to overprepare for inspection and to teach as they usually would. This was followed up on 29 February with our national headteachers' conference, where we received positive feedback on both our campaign and our pilot inspection visits.

Maintained schools and pupil referral units

During this year we increased the number of inspections carried out to pre-pandemic levels, carrying out a full programme of inspection in each of the three terms. During the autumn term we carried out some initial pilot inspections of maintained schools and pupil referral units (PRUs) in readiness for our new 2024 inspection arrangements, with an increased number of pilot inspections in the spring of 2024. Subsequently, we evaluated these pilots, making further updates to our new inspection guidance documents for the 2024-2030 cycle, [What we inspect](#) and [How we inspect](#).

We ensured that we remained on schedule to meet our intentions in the annual plan – information from local authorities of schools and PRUs not inspected during the current cycle was used to cross-reference the schedule to ensure that our cycle is complete by the end of summer 2024.

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 carried out a full programme of core inspection work in non-maintained settings jointly with Care Inspectorate Wales (CIW). Because of our partnership with CIW on this work, we have retained judgement grades for this sector. Arrangements continue to be effective, and both organisations are currently in the process of scoping a review of the joint inspection process.

There is work to be done around scheduling and planning to ensure that we adhere to timescales and minimise duplication of information. The review of joint inspections will lead to a report in the summer of 2024. We will then discuss with CIW a timeframe for improvements in light of any recommendations.

Local government educational services

We also continued our programme of inspecting local government education services (with Audit Wales). This involved four core inspections over the course of the year, with a further two to take place in summer 2024, enabling us to complete the current cycle. In the spring terms we also completed a statutory youth work pilot inspection in the Vale of Glamorgan and a voluntary youth work inspection of the Boys' and Girls' Clubs of 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. Discussions with Audit Wales about the nature of their involvement in the 2024 cycle are ongoing.

Post-16 sectors

We have continued with a full programme of inspection work in the post-16 sectors this year, including four work based learning / apprenticeship providers and four adult learning in the community providers.

In the summer term we completed our monitoring visits to the Jobs Growth Wales+ programme of work-based learning providers and took forward to a national report on the first year of the programme.

During this year we also visited independent specialist colleges to consider registration and material change requests.

Initial Teacher Education

We continued with the roll out of inspections of initial teacher education following earlier pilot inspection in 2021-2022.. In doing so we continued to work closely with

the Education Workforce Council (EWC) and Technical Education Advisory Board (TEAB). Due to the fact that two partnerships inspected in the last academic year required follow up, we liaised closely to plan and undertake our follow up work as this coincided with the re-accreditation process.

Welsh for Adults

Over the year we carried out three core inspections in the Welsh for Adults sector, including a longitudinal inspection of the national residential centre (Learn Welsh Nant Gwrtheyrn) during summer and autumn 2023.

Independent schools

During the year we carried out a full programme of inspections of independent schools, with a total of 14 core inspections up to 31 March 2024.

We also visited independent schools to consider registration and material change requests – in total 11 (compared with 9 last year) registration requests were carried out in the year and 57 (compared with 36 last year) material change requests. This significant increase of material change requests is 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 18 providers across the year (20 visits in total).

Learning in the justice sector

During 2023-2024, we carried out two joint inspections working with HMI of Prisons: an adult prison and a young offenders institute. We also carried out one joint inspection of youth offending services together with HMI Probation and one inspection of a secure children's home with Care Inspectorate Wales.

We responded to a statutory consultation on HMI Prisons' draft inspection programme for 2024-2025 and inspection framework. In this year we carried out informal link visits to most adult prisons in Wales that were not inspected. The sector lead meets with the HMI Prisons' area manager for Wales every six weeks to share ongoing developments, for example on matters related to the timing of inspections, thematic work and the revision of the justice sector framework. This regular engagement has secured a constructive relationship.

We have attended regular Youth Justice Inspection Group meetings throughout the year chaired by HMI Probation involving all their partner inspectorates to discuss inspection arrangements, current challenges in youth justice and to share intelligence on providers. We attended round table discussions hosted by HMI Probation on their proposed new inspection arrangements, which introduce new domains and the end of joint inspections of youth justice services. We have met with HMI Probation separately on several occasions to discuss how we can continue to support their inspection work with intelligence sharing. We have started engaging more closely with the Youth Justice Board in Wales to establish how they can share intelligence with us to ensure there are no gaps left in oversight of education provision for learners subject to youth justice interventions left by the cessation of joint inspections by HMI Probation.

We continue to build capacity in this sector by including colleagues from other sectors in inspection teams. We have also held two sector network meetings during professional learning weeks to share developments in the justice sector and focusing on consulting with the network on the development of the new justice sector framework.

Safeguarding

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.

Over the year we undertook two focused visits to address concerns relating to safeguarding.

We also continued to work with inspectors from Care Inspectorate Wales, His Majesty's Inspectorate of Constabulary and Fire and Rescue Services, His Majesty's Inspectorate of Probation and Health Inspectorate Wales to carry out a joint inspectorate review of child protection arrangements (JICPA) provided by a local authority and partners. This year, this entailed reviews of arrangements in four local authorities.

We have continued to inspect secure children's homes with Care Inspectorate Wales.

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 2023-2024.

Number of providers going into and coming out of follow-up, financial year 2023-2024 ⁽¹⁾						
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	35	17	1 SI to SM	10	42
	Non-maintained nurseries	4	0	0	3	0
	LGES	2	0	0	1	1
	Post-16	3	3	0	2	4
Estyn review / Estyn monitoring / Progress review / Local authority causing serious concern	Maintained schools and PRUs	41	27	0	26	42
	Non-maintained nurseries	7	0	0	0	0
	LGES	0	0	0	0	0
	Post-16	0	0	0	0	0

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

- One ITE provider is currently under 'Enhanced engagement with Estyn' as of 22/09/2023 but is not included in the figures in the table above.
- Eight non-maintained nursery providers are now either closed or no longer receiving funding and therefore do not appear in follow-up at the end of the year.

42 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.

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.

Although the Welsh Government have stopped funding the multi-agency programme for secondary schools causing concern, we have been continuing our involvement, with a named pastoral HMI allocated to each secondary and all-age school in follow-up. Most local authorities involved with the programme have continued to convene regular meetings to discuss progress – HMI have attended these meetings and contributed to discussions, providing appropriate challenge, support and feedback.

During the year also, we worked closely with one LA that is causing significant concern, and we have continued monitoring visits on a termly basis to evaluate progress and support improvement. As part of our testing of new arrangements, we also carried out an enhanced LALI visit to another authority.

In terms of our performance measures:

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.



99.5% of providers express satisfaction with the reliability and independence of inspection findings.

Feedback

One formal complaint was received about inspection process in 2023-2024. Some aspects were partially upheld.

A second complaint was received about a second registration visit to an independent special school. The complaint was partially upheld.

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

Inspection days can be quite tense for providers and the team can sometimes get anxious through the process. Everyone wants to do the best they can during an inspection, and we felt we were able to showcase all that we do on every basis comfortably. Both the inspectors were professional and considerate throughout, and the staff were made to feel at ease.

I felt the process was fair and I was given plenty of opportunities to share what we do and why we do it. The children were also happy to have the friendly visitors at the setting on both days.

Proprietor, non-maintained nursery

Inspection weeks can always be a pressurised and quite a stressful experience, however the team selected last week were a credit to Estyn. The manner in which they conduct business was outstanding and they fully embraced the ethos and culture of the school, it felt that they were a true part of the staffing team. Feedback from staff was they have never been so at ease during an inspection allowing them to shine without feeling under too much pressure. The nature of the professional conversations in meetings and with individual feedback sessions were conducted with the utmost of integrity. The leadership of the RI, who set the tone of the week was outstanding. As nominee I felt my contributions were valued and listened to.

Secondary school headteacher

I would like to convey my thanks to all the Estyn inspectors and staff that have been involved in the core inspection in September 2022 and our subsequent period in special measures and related visits. Each inspector was very supportive and gave extremely useful insight into the ways forward for the school. I'm sure Estyn has its fair share of negative correspondence, so thought I would take the time to say how worthwhile I have found the whole experience.

Primary school headteacher

Just a note of personal thanks for the highly professional way you and your team conducted the inspection. I am confident that your emerging findings will really help move things forward.

Leader, initial teacher training provider

I just want to say a huge thank you to you and the team. I really appreciate how much you all showed you cared about me and the school team. I really have heard some wonderful comments. ...We are fully committed to taking onboard all the feedback we have been given and fully committed to becoming compliant in all areas. Although I have found the process intense at times, I have found it very insightful and feel I already know so much more than I did at the beginning of the week.

Headteacher, independent special school

Partnership work

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.

We have continued to work with education and training inspectorates from neighbouring countries, at both a strategic and operational level, regularly sharing information and knowledge. Regular meetings have taken place to exchange updates and share practice at Chief Inspector and management levels, including specific HMI/AD links. There has been regular consideration of practice in neighbouring countries to help inform improvements, for example in updating our complaints procedure or considering support for inspectors in dealing with difficult situations.

During 2023-2024, the Heads of Inspectorates met virtually once and in person once to oversee a shared programme of work and share responses to current challenges. They continue to be supported by a strategic coordination group and each organisation supports with secretariat support.

Our local authority link inspectors meet their colleagues in Audit Wales and Care Inspectorate Wales twice a year to share information about local authority and regional work. The purpose of these meetings is to share our ongoing views about the strengths and areas for development across the 22 local authorities.

During the autumn term 2023 and the spring term 2024, CIW and Estyn commissioned The Learning Partnership to undertake a full review of joint inspections. The review considered the views of a range of stakeholders including inspectors, setting leads, parents, local authorities, umbrella support organisations and Welsh Government policy colleagues. The reviewers engaged with stakeholders

through a series of questionnaires and focus groups. The draft report will be received in April 2024 when we will work alongside colleagues in CIW to decide on a way forward and how we will respond to the recommendations.

We continue to engage closely with the activities of the Standing International Conference of Inspectorates (SICI), 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 2023 to 2024 we attended several SICI workshops and partnership events where practice and approaches on the following were shared:

- regular online network meetings
- responding to requests for information from other inspectorates, for example to provide information on accountability in the post-16 landscape for the Education Reform Initiative of Southeastern Europe
- supporting transition of the TESSIE project to new partners
- attending workshops on Equity and research throughout the year, such as France (online) and Luxembourg and London (in person)

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.

Strategic Objective 2:

Inform the development of national policy by the Welsh Government

On 12 October, we published our interim annual report on education and training in Wales, comprising sector summaries for the seventeen sectors we inspect. These included bullet points to outline what was going well and what needs to improve in each sector. Most sectors organised their summaries in three sections: teaching and learning, care, support and well-being and leading and improving. We deliberately chose these headings to make the links between teaching and learning and between care, support and guidance and well-being more explicit. In addition, this year each sector summary included an overview of recommendations from inspections.

Then, in January 2024, we published HMCI's 2022-2023 Annual Report on the quality of education and training in Wales. As well as providing updates on the seventeen sectors that we inspect, this included sections on the following key themes:

- The education and training experiences of refugees and asylum seekers
- Welsh in education and training
- The PISA 2022 results
- Mitigating the impacts of poverty and deprivation on educational attainment
- Attendance and attitudes to learning
- Implementation of the Curriculum for Wales
- The progress of providers in follow-up categories

In launching the Annual Report, the Chief Inspector made the following comment:

The strong commitment of educators across Wales is a source of pride, but it is clear that the shadow of the pandemic remains apparent on learners' well-being and the progress they make. Weaker aspects of practice are holding back progress for too many learners and self-evaluation in schools and other providers needs to improve to strengthen the system.

Educators across Wales continue to work diligently and respond to the challenges involved in supporting our children, and learners of all ages, to learn and to flourish. My report highlights the successes and outlines some of the challenges that continue to face education and training; I hope it prompts constructive reflection and discussion about how we can collectively improve.

HMCI Annual Report was published in January 2024, in line with the target date within our Annual Plan 2023-2024.



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

During 2023-2024, we published eight [thematic reports](#) on a range of topics in response to the [Minister's annual remit letter](#). These reports contained an overall total of 71 recommendations, 22 for the Welsh Government. All recommendations for improvement were accepted or commented on by the Welsh Government during the reporting period.

Thematic reports published in 2023-2024

Name	Date of publication
Developing pupils' English reading skills from 10-14 years of age	May 2023
School Governors - Acting as critical friends and the impact of governor training	May 2023
Peer-on-peer sexual harassment among 16 to 18-year-old learners in further education	June 2023
Equity of curriculum experiences for pupils who are educated other than at school (EOTAS)	September 2023
Support for Welsh in Initial Teacher Education	September 2023
The new Additional Learning Needs system	September 2023
Jobs Growth Wales+ youth programme: Autumn 2023 insights	October 2023
Delivery of Essential Skills Wales qualifications in apprenticeship programmes	November 2023
Improving attendance in secondary schools	January 2024

Additional reports published in 2023-2024

In addition to the thematic reports above, we participated in a multi-agency rapid review led by Care Inspectorate Wales of decision-making in relation to child protection. This review sought to determine the extent to which the current structures and processes in Wales ensure that children who are in need of care, support and protection are appropriately placed on, and removed from, the Child Protection Register when sufficient evidence indicates it is safe to do so.

Name	Date of publication
Rapid review of child protection arrangements - Interim findings	June 2023

And we also published our insights into the Jobs Growth Wales+ youth programme following our four regional inspections.

Name	Date of publication
Jobs Growth Wales+ youth programme: Autumn 2023 insights	October 2023

We also published the following blog posts:

Name	Date of publication
Estyn: Inspecting for the Future (2024-2030)	October 2023
Paul O'Neill and Andrew Borsden explore the difference between mandatory inspection and Quality Mark Assessment	February 2024

Across 2023-2024, we also published a total of 95 case studies, based on effective practice identified during inspection and invited from providers.

During 2023-2024, 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. Recent additions include the ALN reform steering group, the external reference group for adult learning and the working group developing statutory guidance on the 16-19 curriculum. Where requested, we provided advice, for example recently about the use of PSPs in schools.

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

- 14 December 2023: The Outdoor Learning Bill
- 21 February 2024: HMCI's Annual Report

Curriculum for Wales

Regarding implementation of the Curriculum for Wales, we have continued to provide regular updates and advice to the Welsh Government based on inspection findings and thematic visits. We have made recommendations as appropriate. We meet regularly with Welsh Government officials to discuss strengths and areas for improvement in curriculum design and delivery in schools. We also consider how well schools are being supported to improve curriculum and teaching. We focus closely on how well policy is being implemented across Wales and provide Welsh Government with suggested approaches to improve policy development and delivery. This has included considering improving the quality of teaching and assessment,

improving the system understanding of progress and progression and in supporting the developments of monitoring processes.

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 thematic report highlighting effective practice relating to teaching and assessment.

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

The impact of poverty on attainment

Our inspection guidance continues to have a focus on evaluating the impact of poverty on educational attainment and well-being.

Across most providers we inspect, our inspectors normally gather evidence on the progress of pupils eligible for free school meals and those from low-income households. Inspection teams also gather evidence on the extent to which leaders pay due regard to addressing the impact of poverty on educational attainment and well-being. Where these aspects are significant, they include a narrative and an evaluation in our reports. Our thematic report on “Community Schools: families and communities at the heart of school life” (July 2020) emphasises the importance of involving all relevant partners working together to mitigate the impact of poverty, and inspectors include a commentary on this where relevant.

Poverty is a central theme that runs through our new inspection framework and inspectors may collect evidence where relevant about the school’s work in each of the three inspection areas. Inspectors will continue to use these approaches as part of our new inspection arrangements in September.

Search tools enable our poverty lead officer group to interrogate our inspection evidence bases efficiently to build a comprehensive picture of the effectiveness and impact of different approaches. We meet with Welsh Government officers regularly to share our evaluations which help inform their policy work. We have also presented our work in this area at national conferences. Welsh Government officers share updates on policy developments with us which we use to ensure that the information in our supplementary guidance for inspectors is current.

Qualifications Wales

We are continuing to work with Qualifications Wales to contribute to the development of new qualifications at GCSE and VCSE. This includes attending stakeholder meetings as well as responding to consultations. We continue to meet with staff from Qualifications Wales where we have been able to discuss in more detail their plans for new GCSEs. We have provided detailed responses relating to consultations during this year:

- [The Full 14 to 16 Qualifications Offer in Wales](#)
- [Consultation on proposed approach to designating 14-16 qualifications consultation](#)

Post-16

Our further education link inspectors visited their linked further education colleges in the spring and summer term 2024, and a few link inspectors visited their adult learning in the community partnerships in the summer term 2024. 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 (Medr). Our assistant director with responsibility for post-16 education and training sectors has been seconded into Welsh Government from April 2023 to March 2024 to work alongside Welsh Government colleagues in providing advice and information on quality aspects related to further education and training and the transition in preparing for the Commission.

Consultation responses

We also used our extensive evidence base to respond to 22 consultations on a wide range of educational matters during the financial year, 13 from the Welsh Government and 9 from other organisations. Consultation responses included:

- [Curriculum for Wales: continuing the journey](#)
- [Anti-racist Wales](#)
- [Draft Child Poverty Strategy for Wales 2023](#)
- [Regulating special school residential services](#)
- [Proposals for the Welsh Language Education Bill](#)

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

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

Responses to school reorganisation proposals

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
33	30	32	11	31

In 2023-2024, we responded to 31 school re-organisation proposals, a return to the levels of earlier years following a dip in 2022-2023. In most cases, we concluded that the proposal is likely to at least maintain the current standards in terms of education, provision, and leadership and management. We noted where the proposer had identified a clear rationale for the proposal and gave reasons why the change was 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: 61
Committees: 13

Formally constituted working groups: 54

Project groups: 11

Reference groups: 10

Request to take part in research: 9

Examples of the groups attended this year are as follows:

- Welsh Government - Schools causing concern
- All Wales Safeguarding in Education Group
- Welsh Government - Minority Ethnic Achievement Local Authority Group
- All Wales Forum of Gypsy Traveller Education Practitioners
- Digital Standards Working Group
- Inspection Wales Programme Board
- National Attendance Taskforce

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 consultations and surveys, conferences, stakeholder events, training events and publishing [improvement resources](#) on our website. Our improvement resources include: the HMCI's annual report, 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.

The HMCI's annual report is a key resource for education professionals which presents insights from the range of Estyn's work to outline what is going well and what needs to improve in each of the sectors we inspect, as well as a reflection on development in the sector aligned with a number of key themes such as poverty and attainment, Welsh language in education and training and attitudes to learning and attendance. The report is presented in a user-friendly way online and is intended to be a reference point and a resource for education and training professionals throughout the year.

Thematic report: [The new Additional Learning Needs System](#)

This report was the most popular download on our website during this period. It provides an overview of how well maintained primary and secondary schools are implementing key aspects of the Additional Learning Needs and Education Tribunal (Wales) Act 2018 (ALNET) and the accompanying ALN Code. It also considers how well participating local authorities have supported schools.

The Welsh Government, headteachers and staff in schools, local authorities, and school improvement services can use the report to feed into professional discussions on both the strengths and areas for development identified

It is also of interest to parents and relevant partners.

95 case studies of interesting practice were published during 2023-2024, with 75,978 unique English and Welsh pageviews for this area of the website during the financial year.

In 2023-2024, we carried out a full programme of both online and in-person events.

We ran 31 events during the year including 11 stakeholder events and 20 training events. 5 stakeholder events were held in person and 6 online. We saw 65 stakeholders attend the HMCI's annual report launch at the Senedd in January and 462 delegates attend our national headteacher conference in Cardiff in February, with 490 individual registrations. Of the inspector training events held, 17 were in person and 3 were online.

We value the feedback we receive from delegates and use this to continually improve. We collated feedback from our training events and best practice conferences and received lots of positive feedback. A new scale of 1-5 was introduced this reporting year with 1= terrible and 5= excellent. The events received an average of 4.67 across the period.

In February, we held a National Headteacher Conference at Cardiff City Stadium in order to share information, best practice and discuss the new inspection process.

There were 462 delegates present and of those who returned the post evaluation survey, 96% confirmed that the conference had met their expectations. The Conference had been well received with positive comments surrounding the content, takeaways and networking opportunities.

“The conference reassured me that Estyn value headteachers. It reinforced that the new inspection framework will be a supportive process”.

“I thought the day was very well organised and extremely informative. I liked the relaxed nature of the delivery on the new changes for September 2024 and felt that it came from a very supportive angle”.

“This conference was an excellent idea and has really helped with my understanding of the new framework”.

“It equipped me with newfound knowledge and inspiration to enhance our school's preparation for inspection”.

We continued our Estyn Live livestreamed events:

- 24 May – School Governors: Acting as critical friends and the impact of training
- 11 September – Developing reading skills
- 23 October – Apprenticeships and the Jobs Growth Wales+ programme

Attendance at these events is increasing in general although the target audience for each event varies in size. The Estyn live focused on school governors saw 94 live visitors with 217 views of the recording after the event. 114 visitors attended the 'Developing reading skills' Estyn live with 227 people viewing the recording after the event. The Estyn live focused on Apprenticeships and the Jobs growth Wales+ programme was targeted at a specific and much smaller audience and attracted 40 attendees to the live event.

We continue to trial new formats and channels to make these events more impactful and meaningful to our audiences.

Inspecting for the future (2024-2030)

During this financial year we carried out major consultation exercises in preparation for our new inspection arrangements. Exercises were carried out in each of our relevant sectors, and we also canvassed feedback from providers who received pilot inspections, feeding it into further discussion and updates to our planned guidance. We involved third party organisations, including the parent and carer reference group, and the teacher forum. This was also addressed through our termly meetings with our headteacher reference group and post-16 reference group. Both groups were included within the planned consultation.

We launched our new parent and carer community in January, completing one survey on our inspection questionnaires and parent reports. Although there was quite a small response, we will continue to develop the use of this community, for example as part of thematic work.

We also held our National Headteachers' Conference on 29 February, with around 500 delegates attending, and we used this to outline our plans in respect of our new inspection arrangements, as well as giving schools the opportunity to present examples of best practice that we had identified during inspection. Evaluations show that the event was well received and met the expectations of nearly all delegates.

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 1,055 peer inspectors on our lists.

We recruit and train peer inspectors for all sectors apart from the non-maintained nursery sector. Peer inspectors in the maintained sector are deployed to undertake core and thematic inspections. Peer inspectors in the independent sector have been deployed to undertake interim visits in a few of our providers. We annually review our pool of inspectors and deliver training, as appropriate.

We also deployed peer inspectors on 295 inspections throughout this reporting year.

This year we also piloted a leadership development programme for practitioners from ethnic minority backgrounds to raise their awareness of our work and encourage them to be our future peer inspectors. For this we received an innovation grant from the National Academy for Educational Leadership Wales. The recruitment campaign successfully led to 18 applicants. Four were chosen across the primary, secondary

and further education sectors, and two were fast tracked to initial peer inspector training, with the first in-person event taking place on 27 October.

Link inspectors

Our local authority link inspectors (LALIs) continued their link work with their local authorities, focusing on three aspects this year – attendance, school improvement and poverty. Our link work with the school improvement services is building on their bespoke support for schools and their evaluation of their work. We have also piloted different approaches to our work, including enhanced LALI visits, with written feedback provided to the local authorities involved.

We also continued our risk assessment workshops in each local authority with colleagues from Audit Wales and Care Inspectorate Wales.

We also initiated a series of link visits to prisons across the justice estate from September 2023 to January 2024.

Our website

Making sure that our publications are accessible and engaging is a priority for us, and this year we have begun development work on a new website, which will ensure that our reports and documents can be presented and accessed more easily. We have engaged with a wide range of stakeholders and carried out user testing to ensure that we incorporate the needs of education professionals, parents and carers and our own Estyn workforce into the design build.

We have continued with the publication of our new style of summary inspection reports for parents, carers, learners and practitioners. The new website will be launched in the summer of 2024.

How we deliver our work:

Building a better organisation and living our values

A great place to work

Throughout 2023-2024, we have continued our work on making Estyn a great place to work, and have built on last year's progress.

We published our new [Strategic Equality Plan \(SEP\) 2024-2028](#), which sets ambitious targets to improve equality and diversity within the organisation.

The first accelerated training programme aimed at middle and senior leaders in education who are from ethnic minority backgrounds was highly successful, with delegates praising the CPD as being relevant and of a very high standard. Recruitment to the second cohort is underway.

Civil Service People Survey 2023:

Staff engagement score: 67%
(Civil Service High Performers top quartile 64%)

Our Engagement Score was above the Civil Service high performers benchmark



After being below in 2022, the results of the Civil Service People Survey showed that Estyn was within the top quartile in terms of employee engagement across the Civil Service. Six (up from 2 in 2022) out of nine of the themes were at or above the Civil Service high performers benchmark.

Over the course of the year we have been developing our people strategy - to consider the impact of financial, organisational and cultural issues on Estyn as an employer, on colleagues' well-being and on organisational processes.

- Resourcing: we have increased our headcount, with several new HMI and central services colleagues
- We have taken note of the issues raised in the survey into bullying and harassment, which was carried out by the FDA and the PCS. As a result, we have rolled out mandatory anti-bullying and harassment training to all staff and appointed three bullying and harassment contact officers.
- We have made amendments to the facility for colleagues to take well-being time each week, with improved provisions for both HMI and Central Services.
- The Accommodation User Group has been addressing some of the most pressing problems encountered by HMI.
- Office environment – a group has been progressing improvements in office layout and private spaces – full refurbishment started in January 2024, which will include space for prayer.

- We appointed a Social Officer to try to increase and improve employee engagement across the organisation.
- A plan was put in place to undertake a significant project of delivering our new planning and deployment system to replace Cygnum – by appointing a system/business analyst who will undertake the discovery phase of the project and put together a specification for us to appoint a company to build a new system.
- A new HR system was put in place and is being rolled out.
- A new leadership development programme is underway.

Turnover for the year was 9.81% (compared to 14.4% in 2022-2023)

There were 15 leavers in the period: 2 inspectors and 13 from central services

Relationship with unions

During 2023-2024, we maintained our productive and professional relationship with the two unions, Public and Commercial Services Union (PCS) and FDA. We discuss together the outcomes of the annual People Survey and how we will tackle issues identified.

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.

The first leadership development programmes were completed in the Autumn / Winter of 2023-2024, with tailored programmes for HMI and for Central Services. In total, 14 people completed the courses which were designed to improve strategic and managerial skills such as setting direction, leading through change, coaching / mentoring, motivation and influencing. Again, the programmes were highly successful and the second cohort is due to start in September.

The following professional development activities also took place in 2023-2024:

- induction for new joiners (virtual and in person when restrictions eased)
- we continued to 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

We prioritised time during professional learning weeks to support HMI in building knowledge and experience of our new inspection arrangements, and we received additional funding from the Welsh Government to develop a self-evaluation tool. This work has been completed and we are in discussion about when to launch.

We have specifically ensured that our plan for professional learning and development for our internal and external inspectors is focused on supporting curriculum, PCET and ALN reforms and self-evaluation for improvement. We have undertaken this by:

- strengthening initial PI training to include guidance on inspecting ALN and self-evaluation for improvement
- increasing the number of additional inspectors that can be deployed on the inspection of local authority specialist classes in primary, secondary and all-age schools, with training to be rolled out in autumn 2024
- arranging BSL training during professional learning weeks for HMI who work within the special sector or visit specialist resources bases.
- sharing presentations to all HMI on key messages from our thematic work on ALN

Equality and employee welfare

During 2023-2024, we continued to raise awareness of equality and diversity. Our equality objectives cover how we consider equality when we inspect and how we will ensure that our own staff and those we contract with have equality of opportunity and are treated equally. We updated our Strategic Equality Plan, which now reflects our intentions up to 2028: [Strategic Equality Plan 2024-2028](#) This document lays out how we will work to achieve our three equality objectives:

- We will work to increase the diversity of our staff, our external inspectors and the stakeholder voices that enrich our work
- We will promote equal opportunities and ensure fair treatment for our entire workforce, staff and contracted inspectors, tackling bullying and discrimination whenever it occurs
- We will evaluate issues relating to equality, diversity, and inclusion during inspection and in our thematic work, sharing good practice and making recommendations for improvement where needed

Our January staff conference was on the subject of “Belonging/Cynefin”, with presentations and discussions that fed into the work of our strategic equality plan.

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

Our concern for the health and well-being of our staff was last recognised by our re-accreditation to the Corporate Health Standard in April 2022. However, Public Health Wales/Healthy Working Wales are no longer running the Corporate Health Standard reaccreditation programme, instead, they are planning to launch a new interactive website, where organisations across Wales will have access to a range of ‘best practice’ resources.

The well-being and safety of our staff is at the forefront of our organisation’s plans. The well-being and employee engagement 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
- aware of the ‘well-being hour’ to improve ‘work-life balance’, whereby colleagues can take advantage of activities, including walking, gardening and keep fit as part of their working day

Welsh language standards

In 2023-2024, our 11th [Annual report on the Welsh language in Estyn 2022-2023](#) was published, which included a progress summary and priorities for 2023-2024. The report highlighted how we continued to comply successfully with the legal duties placed upon us as an organisation under the Welsh Language Standards.

We have been proactive in identifying opportunities for extending the Welsh language skills of staff, carrying out a survey of existing skills and highlighting where training opportunities are available. We have also ensured that Welsh language standards are under constant review, with key actions and objectives identified and our progress measured as standing items on each agenda of the Welsh Language Working Group’s meetings.

Met the requirements of Welsh Language Standards

Comments and complaints

Over 2023-2024, the number of complaints we received about our inspection activity reduced from those investigated in the previous year. Two stage 2 complaints were received during the period, each of which underwent a formal investigation.

Conduct of secondary inspection team and inspection judgements	April 2023	Partially upheld
Management of second registration visit to an independent special school	January 2024	Partially upheld

In both 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 11 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 65 compliments about our work, for example in relation to the conduct of our inspectors, about our support on training or participation in conferences, and for the conduct of our pilot inspections.

We strive to improve our processes on a continual basis, using the experience of each complaint investigation to refine our internal guidance. We will be carrying out a consultation on our complaints management and guidance over the coming year.

This year we also arranged a series of training sessions on the subject of complaints management, with all senior managers participating to ensure appropriate knowledge of best practice in this area.

Two formal complaints – completed by agreed extended deadline

Requests for information

This year we received a total of 25 Freedom of Information requests, six more than last year, and responded to all 25 within 20 working days.

We fully released in 14 cases, partly released in five cases (three times because other information not held and in two others applying Section 31 exemptions as disclosing would have placed our IT systems at risk), not released in two cases (applying Section 33 exemptions regarding our audit functions in both cases and additionally Section 40(2) exemptions regarding personal data in one of the cases), in three cases we had no information to release, and one case was withdrawn.

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.

CO2 emissions have risen in 2023-2024 (117,466 kg CO2) by 27% compared to the previous year and are now close to 2019-2020 emissions (pre COVID-19 pandemic). Our organisation and workload has grown during the reporting period; our budget has grown by 2.9m and our staffing, as at 31 March 2024 increased to 149 employees (including permanent staff, secondees and agency staff) compared to 128 at 31 March 2023.

Our main impact on the environment arises from transport CO2 emissions when our inspectors visit education and training providers. We conducted 427 core inspections

in 2023-2024 (391 in 2022-2023) plus a considerable amount of follow-up inspection, thematic report and event/training activity. We have worked hard to catch up with missed inspections (post COVID-19 pandemic) and will be completing the last inspection cycle by the end of August 2024. At the same time, we have developed and trialed our proposed arrangements for our new inspection cycle 2024-2030 (across most sectors) which will begin in September 2024.

Our total emissions from transport were 103,082 kg CO₂ in 2023-2024 (86,508 kg CO₂ in 2022-2023). Our private and hire car mileage totaled 367,814 miles travelled during 2023-2024, compared to 304,663 in 2022-2023. Our air mileage totaled 6,284 miles and rail 6,189 miles during the reporting period.

Some stakeholder events are also held online, contributing to reducing our CO₂ emissions. In 2023-2024, of 11 stakeholder events, 6 were held online and of 20 training events, 3 were held online and a further 17 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 over time as has central services staff now following a pattern of hybrid working. CO₂ emissions from gas usage was 7,177 kg CO₂ in 2023-2024 (6,080 kg CO₂ in 2022-2023).

Regarding electricity, since 1 September 2023, the landlord introduced a new building-wide electricity contract. Payment for electricity usage within the building is apportioned by the landlord between the tenants and paid directly to him. Until then we had benefited from the All Wales Crown Commercial energy contract - a clean energy contract (not available to the landlord) with emissions reported as zero. Emissions for electricity for the period 1 September 2023 to 31 March 2024, since arranged by the landlord, were 7,207 kg CO₂.

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

As well as being published on our website, our Environmental Policy is displayed in our office training facility. In line with the biodiversity duty, the Policy incorporates how we will maintain and enhance biodiversity and promote resilience.

An Internal Audit of sustainability and environmental reporting took place 11 and 12 September 2023. Substantial assurance was given and no recommendations.

Our Environmental report 2023 was agreed by our Executive Board in July 2023 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 in July 2023.

Financial performance highlights

Our 2023-2024 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 accordingly¹. 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-evaluation²
- 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 1st 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 well-being 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)

¹ Prior to the implementation of IFRS 16, lease costs associated with our Anchor Court officers would have been included within Accommodation costs.

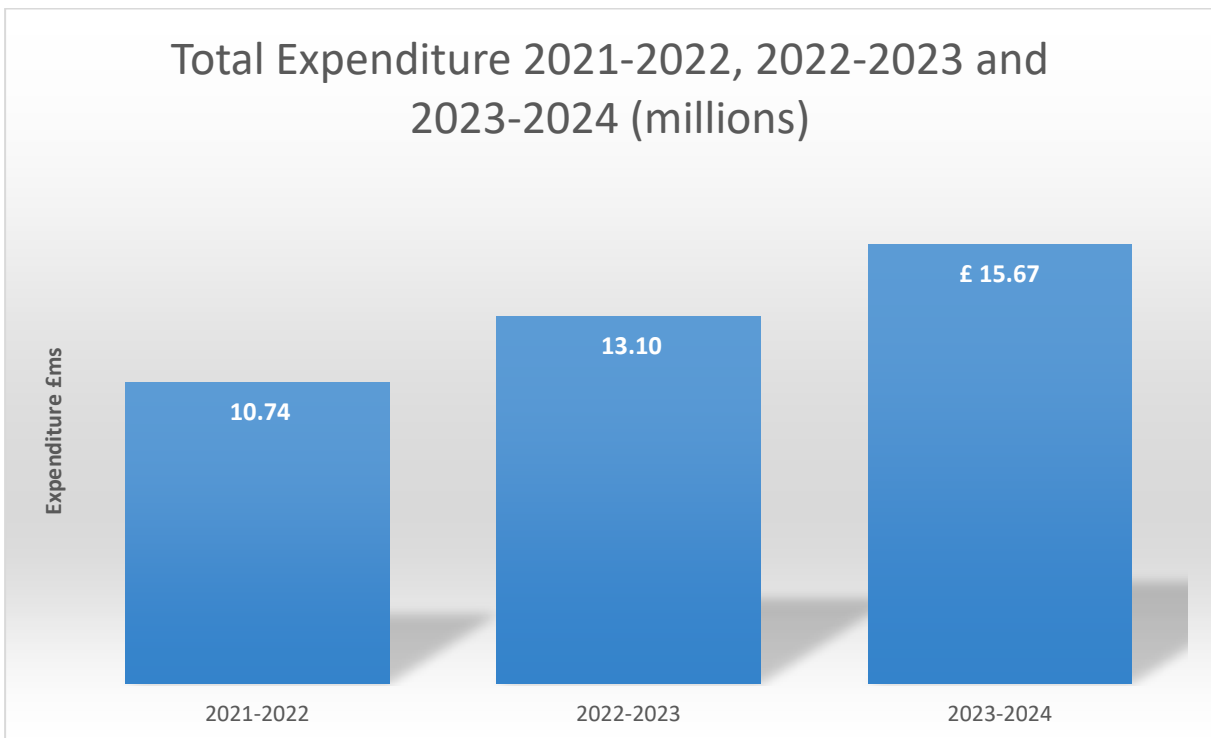
² Funding for this workstream is split evenly between 2022-2023 and 2023-2024 financial years.

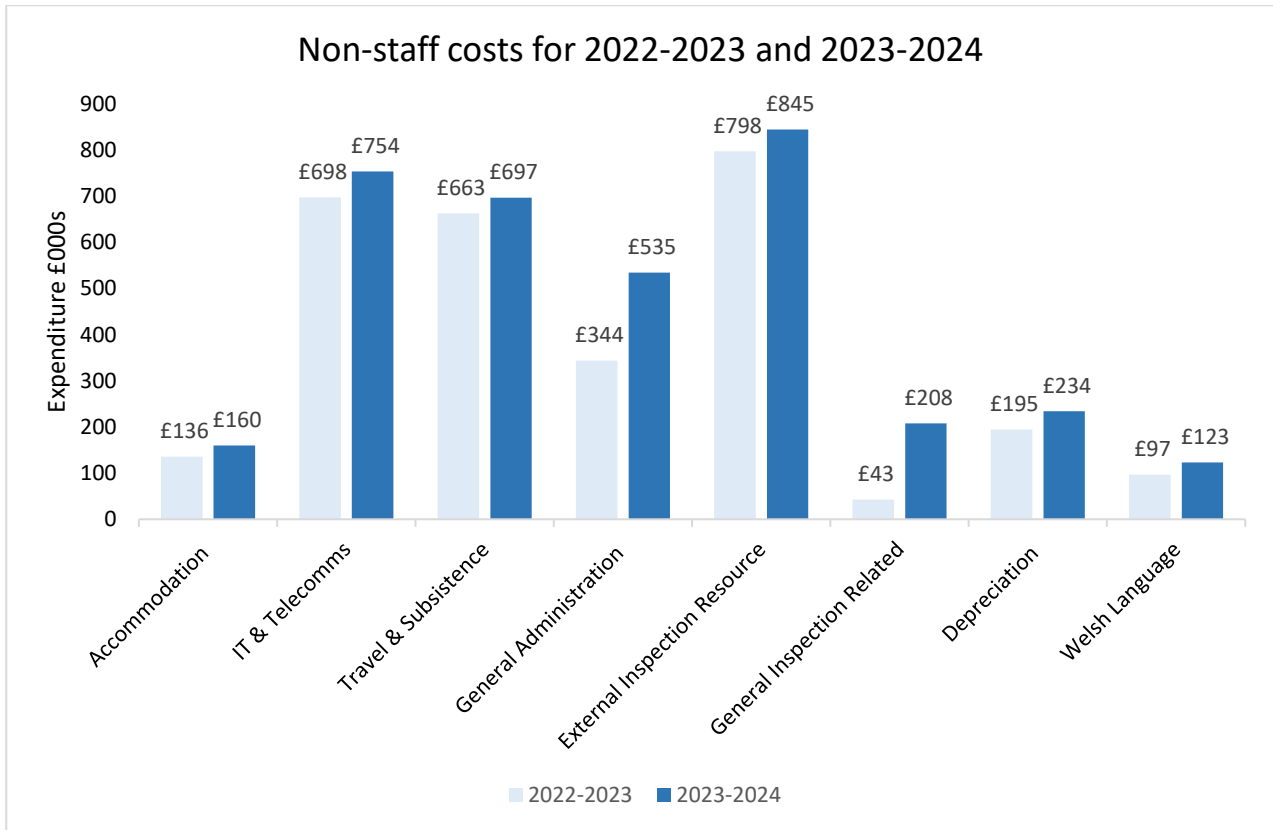
- commissioning an independent review of our website to assess its suitability to meet the needs of our stakeholders
- embarking on our 'Inspecting for the Future' project to develop a new inspection framework ahead of its implementation in the 2024 academic year
- embarking upon a digital transformation 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 2024 shows net liabilities of £1.170m (2022-2023: net liabilities of £104k). 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 2024-2025, 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 2023-2024 and there was 1 member of staff who left under the early departure scheme.





Total expenditure (revenue and capital) by budget headings for 2023-2024



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 assistant directors and branch heads, supports HMCI in leading and managing our inspection and policy advice work, as well as day to day operational delivery. In addition, for 2023-2024 we have implemented a new group, the **Inspection Leadership Group**, which discusses inspection related matters and is attended by HMI, Strategic and Assistant Directors.

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 of interest are made by all permanent employees, secondees and temporary staff in line with our Managing potential conflicts of interest policy, and guidance set out in the Civil Service Code. 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 and Data 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 policies](#).

Payment policy

In 2023-2024, 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 86% of invoices within 30 days. Failure to reach our target was mainly because of reduced staff resource due to sickness absence during 2023-2024.

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



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 17th 2024

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 2023-2024, 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 and reviewed annually.

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 reflected our work to complete the current cycle of inspection activity and implement arrangements for a new programme of inspection to start in September 2024.

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.

During 2023-2024, the Strategy Board met three times and the Audit and Risk Assurance Committee (ARAC) met five times; three of the five ARAC meetings were attended in full by all members; in the other two instances one member was not present. 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 2023-2024 included:

- reviewing the challenges of new inspection arrangements to be implemented in 2024
- updates on our a leadership development programme for practitioners from ethnic minority backgrounds
- strengthening of our relationships with stakeholders and managing expectations in relation to our accountability role
- reviewing the learning and development programme
- budget and allocation of resources
- reviewing updates to our Strategic Equality Plan
- reviewing the development of the new Medr (previously referred to as CTER) arrangements in the post-16 sectors
- HMCI's Annual Report
- outcomes of CS People's Survey

In addition, during 2023-2024, a series of briefings have been arranged for our non-executive directors, covering the following areas:

- Welsh language education white paper
- The outcomes of PISA results and implications for Wales
- Risk management
- Additional learning needs
- Stakeholder engagement, including external training

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 the 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 2023-2024.

We liaise with the Welsh Government on matters of financial management. 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 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 2023-2024 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 2023-2024. Although only reasonable assurance was allocated in relation to the audit on programme management – thematic reviews, all recommendations related to one aspect of our work – non-programmed rapid reviews, and policies and procedures were quickly put in place that meant actions had been implemented before the report was tabled at ARAC. In addition, although progress in implementing the actions relating to the business

continuity and workforce planning audits was slower than originally anticipated, assurance has been provided to ARAC members through update reports explaining the interconnections between those recommendations regarding the implementation of a new planning system, with further updates provided at each ARAC meeting.

Throughout 2023-2024, our internal audit service has been provided by TIAA. The work has been carried out remotely, 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 2023-2024 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; *'for the areas reviewed during the year, Estyn has reasonable and effective risk management, control and governance processes in place'*. Work completed by our internal auditors during 2023-2024 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: 2023-2024 internal audit programme

Reports	Assurance rating	Number of recommendations (priority rating)
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)
Sustainability and Environmental Reporting	Substantial	No recommendations
Absence Management	Substantial	4 (3 routine, 1 operational)
Inspecting for the Future	Substantial	2 (Routine)
Programme management – thematic reviews	Reasonable	6 (2 important, 3 routine, 1 operational)
Key financial controls	Reasonable	3 (1 important, 2 routine)
Staff well-being	Scheduled for	2024-2025

* Audit work undertaken in 2022-2023 and reported in 2023-2024

Our Remuneration Committee met once during 2023-2024 and considered the review of HMCI and Strategic Directors' performance and objectives for the year ahead. 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 Assistant Director for Inspection and Central Services 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 2023-2024, we entered into one NDA with an employee in relation to a mutually agreed departure.

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. As a result of this, a full review of our policy arrangements took place in the first half of 2023-2024 with the revised policy published in November 2023. The revised policy has streamlined our approach to managing risk. We migrated away from our previous corporate / operational risk registers, by reviewing each risk and either reassigning to working groups to manage, removing if evaluated as no longer relevant to the organisation, or adding to the new, streamlined strategic and corporate risk registers. The strategic risk register is regularly reviewed by our Strategic Management Group (and further reviewed at Strategy Board). The corporate risk register is reviewed at Operational Group/Inspection Leadership Group. Each risk has an individual owner. Risk owners provide assurance and evidence that key controls for managing risks are in place and are working effectively. Central Services functional risks continue 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 2023-2024 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 2023-2024. 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 aim to achieve a three-year indicative budget from the Welsh Government to support 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

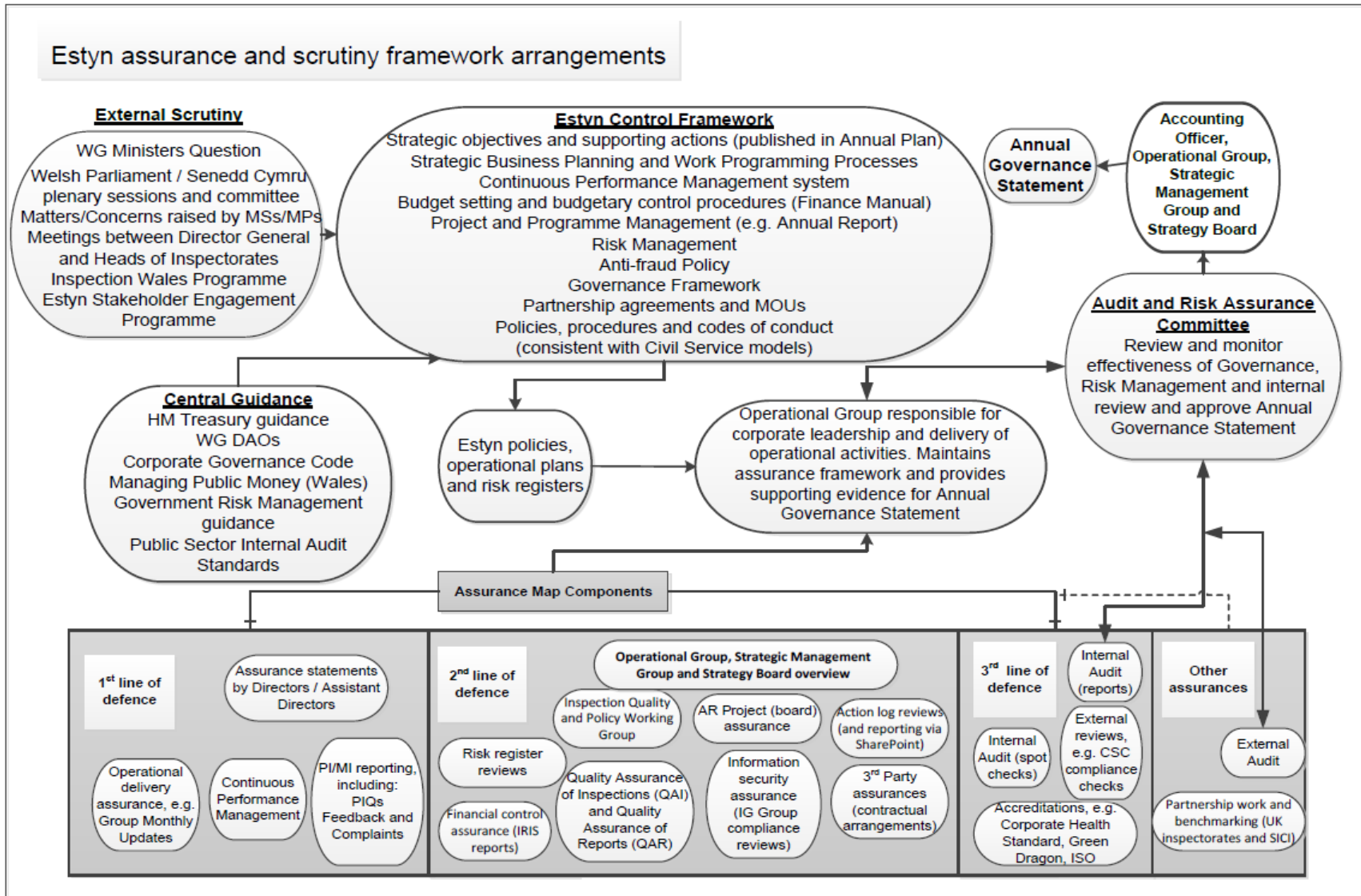
No significant issues have been identified during the year in relation to our overall governance framework. Internal audit reviews covered key areas of our business and it is pleasing to report that there were no significant areas of control weaknesses identified; all high-level recommendations raised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

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.

Owen Evans

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

Date: September 17th 2024



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.

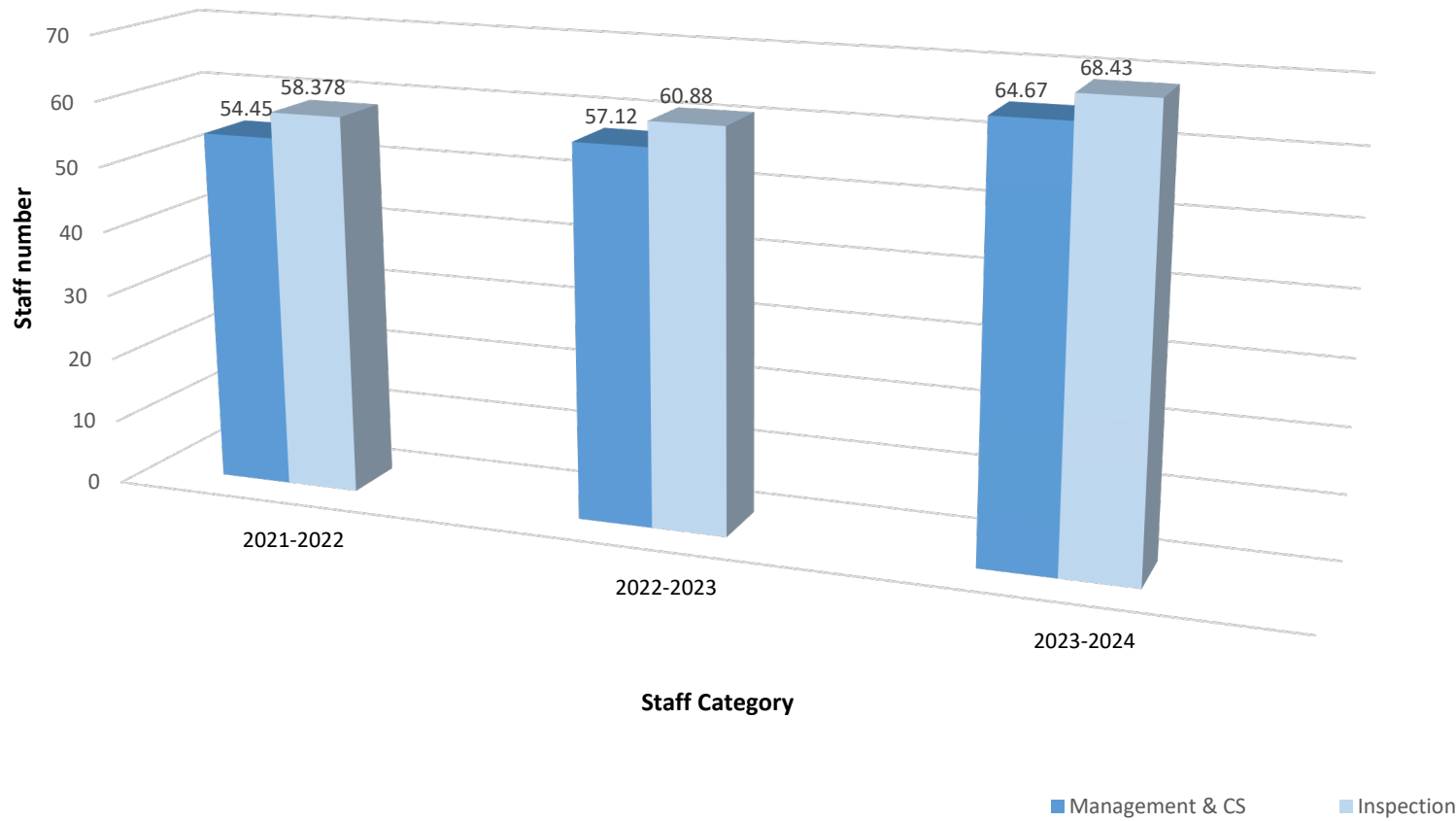
In agreeing pay awards for individual staff, the Estyn Remuneration Committee take regard of the following criteria:

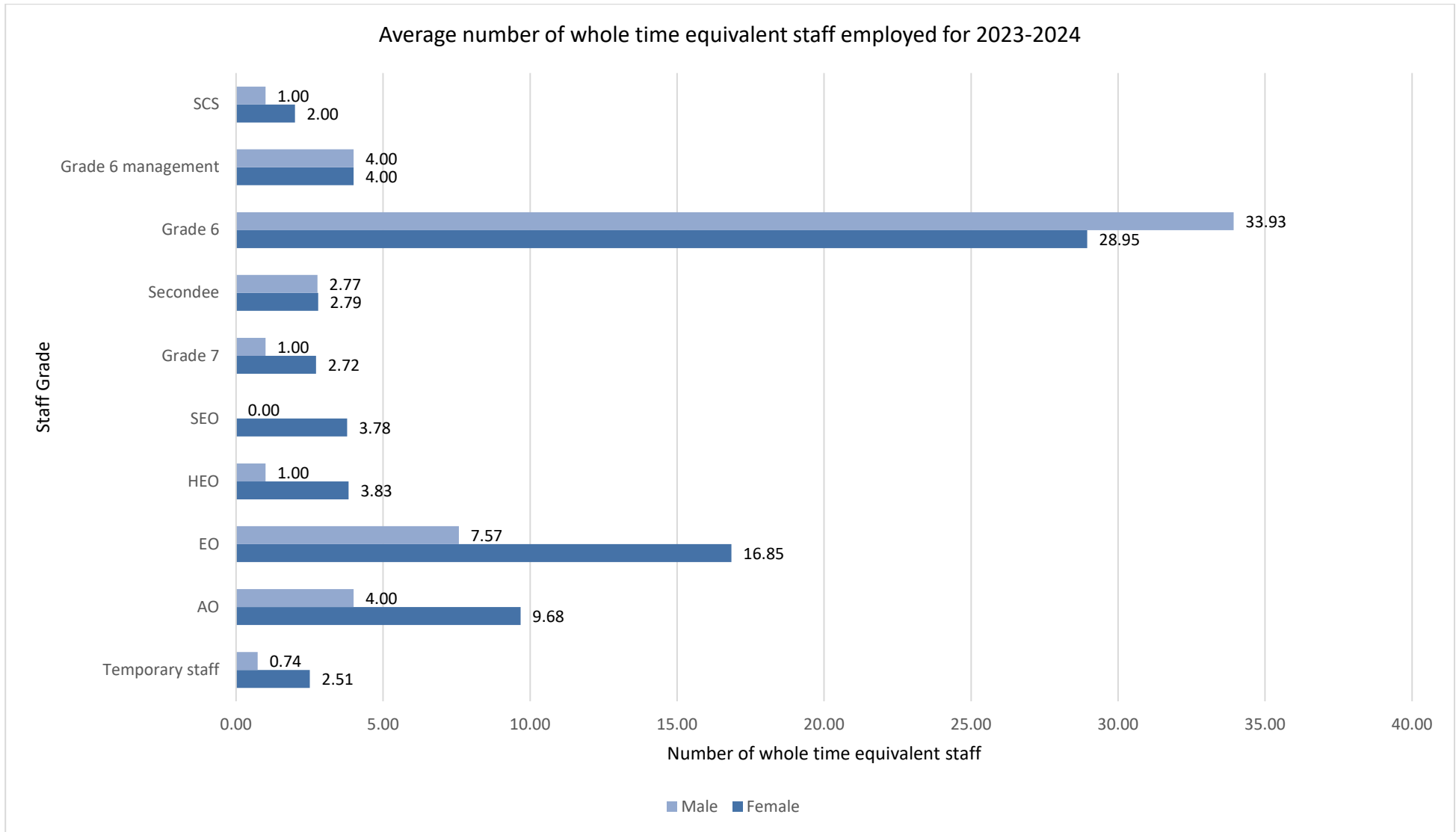
- the individual's growth in competency
- challenge associated with the job
- confidence in the individual's future performance

No SCS staff bonuses were paid in 2023-2024.

In line with the pay award for the Welsh Government SCS officials (1st April 2024) Estyn SCS Band 1 officials were awarded a pay increase of 2%.

Average whole time equivalent persons employed by staff category for 2021-2022, 2022-2023 and 2023-2024





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

Remuneration (salary, benefits in kind, and pensions) ³										
Officials ⁴	2023-2024					2022-2023				
	Salary £000's	Non-Consolidated Performance Pay £000's	Benefits in kind (to nearest £100)	Pension benefits to nearest £1,000 ⁵	Total £000's	Salary £000's	Non-Consolidated Performance Pay £000's	Benefits in kind (to nearest £100)	Pension benefits to nearest £1,000	Total £000's
Owen Evans OBE, His Majesty's Chief Inspector of Education & Training in Wales	150-155	-	-	59	205-210	140-145	-	-	55	195-200
Claire Morgan, Strategic Director	95-100	-	-	38	130-135	90-95	-	-	35	125-130
Jassa Scott, Strategic Director	95-100	-	-	59	155-160	90-95	-	-	7	95-100
Mererid Wyn Williams, Assistant Director Inspection and Central Services	90-95	-	-	41	130-135	85-90	-	-	17	95-100
Dr Emyr Roberts, Non-Executive Director	5-10	-	-	-	5-10	0-5	-	-	-	0 - 5
Professor Charlotte Williams OBE FRS, Non-Executive Director	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Professor Brett Pugh, Non-Executive Director	0-5	-	-	-	0-5	0-5	-	-	-	0-5
David Jones OBE, Non-Executive Director	5-10	-	-	-	5-10	0-5	-	-	-	0-5
Maria Rimmer, Non-Executive Director	0-5	-	-	-	0-5	0-5	-	-	-	0-5

³ Audited

⁴ FTE for each Official post in table below

⁵ 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)

Pension entitlements for senior managers⁶						
Officials	Accrued pension at pension age as at 31/3/24 and related lump sum £000's	Real increase/ (decrease) in pension and related lump sum at pension age £000's	CETV at 31/3/24 £000's	CETV at 31/3/23 £000's	Real increase/ (decrease) in CETV £000's	Employer contribution to partnership pension account nearest £100
Owen Evans His Majesty's Chief Inspector of Education & Training in Wales	50-55 plus lump sum of 0	2.5 - 5 plus lump sum of 0	801	667	42	-
Claire Morgan Strategic Director	35 – 40 plus lump sum of 0	0 – 2.5 plus lump sum of 0	665	565	30	-
Jassa Scott Strategic Director	35 - 40 plus lump sum of 0	2.5 - 5 plus lump sum of 0	701	600	43	-
Mererid Wyn Williams Assistant Director Inspection and Central Service	25-30 plus lump sum of 0	0 – 2.5 plus lump sum of 0	541	467	28	-

⁶ audited

Fair Pay disclosures⁷

Remuneration relationship

	2023-2024 £000's Chief Inspector	2023-2024 £000's Employee	2023-2024 £000's Ratio	2022-2023 £000's Chief Inspector	2022-2023 £000's Employee	2023-2024 £000's Ratio
Total Pay and benefits						
25 th percentile pay ratio	153	32	4.78	143	31	4.61
Median pay	153	77	1.99	143	73	1.96
75 th percentile pay ratio	153	82	1.86	143	79	1.81
Salary component of total pay						
25 th percentile pay ratio	153	32		143	31	
Median pay	153	77		143	73	
75 th percentile pay ratio	153	82		143	79	
Percentage changes				2022-2023 to 2023-2024	2021-2022 to 2022-2023	
% Change from previous financial year in respect of the Chief Inspector						
Salary and allowances				7.02%		3.64%
Performance pay and bonuses				0.00%		0.00%
Average % Change from previous financial year in respect of employees takes as a whole						
Salary and allowances				1.79%		2.98%
Performance pay and bonuses				0.00%		0.00%

⁷ Audited

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 4 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 will 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 2 schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% of pensionable earnings 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 3 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 their pensionable earnings during their period of scheme membership.

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

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

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the 2 schemes, but note that part of that pension may be payable from different ages.)

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

Cash Equivalent Transfer Values

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

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension

arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with the Occupational Pensions 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.

Compensation for loss of office

Exit Package: Reporting of Civil Service and other compensation schemes – exit packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of ⁸ exit packages by cost band
<£10,000	-	-	-
£10,000 - £25,000	-	-	-
£25,000 - £50,000	-	-	-
£50,000 - £100,000	-	1	1
£100,000 - £150,000	-	-	-
£150,000 - £200,000	-	-	-
Total number of exit packages	-	1 ⁹	1
Total resource cost/£000	-	£50,000 - £100,000	£50,000 - £100,000

Detail	2023-2024 £'000's	2022-2023 £'000's
Exit costs paid in year of departure	0	0
Total	0	0

⁸ Audited

⁹ Redundancy costs accrued in 2023-2024, paid in 2024-2025

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 2023-2024 includes a 5% pay increase.

Owen Evans

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

September 17th 2024

Staff report

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

Year	Permanently employed staff	Other ^[1]	Total staff
2022-2023	111.22	6.78	118
2023-2024	124.36	8.75	133.1

Staff sickness rates are as follows:

Headline staff measures		
Measure	2022-2023	2023-2024
Sickness absence rate	4.4%	2.9%
Proportion of staff accruing sickness absence	56.4%	35.3%
Average working days lost per employee	9.7	6.2
Average length of absence	8.9	8.4
Sickness absence occurrences (new)	79	92
Proportion of long term absence	75%	67%
Mental health accounts for 37% of all sickness absence, followed by Musculoskeletal and connective tissue which accounts for 29% of all sickness absence in 2023-24		

Staff turnover is noted on page 29 above.

For information about our approach to ensuring equality and diversity in our recruitment and retention practices, see page 26 above.

Total sickness absence rate of 2.9% against a target of <4%



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

2.3 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 2024 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 material 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 2024 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;
- 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 /adequate 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 the Estyn operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Estyn;
- 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; and
- 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 the Estyn's controls, and the nature, timing and extent of the audit procedures performed.

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

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

19 September 2024

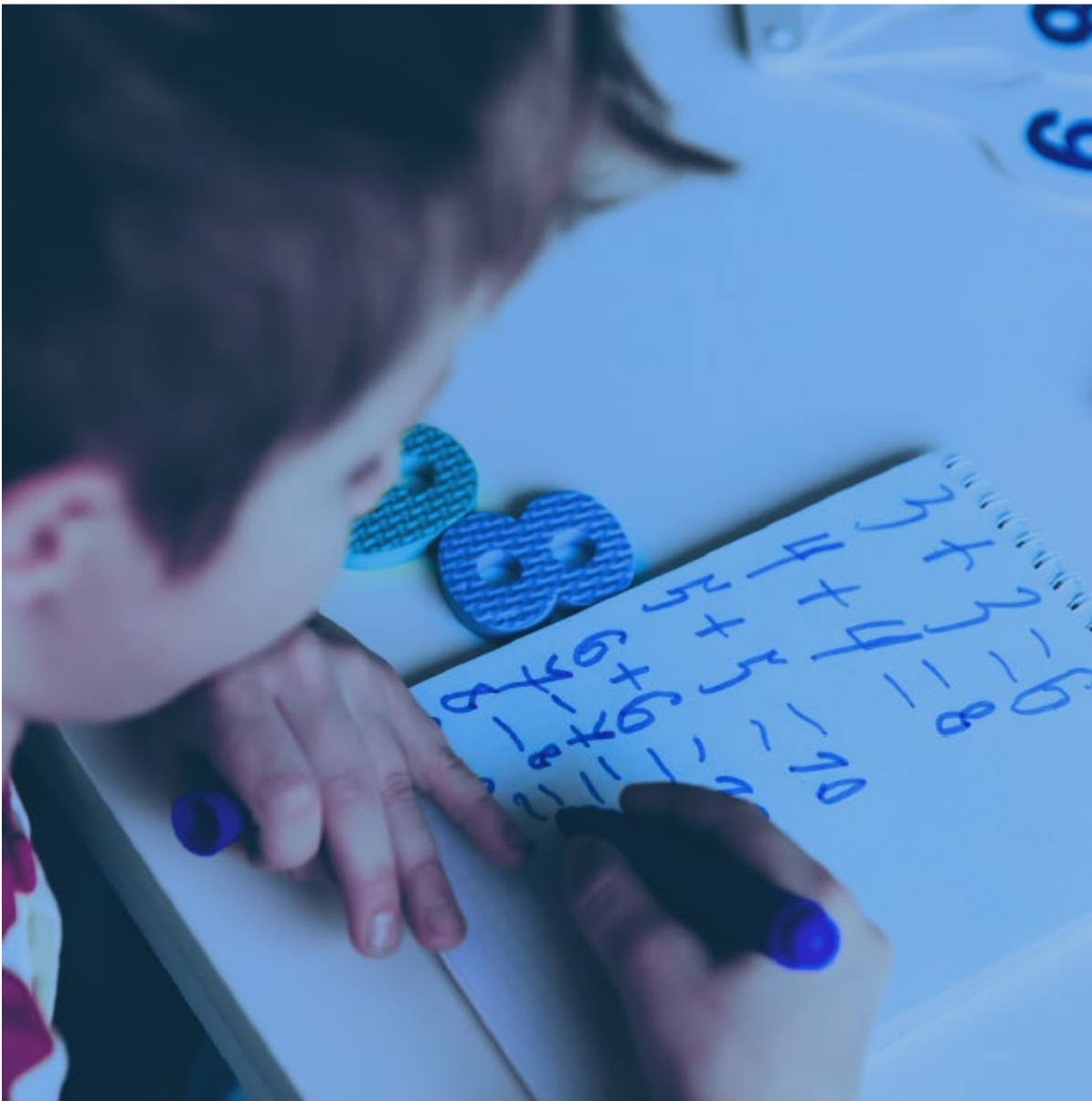
1 Capital Quarter

Tyndall Street

Cardiff

SECTION 3

Financial statements



3.1 Statement of comprehensive net expenditure for the year ended 31st March 2024

		2023-2024			2022-2023
	Notes	Budget £'000's	Outturn £'000's	Variance £'000's	Outturn £'000's
Resources					
Staff costs	2	12,100	12,110	10	10,131
Depreciation	5a&b	200	234	34	195
Auditor's remuneration	3	31	31	-	29
Other expenditure	3	3,392	3,297	-95	2,748
Total Resources		15,723	15,672	-51	13,103
Miscellaneous Income	3	-	-6	-6	-3
Net Operating Costs for the Year		15,723	15,666	-57	13,100

Net expenditure is reported as a single segment in line within [Annual Plan 2023-2024](#)

Budget figures are stated as within Estyn's Annual Plan 2023-2024.

The notes on pages 70 to 79 form part of these accounts.

3.2 Statement of financial position at 31st March 2024

	Note	2023-2024		2022-2023	
		£'000's	£'000's	£'000's	£'000's
<u>Non-current assets</u>					
Property, plant, and equipment	5a	287		238	
Intangible assets	5b	123		124	
Right-Of-Use assets	5a	191		269	
<u>Total non-current assets</u>			601		631
<u>Current assets</u>					
Trade and other receivables	7	188		190	
Cash and cash equivalents	8	633		1,461	
<u>Total current assets</u>			821		1,651
<u>Total assets</u>			1,422		2,282
<u>Current liabilities</u>					
Trade and other payables	9	-2,340		-2,059	
Lease liabilities	11	-78		-78	
Contribution received in advance ¹⁰		-		-11	
<u>Total current liabilities</u>			-2,418		-2,148
<u>Total assets less current liabilities</u>			-996		134
<u>Non-current liabilities</u>					
Provisions	10	-55		-45	
Lease liabilities	11	-119		-193	
<u>Total non-current liabilities</u>			-174		-238
<u>Assets less liabilities</u>			-1,170		-104
<u>Total Tax Payers Equity</u>			-1,170		-104

¹⁰ Contribution to costs monies received in 2022-2023 for 2023-2024 work.

3.3 Cash Flow 2023-2024

		2023-2024	2022-2023
	Note	£000's	£000's
<u>Cash flows from operating activities</u>			
Net Operating Cost		-15,666	-13,100
<u>Adjustments for non-cash transactions:</u>			
Depreciation	5a&b	234	195
Other Costs - provisions	10	10	-
Increase / (Decrease) in Trade & other payables	9	281	1,054
(Increase) / Decrease in Trade & other receivables	7	2	47
Increase / (Decrease) contribution received in advance		-11	11
Interest element on lease liability payments	11	3	3
<u>Less movements in payables not passing through the SoCNE:</u>			
Capital creditors		-	-15
Grant funding		-	120
Net Cash outflow from operating activities		-15,147	-11,685
<u>Cash flows from investing activities</u>			
Purchase of Property, Plant & equipment	5a	-161	-187
Purchase of intangible assets	5b	-44	-
Net cash flow from investing activities		-205	-187
<u>Cash flows from Financing activities</u>			
Financing activities – lease	11	-76	-78
Net Financing from the Welsh Government		14,600	12,489
Net Increase / (Decrease) in cash and cash equivalents		-828	539
Cash and Cash equivalents at beginning of year	8	1,461	922
Cash and Cash equivalents at end of year	8	633	1,461

3.4 Statement of Change in Taxpayers Equity

	£000s	£000s
Balance at March 31st 2023		-104
Total recognised income and expense for 2023-2024	15,666	
Net Welsh Government Funding for 2023-2024	14,600	
Deficit for the year	<hr/>	-1,066
Balance at 31 March 2024		-1,170

The notes on pages 70 to 79 form part of these accounts.

Owen Evans

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

September 17th, 2024

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) 2023-2024 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 2023-2024 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 Right of use assets

Estyn no longer has an operating lease, following the implementation of right of use asset and lease liability is recognised at the commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments, and incentives. The right of use assets are subsequently measured at either fair value or current value in existing use in line with property, plant and equipment assets.

The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use of fair value. The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property, plant and equipment assets. IAS 36 Impairment of Assets is used to determine whether the right of use asset is impaired and to account for any impairment loss identified.

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 2024-2025 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	2023-2024 Total £000's	Permanently Employed Staff	Agency & secondees	2022-2023
Wages and Salaries	8,089	8,089	-	6,985
Social Security Costs	938	938	-	823
Pension Costs	2,299	2,299	-	1,928
Total Net Costs	11,326	11,326	-	9,646
Plus:				
Secondees in	493	-	493	291
Agency Staff	167	-	167	154
NED costs	28	-	28	23
Apprenticeship Levy	28	-	28	17
Early departure	68		68	-
Total Staff Costs	12,110	11,326	784	10,131

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 Estyn 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 2023-2024, employers' contributions of £2.299m were payable to the PCSPS (2022-2023 £1.928m) 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 2023-2024 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

3 Other Costs

<u>Other Costs 2023-2024</u>	2023-2024	2022-2023
	£000's	£000's
Rental Under Operating leases - Accommodation	18	21
Other Accommodation	142	111
IT & Telecomms	754	698
Travel Subsistence & hospitality	697	662
Welsh Government Central Services	26	19
Auditors Remuneration - audit of accounts	31	29
General Administration Costs	503	318
Non Cash items:		
Change Provision for accommodation refit costs	10	0
Lease liability interest charge	3	3
Lease (Right of use of asset) depreciation	78	78
-Tangible asset depreciation	112	76
-Intangible asset depreciation	44	41
Sub total	2,418	2,056
Operating Income	- 6	-3
Sub Total Net Administration Costs	2,412	2,053
Other Costs		
Local Education Authority Inspections and associated costs		0
School Inspections and associated costs	845	798
General Inspection Related Costs	299	118
Remit Costs	-	-
Sub Total : Programme	1,144	916
Total Other Costs	3,555	2,969
Excluding Depreciation	3,321	2,774
without income and dep	3,328	2,777

4 Miscellaneous Income 2023-2024

	2023-2024	2022-2023
	£000s	£000s
Income:		
Registration fees	-2	-2
Miscellaneous	-4	-1
Total Income	-6	-3

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

	IT Equipment	Furniture & Fittings	Office Equipment	Right of use asset	Total
	£000's	£000's	£000's	£000's	£000's
<u>Cost or valuation</u>					
At 1 April 2023	956	134	3	347	1,440
Additions	104	57	-	-	161
Disposals	-31	-	-	-	-31
At 31 March 2024	1,029	191	3	347	1,570
Depreciation					
At 1 April 2023	721	131	3	78	933
Charged in year	111	1	-	78	190
Disposals	-31	-	-	-	-31
At 31 March 2024	801	132	3	156	1,092
Net book value					
At 31 March 2024	228	59	-	191	478
At 31 March 2023	235	5	-	269	507
Asset Financing:					
Owned	228	59	-	-	287
Leased	-	-	-	191	191

5b Intangible Assets

	Software £000's	Training material £000's	IT Systems £000's	Total £000's
Cost				
At April 1st 2023	11	-	402	413
Additions	-	3	41	44
Disposals	-		-	-
At March 31st 2024	11	3	443	457
				-
Depreciation				
At April 1st 2023	11	-	278	289
Charged in Year	-	1	44	45
Disposals	-		-	-
At March 31st 2024	11	1	322	334
Net book Value as at 31 March 2024	-	2	121	123
At March 31st 2023	-		124	124

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

Amounts Falling Due within Year	2023-2024 £000's	2022-2023 £000's
Trade Receivables	-	-
Other Receivables	20	93
Prepayments and accrued income	168	97
Total Debtors	188	190

8 Cash and Cash Equivalents

	31 March 2024	31 March 2023
Balance at 1 April 2023	1,461	922
Net Cash Inflow/(outflow)	-828	539
Balance as at March 31st 2024	633	1,461

9 Trade Payables & Other Current Liabilities

	31 March 2024	31 March 2023 ¹¹
Amounts falling due within one year		
Trade Payables	575	1,018
Payroll Funding	1,765	1,041
Total	2,340	2,059

¹¹ 2022-2023 figure restated to reflect annual leave accrual (£470k) has been included in Payroll funding rather than Trade Payables in both 2022-2023 and 2023-2024.

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
Balance as at 1 April 2023		
Within one year		
Between two and five years	45	45
Increase/decrease in provision	10	10
Amounts utilised in year	-	-
Remaining Provision	55	55
Within one year	-	-
Between two and five years	55	55
Total provision at 31 March 2024	55	55

11 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 was November 2023 and was not enacted, and year 3 which, which is November 2024, it is unlikely this will be enacted but the timing of the use of the provision, in the table above, reflects this possibility.

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

	Lease Liability
	£'000
Balance at 31 March 2023	272
Additions in year	-
Lease payment	(78)
Interest Charge	3
Balance at 31 March 2024	197
Current lease liabilities	78
Non-current lease liabilities	119
	197

12 Other commitments

Estyn has not entered into any non-cancellable contracts (which are not operating leases) as at 31st March 2024 (there were no non-cancellable contracts as at 31st March 2023).

13 Capital commitments

There are no capital commitments at 31st March 2024.

14 Contingent liabilities

There were no contingent liabilities as at 31st March 2024. There were contingent liabilities of £100k as at 31st March 2023

15 Related party transactions

The Welsh Government is a related party to Estyn. Material transactions with Welsh Government during 2023-2024 are:

- funding of £14.6m from Welsh Government (£12.489m 2022-2023)
- we paid Welsh Government £11.170m, mainly for reimbursement of staff salaries and corresponding deductions they pay on our behalf (£8.806m in 2022-2023)
- We had £978k accruals with the Welsh Government (£823k 2022-2023) and there were no debtors (£31k 2022-2023).

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

16 Events after the reporting period

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

Annex 1: Glossary of acronyms used in this report

ALN	Additional learning needs
ALNET	Additional Learning Needs and Education Tribunal
ARAC	Audit Risk and Assurance Committee
BSL	British Sign Language
CETV	Cash Equivalent Transfer Value
CIW	Care Inspectorate Wales
CPD	Continuous professional development
CSOPS	Civil Servant and Other Pension Scheme
CYPE	Children, Young People and Education
DAO	Welsh Dear Accounting Officer letters
FDA	Association of First Division Civil Servants
FOIA	Freedom of Information Act
FReM	Financial Reporting Manual
GBS	Government Banking Service
GCSE	General Certificate of Secondary Education
HIW	The Health Inspectorate Wales
HMCI	His Majesty's Chief Inspector of Education and Training in Wales
HMI	His Majesty's Inspector
HMICRFS	His Majesty's Inspectorate of Constabulary and Fire and Rescue Services
IFRS	International Financial Reporting Standards
ISAs(UK)	International Standards on Auditing in the United Kingdom
ITET	Initial teacher education and training
JICPA	Joint inspectorate review of child protection arrangements
LALI	Local authority link inspector
LGES	Local government education services
NED	Non-Executive Director
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
PRU	Pupil referral unit
Rgl	Registered Inspector
RgNI	Registered Nursery Inspector
RI	Reporting inspector
SCS	Senior Civil Service
SEP	Strategic Equality Plan
SICI	Standing International Conference of Inspectorates
SoFFP	Statement of Financial Position
UP	Underlying Principles
VAT	Value Added Tax