



**PUBLIC BOARD MEETING**

15 July 2021  
Virtual meeting  
09:30 – 13:00

<b>Public session</b>			<b>Page</b>
09:30	1.	Welcome and Opening Comments from the Chair	Oral
09:35	2.	Apologies and Declaration of Interests	Oral
09:40	3.	<a href="#">Minutes of the Board meeting 29 April 2021</a> To endorse	SCW/21/17 3
09:45	4.	<a href="#">Action log</a> & Matters arising	SCW/21/18 25
09:50	5.	Update from Committee Chairs To note and receive	Oral
10:05	6.	Context setting and key messages from the Chief Executive To note and receive	Oral
<b>For decision:</b>			
10:20	7.	<a href="#">Draft Annual Report and Accounts 2020-21, audit of accounts report Appendix 1 Appendix 2</a> To consider and approve	SCW/21/19 29
<b>10:50 – 11:00 Comfort Break</b>			
11:00	8.	<a href="#">Chair of Audit and Risk Committee assurance report to the Board Annex 2</a> To consider and approve	SCW/21/20 124
11:10	9.	<a href="#">Equal Pay Review 2021</a> To consider and approve	SCW/21/21 150
11:20	10.	<a href="#">Scheme of Delegation</a> To consider and approve	SCW/21/22 164
<b>11:30 – 11:40 Comfort break</b>			

11:40 11. [Business Plan: Quarter 1 progress report](#) SCW/21/23 171  
To consider and approve

12:15 12. Strategic Plan overview 2022-2027 Presentation  
To consider and approve the direction

**For discussion:**

12:50 13. Meeting effectiveness Oral  
To discuss

**Date of next meeting:**

**Thursday 21 October 2021**



**Gofal Cymdeithasol Cymru**  
**Social Care Wales**

**PUBLIC BOARD MEETING**

**29 April 2021**

**Virtual Zoom meeting**

**09:30 - 13:00**

**Present:**

**Board Members:**

Mick Giannasi  
Abigail Harris  
Carl Cooper  
Damian Bridgeman  
Donna Hutton  
Emma Britton  
Jane Moore  
Jo Kember  
Kate Hawkins  
Maria Battle  
Peter Max  
Rhian Watcyn Jones  
Simon Burch  
Trystan Pritchard

**Social Care Wales Officers:**

Sue Evans (Chief Executive Officer)  
Andrew Lycett (Director of Finance, Strategy and Corporate Services)  
David Pritchard (Director of Regulation)  
Sarah McCarty (Director of Improvement and Development)  
Geraint Rowlands (Assistant Director Finance & ICT)  
Kate Salter (Assistant Director Corporate Services)  
Rhianon Jones (HR and Wellbeing Manager)  
Llinos Bradbury (Governance Senior Officer - minutes)

**In attendance:**

Aled Jones, Cymen (simultaneous translation)  
Natalie Price

**Public session:**

**1. Welcome and Opening Comments from the Chair**

- i. The Chair welcomed everyone to the meeting and stated that this was a virtual public Board meeting with simultaneous translation available. The Chair encouraged those who were able, to contribute in Welsh.
- ii. The Chair informed the Board members that like the January meeting the section on meeting effectiveness would be undertaken slightly differently. For this meeting members are encouraged to provide their feedback on a Jamboard where three questions had been asked, and the comments will be picked up at the end of the meeting.

**2. Apologies and declarations of interest**

- i. Apologies were noted from Grace Quantock.

- ii. CC declared an interest as Chair of the Resourcefulness Communities Partnership which is referenced within the Business Plan 2021-22 on the agenda.

### 3. Minutes of the Board meeting 28 January 2021

- i. The minutes of 28 January 2021 were discussed and **endorsed** by the Board as an accurate record of the meeting.

### 4. Action log and matters arising

- i. Members' attention was drawn to the rolling action log which provides updates on progress which has been made against outstanding actions since the last meeting.
- ii. JM asked whether the legacy report from the Vulnerable Children and Young People Ministerial Advisory Group (MAG) had been produced and was available. SMC confirmed that the legacy report had been produced and discussed at a MAG meeting; the finalised version is currently being translated and designed and will be shared with MAG members to cascade once ready.
- iii. The Chair updated the Board on the action in relation to inviting the Registration team to a Board meeting to thank them for their work which did not happen due to COVID-19. This then resulted in a structured programme of increasing the Boards visibility and engagement with staff whilst working remotely. Over the last 6 months the Chair, supported by members of the Board, has met with around 80% of the organisation through their departmental meetings. The meetings provided the opportunity for a two-way conversation to 'test the temperature' of the organisation. It is clear from the conversations that the Board can be reassured that the organisation has a dedicated and committed workforce, with high morale and engagement. Staff have valued the visible support from the Executive Management Team, which is consistent with the results of the recent staff survey undertaken. A more detailed briefing paper has been prepared and will be uploaded onto the portal in the next few days. Thought should be given to repeating the process over the next 12 months albeit on a slightly revised format.
- iv. SB asked whether discussions relating to Black and Asian Minority Ethnic Groups' recruitment and equalities action was progressing, as this had been an action since the October meeting. RJ apologised for the delay in progressing these actions and confirmed that emails to arrange a meeting had been sent to EB and DB this week to help support upcoming recruitment to the organisation.
- v. The Chair asked for the actions to be given a reference number going forward to help identify actions in future. **ACTION**
- vi. There were no further comments or questions on the action log.

### 5. Update from Committee Chairs

- i. As Chair of the Audit and Risk Committee, RWJ provided a summary of the discussions at the March Committee meeting and in particular, highlighted: -
  - a very positive internal audit report where substantial or moderate assurance was provided in a number of areas.
  - the scrutiny which had been provided in relation to the ISO re-accreditation process or Information Security Management System (ISMS) which would be discussed later in the agenda.
  - a productive discussion in relation to remote working and how best to implement a future of blended working model based on learning from good practice.
- ii. As Chair of the Improvement Committee, PM highlighted two key items: -
  - a deep dive which was conducted into the interim review of the Social Care Research Strategy.
  - a presentation from the Assistant Director of Regulation which outlined the offer to registered persons and the regulation for improvement agenda (the same presentation was also heard at the Regulation and Standards Committee meeting).
- iii. The presentation highlighted (i) the longer-term opportunity to improve practice from the register, (ii) considerations for future CPD which will move away from an emphasis on counting hours to providing opportunities for people to reflect on their learning and (iii) capturing themes from Fitness to Practise (FtP) to be shared with the sector.
- iv. As Chair of the Regulation and Standards Committee, SB commented on the quality of the strategic and operational discussions which took place during the meeting. In particular, he highlighted the stimulating presentation which had been provided by Sarah Harris from Kingsley Napley setting out the interim findings of the review of the FtP process. The presentation highlighted a range of emerging opportunities to improve efficiency, most notably around thresholds and risk management. She had also commented that staff had engaged fully in the process and there was a genuine commitment to the process and to the concept of continuous improvement. The full report and management response will be discussed at the June Committee meeting.
- v. Following a request from the Committee for an update on COVID-19, David Pritchard presented the Committee with an update from a regulatory perspective. SMC also provided an update on the winter pressures from the sectors' perspective, where the demand is likely to continue well into the summer. She also reflected on the positive changes to practice that have come from working through the pandemic.
- vi. The Chair also added his reflections on the Committee meetings having observed all three. In particular, he commented on the increasing synergy between the Committees and the value of the interaction with external stakeholders in attendance. SE also added that extending the membership of the Committees has helped to strengthen the discussions as well as reflecting the maturity of the organisation, the Board and the Committees. She felt the Committees function well, enabling the Board to delegate work, where deeper discussion and scrutiny can take place.
- vii. There were no comments or questions from the updates provided.

## **6. Context setting and key messages from the Chief Executive and Directors**

- i. The Chair said that this item had been moved nearer the start of the agenda, following feedback at the January Board meeting, when members stated it is sometimes difficult to get the context of the agenda items until the Chief Executive had provided her update.
- ii. In terms of the agenda for today's meeting and context, SE reflected that the elections for the Welsh Senedd were on 6 May and social care was high on the list of priorities within all of the major parties' manifestos. The stakeholder and evidence briefing prepared last year will be refreshed and shared with all Senedd members. The new Government will also develop its response to the White Paper on Rebalancing Care and Support following the recent consultation, with potential new work for Social Care Wales once the new government and Cabinet is formed and programme of work agreed. SE and the Chair will meet with both the WLGA and ADSS Cymru soon after the elections to collectively discuss the new government's priorities and what it means for the sector.
- iii. SE informed the Board that Welsh Government has confirmed that the date for the registration of adult care home workers will be deferred to October 2022. Taking this into account, the additional staffing capacity required to meet the increased demand is being refined. The delay will also result in a loss of income of £500k through registration fees.
- iv. SE reflected that the quarter four update on the 2020-21 Business Plan, provides the opportunity to reflect on a challenging year during which the organisation has delivered the expectations set out in the remit letter expectations and adapted well to support the sector during the pandemic. SE congratulated Directors and their teams for their achievements.
- v. SE highlighted some the key items which were on the agenda and provided some context for the discussions which followed: -
  - the Business Plan for 2021-22 is set in the context of recovery for the sector, with a move to outcomes and targets. However, it should be noted that some of the strategic objectives will take several years to deliver, and it is therefore important to have meaningful targets and milestones as part of the Business Plan for 2021-22.
  - the Strategic Equality Plan consultation document will inform a new strategic equality action plan, whilst also linking to the Welsh Government's Race Equality Action Plan.
  - the item on the changes to the Social Work Degree rules links to the work on regulation for improvement and the Workforce Strategy. Under the Workforce Strategy there are workforce plans for the qualified social worker, mental health, and domiciliary care workforce plan.
  - the ISMS paper provides an update, following discussions at the March Audit and Risk Committee and as part of strengthening governance arrangements,

development of a Board Assurance Framework and upcoming Board membership changes.

- vi. SE also took the opportunity to update on a number of other developments, namely: -
- it is expected that the Welsh Government will establish COVID-19 recovery plans for the social care sector and the Directors are actively involved in the meetings. This will require agility and some flexibility in the business plan, which the Board has previously been supportive of.
  - Social Care Wales' staff wellbeing is still high on the agenda with support from the Health and Wellbeing Group, the Staff Partnership Council and team meetings. The recent staff survey has shown that most members of staff would like to see a hybrid model of working in future. The Leadership Team has since met to consider the feedback from a business need, consideration of best practice and what other service areas and businesses doing. The current ethos is to look for maximum flexibility with minimum disruption whilst looking if any changes are needed to staff contracts etc, before any phased return to the office starts.
  - the new staff PDP process, which focusses on supporting staff to deliver their own objectives and on wellbeing, is being rolled out and implemented. The COVID-19 experience has allowed learning and development to be driven forward in a flexible and supportive way.
- vii. The Chair thanked SE for the update which helpfully set the context for the meeting and asked members for any questions or comments.
- viii. PM asked how fairness and equality would be achieved within the organisation if there is a shift to working flexibly as recent studies have shown that promotion, progress, and visibility can be impacted upon if only working from home. He asked that time is taken in designing the future way of working whilst also engaging with staff to minimise any potential risks. SE said that a range of international evidence has been gathered for consideration and those issues were recognised. However, she also acknowledged that ensuring that equality and fairness are maintained will mean having to be extra vigilant and require additional conversations with every member of staff. To date this can be demonstrated but needs to be a continuous process.
- ix. MB asked whether it might be possible to share any evidence, research and best practice which is gathered about the how the balance working between working from home, working from the office and working in a hub impacts on staff well-being as this is something that all employers are currently considering. SE said that she would think about how best this might be achieved.
- x. DB asked whether other organisations could use our office space to work in future to cultivate partnership working. SE confirmed that this something which is being considered. The Chair also added that the Welsh Government are taking a wider strategic approach to hub working and is looking to develop a public sector approach.
- xi. CC asked how much engagement there has been between Social Care Wales and the Public Service Boards (PSBs) and the Regional Partnership Boards (RPBs) to use the data and intelligence the organisations has whilst the PSBs and RPBs are

undertaking the population and wellbeing needs assessments. SE said that soon after Social Care Wales was established it began working with the RPBs and Welsh Government on the methodology for the population needs assessment and has used the data internally to inform the national data picture. SMC added that in some areas, Social Care Wales has a seat at the RPB and as such, there is a direct link. However, all RPBs work slightly different, with varying governance arrangements, and the links are more remote, often through the workforce sub-groups. Work on the data portal has been shared with RPB's and this will be refined this during 2021-22. SMC said that she would arrange for officers write to RPB leads to remind them of the potential benefits of the data portal and the support available from Social Care Wales. **ACTION**

- xii. AH echoed the need to be flexible when considering the Business Plan 2021-22 to allow flexibility to respond to the emerging programme for the Welsh Government and the White Paper. AH also emphasised the fragility of the sector as several organisations are currently being supported by COVID-19 grants and may find themselves in difficulties once the grants end, which is something the White Paper is trying to address. Referring to earlier conversations on RPBs and the need to spread innovation and good practice AH noted that Powys RPB have established an Academy for training and recruiting health and care staff.
- xiii. SE advised the Board that a session was held on 28 April with Supporting Adult Social Care Innovation (SASCI). This is an England based programme, but we are looking at opportunities to support the programme in Wales. There are also links with the Bevan Commission 'adopt and spread' activities as well as a new intensive learning academy focussed on supporting the adoption of 'what works' at scale and pace.
- xiv. SE referred to the Remit Letter which makes it clear for the first time that Social Care Wales is the lead agency for service improvement in Wales. This is helpful, given that other organisations are also using their capacity and resources to support health and social care but means that have to work well with partners to avoid duplication and agree priorities for action.
- xv. In relation to keeping in touch with RPBs, SE said there are a number of ways to do this through the workforce sub-groups, where there is active engagement with the learning and development managers that feed into the RPB planning groups. As SMC mentioned earlier, it would be useful to write to the RPBs again and offer to meet with the Boards where Social Care Wales is not currently a member of the RPB. This would be timely in light of the development of the new strategic plan.
- xvi. The Chair suggested that he and SE discuss the issues of the outside the meeting their to consider how the organisation can better engage with the RPBs to explore the opportunities for strengthening the partnership. **ACTION**

## **7. Business Plan 2021-22**

- i. SE introduced the Business Plan 2021-22 which has been shaped following receipt of the Remit Letter and budget allocation. She said that the business plan is ambitious, and some flexibility will be needed to adapt and change during the year in response to developments, particularly in response to the Welsh Government's programme for

government and the White Paper. Following approval, the Plan will need to be submitted to Welsh Government, subject to any changes discussed and agreed during the meeting,

- ii. SE highlighted the key areas within the Business Plan.
- iii. In terms of deliverables, the plan is focused on: -
  - maintaining and adapting core activities in light of COVID-19,
  - supporting recovery,
  - increasing the sustainability of the sector.
- iv. The plan focuses those deliverables on the needs of four groups, namely: -
  - the social care and early years workforce
  - managers, leaders and owners
  - strategic leaders, stakeholders and partners
  - our own organisation.
- v. SE said that the plan also outlines the corporate governance arrangements which underpin the delivery of the plan and sets out the financial allocations on which it is based. In terms of finance, there is still some uncertainty about the recurring nature of the 2021-22 budget allocation going forward and a section has been included on the financial background and assumptions to reflect this. In terms of corporate governance, some activities lend themselves to milestones and targets whilst others, mostly in relation to improvement and development objectives, have extended timescales with a focus on longer term outcomes.
- iv. The Chair thanked SE for her overview and opened up for comments and questions. He asked Members to focus on the substance within the plan and suggested that any points on detail or grammatical issues should be emailed to officers outside the meeting. He also said that at the end of the discussion, he would be proposing that the Board delegates final sign off of the Business Plan to the Chair and CEO so that anything which emerged from the discussion could be incorporated within the plan before it was sent to Welsh Government.
- v. KH said that she was happy to support the Business Plan. She felt that the context setting at the beginning of the document was very compelling. This demonstrated the organisation's closeness to the work of the sector over the last year, whilst also recognising the inequality which will inform future work. Referring to priority area four, and reflecting on previous discussions, KH asked whether reference can be made to the organisation becoming 'green' and energy efficient, perhaps through the publication of an annual sustainability report or environmental statement.
- vi. SE said that the conversation regarding new ways of working has included consideration of the benefit to the climate of less travel, but consideration can now be given to how this can be strengthened within the Business Plan. AL said that environmental gains achieved to date have been consequential of the pandemic rather than as a result of a structured approach but agreed that a statement could be added to the Business Plan now and that some thought could be given to a more

structured approach, such as being carbon neutral by 2030, as part of the new Strategic Plan.

- vii. PM said that he was encouraged by the Plan and the level of ambition within it. In particular, he highlighted two phrases 'everything we will do will make a difference to high quality care and support' and 'having meaningful conversations [...with partners] and reflecting views before decisions are made'. He felt that these were important lenses through which needed to be fully reflected in the way in which the Board and the organisation work.
- viii. PM also raised a number of issues which he would welcome a response to. Firstly, he was concerned that there is no reference within the plan to commissioning or to the pay and terms and conditions of the workforce. He felt that both of these issues were critical to the future sustainability of the sector and the fact that they were not reflected could result in the plan being considered not relevant by those working in the sector. Secondly, he felt that regulation for improvement, which is a key principle for the organisation, was not sufficiently referenced within the plan. Thirdly, the term strategic leaders were not defined so it was difficult to know who is meant by it. Finally, he wondered whether a bespoke 'plan on a page' could be developed over the year for each stakeholder group.
- vix. SE responded to PM's comments, firstly saying that commissioning and terms and conditions of service is something that is outside the organisation's control. However, the organisation does have a significant influence through its active involvement in the Fair Work Forum and as members of the National Commissioning Board. She said that she would give some thought to how this could be better reflected in the current plan. In terms of defining strategic leaders, it would be difficult to develop a list as new partners are developed continuously but suggested that the Board could look at this in more detail during the session on stakeholder engagement which has been built into the Board Development programme. She also agreed to look at how references to 'regulation for improvement' could be strengthened and to consider the value of developing a 'plan on a page' for the three main audiences.
- x. PM thanked SE for her responses. He agreed that it might not be practical to list specific organisations as strategic leaders but thought that it was important to define what type of organisation was included in the term. SMC added that 'strategic leaders' are defined as those looking across a locality or community rather than a single service provider.
- xi. CC said that he supported the Business Plan and was grateful for the work undertaken to produce the document. However, he found it difficult to identify how the contributions provided by members during the recent Board development session had influenced the content of the plan and thought that might it be useful to see a tracked change or a highlighted version showing any changes in future.
- xii. CC also referred to the use of the word 'customer' within the Plan and asked if that is how we saw the people that we work with. For him, the term 'customer' implies a transactional relationship. For the majority of organisations or bodies Social Care Wales works with' there is no transactional relation, rather a co-working or partnership relationship. For that reason, he wondered whether customer the right word to be

using? CC also commented that whilst the plan lists groups, organisations and associations that the organisation works with it does not seem to include any that represents unpaid carers, although he noted that WCVA is included.

- xiii. Responding to CC's comments, SE said that in terms of the organisation's role in supporting unpaid carers, it is important that we do not 'tread on the toes' of others working in this area and that in a complex landscape, it is challenging when listing organisations to ensure that no-one is left out. On that basis, WCVA has been included as an umbrella organisation for all voluntary groups in Wales. Referring to the use of the term 'customer', this reflects the organisation's ambition to become more focussed and responsive to needs of those we work with. It is not used to imply a financial transaction; rather to indicate that as a public body, we want to meet and respond to the needs of the people we deal with. That said, she would work with the team to consider whether there is a better word to use. In relation to CC's question about the Board's influence on the final draft, she reassured him that the discussion at the development session had informed the further development of the final draft but accepted that tracked change version on the portal may have been useful in demonstrating that.
- xiv. CC said that he was happy with the responses but emphasised that unpaid carers are an important part of care provision. He acknowledged that the WCVA is an umbrella body for the third sector but emphasised again that unpaid carers are an important and sometimes overlooked aspect of care, and that is why he felt that it needed to be specifically highlighted.
- xv. EB echoed CC's comments on the use of the word customer. She also said that the interests of young people are central to the plan but there is no detail within the plan about how their views are going to be reflected which makes the plan seem a little superficial in this regard. She also wondered from a wider perspective about our relationship with the Future Generations Commissioner which is not referenced currently within the Plan.
- xvi. SE said that involving the voices of young people is also an area where we are working with others rather than taking a direct lead, although it is an important principle in terms of the way the organisation works. SE highlighted a number of recent examples where young people had been actively involved in developing initiatives, including the residential childcare conference and the development of an expert reference group working alongside the Children's Commissioner for Wales.
- xvii. EB said that she was aware of the work being undertaken. However, she did not feel that this was explicit enough in the public facing document and thought that the organisation could be a little bit too reserved in promoting its work at times. In response, SE reflected on the previous comments by CC and PM and agreed that there was a need to think again once the plan is agreed about how to promote the organisations work as a means of engaging others.
- xviii. PM added that the Future Generations Commissioner has been doing some reverse mentoring with young people, providing them with the opportunity to mentor people in leadership roles. He asked if this is something that could be built into our work? MB also said that Hywel Dda UHB have introduced reverse mentoring for the Board

involving groups of young people, front line staff and BAME staff. She felt that this was a great way to hear and be influenced by lived experiences and wondered if it was something the Board should consider.

- xix. The Chair thanked the Board for their comments and contributions and summarised the discussions which had taken place. He thought that it would be fair to say that there is broad support for the 2021-22 Business Plan. In particular, members felt that the context was set out well and the ambition within the plan was appropriate although they acknowledged that a degree of flexibility was required to enable adjustment as the new government is formed and its plans emerge.
- xx. A number of helpful suggestions had been made which officers will take away and incorporate into a final version for submission to Welsh Government. The main issues for consideration could be summarised as follows: -
- there needs to be a clearer statement of our ambitions to develop a greener organisation in the plan which will be developed and built upon further in the Strategic Plan.
  - the sector would be looking for a response around commissioning and terms and conditions and these issues should be brought out more clearly in the plan.
  - the plan should be clearer about what is meant by the term strategic leader.
  - some thought should be given to how the plan could be brought to life and how the work which the organisation is doing can be promoted going forward.
  - there were mixed views about the use of the word 'customer' and whilst recognising the difficulties in finding a suitable alternative, some thought needed to be given to how this might be addressed.
  - consideration needed to be given to how the contribution of unpaid carers could be better recognised as well as the inclusion of the voices of young people and these issues should also be carried forward into the Strategic Plan.
- xxi. The Chair also highlighted two wider issues which had emerged from the discussions. Firstly, there is a need in future to provide clear audit trails, either tracked changes or a schedule of amendments to show how members contributions had influenced later drafts of key documents. Secondly, there had been some helpful contributions highlighting the potential benefits of reverse mentoring which the Chair and CEO would pick up outside the meeting, possible through the CCG. **ACTION**
- xxii. Subject to those considerations, the Board approved the 2021-22 Business Plan in principle and **delegated** final approval to the Chair and Chief Executive.

## 8. Strategic Equality Plan consultation document

- i. AA presented the report to the Board and emphasised that the paper was seeking approval to undertake a formal consultation on the organisation's Strategic Equality Plan, subject to the risks identified within the paper. In doing so, he highlighted a number of issues which members should take into account when reaching a decision, as follows: -

- the information contained within the report is evidence based and informed by Welsh specific reports which have highlighted the inequalities experienced by individuals and communities during the current pandemic.
  - on behalf of Social Care Wales, Diverse Cymru have undertaken engagement with people with protected characteristics to test out the proposed equality and diversity objectives. The feedback provided indicated that people felt the focus was on the right areas.
  - the paper identifies a number the significant consultations and inquiries which are currently taking place, and these will need to be factored into the final version of the Strategic Equality Plan once the findings and conclusions are published, namely: -
    - the current Welsh Government consultation on their Race Equality Action Plan which provides a leadership role for Social Care Wales in relation to the social care sector.
    - the inquiry by the Equality and Human Rights Commission into the experience of low paid health and social care workers during the pandemic which will shortly be published.
    - the Welsh Government's LGBTQ+ action plan, which is currently being developed and will also include actions for Social Care Wales.
  - the Social Care Wales consultation document has been kept at a very high level to ensure that when the outcome of those other consultations and inquiries are concluded, any actions can be built into the plan.
  - the document goes beyond equality and diversity with a clear message about anti-discrimination and the leadership role which Social Care Wales will have, both in the social care and early years' sectors and the wider public sector in Wales.
- ii. The Chair thanked AA for his clear and concise overview of the paper and asked for comments or questions on the paper.
- iii. DB requested that when engagement is undertaken that this is not done with the same group of people as there is a need to engage and listen to those who are harder to reach within communities. The Chair also added that it would be useful to have an understanding of who is expected to respond to the consultation.
- iv. AA said that the requirement to engage with those who have protected characteristics is a duty within the equality legislation and that has been done. The next phase will be to reach out to citizens, people who use services and the social care sector. There is also a need to seek views from the wider public sector as the equality objectives impact upon leaders, employers, the workforce and people who use services. AA confirmed that there will be a publication and communications plan to accompany the consultation and the opportunity would be provided for interested individuals or organisations to a direct discussion with AA to provide feedback.
- v. JM added that it will be important to consider which consultation mechanisms are utilised in order to avoid appearing tokenistic and to ensure that harder to reach groups are engaged. She also suggested that the organisations work in relation to the Register and Fitness to Practice is specifically included within the 'What We Do' section. This is a core activity for the organisation, and it is not mentioned.

- vi. PM asked whether it would be helpful to collect information on the type of organisation responding rather than just the name. Reflecting on the earlier conversation on Future Generations and the environment, he asked whether poverty and Welsh Language should also be added as part of the consultation.
- vii. SB thanked AA for the clarity within the report and the air of confidence which it exudes; he felt that this was important when discussing such sensitive issues. He was pleased to see under-represented and marginalised groups reflected as well as the issue of pay for women in a female dominated workforce. SB suggested it might be useful to have individual stories to show how the actions within the plan can be put into practice as a way of bringing the strategy to life.
- viii. TP added a general comment. The equality and diversity duty has been placed on organisations for several years now and although there has been some strengthening in terms of strategies and impact assessments it feels like it may now have become just another duty in a long list for public sector organisations. The reference to the organisation being a leader in this area is encouraging as well as the clear statement on the organisation moving from equality to anti-discrimination. However, he felt this didn't come through as strongly as it might in the document itself. TP made reference to a news item only that morning on the rates of take up of the COVID-19 vaccination and how this differed dependent on background and poverty. This demonstrates that these are real and current issues. TP was also pleased to see the digital inclusion being referenced as a result of the impact COVID-19.
- ix. AA thanked the members for their comments and questions and said that he would strengthen the document as suggested. Anti-poverty and Welsh language had been included in previous versions and will be re-instated following members comments.
- x. The Chair asked AA to explain what the next steps would be. AA said that the intention was to go out to formal consultation for a 12-week period from 1 June to 17 August. The Strategic Equality Plan will then be drafted to take into account the Welsh Governments current consultation, the outcome of the EHRC inquiry and any other action plans the Welsh Government wants to be considered. The plan will then come back to the Board in October with clear objectives, actions and metrics.
- xi. JK asked whether a change in Government would affect the timescales for the development of the Strategic Equality Plan, AA thought not. These are current real-life issues which will need to be addressed irrespective of any potential changes.
- xii. The Chair thanked members for their questions and comments and summarised the discussion. There was clearly a great deal of support for the paper and much appreciation of the work undertaken.
- xii. The Chair thanked AA for his ownership of this issue and commented on the value of having someone with his knowledge, insight and personal commitment taking forward this important work on behalf of the Board and the organisation. It was very much appreciated.

- xiii. The Board agreed the consultation document in principle and **delegated** final approval to the Chair and Chief Executive subject to consideration of the issues discussed during the meeting.
- xiv. The Chair also suggested that discussion about the plan and the results from the consultation could be included within the Board Development Session programme.

**9. Changes to ‘The Framework for the Degree in Social Work in Wales 2018’ (The Social Work Degree Rules)**

- i. HD provided the Board with an overview of the paper and highlighted the proposed changes which the revised rules would introduce if approved. The table within the report highlights the specific changes which are proposed. HD said that he would be happy to answer any questions on those proposed changes.
- ii. In the main, the changes were administrative and designed to provide short to medium term future proofing. In effect, the revised Rules would provide the opportunity to respond in an agile way to an emergency such as another pandemic.
- iii. The Board were asked to note that in the background to the changes, standards of degree education for social workers have been maintained over the past year, despite the increased flexibility provided to both Higher Education Institutions (HEIs) and students to respond to the impact of COVID-19.
- iv. HD also added that within this years’ Business Plan, there is a proposal to commission research on the impact of COVID-19 on newly qualified social workers and to review the way in which the number of placements are assigned to courses. This may identify longer-term changes that are needed to the Rules going forward.
- v. The Chair thanked HD for his overview and asked members for their questions or comments.
- vi. EB said that she agreed with the changes that make sense in light of the current circumstances.
- vii. AH followed up on HD’s comments in relation to the review of people’s lived experience during the pandemic. She said that it would be wise to pause and reflect on those responses once received. Whilst there will have been an immediate effect on people in the initial response, the real opportunity is to use the information to identify what people need in terms of care and support post COVID-19 and in particular how that can be digitally enabled. It is important that time is allowed for the situation to settle to be able to understand what is actually needed and to then create the right balance between hands on care and what can be digitally delivered. That will then enable the impact on training and learning for the workforce to be identified.
- viii. HD agreed with AH’s comments and added that SCIE will be undertaking the scoping element of the research which will then inform the medium to long term approach. EB added that whilst people are talking about coming out of the pandemic, there is a need to recognise that the impact for social work has not yet begun.

- ix. KH supports the proposed changes and said that continuity has been maintained through the year and the assessment of practice has continued in an effective way through difficult circumstances. She felt that the reduction in the requirement for experience was an important change which would improve inclusion and reduce potential inequalities. She also supported the principle of continuity and maintaining numbers coming through the social work degree in future.
- x. HD thanked KH for her comments and for highlighting the positives that have emerged from the difficulties experienced over the past year. Having experienced remote learning both in their academic studies and practice learning is likely to hold learners in good stead and prepare them for the work challenges which lie ahead.
- xi. The Chair asked how the 360 hours requirement for practice had been decided. HD said that the number in the existing rules were historic, and the origins were not entirely clear. However, in terms of changes to the number of hours, this figure was based on consultation with partners in the sector who felt that the higher level had previously been a barrier. 360 hours is around 10 weeks experience at 36 hours a week by which time individuals should have a good idea whether this is a career that they wish to pursue or not.
- xii. The Chair asked about the decision not to formally consult and asked for reassurance that this was an appropriate decision. HD reassured the Board that engagement has already been undertaken with key partners on these changes. There are seven partnerships across Wales and all of them work in slightly different ways. However, the proposed changes are accepted as a proportionate and flexible approach that protects the wellbeing of students and all of the partnerships have agreed that they can work within them.
- xiii. The Chair asked what safeguards are in place to ensure that the flexibility within the Rules is used responsibly and proportionately in the future. HD said that there are various safeguards in place to ensure that any changes to the Rules which are implemented are appropriate. For example, the Quality Assurance process will ensure that there is no divergence from expectation and the National Occupational Standards (NOS) expected of students mean that students have to demonstrate a level of practice to achieve academic completion. Regular feedback is gained from HEIs and student forums who can feedback directly to Welsh Government if they feel that the programmes being provided are not suitable for their needs.
- x. The Board **approved** the Changes to 'The Framework for the Degree in Social Work in Wales 2018' (The Social Work Degree Rules).

## **10. Information Security Management System update**

- i. AL provided the Board with an overview of the paper, the background to which had previously been the subject of scrutiny by the Audit and Risk Committee.
- ii. AL explained that the organisation has previously achieved ISO27001 accreditation in relation to its Information Security Management Systems (ISMS). However, the

certificate of accreditation was due to be renewed in April 2021. In February 2021, an external audit was conducted in preparation for the formal re-certification process, and this identified five major non-conformities that would have prevented the certificate from being renewed. Immediate action was taken to address those non-conformities and a revisit was held on 12 April. This confirmed that all major non-conformities had been addressed and the re-certification was subsequently awarded.

- iii. In response to the emerging situation, the Information Governance Group was reconvened and has met twice to review the work programme and to identify further activities beyond that need to be undertaken over the next three months. There was one outstanding action from the major non-conformities which was to tender for a three-year specialist ISO internal audit service. AL advised that this would take place in September 2021 as auditors have been appointed on a short-term basis to support the re-certification. However, it did not prevent the re-certification from being issued.
- iv. The Audit and Risk Committee was made aware of the original issue as it emerged and will receive the relevant audit reports as well as an oversight of the action plan at its next meeting. The next interim audit from the British Standards Institute (BSI) is expected in July 2021 which provides the focus to progress the actions identified as part of the action plan.
- v. AL said that there were two longer terms considerations which had emerged from the issues, one being that cyber resilience should be formally added onto the Audit and Risk Committee Terms of Reference going forward and the other that the Chairs Coordinating Group (CCG) advise the Chair on future options for ensuring that cyber resilience and information's systems knowledge is held within the overall skill set of the Board.
- vi. The Chair thanks AL for the overview and asked for questions or comments from the Members.
- vii. TP thanked AL for the report and, like other Board members, was initially shocked by the non-conformities that had come to light through the recent external audit. However, he now felt assured that the situation was under control and that a programme of work underway to support the necessary improvements. TP felt that this reflects the gaps and knowledge at a Board level in this area as well as access to specialist skills to support the Board when needed.
- viii. DB noted that there are cyber centres across Wales that have been set up by the government that could be used, as well as connections with GCHQ resources available. The Chair thanked DB for his comments and assured him that those are resources already being used and is discussed regularly at a Welsh Government level.
- ix. AL confirmed that services from the National Cyber Security Centre are being utilised. He is also hoping to make connections with the National Cyber Academy based at Newport University which has links to the National Cyber Security Centre and could provide opportunities for the Board.

- x. The Chair thanked AL and his team for their openness and transparency in dealing with this issue and for the prompt and effective action which addressed the problem, ensured that the organisation's reputation was not tarnished and most importantly identified further learning which need to be addressed going forward. That he felt, in adverse circumstances, showed the organisation's strengths.
- xi. In terms of the recommendation for the CCG to advise the Chair on options for ensuring that cyber resilience and information's systems knowledge is held within the overall skill set of the Board, the Chair felt that should be a Board decision unless the Board decides to delegate that to the CCG. It was quite appropriate for the CCG to consider the options. However, the issue should ultimately be brought back to the Board for consideration and decision.
- xii. The Chair emphasised that there are short and medium-term and longer-term actions arising from this situation which need to be considered from a corporate governance perspective. In the short term, there is the need to upskill all Board members in their knowledge of cyber security and information security and this is being addressed in the design of the Board development programme. In the medium term, we need to bring additional insight onto the Board, perhaps through recruiting a co-optee sitting on Audit and Risk Committee to bring in the specialist insight and advice which is needed to discharge the Committee's oversight function. In the longer term, we may need to think about reflecting the requirement for increase knowledge of ICT and cyber-security issues in the membership of the Board.
- xiii. The Chair said that he was currently discussing these issues with the CEO and others and will bring proposals back in due course. In the meantime, Welsh Government are also providing seminars for CEO's, Chairs and responsible individuals to increase their awareness of their responsibilities around information governance and cyber security and he, SE and AL had all committed to attend. Knowledge exchange groups will also be developed as part of the revised PADR process and DB, and GQ expressed had both expressed an interest in developing greater knowledge within this area.
- xiv. JK supported that Chair's view that this has to be something that is owned and shared within the Board rather than at CCG.
- xv. The Board approved that the oversight of cyber resilience should be added to the Audit and Risk Committee's responsibilities and that its terms of reference should be amended to reflect this.
- xvi. It was also agreed that the CCG would be asked to develop proposals in the short, medium and long term to enhance the Board's capacity to provide effective corporate governance around information governance and cyber security and that should be discussed a future Board development day as a supplement to the strengthening governance programme of work. **ACTION**

## 11. Business Plan: Quarter 4 progress report

- i. KS provided an overview of the end of year 2020-21 performance report which consolidates matters reported during the year. She advised members that this was probably the last time that they would see it presented in this format as the reporting framework for the 2021-22 Business Plan is being amended in response to feedback.
- ii. The report reflects the performance and achievements against the Business Plan for 2020-21. The Business Plan has required flexibility to be demonstrated throughout the year to ensure that as an organisation we have been responsive to the needs of the sector throughout the pandemic. The report details several activities that will be carried over into the 2021-22 Business Plan where work was unable to progress due to the need to engage with the sector. As well as scrutinising the performance, Board members were asked to consider what highlights they would like included in the performance commentary that forms part of the statutory annual report and accounts. KS asked for any questions or comments for the members.
- iii. CC referred to conversations in previous Board meetings seeking to establish why the picture which is conveyed by the measures and targets can sometimes vary slightly different from the overall conclusions within the performance commentary. He asked how confident the Board could be that the targets and metrics which are being developed for the 2021-22 plan will not create the same issues. KS said that further discussions will be held at the next Board development session on the targets and measures of the Business Plan which also feeds into the Strategic Plan and associated performance indicators.
- iv. CC responded, emphasising that delivery of the current business plan has already commenced and that earlier in the meeting, the Board has more or less agreed the new Business Plan which includes targets and measures for the year. He therefore wondered how further discussions was going to influence on the performance framework within the current Business Plan for 2021-22. KS said that the measures and targets in the current Business Plan do not correlate against the strategic plan and therefore work is needed to align them.
- v. SB referred to the Board's response to themes and trends coming from FtP hearings. Members routinely receive the summary outcomes of those hearings, and they were periodically discussed in Committee, but he wondered if this was something that the Board might want to look at in a more structured way. SE reflected that this links to earlier discussions on regulation for improvement and that a conversation has already taken place with CIW on how the intelligence gathered by both organisations can be used better to try and improve practice and ultimately, reduce the potential for the FtP issues recurring.
- iv. EB added that the issue of themes and trends from FtP hearings had also been brought to her attention by a practitioner colleagues and felt that as this was something which needed to be monitored and understood.
- v. JK supported EB's point, saying that having experienced lack of engagement in another role, there was a need for the Board to be assured on the analysis of the data, the learning from this and how that was then cascaded to other organisations.

- vi. DB commented that CIW could be asked to regularly engage with Board to have the soft intelligence discussions. The Chair said that this conversation does happen at Committee level, particularly where CIW input to the Regulation and Standards Committee. If the members felt that more information was needed, the Committee Chair could consider what information would be useful to share with the full Board.
- vii. DP said that there is a proposal within the 2021-22 Business Plan which will commission a review of how the information coming from regulatory activity is utilised and Wales is leading on this work across the four nations of the UK. As well as looking at what the organisation needs, it will also look at what our stakeholders require from us. A conversation has already taken place with the Independent National Safeguarding Board on what they need to see from the FtP data and the results of the wider work will come back to Committee and Board as necessary.
- viii. The Chair thanked members for their contributions but noted that time was pressing and there was a need to move on to the remainder of the agenda. He reflected that that the discussion around this item had been more about the way in which performance is reported than necessarily about the detail outcomes and variances reported within the business plan update. This emphasised the need, going forward, for an integrated performance management framework which sets out clearly what information is required at each level of the organisation, i.e., what the Board needs to discharge its oversight and scrutiny role, what Committees need in order to scrutinise the detail and what officers need to enable them to manage the business and day to day operations.
- ix. KS asked that Members send any further reflections and anything they would want to see in terms of focus for the performance commentary for the annual report and accounts directly to her for inclusion in the draft version which will be considered initially by the Audit and Risk Committee prior to coming to the Board. **ACTION**
- x. GR provided an overview of the finance as at the year end. The income was as expected. The grants budget was £239k underspent which is due to the lower number of student bursaries allocated which has been a repercussion on the PLOF funding as well as some placements being deferred into the new financial year due to COVID-19; this has been reflected in the budget for 2021-22.
- xi. The Workforce Regulation element of the budget is £164k underspent, with the hearings budget being £61k underspent due to the deferral of a 5-day hearing that was scheduled within the budget.
- xii. The Improvement and Development budget was £116k underspent with the project budget being £130k underspent due to a decision in quarter 4 to defer some projects and milestones into the new financial year.
- xiii. The salaries budget was £119K overspent, due to additional maternity leave costs as well as a lump sum payment into the pension scheme following approval from Sponsor division which has led to an element of the overspend.
- xiv. Holiday pay adjustment is also made, which is greater this year due to additional number of days being carried forward by staff following a decision to be more flexible

on carry forward requests this year and has resulted in an accounting adjustment which contributes to the salary budget overspend.

- xv. The Early Years Budget is broadly in-line with the budget. The Strategy and Business Support budget was overspent by £89K due to website accessibility requirements costs.
- xvi. In overall terms, at year end, the budget is £426K underspent with £10k less income received than predicted. This left an overall net underspend of £416K which was within the 2% cash carry forward allowance with a cash balance of £387K. The £416K underspend has therefore been carried forward into the new financial year which will fund projects and placements which were deferred from 2020-21.
- xvii. The Chair thanked GR for his finance paper and also RJ for her HR end of year report and asked members for any questions or comments on either paper. There were no questions or comments.
- xviii. Members agreed that they had **scrutinised** and **approved** the progress against the Business Plan 2020-21 at the end of year stage.

## 12. Board Effectiveness Report

- i. The Chair reflected on the discussions which had taken place at the three Committee meetings in March in relation to the results of their respective effectiveness reports. There was a general consensus that although the conclusions were broadly positive, the number of responses and the lack of narrative or actionable feedback suggested the need to look again at the process. In particular, there was a view that the questions were perhaps less relevant now that they were when they were developed four years ago, when the organisation was established.
- ii. In terms of the Board level exercise, only eleven responses had been received from a potential fifteen which may be an indication that members do not find this as stimulating a process as it perhaps should. The Chair thought that the overall indications were helpful in that people appeared to be broadly satisfied with the way in which the Board works, but the narrative comments provide little insight into why members assessed as they did and the opportunities to identify actions for improvement going forward were limited. As a result, when taken in conjunction with the Committee discussions, the Chair had agreed with the CEO that we will look at alternative ways of undertaking the effectiveness reviews in future years.
- iii. Although the learning opportunities were limited, the Chair highlighted what he thought were the main themes within the responses: -
  - there was a desire from some members to understand more about what was expected from them in their role as ambassadors for the organisation.
  - a number of members felt that the accountability meeting with Ministers was too structured and would welcome a separate, more informal opportunity for two-way exchange of perspectives.

- there was less satisfaction with the length of meetings than other aspects of the Board's working arrangements.
  - there was a slight reduction in the number of members who felt satisfied that their training needs as a member were being adequately addressed.
  - although members had previously raised concerns about the user friendliness of the Board Portal, this was not reflected in the feedback provided.
- iii. The Chair asked members if they had any comments or questions in relation to the findings from the Board effectiveness survey. JK said that the role of Board members as ambassadors was one that has been consistently raised since the formation of the Board and asked how this was going to be addressed. The Chair said that a session will be included as an option within the Board Development programme for 2021-22 which will be discussed at the May development session and the Board will be able to decide on the timing of the session.
- iii. In response to the feedback which indicated a desire for more training, the Board Development programme will also include a more equitable balance between business items, knowledge items and training inputs. A number of potential themes for training had emerged from the recent round of one-to-one PADR discussions, including information governance, equality and diversity and financial awareness which will be factored into the schedule for consideration.
- iv. In relation to the desire for a less formal conversation with Ministers, the Chair said that this was a suggestion which had also come up a number of times during the one-to-one PADR discussions. The Chair and the CEO had discussed this and agreed that once the new government was formed, they would broach the subject through their regular meetings with Welsh Government officials.
- v. In relation to the length of meetings, the Chair acknowledged the perception that meetings were too long but pointed to the recent analysis which shows that less time is being spent in meetings since the move to remote meetings. However, if Members thought that there were ways to reduce this further, he would be pleased to consider them.
- vi. DB reflected that sometimes too much is placed on agenda's which requires detailed discussions. The Chair said that some organisations present 'consent items' at the beginning of meetings which are items that are non-contentious or for information only and they are moved through fairly quickly, thereby allowing more time for significant issues. If there was an appetite for this it was something which could be considered.
- vii. In relation to the feedback that members were generally satisfied with the Board portal, the Chair said that Bev Moore was currently reviewing the portal and that any suggestions for improvement should be fed through to her direct.
- viii. There were no further questions or comments and members agreed that the Board considered and discussed the results of the report.
- ix. The Chair added that if there were issues which colleagues wanted to raise but did not feel able to raise them in a public setting, they should feel free to contact him outside the meeting.

### 13. Meeting effectiveness

- i. Members were asked to contribute their thoughts to a Jamboard in order that the effectiveness of the meeting to be evaluated. Three questions were asked, as follows: -
  - (i) was there one thing which went particularly well during today's meeting?
  - (ii) was there one thing you think we could have done differently or better?
  - (iii) is there anything you would like to see followed up which wasn't an action arising from the meeting?
- ii. The responses were displayed on the screen as they were submitted and given the amount of detail, the Chair proposed that these should be taken away and discussed by the CCG to identify any action which was necessary as a result. He committed to ensure that feedback was provided through the Portal in respect of any action which arose.
- iii. There were no further comments or questions and that point, the Chair thanked everyone for their contributions during the meeting and declared the meeting closed.

**Date of next meeting:**

**Thursday 15 July 2021.**

#### **Actions**

<b>Action number</b>	<b>Item</b>	<b>Action</b>	<b>Who</b>
01/21/SCW	Item 4 – Action log and matters arising	Actions to be given a reference number going forward to help identify actions in future	Llinos Bradbury
02/21/SCW	Item 6 - Context setting and key messages from the Chief Executive and Directors	Write to RPBs to remind them of the data portal and support available from Social Care Wales	Sarah McCarty
03/21/SCW	Item 6 - Context setting and key messages from	Discuss further the engagement work of Social Care Wales and how to better engage	Mick Giannasi & Sue Evans

	the Chief Executive and Directors	with the RPBs and explore the benefits of a stronger partnership.	
04/21/SCW	Item 7 – Business Plan 2021-22	Explore the potential benefits of reverse mentoring.	Chair and CEO
05/21/SCW	Item 10 - Information Security Management System update	CCG to develop proposals in the short, medium and long term to discuss further at a future Board development day as a supplement to the strengthening governance programme of work.	Members of the Chairs Coordinating Group
06/21/SCW	Item 11 - Business Plan: Quarter 4 progress report	Members to send any reflections and focus for the performance commentary for the annual report and accounts directly to Kate Salter for inclusion in the draft version to be considered initially by the Audit and Risk Committee before the Board.	All Board members

## Social Care Wales Board meeting actions

### Rolling action Log 2021-22

Action number	Meeting date	Item	Action required	Action by	Target date	Outcome / update	Current status	Date completed
01/21/SCW	29.04.21	Item 4 – Action log and matters arising	Actions to be given a reference number going forward to help identify actions in future	Llinos Bradbury	July	Reference number included going forward	CLOSED	July 2021
02/21/SCW	29.04.21	Item 6 - Context setting and key messages from the Chief Executive and Directors	Write to RPBs to remind them of the data portal and support available from Social Care Wales	Sarah McCarty	July	We are able to take a more proactive approach and are now exploring with partners delivery of thematic workshops on the topics in the Population Needs Assessments for regional planners and other interested individuals. We will also be using these workshops as part of our work with Grant Thornton on the redevelopment of the data portal. This enables us to provide some proactive support on the data and research available, while	CLOSED	July 2021

						informing how the portal can best meet sector needs in future. Sarah is also running a workshop at the NHS Wales summer planning event where we will also be sharing the support available.		
03/21/SCW	29.04.21	Item 6 - Context setting and key messages from the Chief Executive and Directors	Discuss further the engagement work of Social Care Wales and how to better engage with the RPBs and explore the benefits of a stronger partnership.	Mick Giannasi & Sue Evans	December 2021	We agreed to use the Strategic Plan as the focus for RPB dialogue in 21/22.  There may be further discussion when we see the Welsh Government response from the White Paper consultation.	Open	
04/21/SCW	29.04.21	Item 7 – Business Plan 2021-22	Explore the potential benefits of reverse mentoring.	Mick Giannasi & Sue Evans	July	Information session held with Hywel Dda Health Board on 21 June, discussions to be held on potential to use within Social Care Wales.	Open	
05/21/SCW	29.04.21	Item 10 - Information Security Management System update	CCG to develop proposals in the short, medium and long term to discuss further at	Members of the Chairs Coordinating Group	July	For discussion at 29 CCG meeting.	Open	

			a future Board development day as a supplement to the strengthening governance programme of work.					
06/21/SCW	29.04.21	Item 11 - Business Plan: Quarter 4 progress report	Members to send any reflections and focus for the performance commentary for the annual report and accounts directly to Kate Salter for inclusion in the draft version to be considered initially by the Audit and Risk Committee before the Board.	All Board members	ASAP	Annual report and accounts discussed at Audit and Risk Committee on 7 July	Closed	7 July 2021
04/20/SCW	22.10.20	Item 8 - Annual Equality Report 2019-20	Discuss BAME recruitment initiatives further.	Abu Askira & Rhianon Jones & Emma Britton	By March 2021	Meeting held.	Closed	May 2021
03/20/SCW	22.10.20	Item 8 - Annual Equality Report 2019-20	Update on progress of completion of	Rhianon Jones	By March 2021 in readiness	Update included in July Equal Pay Audit paper.	Closed	July 2021

			equality and diversity monitoring data		for April 2021 reporting			
02/20/SCW	22.10.20	Item 9 - Equal Pay Audit 2019-20	Sharing of methodologies used to make people feel safer in declaring their characteristics.	Damian Bridgeman and Rhianon Jones	March 2021	Meeting on 13 July.	Closed	July 2021
01/20/SCW	30.04.20	Item 8 – Regulation matters	Work with the FtP team to develop a criteria for when Section 160 of the Regulation and Inspection Act (RISCA) could be used more, as it gives the power to require information from persons or bodies involved in FtP cases.	Hywel Dafydd, Assistant Director Regulation	16.07.20	We are in negotiations with Welsh Government lawyers to implement section 160. Once this is achieved, we will set a criteria. The Welsh Government's work on this has stalled due to Covid-19 and is therefore not see as a priority currently.	Open	



<b>CYFARFOD / MEETING</b>	<b>Board meeting</b>				
	<b>PREIFAT / PRIVATE</b>		<b>CYHOEDDUS / PUBLIC</b>		
	<input type="checkbox"/>		<input checked="" type="checkbox"/>		
<b>DYDDIAD / DATE</b>	<b>15.07.21</b>				
<b>EITEM AGENDA / AGENDA ITEM</b>	<b>7</b>				
<b>TEITL / TITLE / SCW/21/19</b>	<b>Draft Annual Report and Accounts 2020-21, Audit of Accounts Report</b>				
<b>AWDUR / AUTHOR</b>	Geraint Rowlands, Assistant Director Finance & IT				
<b>CYFRANIADAU GAN/ CONTRIBUTIONS FROM:</b>	Audit Wales				
<b>PAPURAU CEFNOGOL / SUPPORTING PAPERS</b>	Appendix 1 - Draft Annual Report and Accounts 2020-21 Appendix 2 – Audit of Accounts Report				
<b>GWEITHGAREDD CYNLLUN BUSNES / BUSINESS PLAN ACTIVITY</b>	Priority theme 4: for the Social Care Wales workforce and effective organisation				
<b>GWEITHRED / ACTION REQUIRED</b>	<b>CYMERADWYAETH / APPROVAL</b>	<b>DARPARU LLYW / PROVIDE A STEER</b>	<b>DARPARU SICRWYDD / PROVIDE ASSURANCE</b>	<b>TRAFODAETH / DISCUSSION</b>	<b>CRAFFU / SCRUTINISE</b>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>ARGYMHELLIAD / RECOMMENDATION</b>	Board is invited to <b>scrutinise</b> and <b>approve</b> the Draft Annual Report and Accounts and <b>scrutinise</b> and <b>approve</b> the Audit of Accounts Report.				
<b>PRIF BWYNTIAU; MATERION ALLWEDDOL I DYNNU SYLW ATYNT; CWESTIYNAU I'W YSTYRIED</b>  <b>MAIN POINTS; KEY ISSUES TO DRAW TO ATTENTION;</b>	<p>The Draft Annual Report and Accounts further to external audit incorporate any corrections which were required to be made to the accounts and have been recommended for approval by the Audit and Risk Committee.</p> <p>The Audit of Accounts Report outlines that the Auditor General intends to issue an unqualified audit report. No recommendations were raised arising from the audit work.</p>				

<b>QUESTIONS TO CONSIDER</b>	
<b>ASESIADAU EFFAITH / IMPACT ASSESSMENTS</b>	

## **Draft Annual Report and Accounts 2020-21 and Audit of Accounts Report**

### **1. Context**

- 1.1 The Draft Annual Report and Accounts are presented in Appendix 1. Further to external audit these accounts incorporate any corrections which were required to be made to the Accounts.
- 1.2 The Audit of Accounts Report reports that it is the Auditor General's intention to issue an unqualified audit report on the financial statements. No recommendations were raised arising from the audit work.
- 1.3 In Audit and Risk Committee the draft Audit of Accounts Report relayed that at that point there was one area of audit work remaining being the receipt of confirmation from the external auditors of the RCT pension fund regarding the pension disclosure within our financial statements Audit Wales at the meeting were able to confirm that this audit assurance had now been provided and this is reflected in the final Audit of Accounts Report.
- 1.4 After approval by Board the Accounts are planned to be signed by the Accounting Officer on the 12 July for signing by the Auditor General on the 23 July. It is anticipated that the accounts will be laid before the Senedd on the same day they are signed by the Auditor General.

### **2. Resource implications**

- 2.1 The external audit cost of £20,741 was resourced for within the Governance budget.

### **3. Risk considerations**

- 3.1 There would be a risk to our reputation if it was the intention of the Auditor General to issue a qualified audit opinion.

### **4. Engagement**

- 4.1 The external audit involved engagement with the Finance Team but primarily the Assistant Director of Finance and IT and members of the Executive Management Team.

### **5. Impact**

- 5.1 The External Audit provides an important role in demonstrating that we are a transparent organisation and are held accountable for our decisions.

# Annual Report and Accounts 2020 – 2021

## **Regulation and Inspection of Social Care (Wales) Act 2016**

Annual Report and Accounts of Social Care Wales prepared pursuant to Schedule 2, Part 6 Paragraph 16(1-3) of the Regulation and Inspection of Social Care (Wales) Act 2016, for the year ended 31 March 2021 together with the Report of the Auditor General for Wales thereon and laid before Senedd Cymru pursuant to the Regulation and Inspection of Social Care (Wales) Act Schedule 2, Part 6 Paragraph 16(4)

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## Performance report

### Overview

#### Statement from the Accounting Officer

This represents the fourth Annual Report and Accounts that have been prepared by Social Care Wales since its inception in 2017. This year, as all previous years, the organisation can be pleased to have met its statutory obligations in full and to deliver meaningful support for the social care and early years sectors and those who use their services.

This, of course, has been achieved during Covid; the most significant disruption to our lives for a generation. For social care and early years, the challenges of the past year have been immense. The response of those on the front-line of services has been incredible, and I want to record my thanks and gratitude to them.

I am also very proud of the way Social Care Wales has responded to the emergency - adapting and engaging with the sector throughout. I believe this report demonstrates that we have worked as part of a cohesive sector response, strengthening our partnerships across Wales, and using our resources to support the continued delivery of effective services throughout.

We have continued, despite the challenges, to embed the framework to transform care and support in Wales, as set out in the Social Services and Well-being (Wales) and Regulation and Inspection of Social Care (Wales) Acts. We have also continued to work with others to develop and plan the future development of the social care and early years workforce, through "A Healthier Wales" and the Welsh Government's "10-year Childcare, Play and Early Years" workforce plan whilst also building on national partnerships across Wales as we recover from the pandemic.

Social care workers help people live the lives they want, supporting people to develop, remain active and independent, stay safe and well connected to their community and wider networks. They do this alongside family, friends, volunteers and other public services. Early years workers help give our children a great start in life and provide valuable support for parents.

The Covid pandemic has truly demonstrated how valuable care workers are, as key workers, to our society. We want to build on this recognition leading on investment in the workforce, to ensure a sustainable way forward. We see this as essential if we are to meet the needs of our communities where the impact of poverty, poor health and an ageing society bring increased demands for good quality care and support.

In response to the pandemic, at the start of the financial year, we re-aligned our Business Plan to take into account how we intended to:

- support the social care and early years sectors in responding to Covid
- adapt our business-as-usual activities to support the sustainability of the workforce (including how we will adapt our approaches to support the current environment)
- support the recovery of the sectors from Covid.

The speed, magnitude and challenge of the pandemic on the sector is not something we had experienced before. From the start we recognised the pressing need to respond swiftly and flexibly in our approach to supporting the sector and our own staff, to provide them with the assistance they need. Some of the key initiatives we have delivered, as a response to Covid, are set out below:

### **Supporting and maintaining the workforce**

- raising the profile of the workforce
- supporting workforce wellbeing
- developing digital learning and peer support networks
- supporting and promoting the sector as a career
- developing a jobs portal

### **Enabling continuing education for social care students**

- making temporary adjustments to our Regulatory requirements
- re-focusing financial support for training and development

### **Providing recognition and support to all who were providing care**

- producing a care worker card

### **Providing expert knowledge and best practice for the sector**

- learning from Covid and sharing practice on 'What made a difference?'
- developing Covid research priorities
- developing one stop shop of curated expert guidance on Covid

### **Providing ongoing regulation and development activities**

- developing, adapting and maintaining business operations during Covid and capturing learning to inform our future operations.

## Our approach for 2021-22

Due to the current landscape and the constantly changing situation regarding Covid, we have set out an ambitious programme of work for delivery in 2021-22. This is based on our Remit Letter's strategic objectives and the Grant-in-Aid funding which was received on 25 March 2021 from the Deputy Minister for Health and Social Services.

Our focus for delivery during 2021-22 will be in three areas:

1. Maintaining and adapting our core activities in light of Covid
2. Supporting the recovery of the social care and early years sector
3. Supporting the sustainability of the sector

We will focus on our ambitions to:

- empower the workforce to achieve the best person centred care
- enhance the provision of services through managers, leaders and owners
- enable strategic leaders with evidence and skills to improve planning, service development and quality
- ensure continuous improvement in how we do our work, to be an effective and efficient Welsh public service leadership organisation.

To find out more details on how we will deliver this work visit [our website](#) and [our Business Plan 2021-22](#).

### Sue Evans

Chief Executive and Accounting Officer

Date: 21 July 2021

## Role of Social Care Wales – Who we are



## Our vision and strategic objectives

### Our vision

We want every person who needs support to live the life that matters to them

### Our purpose

Building confidence in the workforce and leading and supporting improvement in social care

## Our aims

Our three strategic aims define what we do. These aims will result in:

- people having confidence in the social care workforce, including the early years workforce, and the effectiveness of Social Care Wales
- improved well-being outcomes for children and adults who rely on care and support, their families and carers
- a high-quality, sufficient and skilled workforce.

## Key issues and risks we face

Information about our risk management and the main risks we face is provided in the Governance Statement on page 22.

The factors we think will have the greatest influence over the way we work and how we achieve our vision over the next five years are:

- the impact of Covid directly and indirectly on the social care and early years sector in supporting people and children
- remaining in a period of financial constraint for public services
- the ambitious policy landscape.

## Performance analysis

Our annual Business Plan for 2020-21 sets out our strategic objectives, along with our high-level activities and achievement measures. Throughout the year we provide quarterly reports about the progress we have made against our strategic objectives to our Executive Management Team, and these are scrutinised by our Board and the Welsh Government.

Whilst many of our existing activities and our response to Covid were delivered effectively and at pace in year, we took a decision to slow down some activities and carry them forward into our business delivery for 2021-22 to ensure that the outcomes are truly co-produced with the sector. This was in recognition that the pandemic was having a significant, continued impact on the ability within the sector to participate in the level of engagement required.

## Providing public confidence

### Registration

Registration is part of our ongoing commitment to continuously develop the social care workforce and raise the status of workers. We recognise the need to make sure we have a sufficient workforce that is ready to meet new challenges, with the right skills and confidence to practise.

With the increased size of the Register, we will continue to identify ways in which we can better interact with registered people, helping them understand the expectations and standards set by the Code of Professional Practice by supporting their learning and development.

**35,802** people were on our Register (as of March 2021)

**1,497** people left the Register (during 2020-21)

To relieve pressure on the sector we made a number of changes to how regulate the workforce in light of Covid. Some examples include:

- **Social Care Workers have up to 12 months from their start date to register with us (temporarily changed from 6 months):** This allowed workers to focus on the response to the pandemic, rather than completing registration within the normal period. Workers remained subject to the code of professional practice.
- **Temporary Register for Social Work:** We invited social workers who had left the register in the past three years to re-join a new, temporary register so they could be quickly brought into service if required by employers.
- **Approval requirements for Social Work qualifying training in the light of the Covid pandemic:** The pandemic meant practice placements for student social workers were often unavoidably curtailed. We worked with Higher Education Institutions (HEIs) to find routes for students who had demonstrated the required progress and competence to qualify.

## Fitness to practise

### Scheduling and holding hearings during Covid

Throughout 2020-21 all our panel hearings, Interim Suspension Orders (ISO), ISO reviews, Registration Appeals and Fitness to Practise Hearings were delivered remotely.

**346** (1% of Register) registered persons about whom we received allegations that called into question their fitness to practise and suitability to remain on the Register

**162** (47%) of referrals related to registered persons who were subject to disciplinary processes

**29** final hearings were held

**16** people were removed from the Register

Of those removed, their roles were:

**56%** (9) - residential child care workers

**6%** (1) - adult care home managers

**6%** (1) - social workers

**19%** (3) - domiciliary care managers

**13%** (2) - domiciliary care workers.

### Promote recognition of the workforce

The social care worker card and early years and child care worker card were produced at the start of the pandemic (launched in April 2020) to recognise the key role workers have in supporting people in every community in Wales. The card provided workers with useful benefits such as preferential shopping times, priority access to certain retailers and additional on-line resources and programmes to support wellbeing. Over 30,000 workers have been issued a card to date. Throughout the year we have continued to review and update the benefits attached to the card and maintain its prominence with retailers.

A new version of the digital card was launched in April 2021 (as the original card expired at the end of April 2021). We applied learning to our approach based on feedback from existing card holders. We considered additional future benefits that can be attached to the card along with how the card can be branded and designed for the care workforce in Wales. This single approach covers both social care and early years and child care.

## Support workforce wellbeing

In December 2020 the Employee Assistance Programme for social care workers in the private and voluntary sectors in Wales was launched. The Welsh Government is supporting the scheme, with funding of £150,000 which we procured and is being managed by Social Care Wales. The scheme is available to around 55,000 social care workers, who may not have had access to such a scheme, to give greater support to their well-being. The scheme recognises the personal impact Covid has had on many workers and will provide more consistent availability of support across the sector. We ran a series of webinars to over 120 attendees. As part of the launch of the scheme a webinar for managers attracted over 200 participants.

This scheme builds on the well-being support available through our website, where the Covid and well-being pages has been viewed the most since the pandemic started.

We have worked in partnership with Improvement Cymru to deliver a peer support network to care home managers called the Care Home Cwtch. We also launched a peer support offer for domiciliary care managers called 'A Time for You'. Feedback on the sessions held have been positive and a second cohort of further sessions has been opened up to new participants in addition to existing ones.

We established a social care wellbeing network to support progression of initiatives and approaches to support workforce wellbeing in the immediate pressures from Covid and also longer term aspirations from the workforce strategy for example through commencing work on a staff governance framework.

**“I have learnt so much from the group and have felt support from each member of my group”**

**“It’s been far more beneficial than I ever imagined”**

**“I didn't realise how much I needed these sessions until I started them, possibly one of the very few positives to come out of the pandemic.”**

**Domcilliary care managers**

## Working with you to be effective

### Strategy and governance

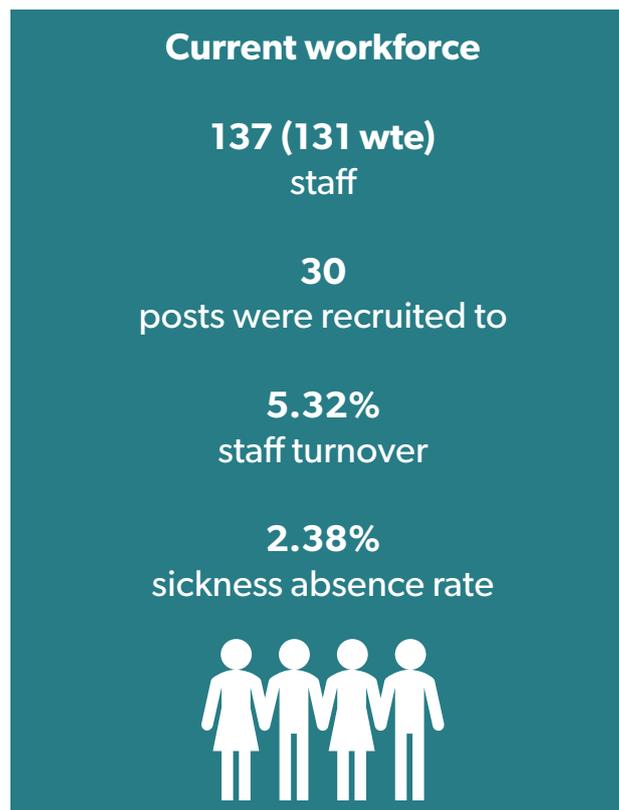
We consulted on our draft priorities for our next strategic plan. We set out our priorities and proposals for what we want to achieve, where we suggest we focus our energies and how we want to work with people over the next five years to realise our vision. The consultation was open for 10 weeks and we will use the feedback received as we prepare our new Strategic Plan for 2022-27 during the coming year.

### Supporting our staff to work from home

From 23 March 2020 our entire workforce has been working remotely from their homes and we have committed to this continuing until May 2021 at the earliest. During this time, we have conducted 2 Home Working Risk Assessments for all staff and have provided the necessary IT and office equipment to support staff in their working remotely. We have also run a number of mini staff surveys as part of supporting the wellbeing of our staff. Our Staff Partnership Council has continued to meet on a monthly basis to discuss any matters being raised through to their representatives.

### Staff well-being

As a public service organisation, we are committed to demonstrating the Welsh public service values in the way we work with the sector and the way we work within the organisation. Staff wellbeing has been the core principle in managing business continuity and business operations whilst working remotely. This relates to supporting our employees physical and mental wellbeing whilst working remotely and continuing to live within the ever-changing pandemic and its related restrictions.



## Engagement and communication



## Developing the workforce

### Workforce strategy

The 10-year workforce strategy, 'A Healthier Wales: Our Workforce Strategy for Health and Social Care', was launched in October 2020.

This ambitious strategy is essential if we are going to address our current workforce challenges. Developed jointly by Health Education Improvement Wales (HEIW) and ourselves. This is based on extensive engagement and the strategy sets out the vision, ambition and approaches that put well-being at the heart of plans for the NHS and social care workforce in Wales. It reflects a core element of the Parliamentary Review and 'A Healthier Wales' 'Quadruple Aim' to deliver an inclusive, engaged, sustainable, flexible and responsive workforce to deliver excellent health and social care services.

In partnership with HEIW, we produced a 6 month workforce strategy winter plan that provided an immediate and continued response to the pandemic to support the sector in each of the seven key theme areas of the strategy.

**"If we deliver this Strategy, we will make a real and significant difference"**

**Vaughan Gething MS, Minister for Health and Social Services**

**"This is an ambitious strategy, but that is essential if we are going to address our current workforce challenges. We know that we need to spend more time developing sustainable solutions and building in flexibility and agility to respond to the needs of the people who use our services as well as the needs of the workforce."**

**Dr Chris Jones, Chair at HEIW**

## Qualifications

New qualifications for leaders and managers of health and social care and childcare services were launched from September 2020.

The qualifications cover a wide range of areas, including leading and managing health and social care and childcare services, professional practice and independent advocacy. Working with partners we have supported the implementation of new qualifications for the sector.

**“There has never been a more important time to invest in the development of leaders and managers of our front-line services. This new suite of qualifications provides an excellent opportunity for career progression.” Sue Evans, our Chief Executive**

## Support and promote the sector as a career

Throughout the year we have been utilising and building on the WeCare Wales brand to support attraction and recruitment to the sector during this time.

In May 2020 a TV advert created by the WeCare Wales campaign ran across ITV Wales, S4C and All4 featuring a Care workers’ poem about her job. To help bring the care workers words to life the advert also included a collection of home-footage taken from within care homes across Wales during lockdown. The clips show how care workers are going ‘above and beyond’ to ensure spirits are kept high and helping residents keep in touch with loved ones by using technology.

We developed a WeCare Wales job portal in response to the pandemic to enhance the ease with which employers can advertise their job vacancies and people can see the vacancies available within their area. This has been built on throughout the year, where we launched a job seekers platform that included an online values-based learning resource to help people find out whether a career in care would be right for them and allowed them to upload their CV and make direct contact with employers.

Early in 2021-22, we will be celebrating, through a TV advert, how the Early Years and Childcare workers and settings provide so many children across Wales with the best start in life.

## Developing a rapid recruitment and introduction to social care training for the sector in Wales

There are long standing concerns on the capacity of the social care sector in Wales, that have been amplified during Covid. In order to support services, during the pandemic and challenges of increased demand, coupled with staff absence and contact isolation, a rapid recruitment and introduction to social care was developed to support additional capacity into the sector. This approach is being piloted in four local authority areas. The work included developing a rapid recruitment and introduction to social care which:

- promoted rapid recruitment initiatives to drive interest in the sector
- enabled individuals to signal their interest in working in the sector
- developed an introduction to social care programme which facilitated the essential training required for individuals to undertake basic social care support roles
- delivered a 4 day introduction to social care programme
- worked with employers to identify the types of roles this workforce could support
- notified employers of individuals who are 'ready' for social care support roles
- establish an evaluation to learn lessons from the pilot.

## Investing in the workforce

We invested in supporting the social care workforce, so they have the right knowledge, skills, understanding and approach to provide good care and support.

This included £7,149,350, which was paid to local authorities through the Social Care Wales Workforce Development Grant (SCWWDP) and was match funded by £3,064,007 local authority funding.

The local authorities also invested additional funding to supplement the grant in supporting the development of the workforce.

In addition, £810,000 was provided in the form of a regional facilitation grant to help support engagement across the sector including registered managers and support the work of the WeCare Wales campaign.

We also developed an enhanced bursary offer for returning social work students, recognising the financial and operational challenges they have faced during the Covid emergency. Each returning student received an additional £500 in their first term bursary.

## Leading and supporting improvement

### Vulnerable Children

Through our membership of the Ministerial Advisory Group, we have provided support to the sector to develop a stronger focus on rights and responsibilities. We co-produced a conference to celebrate the residential childcare workforce, who are supporting many of our most vulnerable children.

### Dementia networks

From April 2020 we have been running all our networks virtually to support the skills and learning of the sector. As an example, the Dementia Learning Co-ordinator Network has 76 members from health, social care and independent providers. The network has actively shared resources throughout the pandemic. Webinars have been held throughout to look at how dementia training and learning can be taken forward during Covid and beyond. In terms of supporting the sector in embedding outcomes focused practice during this time we have been running on-line learning networks with mentors subgroup to reflect on practice opportunities and challenges during the last 6 months of embedding outcomes practice through the pandemic.

### National Management Development Framework

The past 12 months have seen continued success for our national management development framework. The framework sees the bringing together of both accredited and professional development opportunities for, in the main, social services departments and their managers across the 22 local authorities. Since the Team Manager Development Programme (TMDP) began, some 500 students have been supported by Social Care Wales and ADSS Cymru to undertake this training programme and cohort 31 started in September 2020.

### Research and Development

The ambition to embed evidence in both practice and policy in social care and social services in Wales is a key part of the Social Care Wales research and development strategy 2018-23, and one of three major domains in Welsh Government's Performance and Improvement Framework.

Our Strategy has guided our work and will be refreshed, in line with our new overall Strategic Plan for Social Care Wales.

During 2020-21, we have strengthened our partnership working, to improve our influence on research priorities and develop our data offer, which form part of our evidence offer for the sector.

We are working with Social Care Institute for Excellence (SCIE) on what good research and intelligence will be required by frontline practitioners and to identify whether and how these changes can be meaningfully embedded in the future design of care and support.

## Research prioritisation project

Ten research priorities into the care and support of those aged 65 and over in Wales have been developed by Health and Care Research Wales and Social Care Wales. The report, published in February 2021, sets out the research priorities and gives an update on the progress to date in getting research on them commissioned by funding bodies.

The project, run in association with the James Lind Alliance, developed the priorities by asking nearly 400 older people, carers and social care practitioners, "How can we best provide sustainable care and support to help older people live happier and more fulfilling lives?".

Members of the public and social care professionals were invited to take part in surveys and workshops to have their say on the priorities.

## Develop Covid research priorities

Covid has shone a light on the care sector and a need for change and investment. Identifying up-to-date and high-quality evidence is necessary to ensure that investment in new approaches in social work and social care practice is justified and prudent. There has also been much discussion of how the crisis has been accompanied by a shift in views, for example, on community support resilience, and social solidarity, which help communities provide effective support to each other, in line with the aspirations of the Social Services and Well-being (Wales) Act.

We are working with the Covid Evidence centre to inform their activities.

## A Statement of Strategic Intent on social care data

In March we launched a new vision to improve how social care data is used to benefit people needing care and support in Wales. The vision sets out how we will engage with people about using their data to benefit them and supports the ambitions set out in the Welsh Government's Digital Strategy for Wales.

This follows on from a discovery report published in partnership with Digital Health and Care Wales, and based on extensive engagement to outline how we can improve and develop the use of data in social care, so that the sector is supported to make more informed decisions.

**"We have the opportunity in front of us now to demonstrate what a data-rich nation can achieve for people who need care and support and for unpaid carers who need support. This Statement of Strategic Intent is the next step in realising this vision."**

**Julie Morgan MS, Deputy Minister for Health and Social Services**

## Accolades

In 2020 we held the Accolades awards ceremony virtually in November 2020 that was broadcast live on YouTube. The Accolades are awarded to teams, groups or organisations that have had a positive effect on people who receive care and support; support staff development; help improve services; meet people's equality, diversity and language needs. Winning an Accolade showcases social care and early years achievements and is an opportunity to share best practice with others across the sector. Fourteen projects and five care workers were chosen by our panel of judges as finalists for the 2020 Accolades. There were six categories and one winner in each category. You can watch the videos of all the inspiring finalists [online](#).

## Accountability report

### Corporate governance report

### Directors report

#### History and Statutory Background

The Care Council for Wales was renamed Social Care Wales in accordance with the Regulation and Inspection Act (Wales) 2016 and this Annual Report and Accounts will be the fourth prepared as Social Care Wales. Seventeen Annual Report and Accounts were previously prepared as the Care Council for Wales.

The Annual Report and Accounts has been prepared under Schedule 2, Part 6, Paragraph 16(1-3) of the Regulation and Inspection of Social Care Wales Act 2016; it is presented in a form directed by Welsh Ministers, with the approval of HM Treasury.

#### Chief Executive and Accounting Officer

The Chief Executive and Accounting Officer for the financial year was Sue Evans.

#### Social Care Wales Board Members

At 31 March 2021 there were fifteen members including the Chair who have been appointed by the Minister for Public Health and Social Services.

#### Members serving 1 April 2020 to 31 March 21

##### Members

Mick Giannasi - Chair (term ending 31 July 2023)  
 Abigail Harris (term ending 31 March 2025)  
 Carl Cooper (term ending 31 March 2025)  
 Damian Bridgeman (term ending 31 March 2024)  
 Donna Hutton (term ending 31 March 2024)  
 Emma Britton (term ending 31 March 2025)  
 Grace Quantock (term ending 31 March 2025)  
 Joanne Kember (term ending 31 March 2025)  
 Jane Moore (term ending 31 March 2024)  
 Kate Hawkins (term ending 31 March 2022)  
 Maria Battle (term ending 30 June 2023)  
 Peter Max (term ending 31 March 2024)  
 Rhian Watcyn Jones (term ending 31 March 2022)  
 Simon Burch (term ending 31 March 2024)  
 Trystan Pritchard (term ending 30 June 2023)

In addition, Daxia Varsani is an independent member of the Audit and Risk Committee and her term will end on the 30 April 2023.

A register of the declared interests of members is available on our website.

In line with best practice and guidance, Social Care Wales established an Audit and Risk Committee at its inception. Membership is drawn from Board Members plus a co-opted independent member. Meetings are attended by representatives of internal and external audit and Executive Management Team.

## Statement of the Responsibilities of Social Care Wales and the Chief Executive

Under Schedule 2, Part 6 Paragraph Section 16(1-2) of the Regulation and Inspection of Social Care (Wales) Act 2016 Social Care Wales is required to prepare a statement of account for each financial year in such a form and on the basis directed by Welsh Ministers with the approval of HM Treasury.

The accounts are prepared on an accruals basis and must give a true and fair view of Social Care Wales state of affairs at the period end, and of its income and expenditure and cash flows for the period.

In preparing the accounts, Social Care Wales is required to comply with the requirements of the Government Financial Reporting Manual, and in particular to:

- observe the accounts direction issued by Welsh Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgments and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements and
- prepare financial statements on a going concern basis, unless it is inappropriate to assume Social Care Wales will continue in operation.

The Principal Accounting Officer for the Welsh Ministers has designated the Chief Executive as Accounting Officer for Social Care Wales. Her relevant responsibilities as Accounting Officer, including the propriety and regularity of the public finances for which the Accounting Officer is answerable and for keeping proper records and for safeguarding Social Care Wales assets, are set out in Managing Welsh Public Money.

I confirm that as far as I am aware there is no relevant audit information of which Social Care Wales auditors are unaware and that I have taken all steps to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

I confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and for the judgements required for determining that they are fair, balanced and understandable.

**Sue Evans**

Chief Executive and Accounting Officer

Date: 21 July 2021

## Governance statement

This statement sets out the control structure of Social Care Wales and provides an account of corporate governance and risk management, alongside a description of the strategic risks.

This governance statement sets out:

- the basis by which we were established
- the way in which we are governed and managed
- how as the Accounting Officer, I am accountable for what I do.

## Our organisation

We are a Welsh Government Sponsored Body (WGSB). This means we receive funding from Welsh Government to complete specific priorities, which are set out on an annual basis in a remit letter.

We were set up under the Regulation and Inspection of Social Care (Wales) Act 2016 in April 2017 “to continue the work previously undertaken by Care Council for Wales regulating and developing the social care workforce, while also taking on a new responsibility to lead and support improvement across the sector. This involves a range of activities from presenting data and evidence, advising on priorities for social care research and showcasing best practice.”

It is important to note that this governance statement is written in the context of the Covid pandemic. Our business plan 2020-21 activities were fully focused on supporting the social care and early years during this unprecedented time to make sure we make a positive and lasting contribution to the quality of services in Wales. The impact of Covid required us to re-think our approach for 2020-21 so that our focus was on:

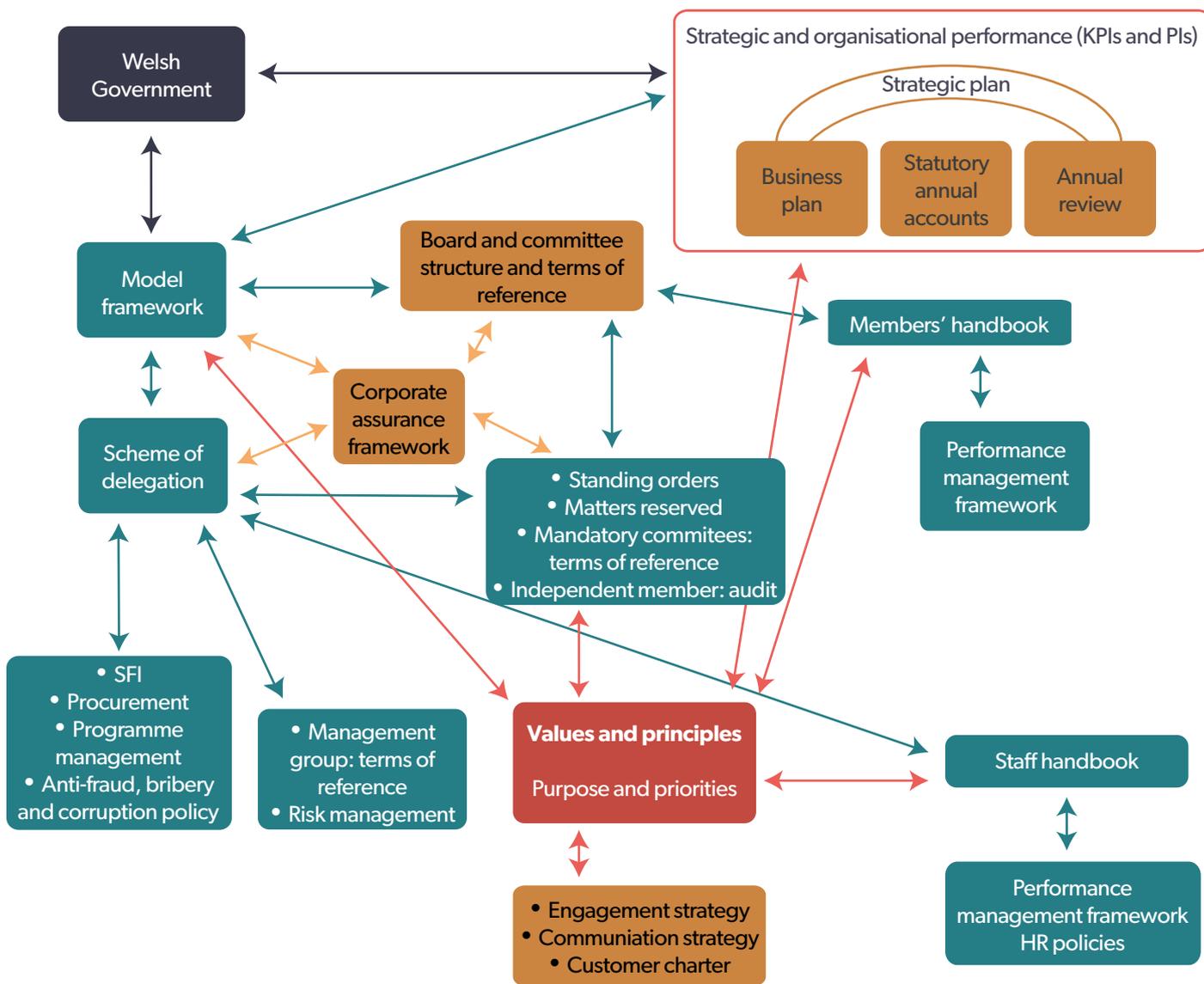
- delivering our core and statutory functions: adapted as required in light of Covid, including changes to our regulatory system so that it was appropriate for the sector during the emergency.
- Covid rapid response initiatives: the things we are doing as an immediate response to the sectors needs now
- supporting recovery and sustainability following Covid: supporting the sector and our organisation to be equipped for sustainable recovery.

Covid also impacted on the way in which we operated as a business during the year with all staff working remotely. Our annual business plan sets out in more detail the activities we identified to support the sector and our organisation during 2020-21, in light of Covid. Our performance was monitored and scrutinised by our Board and Welsh Government throughout the year on a quarterly basis.

## Our governance and accountability structure

In accordance with the 'International Framework: Good governance in the public sector' governance 'comprises the arrangements<sup>1</sup> put in place to ensure that the intended outcomes for stakeholders are defined and achieved'.

We have a governance framework which supports how we work. This is illustrated in the diagram below – our governance framework:



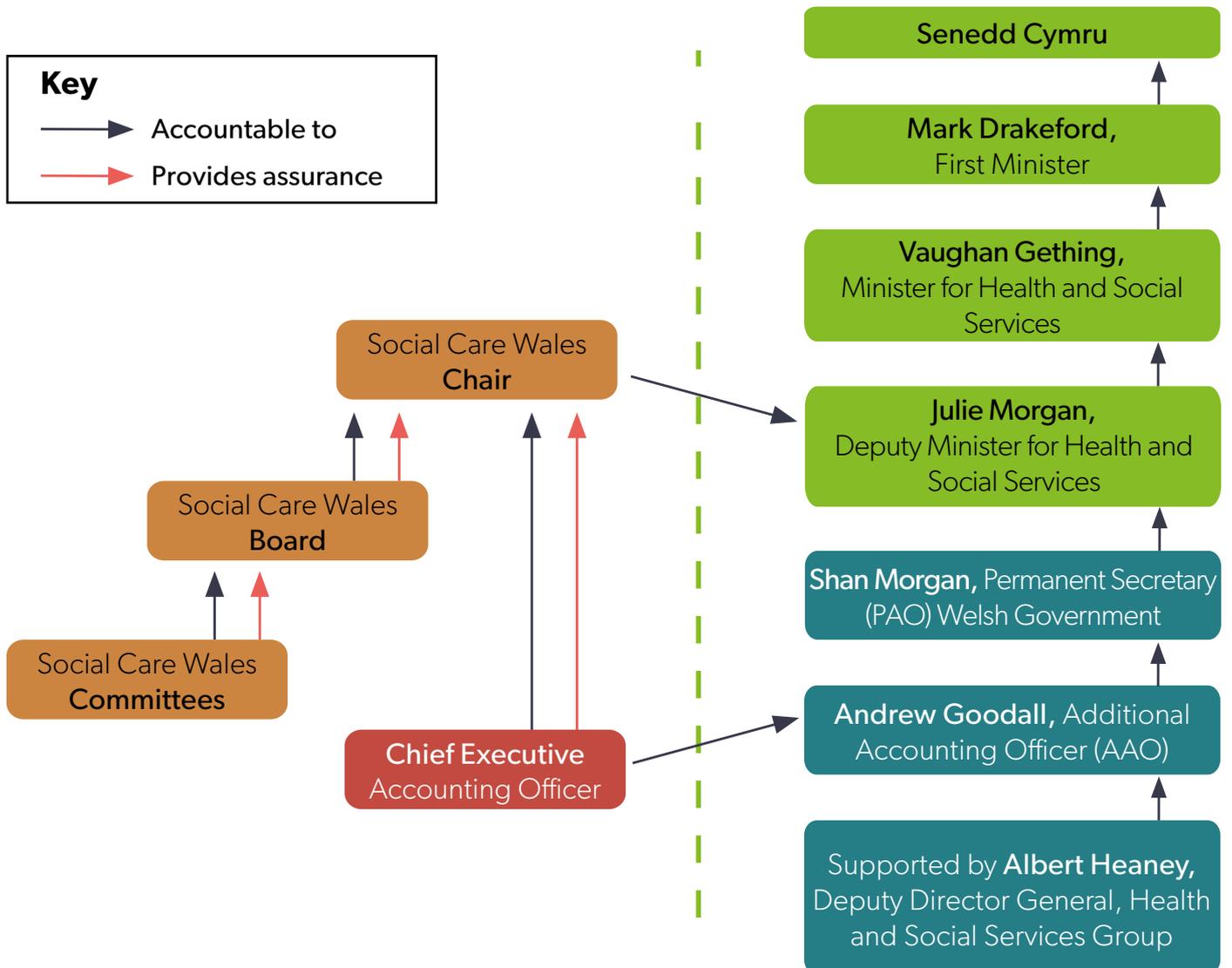
**Agreements:** data sharing protocols, memorandum of understanding

**Regulations/Legislation:** health and safety; equality; Welsh language; Freedom of Information; Data Protection Act; publication scheme

<sup>1</sup> Includes political, economic, social, environmental, legal, and administrative structures and processes, and other arrangements, as encapsulated in the principles define.

## Accountability

As a WGSB, we are accountable to the taxpayer and must make sure our work achieves value for money. Below, we have mapped out the accountability structure as at March 2021 of our Board and for me as Chief Executive in my role as accounting officer.



During the year, these are the steps we took to ensure our accountability:

- Our Executive Management Team met with representatives from our sponsorship division at Welsh Government every three months to go through our business plan performance and our budget spend to date.
- Regular meetings were held with our Chair and the Director of Social Services and Integration.
- The Chair and I attended our annual meeting with the Deputy Minister for Health and Social Services in October 2020.
- Our Board had its annual meeting with the Deputy Minister for Health and Social Services in October 2020.

## Our Board and Committees

Our Chair and 14 Board members are responsible for providing us with leadership and direction. They work closely with the Executive Management Team to set our strategic and business plans, allocate our resources, and monitor our performance. Our work is scrutinised, steered, and approved by the Board and its sub-committees.

Due to Covid all Board and Committee meetings during 2020-21 were able to be held successfully virtually.

This diagram illustrates our Board and Committee structure as of 31 March 2021:

### Board

- Makes decisions on those matters reserved for the Board
- Provides leadership and direction by setting our strategic and business plan
- Scrutinises resources and performance – through regular business plan performance reports
- Sets the strategic direction of the organisation
- HR governance, policy, and employee engagement data by scrutinising our performance
- Demonstrates high standards of corporate governance – agreeing Board and committee terms of reference
- Received messages and advice from the Executive Management Team

### Audit and Risk Committee

#### Advises the Board on:

- the effectiveness of risk management, internal control and governance
- the integrity of the Annual Report and Accounts
- the adequacy of the response to issues that have been identified at audit assurances relating to the corporate governance requirements for the Board
- appointing internal audit provision and reviewing their effectiveness on an annual basis

### Improvement Committee

#### Advises the Board on:

- strategies and policies relating to principles for investment, improvement and national learning and development programmes
- the quality assurance of the research, development, and improvement programmes
- the implementation of the Regulation and Inspection of Social Care (Wales) Act 2016 and the Social Services and Well-being (Wales) Act 2014

### Regulation and Standards Committee

#### Advises the Board on:

- strategies and policies in relation to the registration of social care workers and fitness to practise matters
- the quality assurance of the regulation of training programme and receive regular reports on regulation matters
- the implications of developments in the field of regulation and how these may affect the Board's responsibilities
- the implementation of the Regulation and Inspection of Social Care (Wales) Act 2016

### Remuneration and Well-being Committee

#### Advises the Board on:

- matters relating to the review of the pay of the Executive Management Team, and consider the staff annual payment recommendations in line with our policy

## Opportunities to strengthen corporate governance

As an organisation that continuously wants to learn and improve the Board considered a range of opportunities to build upon the current corporate governance arrangements during 2020-21.

In July 2020 the Board agreed on opportunities to build and improve on our governance arrangements and the timelines for doing them. The following proposals have been progressed during 2020-21:

- rolling action logs used at all Board and Committee meetings
- creation of a Chairs Coordinating Group
- Chairs Action Process developed and to be used as and required
- expansion of Committee membership
- Remuneration Committee becoming an ad-hoc Committee with revised terms of reference
- new approach to Board members performance appraisal development record (PADR)
- initial discussions on the development of a board assurance framework.

## Board development and engagement

Board members continued their learning and development during the year with a series of seminars all held virtually. The topics of these seminars were:

- development of a stakeholder briefing outlining the key issues for social care and early years in Wales
- review and development of a new strategic plan; budgeting for the strategic plan with Grant Thornton as critical friends; review of the feedback from the consultation on the strategic plan
- a review of our approach to risk management
- updates on our approach to supporting our staff during the pandemic
- updates on our work in supporting the sector through the pandemic
- financial awareness training
- a session on board assurance frameworks from Audit Wales
- discussions on Welsh Government consultation on rebalancing social care.

## Board and Committee effectiveness

As a learning organisation, we regularly reflect on the effectiveness of our policies, processes, and meetings. During March 2021, the Board were asked to complete a wide-ranging questionnaire to inform actions for continuous improvement.

The survey questions related to:

- objectives, strategy, and remit
- relationships with key stakeholders
- performance and risk management
- the Boardroom
- suggestions for improving Board effectiveness.

The response rate to this survey was 73%, overall, the results were positive with the majority of responses either agree or strongly agree to the questions asked. The results were discussed at the April 2021 Board meeting to inform any improvements required going forward.

A similar questionnaire was also sent to Committee members to reflect on their effectiveness during January 2021, all Committee members were asked to complete a wide-ranging questionnaire to inform actions for continuous improvement.

The survey questions related to:

- membership, independence, objectivity and understanding
- skills
- the role and scope of the Committee
- communication and reporting
- meeting effectiveness.

The response rate to the survey for each committee ranged between 50 per cent and 90 per cent. The results were collated and presented to the Committees for discussion in their spring meetings and inform our development plan for the next financial year.

Meeting effectiveness also appears as a standing item on agendas for every Board and Committee meeting, and the chairs of each Committee and Board Secretary ask members for feedback during and after each meeting.

### **Members' attendance at Board and Committees**

Board members are paid the equivalent of two days' work a month. In addition to our 15 publicly appointed members we have several people who are co-opted onto our Committees:

- Daxa Varsani is an independent co-opted member, without voting rights, with a professional financial qualification and background who supports the Audit and Risk Committee
- there is also a representative from Care Inspectorate Wales who sits on the Regulation and Standards Committee as a co-opted member.
- the Improvement Committee has two co-opted members, a representative from ADSS Cymru and Fiona Verity, Professor of Social Work and Social Care at Swansea University who brings a background in research to support the Improvement Committee.

The Standing Orders for the Board set out the expected attendance level for Board members at meetings at 60 per cent. This table shows members' attendance at Board and Committee meetings during 2020-21.

To assist members in making effective decisions, papers for every Board and Committee meeting are posted onto a digital portal, with a wide range of supporting technical documents.

Name	Committee membership	Attendance at Board meetings (out of 5)	Attendance at Board development sessions (out of 8)	Attendance at Committee meetings	Overall meeting attendance (inc. Committees)	Term of appointment ends
Mick Giannasi (Chair)		5	8		13/13 <b>100%</b>	31.07.23
Abigail Harris	Improvement, Audit & Risk	4	5	6/7	15 / 20 <b>75%</b>	31.03.25
Daxa Varsani	Audit and Risk	n/a	n/a	4/4		30.04.23
Carl Cooper	Audit and Risk; Improvement;	5	7	9/9	21 / 22 <b>95%</b>	31.03.25
Damian Bridgeman	Improvement (Deputy Chair), Audit & Risk	5	7	6/7	18 / 20 <b>90%</b>	31.03.24
Donna Hutton	Regulation and Standards; Remuneration and Wellbeing; Improvement	4	6	6/9	16 / 22 <b>73%</b>	31.03.24
Emma Britton	Audit and Risk (Deputy Chair); Regulations and Standards	5	4	7/7	16 / 20 <b>80%</b>	31.03.25
Grace Quantock	Regulation and Standards (Deputy Chair); Audit and Risk	5	5	6/7	16 / 20 <b>80%</b>	31.03.25
Jane Moore	Improvement; Remuneration and Wellbeing; Regulation and Standards	5	8	9/9	22 / 22 <b>100%</b>	31.03.24
Joanne Kember (Deputy Chair)	Regulation and Standards; Remuneration and Wellbeing; Improvement	5	8	9/9	22 / 22 <b>100%</b>	31.03.25
Kate Hawkins	Audit and Risk; Regulation and Standards	5	7	7/7	19 / 20 <b>95%</b>	31.03.22
Maria Battle	Remuneration and Wellbeing; Improvement	3	5	2/5	10 / 18 <b>56%</b>	30.06.23
Peter Max	Improvement (Chair); Audit and Risk	5	7	7/7	19 / 20 <b>95%</b>	31.03.24

Name	Committee membership	Attendance at Board meetings (out of 5)	Attendance at Board development sessions (out of 8)	Attendance at Committee meetings	Overall meeting attendance (inc. Committees)	Term of appointment ends
Rhian Watcyn Jones	Audit and Risk (Chair)	5	7	4/4	16 / 17 <b>94%</b>	31.03.22
Simon Burch	Regulation and Standards (Chair)	5	8	4/4	17 / 17 <b>100%</b>	31.03.24
Trystan Pritchard	Audit and Risk; Regulation and Standards	5	7	7/7	19 / 20 <b>95%</b>	30.06.23

## Effectiveness of our governance framework

Covid has had a major impact on the social care and early years sector. It also had a major impact on all our functions. From moving all our staff to home working whilst also maintaining strong governance and control. Our response to Covid aims to recognise the agility and pace at which the response is needed whilst it is important that the Board receive assurances that there are proportionate safeguards in place to ensure there is regularity, propriety, feasibility and value for money in the use of public funds.

The Board received papers in April 2020 and January 2021 reporting on our response to Covid. This included our Covid decision register; our Covid strategic risk register; our response to support the sector during Covid; and actions taken to support the health and wellbeing of our workforce during Covid.

During Covid I have held fortnightly staff briefings to share decisions made by the Board and Executive team, to update on our performance and to provide an opportunity for questions from staff members. I have also met with the Board members on a frequent basis to keep them informed of activities of the organisation in responding to the pandemic.

We have been capturing our learning from working in Covid from the start. We have been sharing our learning with other public bodies and also learning from other organisations on good practice.

Throughout the year I receive assurance that our business and strategic objectives are being met via internal management meetings, budget and performance reports, and project updates. I operate a 'virtual open door policy' where any member of staff can contact me with any matter that may concern them. I also promote the Staff Partnership Council and Staff Forum as a way of making sure we clearly engage with staff about our priorities across the organisation.

We use a scheme of delegation and financial instructions to carry out our work to make sure our decision making is appropriate and proportionate to the level of risk associated with it.

We also maintain and review registers of interest for employees and Board members to identify any potential or perceived conflict with our decision-making processes, so we can take steps to mitigate them.

## Internal audit

The Internal audit plan has been based on a risk-based approach and was agreed by the Audit and Risk Committee. Our internal auditors submit regular reports about the adequacy and effectiveness of our systems (financial, corporate and workforce regulation) of internal control, together with recommendations for improvement.

During 2020-21, 10 internal audits were carried out on our policies and procedures for:

Work area	Level of assurance
Financial systems: <ul style="list-style-type: none"> <li>• Purchasing and payments</li> <li>• General ledger</li> </ul>	Moderate assurance Substantial assurance
Grant management	Substantial assurance
Corporate Governance	Substantial assurance
Risk management	Moderate assurance
HR	Moderate assurance
Welsh language standards	Moderate assurance
Apprenticeship certification	Substantial assurance
Workforce Regulation (remote hearings)	Moderate assurance
Workforce Regulation – Applications for registration	Substantial assurance

### Definitions of assurance level

**Substantial:** There is a reasonable framework of governance, risk management and control, which should make sure that objectives are achieved

**Moderate:** Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control

The Head of Internal Audit, based on the audit work carried out during the year, concluded we had a sound system of internal control, which should provide substantial assurance that will be able to achieve our objectives.

## External audit

We receive an Audit of Financial Statements Report and Management letter, which reports on issues that are picked up during the audit of our financial statements.

## Risk management

Our positive approach to risk management means we not only look at the risk of things going wrong, but the impact of not taking opportunities or not capitalising on corporate strengths.

Our strategic risk register is reviewed every month by our Executive Management Team and is subsequently scrutinised by the Audit and Risk Committee. The Board also reflected on our Risk Management Policy during a Board development session in January 2021 with a revised Risk Management Policy being developed for Board approval during 2021-22.

As part of our response to Covid we developed a specific risk register that reflects the risks specifically associated to the pandemic and our initial response in supporting the social care and early years sector in responding to Covid. Audit and Risk Committee reviewed the Covid risk register at its meeting in June 2020. Following the June Committee meeting a number of those risks have been moved over to Strategic Risk Register as we recognise that we are now living with Covid.

Our main strategic risks during 2020-21:

Risk title	Inherent	March 2021
<p>If we do not continue to keep the sector engaged in the work of Social Care Wales then we start to lose credibility and not deliver our overall ambition, as we cannot achieve this in isolation.</p> <p>The sector is not engaged in our role and remit.</p> <p><b>Update:</b> Many planned activities have been postponed, as the sector has been unable to contribute, due to operational pressures arising from Covid. These activities have been carried forward into our business plan for 2021-22</p>	Medium	Medium
<p>If we do not demonstrate how we are contributing to making a positive difference to the care sector, then we will lose credibility.</p> <p>We are unable to manage the expectations of the sector, stakeholders (including Welsh Government) and the public.</p> <p><b>Update:</b> We are currently reviewing our strategic plan, following a consultation on our future priorities in late 2020. Feedback is informing a new strategic plan, to be implemented from April 2022.</p>	Medium	Low

Risk title	Inherent	March 2021
<p>If Welsh Government remove, or significantly reduce the funding for Level 2 apprenticeships, then it will reduce the amount of funding to support the achievement of qualifications in the sector. This will have an impact on the ability to provide learning and increase qualification levels of the workforce.</p> <p>Welsh Government currently provides public funding for Level 2 qualifications via apprenticeships, the policy is still to remove this, but our ongoing discussions have brought some reassurance that it will remain, until the next Senedd elections in 2021. The social care and early years workforce have had a high uptake of apprenticeships in Wales, with about 2500 learners completing at Level 2 in 2017-18.</p> <p>As part of the registration of the domiciliary care workforce individuals will need to have a Level 2 qualification at the point of re-registration, but public funding to support this achievement may be more difficult to access.</p> <p>The increased size and therefore costs of the new level 2 qualifications launched in September 2019 could add to this risk as there is the same amount of money spread more thinly.</p> <p><b>Update:</b> We continue to work with Welsh Government colleagues to secure sustainable funding for social care apprenticeships</p>	High	Medium
<p>If the qualifications are not fit for purpose, then they will not meet the requirements for high quality care and support in the social care and early years sector.</p> <p>The programme of work in relation to developing the new qualifications is complex and significant with a number of risks associated to the successful delivery of the work.</p> <p><b>Update:</b> There have been further implementation challenges for placements and assessments, as a direct impact of Covid.</p>	Medium	Medium
<p>If we don't have on-going confirmation of existing budget allocations to meet what is expected from the current and future Government term of office work programme then we will not be able to deliver our remit in future including statutory responsibilities and areas of Government priorities (such as the workforce strategy, workforce wellbeing, balancing rights and responsibilities and the data strategy).</p> <p><b>Update:</b> We have been working with our Welsh Government sponsor team on our future financial scenarios, following an independent assessment of our strategic plan and required resource levels.</p>	High	High
<p>If we don't manage competing Welsh Government priorities and ensure that any new work is within our scope and purpose then we could result in over committing our resources to deliver, extend our remit beyond our scope and lose our identity and unique purpose.</p> <p><b>Update:</b> We revised our priorities to better support the sector during Covid, in agreement with Welsh Government.</p>	High	Medium

Risk title	Inherent	March 2021
<p>If we don't refresh and reform our regulatory processes, then the additional resources required will undermine our organisational stability and undermine work across our objectives, as well as missing the opportunity to link regulation with improvement more closely. If our changes are not supported by the sector and Welsh Government policy, we could struggle to deliver effective change and destabilise the sector.</p> <p><b>Update:</b> We have commissioned independent expertise to critically review our regulatory processes, to inform continuous improvement. Recommendations from this work will be implemented as part of our business in 2021-22</p>	High	Medium
<p>If we don't remain engaged with 'A Healthier Wales' and maintain key relationships with Welsh Government and critical stakeholders (HEIW, PHW etc) then this could impact on key deliverable priorities resulting in social care not being rebalanced within the ambition of 'A Healthier Wales' and lose confidence if we do not deliver against expectations.</p> <p><b>Update:</b> The Joint Workforce Strategy was launched by Ministers in October 2020, with a winter implementation plan agreed in December 2020.</p>	High	Medium
<p>If we are unable to reappoint our Board members who also served as Care Council Members then we will lose 3 key, experienced and knowledgeable Members from April 2021. We will not be able to fill these vacancies in a timely manner. We will have a gap at a time when we require stability, continuity and strong leadership at Board level to support the social care and early years sector responding to the Covid pandemic.</p> <p>Due to the change of advice on Council members terms of appointment and their length of service not being re-set as new Social Care Wales Board members there is a possibility that 3 of our 15 Board Members terms could be ending on the 31 March 2021.</p> <p><b>Update:</b> 12 Board members have been reappointed on a staggered 1, 3 and 5 year terms.</p>	Medium	Medium
<p>If we are not clear on the implications of the end of the transition period on exiting the EU (Brexit) for the social care and early years sector, then we will not be in a position to provide additional support and clear guidance to the sector during this period.</p> <p>With the changes to the migration rules, supply chains of equipment to the sector and data sharing regulations across the UK and EU (and the US) then there may be direct and indirect implications for the sector in relation to recruitment, equipment and supplies.</p> <p><b>Update:</b> We remain linked into Welsh Government advisors to monitor and understand consequences for Wales. We are actively promoting the EU Settled Status Scheme to care providers in Wales. We are confident that our regulatory processes have not been affected in any significant way.</p>	Medium	Medium

Risk title	Inherent	March 2021
<p>If we do not respond accordingly to the Covid pandemic, then we will not be supporting the social care sector in helping them deliver front line care and support during the pandemic.</p> <p><b>Update:</b> We revised our business plan to respond directly to the needs of the sector, with board approval secured for an agile approach to delivery.</p>	Medium	Medium
<p>If we do not demonstrate how we are supporting the health and wellbeing of the social care and early years, then there will be an impact on the sustainability of the workforce.</p> <p><b>Update:</b> We established a Health and Wellbeing network and have commissioned an Employee Assistance Scheme.</p>	Medium	Medium
<p>If we don't support our own workforce (Social Care Wales) during this time, then we will not be an effective and efficient organisation where staff health and wellbeing is at the centre of how we work.</p> <p><b>Update:</b> We established a Business Continuity Group to help people work remotely at home, using virtual technologies. We developed a Health and Well-being group with additional resources to support people.</p>	Medium	Medium
<p>Working remotely has increased the risk of cyber fraud, hacking and scamming. Therefore, putting vulnerabilities within our IT network and opportunities for fraud.</p> <p><b>Update:</b> Government advice and training to reduce cyber fraud has been implemented. IT systems have been strengthened.</p>	Medium	Medium
<p>Welsh Government may delay the extension of the register, which would impact on the income received during 2021-22.</p> <p><b>Update:</b> We are in regular dialogue with officials to understand the Ministers' intentions. We anticipate a view from the Government before the pre-election period.</p> <p>We are considering the impact on our business planning assumptions and will work with officials to agree any changes to delivery, once we know the remit letter and budget commitments.</p>	High	High

We measure our operational risks in line with the recommendations of HM Treasury's Orange Book. Our senior management reviews the register of these risks every month.

## Information governance and security

As a data controller registered with the Information Commissioner's Office (ICO), we ensure we have information governance controls in place to keep the data we collect and process secure and in line with current data protection legislation and are open and transparent with our decision making.

During 2020-21:

- We recorded 23 data incidents: 3 were errors by a third party, 5 were software or server issues, 2 were spam or cyber-attacks and the remaining 13 had a root cause as either human error or a staff training and awareness issue. Looking ahead, we will analyse the 'human error' element further and determine whether there were any additional factors we should be aware of as an organisation, for example working remotely or increased workload.
- We made the ICO aware of 5 of the above incidents, but while no further action was required by the ICO, we made recommendations for improvement in practice to reduce the likelihood of a similar incident reoccurring.
- We responded to 13 requests under the Freedom of Information Act, all responded to within 20 working days. This was a minor increase on last year (11 requests).
- We received 8 Subject Access Requests under the Data Protection Act (DPA) 2018, all fulfilled within the 30-day period which was an increase of 3 from the previous year.
- Following last year's data protection gap analysis review, we embedded a number of processes to support our information governance framework and DPA compliance including completing Data Protection Impact Assessments as part of our project management and procurement procedures to ensure our services are designed with data security in mind. We also undertook a data mapping exercise and regularly updated our privacy notices to ensure we are transparent with our customers on what data we process and why.
- In January 2021 our 3 year audit on our ISO 27001 certification was carried out in Cardiff with 5 major and 5 minor non-conformities. Following this audit we addressed the non-conformities identified. Since then we have put in place additional and clear assurance channels within the organisation – from information on the certification being scrutinised at Audit and Risk Committee to an internal governance group embedding ownership on information governance and security across the organisation - to continue to strengthen our information governance approach and certification for the standard.

## Customer service

We aim to provide our customers with the best experience possible, but we are aware we can always learn from feedback. During 2020-21 we received 5 formal complaints under our complaints policy. Of these, two stemmed from frustration with legislative or national policy decisions, two were attributed to staff not following correct procedures and were addressed and one was an error by the complainant. In all cases the complaints highlighted opportunities for us as an organisation to test our decision making involvement, our administration procedures and communication methods to learn from and improve the services we provide.

We also made use of 'quick-resolution' complaints data, such as feedback on the SCWonline portal and

our fitness to practise referrals, in our project scoping for enhancing our digital services and reviewing our Fitness to Practise procedures.

## Whistleblowing

### Internal

All Social Care Wales staff are encouraged to raise issues of concern about wrongdoing that come to their attention while at work. I regard the internal identification of wrongdoing as an important contribution to managing corporate risk and ensuring good governance.

We have established internal whistleblowing policy and procedures which reflects the provisions of the Public Interest Disclosure Act 1998 and sets out a mechanism for staff for raising such matters.

In 2020-21 no staff raised a concern under our Whistleblowing Policy as was the case in 2019-20.

### External

We are listed under The Prescribed Persons Order 2014 as a designated organisation that any worker in the social care sector can approach to report suspected or known wrongdoing. This is also known as 'whistleblowing' or making a disclosure.

As a prescribed person, we have several duties, which are set out in guidance from the Department of Business, Energy and Industrial Strategy (BEIS), one of which is to annually report on the number of whistleblowing disclosures we receive.

For each referral received we consider the information received and in the cases of the 4 received during the year 3 did not comply with the definition of whistleblowing under the regulations, 1 complaint is ongoing and falls within the category of whistleblowing. However, if we do not have enough information to open a case, and if the individual agrees to it, we share any relevant evidence with other agencies and log any actions taken. The information remains in our case management system and if more evidence becomes available later, the Fitness to Practise team will make an assessment about opening a case.

### Sue Evans

Chief Executive and Accounting Officer

Date: 21 July 2021

# Remuneration and staff report

## Remuneration report

### Pay policy statement

This is Social Care Wales's pay policy statement for the period 1 April 2020 to 31 March 2021.

This pay policy statement provides the framework for decision making on pay and decision making on senior pay.

### Chief Executive Officer

The Chief Executive Officer and Accounting Officer for Social Care Wales is Sue Evans and was in receipt of a salary of £118,478 per annum in 2020-21. The gross salary cost of the Chief Executive in the period 2020-21 was £168,685 which includes Employers National Insurance and Employers Pension costs.

### The Board

The Board comprises of 15 Board Members led by a lay Chair Mick Giannasi. All have been appointed by the Minister, through the Public Appointments process. The remuneration of the Board members is non-pensionable and is determined by Welsh Government. For enhanced transparency, the remuneration of the Chair of Social Care Wales is disclosed in this report. Board members are remunerated £282 per day and committed to two days a month.

### Social Care Wales staff

All members of staff are employed by Social Care Wales on such terms and conditions as the Board determines. Remuneration of all members of staff are in line with the organisations scheme for staff pay and grading arrangements that was approved by the Welsh Government in 2004 and applies equally to all staff members.

These arrangements include a salary scale with incremental salary progression during the early years of employment, and a non-consolidated award based on organisational performance. Payment of the Corporate Performance Award was suspended in 2010-11 and consequently no bonuses have been paid since 2009-10.

The pay award is subject to discussion with Staff Council and approval by the Social Care Wales Remuneration Committee and the Welsh Government annually. When determining pay strategies, the Board considers the:

- need to recruit, retain and motivate suitably able, qualified and high-calibre people
- overall affordability
- pay practices in the wider public sector and comparator organisations
- relevant legal obligations including equality and anti-discrimination requirements.

The following sections in the Remuneration and Staff Report are subject to audit.

## Senior pay remuneration

Officials	Salary (£'000)*		Pension benefits (£)		Total (£'000)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Chair</b> Arwel Ellis-Owen (to 31 July 2019)	N/A	10-15	N/A	N/A	N/A	10-15
<b>Chair</b> Mick Giannasi (from 1 August 2019)	30-35	20-25	N/A	N/A	30-35	20-25
<b>Chief Executive</b> Sue Evans	115-120	115-120	36,900	32,500	155-160	145-150
<b>Director of Corporate Services &amp; Strategy</b> Joanne Oak (to 1 May 2020)	5-10	75-80	(1,400)	22,600	5-10	95-100
<b>Director of Finance, Strategy and Corporate Services</b> Andrew Lycett (from 2 November 2020)	25-30	N/A	9,400	N/A	35-40	N/A
<b>Director of Improvement and Development</b> Sarah McCarty	75-80	75-80	26,300	21,100	100-105	95-100

\*Included in salary where applicable are any taxable travel and subsistence allowances in accordance with our travel and subsistence scheme.

\*\* Not included in the table above is the senior pay remuneration of the Director of Regulation as he is seconded into the post

The senior pay remuneration of David Pritchard the Director of Regulation is not disclosed above as he is seconded into the post from Welsh Government. The total charge from Welsh Government was £126,030 (2019:2020 £116,475 for the period 29 April 2019 to 31 March 2020) which included Employers National Insurance, Employers Pension and unrecoverable VAT. The pay scales of Social Care Wales are applicable to the seconded Director of Regulation and his salary is in the pay band of £75,000-£80,000(2019:20 £75,000- £80,000)

The amount of pension benefits for the year which contributes to the single total figure is calculated in a similar way to the method used to derive pension values for tax purposes and is based in information received from our actuaries.

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

This is not an amount which has been paid to an individual by Social Care Wales during the year; it is a calculation which uses information from the pension benefit table. These figures can be influenced

by many factors e.g. changes in a person's salary, whether or not they choose to make additional contributions to the pension scheme from their pay and other valuation factors affecting the pension scheme as a whole.

Salaries consist of gross pay and pay awards agreed by the Welsh Government.

No members of staff responsible for decision making received benefits in kind from Social Care Wales, and a scheme for the provision of motor vehicles to staff or members is not operated.

<b>Pension entitlements of Directors</b>	<b>Total accrued pension at 31 March 2021</b>	<b>Real increase in pension at 31 March 2021</b>	<b>Total accrued lump sum at 31 March 2021</b>	<b>Real increase/ (decrease) in lump sum at 31 March 2021</b>	<b>CETV at 31 March 2021</b>	<b>CETV at 31 March 2020</b>	<b>Real increase/ decrease in CETV in 2020-21</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Chair</b> Mick Giannasi	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Chief Executive</b> Sue Evans	20-25	2.5-5.0	-	-	437	378	58
<b>Director of Corporate Services and Strategy</b> Joanne Oak (to 1 May 2020)	15-20	0-2.5	-	-	206	199	6
<b>Director of Finance, Strategy and Corporate Services</b> Andrew Lycett (from 2 November 2020)	0-5	0-2.5	-	-	8	N/A	8
<b>Director of Improvement and Development</b> Sarah McCarty	20-25	0-2.5	15-20	0-2.5	259	234	24

\* The pension entitlements of the existing Director of Regulation is not included as he is seconded into his post.

The Chief Executive is an ordinary member of the Social Care Wales pension scheme. The Chair does not participate in the pension scheme.

The Cash Equivalent Transfer Value 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. It is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme, or arrangement when a member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme.

The pension figures shown related to the benefits that the individual has accrued as a consequence of their total membership of the scheme, not just their service in a senior capacity to which disclosure

applies. The CETV figures and other pension details include the value of any pension in another scheme or arrangement which the individual has transferred. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The real increase in the value of the CETV reflects the increase in CETV effectively funded by the employer. It takes account of 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 from the start and end of the period.

### Fair Pay disclosure

Median remuneration	2020-21	2019-20
Highest earner's total remuneration (£'000)	115-120	115-120
Median total remuneration	£34,555	£31,562
Ratio	3.4	3.7
Range of total remuneration	£20,780-£118,478	£20,272-£115,143

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in Social Care Wales in the financial year 2020-21 was £115,000-£120,000 (2019-20: £115,000-£120,000). This was 3.4 times (2019-20: 3.7 times) the median remuneration of the workforce, which was £34,551 (2019-20: £31,562).

Total remuneration is the salary cost only and does not include employer pension contributions and the cash equivalent transfer value of pensions.

Remuneration ranged from £20,780 to £118,478 (2019-20: £20,727 to £115,143).

## Staff report

Staff costs	2020-21					2019-20
	Total costs	Permanent employed staff	Temporary staff and secondees	Chair and Board members	Panel members	Total costs
	£'000	£'000	£'000	£'000	£'000	£'000
Salaries and wages	4,956	4,517	162	129	148	4,499
Social security costs	462	458	-	3	1	425
Other pension costs	1,409	1,409	-	-	-	1,592
Apprenticeship levy	9	9	-	-	-	7
<b>Sub total</b>	<b>6,836</b>	<b>6,393</b>	<b>162</b>	<b>132</b>	<b>149</b>	<b>6,523</b>
Less recoveries in respect of outward secondments	(50)	(50)	-	-	-	(19)
<b>Total net costs</b>	<b>6,786</b>	<b>6,343</b>	<b>162</b>	<b>132</b>	<b>149</b>	<b>6,504</b>

Consistent with guidance, employment costs include payments made in respect of contract staff. The total cost of salaries excluding other pension costs was £5,377k (£6,786k-£1,409k) in 2020-21 in comparison to £4,912k (£6,504k-£1,592k) in 2019-20.

Other pension costs totalling £1,409k are the service costs (current and past) of the scheme and in addition any pension costs in relation to the increase in the holiday accrual. The £1,409k consists of employer contributions based on payroll of £1,268k, lump sum deficit payments of £113k and costs in relation to the holiday pay accrual of £18k. The residual difference of £10k (£310k in 2019-20) is the increased charge which is required to increase the actual contributions paid with the service cost required to be charged under International Accounting Standard (IAS 26). The increased charge in 2020-21 relates to £10k in current service charges. In 2019-20 the £1,592k consisted of employer contributions of £1,282k but increased by £310k as noted above.

Staff numbers - WTE	2020-21			2019-20 restated
	Total No	Permanent No	Other No	Total No
Chief Executive and Directors	4	3	1	4
Workforce regulation	53	53	0	50
Improvement and development	34	33	1	32
Corporate Services and IT	33	33	0	33
<b>Total</b>	<b>124</b>	<b>122</b>	<b>2</b>	<b>119</b>

The table above represents the average number of whole-time equivalent persons employed during the year. The previous years figures have been restated to reflect changes in relation to how our Student Funding, Carreg Team and Data teams are classified.

## Staff composition

As at the 31st March 2021 of the workforce of 137, 101 (74%) were women and 36 (26%) were men. In comparison as at the 31st March 2020 of the workforce of 129, 94 (73%) were women and 35 (27%) were men.

Included in these numbers are the Senior Management Team which consists of the Chief Executive and three directors. Of the Senior Management Team two were women (50%) and two were men (50%) this differs from the position at 31st March 2020, which was, three women (75%) and one man (25%).

Staff composition by job family is as follows :-

Staff composition by job family	Female	Male	Grand total	Female	Male
Executive team	2	2	4	50%	50%
Senior leadership team	4	3	7	57%	43%
Management team	21	11	32	66%	34%
Technical and development team	32	12	44	73%	27%
Support team	42	8	50	84%	16%
<b>Totals</b>	<b>101</b>	<b>36</b>	<b>137</b>	<b>74%</b>	<b>26%</b>

## Sickness absence data

The level of staff sickness during 2020-21 was 2.38% (2019-20: 3.74%) which is based on 722 days lost out of 30,286 days.

## Staff policies, equality and diversity

Social Care Wales has 'Investors in People' status and its human resource policies reflect best practice as part of its commitment as a learning organisation. We recognise and value diversity and ensure that all our employment practices and programmes of work embed and demonstrate not just our public duty as set out by the Equalities Act but embraces equality and diversity as a core value underpinning all functions and the delivery of high quality services of our workforce and the sector. We will ensure that in all our work we fully embed a human rights approach. Social Care Wales through its remit, promotes and influences the importance of language choice for service users and sensitivity of language within the social care workforce. We have a leadership role in the delivery of the Welsh Government's More than Just Words - Strategic Framework for Welsh Language Services in Health, Social Services and Social Care. As an employer we are a truly bilingual organisation providing an environment which nurtures and develops staff to learn and improve their bilingual skills and own the bilingual ethos of the organisation.

We also have a responsibility to uphold the conventions set out in the Human Rights Act 1998. We are committed to providing a work environment that values the diversity of all people, both our own

staff and those we come into contact during our work, and we fully support the rights of people to be treated with dignity and respect.

We are committed to making sure equality and openness in our pay and grading arrangements. When we considered our Equal pay report in September 2020 we found no evidence of pay discrimination on the grounds of any protected characteristics. We also considered our gender pay gap, which based on our staff at 31 March 20, stood at 23.52% (median). This has increased since we considered it back in 2018-19 (15.58%) and is currently higher than the UK average. This is explained by overrepresentation of women in the lower paid grades.

## Employee voice

During 2020-21 our Staff Partnership Council has had a crucial role to play in collecting and feeding back the views of staff on significant issues including the restructure and key policies. This has been achieved through regular staff forums, meeting with teams individually and producing feedback documents to HR and the Executive Management Team.

## Support and wellbeing

Our Employee Assistance Programme(EAP) is provided by Care First as part of the National Procurement Service (NPS) Occupational Health and Associated Services Framework.

As part of this framework we are able to utilise the following services:

- Access for all our staff to a 24-hour, 7 day a week telephone counselling service
- Face to face counselling
- On-Line resources

EAP statistics are provided for the calendar year (January 2020 – December 2020). The figures show that:

17 calls were made to the EAP telephone line in total, with 11 of these made between October and December.

An additional 9 people accessed online services and information.

Of the 17 calls, nine of these were new contacts (people who had not used the EAP previously).

The issues presented were a mixture of personal (14) and work related (9). Three were categorised as 'information specialist', whereby individuals have contacted the service to access information relating to a particular subject.

In 2021-22 we will continue to actively promote the service through a variety of forums and communications.

## Flexibility and benefits

- 19% of our workforce work part time (less than 36 hours a week).
- The childcare voucher scheme has now closed to new entrants, with two active members as at 31 March 2021.

## Expenditure on consultancy

Any consultancy costs in relation to expert opinion obtained to assist in business decision making are included in Administration costs (Professional Fees) in the financial statements. In 2020-21 these consultancy costs amounted to £28k (2019-20:£34k).

## Off-payroll engagements

In 2020-21 Social Care Wales has acted in accordance with Dear Accounting Officer letter 1/14 in relation to Tax Arrangements of Public Sector Appointees and no "off payroll" engagements are required to be reported.

## Exit Packages

One exit package was agreed in 2020-21 and the cost of the package fell in the range of £25,000-£50,000 and is included in Salary Costs in the 2020-21 financial statements. This related to a staffing matter that was identified for which due process was followed and actions taken to mitigate financial and reputational risks for Social Care Wales.

## Accountability and audit

### Regularity of expenditure

All expenditure in 2020-21 has been dealt with in accordance with any relevant legislation, the Governance Statement agreed with Welsh Government and Managing Welsh Public Money.

### Fees and charges

Registration Fee income for the financial year 2020-21 was £1,155k (2019-20: £978k). As agreed by Welsh Government the fees received does not cover the full cost of registration and the excess cost is therefore funded by Grant in Aid.

Following a formal consultation (Transforming Care in the 21st Century) undertaken on the regulation of the care and support workforce, fee levels were increased from 1st April 2018. The increased fee does not cover the full cost of registration and the excess cost continues to be funded by Grant in Aid.

### Remote Contingent Liabilities

Social Care Wales is not aware of any remote contingent liabilities.

### Long-expenditure trends

With the registration of new groups there will be a gradual increase in expenditure. The income to fund this increased expenditure will be funded from the increased and additional fees from registrants and additional funding will be required from Welsh Government.

#### **Sue Evans**

Chief Executive and Accounting Officer

Date: 21 July 2021

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

## Report on the audit of the financial statements

### Opinion on financial statements

I certify that I have audited the financial statements of Social Care Wales for the year ended 31 March 2021 under the Regulation and Inspection of Social Care (Wales) Act 2016 and paragraph 16 of Part 6 of Schedule 2. These comprise the Statement of comprehensive net expenditure, the Statement of financial position, the Statement of cash flows, the Statement of changes in taxpayers equity and related notes, including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion the financial statements:

- give a true and fair view of the state of Social Care Wales affairs as at 31 March 2021 and of its net expenditure, for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with Welsh Ministers directions issued under Regulation and Inspection of Social Care (Wales) Act 2016 and paragraph 16 of Part 6 of Schedule 2.

### Opinion on regularity

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

### Basis of opinions

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

## Conclusions relating to going concern

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

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

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

## Other information

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

I have nothing to report in this regard.

## Report on other requirements

### Opinion on other matters

As legislation and directions issued to Social Care Wales do not specify the content and form of the other information to be presented with the financial statements, I am not able to confirm that the Performance Report and the Accountability Report have been properly prepared in accordance with guidance.

In my opinion, based on the work undertaken in the course of my audit, the information given in the Performance Report and Accountability Report is consistent with the financial statements.

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

## Matters on which I report by exception

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and the Accountability Report.

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

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

## Responsibilities

### Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for preparing the financial statements in accordance with the Regulation and Inspection of Social Care (Wales) Act 2016 and paragraph 16 of Part 6 of Schedule 2 and Welsh Minister directions made there under, for being satisfied that they give a true and fair view and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the body's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management and those charged with governance including obtaining and reviewing supporting documentation relating to Social Care Wales's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and bias when calculating accounting estimates.
- Obtaining an understanding of Social Care Wales’s framework of authority as well as other legal and regulatory frameworks that the Social Care Wales 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 Social Care Wales.

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

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

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team 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 Social Care Wales’s controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor’s responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor’s report.

### **Responsibilities for regularity**

The Accounting Officer is responsible for ensuring the regularity of financial transactions. I obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.

### **Report**

I have no observations to make on these financial statements.

Adrian Crompton  
**Auditor General for Wales**  
 22 July 2021

24 Cathedral Road,  
 Cardiff,  
 CF11 9L

## Financial statements

Statement of comprehensive net expenditure for the year ended 31 March 2021	Note	2020-21 £'000	2019-20 £'000
<b>Expenditure</b>			
Staff costs	14	6,786	6,504
Programme expenditure			
Training support and other grants	4(i)	11,240	11,238
Non grant programme expenditure	4(ii)	2,400	1,901
Administration costs	5	1,177	1,385
Depreciation and amortisation	1(ix)	191	209
Pension interest charge	15	30	-
		<b>21,824</b>	<b>21,237</b>
<b>Income</b>			
Income from activities			
Registration fee income	1(iii)	1,155	978
Other income			
Apprenticeship certification	1(iv)	73	132
Work Welsh		-	156
Mental health workforce		24	-
Sundry income		6	11
Pension interest credit	15	-	30
		<b>1,258</b>	<b>1,307</b>
Net expenditure		<b>20,566</b>	<b>19,930</b>
Interest receivable	3(i)	1	4
Interest surrenderable to the Welsh Government	3(ii)	(1)	(4)
Net expenditure after interest		<b>20,566</b>	<b>19,930</b>
<b>Other comprehensive expenditure</b>			
Actuarial remeasurement	15	340	2,180
<b>Total comprehensive expenditure for the year ended 31 March 2021</b>		<b>20,906</b>	<b>22,110</b>

The notes on pages 54 to 75 form part of these accounts.

Statement of financial position as at 31 March 2021	2021			2020
	Note	£'000	£'000	£'000
<b>Non-current assets:</b>				
Property, plant and equipment	6	276		215
Intangible assets	7	322		349
<b>Total non-current assets</b>			598	564
<b>Current assets:</b>				
Trade and other receivables	9	665		629
Cash and cash equivalents	10	368		248
<b>Total current assets</b>			1,033	877
<b>Total assets</b>			<b>1,631</b>	<b>1,441</b>
<b>Current liabilities</b>				
Trade and other payables	11	(474)		(525)
<b>Total current liabilities</b>			(474)	(525)
<b>Total assets less Current liabilities</b>			<b>1,157</b>	<b>916</b>
<b>Non-current liabilities</b>				
<b>Pension liabilities</b>	15	(2,350)		(1,970)
<b>Total non-current liabilities</b>			(2,350)	(1,970)
<b>Assets less liabilities</b>			<b>(1,193)</b>	<b>(1,054)</b>
<b>Reserves</b>				
General reserve			1,157	916
Pension reserve			(2,350)	(1,970)
<b>Total</b>			<b>(1,193)</b>	<b>(1,054)</b>

Notes on pages 54 to 75 form part of these accounts.

The financial statements on pages 50 to 51 were approved by the Board of Social Care Wales on the 15 July 2021 and were signed on its behalf by:

**Sue Evans**

Chief Executive and Accounting Officer

Date: 21 July 2021

<b>Statement of cash flows</b> for the year ended 31 March 2021	<b>Note</b>	<b>2020-21</b> <b>£'000</b>	<b>2019-20</b> <b>£'000</b>
<b>Cash flows from operating activities</b>			
Net expenditure after interest		(20,566)	(19,930)
Adjustment for depreciation and amortisation		191	209
Adjustment for pension finance costs(net)		40	280
(Increase) in trade and other receivables		(36)	(278)
(Decrease)/Increase in trade and other payables		(51)	33
<b>Net cash (outflow) from operating activities</b>		<b>(20,422)</b>	<b>(19,686)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(108)	(62)
Purchase of intangible assets	7	(117)	(104)
		<b>(225)</b>	<b>(166)</b>
<b>Cash flows from financing activities</b>			
Welsh Government funding (including Capital)		20,767	19,805
<b>Net financing</b>		<b>20,767</b>	<b>19,805</b>
<b>Net increase/decrease in cash and cash equivalents in the period</b>			
		<b>120</b>	<b>(47)</b>
Cash and cash equivalents at the beginning of the period	10	<b>248</b>	<b>295</b>
Cash and cash equivalents at the end of the period	10	<b>368</b>	<b>248</b>

Notes on pages 54 to 75 form part of these accounts.

<b>Statement of changes in taxpayers' equity for the year ended 31 March 2021</b>	<b>Pension reserve £'000</b>	<b>General reserve £'000</b>	<b>Total £'000</b>
<b>Balance as at 1 April 2019</b>	<b>490</b>	<b>761</b>	<b>1,251</b>
<b>Changes in taxpayers' equity 2019-20</b>			
Welsh Government funding	-	19,805	19,805
Transfer between reserves-Capital	(2,460)	2,460	-
Comprehensive expenditure for the year	-	(22,110)	(22,110)
<b>Balance at 31 March 2020</b>	<b>(1,970)</b>	<b>916</b>	<b>(1,054)</b>
<b>Changes in taxpayers' equity 2020-21</b>			
Welsh Government funding	-	20,767	20,767
Transfer between reserves-Capital	(380)	380	-
Comprehensive expenditure for the year	-	(20,906)	20,906
<b>Balance at 31 March 2021</b>	<b>(2,350)</b>	<b>1,157</b>	<b>(1,193)</b>

The notes on pages 54 to 75 form part of these accounts.

## Notes to the Accounts for the year ended 31 March 2021

### Statement of accounting policies

These accounts have been prepared in accordance with the 2020-21 Government Financial Reporting Manual (FReM) issued by the relevant authorities.

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, the accounting policy which is judged to be most appropriate to the circumstances of Social Care Wales for the purpose of giving a true and fair view has been selected. The particular policies adopted by Social Care Wales are described below and have been applied consistently in dealing with items that are considered material to the accounts.

#### 1(i) Accounting convention

The accounts have been prepared on a going concern basis, in accordance with the Accounts Direction issued by the Welsh Ministers with the consent of HM Treasury. They have been prepared under the modified historical cost convention.

#### 1 (ii) Financing

Social Care Wales receives monies from Welsh Government to fund its general revenue and capital activities. These amounts are regarded as financing and are credited to the general reserve on receipt.

#### 1(iii) Registration fee income

This arises from fees charged for registration on the Social Care Register. This fee is not considered to be for an on-going service but for registration in the register only. In line with International Accounting Standard 18 Revenue Recognition (IAS18), revenue is recognised at point of registration.

#### 1(iv) Apprenticeship certification income

Social Care Wales receives income for the compliance checking, printing and posting of apprenticeship certificates as part of its work for the Apprenticeship Certification Authority. The revenue associated with the provision of services is recognised over time in line with the completion of the delivery of the services. In addition as Social Care Wales have all the risks and rewards associated with the provision of the services the income is accounted for on a gross basis in line with IAS 18 and recognises any costs associated with these services separately.

#### 1(v) Training support and other grants

During 2020-21 Social Care Wales has made payments under the **Social Work Bursary Scheme** which is an incentive to train scheme for students enrolled on undergraduate and post-graduate social work training courses. This scheme includes payments to students of a non-income assessed bursary and an additional income assessed element for post-graduate students.

In addition, a **Practice Learning Opportunity Allowance** is also paid to all students. This expenditure is recognised as a liability on the receipt of the relevant grant claims in relation to the various elements of the Social Work Bursary Scheme. This is on the basis that once the grant has been approved, Social Care Wales is unable to avoid this cost, as after eligibility has been proven there are no conditions in relation to the grant that are within the control of Social Care Wales that limit the amount payable.

**Practice Learning Opportunity Funding (PLOF)** is provided to Local Authorities as a contribution towards the costs of securing practice learning opportunities for students undertaking approved social work courses in Wales. The grant is accounted for as a liability and the expenditure recognised in the Statement of comprehensive expenditure once the grant application has been successful. This is on the basis that at this point Social Care Wales cannot avoid paying this liability and there are no conditions in relation to the grant that would limit the amount payable.

Payments were made in relation to the **Continuing Professional Education and Learning (CPEL)** scheme where Social Care Wales fund 100 places each year to qualified social workers. All costs are charged to the Statement of comprehensive net expenditure in line with contractual payments made to Cardiff University. This is in line with IAS37 (provisions, contingent liabilities and contingent assets) as the total annual contract value should be recognised as a liability once the university course commences as Cardiff University have fulfilled their element of the contract at that point.

From 1 April 2017, Social Care Wales was given the responsibility for the administration of the **Social Care Wales Workforce Development Programme (SCWWD)** grant. The grant is provided to support Local Authorities to train and develop their own staff. Funding available from Social Care Wales through SCWDP in 2020-21 provides 70% of the cost of the programme currently £7,135,740. The remaining 30% is to be funded by Local Authorities. The conditions attached to the grant are that the grant must be spent on eligible expenditure and must be spent within the financial year. Therefore, the liability for the grant is recognised once the grant offer letter has been provided. This is on the basis that at this point there are no conditions that remain within the control of Social Care Wales that limit the eligible costs being incurred.

Other grants includes:

- Regional facilitation grants to Statutory Regional Partnership Boards,
- People using services and carers grants to Higher Education Institutions and
- Research grant to the Social Care Institute for Excellence (SCIE).

The liabilities for these grants are recognised once the grant has been claimed as at this point there are no conditions that remain within the control of Social Care Wales that limit the amount payable.

### **1(vi) Trade receivables and other current assets – Social Work Bursary Scheme**

During 2020-21 a small number of students terminated their training early, giving rise to a repayment of all or part of the award. The repayment due at 31 March 2021 totalled £59k (£45k: 31 March 2020) and this sum is included in Trade receivables and other current assets at note 9. It is the policy of Social Care Wales to seek full repayment of these funds.

**1(vii) Property, plant and equipment**

Property, plant and equipment of an individual or group value of £1,000 or more are capitalised. Property, plant and equipment have been valued at historic cost at the 31 March 2021, as in the opinion of Social Care Wales any revaluation adjustments are not material.

**1(viii) Intangible assets**

Information technology and licence purchases of an individual value of £1,000 or more are capitalised. Information technology and licence costs have been valued at historic cost at the 31 March 2021, as in the opinion of Social Care Wales any revaluation adjustments are not material.

**1(ix) Depreciation and amortisation**

Depreciation and amortisation is provided at rates calculated to write off the historic cost of each asset on a straight line basis over the asset's useful economic life as set out below, except for office refurbishment, where costs are written off over the remaining period of the office leases when purchased.

- Communications equipment – five years;
- Furniture – ten years;
- I.T. (property, plant and equipment) – four years;
- Accommodation costs – remaining period of accommodation leases when purchased;
- Information technology and licences (intangible assets) – four years.

Depreciation and amortisation is calculated monthly and begins in the month following the month of purchase. As such, purchases made in March 2021 will not begin to depreciate/amortise until the 2021-22 financial year. The exception to this rule is accommodation refurbishment costs where the depreciation charge is calculated on a daily basis.

**1(x) Leases**

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Expenditure on leases of property is charged to the Statement of comprehensive net expenditure on the basis of costs incurred in the year. Operating lease rentals of equipment are charged to the Statement of comprehensive net expenditure in equal amounts over the lease term.

IFRS 16 which was issued in January 2016 and was effective for most companies from January 2019 has not yet been adopted by the FReM. It requires that all leases with a lease term of more than 12 months be recognized as assets and liabilities in financial statements. It is anticipated that this will be adopted within the FReM from 2022-23.

**1(xi) Value Added Tax**

Social Care Wales is not registered for Value Added Tax (VAT). All expenditure including capital expenditure is reported including VAT, where relevant, as no VAT can be recovered.

**1(xii) Pension costs**

Past and present employees are covered by the Local Government Pension Scheme administered by Rhondda Cynon Taf County Borough Council, which is a multi-employer funded scheme. Further information is provided at note 15 to these Accounts where the principal assumptions used by the actuaries are outlined.

Pension costs have been disclosed in accordance with IAS 19 Employee Benefits. IAS 19 requires the disclosure of certain information covering assets, liabilities and income and expenditure relating to the Scheme.

**1(xiii) Provisions and contingent liabilities and contingent assets*****Provisions***

Social Care Wales provides for obligations arising from past events where there is a present obligation at the date of the Statement of financial position, it is probable Social Care Wales will be required to settle the obligation and a reliable financial estimate can be made.

***Contingent liabilities***

Social Care Wales discloses possible obligations arising from past events where the outcome is based on uncertain future events. Disclosure is made where a present obligation is not probable or cannot be measured reliably.

***Contingent assets***

Social Care Wales discloses a possible asset when the outcome is based on one or more uncertain future events not in the control of Social Care Wales.

## 2. Analysis of net expenditure by segment

The Statement of comprehensive net expenditure account reflects the segments that the operating results of Social Care Wales are reported to the Executive Management Team in order that performance can be assessed by these segments. Consequently, no further analysis of net expenditure by segment is provided.

<b>3. Welsh Government funding</b>	<b>2020-21 £'000</b>	<b>2019-20 £'000</b>
Grant in aid received from the Welsh Government	20,767	19,805
Amount credited to general reserve	<b>20,767</b>	<b>19,805</b>

As outlined in Note 1(ii) the total grants of £20,767k (2019-20:£19,805k) are now credited to the general reserve on receipt.

<b>3(i) Non-retainable income</b>	<b>2020-21 £'000</b>	<b>2019-20 £'000</b>
Interest on deposit account	1	4
<b>Total non-retainable income</b>	<b>1</b>	<b>4</b>

<b>3(ii) Reconciliation of cash received from non-retainable income with amounts repaid to the Welsh Government</b>	<b>2020-21 £'000</b>	<b>2019-20 £'000</b>
Cash received (income exceeding Welsh Government threshold)	1	4
Total income repayable	1	4
Cash repayment	1	4
<b>Due to the Welsh Government at the year end</b>	<b>-</b>	<b>-</b>

Social Care Wales has a liability to repay the Welsh Government interest received during the year, and fee income in excess of the target of £1,180k. The interest received of £1k was paid to Welsh Government. The fee income received in the year in cash terms totalled £1,155k (2019-20:£978k).

## 4. Programme costs

<b>4(i) Training support and other grants</b>	<b>2020-21 £'000</b>	<b>2019-20 £'000</b>
Social Work Bursary Scheme payments	2,102	2,162
Practice Learning Opportunity Funding	990	1,142
People using services and carers in social work training	66	57
Continuing Professional Education & Learning	-	50
Social Care Wales Workforce Development Programme	7,149	7,149
	<b>10,307</b>	<b>10,560</b>
<b>Other grants</b>		
Grants to regions	810	555
Research - Social Care Institute for Excellence	123	123
	<b>11,240</b>	<b>11,238</b>

<b>4(ii) Non grant programme expenditure</b>	<b>2020-21 £'000</b>	<b>2019-20 £'000 Restated</b>
Improvement and development	1,544	1,027
Work Welsh	-	132
Workforce regulation including regulation of social work training	856	742
	<b>2,400</b>	<b>1,901</b>

The previous years figures have been restated to reflect that all data costs are now included in Improvement and development and not in Workforce regulation. The previous years figures before restatement were Improvement and development (£807k) and Workforce regulation (£962k).

5. Administration costs	2020-21 £'000	2019-20 £'000 restated
Chair, members, and staff expenses	3	113
Other Chair, members and staff costs	131	128
Rental under operating leases- accommodation	273	265
Other premises costs	283	312
Workshops, seminars, promotions, publications	83	114
Equipment and software	199	240
Rental under operating leases- photocopiers & franking machines	23	23
Administration	52	56
External audit- audit work	21	21
Other professional fees	109	113
	<b>1,177</b>	<b>1,385</b>

The previous years figures have been restated to reflect that Chair, members and staff expenses are now purely the travel and subsistence costs for both members and staff. Previously they included members training costs, travel and venue costs for Board meetings which are now included in Other Chair, members and staff costs. The previous years figures before restatement were Chair, members and staff expenses (£121k) and other Chair, members and staff costs (£120k).

<b>6. Property, plant and equipment year ended 31 March 2021</b>	<b>Accommodation refurbishment £'000</b>	<b>Furniture and fittings £'000</b>	<b>Information technology £'000</b>	<b>Assets under construction £'000</b>	<b>Totals £'000</b>
<b>Cost</b>					
<b>At 1 April 2020</b>	<b>591</b>	<b>143</b>	<b>660</b>	<b>-</b>	<b>1,394</b>
Additions in the period			108	-	108
Disposals in the period				-	-
<b>At 31 March 2021</b>	<b>591</b>	<b>143</b>	<b>768</b>	<b>-</b>	<b>1,502</b>
<b>Depreciation</b>					
<b>At 1 April 2020</b>	<b>453</b>	<b>140</b>	<b>586</b>	<b>-</b>	<b>1,179</b>
Charged in the year	16	1	30	-	47
Disposals in the period				-	-
<b>At 31 March 2021</b>	<b>469</b>	<b>141</b>	<b>616</b>	<b>-</b>	<b>1,226</b>
<b>Net book value</b>					
<b>At 31 March 2021</b>	<b>122</b>	<b>2</b>	<b>152</b>	<b>-</b>	<b>276</b>
<b>At 1 April 2020</b>	<b>138</b>	<b>3</b>	<b>74</b>	<b>-</b>	<b>215</b>

<b>year ended 31 March 2020</b>	<b>Accommodation refurbishment £'000</b>	<b>Furniture and fittings £'000</b>	<b>Information technology £'000</b>	<b>Assets under construction £'000</b>	<b>Totals £'000</b>
<b>Cost</b>					
<b>At 1 April 2019</b>	<b>418</b>	<b>143</b>	<b>639</b>	<b>155</b>	<b>1,355</b>
Additions in the period	18	-	44	-	62
Transfer from assets under construction	155	-	-	(155)	-
Disposals in the period	-	-	(23)	-	(23)
<b>At 31 March 2020</b>	<b>591</b>	<b>143</b>	<b>660</b>	<b>-</b>	<b>1,394</b>
<b>Depreciation</b>					
<b>At 1 April 2019</b>	<b>414</b>	<b>139</b>	<b>578</b>	<b>-</b>	<b>1,131</b>
Charged in the year	39	1	31	-	71
Disposals in the period	-	-	(23)	-	(23)
<b>At 31 March 2020</b>	<b>453</b>	<b>140</b>	<b>586</b>	<b>-</b>	<b>1,179</b>
<b>Net book value</b>					
<b>At 31 March 2020</b>	<b>138</b>	<b>3</b>	<b>74</b>	<b>-</b>	<b>215</b>
<b>At 1 April 2019</b>	<b>4</b>	<b>4</b>	<b>61</b>	<b>155</b>	<b>224</b>

<b>7. Intangible assets</b> year ended 31 March 2021	<b>Information technology</b> £'000	<b>Licences</b> £'000	<b>Totals</b> £'000
<b>Cost</b>			
<b>At 1 April 2020</b>	<b>1,498</b>	<b>133</b>	<b>1,631</b>
Additions in the period	117	-	117
Transfer from development	-	-	-
Disposals in the period	-	-	-
<b>At 31 March 2021</b>	<b>1,615</b>	<b>133</b>	<b>1,748</b>
<b>Amortisation</b>			
<b>At 1 April 2020</b>	<b>1,197</b>	<b>85</b>	<b>1,282</b>
Charged in the year	131	13	144
Disposals in the period	-	-	-
<b>At 31 March 2021</b>	<b>1,328</b>	<b>98</b>	<b>1,426</b>
<b>Net book value</b>			
<b>At 31 March 2021</b>	<b>287</b>	<b>35</b>	<b>322</b>
<b>At 1 April 2020</b>	<b>301</b>	<b>48</b>	<b>349</b>

<b>year ended 31 March 2020</b>	<b>Information technology</b> £'000	<b>Licences</b> £'000	<b>Totals</b> £'000
<b>Cost</b>			
<b>At 1 April 2019</b>	<b>1,436</b>	<b>91</b>	<b>1,527</b>
Additions in the period	62	42	104
Transfer from development	-	-	-
Disposals in the period	-	-	-
<b>At 31 March 2020</b>	<b>1,498</b>	<b>133</b>	<b>1,631</b>
<b>Amortisation</b>			
<b>At 1 April 2019</b>	<b>1,067</b>	<b>77</b>	<b>1,144</b>
Charged in the year	130	8	138
Disposals in the period	-	-	-
<b>At 31 March 2020</b>	<b>1,197</b>	<b>85</b>	<b>1,282</b>
<b>Net book value</b>			
<b>At 31 March 2020</b>	<b>301</b>	<b>48</b>	<b>349</b>
<b>At 1 April 2019</b>	<b>369</b>	<b>14</b>	<b>383</b>

## 8. Financial instruments

As the cash requirements of Social Care Wales are primarily met through Grant-in-Aid provided by the Welsh Government, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with Social Care Wales's expected purchase and usage requirements and Social Care Wales is therefore exposed to little credit, liquidity or market risk.

9. Trade receivables and other current assets At 31 March	2021 £'000	2020 £'000
<b>Amounts falling due within one year</b>		
Trade receivables		
Welsh Government	11	1
Local Authorities	2	-
Social Work Bursary Scheme debtors	59	45
Other bodies	94	152
Other receivables		
Prepayments and accrued income	499	431
	<b>665</b>	<b>629</b>

Social Work Bursary Scheme debtors are repayable over more than one financial year, repayment contracts being agreed and signed by students which take account of their individual circumstances. However, for the purposes of disclosure, all balances have been included as falling due within one financial year.

10. Cash and cash equivalents	2020-21 £'000	2019-20 £'000
Balance at 1 April	248	295
Net change in cash and cash equivalent balances	120	(47)
Balance at 31 March	<b>368</b>	<b>248</b>

The balances at the 1st April 2019, the 1st April 2020, and the 31st March 2021 were held at Commercial Banks.

11. Trade payables and other current liabilities At 31 March	2021 £'000	2020 £'000
Amounts falling due within one year		
Trade payables		
Other taxation and social security	-	-
Other payables		
Accruals and deferred income	474	525
	<b>474</b>	<b>525</b>

## 12. Capital commitments

There were contracted capital commitments of £10k at 31 March 2021 not otherwise included in these financial statements (£10k at 31 March 2020).

13. Commitments under operating leases as at 31 March	2021 £'000	2020 £'000
<b>Obligations under operating leases comprise:</b>		
Land and buildings		
Not later than one year	273	278
Later than one year and not later than five years	1,092	1,113
Later than five years	787	1,080
	<b>2,152</b>	<b>2,471</b>
Other		
Not later than one year	22	22
Later than one year and not later than five years	-	20
Later than five years	-	-
	<b>22</b>	<b>42</b>

14. Staff costs	2020-21 Total costs £'000	2019-20 Total costs £'000
Salaries and wages	4,956	4,499
Social security costs	462	425
Other pension Costs	1,409	1,592
Apprenticeship levy	9	7
<b>Sub-total</b>	<b>6,836</b>	<b>6,523</b>
Less recoveries in respect of outward secondments	(50)	(19)
<b>Total net costs</b>	<b>6,786</b>	<b>6,504</b>

## 15. Retirement benefit obligations

### (i) Present staff and pensioners

Social Care Wales participates in a multi-employer funded pension scheme which provides benefits at a normal retirement age of 65. The assets of the scheme are held separately from those of Social Care Wales and are administered by Rhondda Cynon Taf County Borough Council. Social Care Wales share of the underlying assets and liabilities of the scheme was separately identified in the actuarial valuation at 31 March 2004 for the first time.

### 15(ii) Local Government Pension Scheme, a defined benefit scheme

The Scheme is contracted out of the State Earnings Related Pension Scheme (SERPS) and is not subject to the minimum pension requirements of the Pensions Act 1995. The Local Government Pension Scheme Regulations 1997 (regulation 77) specifies that actuarial valuations must be carried out at 31 March 1998, and triennially thereafter. The disclosures below relate to the Rhondda Cynon Taf County Borough Council Pension Scheme and have been provided by the Scheme's actuary Aon Hewitt Limited, London.

### 15(iii) Results under International Accounting Standard no.19 (Disclosure)

The disclosures below relate to the funded liabilities within the Rhondda Cynon Taf Pension Fund (the 'Fund') which is part of the Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The Local Government Pension Scheme Regulations 2013'(as amended) and 'The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014'(as amended).

## Funding / Governance arrangements of the LGPS

The funded nature of the LGPS requires the Employer and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid out is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2019 and the contributions to be paid until 31 March 2023 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate. The Fund Administering Authority, Rhondda Cynon Taf County Borough Council is responsible for the governance of the Fund.

### Assets

Social Care Wales recognises gains and losses in full, immediately through the Statement of comprehensive net expenditure. In accordance with International Accounting Standard no.19 - Employee Benefits (IAS 19), disclosure of certain information concerning assets, liabilities and income and expenditure relating to pension schemes is required.

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to these notional assets over the accounting period. The fund is large and holds a significant proportion of its assets in liquid investments. As a consequence there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the Administering Authority) is shown in the disclosures split by quoted and unquoted investments. The Fund Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

### Risks associated with the Fund in relation to accounting

#### Asset volatility

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields at the accounting date. If assets underperform, this yield this will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which, while expected to outperform corporate bonds in the long term, creates volatility and risk in the short term in relation to the accounting figures.

#### Changes in bond yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result (to the extent the Fund invests in Corporate bonds).

#### Inflation risk

The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are not perfectly correlated with inflation meaning that an increase in inflation will increase the deficit.

#### Life expectancy

The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

## Exiting employers

Employers who leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further the assets at exit in respect of 'orphan liabilities' may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. 'Orphan liabilities' are currently a small proportion of the overall liabilities in the Fund.

## Other notes

### McCloud judgement

The 'McCloud' judgement in the Court of Appeal found that the transitional protection arrangements put in place when the firefighters' and judges' pension schemes were reformed were age discriminatory. On 27 June 2019 the Supreme Court denied permission for Government to appeal this judgement, and on 15 July 2019 the Government issued a ministerial statement saying they would expect to compensate members across all public-sector schemes which contained transitional protection arrangements (which includes the LGPS).

The Minister of Housing, Communities and Local Government (MHCLG) published its McCloud consultation for the LGPS (in England and Wales) on 16 July 2020, setting out proposed changes aimed at removing the unlawful age discrimination in the LGPS. The consultation closed on 8 October 2020 and we are awaiting the consultation response.

We have allowed for the impact McCloud judgement in these figures and the method used is closely aligned with the method proposed by the MCHLG in its consultation. This is the same approach as last year when the liability was reported for the first time using a roll-forward method based on last year's results.

### Cost management in the LGPS

Legislation requires HM Treasury and the Scheme Advisory Board (SAB) to undertake periodic valuations to monitor the cost of the LGPS to ensure it remains sustainable and affordable. This is referred to as the 'Cost Management Process'.

HM Treasury and the SAB had paused their reviews following the 'McCloud' judgement in the Court of Appeal. These have now been unpaused and HM Treasury Directions are expected to be made over 2021 which will allow the Treasury and SAB reviews to proceed. It is unlikely the outcome of these reviews will be known in 2021 and no changes in benefits or member contributions are expected until 2024. Therefore, no allowance for the Cost Management Process has been made in these figures.

### GMP equalisation and indexation

On 26 October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs".

These figures allow for full pensions increases to be paid on GMPs to individuals reaching State Pension Age after 6 April 2016. The calculations are an approximate method as the Government is consulting on its approach to compensating affected members. Whilst the final remedy arising from the consultation may be different from the method used we expect the outcome will include extension

of full indexation for many members who are yet to be compensated and therefore we consider the approach to be a reasonable estimate.

In October 2020 a second ruling in the Lloyds bank case clarified that compensation would be required to members who transferred benefits out since May 1990. The Government has not yet acknowledged a liability or indicated an approach to rectifying this. Therefore no allowance has been made for any potential liability.

### Goodwin ruling

In June 2020 an Employment Tribunal ruled, in relation to the Teachers Pension Scheme, that provisions for survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. The chief secretary to the Treasury announced in a written ministerial statement on 20 July 2020 that he believed that changes would be required to other public service pension schemes with similar arrangements. These changes are yet to be reflected in the LGPS regulations so no allowance has been made in the calculations.

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2022 are estimated to £1.33m. The date of the last full actuarial valuation of Social Care Wales LGPS funded benefits was 31 March 2019 and the duration of liabilities is 26.3 years.

Key assumptions	31 March 2021 (% pa)	31 March 2020 (% pa)	31 March 2019 (% pa)
Discount rate	2.1	2.3	2.5
CPI inflation	2.6	1.8	2.1
Pension increases	2.6	1.8	2.1
Pension accounts revaluation rate	2.6	1.8	2.1
Salary increases	3.9	3.1	3.4

### Mortality assumption

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2019 valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below.

Assumed life expectancy at age 65	31 March 2021	31 March 2020
<b>Males</b>		
Pensioner member aged 65 at accounting date	21.8	21.7
Active member aged 45 at accounting date	22.8	22.7
<b>Females</b>		
Pensioner member aged 65 at accounting date	24.1	24.0
Active member aged 45 at accounting date	25.6	25.5

Asset allocation	Value at 31 March 2021			Value at 31 March 2020
	Quoted	Unquoted	Total	
Equities	72.5%	0.0%	72.5%	63.7%
Property	6.3%	0.0%	6.3%	8.6%
Government bonds	8.3%	0.0%	8.3%	13.8%
Corporate bonds	12.3%	0.0%	12.3%	13.0%
Cash	0.6%	0.0%	0.6%	0.9%
Other	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Reconciliation of funded status to the Statement of financial position	Value at 31 March 2021 (£M)	Value at 31 March 2020 (£M)
Fair value of assets	30.65	21.71
Present value of funded defined benefit obligation	33.0	23.68
<b>Funded status</b>	<b>(2.35)</b>	<b>(1.97)</b>
Unrecognised asset	0.00	0.00
<b>(Liability) recognised on the SOFP</b>	<b>(2.35)</b>	<b>(1.97)</b>

The split of the liabilities obligation at the last valuation date between the various categories of members was as follows:

Active members	56%
Deferred pensioners	18%
Pensioners	26%

Amounts recognised in comprehensive net expenditure	Year ending 31 March 2021 (£M)	Year ending 31 March 2020 (£M)
<b>Operating cost</b>		
Current service cost <sup>(1)</sup>	1.39	1.32
Past service cost (incl. curtailments)	0.00	0.27
Settlement cost	0.00	0.00
<b>Financing cost</b>		
Interest on net defined benefit liability/(asset)	0.03	(0.03)
<b>Pension cost recognised in net expenditure</b>	<b>1.42</b>	<b>1.56</b>
<b>Remeasurements in other comprehensive expenditure</b>		
Return on plan assets (in excess of) that recognised in net interest	(7.05)	0.86
Actuarial (gains)/losses due to change in financial assumptions	7.60	(0.60)
Actuarial (gains)/losses due to change in demographic assumptions	-	(0.33)
Actuarial (gains)/losses due to liability experience	(0.21)	2.25
Adjustment in respect of paragraph 64	0.00	0.00
<b>Total amount recognised in other comprehensive expenditure</b>	<b>0.34</b>	<b>2.18</b>
<b>Total amount recognised in total comprehensive expenditure</b>	<b>1.76</b>	<b>3.74</b>
(1) Allowance for administration expenses included in current service cost (£M)	0.02	0.02

<b>Changes to the present value of the defined benefit obligation</b>	<b>Year ending 31 March 2021 (£M)</b>	<b>Year ending 31 March 2020 (£M)</b>
<b>Opening defined benefit obligation</b>	<b>23.68</b>	<b>20.51</b>
Current service cost	1.39	1.32
Interest expense on defined benefit obligation	0.54	0.51
Contributions by participants	0.30	0.27
Actuarial (gains)/losses due to changes in financial assumptions	7.60	(0.60)
Actuarial (gains)/losses due to changes in demographic assumptions	-	(0.33)
Actuarial (gains)/losses due to liability experience	(0.21)	2.25
Net benefits paid out	(0.30)	(0.52)
Past service cost (incl. curtailments)	0.00	0.27
Net increase in liabilities from disposals/ acquisitions	0.00	0.00
Settlements	0.00	0.00
<b>Closing defined benefit obligation</b>	<b>33.0</b>	<b>23.68</b>

<b>Changes to the fair value of assets during the year</b>	<b>Year ending 31 March 2021 (£M)</b>	<b>Year ending 31 March 2020 (£M)</b>
<b>Opening fair value of assets</b>	<b>21.71</b>	<b>21.00</b>
Interest income on assets	0.51	0.54
Remeasurement gains(losses) on assets	7.05	(0.86)
Contributions by the employer	1.38	1.28
Contributions by the participants	0.30	0.27
Net benefits paid out	(0.30)	(0.52)
Net increase in assets from disposals & acquisitions	0.00	0.00
Settlements	0.00	0.00
<b>Closing fair value of assets</b>	<b>30.65</b>	<b>21.71</b>

<b>Actual return on assets</b>	<b>Year ending 31 March 2021 (£M)</b>	<b>Year ending 31 March 2020 (£M)</b>
Interest income on assets	0.51	0.54
Remeasurement gains /(losses) on assets	7.05	(0.86)
<b>Actual return on assets</b>	<b>7.56</b>	<b>(0.32)</b>

### Estimated pension expense in future periods

#### Funded benefits

We provide an estimate of the charges to comprehensive expenditure on the provision of services in future periods, based on the assumptions outlined above.

<b>Analysis of amount charged in other comprehensive expenditure on the provision of services next year</b>	<b>Year ending 31 March 2022 (£M)</b>
Current service cost	2.14
Interest on net defined benefit liability	0.04
<b>Total estimated pension expense</b>	<b>2.18</b>
Allowance for administration expenses included in the Current service cost (£M)	0.02
Estimated pensionable payroll over the period (£M)	4.45

#### Sensitivity analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2021 and the projected service cost for the year ending 31 March 2022 is set out below.

In each case only the assumption mentioned is altered; all other assumptions remain the same as summarised above.

We have not included sensitivity of unfunded benefits (where applicable) on materiality grounds.

## Funded LGPS benefits

<b>Discount rate assumption</b> Adjustment to discount rate	<b>+0.1% p.a.</b>	<b>Base figure</b>	<b>-0.1% p.a.</b>
Present value of total obligation (£M)	32.14	33.00	33.89
% change in present value of total obligation	(2.6%)	-	2.7%
Projected service cost (£M)	2.06	2.14	2.22
<b>Approximate % change in projected service cost</b>	<b>(3.8%)</b>	<b>-</b>	<b>3.9%</b>

<b>Rate of general increase in salaries</b> Adjustment to salary increase rate	<b>+0.1% p.a.</b>	<b>Base figure</b>	<b>-0.1% p.a.</b>
Present value of total obligation (£M)	33.13	33.00	32.87
% change in present value of total obligation	0.4%	-	(0.4%)
Projected service cost (£M)	2.14	2.14	2.14
Approximate % change in projected service cost	0.0%	-	0.0%

<b>Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption</b> Adjustment to pension increase rate	<b>+0.1% p.a.</b>	<b>Base figure</b>	<b>-0.1% p.a.</b>
Present value of total obligation (£M)	33.76	33.00	32.27
% change in present value of total obligation	2.3%	-	(2.2%)
Projected service cost (£M)	2.22	2.14	2.06
Approximate % change in projected service cost	3.9%	-	(3.8%)

<b>Post retirement mortality assumption*</b> Adjustment to mortality age rating assumption	<b>-1 year</b>	<b>Base figure</b>	<b>+1 year</b>
Present value of total obligation (£M)	34.19	33.00	31.85
% change in present value of total obligation	3.6%	-	(3.5%)
Projected service cost (£M)	2.23	2.14	2.05
Approximate % change in projected service cost	4.1%	-	(4.0%)

\* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

## 16. Provisions and contingent liabilities disclosed under IAS 37

The lease agreements in relation our Cardiff and St Asaph Offices potentially requires that any alterations, additions and partitioning should be removed on cessation of the lease. No provision has been made as this obligation is uncertain and is contingent on the landlord requesting the removal.

## 17. Contingent asset

At 31 March 2021 there were £106k of registration fees outstanding. Under the Regulation and Inspection Act (Wales) 2016 it was originally assumed that we could only remove registrants for non payment of outstanding fees at renewal of registration which takes place three years after initial registration and then on a three year cycle. Based on experience to date it is only at the this renewal date we are able to substantiate that in relation to the majority of outstanding fees whether the registrant has not paid due to leaving the sector (and the outstanding fee will not be pursued) or if it is a genuine debt in relation to an ongoing registrant.

Following discussions with Welsh Government it was agreed that the Act did allow the removal of debtors prior to the renewal date. Work has begun in removing debtors but we are still not in a position to substantiate what is genuine debt or not.

Therefore the £106k outstanding is not treated as income in the Statement of comprehensive net expenditure as we are not sure of the precise economic value of this amount as on an individual basis we will not know whether the income will materialise until the renewal date of each individual amount/ amounts owed is reached.

## 18. Related party transactions

During the year Social Care Wales has had various material transactions with the Welsh Government which is regarded as a related party. The transactions and balances were as follows:-

	2020-21	2019-20
Income	£20.791m	£19.805m
Expenditure	£0.144m	£0.128m
Debtor balance as at 31 March	£0.011m	£0.001m
Creditor balance as at 31 March	-	-

### Social Care Wales Board members and staff

No employees including key management personnel or board members nor their related parties were involved directly or indirectly in any transactions with Social Care Wales during the year, apart from normal expense claims, salary payments etc. Information about key management personnel is included in the Remuneration report.

However for transparency we do disclose material transactions with organisations in which senior staff or members or any of their family held positions of influence during the year.

Our previous Chair was also a Council Member of the University of Wales and was the Chair of the Audit and Risk Committee of the University of Wales Trinity St David. The expenditure transactions with the University of Wales Trinity St David was £1,040 in 2019-20. There were no debtor or creditor balances as at the 31 March 2020.

In addition, two members of our board were also members of the Regional Partnership Boards which received grant funding from Social Care Wales in the form of Regional Facilitation Grant. The transactions were as follows:-

Board Member	Role	Regional Partnership Board	Expenditure 2020-21 (£)	Expenditure 2019-20 (£)
Abigail Harris	Member	Cardiff & Vale Regional Partnership Board	73,036	73,036
Carl Cooper	Deputy Chair	Powys Regional Partnership Board	57,574	32,574

Please note that the payments in the table above were made to the nominated local authority being Cardiff City Council (Cardiff and Vale) and Powys County Council (Powys).

## 19. Third party assets

Social Care Wales does not hold any third party assets in which it acts as a custodian or a trustee.

## 20. Events after the reporting period

There are no events after the reporting period, which require adjustment to the 31 March 2021 financial statements.



Gofal Cymdeithasol **Cymru**  
Social Care **Wales**



Ariennir gan  
**Lywodraeth Cymru**  
Funded by  
**Welsh Government**



## Audit of Accounts Report – Social Care Wales

Audit year: 2020-21

Date issued: July 2021

Document reference: 2469A2021-22

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at [infoofficer@audit.wales](mailto:infoofficer@audit.wales).

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

# Contents

This document summarises the conclusions of the 2020-21 audit. We intend to issue an unqualified audit report on your financial statements.

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# Audit of accounts report

## Introduction

1. We summarise the main findings from our audit of your 2020-21 financial statements in this report.
2. We have already discussed these issues with Assistant Director of Finance and IT.
3. Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
4. We set this level at £436,000 for this year's audit.
5. There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
  - Remuneration Report £1,000
  - Related Party Disclosures £1,000
6. We have now substantially completed this year's audit.
7. In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and, our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

## Impact of COVID-19 on this year's audit

8. The COVID-19 pandemic has had a significant impact on all aspects of our society and continues to do so. You are required by law to prepare accounts and it is of considerable testament to the commitment of your accounts team that you have succeeded in doing so this year in the face of the challenges posed by this pandemic. We are extremely grateful to the professionalism of the team in supporting us to complete our audit in such difficult circumstances.
9. The pandemic has unsurprisingly affected our audit and we summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the COVID-19 pandemic on this year's audit process.

## Exhibit 1 – impact of COVID-19 on this year’s audit

<b>Timetable</b>	<ul style="list-style-type: none"><li>• The deadline for completing your accounts remained unchanged.</li><li>• We received the draft accounts on 24 May 2021.</li><li>• We expect your audit report to be signed on 22 July.</li></ul>
<b>Electronic signatures</b>	If still necessary at the time of approval and signing, we will accept electronic signatures and electronic transfer of files.
<b>Audit evidence</b>	<p>As in previous years, we received the majority of audit evidence in electronic format. We have used various techniques to ensure its validity. Where we have been unable to obtain access to paper documents because of COVID-19 restrictions we have devised alternative audit methodologies to obtain sufficient audit evidence.</p> <ul style="list-style-type: none"><li>• use of encrypted secure emails to share documents.</li><li>• some information was verified to screen prints or to the live systems via screen sharing.</li><li>• video conferencing has enabled the audit team to correspond effectively with the finance team throughout the audit.</li></ul>

10. We will continue to review what we have learned for our audit process from the COVID-19 pandemic and whether there are innovative practices that we might adopt in the future to enhance that process.

## Proposed audit opinion

11. We intend to issue an unqualified audit opinion on this year’s accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
12. We issue a ‘qualified’ audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
13. The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards.
14. Our proposed audit report is set out in **Appendix 2**.

## Significant issues arising from the audit

### Uncorrected misstatements

15. There are no misstatements identified in the accounts, which remain uncorrected.

### Corrected misstatements

16. There are a number of minor misstatements that have been corrected by management. These were narrative disclosure amendments and we do not consider that they need to be drawn to your attention as part of your responsibilities over the financial reporting process.

### Other significant issues arising from the audit

17. In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were no issues arising this year.

# Appendix 1

## Final Letter of Representation

### Social Care Wales letter head

Auditor General for Wales  
Audit Wales  
24 Cathedral Road  
Cardiff  
CF11 9LJ

xx xxxx 2021

### Representations regarding the 2020-21 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Social Care Wales for the year ended 31 March 2021 for the purpose of expressing an opinion on their truth and fairness, their proper preparation and the regularity of income and expenditure].

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

### Management representations

#### Responsibilities

As Chief Executive and Accounting Officer I have fulfilled my responsibility for:

- preparing the financial statements in accordance with legislative requirements and the Treasury's Financial Reporting Manual. In preparing the financial statements, I am required to:
  - observe the accounts directions issued by Welsh Ministers, including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis;
  - make judgements and estimates on a reasonable basis;
  - state whether applicable accounting standards have been followed and disclosed and explain any material departures from them; and
  - prepare them on a going concern basis on the presumption that the services of Social Care Wales will continue in operation.
- ensuring the regularity of any expenditure and other transactions incurred; and
- the design, implementation and maintenance of internal control to prevent and detect error.

## Information provided

We have provided you with:

- Full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects Social Care Wales and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.
- Our knowledge of all possible and actual instances of irregular transactions.

## Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and

accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

## **Representations by the Audit and Risk Committee**

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Board on xx xxxx 2021

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Chief Executive

Chair of the Audit and Risk Committee

Date:

Date:

# Appendix 2

## Proposed audit report

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

#### Report on the audit of the financial statements

##### Opinion on financial statements

I certify that I have audited the financial statements of Social Care Wales for the year ended 31 March 2021 under the Regulation and Inspection of Social Care (Wales) Act 2016 and paragraph 16 of Part 6 of Schedule 2. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers Equity and related notes, including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion the financial statements:

- give a true and fair view of the state of Social Care Wales affairs as at 31 March 2021 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under the Regulation and Inspection of Social Care (Wales) Act 2016 and paragraph 16 of Part 6 of Schedule 2.

##### Opinion on regularity

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

##### Basis of opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards

are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

## **Conclusions relating to going concern**

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

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

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

## **Other information**

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

I have nothing to report in this regard.

## **Report on other requirements**

### **Opinion on other matters**

As legislation and directions issued to Social Care Wales do not specify the content and form of the other information to be presented with the financial statements, I am not able

to confirm that the Performance Report and the Accountability Report have been properly prepared in accordance with guidance.

In my opinion, based on the work undertaken in the course of my audit, the information given in the Performance Report and Accountability Report is consistent with the financial statements.

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

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and the Accountability Report.

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

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

## **Responsibilities**

### **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for preparing the financial statements in accordance with the Regulation and Inspection of Social Care (Wales) Act 2016 and paragraph 16 of Part 6 of Schedule 2 and Welsh Ministers' directions made there under, for being satisfied that they give a true and fair view and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the body's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

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

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Audit and Risk Committee about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether

the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team 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 Social Care Wales's controls, and the nature, timing and extent of the audit procedures performed.

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

## Responsibilities for regularity

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

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

## Report

I have no observations to make on these financial statements.

Adrian Crompton  
Auditor General for Wales  
22 July 2021

24 Cathedral Road  
Cardiff  
CF11 9LJ

The maintenance and integrity of Social Care Wales' website is the responsibility of the Accounting Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.





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We welcome correspondence and telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.



<b>CYFARFOD / MEETING</b>	<b>Board meeting</b>				
	<b>PREIFAT / PRIVATE</b>		<b>CYHOEDDUS / PUBLIC</b>		
	<input type="checkbox"/>		<input checked="" type="checkbox"/>		
<b>DYDDIAD / DATE</b>	<b>15.07.21</b>				
<b>EITEM AGENDA / AGENDA ITEM</b>	<b>8</b>				
<b>TEITL / TITLE / SCW/21/20</b>	<b>Annual Chair of Audit and Risk Committee Assurance Report to Board</b>				
<b>AWDUR / AUTHOR</b>	Rhian Watcyn Jones Chair of Audit and Risk Committee				
<b>CYFRANIADAU GAN/ CONTRIBUTIONS FROM:</b>	Audit Committee Members				
<b>PAPURAU CEFNOGOL / SUPPORTING PAPERS</b>	Appendix 1: Annual Chair of Audit and Risk Committee Assurance Report to Board  Annex 1: Committee's Programme of work 2020/21 Annex 2: Internal Audit Annual Report 2020/21				
<b>GWEITHGAREDD CYNLLUN BUSNES / BUSINESS PLAN ACTIVITY</b>	Priority theme 4: for the Social Care Wales workforce and effective organisation				
<b>GWEITHRED / ACTION REQUIRED</b>	<b>CYMERADWYA ETH / APPROVAL</b>	<b>DARPARU LLYW / PROVIDE A STEER</b>	<b>DARPARU SICRWYDD / PROVIDE ASSURANCE</b>	<b>TRAFODAETH / DISCUSSION</b>	<b>CRAFFU / SCRUTINISE</b>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>ARGYMHELLIAD / RECOMMENDATION</b>	Members are invited to <b>discuss</b> and <b>approve</b> the Annual Chair of Audit and Risk Committee Assurance Report.				
<b>PRIF BWYNTIAU; MATERION ALLWEDDOL I DYNNU SYLW ATYNT; CWESTIYNAU I'W YSTYRIED</b>	The draft Annual Chair of Audit and Risk Committee Assurance Report to the Board was discussed as a draft at the Audit and Risk Committee in March 2021.  In accordance with 'Managing Welsh public money' <sup>1</sup> it is good practice for the Audit and Risk Committee 'to advise the governing body of a public sector organisation on its key				

<sup>1</sup> 'Managing Welsh Public Money', January 2016, Welsh Government

<p><b>MAIN POINTS; KEY ISSUES TO DRAW TO ATTENTION; QUESTIONS TO CONSIDER</b></p>	<p>decisions on governance and managing opportunities and risks'. Therefore, this report by the Chair of the Audit and Risk Committee provides the Board with the annual overview report on the work of the Committee for the year and review of effectiveness.</p> <p>This report provides that review for 2020/21 and also indicates particular areas of focus for the Audit and Risk Committee in 2021/22. This is set out in section 11.3</p>
<p><b>AESIADAU EFFAITH / IMPACT ASSESSMENTS</b></p>	

## **ANNUAL AUDIT AND RISK COMMITTEE ASSURANCE REPORT TO THE BOARD**

### **1. Purpose of the report and recommendation**

- 1.1 This is the Chair of Audit and Risk Committee's Assurance Report for the period 1 April 2020 to 31 March 2021. The report sets out the Audit and Risk work for the year to support the annual governance statement and informs our Statutory Annual Accounts for 2020/21.
- 1.2 The Audit and Risk Committee discussed the assurance report during the March Committee meeting. Members are invited to discuss and approve the Annual Chair of Audit and Risk Committee Assurance Report to the Board.

### **2. Summary**

- 2.1 The range of Audit and Risk Committee activity carried out during 2020/21 has provided positive assurance about Social Care Wales's governance, risk management and control environment. It supports the Accounting Officer in signing a satisfactory annual governance statement for the year.
- 2.2 The report to the Board also aims to illustrate the role of the Committee in establishing the necessary governance arrangements to support the establishment and business operations of the organisation.

### **3. Context**

- 3.1 As Chair of the Audit and Risk Committee it is important that my report is set and read within the context of COVID-19. The speed and magnitude of the response needed is not something we have experienced before. In a Dear Accounting Officer (DAO) 01/20 letter in relation to *COVID-19: Governance, Risk Management and Decision Making* the Permanent Secretary made it clear that we (Welsh public services) may need to increase our risk appetite, in a selective and managed way, in order to deliver a response at pace and to the scale required.
- 3.2 As the DAO letter stated, "There is a need for us to work in an agile way. This is key in order for decisions to be made at speed. However good governance at this time is also essential to ensure the decisions being made are good ones, and the right ones. When this crisis is over there will, undoubtedly, be a number of enquiries into decision-making over this time."
- 3.3 As the Audit and Risk Committee, alongside the Board, it is important that we continue to receive assurances that there are proportionate safeguards in place to ensure there is regularity, propriety, feasibility and value for money in the use of public funds. Whilst also recognising the pressing need is for us to respond swiftly with an appropriate set of support measures to give our staff

and sectors, we support with the assistance they need. If we fail to do so, then there is a significant risk support might come too late for many.

- 3.4 It is also important to note that the organisation has adapted to working from home throughout 2020-21 to meet and deliver its work in line with our model governance framework requirements. Further detail on this can be found in our Board papers in April 2020 and [January 2021](#).

## **4. Summary**

- 4.1 The range of Audit and Risk Committee activity carried out during 2020/21 has provided positive assurance about Social Care Wales's governance, risk management and control environment. It supports the Accounting Officer in signing a satisfactory annual governance statement for the year.
- 4.2 The report to the Board also aims to illustrate the role of the Committee in maintaining, reviewing, and developing the necessary governance arrangements to support the organisation.

## **5. Audit and Risk Committee arrangements**

### **Role and remit**

- 5.1 In line with the Model Governance Framework the Board must ensure that effective arrangements are in place to provide assurance on risk management, governance, and internal control. It must establish an Audit Committee chaired by a non-executive member (but not the Chair or Treasurer) and at least one of the Committee members should have recent and relevant financial experience to provide it with independent advice. The Board is expected to assure itself of the effectiveness of the internal control and risk management systems.
- 5.2 The Audit and Risk Committee also advises the Accounting Officer on the adequacy of arrangements within Social Care Wales for internal audit, external audit, and corporate governance matters.
- 5.3 The Audit and Risk Committee met 4 times a year to reflect:
- the requirements of scrutiny in relation to signing off the corporate governance documents and the Statutory Annual Accounts for Social Care Wales
  - the focus on monitoring and maintaining adequate risk management, governance, and internal controls to support our compliance with legislation, accreditations and good practice
  - monitoring and scrutiny of our strategic risk register
  - developing and revising policies to support effective internal control and governance

- building on the effectiveness of internal controls through internal audit reviews and advisory reports
- scoping and exploring opportunities for early years and childcare regulation
- the appointment of a new Director of Finance, Strategy and Corporate Services
- the impact of our grant management function in relation to the provision of the Social Care Wales Workforce Development grant to the sector
- the actions taken to mitigate financial and reputational risks in relation to a specific staffing matter
- updates on the Early Years and Childcare transition programme. During the year, in response to COVID-19, Welsh Government agreed that this programme should be paused. This was to reflect the impact that COVID-19 is having on the early years and childcare workforce and our focus in supporting the recovery of this sector. Welsh Government will reconsider in 2021/22. On restarting this programme of work the transition programme will continue to report into Audit and Risk Committee on its progress.
- reviewing the effectiveness of the Committee and forward planning for matters to be scrutinised at Audit and Risk Committee to support delivery of the business plan. For example, the future approach to risk management, Board Assurance Framework and so on
- COVID-19: our learning so far
- the implementation of the revised governance arrangements following approval by the Board in July 2020.

5.4 As well as the non-executive members, attendees included Executive Management Team, other officers of Social Care Wales, Internal Auditors, External Auditors, and an independent Committee member.

### Annual attendance

5.5 The attendance by non-executive Members were as follows:

<b>Name</b>	<b>Attendance</b>
Rhian Watcyn Jones (Chair of Committee)	4 out of 4
Emma Britton (Deputy Chair of Committee)	4 out of 4
Kate Hawkins	4 out of 4
Carl Cooper	4 out of 4
Trystan Pritchard	4 out of 4
Daxa Varsani (Independent member)	4 out of 4
Mick Giannasi (ex-officio member) Chair of Board	3 out of 4
Following agreement at the July Board meeting the following became Members of the Audit and Risk Committee	
Abigail Harris	2 out of 3
Damian Bridgeman	2 out of 3
Grace Quantock	2 out of 3
Peter Max	3 out of 3

5.6 Each Member of the Audit and Risk Committee completes an annual declaration of interests. The information is used to compile the Register of Interests which is available for review on our [website](#). In addition, the first item for any Audit and Risk Committee meeting allows for the declaration of any interest specific to the agenda items for that meeting.

**Induction, training, and development**

5.7 All new Board Members who joined the Audit and Risk Committee in September received a mini induction into the work of the Committee from myself and lead officers.

5.8 Since we have been working remotely the whole of the Board have met on a regular basis as part of Board development workshops. A number of these held in 2020/21 relate to matters which are discussed in more detail by Audit and Risk Committee. During 2020/21 these have included:

<b>Board development session held in</b>	<b>Board development subject</b>
September	Financial awareness: including preparation of our Annual Accounts; risks associated to our future budget
October	Development of a Board Assurance Framework
November	Strategic Financial Planning
December	Strategic and business planning
January	Strategic Risk Management
February	Welsh Government ‘Improving social care arrangements and partnership working’ consultation

5.9 As part of our Board Member development all Board Members meet with the Chair of the Board twice during the year to assess training needs.

**6. Statutory Accounts and the Annual Governance Statement for 2020/21**

6.1 The Annual Accounts for 2020/21 will be prepared under International Financial Reporting Standards (IFRS) and will be audited in line with Audit Wales’ audit strategy. The draft Statutory Annual Accounts will be discussed for formal approval by the Social Care Wales Board in July 2021.

6.2 The draft governance statement will be discussed and considered by Audit and Risk Committee during the March Committee meeting. This will form part of the draft Statutory Annual Accounts 2020/21.

## 7. Meetings and Committee business and its effectiveness

7.1 The Chair of the Audit and Risk Committee agrees the agenda for items to be discussed prior to their despatch to Committee members and attendees.

7.2 The annual work programme of items discussed at the Audit and Risk Committee during 2020/21 is attached at Appendix 1. At each meeting the Committee received a number of standing items which included:

- **Compliance reports:** provides members with an overview of assurance in relation to procurement; asset management; gifts and hospitality; bribery, frauds and losses; CEO and DAO letters; declarations of interests; Information governance; complaints; security breaches; compliance towards website accessibility arrangements; reports on whistleblowing as a prescribed person; compliance with Welsh Language Standards.
- **Strategic Risk Register:** provides members with the key organisational risks facing the delivery of our Business Plan and opportunities to discuss additional strategic risks facing the organisation and a review of the risk management policy.
- **COVID 19 risk register:** first two Committee meetings had a standing item relating to the COVID-19 risk register. This was then 'absorbed' into the Strategic Risk Register as part of working and managing our strategic risks within the COVID-19 environment.
- **Committee forward plan:** provides Members of the Committee with a forward look to agenda items for future Committees to identify whether there are other matters which should be included for discussion, further detailed work and/or monitoring progress on Internal Audit recommendations.
- **Committee effectiveness:** at the end of each Committee meeting all members are asked to consider its effectiveness. This feedback can include:
  - the clarity and quality of papers
  - ease and timeliness of accessing papers
  - whether the timings given for each item was sufficient
  - whether members felt that they had adequate opportunity to share their views.

All feedback received is used to continually improve future meetings.

7.3 As part of evaluating effectiveness the Audit and Risk Committee undertook an effectiveness review. Committee discussed the findings of the Committee effectiveness in March 2021. Eight out of the 10 Committee members completed the survey.

7.4 Overall the majority of those who responded answered positively to the questions with either an agree or strongly agree. When comparing to last year's results the answers are broadly similar.

7.5 One area which came through from the results of the 2021 survey is the size of the Committee following the recent addition of new Board Members to the

Committee membership. I will continue to monitor the size of the Committee whilst recognising that should proposals for future Board membership be agreed by the Deputy Minister there will be two very experienced members of the Audit and Risk Committee leaving at the end of March 2022.

## 8. Internal and External Audit assurance

### Internal assurance

8.1 The Audit and Risk Committee received regular reports from both internal and external auditors. The work of Deloitte as our internal auditors during the year was planned on a risk basis and has been revised as and when accordingly, through discussions at Committee.

8.2 The internal audit reports provided the following assurance to the Committee:

Work area	Level of assurance
Financial systems (2019/20): <ul style="list-style-type: none"> <li>○ Financial planning and budgetary control</li> <li>○ Revenue and receivables</li> <li>○ Payroll</li> <li>○ Tendering and procurement</li> </ul>	Substantial assurance Substantial assurance Moderate assurance Substantial assurance
Grant management	Substantial assurance
Corporate Governance Risk management	Substantial assurance Moderate assurance
HR	Moderate assurance
Welsh language standards	Moderate assurance
Apprenticeship certification	Substantial assurance
Workforce Regulation (remote hearings)	Moderate assurance
Workforce Regulation – Applications to register	Substantial assurance

8.3 The table below provides an overview of the assurance ratings provided by internal audit:

## Appendix A – Reporting Definitions

### Audit Assurance

We have four categories by which we classify internal audit assurance over the systems we examine: Substantial, Moderate, Limited or Unsatisfactory which are defined as follows:

Assurance level	Definitions for Annual and Engagement assurance level	Factors influencing choice of assurance level
 <b>Substantial</b>	There is a reasonable framework of governance, risk management and control which should ensure that objectives are achieved.	
 <b>Moderate</b>	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.	<ul style="list-style-type: none"> <li>• Adequacy and effectiveness of the governance, risk management and control framework;</li> <li>• Impact of any weakness on delivery of objectives;</li> <li>• Extent of risk exposure;</li> </ul>
 <b>Limited</b>	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.	<ul style="list-style-type: none"> <li>• Materiality: by value to the entity, by value in the engagement context and by nature (e.g. irregularity and reputational risk); and</li> <li>• We may also take account of management responses to recommendations.</li> </ul>
 <b>Unsatisfactory</b>	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.	

The assurance gradings provided here are not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board.

### 8.4 Overall these reports and the work undertaken enable Audit and Risk Committee to provide assurance about the control environment for 2020/21.

- the Governance Statement is consistent with the views of the Audit and Risk Committee
- the system of Risk management is adequate in identifying risks and allowing the Audit and Risk Committee to understand the appropriate management of these risks
- on the quality of both Internal and External Audit, their approach to the discharge of their respective responsibilities, and the reliance that can be placed on their work
- areas for improvement which were identified as part of the 2020/21 Internal Audit were addressed or progressed. There were a number of actions from Internal Audit which will be carried forward into 2021/22. These include actions relating to:
  - finance systems
  - HR Performance Development Process (PDP)
  - HR: new starters, leavers and the induction process
  - Grant management
  - Risk Management

Progress on these actions will be reported to and scrutinised by the Audit and Risk Committee as part of their oversight through the Compliance report.

### External assurance

### 8.5 The External Auditors take into account the assessments of Internal Audit.

8.6 Both Internal and External Auditors have the right, if considered appropriate, to raise any matter through an open access policy to the Chair and through that right to bring any matter to the attention of the Committee. The Committee by reviewing the programmes of both the External and the Internal Auditors ensured that they were co-operating effectively with each other. The quality of the audit work and that of the Committee has been evaluated during the year through consideration of the audit reports and recommendations and dialogue at meetings between Committee Members and the Auditors.

## **9. Internal Audit contract**

9.1 The role of internal audit is to provide independent and objective assurance to the Accounting Officer on risk management, control, and governance. The assurance given by internal audit is a key element of the framework of assurance, which the Accounting Officer needs to inform the completion of the annual Governance Statement. Deloitte LLP was appointed as Social Care Wales's internal audit provider March 2017, on a 3 + 2-year contract. At the February 2020 Audit and Risk Committee meeting the Committee decided to enact the +2 option of the contract with Deloitte covering 31 March 2020 up until 31 March 2022, and that the retesting of the market be done in the second year.

## **10. Monitoring progress**

10.1 Progress against the implementation of the internal audit recommendations is considered at each Audit and Risk Committee meeting as part of the compliance report.

## **11. Audit and Risk Committee of Social Care Wales for 2021/22**

11.1 The Audit and Risk Committee of Social Care Wales has been in operation from June 2017 to support the governance, risk management and internal controls of Social Care Wales. The terms of reference of the Committee were reviewed and updated by the Board in July 2020. A further review of the terms of reference will form part of the discussions in relation to Committees' effectiveness.

11.2 In order to support the development of the Audit and Risk Committee all Committee members considered the following:

1. What are the key achievements of the Committee and why?
2. What has worked well and what could be improved?
3. In line with the draft Business Plan 2021/22, learning from the current year Committee and learning on our way of working (remotely and virtually) are there particular areas of focus for the Committee to consider as part of their work programme for 2021/22?

11.3 Following the discussions the following areas were noted by the Committee which informs the future work programme of the Committee in 2021/22:

- **Risk management policy:** following discussions with the Board, at Board development workshops, the draft Risk Management policy was discussed for approval at the Audit and Risk Committee meeting in June. Following approval, the Committee will have oversight on how the policy is being embedded into practice along with endorsement of the new Strategic Risk Register in line with the new policy.
- **Board Assurance Framework:** this work is connected to the discussions at the Audit and Risk Committee on our assurance and risk management approach. During 2021/22 a Board Assurance Framework will be developed.
- **Information Security Management System Governance** and ISO 27001 Recertification
- **Cyber security** and resilience
- **Early years and childcare transition programme:** dependent on discussions with Welsh Government.
- Following up on **internal audit recommendations**

## 12. Risk Implications

12.1 This report will provide assurance on the annual governance statement and reduces the risk that the Statutory Annual Accounts cannot be signed off in line with the planned timetable by the Accounting Officer.

## 13. Resource Implications

13.1 The audit of the Annual Accounts is planned and scheduled. There are no additional resource implications.

## 14. Summary and Conclusion

14.1 The positive assurance given by all the Committee's activity supports the Accounting Officer in signing a satisfactory annual governance statement and the Statutory Annual Accounts.

**Audit and Risk Committee: work programme 2020/21****25 June 2020**

- Draft Audited Annual Accounts (including Governance Statement and Performance Commentary) and Audit of Financial Statements Report (ISA260 Report)
- Draft response to Audit Wales' audit enquiries to those charged with governance' letter
- Internal Audit reports:

<b>Work area</b>	<b>Level of assurance</b>
Financial systems (2019/20): <ul style="list-style-type: none"> <li>○ Financial planning and budgetary control</li> <li>○ Revenue and receivables</li> <li>○ Payroll</li> <li>○ Tendering and procurement</li> </ul>	Substantial assurance Substantial assurance Moderate assurance Substantial assurance
Grant management	Substantial assurance

- Compliance Report: February 2020 – to end of May 2020
- Strategic Risk Register
- Annual Internal Audit Plan 2020/21
- Early years and childcare transition programme work
- Committee Forward Plan
- Meeting effectiveness

**24 September 2020**

- Standing Financial Instructions
- COVID-19 19: our learning so far
- Compliance Report: June 2020 – to end of August 2020
- Strategic Risk Register
- Committee Forward Plan
- Meeting effectiveness

**3 December 2020**

- Internal Audit reports

<b>Work area</b>	<b>Level of assurance</b>
Corporate Governance Risk management	Substantial assurance Moderate assurance

HR	Moderate assurance
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- Compliance Report: September 2020 – to end of October 2020
- Strategic Risk Register
- 2019/20 Social Care Wales Workforce Development Programme (SCWWDP) end of year monitoring report
- Staffing issue: actions taken to mitigate financial and reputational risks
- Committee Forward Plan
- Meeting effectiveness

### 11 March 2021

- Internal Audit reports

Work area	Level of assurance
Welsh language standards	Moderate assurance
Apprenticeship certification	Substantial assurance
Workforce Regulation (remote hearings)	Moderate assurance
Workforce Regulation – applications to register	Substantial assurance

- Internal Audit follow up on audit recommendations
- Information Security Management Systems (ISMS) and ISO27001:2013 accreditation audit report
- Audit Wales Cyber resilience report
- External Audit Plan 2020/21
- Draft Governance Statement 2020/21
- Draft Chair of Audit and Risk Committee Assurance Report to Board (2020/21)
- Compliance Report: November 2020 – to February 2021
- Strategic Risk Register
- Committee Effectiveness report
- Committee Forward Plan
- Meeting effectiveness



Social Care Wales  
Internal Audit Annual Report

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June 2021

## Distribution List:

- Audit and Risk Committee
- Chief Executive
- Responsible Officer(s)

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This report has been prepared on the basis of the limitations set out in Appendix C.

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# Executive Summary

## 1. Introduction

The purpose of this report is to present the results of the internal audits completed by Deloitte in our capacity as internal auditors during 2020/21. We have now completed the internal audit programme approved by the Audit and Risk Committee for 2020/21 covering the period 1 April 2020 – 31 March 2021 with the exception of the advisory review relating to CARREG.

The role of internal audit is to provide independent and objective assurance to the Accounting Officer on risk management, control and governance. The assurance given by internal audit is a key element of the framework of assurance, which the Accounting Officer needs to inform the completion of the annual Governance Statement. Assurance from internal audit can, however, only be reasonable in the sense that no opinion or assurance can ever be absolute and is by definition an extrapolation of the evidence available. The internal audit assurance does not supersede the Accounting Officer's personal responsibility for risk management, control and governance.

As required by the Public Sector Internal Audit Standards (PSIAS), we confirm our independence as internal auditors from Social Care Wales. We also confirm compliance with the requirements of the PSIAS and the Code of Ethics.

All assurance ratings should be considered by reference to Appendix A. We have included our self-assessment of our performance as internal auditors in Appendix B.

## 2. Corporate Governance and Risk Management

In accordance with the PSIAS, we carry out internal audit work in relation to corporate governance and risk management on an annual basis. In 2020/21 our internal audit of corporate governance and risk management assessed the adequacy and effectiveness of internal controls in operation. Any weaknesses were brought to the attention of management and advice issued on how particular problems may be resolved and controlled.

The internal audit sought to provide reasonable assurance over the following areas:

### Corporate Governance

- Ethics and values are promoted within the organisation;
- Up to date terms of reference are in place for the Board and its sub-committees;
- Meetings of the Board and its sub-committees take place on a regular basis and are quorate;
- An up to date record is maintained of Board members' conflicts of interest;
- The Board assesses its own performance and the performance of its committees/sub committees at least annually;
- Controls are in place to coordinate the activities of the Board, the Audit and Risk Committee, external auditors and management; and
- There is evidence of communication between the Board, the Audit and Risk Committee, external auditors and management.
- Governance arrangements remain robust despite changes resulting from Covid-19.

As part of the internal audit we also reviewed the new governance arrangements which were approved by Board in July 2020.

### Risk Management

- Organisational objectives support and align with the organisation's mission;
- An up to date risk management policy is in place;
- The risk management policy has been communicated to all members of staff;
- Procedures are in place to both identify and assess new risks;
- Risks are recorded on a risk register;
- Risks are assessed by considering both the impact and the likelihood;

- The appetite for each risk is considered and documented along with details of the risk owner, implementation date, and any mitigating action that is necessary;
- The risks on the organisational risk register are clearly linked to strategic objectives;
- Risk information is captured and communicated in a timely manner across the organisation, enabling staff, management and the Audit and Risk Committee to carry out their responsibilities.

In addition to the above, we also considered any changes which have been made to the risk management control environment as a result of Covid-19 and lockdown restrictions, and we have also looked to provide guidance on how risks can be identified and managed in a new agile/virtual way of working.

Based on the work undertaken as detailed in our internal audit report for 2020/21, our overall assessment is that the classification of assurance for corporate governance is **Substantial** and for risk management is **Moderate**.

### 3. Assurance Statement

We are required to provide assurance on risk management, control and governance. In assessing the level of assurance to be given, we have taken into account:

- all internal audits undertaken between 1 April 2020 – 31 March 2021;
- the action taken in response to our audit recommendations;
- whether high or medium priority recommendations have been accepted by management, and the consequent risks;
- the effects of any material changes in the organisation's objectives or systems; and
- whether or not any limitations have been placed on the scope of internal audit.

Based on the conclusions of our work, we can provide Social Care Wales with **Substantial** assurance overall in relation to the organisation's arrangements for risk management, governance and internal control, however, we do note that there has been an increase in moderate ratings issued in 2020/21 (five) compared to 2019/20 (two).

Our opinion has not been limited by any shortfall in resources, absence of skills, or any significant limitation of scope of internal audit activity which would adversely affect our ability to form an opinion.

### 4. Sources of Assurance

To obtain the required assurance we undertook an agreed programme of work with the following objectives:

- to appraise the adequacy and effectiveness of the internal control environment;
- to seek to understand the extent to which the system of internal control ensures compliance with established policies and procedures;
- to seek to understand the extent to which the assets and interests entrusted to or funded by Social Care Wales are properly controlled and safeguarded from losses arising from fraud, irregularity or corruption;
- to seek to understand that accounting and other information is reliable as a basis for producing accounts, and financial, statistical and other returns;
- to seek to understand the integrity and reliability of financial and other information provided to management, including that used in decision making; and
- to seek to understand that systems of control are laid down and operate to promote the most economic, efficient and effective use of resources.

In Section 1, we have provided a statement of the level of assurance achieved for each system audited during the year. Substantial or Moderate assurance has been achieved for all internal audits performed where an assurance rating was provided in 2020/21.

## 5. Acknowledgement

We would like to take this opportunity to thank management and staff for the assistance and cooperation received in completing the internal audits during this period.

# Section 1 – Assurance Statement

A statement of the level of assurance achieved for each area of audit is shown below. Appendix A provides definitions for each of the assurance levels.

Internal Audit Area	Level of Assurance
Financial Systems: Purchasing & Payments	 Moderate
Financial Systems: General Ledger	 Substantial
Corporate Governance	 Substantial
Risk Management	 Moderate
Welsh Language Standards	 Moderate
Human Resources	 Moderate
Workforce: Remote Hearings	 Moderate
Workforce: Applications for Registration	 Substantial
Grant Management	 Substantial
Apprenticeship Certification	 Substantial

The assurance gradings provided here are not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board.

# Section 2 – Summary of 2020/21 Internal Audit Findings

This section of the report provides details of the audit recommendations raised during the year. Internal audit recommendations are graded in order of importance in accordance with the priority levels defined in Appendix A.

In 2020/21 we raised 21 new recommendations (14 in 2019/20) and no action points (one in 2019/20):

Internal Audit Area	High priority	Medium Priority	Low Priority	Action Point	Total
Financial Systems: Purchasing & Payments	-	2	2	-	4
Financial Systems: General Ledger	-	-	2	-	2
Corporate Governance	-	-	-	-	-
Risk Management	-	1	1	-	2
Welsh Language Standards	-	1	2	-	3
Human Resources	-	3	2	-	5
Workforce: Remote Hearings	-	2	3	-	5
Workforce: Applications for Registration	-	-	-	-	-
Grant Management	-	-	-	-	-
Apprenticeship Certification	-	-	-	-	-
<b>Total</b>	-	9	12	-	21

## Follow Up

Each year we follow up progress made in implementing internal audit recommendations raised in previous years. We followed up on a number of prior year recommendations in 2020/21, the status of which is as follows:

Internal Audit Area	Implemented/ Will not be Re-raised	Partially Implemented	Re-raised	Total
Corporate Governance and Risk Management	-	-	1	1
Follow Up	-	1	7	8
<b>Total</b>	-	1	8	9

# Appendix A – Reporting Definitions

## Audit Assurance

We have four categories by which we classify internal audit assurance over the systems we examine: Substantial, Moderate, Limited or Unsatisfactory which are defined as follows:

Assurance level	Definitions for Annual and Engagement assurance level	Factors influencing choice of assurance level
 <b>Substantial</b>	There is a reasonable framework of governance, risk management and control which should ensure that objectives are achieved.	<ul style="list-style-type: none"> <li>• Adequacy and effectiveness of the governance, risk management and control framework;</li> <li>• Impact of any weakness on delivery of objectives;</li> <li>• Extent of risk exposure;</li> <li>• Materiality: by value to the entity, by value in the engagement context and by nature (e.g. irregularity and reputational risk); and</li> <li>• We may also take account of management responses to recommendations.</li> </ul>
 <b>Moderate</b>	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.	
 <b>Limited</b>	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.	
 <b>Unsatisfactory</b>	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.	

The assurance gradings provided here are not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board.

## Grading of Recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows:

Priority Level	Definition
<b>High</b>	Recommendations which are fundamental to the system and upon which the organisation should take immediate action;
<b>Medium</b>	Recommendations which, although not fundamental to the system, provide scope for improvements to be made; and
<b>Low</b>	Recommendations concerning issues which are considered to be of a minor nature, but which nevertheless need to be addressed.

# Appendix B – Our Performance Assessment

A self-assessment of our performance for 2020/21 is as follows:

 <b>The Deloitte approach to performance management – the 5Ps</b>	
 <p><b>Purpose and remit</b> <i>We have a clear focus on the purpose of our work</i></p> <ul style="list-style-type: none"> <li>• Governance framework;</li> <li>• Assurance framework; and</li> <li>• Audit charter – objectives, scope and responsibilities.</li> </ul>	<p>We issued a risk based Internal Audit Plan for the period 2020/21 which was approved by the Audit and Risk Committee on 25 June 2020.</p> <p>We issued an engagement letter on 24 July 2020 which was agreed and signed by the Assistant Director Finance and IT on 6 August 2020.</p> <p>We have issued Terms of Reference for 100% of the reviews undertaken. These Terms of Reference have included the budgeted number of days, objectives, methodology, specific exclusions and reporting arrangements, as appropriate.</p>
 <p><b>Position and organisation</b> <i>We have the right profile and structure to deliver to you.</i></p> <ul style="list-style-type: none"> <li>• Authority and reporting lines;</li> <li>• Organisational structure; and</li> <li>• Internal profile and impact on business.</li> </ul>	<p>We have reported our internal audit findings to management and the Audit and Risk Committee throughout the year.</p> <p>The Internal Audit Partner and the Internal Audit Manager have had the relevant Internal Audit knowledge and experience throughout the year:</p> <ul style="list-style-type: none"> <li>• Internal Audit Partner – Ian Howse</li> <li>• Internal Audit Manager – Lauren Parsons</li> </ul> <p>We have provided two members of internal audit staff to complete the audits during the year:</p> <ul style="list-style-type: none"> <li>• Shona Wilcox – Senior Associate</li> <li>• Jack Mullens – Senior Associate</li> </ul>
 <p><b>Process and technology</b> <i>We have the right processes and tools to execute our responsibilities.</i></p> <ul style="list-style-type: none"> <li>• Risk assessment and planning;</li> <li>• Audit execution;</li> <li>• Report and follow up; and</li> <li>• Technology and tools.</li> </ul>	<p>See above for comments on the Plan and Terms of Reference.</p> <p>All internal audit work has been reviewed by an Internal Audit Manager. All internal audit reports have been reviewed by the Internal Audit Partner. A sample of reports were selected to go through independent quality review procedures.</p> <p>An electronic system has been used to document our internal audit work.</p>

 <b>The Deloitte approach to performance management – the 5Ps</b>	
 <p><b>People and knowledge</b>  <i>We have the right mix of skills and experience to do our job.</i></p> <ul style="list-style-type: none"> <li>• Resource management;</li> <li>• Performance management;</li> <li>• Training and competence; and</li> <li>• Knowledge management.</li> </ul>	<p>We provided an Internal Audit Partner and an Internal Audit Manager that have professional accounting qualifications and carry out their respective roles at other Welsh public sector organisations.</p> <p>Internal audit reviews were resourced at times convenient with the Social Care Wales staff.</p> <p>All internal audit staff are subject to a performance management process.</p>
 <p><b>Performance and communication</b>  <i>We monitor how we are doing and manage good relationships with our stakeholders.</i></p> <ul style="list-style-type: none"> <li>• Quality assurance;</li> <li>• KPIs and monitoring;</li> <li>• Relationship management; and</li> <li>• Change management.</li> </ul>	<p>100% of reviews were completed within the budgeted days agreed in the Internal Audit Plan.</p> <p>100% of internal audit reports have been issued prior to the designated Audit and Risk Committee meeting.</p>

# Appendix C – Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below.

The matters raised in this report are only those which came to our attention during the course of our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of internal audit work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Auditors, in conducting their work, are required to have regards to the possibility of fraud or irregularities. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our audit work and to ensure the authenticity of these documents. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Deloitte LLP

Cardiff

June 2021



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<b>CYFARFOD / MEETING</b>	<b>Board meeting</b>				
	<b>PREIFAT / PRIVATE</b>		<b>CYHOEDDUS / PUBLIC</b>		
	<input type="checkbox"/>		<input checked="" type="checkbox"/>		
<b>DYDDIAD / DATE</b>	<b>15.07.21</b>				
<b>EITEM AGENDA AGENDA ITEM</b>	<b>9</b>				
<b>TEITL / TITLE SCW/21/21</b>	<b>Equal Pay Review 2021</b>				
<b>AWDUR / AUTHOR</b>	Rhianon Jones, HR & Wellbeing Manager				
<b>CYFRANIADAU GAN/ CONTRIBUTIONS FROM:</b>					
<b>PAPURAU CEFNOGOL / SUPPORTING PAPERS</b>	Appendix 1 – Staff Equality Profile Appendix 2 – Social Care Wales Pay Scales				
<b>GWEITHGAREDD CYNLLUN BUSNES / BUSINESS PLAN ACTIVITY</b>	Priority theme 4: for the Social Care Wales workforce and effective organisation				
<b>GWEITHRED / ACTION REQUIRED</b>	<b>CYMERADWYAE TH / APPROVAL</b>	<b>DARPARU LLYW / PROVIDE A STEER</b>	<b>DARPARU SICRWYDD / PROVIDE ASSURANCE</b>	<b>TRAFODAETH / DISCUSSION</b>	<b>CRAFFU / SCRUTINISE</b>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>ARGYMHELLIAD / RECOMMENDATION</b>	Members are invited to <b>note</b> and <b>discuss</b> the report and <b>approve</b> for publication on the website.				
<b>PRIF BWYNTIAU; MATERION ALLWEDDOL I DYNNU SYLW ATYNT; CWESTIYNAU I'W YSTYRIED</b>  <b>MAIN POINTS; KEY ISSUES TO DRAW TO ATTENTION;</b>	<ol style="list-style-type: none"> <li>1. There is no evidence of pay discrimination on the grounds of any protected characteristics. Any differences are as a result of length of service or TUPE transfers protecting previous salaries.</li> <li>2. Our gender pay gap has reduced and is currently below the UK average.</li> <li>3. We must not become complacent and will continue to monitor and report annually. We will also ensure that</li> </ol>				

<b>QUESTIONS TO CONSIDER</b>	there is clear justification for any case of not appointing to the minimum grade point.
<b>ASESIADAU EFFAITH / IMPACT ASSESSMENTS</b>	No additional impact assessment required

# Equal Pay Review report: as at 1 June 2021

## 1. Context

- 1.1 The purpose of an Equal Pay audit is to identify if there are any actual or potential inequalities relating to pay within the organisation, and if so identified to take action to address them.
- 1.2 Historically these audits were introduced to check that organisations were not paying men and women different rates of pay for the same work or work of equal value. With the introduction of the Equality Act 2010 equal pay audits were extended to cover all the *protected characteristics* which are sex; age; disability; race; gender reassignment; pregnancy or maternity; religion or belief; sexual orientation and marriage and civil partnership.
- 1.3 In particular we want to check that we are not directly or indirectly discriminating against any employee or group of employees through our pay systems.

## 2. Objectives of the review

- 2.1 The objectives of the review are to:
  - make sure that our pay systems are transparent
  - make sure that employees receive equal pay for equal work
  - identify and explain the reasons for any pay differences
  - identify and report our gender pay gap

## 3. Gender pay gap

- 3.1 As of April 2017, organisations with more than 250 employees are required to publish their gender pay gap. Although we do not fall into the scope of this legislative requirement, we feel that it is good practice to include the gender pay gap data as part of our equal pay audit.
- 3.2 What is the difference between the gender pay gap and equal pay? The Equality and Human Rights Commission (EHRC) describes the difference as follows:

“Whilst both equal pay and the gender gap deal with the disparity of pay women receive in the workplace, they are two different issues:

1. Equal pay means that men and women in the same employment performing equal work must receive equal pay, as set out in the Equality Act 2010.
2. The gender pay gap is a measure of the difference between men’s and women’s average earnings across an organisation or the labour market. It is expressed as a percentage of men’s earnings.

**3.4 Our Gender Pay Gap**

- 3.5 On 1 June 2021, our gender pay gap was **16.64%** (median)
- 3.6 In March 2018 it was 16.46% and March 2021 it had widened to 23.52%.
- 3.7 Our gender pay gap has reduced back to our 2018 levels and is below the UK median average of 17.85%.
- 3.8 Although this is good news, we do still have a gap, which can likely be explained by an overrepresentation of women both across the organisation as a whole and in the lower paid grades, with 91% of women represented in the lower quartile. Having said that, we should not become complacent and must continue to scrutinise our pay decisions to ensure they are fair and equitable across genders.

<b>Pay Quartiles</b> (How many men and women are in each quartile of our payroll)		
<b>Top Quartile</b>	<b>2020</b>	<b>2021</b>
Men	35%	27%
Women	65%	73%
<b>Upper Middle Quartile</b>		
Men	39%	36%
Women	61%	64%
<b>Lower Middle Quartile</b>		
Men	16%	29%
Women	84%	71%
<b>Lower Quartile</b>		
Men	13%	9%
Women	87%	91%

**4. Equal Pay**

**Equivalent work**

- 4.1 We compared the salaries for men and women on each pay grade within the organisation. We deemed this the best way to compare “like for like” work.
- 4.2 The tables below show the salaries for men and women on each grade and the time that they have been on that grade.
- 4.3 In general, we would expect to see salaries increase with length of service, regardless of gender.

- 4.4 It is usual practice within Social Care Wales to appoint new employees on the first (minimum) point of the relevant pay grade, and each pay grade is made up of three incremental points.
- 4.5 Where existing staff are promoted to a higher grade role within the organisation, we identify if there is an overlap in salary bands and on occasion will appoint above the minimum point of the new pay grade.

**A1**

Salaries in the A1 grade are reflective of length of service, with those in their first year of service at point 1, those in their second year of service at point two, and those with 3 years+ on the top of the grade.

We have 15 women and 2 men occupying the A1 roles, and this ratio is typical of the candidate application profile.

In the tables provided, service years represents the employees service years on that particular grade, not their service with the organisation.

A1	Female		Male	
	Salary	Service years	Salary	Service years
	£20,780	0	£23,291	2
	£22,035	1	£23,291	2
	£22,035	2		
	£22,035	2		
	£22,035	2		
	£22,035	2		
	£22,035	2		
	£22,035	2		
	£22,035	2		
	£22,035	2		
	£23,291	2		
	£23,291	2		
	£23,291	3		
	£23,291	3		
	£23,291	5		
	£23,291	12		

**A2**

In A2 there are 29 women and 5 men. Salaries appear consistent with length of service.

A2	Female		Male	
	Salary	Service years	Salary	Service years
	£24,769	0	£26,090	2
	£24,769	0	£27,414	5
	£24,769	0	£27,414	12
	£24,769	0	£27,414	13
	£24,769	0	£27,414	17
	£24,769	0		
	£24,769	1		
	£24,769	1		
	£24,769	1		
	£24,769	1		
	£24,769	1		
	£26,090	1		
	£26,090	1		
	£26,090	2		
	£26,090	2		
	£26,090	2		
	£26,090	2		
	£27,414	2		
	£27,414	3		
	£27,414	4		
	£27,414	4		
	£27,414	5		
	£27,414	5		
	£27,414	7		
	£27,414	7		
	£27,414	11		
	£27,414	15		
	£27,414	16		
	£27,414	16		

### A3

In A3 there are 11 women and 3 men in post, and again salaries appear consistent with length of service.

A3	Female		Male	
	Salary	Service years	Salary	Service years
	£28,796	0	£28,796	0
	£28,796	1	£28,796	0
	£28,796	1	£32,351	4

	£30,574	2		
	£30,574	2		
	£32,351	3		
	£32,351	4		
	£32,351	5		
	£32,351	10		
	£32,351	11		
	£32,351	16		

## B1

In B1 there are 17 women and 11 men in post.

Most salaries are consistent with the length in service, with the exception of 3 female employees who commenced on the second point of the salary scale.

B1	Female	Service years	Male	Service years
	Salary		Salary	
	£34,555	0	£34,555	0
	£34,555	0	£34,555	0
	£34,555	0	£34,555	0
	£36,685	0	£34,555	0
	£36,685	0	£38,813	3
	£36,685	1	£38,813	3
	£36,685	3	£38,813	6
	£38,813	3	£38,813	12
	£38,813	4	£38,813	13
	£38,813	4	£38,813	15
	£38,813	4	£38,813	15
	£38,813	6		
	£38,813	11		
	£38,813	12		
	£38,813	12		
	£38,813	14		
	£38,813	16		

## B2

In B2 there are 9 women and 4 men in post.

Salaries are consistent with the length in service and service at previous grades where any overlap in grades has been taken into account when promotions have occurred.

B2	Female		Male	
	Salary	Service years	Salary	Service years
	£42,803	1	£42,803	1
	£45,288	2	£45,288	3
	£45,288	3	£45,288	4
	£45,288	4	£45,288	10
	£45,288	5		
	£45,288	5		
	£45,288	7		
	£45,288	14		
	£45,288	19		

## C1

In C1 there are 12 women and 5 men.

One female employee was appointed at the top of the scale. This was for a role where we traditionally have difficulty attracting candidates with the skills, experience and knowledge required.

All other salaries are consistent with the length in service.

C1	Female		Male	
	Salary	Service years	Salary	Service years
	£48,912	0	£46,073	0
	£48,912	0	£51,751	3
	£51,751	1	£51,751	4
	£48,912	2	£51,751	5
	£51,751	2	£51,751	13
	£51,751	2		
	£51,751	3		
	£51,751	4		
	£51,751	4		
	£51,751	4		
	£51,751	12		
	£51,751	13		

## C2

In C2 there are 4 women and 3 men.

One female employee counted here was transferred to Social Care Wales on a TUPE arrangement in April 2017 at a pay rate that sits just above our standard C2

scale. The organisation was legally required to transfer the employee across on that salary.

All other salaries are consistent with the length in service.

C1	Female		Male	
	Salary	Service years	Salary	Service years
	£56,597	3	£56,597	4
	£56,597	3	£56,597	4
	£56,597	4	£56,597	4
	£60,903	4		

**D**

In D there are 2 men and 1 woman in post. All three employees are on top of the salary scale.

**Average pay by age**

4.6 Below is an analysis of average earning by age for the organisation.

Age	Social Care Wales	
	Male	Female
18-21	0	£24,063
22-29	£23,291	£25,244
30-39	£35,847	£33,495
40-49	£38,856	£39,398
50-59	£49,221	£41,534
60+	£45,282	£89,691

4.7 In terms of the UK general population the ONS report the following:

“Among full-time employees, the gap is relatively small up to and including those aged 35 to 39. From the 40 to 44 age group and upwards, the gap is much wider, with men being paid substantially more on average than women. This is likely to be connected with patterns of return to work after having children, in particular any differences between men and women in timing and nature of returning to the labour market.”

4.8 In our data, we see that the gap swings in the opposite direction by just a small amount for the age range 40-49 and by a much bigger margin in the 60+ range, which can likely be attributed to the fact that we currently employ a significantly higher proportion of females.

4.9 In the range 50 – 59 we can see that the average pay for men is higher. In this age group we have 12 males, all in grades B1 or above. Our 22 females in this age group span all our pay grades from A1 to C2.

## Average salaries per grade

4.10 The average salaries for each grade are as follows:

Grade	Average Male	Average Female	Variation
D	£77,627	£77,627	0
C2	£56,597	£57,674	+ 1.88% (female)
C1	£50,615	£51,041	+0.83% (female)
B2	£44,667	£45,012	+ 0.76% (female)
B1	£37,265	£37,561	+ 0.79% (female)
A3	£29,981	£31,058	+ 3.52% (female)
A2	£27,149	£26,137	+ 3.72% (male)
A1	£23,291	£22,454	+3.65% (male)

4.11 It is suggested by the EHRC that variations of 5% or more should merit further investigation. The figures above show that we are currently within the 5% tolerance rate across all grades.

## Other protected characteristics

### 4.12 Average pay by ethnic origin

A total of 63.44% of the workforce have declared their ethnicity.

Of these 58.94% identified as White or White-Welsh, 2.98% identified as Black African or White and Black African, 0.74% as Black Caribbean and 0.74% East African Asian / Goan

Their salaries are consistent with length of service in grade.

### 4.13 Disability

A total of 6.71% of our workforce have declared a disability, and their salaries are consistent with length of service in grade.

### 4.14 Pregnancy / Maternity

Our increment policy ensures that staff continue to be awarded their annual increments during the period of maternity leave. This means that there is no negative impact on female employees who are on maternity leave.

### 4.15 Marriage or civil partnerships

There is no evidence to show that employees are paid differently based on their marital or civil partnership status.

## **5. Conclusion and key messages**

- 5.1 There is no evidence of pay discrimination on the grounds of any protected characteristics. Any differences are as a result of length of service or TUPE transfers protecting previous salaries.
- 5.2 We must not become complacent and will continue to monitor and report annually. We will also ensure that there is clear justification for any case of not appointing to the minimum grade point.
- 5.3 Our gender pay gap has decreased and is currently below the UK average.
- 5.4 We will continue to monitor and report annually, with the ultimate aim of achieving a 0% gender pay gap.

## Organisation diversity profile

	124 staff	April 2020	134 staff	June 2021
<b>Gender</b>		%		
Male		25.6%		25.37%
Female		74.4%		74.62%
<b>Age</b>				
18-21		0.8%		1.49%
22-29		18.5%		17.16%
30-39		39.5%		32.08%
40-49		24.1%		20.14%
50-59		15.3%		25.37%
60+		1.6%		2.98%
<b>Religion</b>				
Prefer not to answer / not declared		42.7%		36.5%
Atheist		7.25%		7.46%
Agnostic		3.2%		4.47%
Catholic		0.8%		0.74%
Christian		25%		21.64%
Muslim		1.6%		1.49%
None		19.35%		27.31%
<b>Sexual orientation</b>				
Bisexual		-		0.74%
Homosexual		1.6%		2.23%
Heterosexual		56.45%		59.7%
Prefer not to answer / not declared		41.9%		37.3%
<b>Disability</b>				
Yes		4.03%		6.71%
No		42.7%		58.2%
Prefer not to answer / not declared		53.2%		35.07%
<b>Race</b>				
Prefer not to answer / not declared		45.96%		36.56%
White		45.96%		42.53%
White-Welsh		4.8%		16.41%
Black African		1.6%		1.49%
White and Black African		1.6%		1.49%
Black Caribbean		-		0.74%

East African Asian / Goan	-	<b>0.74%</b>
<b>Married / Civil Partnership</b>		
Prefer not to answer / not declared	<b>44.35%</b>	<b>38.80%</b>
Yes	<b>33%</b>	<b>31.34%</b>
No	<b>22.58%</b>	<b>29.85%</b>
<b>Is your gender identity the same as at birth?</b>		
Prefer not to answer / not declared	<b>45.16%</b>	<b>37.31%</b>
Yes	<b>54.83%</b>	<b>62.68%</b>
No	<b>0%</b>	<b>0%</b>

## Appendix 2

### Pay scales

	Scale Point	April 2020	Pension rate
A1			
	1	£20,780	5.8%
	2	£22,035	5.8%
	3	£23,291	6.5%
A2			
	4	£24,769	6.5%
	5	£26,090	6.5%
	6	£27,414	6.5%
A3			
	7	£28,796	6.5%
	8	£30,574	6.5%
	9	£32,351	6.5%
B1			
	10	£34,555	6.5%
	11	£36,685	6.5%
	12	£38,813	6.8%
B2			
	13	£40,316	6.8%
	14	£42,803	6.8%
	15	£45,288	6.8%
C1			
	16	£46,073	6.8%
	17	£48,912	8.5%
	18	£51,751	8.5%
C2			
	19	£50,392	8.5%
	20	£53,495	8.5%
	21	£56,597	8.5%
D			
	22	£69,110	9.9%
	23	£73,368	9.9%
	24	£77,627	9.9%
CEO	25	£118,478	11.4%



<b>CYFARFOD / MEETING</b>	<b>Board meeting</b>				
	<b>PREIFAT / PRIVATE</b>		<b>CYHOEDDUS / PUBLIC</b>		
	<input type="checkbox"/>		<input checked="" type="checkbox"/>		
<b>DYDDIAD / DATE</b>	15.07.21				
<b>EITEM AGENDA AGENDA ITEM</b>	10				
<b>TEITL / TITLE SCW/21/22</b>	<b>Scheme of Delegation</b>				
<b>AWDUR / AUTHOR</b>	Geraint Rowlands, Assistant Director of Finance and IT				
<b>CYFRANIADAU GAN/ CONTRIBUTIONS FROM:</b>	Steve Haines, Senior Procurement Officer				
<b>PAPURAU CEFNOGOL / SUPPORTING PAPERS</b>					
<b>GWEITHGAREDD CYNLLUN BUSNES / BUSINESS PLAN ACTIVITY</b>	Ensuring continuous improvement of how we do our work to be an effective and efficient Welsh public service organisation				
<b>GWEITHRED / ACTION REQUIRED</b>	<b>CYMERADWYA ETH / APPROVAL</b>	<b>DARPARU LLYW / PROVIDE A STEER</b>	<b>DARPARU SICRWYDD / PROVIDE ASSURANCE</b>	<b>TRAFODAETH / DISCUSSION</b>	<b>CRAFFU / SCRUTINISE</b>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>ARGYMHELLIAD / RECOMMENDATION</b>	<p>It is recommended that:</p> <p>Board <b>approve</b> the Scheme of Delegation is amended to reflect the change in the procurement rules prior to implementation as recommended by Audit and Risk Committee.</p>				
<b>PRIF BWYNTIAU; MATERION ALLWEDDOL I DYNNU SYLW ATYNT;</b>	A disappointing response in respect of tenders has led us to review current practice and current guidance in respect of procurement.				

<p><b>CWESTIYNAU I'W YSTYRIED</b></p> <p><b>MAIN POINTS: KEY ISSUES TO DRAW TO ATTENTION; QUESTIONS TO CONSIDER</b></p>	<p>One area considered was to review our thresholds in respect of tender requirements. It was recommended that for our procurement in the range £10,000 - £25,000 that the requirement is that only three quotes are required, and we utilise the Sell2Wales QuickQuote functionality.</p> <p>Contracts £25,000 and above would then be subject to full tender.</p> <p>This would reflect current Welsh Government spending advice and current practice in respect of Procurement of goods and services thresholds.</p> <p>Audit and Committee approved this change in Procurement threshold for full tender to £25,000 and that procurement in the range £10,000-£25,000 require three written quotes. Audit and Risk Committee also approved the change in our Standing Financial Instructions to reflect the change in the Procurement thresholds.</p> <p>In addition, Audit and Committee also recommended that the Scheme of Delegation be amended to reflect the change and Board are now asked to approve this change.</p>
<p><b>ASESIADAU EFFAITH / IMPACT ASSESSMENTS</b></p>	<p>None</p>

## SOCIAL CARE WALES' FINANCIAL STANDING INSTRUCTIONS SPEND THRESHOLDS REVIEW

### 1. Context

- 1.1 Since its inception as Social Care Wales we have been procuring for goods and services using the spend thresholds set out in our Standing financial Standing Instructions (SFIs) and Scheme of Delegation. The table below sets out the thresholds as set out in our SFIs.

Procurement of goods and services thresholds			
Estimated value (Including VAT) £	Quotation	Tender	Sign-off
	Written Min. No. Required	Written Min. No. Required	Responsibility
£0 – £3,000	1 (Written/Electronic)		Delegated Budget holder
£3,001 – £5,000	2 (Written/Electronic)		Delegated Budget holder
£5,001 – £10,000	3 (Written/Electronic)		Delegated Budget Holder with process review by Procurement Officer
£10,001 – £25,000		3	Assistant Director
£25,001 – £50,000		4	Executive Director
£50,000 and above		4	Chief Executive Officer

- 1.2 It is considered that our thresholds are now out of alignment with current Welsh Government guidance and best practice and in respect of the processes we use. This means that Social Care Wales is spending more time and money in running tender processes than is necessary. Therefore, by amending our SFIs and Scheme of Delegation there is potential to achieve savings in both staff time spent on a procurement and the financial burden involved in running a full tender process.
- 1.3 A number of Social Care Wales' tenders have been met with a very disappointing response from the available market and whilst this cannot be

wholly blamed on our current practices, it is fair to assume that for the lower value contracts where a tender is required (£10,001 to £25,000) it is considered that we would have had a better response if we had used a Request for Quote (RFQ) process. The cost (in both time and monetary) to the supplier is far less to respond to a RFQ than it is to do a full tender exercise.

- 1.4 A report was presented to the Leadership Team recently on how to improve the response rates in respect of our commissioning opportunities and changes to our financial thresholds is one of the recommendations made.

## 2. Research

- 2.1 A desktop research of various Welsh Government and Welsh Government Sponsored Bodies' websites demonstrate that current advice and best practice is that tenders are only produced for goods or services where they are over the £25,000 limit. Below that threshold the much quicker and simpler RFQ process is used.

Below is a list of websites and associated wording that demonstrate this:

1. <https://gov.wales/welsh-government-procurement-guidance>

The website states that Welsh Government advertise tenders over £25k on Sell2Wales and runs the actual tender process on eTenderWales. For more complex lower value contracts they use the Sell2Wales Quick Quote (RFQ) facility.

2. <https://naturalresources.wales/about-us/corporate-information/procurement/how-we-buy-what-we-need/?lang=en>

The table on the Natural Resources Wales (NRW) website shows their requirement for three written quotes (RFQ) up to £25k and a tender process above the threshold.

3. <https://gov.wales/winning-welsh-government-contracts>

This Welsh Government website aimed at the local Small to Medium Enterprise (SME) market again shows the demarcation between an RFQ and tender process being set at the £25K level.

4. The Chartered Institute of Procurement is currently delivering a course to the Welsh Public Sector students which one of the team is attending which has reiterated the practice of three quotes between £10k and £25k and a more formal process is to be undertaken over that level of spend.
5. Finally, prior to the newly updated (March 2021) Welsh Procurement Policy Statement (WPPS), the 2015 version stated at section 5 – Open Accessible Competition, that “The Welsh Public Sector will – Amend

standing orders to require advertisement of all contracts over £25k on Sell2Wales”.

This requirement has been written out of the 2021 WPPS update as all WGSBs and the Welsh Government have complied with this requirement, thus making it defunct.

### **3. Our present practice and implications**

#### **3.1** Therefore, our thresholds are longer aligned with best practice and guidance.

As Social Care Wales currently require a full tender process be adopted for all spend over £10,000 this has the negative effects of:

- Increasing internal workloads preparing unnecessary tender documentation. A full tender process is neither effective, nor an efficient use of resources at this spend level.
- Reducing the amount of supplier responses received as the work required to respond is burdensome for the SME market and the Return on Investment for them is negligible.
- Larger organisations who have ‘bid teams’, do not respond as again the cost to respond to a tender rather than an RFQ for the lower value work is not cost effective for them.
- Reducing the effectiveness of Social Care Wales’ procurement activities to enable value for money to be realised when we are required to go down the ‘single source’ route due to a lack of buy-in from the suppliers.

### **4. Recommendations**

4.1 It is recommended that the SFI’s are amended to remove the requirement of a full tender exercise in the £10k to £25k bracket. This will also bring us into line with Welsh Government and other WGSBs in the way we procure goods and services.

4.2 To alleviate any concerns regarding the change in process a more detailed and robust RFQ template would be developed for the requirements in the £10,000 to £25,000 threshold to ensure we are achieving compliance, this would not require as much work either internally or externally to complete but would still demonstrate that we had undergone due diligence in the selection process.

4.3 We would utilise the Sell2Wales Quick Quote facility to target the relevant sector for the requirement as this functionality is built into the system. This could assist in having a more positive response rate from the suppliers, increase competition and give Social Care Wales better value for money.

The table below shows the changes to the current threshold table in the SFI's if agreed. The corresponding amendment would also be made in the Scheme of Delegation.

Procurement of goods and services thresholds			
Estimated value (Including VAT) £	Quotation (RFQ)	Tender	Sign-off
	Written Min. No. Required	Written Min. No. Required	Responsibility
£0 – £3,000	1 Electronic		Delegated Budget holder
£3,001 – £5,000	2 Electronic		Delegated Budget holder
£5,001 – £10,000	3 Electronic		Delegated Budget Holder with process review by Procurement Officer
£10,001 – £25,000	3 Electronic  Via Sell2Wales Quick Quote functionality	3	Assistant Director
£25,001 – £50,000		4 Electronic	Executive Director
£50,000 and above		4 Electronic	Chief Executive Officer

## 5. Resource implications

- 5.1 There would be no negative impact on resources, however if the recommendations are accepted there would be less of a burden on any team procuring goods or services below £25,000 as the RFQ process is less intensive in terms of staff time as opposed to Social Care Wales running a full tender process.

## **6. Risk considerations**

- 6.1** There are no identifiable risks associated with this report. Any changes made following acceptance of this report are in line with current guidance from Welsh Government.

## **7. Impact**

- 7.1** This amendment would have a positive impact not only on the work that various teams at Social Care Wales must complete to produce a tender but also on the requirements placed on the supplier in submitting a response. There would be a positive impact across the workforce in terms of time spent in preparing documents, running full tender processes, evaluations and contract documents that follow.
- 7.2** By amending our thresholds to align with best practice we also encourage greater interaction with our supplier base thus affording greater competition and achieving better value for money.



<b>CYFARFOD / MEETING</b>	<b>Board meeting</b>				
	<b>PREIFAT / PRIVATE</b>		<b>CYHOEDDUS / PUBLIC</b>		
			√		
<b>DYDDIAD / DATE</b>	<b>15.07.21</b>				
<b>EITEM AGENDA AGENDA ITEM</b>	<b>11</b>				
<b>TEITL / TITLE SCW/21/23</b>	<b>Business Plan 2021-22: Quarter 1 update</b>				
<b>AWDUR / AUTHOR</b>	Sue Evans, Chief Executive				
<b>CYFRANIADAU GAN/ CONTRIBUTIONS FROM:</b>					
<b>PAPURAU CEFNOGOL / SUPPORTING PAPERS</b>	Appendix 1 – Business Plan Progress: 3 months update – performance commentary including risks Appendix 2 – Budget Report for the period to 30 June 2021 Appendix 3 – HR end of year dashboard (supplementing Board portal paper)				
<b>GWEITHGAREDD CYNLLUN BUSNES / BUSINESS PLAN ACTIVITY</b>	All Business plan activities.				
<b>GWEITHRED / ACTION REQUIRED</b>	<b>CYMERADWYAETH / APPROVAL</b>	<b>DARPARU LLYW / PROVIDE A STEER</b>	<b>DARPARU SICRWYDD / PROVIDE ASSURANCE</b>	<b>TRAFODAETH / DISCUSSION</b>	<b>CRAFFU / SCRUTINISE</b>
	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	x
<b>ARGYMHELLIAD / RECOMMENDATION</b>	Members are asked to <b>scrutinise</b> and <b>approve</b> the progress against the Business Plan 2021-22 at the three-month stage.				
<b>PRIF BWYNTIAU; MATERION ALLWEDDOL I DYNNU SYLW ATYNT; CWESTIYNAU I'W YSTYRIED</b>	This performance report provides an update against: <ul style="list-style-type: none"> <li>• progress against all priority themes including exception reporting of amber and red activities in Appendix 1</li> <li>• our financial position at 3 months in Appendix 2</li> <li>• a high-level performance dashboard of our 3-month HR report in Appendix 3</li> </ul>				
<b>MAIN POINTS; KEY ISSUES TO DRAW TO ATTENTION;</b>					

<b>QUESTIONS TO CONSIDER</b>	
<b>ASESIADAU EFFAITH / IMPACT ASSESSMENTS</b>	Impact assessments are completed for specific pieces of work.

## Business Plan 2021-22: Quarter 1 update

### 1. Purpose of report and recommendation

- 1.1 This report provides Members with the quarter 1 progress against our 2021-22 business plan.
- 1.2 An update on progress against all priority themes is provided in appendix 1 including exception reporting of amber and red activities. Members are asked to consider and approve the progress against the Business Plan 2021-22 at the three-month stage.

### 2. Context

- 2.1 The Business Plan 2021-22 sets out our priority themes, activities and budget for the year. It is the tool through which our Board and the Welsh Government monitor our performance in delivering the targets set.

### 3. Performance against business plan as at three months

- 3.1 As at three months the overall status of Social Care Wales' progress against activities is:

	Activities	On track	Requires additional support	Major concerns	To start
<b>Business plan targets</b>	54	47	7	-	-
<b>% as at 3 months</b>		<b>87%</b>	<b>13%</b>	<b>0%</b>	-

- 3.2 The Indicators used in this report is to assess how well we are performing as an organisation to deliver the activities in the Business Plan 2021-22. The indicators provide quantitative data on our activities and outputs, assist in assessing if key milestones are met, compliance with legislation/regulations and whether remedial action is required in certain areas. However, further work and refinement of measures and indicators will continue in line with our work in relation to measuring our impact and revision of our Strategic Plan and our new performance reporting framework.
- 3.3 The Strategic Risk Register is reviewed by the Executive Management Team (EMT) on a monthly basis The risks identified within the performance reporting continue in line with our previous risk management policy. We are currently working on integrating our internal risk processes to reflect the changes to our approach to risk management following the approval of our new risk policy in June 2021.

### 4. Role of the Board

- 4.1 Two of the four collective responsibilities of the Board, as set out in the Governance Framework, is to:
- make sure that Social Care Wales' activities are conducted efficiently and effectively
  - monitor performance to ensure that Social Care Wales fully meets its aims, objectives and performance targets.
- 4.2 To what extent does the performance information (indicators, commentary, budget, HR dashboard) reflect the performance of the priority theme?

## Business Plan 2021-22 - Quarter 1 update

### 1. What is in this report?

This report provides an overview of progress against our Business Plan 2021/22.

It is set out to include:

1. The relevant priority themes
2. An overview of the indicators used to support the priority theme
3. The performance commentary then provides an overview of the performance on the overall theme
4. Further detail on amber/red activities is then provided.
5. Strategic risks: where there are strategic risks associated to the objective these are included. The strategic risk register is considered and endorsed at each Audit and Risk Committee. The following is the scoring of these risks in accordance with our risk management policy:

Risk scoring:

L: Low;            M: Medium;            H: High;            E: Extreme

		Impact				
		1	2	3	4	5
Likelihood	1	1	2	3	4	5
	2	2	4	6	8	10
	3	3	6	9	12	15
	4	4	8	12	16	20
	5	5	10	15	20	25

6. Our budget position as at the end of June 2021
7. A high-level performance dashboard of our 3-month HR report

<b>Priority theme 1 - Social Care and Early Years Workforce</b>
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Performance Indicators / Milestones / Outputs	QTR 1	QTR 2	QTR 3	QTR 4	Comparator / Target
Processing times of applications*	88%				90% within 5 days
Number of open applications	574				Less than 600 open at any one time
Adult Care Home Workers registered	213 (991 total registered)				1500 for 21/22
Number of fitness to practise cases open	298				Last quarter
Number of active cases open longer than 18 months	7% (21 cases)				Less than 10%
Number of appeals lodged to CST and % upheld	1 (no decision yet)				
Eligible students receive a bursary with a placement provided	n/a	Indicative numbers	Actual		100%
No. enrolled for the new digital version of the Social Care Worker card	15,024				30,000 by year end

\* from complete form being received to registration being granted/renewed

<b>Performance Commentary</b>
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Majority of activities progressing to plan.

There is a 13% increase in open fitness to practise cases from the end of Q4 (260 open cases). Domiciliary Care Worker cases make up 47% of the overall number of cases. We have met the performance indicator of having less than 10% of cases being open over 18 months. This is the first time we've met this target for a number of months (however, the increasing number of overall cases open has helped us to reach this target).

New Social Work Bursary Scheme, taking into account residency criteria changes after Brexit is now in place and invites will begin to be sent out to all renewing students at the start of July. Five PLOF claims have been processed totalling £103,000. These are for late placements in North Wales.

A number of workstreams in relation to workforce well-being are in train and progressing well. A draft health and wellbeing framework has been developed including draft governance standards and an initial pilot of a wellbeing survey with the sector which has tested approaches to engagement. Decisions are now needed on the further direction of this programme of work and a paper outlining the next steps will be considered by the Executive Team.

Business plan activity	Narrative	QTR 1	QTR 2
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**Appendix 1**

Extend professional registration to adult care home workers (ACHWs) and new managers	Almost 1,000 adult care home workers on the Register. Tender specification for the engagement materials written and published on Sell-to-Wales. Deadline for responses is 2 July. Engagement plan being re-written. Welsh Government have confirmed that the new deadline for ACHWs is October 2022. Paper for the extension of renewal dates agreed by EMT - next step is agreement by Welsh Government and the Board. Project is amber due to uncertainty over renewal date extensions and our lack of engagement with the sector to-date.		
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<b>Priority theme 2 - Social Care and Early Years Managers, Leaders and Owners</b>
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<b>Performance Indicators / Milestones / Outputs</b>	<b>QTR 1</b>	<b>QTR 2</b>	<b>QTR 3</b>	<b>QTR 4</b>	<b>Comparator / Target</b>
Qualifications framework updated with new early years and childcare qualifications	n/a				September
Early Years Manager induction framework launched	n/a				September
Number of best practice networks held including attendance levels	n/a				July
Number of employers registered on the jobs portal	Available from next quarter				Previous quarter
Numbers of new job seekers registered on the jobs portal	Available from next quarter				Previous quarter

<b>Performance Commentary</b>
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Then majority of activities in this are are progressing as planned; there are two amber targets which are described below.

Monthly workshops to support implementaion of the Social Care Manager induction framework are continuing to be well attended and the induction framework well received. The First Steps in Management is now published on the website. Effective Supervision toolkit to be launched in July.

Activites around the Workforce Plans (Direct Care, Social Work, Mental Health) are continuing to progress to plan.

<b>Business plan activity</b>	<b>Narrative</b>	<b>QTR 1</b>	<b>QTR 2</b>
Review and improve how we regulate	Most if not all workstreams are on track but we've yet to appoint a project manager which is mainly why the rag status is amber although there has been slower progress in the benchmarking and Fitness to Practise support workstreams.		
Regulate social work training	Quality Assurance activity on track but annual report likely to be delayed.		

<b>Strategic risks</b>	<b>Inherent score</b>	<b>Residual score</b>
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**Appendix 1**

If Welsh Government remove, or significantly reduce the funding for Level 2 apprenticeships, then it will reduce the amount of funding to support the achievement of qualifications in the sector. This will have an impact on the ability to provide learning and increase qualification levels of the workforce.	Red (20)	Yellow (10)
If the qualifications are not fit for purpose, then they will not meet the requirements for high quality care and support in the social care and early years sector.	Amber (15)	Yellow (10)

<b>Priority theme 3: Social Care and Early Years Systems Leaders</b>
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Performance Indicators / Milestones / Outputs	QTR 1	QTR 2	QTR 3	QTR 4	Comparator / Target
Workforce Strategy Implementation plans costed and approved	N/A				March 2022
Visitors to data portal	Available next quarter				Previous quarter
Research support and engagement framework launched	Delayed until Q2				June 2021
Evidence for Improvement Draft Strategy approved	N/A				September 2021

<b>Performance Commentary</b>
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Support to children, young people and families has responded well to demands and is currently on track. However, any further significant ask on the part of Welsh Government combined with capacity issues with Improvement Managers, will mean additional capacity will have to be bought in from Q3 on this agenda.

The development of the Peer Learning Programme for the All-Wales Heads of Children's Services (AWHoCs) has been problematic and anxiety raising for the statutory sector; however, we are now hopefully in a good place to build a programme of learning based on the Leading by Example approach. Supporting outcome & strengths-based practice; the programme between Aneurin Bevan and Gwent Adult services on hospital discharge is attracting much interest (& demands) from health colleagues. Conversations at an early stage on whether there should a national training programme on discharge which we with NHS Delivery Unit will lead on.

The two key achievements in the research and data area were the delivery of an evidence 'offer', setting out how Social Care Wales will provide support for the use and generation of research and data; and the delivery by KPMG of several deliverables (draft strategy and roadmap, reports on five quick win projects, and a methodology for identifying and managing future quick wins). We have also been successful in recruiting to new posts in the team.

Some activities have been delayed until Quarter 2, mainly because of team capacity but also due to some specific delays, for example, finalising the contract with Grant Thornton for the data portal. These delayed activities include the discovery phase for the transition of the data portal; the sharing and co-development of the implementation plan for the data strategy; and the issuing of an invitation to tender for the digital solution. We anticipate making good progress with our programme of work as capacity issues are gradually resolved when our new recruits join the team over the course of quarter 2.

Business plan activity	Narrative	QTR 1	QTR 2
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Implementation of the Social Care Research and Development Strategy 2018-23	<p>The completion of the research support and engagement framework has been delayed until Q2 due to issues with team capacity, the new target date for implementation is end August 2021.</p> <p>The Invitation to Tender (ITT) for the evaluation process will be issued in July so it is anticipated the contract will be awarded and underway in Q3.</p>		
Develop the social care data portal and projections platform	The design and delivery of the data portal has been delayed by additional contract negotiations and amendments. The contract was finally signed on 24 June, with the kick-off meeting on 25/6 to get the discovery phase underway.		
Improve how social care data is collected and used - work together with colleagues from across health and care sectors to build a comprehensive and inclusive social care data strategy (Implement actions identified in the Statement of Strategic Intent)	<p>KPMG has delivered the following deliverables for Phase 2 of the data strategy work: draft strategy and roadmap; Quick Win 1 Data Standards; Quick Win 2 Analytical Skills; Quick Win 3 Engagement; Quick Win 4 Data sharing; Quick Win 5 Workforce data visualisations; and the methodology and approach for future quick wins.</p> <p>Work on the governance of the data strategy and detailed planning is paused until our new Data &amp; Intelligence Manager joins (August).</p>		
With HEIW develop longer term plans to support implementation of the workforce strategy	<p>Work continues on completing the implementation plans for 2021/2022.</p> <p>Recruitment to post unsuccessful so going to readvertise with possibly looking at a commission if this fails again.</p>		
Work with Welsh Government CIW and Improvement Cymru to scope work needed to support care homes (including residential learning disability services) in the immediate and longer-term future	Failure to recruit to post so readvertising underway - all current obligations still being met.		

<b>Priority 4 - Our own workforce</b>
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<b>Performance Indicators / Milestones / Outputs</b>	<b>QTR 1</b>	<b>QTR 2</b>	<b>QTR 3</b>	<b>QTR 4</b>	<b>Comparator / Target</b>
Staff sickness levels	2.83%				3%
Timely laying of Statutory Annual Accounts	N/A				August 2021
Internal audits receive substantial or moderate assurance	N/A				90%
External accreditation awarded or maintained: <ul style="list-style-type: none"> <li>• ISO 27001</li> <li>• Disability Confidence</li> </ul>	Maintained Level 1 awarded				Maintained
Budget forecast	No Budget overspend predicted / cash balance below 2% predicted				No Budget overspend and 2% cash target at end of year to be achieved

<b>Performance Commentary</b>
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The majority of activities are progressing to plan with two activities at an amber status which are highlighted below.

Accounts on track to be laid before the end of July 2021 with draft ISA 260 raising no concerns or recommendations. The draft business plan 21/22 was approved, subject to some changes, by the Board in May. The aim is to submit our final bilingual plan to the Deputy Minister at the beginning of July.

During the quarter we identified the need to open access to our offices to staff to support their physical and mental wellbeing along with some business areas which require more access to support business operations (regulatory panels, apprenticeship certification, business continuity). We asked all staff whether they would like to be part of a pilot on accessing the offices. We are working through the requirements of this pilot approach which will 'go live' in the next quarter.

We continue to maintain our compliance with statutory organisational requirements and organisational standards in relation to the Welsh Language Scheme, Information Governance and Equalities. Work continues across the organisation to embed good practice and review and improve processes.

## Appendix 1

Business plan activity	Narrative	QTR 1	QTR 2
Revise and implement the 3-year ICT strategy to support the achievement of the business plan	<p>Purchased new servers which will be installed in the next quarter.</p> <p>Two new members of staff have been recruited into the IT team to support desktop applications and infrastructure work.</p> <p>Installed new firewalls which will be configured in next quarter. Present firewalls are maintained until Autumn 2021 so no risk to the integrity of our infrastructure.</p> <p>ISO27001 interim audit due to take place on the 8th July 2021. Work has now begun on revising the new 3-year ICT strategy.</p>		
Maximise our digital offer across all of our business	<p>Work on progressing our digital offer is continuing. We have an agreed approach for 21/22 with additional staffing capacity identified. The activity is marked as amber as the pace at which we are progressing this work recognises the need for us to consider the organisational and business requirements for this work. So, whilst we continue to progress some of our systems review and user centered training for staff there are some activities that need to be aligned to other pieces of work - such as the telephone system, ICT infrastructure (and staffing capacity) and the CARREG work programme for the year. We are bringing all these activities with a work programme which aims to co-ordinate the various interdependencies of this work so that we can continue to develop our digital approach.</p>		

Strategic risks	Inherent score	Residual score
If we do not keep the sector engaged in the work of Social Care Wales then we start to lose credibility and not deliver our overall ambition, as we cannot achieve this in isolation. The sector is not engaged in our role and remit.	Amber (15)	Yellow (10)
If we do not demonstrate how we are contributing to making a positive difference to the care sector, then we will lose credibility. We are unable to manage the expectations of the sector, stakeholders (including Welsh Government) and the public.	Yellow (10)	Green (5)
If we don't have increased budget allocations to meet what is expected from the current and future Government term of office work programme then we will not be able to deliver our remit in future including statutory responsibilities and areas of Government priorities (such as the workforce strategy, workforce wellbeing, balancing rights and responsibilities and the data strategy).	Red (20)	Red (20)
If we don't manage competing Welsh Government priorities and ensure that any new work is within our scope and purpose then we could result in over committing our resources to deliver, extend our remit beyond our scope and lose our identity and unique purpose.	Red (20)	Green (6)
If we don't remain engaged with 'A Healthier Wales' and maintain key relationships with Welsh Government and critical stakeholders (HEIW, PHW)	Red (20)	Yellow (8)

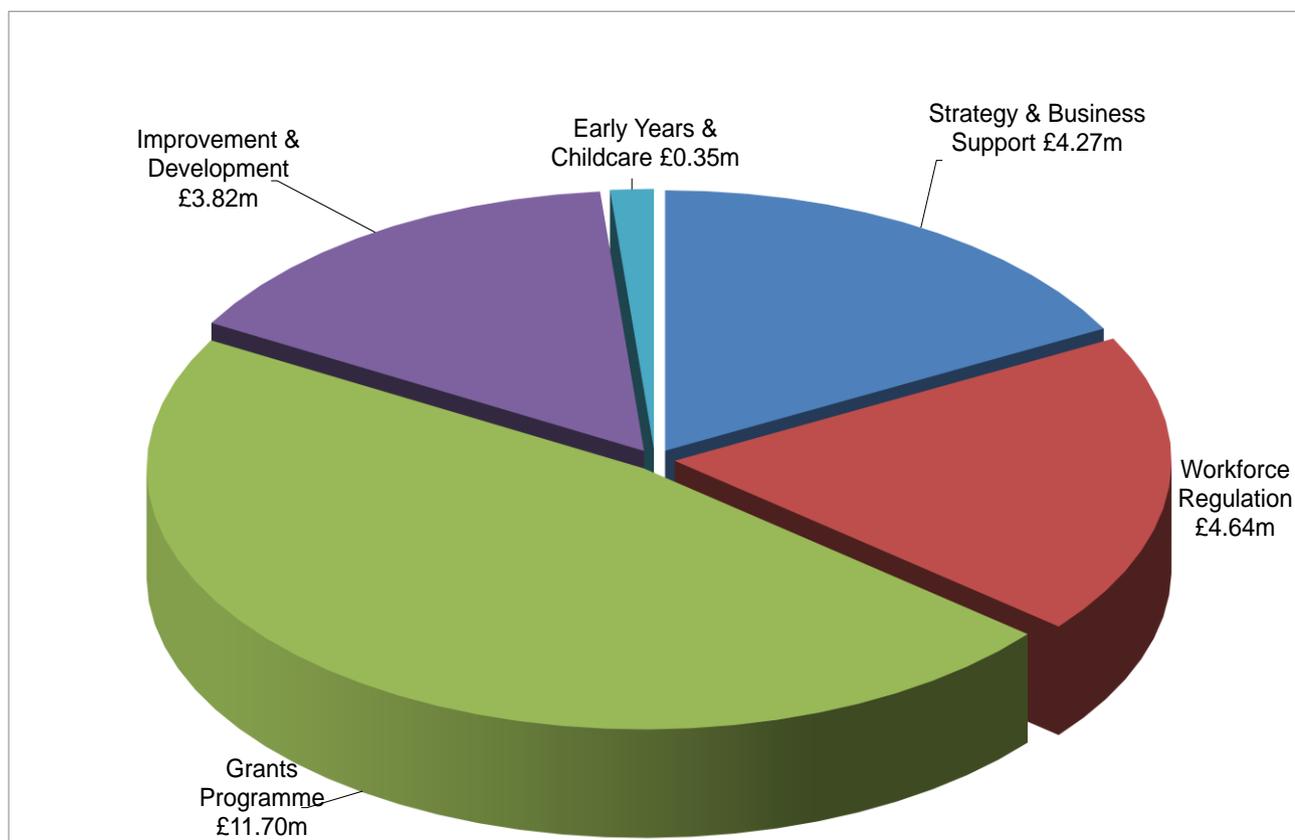
## Appendix 1

etc) then this could impact on key deliverable priorities resulting in social care not being rebalanced within the ambition of 'A Healthier Wales' and lose confidence if we do not deliver against expectations.		
If we are not clear on the implications of the end of the transition period on exiting the EU for the social care and early years sector, then we will not be in a position to provide additional support and clear guidance to the sector during this period.	Amber (15)	Green (9)
If we do not respond accordingly to the COVID-19 pandemic, then we will not be supporting the social care sector in helping them deliver front line care and support during the pandemic.	Amber (15)	Green (6)
If we do not demonstrate how we are supporting the health and wellbeing of the social care and early years, then there will be an impact on the sustainability of the workforce.	Amber (15)	Yellow (8)
If we don't support our own workforce (Social Care Wales) during this time, then we will not be an effective and efficient organisation where staff health and wellbeing is at the centre of how we work.	Amber (15)	Green (6)
Working remotely has increased the risk of cyber fraud, hacking and scamming. Therefore, putting vulnerabilities within our IT network and opportunities for fraud.	Amber (15)	Yellow (10)
If we are unable to recruit Board members with the right skills, experience, and diversity then we will have a gap at Board level to support the social care and early years sector and scrutinise fully the work of the organisation.	Amber (12)	Yellow (9)

## Budget Report for the period to 30 June 2021

This is the first budget monitoring report for the financial year 2021-22. The report covers income and spend for the first three months to 30 June 2021. The report is based on a total annual budget of £24,782,000. This is financed from £23,251,000 Grant in Aid (including £410k internal carry forward), £1,405,000 registration fee income and £60,000 Apprenticeship certification income. In addition, £66,000 will be received in relation to our Workforce Strategy Mental Health Work

The final total annual budget differs from the financial allocations presented as part of the draft Business Plan previously presented to Board further to finalisation of budgets with budget holders. The amended financial allocations are as follows: -



## Appendix 2

	Financial Allocations as per draft Business Plan	Final Financial allocations	Reallocation
Grants Programme	£11,705,000	£11,699,000	(£6,000)
Workforce Regulation	£4,728,000	£4,649,000	(£79,000)
Improvement and Development	£3,744,000	£3,818,000	£74,000
Early Years and childcare	£345,000	£345,000	-
Strategy and Business Support	£4,260,000	£4,271,000	£11,000
<b>Total Budget</b>	<b>£24,782,000</b>	<b>£24,782,000</b>	

A high-level summary of performance for the first three months is reported below and a more detailed analysis is also attached: -

### Financial Summary to 30 June 2021

	Annual Budget	Actual YTD	Budget YTD	Variance	Outturn Prediction
	£'000	£'000	£'000	£'000	£'000
<b>Income</b>	24,782	2,434	2,415	19	24,788
<b>Expenditure</b>					
Grants Programme	11,699	150	151	1	11,699
Workforce Regulation	4,649	894	910	16	4,649
Improvement and Development inc Res and Data	3,818	698	710	12	3,818
Early Years and Childcare	345	47	49	2	345
Strategy and Business Support	4,271	845	857	12	4,271
<b>Totals</b>	<b>24,782</b>	<b>2,635</b>	<b>2,678</b>	<b>43</b>	<b>24,782</b>

### Income Analysis

Income after the first quarter is slightly ahead of budget with Registration fees greater than budgeted. However, we are still at this point predicting that £1,405,000 of Registration fees will be received in the financial year.

### Expenditure Analysis

As at the end of June 2021 we are currently reporting a £43k expenditure underspend against budget with minor underspends in all budgets. These are a matter of timing and is still anticipated that the budgets will be fully spent at the end of the financial year.

The largest variance is in respect of the Workforce Regulation Budget which is £16k underspent at the three-month point. The Salary budget is underspent with the primary contributor being the Panels salary element of the budget, but we are anticipating that this budget will be fully spent at the end of the financial year. The administration element of the budget is overspent by £9k

but this is a matter of timing and again we are anticipating that spend will be in line with budget at the end of the financial year.

We will be closely monitoring all budgets in the next quarter in respect of actual and projected underspends to inform a review of budgets at the mid-year point. At the mid-year point we will have a clearer picture of progress on recruitment, likely uptake of bursaries and Panel hearing activity for the financial year.

## Financial Summary to 30 June 2021

Income	Annual Budget	Actual YTD	Budget YTD	Variance	Predicted Income
	£'000	£'000	£'000	£'000	£'000
Grant In Aid	23,251	2,150	2,150	0	23,251
Apprenticeship Certificate Income	60	10	11	(1)	60
Registration Fee Income	1,405	253	238	15	1,405
Mental Health Workforce	66	16	17	(0)	66
Other Income	0	6	0	6	6
<b>Total Income</b>	<b>24,782</b>	<b>2,434</b>	<b>2,415</b>	<b>19</b>	<b>24,788</b>

Expenditure	Annual Budget	Actual YTD	Budget YTD	Variance	Predicted Outturn
	£'000	£'000	£'000	£'000	£'000
<b>Grants Programme</b>					
SCWWDP	7,149	-	-	-	7,149
People Using Services and Carers	70	-	-	-	70
Regional Facilitation	782	-	-	-	782
Student Funding	2,235	45	35	(10)	2,235
PLOF	1,326	105	116	11	1,326
SfCD	14	-	-	-	14
Research	123	-	-	-	123
<b>Sub-total</b>	<b>11,699</b>	<b>150</b>	<b>151</b>	<b>1</b>	<b>11,699</b>

<b>Workforce Regulation</b>					
Administration	85	18	9	(9)	85
Hearings	1,128	187	182	(5)	1,128
Projects	369	1	2	1	369
Salaries	3,067	688	718	30	3,067
<b>Sub-total</b>	<b>4,649</b>	<b>894</b>	<b>910</b>	<b>16</b>	<b>4,649</b>

<b>Improvement and Development</b>					
Administration	45	4	7	3	45
Intelligence and Data Admin	6	-	-	0	6
Projects	1,318	191	189	(2)	1,318
Salaries	2,449	503	514	11	2,449
<b>Sub-total</b>	<b>3,818</b>	<b>698</b>	<b>710</b>	<b>12</b>	<b>3,818</b>

<b>Early Years and Childcare</b>					
Projects	124	0	-	(0)	124
Salaries	221	47	49	2	221
<b>Sub-total</b>	<b>345</b>	<b>47</b>	<b>49</b>	<b>2</b>	<b>345</b>

<b>Strategy and Business Support</b>					
Premises	602	144	144	(0)	602
Governance	98	19	17	(2)	98
Communications	113	13	18	5	113
Carreg and IT	617	117	131	13	617
Finance & Grant Admin	10	1	1	(0)	10
Human Resources	118	36	27	(9)	118
Projects	308	2	-	(2)	308
Salaries	2,407	512	520	8	2,407
<b>Sub-total</b>	<b>4,271</b>	<b>845</b>	<b>857</b>	<b>12</b>	<b>4,271</b>

<b>Total Expenditure</b>	<b>24,782</b>	<b>2,635</b>	<b>2,678</b>	<b>43</b>	<b>24,782</b>
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## HR Quarter 1: performance dashboard

Key points from Quarter 1	Future focus in Quarter 2
<ul style="list-style-type: none"> <li>• We are now Level 1 Disability Confident Committed</li> <li>• All managers have completed Disability Confident training delivered by Disability Rights UK.</li> <li>• We have expanded the HR Team, successfully recruiting an additional HR and wellbeing officer who will work in a generalist HR role but with a lead on supporting delivery of our learning and development plans.</li> <li>• We have rolled out our revised Performance Management policy and procedures. We will be evaluating how the approach is being embedded with an internal review by the team following quarter.</li> </ul>	<ul style="list-style-type: none"> <li>• Developing our Learning and Development Strategy in line with our 5-year strategic priorities</li> <li>• Developing principles on future flexible working policies, including hybrid working.</li> <li>• Reintroducing elements of our HR policies that had been temporarily amended, including reintroduction of the requirement to work contractual hours.</li> <li>• Working as part of the Business Continuity Team to conduct and evaluate the office working pilot which will support staff wellbeing and activities that require some level of office access.</li> </ul>
<b>Staff turnover</b>	<b>Staff absence</b>
<p>Quarter 1 turnover rate is 2.18 %</p> <p>We had 3 leavers in Quarter 1.</p> <p>Our target turnover rate is to remain under 15%.</p>	<p>Currently within our &lt;3% target</p> <p>Quarter 1 total is 2.83% %</p> <p>Total excluding long term absence is 1.19%.</p> <p>Sickness absence figures include 3 long term ongoing absences that have been referred to our Occupational Health provider.</p>
<b>Recruitment:</b>	
<p>We have advertised and closed 23 vacancies. A further 4 are currently live.</p> <p>We have made 14 offers of appointment, so have a current success rate of 65%.</p> <p>Of those offers of appointment made, 13 were to external candidates and 2 internal.</p>	