



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

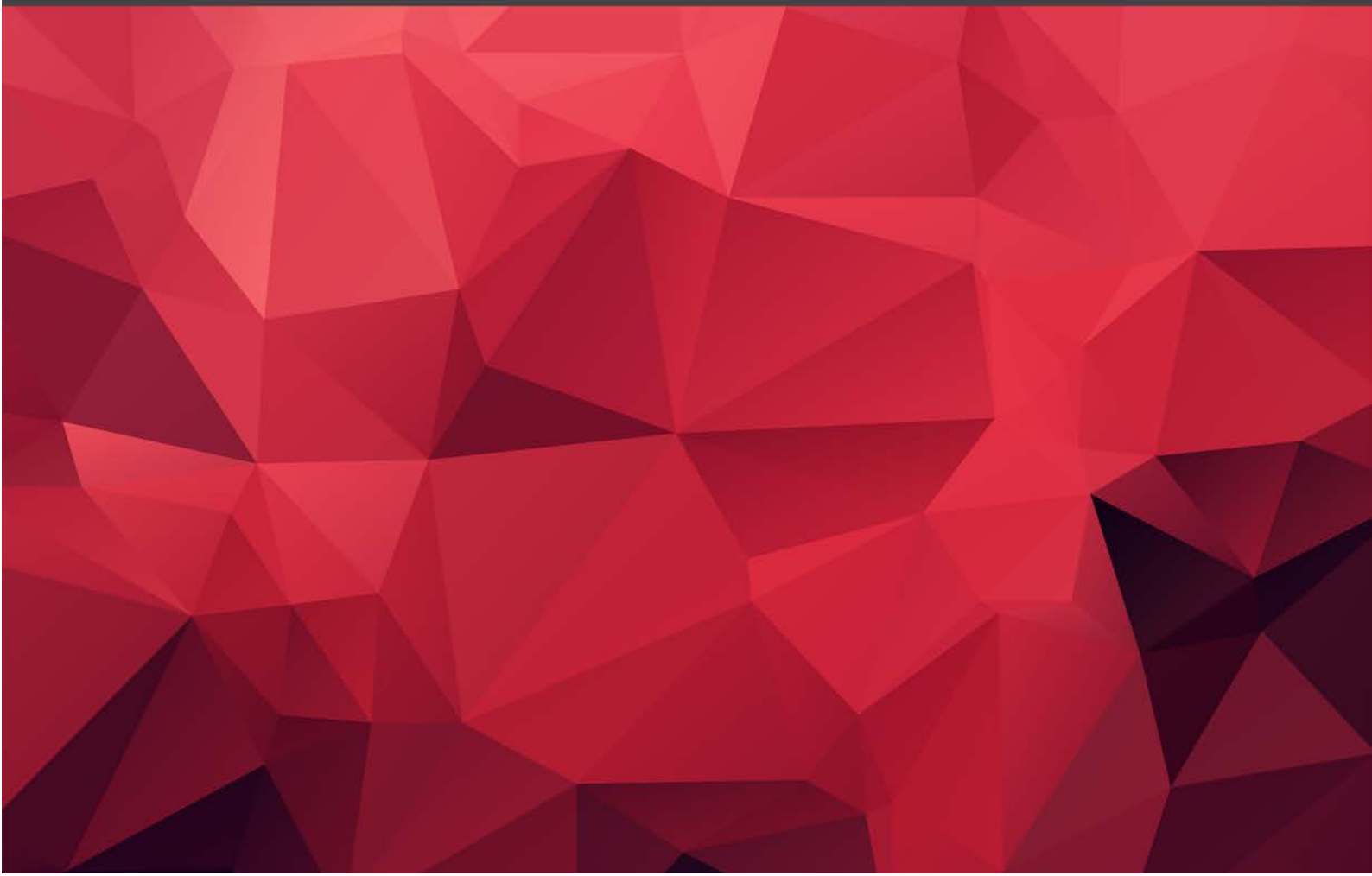
Archwilydd Cyffredinol Cymru
Auditor General for Wales

Audit of Financial Statements Report and Management Letter – **Care Council for Wales**

Audit year: 2016-17

Date issued: July 2017

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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This document summarises the conclusions on the 2016--17 audit including our recommendations for the year. The Auditor General intends to issue an unqualified audit report on your financial statements. There are some issues to report to you prior to their approval.

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Summary report

Introduction

- 1 The purpose of this report is twofold:
 - to set out for consideration the matters arising from the audit of the financial statements of the Care Council for Wales (the Care Council), for 2016-17, that require reporting to those charged with governance, in time to enable appropriate action; and
 - to formally communicate the completion of our audit and capture the recommendations arising from our audit work for the year.
- 2 The Auditor General's responsibilities were set out in our **2017 Audit Plan** along with your responsibilities as those charged with governance; we do not repeat them in detail again here.
- 3 We confirm we have undertaken the audit as planned and our performance against the agreed measures and actual fee compared to planned fee are reported in [Appendix 4](#). We have no other issues to report to you other than in this report.
- 4 We are particularly grateful to the Care Council and staff for their assistance, good quality working papers and draft accounts provided during the course of our audit.
- 5 The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of the Care Council at 31 March 2017 and its income and expenditure for the year then ended.
- 6 We do not try to obtain absolute assurance that the financial statements are correctly stated, but adopt the concept of materiality. In planning and conducting the audit, we seek to identify material misstatements in your financial statements, namely, those that might result in a reader of the accounts being misled.
- 7 The quantitative levels at which we judge such misstatements to be material for the Care Council is £222,960 for income and expenditure items, working capital balances, and for other balances. Whether an item is judged to be material can also be affected by certain qualitative issues such as legal and regulatory requirements and political sensitivity. For example, the disclosures made within the Remuneration and Staff Report.

Status of the audit

- 8 We received the draft financial statements for the year ended 31 March 2017 on 5 June 2017, and have now substantially completed the audit work.
- 9 We are reporting to you the more significant issues arising from the audit, which we believe you must consider prior to approval of the financial statements. The audit team has already discussed these issues with the Director of Corporate Services and Strategy and the Head of Finance.

Proposed audit report

- 10 It is the Auditor General's intention to issue an unqualified audit report on the financial statements once you have provided us with a Letter of Representation based on that set out in [Appendix 1](#).
- 11 The proposed audit report is set out in [Appendix 2](#).

Significant issues arising from the audit

Uncorrected misstatements

- 12 There are no misstatements identified in the financial statements, which remain uncorrected.

Corrected misstatements

- 13 There are misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process. They are set out with explanations in [Appendix 3](#).

Other significant issues arising from the audit

- 14 In the course of the audit, we consider a number of matters both qualitative and quantitative relating to the accounts and report any significant issues arising to you. There were some matters arising in these areas this year:
 - **We have no concerns about the qualitative aspects of your accounting practices and financial reporting.**

We found the information provided to be relevant, reliable, comparable, material and easy to understand. We concluded that accounting policies and estimates are appropriate and financial statement disclosures unbiased, fair and clear.

As part of our audit we consider the appropriateness of accounting policies. During 2015-16 we held detailed discussions with the Director of Corporate Services and Resources around the accounting policy for the Practice Learning Opportunity Funding. While we were content for the current accounting policy to continue for the 2015-16 and 2016-17 financial statements, we recommended that all accounting policies are reviewed as part of transition to Social Care Wales. We understand from management that this review will now be undertaken during 2017-18 with an implementation date of 1 April 2018.
 - **We did not encounter any significant difficulties during the audit.**

During the audit we were mindful that, due to an unplanned staff absence, the majority of our audit queries were dealt with by the Head of Finance. Even though this resulted in the year end closedown plan not being fully completed, which could have impacted on the timely preparation of the draft accounts, we received all requested information in a timely and helpful manner, and were not restricted in our work.

- **There were no significant matters discussed and corresponded upon with management which we need to report to you.**
- **There are other matters significant to the oversight of the financial reporting process that we need to report to you.**
- **We did not identify any material weaknesses in your internal controls.**
- **There are not any other matters specifically required by auditing standards to be communicated to those charged with governance.**

Recommendations arising from our 2016-17 audit work

- 15 There are three recommendations arising from our audit work and these are set out in [Appendix 5](#). Management has responded to them and we will follow up progress on them during next year's audit. Where any actions are outstanding, we will continue to monitor progress and report it to you in next year's report.

Follow up of previous years audit recommendations

- 16 We have followed up progress made against previous years audit recommendations. It is pleasing to note that four of the six recommendations made in previous years have been fully implemented. Details of progress against previous year's recommendations are set out in [Appendix 6](#).

Independence and objectivity

- 17 As part of the finalisation process, we are required to provide you with representations concerning our independence.
- 18 We have complied with ethical standards and in our professional judgment, we are independent and our objectivity is not compromised. There are no relationships between the Wales Audit Office and the Care Council that we consider to bear on our objectivity and independence.

Appendix 1

Final Letter of Representation

[Audited body's letterhead]

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

[Date]

Representations regarding the 2016-17 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 Care Council for Wales (the Care Council) for the year ended 31 March 2017 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 the Care Council will continue in operation.
- Ensuring the regularity of any expenditure and other transactions incurred.

- 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 the Care council 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 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 Council on 14 July 2017.

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:

Sue Evans

Chief Executive and Accounting Officer

Date:

Signed by:

Rhian Watcyn Jones

Chair of Audit and Risk Committee

Date:

Appendix 2

Proposed audit report of the Auditor General to the National Assembly for Wales.

The Certificate and Report of the Auditor General for Wales to the National Assembly for Wales

I certify that I have audited the financial statements of the Care Council for Wales for the year ended 31 March 2017 under paragraph 18(4) of Schedule 1 to the Care Standards Act 2000. 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. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Chief Executive and auditor

As explained more fully in the Statement of the Care Council's and the Chief Executive's Responsibilities, the Chief Executive as Accounting Officer is responsible for preparing the financial statements, in accordance with the Care Standards Act 2000 and Welsh Ministers' directions made there under and for ensuring the regularity of financial transactions.

My responsibility is to audit, certify and report on the financial statements in accordance with applicable law and with International Standards on Auditing (UK and Ireland). These standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Care Council for Wales' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Care Council for Wales; and the overall presentation of the financial statements.

In addition, I obtain evidence sufficient to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate and report.

Opinion on Financial Statements

In my opinion the financial statements:

- give a true and fair view of the state of the Care Council for Wales' affairs as at 31 March 2017 and of its net expenditure, for the year then ended; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under the Care Standards Act 2000.

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 National Assembly for Wales and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Welsh Ministers' directions made under the Care Standards Act 2000; and
- the information in the Annual Report is consistent with the financial statements.

Matters on which I report by exception

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

- the Governance Statement does not reflect compliance with Welsh Ministers' guidance;
- adequate accounting records have not been kept;
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns;
- information specified by Welsh Ministers regarding the remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Huw Vaughan Thomas
Auditor General for Wales
18 July 2017

24 Cathedral Road
Cardiff
CF11 9LJ

Appendix 3

Summary of corrections made to the draft financial statements which should be drawn to the attention of the Audit and Risk Committee.

During our audit we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Value of correction	Nature of correction	Reason for correction
£825	Remuneration and Staff Report - Fair Play disclosure. Increase the median total remuneration from £28,386 to £29,211. This led to the ratio being corrected from 3.79 to 3.68.	To ensure the calculation of the median total remuneration complies with the FReM.
£1,800	Remuneration and Staff Report – Single Total Figure of Remuneration Decrease in the Director of Corporate Services and Resources’ pension benefit.	Further information was received from the RCT Pension Fund.
£19k	Note 13 – Commitments under operating leases Increase in Land and Buildings.	There were still ongoing discussion with WG when the draft accounts were produced. Management brought this to our attention and corrected this note accordingly.
Narrative	Note 14 – Retirement benefit obligation. Post retirement mortality assumption, % change in present value of total obligation. Corrected from +/- 1.7% to +/- 3.0%.	To correctly disclose the information as part of the sensitivity analysis as stated in the Actuary Report
Narrative	Note 15 – Provisions and contingent liabilities disclosed under IAS37 Inclusion of the lease agreement in relation to the St Asaph office regarding the potential obligation to return the office space to its original condition.	To reflect the potential liability that could arise at the end of the St Asaph lease.
Narrative	Note 18 – Post balance sheet events Inclusion of the transition from the Care Council to Social Care Wales from 1 April 2017.	To provide appropriate disclosure regarding the change from the Care Council to Social Care Wales
Presentational and Narrative Changes	A number of presentational and narrative changes were made to the annual report and other notes to aid the reader’s understanding	To provide enhanced disclosures and understanding of the information contained within the financial statements.

Value of correction	Nature of correction	Reason for correction
	of the information contained within the financial statements.	

Appendix 4

Wales Audit Office performance measures

We have agreed a range of targets for the delivery of our work and I have summarised our assessment of achievements against these targets below:

Planned output	Target	Outcome
2017 Audit Plan	February 2017	February 2017
Financial accounts work: <ul style="list-style-type: none">• Audit of Financial Statements Report• Opinion on Financial Statements	July 2017	July 2017
Management Letter for 2017	July 2017	July 2017

The estimated audit fee set out in our Audit Plan was £18,382. Our actual audit fee is anticipated to be in line with our original estimate.

Appendix 5

Recommendations arising from our 2016-17 audit work

We set out all the recommendations arising from our audit with management's response to them. We will follow up these next year and include any outstanding issues in next year's audit report:

Matter arising 1 – Matters to be considered as part of transition to SCW	
Findings	<p>During the course of audit we identified some matters that should be reviewed as part of the transition to Social Care Wales:</p> <ul style="list-style-type: none"> - the current service level agreement with Rhondda Cynon Taf Payroll is out of date and makes reference to staff who are no longer employed by Social Care Wales. - during our audit work on non-current assets we noted the upgrade to the Carreg system which will continue into 2017-18. Where these upgrades are replacing existing assets, the assets being replaced should be disposed and the disposal accounted for appropriately to avoid overstatement of assets in the cost disclosure.
Priority	Medium.
Recommendation	<p>Social Care Wales should:</p> <ul style="list-style-type: none"> - Review the existing service level agreement with Rhondda Cynon Taf Payroll and update accordingly. - Undertake a review of the asset register to determine whether upgrades to Carreg (and other similar upgrades and asset renovations) will replace existing assets which will need to be disposed and ensure the asset register is amended accordingly.
Benefits of implementing the recommendation	<ul style="list-style-type: none"> - Clarity and understanding of the respective roles and responsibilities of Social Care Wales and Rhondda Cynon Taf Payroll and the expectations placed on both parties. - Ensures the asset register is complete and accurate and that the cost of assets within the financial statements are disclosed correctly.
Accepted in full by management	Yes.
Management response	<p>Service Level Agreement – The agreement will be updated as soon as possible.</p> <p>Non- Current Assets – All existing Carreg assets will be reviewed for potential disposal on completion of the Carreg update development. At this point we will also review other asset categories for potential disposals.</p>
Implementation date	<p>Service Level Agreement- September 2017.</p> <p>Non-Current Assets review- March 2018.</p>

Matter arising 2 – Improvements to internal controls – Changes to Payroll	
Findings	<p>During our walk-through of payroll procedures we noted that the termination of a member of staff was processed by HR based on verbal notification, and not written communication.</p> <p>This practice could result in unsupported and/or unauthorised changes to payroll, resulting in incorrect payments being made to staff.</p>
Priority	High.
Recommendation	All changes to the payroll should be authorised and notified to HR in writing.
Benefits of implementing the recommendation	Written authorisation to make changes to payroll reduces the risk of incorrect payments being made to staff.
Accepted in full by management	Yes.
Management response	Team members will be reminded of the importance of processing changes to the payroll only if supported by written communication. In addition an extra column will be added to Monthly Payroll Changes Log for the inputter to confirm that appropriate written communication has been received.
Implementation date	July 2017.

Matter arising 3 – Improvements to internal controls – Bursary Nominations	
Findings	<p>A master spreadsheet of all students nominated to receive bursaries is maintained within Finance. This master spreadsheet is compiled using the information contained within spreadsheets attached to the 'nomination' emails received from universities. The master spreadsheet can be updated at any time.</p> <p>During our audit of bursary payments we noted that the original e-mail sent from the universities is not kept as primary source evidence to support the information contained within the master spreadsheet. Whilst we were able to agree our sample of bursary payments to student application forms, we were unable to agree the contents within the master spreadsheet to primary source documentation. In addition, should the master spreadsheet be lost or become 'spoilt', it would be difficult and time consuming to re-create.</p>
Priority	Medium.
Recommendation	Social Care Wales should retain the 'nomination' e-mails from the universities as primary source evidence.
Benefits of implementing the recommendation	To provide primary source evidence that the master spreadsheet is complete and accurate, and as back up in case the master spreadsheet requires to be re-created.

Matter arising 3 – Improvements to internal controls – Bursary Nominations	
Accepted in full by management	Yes.
Management response	Implemented. E mails are being saved as evidence. It was only prior to 2015 where e-mails were not maintained on file. The procedure was amended when Student Funding was incorporated onto the Carreg ICT system. Now in all cases e mail records are maintained.
Implementation date	

Appendix 6

Follow up of previous years audit recommendations

We have followed up progress made against previous years audit recommendations.

Recommendation 1 – The Care Council should inform the external auditors of all novel or contentious matters.	
Findings	The Care Council is required to take all reasonable steps to make the auditors aware of relevant audit information. This is stated within the Statement of the Care Council's and the Chief Executive's Responsibilities. The Care Council did not notify us about termination benefits agreed during the year.
Priority	High.
Recommendation	Any novel or contentious matters should be brought to the attention of the auditors at an early stage. This will allow us to better plan our audit approach and avoid extending the audit period and incurring additional audit fees by the late identification of such matters.
Accepted in full by management	Not accepted in full.
Management response	The Care Council engaged with Grant Thornton as the previous external auditor on this matter, as Wales Audit Office audit team had not been assigned to Care Council at this point in time. Through these discussions it was intimated that Wales Audit Office were made aware of this matter as guidance was sought from WAO through Grant Thornton. The matter complied with our Governance Framework and went through appropriate Governance channels. The Care Council has no issue regarding disclosure, at the time of writing the remuneration report we were not aware that a disclosure was required in 2015/16 as the financial impact would be in 2016/17. More recently, through the more detailed reporting of the remuneration report, WAO advised that disclosure is required at time of agreement and not at time of the benefit being payable. Through collective discussions the Care Council and WAO agreed appropriate wording of the disclosure note and made relevant adjustment in the accounts to recognise the future liability.
Implementation date	1 July 2016.
Update	Implemented.

Recommendation 2 – Documentary evidence for the pay supplement of the Director of Regulations and Professional Standards / Deputy Chief Executive to be identified

Findings	The Director of Regulation and Professional Standards / Deputy Chief Executive is in receipt of a pay supplement of £3,260, in addition to their remuneration as a Director. The supporting evidence provided demonstrates that the entitlement to the £3,260 should have ended 31 March 2010, and that a temporary uplift to salary of £2,538 should have been paid until 31 December 2010. The Care Council has not been able to provide us with supporting documentation to show the approval and continued entitlement to the pay supplement received by Director of Regulations and Professional Standards / Deputy Chief Executive.
Priority	High.
Recommendation	The Care Council should identify the documentary evidence for the pay supplement to the Director of Regulations and Professional Standards / Deputy Chief Executive, The Care Council needs to determine whether the pay supplement is in line with its Pay and Grading Arrangement policy, and consider the appropriate course of action, should no documentary evidence be found.
Accepted in full by management	Accepted in Full.
Management response	A review of the Pay and Grading Arrangements policy will be updated, governance controls around Senior Pay will be strengthened along with a full governance review as we prepare for Care Council to become Social Care Wales. Immediate rectification of gaps in documentation will be addressed through Remuneration Committee.
Implementation date	September 2016.
Update	Implemented.

Recommendation 3 – The Remuneration Committee should consider changes in remuneration for the Senior Management Team.

Findings	The Director of Corporate Services and Resources received an accelerated incremental pay progression in October 2015, back dated to April 2015. The Pay and Grading Arrangements policy refers to the ability for accelerated incremental progression to take place, subject to a written business case being approved by the Chief Executive. The business case for the accelerated incremental pay progression for the Director of Corporate Services and Resources was both recommended and approved by the Chief Executive. The remuneration change for the Director of Corporate Services & Resources was not notified to the Remuneration Committee. The Remuneration Committee Terms of Reference paragraph 3.1 states that ‘The Remuneration Committee has delegated authority from the Board to: advise the Chair on matters relating to the review of remuneration of all staff, including the Chief Executive, in line with the Care Council Policy’. We noted that the Pay and Grading Arrangements was last updated in June 2010 and refers to the Salary Scales as at 1 April 2003.
Priority	High.
Recommendation	The Remuneration Committee should consider changes in remuneration for the Senior Management Team, other than the annual uplift / annual pay increment, to improve governance arrangements. The Pay and Grading Arrangements policy should be reviewed and updated.
Accepted in full by management	Accepted in Full.
Management response	Decision was made in line with policy, however Care Council recognise the control issue. A review of the Pay and Grading Arrangements policy will be updated, governance controls around Senior Pay will be strengthened along with a full governance review as we prepare for Care Council to become Social Care Wales.
Implementation date	September 2016.
Update	Partly Implemented. The process has been agreed but the policy has not been updated to reflect this. Management have informed us that this will be completed as part of the ongoing review of all policies as part of the transition to Social Care Wales.

Recommendation 4 – The Care Council should undertake a review of accounting policies as part of the transition to Social Care Wales

Findings	<p>As part of our audit we consider the appropriateness of accounting policies. During the year detailed discussions have been held with the Director of Corporate Services and Resources around the accounting policy for the Practice Learning Opportunity Funding. While we are content for the current accounting policy to continue for the 2015-16 and 2016-17 financial statements, our view was influenced by:</p> <ul style="list-style-type: none"> • the fact the Care Council has accounted for this method since 2008; • the close proximity to the transition to Social Care Wales; and • assurances provided by the Director of Corporate Services & Resources that all accounting policies will be reviewed as part of the transition to Social Care Wales;
Priority	High
Recommendation	The Care Council should undertake a review of accounting policies as part of the transition to Social Care Wales. The process should begin now, as at the time of next years' external audit, Social Care Wales would have come into existence.
Accepted in full by management	Accepted in Full.
Management response	Full review of Accounting Policies will be undertaken as Care Council prepares to become Social Care Wales. Full review will be taken to Audit Committee in February 2017.
Implementation date	Review to be endorsed by Audit Committee in February 2017 with implementation as Social Care Wales in April 2017.
Update	<p>Not Implemented and delayed to April 2018.</p> <p>We understand that a full review of accounting policies will be undertaken during 2017-18 to be implemented from 1 April 2018 as part of the transition to Social Care Wales.</p>

Recommendation 5 – The Care Council should consider the completion of a FReM Disclosure Checklist as part of the accounts preparation and closedown process.

Findings	As part of our audit work, we are required to consider whether the disclosures within the Care Council's Annual Report and financial statements comply with the requirements of the Financial Reporting Manual (the FReM) issued by HM Treasury. In order to facilitate this requirement, we use the Disclosure Checklist which is readily available on the National Audit Office website. https://www.nao.org.uk/report/nao-disclosure-guides-for-entitieswho-prepare-financial-statements-in-accordance-with-thegovernment-financial-reporting-manual-frem/ We noted that the Care Council does not complete the Disclosure Checklist as part of their accounts preparation and closedown process. The Care Council did complete the Disclosure Checklist following our recommendation during the audit, however this exercise should be embedded as part of the accounts preparation and closedown process.
Priority	Medium.
Recommendation	The Care Council should complete the Disclosure checklist as part of the accounts preparation and closedown process.
Accepted in full by management	Accepted in Full.
Management response	In retrospect the disclosure checklist was implemented for 2015-16 and will be embedded for future use.
Implementation date	Immediate.
Update	Implemented.

Recommendation 6 – The Care Council should consider the payment frequency of Business Rates, as it currently is not in line with Managing Welsh Public Money.

Findings	The Care Council made payments of £81k for business rates relating to 2016-17 in March 2016. The payment terms required payments to be made in ten monthly instalments, starting in April 2016. As such, this is considered to be a payment in advance of need. Managing Welsh Public Money states that 'Payments in advance should be exceptional, and should only be considered if a good value for money case can be made for them'. 'Payments in advance of need are rarely justified and are likely to attract external audit and PAC criticism.'
Priority	Medium.
Recommendation	The Care Council should consider whether the current single payment of business rates relating to next financial year meets the requirement of Managing Welsh Public Money.
Accepted in full by management	Accepted in Full.
Management response	Historically Care Council paid rates at point of invoice to the Local Authorities as Direct Debit functionality was discouraged for Welsh Government Sponsored Bodies. This has been a historical transaction by nature and in future years Care Council will take advantage of the Direct Debit facility.
Implementation date	Immediate.
Update	Implemented.

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