



CYFARFOD BWRDD/BOARD MEETING 13.07.17

EITEM/ITEM: 5

TEITL/TITLE: SRC/17/14 Care Council for Wales Draft Annual Report and Accounts 2016-17 and Audit of Financial Statements Report and Management Letter

AWDUR/AUTHOR: Geraint Rowlands

**CYFRANIADAU GAN/
CONTRIBUTIONS FROM:** Wales Audit Office

ATODIADAU/APPENDICIES:

Appendix 1 Draft Annual Report and Accounts

Appendix 2 Audit of Financial Statements Report and Management Letter

TRAFODWYD YN FLAENOROL YN/ITEM PREVIOUSLY DISCUSSED AT:

Executive Management Team meeting on 3 July 2017
Audit and Risk Committee on 13 July 2017

CRYNODEB GWEITHREDOL/EXECUTIVE SUMMARY:

To provide members with the Care Council for Wales Draft Annual Report and Accounts for 2016-17 and the report of the external auditors on the Audit of Financial Statements and Management Letter

PENDERFYNIAD / DECISION:

Members are invited to **consider** and **endorse** the report from the External Auditors and **consider** and **approve** the draft Annual Report and Accounts.



Care Standards Act 2000

CYNGOR GOFAL CYMRU
CARE COUNCIL FOR WALES

ANNUAL REPORT
AND ACCOUNTS

2016 –2017

Annual Report and Accounts of the Care Council for Wales prepared pursuant to Schedule 1, Section 18(2) and 19(1) of the Care Standards Act 2000, for the year ended 31 March 2017 together with the Report of the Auditor General for Wales thereon and

Laid before the National Assembly for Wales on pursuant to the Care Standards Act 2000 Schedule 1 Section 18(4)



ANNUAL REPORT AND ACCOUNTS

2016-2017

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Performance Report

Overview

Statement from the Accounting Officer

A quick look through this report provides an overview of the breadth and depth of our work. Thanks to the professionalism, dedication and hard work of the staff and Partners, the Care Council for Wales (Care Council) has been successful in delivering almost the entire programme of work as set out in our 2016/17 business plan.

Our aim is to make sure that the people of Wales can count on social care services being provided by a professional, skilled and competent workforce. The vision for social care in Wales is clear: the focus is on the well-being of the people of Wales with a strong voice and control over the care and support they receive. Social care has a key role to play in the well-being of the citizens of Wales, working with partners across public services. This requires transforming services, cultures and practice. Services will be person centred and based on relationships of equality which recognise the strengths and expertise of people who use them. This approach will be matched by a commitment to a workforce which is able to practice effectively, confidently, making well-informed judgements, based on up-to-date evidence. That is the essence of the Social Services and Well-being (Wales) Act 2014 which will guide the care sector's work for the years ahead; alongside the Regulation and Inspection of Social Care (Wales) Act 2016 is intended to modernise the regulation and improvement arrangements focusing on regulation for success.

Social care is a people sector. The key to success for the future and improving quality is through a workforce which is sustainable, competent, confident, valued and capable of delivering personalised and flexible services which meet changing demands.

The social care workforce needs to focus on people's strength, working with them to maintain their independence. People's voices and rights will be central to decisions – what matters to people matters to the workforce. The focus is on safeguarding through early intervention and prevention as well as good information. Values need to underpin practice and cultures of all approaches and services. When other things are changing we need to make sure that our core values remain the constant. The Care Council provides leadership in promoting these values to partners and the public – being a strategic leader for the sector.

We will not achieve the change we need to the care sector unless we have the workforce to match new models of services and new ways of working. It means equipping and supporting existing workers to work differently as well as planning the workforce for the future. Our long term aim is to secure a workforce which works to the highest professional standards and has the skills and qualifications to support that. We have a dual role of regulating and developing the workforce and their training. Together these support professional methods and judgements within a framework of public assurance and practice governance. This leads to a workforce which is valued and respected by people who use services, stakeholders and society at large.

Our approach is focused on good outcomes for people and the social care and early years workforce. In order to achieve this we focus on four key strategic themes. These are:

- **Public assurance**, through regulation which is intended to provide assurance that the profession is of good character, confident and competent to ensure safe care of individuals and support for their families.

- **Professionalism**, through supporting the workforce so that they are able to work in ways which are collaborative, effective and grounded in social care values and open to new ways of working.
- **High quality learning**, through supporting a workforce which is highly skilled and clear about the standards that inform professional practice.
- **Sustainability**, through supporting efforts to secure enough good quality people entering, working and remaining in the sector.

Looking forward from April 2017 we will evolve to become Social Care Wales with an extended remit to include improvement, research and data as well as maintaining our regulatory and workforce development role. We will continue to work with people who use care and support services, and organisations to lead improvement in social care. We're committed to working in a way that's collaborative and inclusive. Social Care Wales will:

- set standards for the care and support workforce, making them accountable for their work
- develop the workforce so they have the knowledge and skills to protect and support those who need help
- work with others to improve services for areas agreed as a national priority
- set priorities for research to collect evidence of what works well
- share good practice with the workforce so they can provide the best care response
- provide information on care and support for the public, the workforce and other organisations.

Sue Evans
Chief Executive and Accounting Officer

Date: 14 July 2017

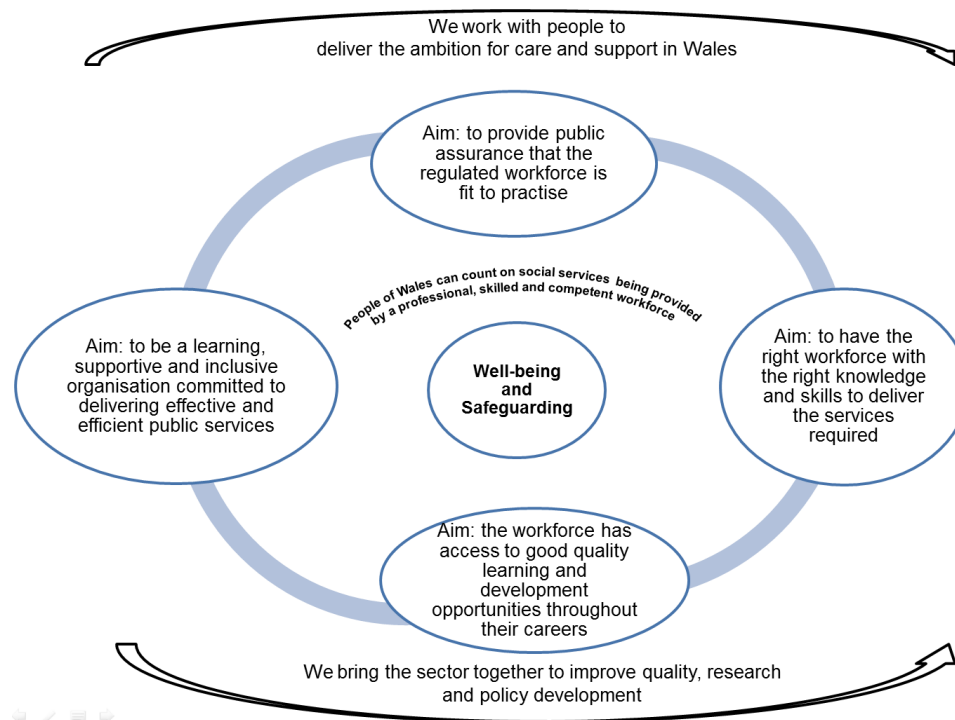
Role of the Care Council-Who we are

The Care Council is a Welsh Government Sponsored Body (WGSB). We were established under the Care Standards Act 2000 as the regulator of the social care profession in Wales. We have a leading role in making sure the workforce delivering social services and childcare in Wales is operating to a high professional standard. We have legal powers to set the standards workers need to meet, and to take action where that doesn't happen. We aim to safeguard the general public by:

- keeping a register of social workers, social care managers and workers, and social work students
- investigating cases where the standards set for the workforce may not have been met
- taking the most serious cases of where standards have not been met before independent panels
- imposing a range of sanctions to protect the public from harm
- analysing information, and planning for a workforce that can meet the needs of the public
- developing the professionalism of managers and workers, mainly through qualifications, training, knowledge sharing and continuous professional development.

Our vision and strategic objectives

Our approach is focused on good outcomes for people and the social care and early years workforce in order to deliver our vision that the *“People of Wales can count on social services being provided by a professional, skilled and confident workforce”*



We have a leadership role in developing confident and competent workers in social services and childcare, who can operate effectively and confidently, making well-informed judgments, based on up-to-date evidence, in the best interests of people they work with.

We don't work alone, as the success of what we do depends on partnerships and contributions from people with direct experience of social care. That's why our Council members, who govern the work of the organisation, represent many voices. Among others, they represent the views of the general public, people who use services, carers, workers, trade unions and employers. This ensures that all those groups are given a voice in setting standards and improving social care in Wales.

Key issues and risks that we face

Information regarding our risk management and principle risks is provided in the Governance Statement. We consider the following factors to be those that have greatest influence over the way we deliver our work and achieve our visions over the next three years:

- Financial climate
- The political and policy landscape as Care Council for Wales becomes Social Care Wales in April 2017.

Performance Analysis

Providing public assurance



The Care Council's core function is to provide assurance to the public about the quality and standard of the social care workforce.

Fitness to practise

Setting the standards for the social care workforce is integral – nothing is more important than providing assurance to the public that the workforce is skilled, safe and reliable.

Currently there are 11,500 registered as social care workers in Wales. The three largest groups are made up of 6,000 social workers; 2,100 residential child care workers and 1,300 adult care home managers.

Our regulatory work extends from registration and qualification to training and development. We take a whole systems approach. What we learn from our fitness to practise hearings we use to inform practice guidance for workers.

Regrettably every year some care workers fall below the high standards of the bulk of the workforce. This year 244 referrals have been received, which represents just 2 per cent of the registered workforce.

This year, we became the first regulator in the UK and Ireland to successfully prosecute someone for falsely claiming to be a social worker. We took action against a former social work student who used the title of social worker with intent to deceive employers and gain employment in social work. We believe it is vital that employers, and those receiving social work support, can have the confidence that social workers are appropriately qualified and registered.

It is important that evidence provided to fitness to practise panels is thorough and accurate. Our dedicated team of investigators prepare detailed information to help the independent fitness to practise panels to make their decisions. This is vital work to keep the public safe and to raise standards in the workforce.

Promoting code of practice



In November 2016 we launched the second phase of our public campaign to promote the Code of Professional Practice for Social Care (the Code). The campaign aimed to increase public awareness about the Code to make sure the public knows what they can and should expect from social care professionals in Wales. The Code applies to all social care workers in Wales and sets the standards by which they should work to ensure they provide

the best possible care and support.

The campaign, which included adverts featuring a Morse code message for the public to decode and a short animated film, ran across print, social media and radio throughout November. The campaign aimed to increase social care workers' knowledge of the Code and support them to implement it in their day-to-day work.

Supporting high quality learning



We are responsible for supporting high quality learning for the social care workforce. This is important because only a skilled and professional workforce can provide the high quality services that people demand.

Step up to management and continuous professional development

In December 2016, social care workers' achievements celebrated at Step Up to Management ceremony. Twenty-three students received their Step Up to Management certificates at a ceremony in Cardiff.

The social care workers, who came from a variety of roles across the public, private and third sectors, successfully completed the Step Up to Management programme between November 2015 and September 2016. The ground-breaking pilot programme, which was run by the University of South Wales on behalf of the Care Council, aimed to give social care workers the knowledge and understanding they need to transition to a managerial role. Another aim is to address the urgent issue of the shortage of registered managers in services registered with the Care and Social Services Inspectorate Wales.

The programme received positive feedback from the students, with one stating: "I really enjoyed it and it has felt very empowering." Another student found the course helped them better appreciate the policies and procedures for social care workers, saying: "We already had an understanding of what needed to be in place to support practice, but now we have a much better understanding of why these policies and procedures – and the legislation – are in place. I find myself now understanding why we do these things and I can explain them to my colleagues – for example, why we need the codes of practice and why they are important."

We will be using what we have learnt from this pilot to roll out a national Step Up to Management programme in 2017 and to inform a new set of health and social care qualifications.

Congratulations were also in order for 30 social workers who successfully completed the experienced practice and senior practice in social work programmes in the autumn of 2016. They are the first students to graduate from the programmes, which are part of the continuing professional education and learning framework for social workers in Wales. The framework was developed by the Care Council and partners, it aims to help social workers improve their skills and knowledge and supports career development.

Getting in on the Act



Social care in Wales is being transformed so that services are designed around the needs of the people receiving them. The Social Services and Well-being (Wales) 2014 Act provides the foundations for these changes. During the year we supported these changes by developing and implementing a national learning and development plan known as 'Getting in on the Act'.

After being trained, the average score for an individual having the knowledge to deliver services in line with the principles of the Act increased by 40%. Other achievements included:

- 130 trainers trained to deliver core learning modules
- 12,000 core modules delivered
- 750 individuals attended the expert classes

Some of the key activities in 2016-17 were:

- Expert classes in topic areas such as co-production, advocacy and direct payments
- Training for social workers and others on outcomes focused conversations
- Maintaining and developing the online information hub

As a result of this programme almost all of the workforce, including frontline staff, report understanding the principles and ethos of the new Act, and the changes it is intended to deliver for individuals requiring care and support.

As Social Care Wales we will continue embedding learning on the Act across all our work. This includes more expert classes and more learning on outcomes focused working. Furthermore, the principles of the Act will be contained in a new suite of qualifications which we are developing for social care.

The Hub has been a valuable resource for people to access information and learning materials relating to the Act. The resources on the Hub are reported to be of high quality and useful. According to one social care worker, "I have made a lot of use of their learning resources. I've found them extremely useful and the information is easily available."

Collecting information in one place has made it easy for people to find all the information they need. Knowing that the resources have been produced for all users in Wales has reassured people about their reliability and completeness. The average number of page views per day to the Hub peaked at over 800 in Spring 2016 (when the Act was implemented). At the end of 2016, the Hub was still averaging more than 500 page views per day. Furthermore, the regular *Getting in on the Act* e bulletins reach is 10,500 recipients.

Dementia framework



In November 2016 the Health Secretary Vaughan Gething launched new dementia framework for Wales. *Good Work: A Dementia Learning and Development Framework for Wales* has been developed in partnership by the Care Council, NHS Wales, Public Health Wales and the Welsh Government in response to a public demand for a better, more consistent approach to caring for, and supporting people with dementia.

The new resource aimed to change the way in which dementia care is provided in Wales by creating a single, shared vision for health and social care workers to provide the best possible care and support for those living with dementia. The framework has people with dementia at its heart and recognises that people

with dementia, their families and carers should all be central to the care and support they receive.

In a recent report, the National Assembly's Health, Social Care and Sport Committee noted that the framework had been well-received and echoed its call for a consistent approach to dementia training across the care and health sector¹.

New ways of working



Five year plan for care and support at home

The Care Council was committed to becoming a high performing organisation. Using our authoritative voice to influence and engage was central to this along with developing a new approach to delivering our work using regulation, improvement and development in one programme in line with the expectations of Social Care Wales. A good example of this was the new five year plan

for care and support at home, which we developed in partnership with other people and organisations involved in social care.

The five-year plan, developed by the Care Council in partnership with local authorities and the social care, health and housing sectors, aims to improve care and support at home and address current concerns with the system. It recognises that change can only be achieved in collaboration. The plan has since been adopted by Social Care Wales and the wider social care sector.

The strategy sets out a vision for change in which people in Wales work together to improve well-being through care and support at home and identifies six main areas for attention. They are:

1. Make sure people who need care and support, and carers, are equal partners in decisions about their support.
2. Care and support at home needs to be built around families and communities.
3. Care and support at home needs to support personal outcomes and meet different needs.
4. Investment is needed in a range of good-quality options that help people stay independent and well in their own homes.
5. Make sure the workforce has the knowledge, skills and values to provide care and support at home.
6. Design care and support at home on the best evidence from academic and practice-based research.

¹ [Health and Social Care Committee response to the Welsh government's dementia strategy \(PDF\)](#)

Modern efficient registration services



This year we sent 20,000 fewer letters, saving approximately £12,000. This is the result of our 'digital first' approach to registration which provides a more efficient service to the people on our register and saves public funds.

At the start of the year, more than 90% of our registrants and employers used our online portal. We decided to expand our digital plan by communicating with people almost entirely by email. This has improved the efficiency of our processes and reduced cost significantly. Registrants and employers now receive a maximum of one letter from the registration team a year.

Alongside this, paper certificates are no longer issued. These have been replaced by an online 'proof of registration' page, which is always up-to-date and available, unlike a paper certificate. It is also more secure as it cannot be easily manipulated as the registrants access to the 'proof of registration' page is removed once an individual is removed from the Register.

Huge response to board recruitment



This year we recruited the new Social Care Wales board. It was part of a wider programme of transition from the Care Council to the new organisation.

We received an unprecedented 174 applications for board membership. This is the highest ever number of similar applications in Wales. These numbers were the result of a highly successful marketing and promotion campaign. Five Care Council members filmed videos giving an insight into their role. These pages received over 1,000 hits.

The recruitment approach is being used as a case study in best practice by the Welsh Government and being shared across the wider public service in Wales.

Passionate about social care and public services in Wales?
 Want to share your knowledge, skills, experiences,
 learn new ones and make a difference

We're looking for people from across Wales, from all walks of life to get involved in our work and help us improve social care.

We have opportunities for you to:

- become a board member;
- become a panel member in hearings that look into complaints against registered workers;
- become a care ambassador and raise the profile of careers in care;
- work for us as a member of staff.

Interested?
 Visit www.ccwales.org.uk/make-a-difference

Workforce regulation



11,486 registrants on the register of Social Care Workers



244 referrals against registrants received



of applications to register received online



26 final hearings were held

Sector engagement



900 workers in the sector from all seven regions attended awareness raising sessions on the Act in 2016-17



Nearly 12,000 core training modules on the Act were completed in 2016-17



4304 individuals completed an apprenticeship framework in Health and Social Care, Childcare learning and development and Level 5 frameworks in our sector



Delivered in partnership 14 CPD events during the year reaching around 500 assessors and verifiers



Website page views up by 37% on previous year



Social media influence Klout score 51

Governance



99% payment performance achieved of the year



ISO27001: 2013 accreditation maintained



Substantial assurance by Internal Audit on our governance arrangements



100% of Council meetings held in accordance with standing orders

People



Staff sickness levels were 4.4%



96% of staff feel they have a good understanding of the organisation and its objectives



Silver level achieved in Corporate Health Standards and maintained liP



Green Dragon Level 2 accreditation maintained

Accountability Report

Corporate Governance Report

Directors Report

History and Statutory Background

The Care Council for Wales (Care Council) was established by the Care Standards Act 2000, and came into existence on 1 October 2001. The Care Council has offices in Cardiff and St Asaph in North Wales.

This Annual Report and Accounts, the sixteenth to be prepared by the Care Council, is for the year ended 31 March 2017. The Report has been prepared under Schedule 1, Sections 18(2) and 19(1) of the Care Standards Act 2000; it is presented in a form directed by Welsh Ministers, with the approval of HM Treasury. A copy of the accounts direction may be obtained from the Care Council's offices.

Chief Executive and Accounting Officer

The Chief Executive and Accounting Officer up to the 30th June 2016 was Rhian Huws Williams. Sue Evans became Chief Executive and Accounting Officer on the 4th July 2016.

Care Council Members

At 31 March 2017 there were seventeen members including the Chair who have been appointed by the Minister for Health and Social Services. Membership includes service users, carers, the general public, employers, trade unions, education and training interests, and professional associations.

Members serving 1 April 2016 to 31 March 2017

Member	Interest
Arwel Ellis Owen	Chair
Kelly Andrews	Trade Union
Philip Champness	General Public
Simon Hancock	Local Government
Roger Gant	Voluntary Sector Employers
Kate Hawkins	Education and Training
Kenneth Jones	Carers
Pauline Jones	Carers
Martin Lewis	Carers
Martyn Pengilley	General Public
Barbara Roberts	General Public
Rhian Watcyn Jones	Service Users
Damian Bridgeman	Service Users
Shanaz Dorkenoo	Service Users
Brian West	Private Sector Employers
Gaye Sheridan	Professional Associations
Jenny Williams	Statutory Sector Employers

End of Membership

All members terms came to an end when the Care Council became Social Care Wales as at the 1st April 2017.

Appointed During Year

None

In addition Andrew Bellamy is an independent member on the Audit and Scrutiny Committee.

The Chair's term ended as Chair of the Care Council on the 31st March 2017, but he became the new Chair of Social Care Wales on 1st April 2017 until his term ends in July 2019.

A register of the declared interests of members (and staff including senior officers) is available for inspection during normal office hours at the Care Council's office, Southgate House, Wood Street, Cardiff, CF10 1EW.

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

In 2016-17 there were no security data breaches reported to the Information Commissioner. In 2015-2016 we self-reported a security data breach to the Information Commissioner. On reviewing the information provided as part of the notifications and our follow up actions the Information Commissioner took no further action.

Statement of the Care Council's and the Chief Executive's Responsibilities

Under Schedule 1, Section 18(2) of the Care Standards Act 2000, the Care Council 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 the Care Council's state of affairs at the period end, and of its income and expenditure and cash flows for the period.

In preparing the accounts, the Care Council 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 the Care Council will continue in operation.

The Principal Accounting Officer for the Welsh Ministers has designated the Chief Executive as Accounting Officer for the Care Council. Her relevant responsibilities as Accounting Officer, including the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Care Council's 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 the Care Council's 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.

Governance Statement

This Governance statement sets out the basis on which the Care Council was established; the way in which we are governed and managed; and how as the Accounting Officer I am accountable for what I do.

This governance statement has been produced in line with the guidance as set out in Managing Welsh Public Money².

External Influences and Drivers in 2016 – 2017

During 2016 – 2017 there were two critical pieces of legislation which have and will impact on the work of the Care Council:

Social Services and Wellbeing (Wales) Act 2014

The Social Services and Well-being (Wales) Act received Royal Assent and became law on 1 May 2014. It came into force on 6 April 2016. The Act provides the legal framework for improving the well-being of people who need care and support, and carers who need support, and for transforming social services in Wales.

We have been working with the Welsh Government, local authorities and other partners to make sure that the foundations were in place to transform the services that people receive from 1 April 2016 onwards. In 2015-16, the Resources and Learning Plan for the Social Services and Well-being (Wales) Act focused on supporting initial implementation of the Act. In 2016–2017, the emphasis shifted to embedding, extending and deepening learning, including to new parts of the workforce. This is critical to achieve key outcomes for this 2 year project:

- The workforce is equipped to deliver services in accordance with Wales' law.
- The workforce can deliver care and support in keeping with the principles, culture and values enshrined in the Act.

We developed a learning hub, with partners, to help support the workforce in implementing the social care legislation: <http://www.ccwales.org.uk/getting-in-on-the-act-hub/>

Regulation and Inspection of Social Care (Wales) Act 2016

On 18 January 2016 the Regulation and Inspection of Social Care (Wales) Act received Royal Assent. The Act builds on the success of regulation in Wales and reflects the changing world of social care. It places service quality and improvement at the heart of the regulatory regime and strengthens protection for those who need it. Regulation will move beyond compliance with minimum standards, and focus more on the quality of services and the impact which they have on people receiving them.

² 'Managing Welsh Public Money', Welsh Government, January 2016

The act:

- establishes a regulatory regime which is consistent with the changes which are being delivered by the Social Services and Well Being Act 2014;
- contributes to more effective public services by creating a regulatory regime which enables and empowers both citizens and service professionals;
- provides a robust and meaningful response to the clear lessons which have been learnt from the exposure of failures in the system; and
- renames the Care Council for Wales as Social Care Wales with a broadened remit from April 2017.

Social Care Wales will bring together workforce regulation, workforce development, service improvement and research in one organisation. Social Care Wales’s broader remit will enable greater synergy between research, service improvement and workforce development, underpinned by strong evidence and a focus on improving outcomes for people using services.

Social Care Wales will build on the functions of the Care Council and Social Services Improvement Agency by, in particular, registering more groups of social care workers; agreeing priorities for funding social care training and regulating that training; setting priorities for research; working to improve specific care services and providing an information hub. This is explained in more detail in the following table.

NEW APPROACHES SOCIAL CARE WALES

FUNCTIONS	WHAT WE DO NOW...	WHAT SOCIAL CARE WALES WILL DO IN ADDITION...
Regulate the workforce	Register: - social workers - social work students - residential child care managers and workers - adult care home and home care managers	Register home care and adult care home workers, and potentially other groups
Develop the social care and early years workforce	Provide a range of support and solutions for developing the workforce e.g. qualifications, learning resources etc	Expand this work and agree priorities for funding social care training
Ensure consistent standards of training	Regulate the training of social workers	Regulate social care training
Provide an information hub	Provide workforce data and an information and learning hub for the Social Service and Well-being (Wales) Act	Provide an information hub for the whole of social care in Wales for partner organisations, practitioners and the public
Research and development	Commission some research into the workforce and workforce planning	Set priorities and commission research into social care to inform practice and advice across Wales
Improve services	Contribute to wider projects for improving services	Work with others to improve specific care services identified as priorities across the full span of social care in Wales

Therefore this governance statement aims to reflect how, during 2016 – 2017, we have been developing the requirements of Social Care Wales whilst also delivering the remit of the Care Council.

Scope of responsibility

As Accounting Officer, I am responsible for ensuring that the business of the Care Council is conducted in accordance with the law and to the required standards, I must also ensure the public funds and assets for which the Accounting Officer is personally responsible are safeguarded in accordance with the responsibilities assigned to the Accounting Officer in Managing Welsh Public Money. I have responsibility for maintaining a sound system of internal control that supports the achievement of the Care Council’s policies, aims and objectives.

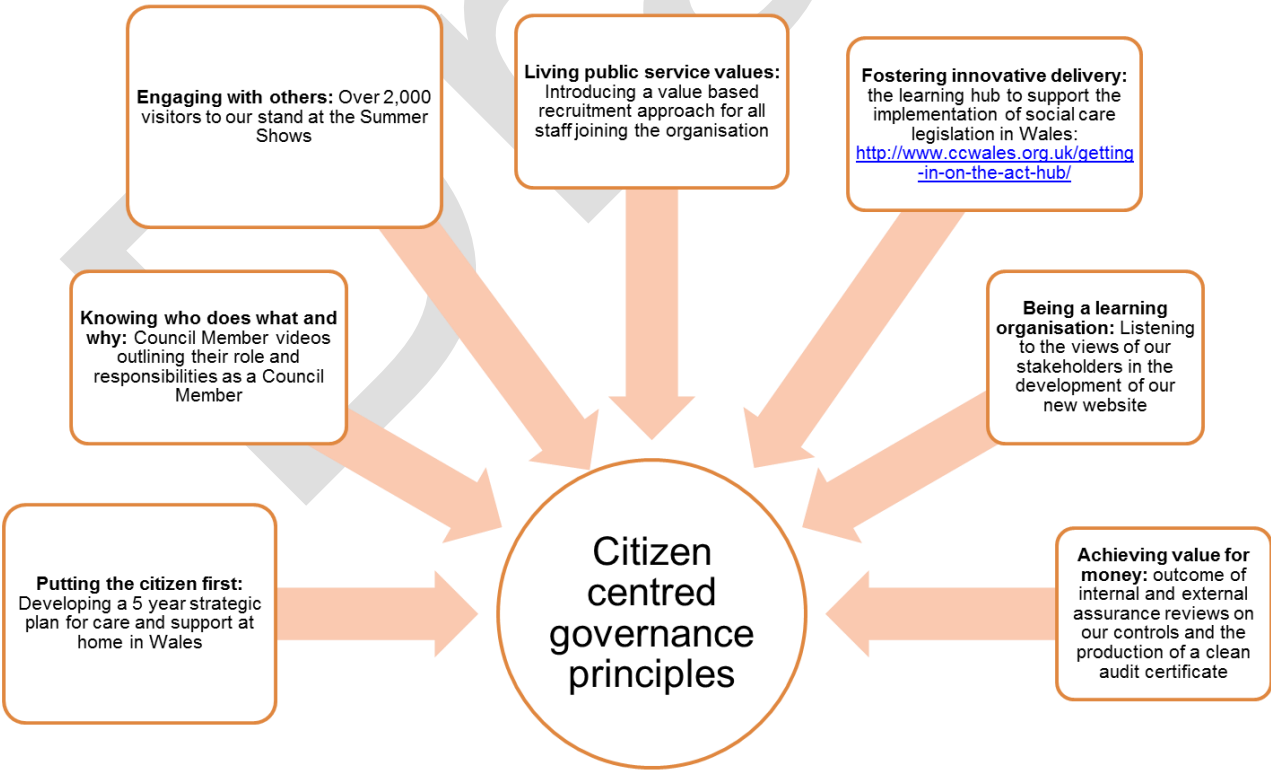
In discharging my responsibility I am responsible for putting in place appropriate arrangements for the management and control of resources, including sound governance arrangements and the identification and management of risks and opportunities.

I took up the post of Accounting Officer from July 2016 onwards and I would like to thank Rhian Huws Williams for the solid foundations that have been laid down as I navigate the Care Council to become Social Care Wales.

Care Council’s Governance Framework

Citizen centred Governance

At the heart of our governance framework is our focus on the Welsh Government’s citizen centred governance principles. The diagram below provides just one example in each area on how we have demonstrated this through our work during the year:



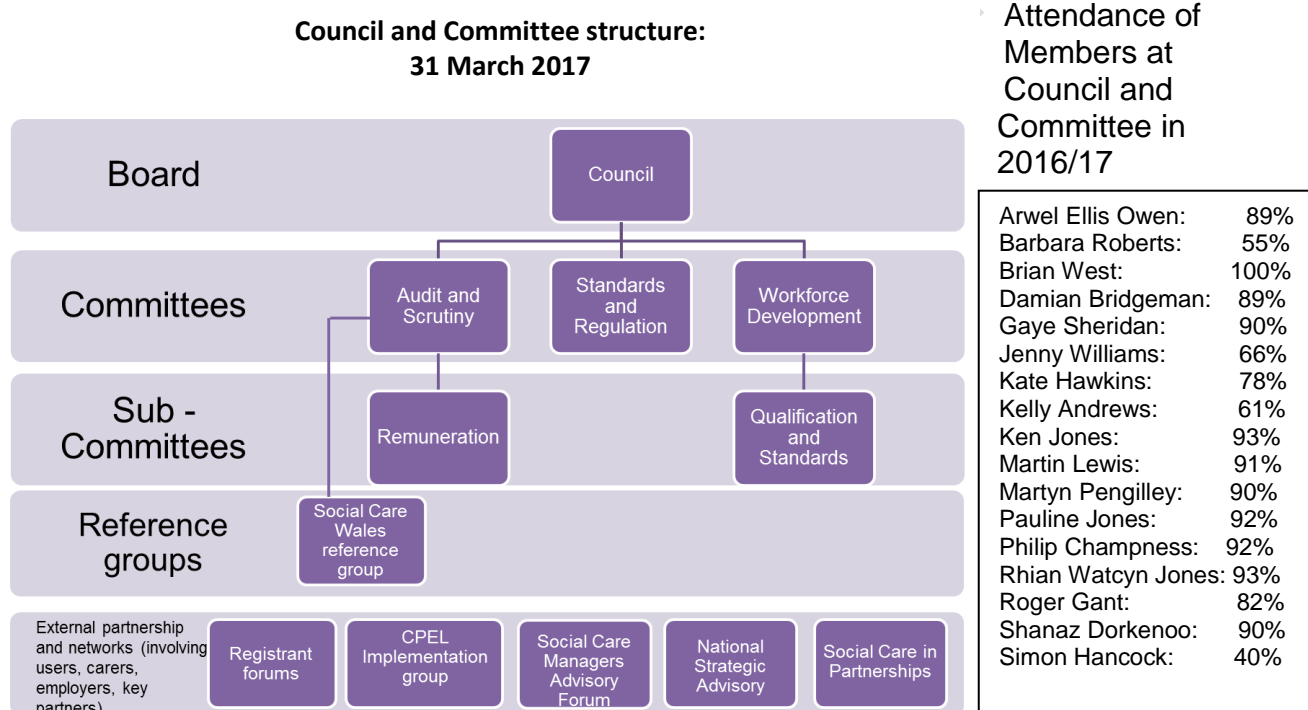
Council and Committee

Our Council Members are appointed by Welsh Ministers. As at 31 March 2017 the Council was made up of a Chair and 16 Members. Council members bring perspectives of those who use services, members of the public, carers, employers and those providing social care services, professional bodies, education and training. All the members are committed to making sure that the Care Council works well so that people working in social work and social care have the right skills and training so that the people of Wales have confidence in them.

Roles and Responsibilities

The Council provides leadership and direction for the Care Council by setting the strategic and business plans, allocation of resources and monitoring of performance. This is achieved through close working with the Executive Management Team. The Council has established Committees to support the governance of the organisation.

The diagram below illustrates the Council and Committee structure as at 31 March 2017 along with the attendance of Council Members at Committees and Council during the year:



During the year the number of times the Council and Committees met is as follows:

Council	Audit and Scrutiny	Standards and Regulation	Workforce Development	Remuneration
6	5	4	3	1

In order to support the work of developing the requirements for Social Care Wales Welsh Ministers asked the Chair of Council to establish a Social Care Wales reference group. In order to provide clear and effective lines of accountability for delivery (including roles and responsibilities) the programme of work relating to preparing for Social Care Wales was managed accordingly through our Council and Committee structure:

- **Council:** received quarterly updates as part of the Business Plan 2016–2017 monitoring for scrutiny, discussion and review and specific quarterly performance reports on the delivery of the Social Care Wales programme.
- **Audit and Scrutiny Committee:** received further detail on the progress of delivery in order to scrutinise the delivery of the internal Social Care Wales development programme. They were also responsible for overseeing delivery of the work led by the Social Care Wales reference group.

The table below illustrates the remit of the Council and its Committees along with the Chair and the areas covered during 2016 – 2017.

	Council (Board)	Audit and Scrutiny	Standards and Regulation	Workforce Development	Remuneration
Remit	Sets and monitors the strategic and operational delivery of the organisation.	Oversees and scrutinises the quality of audit, internal controls and risk	Ensures effective management of the Regulatory functions	Provides advice to Council on strategic matters in relation to the development of the social care workforce and ensures effective management of workforce development initiatives.	Provides advice, guidance and recommendations of remuneration for the Care Council and matters relating to the terms and conditions of the Care Council's staff.
Chair	Arwel Ellis Owen	Ken Jones	Rhian Watcyn Jones	Kate Hawkins	Arwel Ellis Owen
Areas covered	<ul style="list-style-type: none"> • Scrutinised and challenged our role in relation to the implementation of the Social Services and Wellbeing Act and the Regulation and Inspection Bill (now Act) • Monitored and scrutinised governance and organisational performance management • Discussed new ways 	<ul style="list-style-type: none"> • Internal and External Audit: Financial systems; IT and General Controls; Practice Learning Opportunity Funding; Regulatory Panels; Business Process Review (including overviews of Internal Audit recommendations) • Audit Plan • Board Assurance Framework • Statutory Annual 	<ul style="list-style-type: none"> • Progress and Key Issues on the Regulation of the social care workforce in Wales • Consultation and development of the Social Care Wales Rules • Update on the joint programme of work with CSSIW • Indicative Disposals Guidance for Social Care Wales 	<ul style="list-style-type: none"> • Progress, priorities and key issues on developing the social care workforce • Social Care in Partnerships annual reports • Annual Quality Assurance of Social Work Programmes • Draft Workforce Plan for Residential Child Care • Qualification and Learning Plan • Induction Frameworks review 	<ul style="list-style-type: none"> • Chief Executive's Report on recommendations of ISA 260 report from Wales Audit Office • Social Care Wales HR policies

	Council (Board)	Audit and Scrutiny	Standards and Regulation	Workforce Development	Remuneration
	<p>of working as Social Care Wales – research, improvement priorities, care and support at home</p> <ul style="list-style-type: none"> Accountability meeting with the Minister 	<p>Accounts</p> <ul style="list-style-type: none"> Transparency reports Strategic risk register Scrutiny of the transition to Social Care Wales programme (including strategic transition risks) 		<ul style="list-style-type: none"> Stakeholder Engagement Social Services Practitioner Pilot Apprenticeship Certification Annual Report Qualifications Development Careers Framework Social Care Wales - regional collaboration Step Up To Management Pilot Evaluation 	

Council and Committee effectiveness: key achievements

The achievements and legacy report of the Council and its Committees can be found here: http://www.ccwales.org.uk/uploads/Council_Members/Council_21.03.17/H_Item_10_Council_achievements_report.pdf. This also includes a case study by Public Appointments on how Council members are supported in their role of being a Council member.

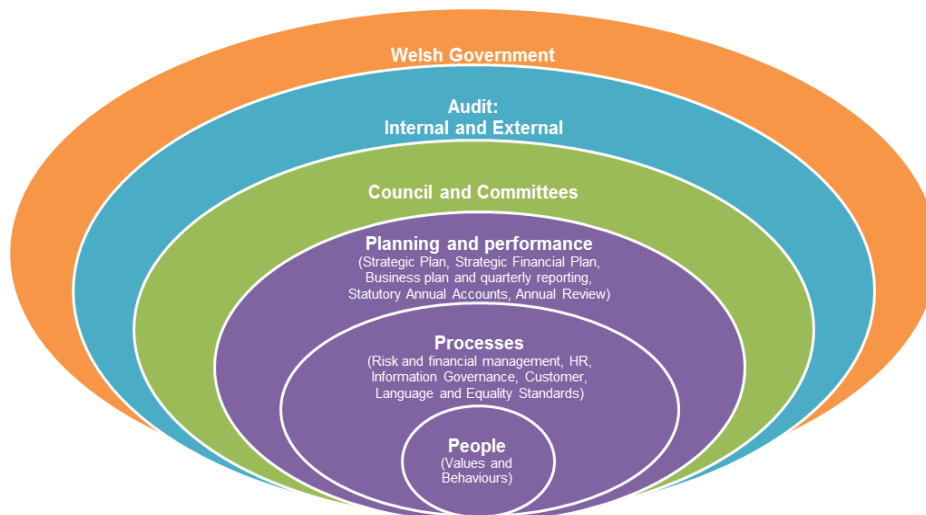
Following each individual Council and Committee meeting all members are asked to consider its effectiveness where feedback is sought in relation to

- the clarity and quality of papers,
- ease and timeliness of accessing papers, whether the timings given for each items was sufficient; and
- whether members felt that they had adequate opportunity to share their views.

Any feedback received is used to build on the meetings effectiveness by the Chair of the relevant Board or Committee.

In addition, we continue to be part of an exchange programme with other Welsh Government Sponsored Bodies (WGSBs) in order to share good practice in relation to Audit Committees. The Chair of Education Workforce Council Audit Committee attended our Committee as an observer at our July 2016 meeting.

In respect of our governance framework in 2016–2017 the Care Council has the following systems, internal controls and processes. These are reviewed, monitored and updated during the year, as part of our governance arrangements.



Our risk assessment model

The Executive Management Team manages the Strategic Risks which might have an impact on the organisation meeting its strategic objectives. A number of key strategic risks have been discussed and reported to the Audit and Scrutiny Committee throughout the year. These are as follows which are linked to the relevant strategic objectives:

Principal Risk	Key mitigating Action
Lack of information sharing between regulators regarding the registered workforce leading to delays in registration and Fitness to Practise investigations	<ul style="list-style-type: none"> • Clear guidance and policies exist regarding information sharing and awareness, and have been extended to all Care Council staff. • Develop and implement information sharing processes. • Regularly monitor Memorandums of Understanding with the other regulators and review as necessary.
Organisation Resource and Capacity Pressures – Breadth and depth of current workload expectations, whilst developing transitional arrangements impacting on both financial and human resources	<ul style="list-style-type: none"> • Strategic financial plan in place and monitored to ensure effective resource management, business plan in place and monitored to ensure delivery of core remit. • Business Review process underway in regulation to ensure efficient, effective and economic processes are in place and to identify savings across the organisation. • Scoping of new business areas, resource impact assessments are being identified.

Changes in the commissioning of National Occupational Standards could destabilise building blocks of learning and development in the sector	<ul style="list-style-type: none"> • Closed in September 2016
Capacity to support the Regional working leadership arrangements	<ul style="list-style-type: none"> • Closed in November 2016

Transition risks

Principal Risk	Key mitigating Action
Loss of focus on our current remit as a result of focusing on the new functions of Social Care Wales	<ul style="list-style-type: none"> • Ensure that a consistent view is maintained across all areas of our work and that risks are refreshed more frequently, at programme board, senior management and Council levels; • Involvement of Internal Audit providing assurance reporting; • Business Planning process.
Developing a shared vision for Social Care Wales	<ul style="list-style-type: none"> • Staff and Board members to work with partners throughout the transition period to create and take ownership of a clear vision for Social Care Wales and the sector that builds on the values, credibility and culture of the Care Council.

Risks associated to the transition also identified by the Audit and Scrutiny Committee include:

- No members of the current board are appointed to the Social Care Wales board
- The expectations of the Minister/government/political agenda are different to the expectations of the sector
- The expectations of the sector exceed what the budget allocation allows
- New funding streams are not sufficient to fulfil our legal/statutory obligations; and
- Lack of shared understanding of Social Care Wales functions from some new/existing partners.

Information Governance

Information governance is “the legal, regulatory and corporate control and management of information resources and products (data, information and knowledge) through the use of standards and policies”. Our information governance framework aims to ensure that the

Care Council's information assets are managed effectively and in accordance with legal, regulatory, best practice and business requirements. The Audit and Scrutiny Committee receives an update on our Information Governance work at each meeting. In mid-July 2016 we were organisationally accredited with the ISO27001:2013 standard (previously two out of the three departments had been accredited).

This demonstrates our compliance with Information Security standards and provides an assurance on our systems of internal control surrounding how we manage our information.

Review of the effectiveness of our governance framework

As the Accounting Officer, I also have responsibility for reviewing the effectiveness of the governance framework arrangements. My review is informed by the:

Welsh Government:

- quarterly performance meetings with our Sponsor team on the annual business plan progress (delivery and resource management)
- annual accountability meeting of the Council by the Minister; the Additional Accounting Officer of the Accounting Officer

Internal Audit:

- work of the internal auditors. This is directed through an audit plan agreed by the Audit and Scrutiny Committee which focuses on identified control risk areas. The internal auditors submit regular reports on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement
- advisory reports undertaken by Internal Audit during the year including a Workforce Regulation business process review
- feedback on the Internal Audit service is provided through contract monitoring meetings. During the year we went out to tender for the provision of the Internal Audit contract for Social Care Wales
- the work of internal audit in assessing the effectiveness or risk management arrangements
- feedback from Members on the risk management training provided.

External Audit:

- feedback on the effectiveness of External Audit was collated through the annual ISA260 report and discussions at the Audit and Scrutiny Committee
- comments made by the external auditors in their management letters and other reports.

Council and Committees:

- reviews by the Audit and Scrutiny Committee of the organisations Strategic risk register and Transition risk register
- annual Council and Committee effectiveness reviews

- the development of a Board Assurance Framework against the High Performing Organisation programme of work as there are a number of the Social Care Wales programme work streams covered within this area. Audit and Scrutiny Committee received outputs of this work in the September meeting. Areas for improvement were identified and are being addressed for future business reporting
- scrutiny at Council and Committees and the self-assessment of effectiveness
- feedback from Members following their annual performance review and exit interviews.

Planning and performance:

- Quarterly reporting against the annual business plan which is scrutinised by the EMT, Council and Welsh Government
- Clean audit certificate and the statutory annual accounts laid before the National Assembly for Wales

Processes:

- outcomes and recommendations following Equality Impact Assessments
- preparations for compliance with the Welsh Language Standards
- compliance with information governance legislation (themes/trends) and complaints received
- Executive Management Team members having responsibility for the development and maintenance of the processes which support the governance framework.

People

- Annual staff survey results and the quarterly performance 'dip tests' on the effectiveness of the organisation and the follow up progress on actions
- Development of the values and behaviours.

During the financial year to 31 March 2017 and to the date of this statement no significant control weaknesses or issues have arisen, and no significant failures have arisen in the expected standards for good governance, risk management and control.

Remuneration and Staff Report

Pay Policy Statement

This is the Care Council's pay policy statement for the period 1 April 2016–31 March 2017.

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 Care Council is Sue Evans. Sue took up post on the 4th July 2016 and was appointed through an open and competitive recruitment process following retirement of the previous Chief Executive at a salary of £110,000 per annum. Sue was recruited to provide leadership, vision and strategic direction to shape and drive forward the transformational change in establishing Social Care Wales. The gross salary cost of the Chief Executive in the period 2016-17 was £109,909 which includes Employers National Insurance and Employers Pension costs.

The Council

The Council comprises of 17 Council Members led by a lay Chair Arwel Ellis Owen. All have been appointed by the Minister, through the Public Appointments process. The remuneration of the Council members is non-pensionable and is determined by Welsh Government. For enhanced transparency, the remuneration of the Chair of the Care Council is disclosed in this report. Council members are remunerated £198 per day and committed to two days a month.

Care Council Staff

All members of staff are employed by the Care Council 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 Care Council's 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 Remuneration Sub-Committee is composed of the Chair, Chair of the Standards and Regulation Committee the Chair of the Audit and Scrutiny Committee and the Chair of the Workforce Development Committee and is also attended by the Chief Executive and the Director of Corporate Services and Resources.

During 2016-17, £49,967 was paid as compensation on early retirement for the outgoing Chief Executive Officer. These costs were accrued for in the 2015-16 financial statements. The former Chief Executive continued to develop a legacy report for ministers during July to September 2016 and was retained on the payroll to receive pay for the commissioned work on the same salary level.

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

Senior Pay Remuneration

Single total figure of remuneration						
Officials	Salary (£000)*		Pension benefits(£)		Total(£000)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Chair Arwel Ellis Owen	30-35	25-30	N/A	N/A	30-35	25-30
Chief Executive Rhian Huws Williams(to 30 June 2016)	20-25	100-105	-	40,800	20-25	140-145
Chief Executive Sue Evans(from 3 July 2016)	80-85	-	24,000	-	105-100	-
Director of Regulation and Professional Standards/(Deputy Chief Executive) Gerald Evans	75-80	75-80	21,000	29,500	95-100	100-105
Director of Corporate Services & Resources Joanne Oak	70-75	70-75	20,800	21,600	90-95	90-95
Director of Learning and Development Roberta Hayes (to 31 March 2016)	-	70-75	-	24,900	-	95-100
Director of Learning and Development Sarah McCarty(from 1 April 2016)	70-75	-	22,600	-	90-95	-

*Included in Salary costs where applicable are any Taxable travel and Subsistence Allowances in accordance with our Travel and Subsistence scheme.

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 the Care Council 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. Sarah McCarty was contracted for a fixed term for the financial year 2016-17 but from the 1st April 2017 was made a permanent employee following a successful probationary period.

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

Draft

Pension entitlements of Directors

	Total accrued pension at 31 March 2017	Real increase in pension at 31 March 2017	Total accrued lump sum at 31 March 2017	Real increase in lump sum at 31 March 2017	CETV at 31 March 2017	CETV at 31 March 2016	Real increase/decrease in CETV in 2016-17
	£'000	£'000	£'000	£'000	£'000	£'000	£000
Chair Arwel Ellis Owen	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chief Executive Rhian Huws Williams * (to 30 June 2016)	50-55	0-2.5	105-110	(0-2.5)	1,057	1,010	37
Chief Executive Sue Evans (to 3 July 2016)	10-15	0-2.5	-	-	218	-	218
Director of Regulation and Professional Standards/(Deputy Chief Executive) Gerald Evans	15-20	0-2.5	10-15	(0-2.5)	297	267	27
Director of Corporate Services and Resources Joanne Oak	10-15	0-2.5	-	-	106	91	14
Director of Learning and Development Roberta Hayes (to 31 March 2016)	-	-	-	-	-	131	-
Director of Learning and Development Sarah McCarty (from 1 April 2016)	0-5	0-2.5	-	-	11	-	11

*The figures reflect that this member left the fund on 30 June 2016

The Chief Executive is an ordinary member of the Care Council's 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 Play disclosure

Median Remuneration		
	2016-17	2015-16
Highest Earner's Total Remuneration (£'000)	105-110	100-105
Median Total Remuneration	£29,211	£30,036
Ratio	3.68	3.41
Range of total remuneration	£18,126-£110,000	£17,286-£100,063

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 the Care Council in the financial year 2016-17 was £105,000-£110,000 (2015-16:£100,000-£105,000). This was 3.68 times (2015-16:3.41 times) the median remuneration of the workforce, which was £29,211(2015-16: £30,036).

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 £18,126 to £110,000 (2015-16:£17,286 to £100,063).

Staff Report

Staff Costs

	2016-17	2016-17	2016-17	2016-17	2016-17	2015-16
	Total Costs	Permanent Employed Staff	Temporary Staff	Chair and Council members	Panel Members	Total costs
	£'000	£'000	£'000	£'000	£'000	£000
Salaries and Wages	3,089	2,818	97	108	66	2,970
Social Security Costs	289	285	-	3	1	211
Other pension Costs	647	647	-	-	-	606
Sub Total	4,025	3,750	97	111	67	3,787
Less recoveries in respect of outward secondments	-	-	-	-	-	-
Total net costs	4,025	3,750	97	105	53	3,787

Consistent with guidance, employment costs include payments made in respect of contract staff. The total cost of salaries excluding Other Pension Costs was £3,378k (£4,025k-£647k) in 2016-17 in comparison to £3,181k (£3,787k-£606k) in 2015-16.

Other pension costs are the service costs (current and past) of the scheme and in 2016-17 totalled a cost of £647k. The £647k consists of actual Employer contributions made of £717k which was made up of Employer Contributions based on payroll cost of £600k and lump sum deficit payments of £117k. The residual difference of £70k (£80k reduced charge in 2015-16) is the reduced charge which is required to decrease the actual contributions paid with the service cost required to be charged under International Accounting Standard (IAS 26). The £70k reduced charge in 2016-17 relates entirely to current service charge. In 2015-16 the £606k consisted of actual Employer contributions made of £686k but decreased by £80k as noted above.

Staff Report

Staff numbers

	2016-17	2016-17	2016-17	2015-16
	Total No	Permanent No	Other No	Total No
Chief Executive and Directors	4	4	-	4
Regulation of Workforce	35	35	-	31
Workforce Development	22	22	-	22
Communications	7	7	-	7
Corporate Support	19	18	1	18
Total	87	86	1	82

The table above represents the average number of whole-time equivalent persons employed during the year

Staff composition

As at the 31st March 2017 of the workforce of 91, 65(71%) were women and 26(29%) were men. In comparison as at the 31st March 2016 of the workforce of 94, 64(68%) were women and 30(32%) 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 three were women (75%) and there was one man (25%) which was the same as at 31st March 2016.

Sickness absence data

The level of staff sickness during 2016-17 was 4.42 %(2015-16: 3.47%) which is based on 996 days lost out of 22,535 days.

Staff Policies

The Care Council 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. The Care Council 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.

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 2016-17 these Consultancy costs amounted to £0k and £5k in 2015-16.

Off-payroll engagements

In 2016-17 the Care Council 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

In 2015-16 we agreed termination benefits for our departing CEO which was paid in 2016-17. This was agreed in accordance with our governance framework and in agreement with Welsh Government. The package was for £49,967 and was accrued for within the 2015-16 financial statements. There were no further exit packages agreed in 2016-17.

Accountability and Audit

Regularity of expenditure

All expenditure in 2016-17 has been dealt with 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 2016-17 was £280k (2015-16:£282k). 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.

In relation to the Regulation and Inspection of Social Care (Wales) Act 2016 a formal consultation will be undertaken on the regulation of the care and support workforce including future fee levels.

Remote Contingent Liabilities

The Care Council is not aware of any remote contingent liabilities.

Long-expenditure trends

In accordance with the Regulation and Inspection of Social Care (Wales) Act the Care Council for Wales was renamed Social Care Wales as at the 1st April 2017. With the extended remit of Social Care Wales expenditure from 2017-18 onwards is anticipated to be in the region of £19m. The increase in expenditure is primarily due to Social Care Wales taking over responsibility Social Care Workforce Development Programme funding of £7.1m from Welsh Government. The Grant in Aid allocation from Welsh Government will be increased to fund this increased expenditure.

Sue Evans
Chief Executive and Accounting Officer

Date: 14 July 2017

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

Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

Statement of Comprehensive Net Expenditure			
for the year ended 31 March 2017			
	Note	2016-17 £000	2015-16 £000
Expenditure			
Staff Costs		4,025	3,787
Programme expenditure			
Training support	4(i)	4,336	4,394
Non grant programme expenditure	4(ii)	1,427	1,703
Administration costs	5	1,112	1,106
Depreciation and Amortisation	1(ix)	239	284
Pension Interest Charge	14	10	40
		11,149	11,314
Income			
Income from Activities			
Registration Fee Income	1(iii)	280	282
Other Income			
Sector Skills Council		-	11
Welsh Government		-	6
Apprenticeship Certification	1(iv)	95	107
Sundry Income		1	15
		376	421
Net Expenditure		10,773	10,893
Interest receivable	3(i)	2	2
Interest surrenderable to the Welsh Government	3(ii)	(2)	(2)
Net Expenditure after interest		10,773	10,893
Other Comprehensive Expenditure			
Actuarial remeasurement	14	490	(1,070)
Total Comprehensive Expenditure for the year ended 31 March 2017		11,263	9,823

The notes on pages 44 to 60 form part of these accounts.

Statement of Financial Position					
as at 31 March 2017					
	Note	2017 £000	2017 £000	2016 £000	2016 £000
Non-current assets:					
Property, plant and equipment	6	202		221	
Intangible Assets	7	<u>223</u>		<u>336</u>	
Total Non-Current Assets			425		557
Current Assets:					
Trade and other receivables	9	317		261	
Cash and cash equivalents	10	<u>635</u>		<u>309</u>	
Total Current Assets			952		570
Total Assets			<u>1,377</u>		<u>1,127</u>
Current Liabilities					
Trade and other payables	11	(404)		(335)	
Total Current Liabilities			<u>(404)</u>		<u>(335)</u>
Non Current assets less net current assets/liabilities			<u>973</u>		<u>792</u>
Non-current liabilities					
Pension Liabilities	14	<u>(880)</u>		<u>(450)</u>	
Total non-current liabilities			(880)		(450)
Assets less liabilities			<u>93</u>		<u>342</u>
Reserves					
General Reserve			973		792
Pension Reserve			<u>(880)</u>		<u>(450)</u>
Total			<u>93</u>		<u>342</u>

Notes on pages 44 to 60 form part of these accounts

The financial statements on pages 40 to 41 were approved by the Board of Social Care Wales on the 13 July 2017 and were signed on its behalf by:

Sue Evans
Chief Executive and Accounting Officer

Date: 14 July 2017

Statement of Cash Flows for the year ended 31 March 2017

	Note	2016-17 £000	2015-16 £000
Cash flows from Operating Activities			
Net expenditure after interest		(10,773)	(10,893)
Adjustment for Depreciation and Amortisation		239	284
Adjustment for Pension finance Costs(net)		(60)	(40)
(Increase)/Decrease in trade and other receivables		(56)	5
Increase in trade and other payables		69	82
		(10,581)	(10,562)
Cash flows from Investing Activities			
Purchase of property, plant and equipment	6	(68)	(83)
Purchase of intangible assets	7	(39)	(82)
		(107)	(165)
Cash flows from Financing Activities			
Welsh Government funding (including Capital)		11,014	10,869
Net financing		11,014	10,869
		326	142
Net Increase in cash and cash equivalents in the period			
Cash and cash equivalents at the beginning of the period	10	309	167
Cash and cash equivalents at the end of the period	10	635	309

Notes on pages 44 to 60 form part of these accounts

Statement of Changes in Taxpayers Equity For the year ended 31 March 2017	Pension Reserve £000	General Reserve £000	Total £000
Balance as at 1 April 2015	(1,560)	856	(704)
Changes in Taxpayers' Equity 2015-16			
Welsh Government Funding	-	10,869	10,869
Transfer between reserves-Capital	1,110	(1,110)	-
Comprehensive Expenditure for the year	-	(9,823)	(9,823)
Balance at 31 March 2016	(450)	792	342
Changes in Taxpayers' Equity 2016-17			
Welsh Government Funding	-	11,014	11,014
Transfer between reserves-Capital	(430)	430	-
Comprehensive Expenditure for the year	-	(11,263)	(11,263)
Balance at 31 March 2017	(880)	973	93

The notes on pages 44 to 60 form part of these accounts

Notes to the Accounts for the year ended 31 March 2017

Statement of accounting Policies

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. Consequently, these financial statements have been prepared in accordance with the 2016-17 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Care Council for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Care Council are described below. They 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

The Care Council received 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. The Care Council recognises the income in the year in which it is received and not the period of registration.

1(iv) Apprenticeship Certification income

From August 2013 the Care Council received income for the compliance checking, printing and posting of Apprenticeship certificates as part of its work for the Apprenticeship Certification Authority. Income is recognised as the amount receivable from the Federation for Industry Sector Skills and Standards who administer the receipt of Certification payments on behalf of the Care Council.

Notes to the Account for year ended 31 March 2017 cont.

1(v) Training support and Other Grants

During 2016-17 the Care Council 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 in the financial year in which it is paid.

All Practice Learning Opportunity Funding (PLOF) claims and grant claims are charged to the Statement of Comprehensive Net Expenditure on the basis of claims paid in the financial year.

Payments are also made in relation to the Continuing Professional Education and Learning (CPEL) scheme with 100 Care Council funded CPEL programme places being made available each year to qualified social workers. All costs are charged to the Statement of Comprehensive Net Expenditure on the basis of contractual payments made to Cardiff University.

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

During 2016-17 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 2017 totalled £36k (£27k: 31 March 2016) and this sum is included in Trade receivables and other current assets at note 9. It is the Care Council's policy 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 2017, as in the opinion of the Care Council 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 2017, as in the opinion of the Care Council 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

Notes to the Account for year ended 31 March 2017 cont.

Depreciation and amortisation is calculated monthly and begins in the month following the month of purchase. As such, purchases made in March 2017 will not begin to depreciate/amortise until the 2017-18 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 issued in January 2016 but not effective until 1 January 2019, requires that all leases with a lease term of more than 12 months be recognized as assets and liabilities in financial statements. It is not yet known if this standard will be adopted within the FrEM.

1(xi) Value Added Tax

The Care Council 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 14 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

Provisions

The Care Council 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 that the Care Council will be required to settle the obligation and a reliable financial estimate can be made.

Contingent Liabilities

The Care Council 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.

Notes to the Account for year ended 31 March 2017 cont.

2 Analysis of Net Expenditure by Segment

The Statement of Comprehensive Net Expenditure Account reflects the segments that the operating results of the Care Council 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.

3 Welsh Government Funding	2016-17	2015-16
	£000	£000
Grant in Aid received from the Welsh Government	11,014	10,869
Amount credited to General Reserve	11,014	10,869

As outlined in Note 1(ii) the total grants of £11,014k (2015-16: £10,869k) are now credited to the General Reserve on receipt.

3(i) Non-retainable income	2016-17	2015-16
Interest on deposit account	2	2
Total non-retainable income	2	2

3(ii) Reconciliation of cash received from non-retainable income with amounts repaid to the Welsh Government	2016-17	2015-16
Cash Received (income exceeding Welsh Government threshold).	2	2
Total income repayable	2	2
Cash repayment	2	2
Due to the Welsh Government at the year end	-	-

The Care Council has a liability to repay the Welsh Government interest received during the year, and fee income in excess of the target of £280k. The interest received of £2k was paid to Welsh Government. The fee income received in the year totalled £280k (2015-16: £282k). In 2015-16 no repayment was made as approval was received by Sponsor Department at Welsh Government to retain the excess receipts in relation to Registration Fees.

Notes to the Account for year ended 31 March 2017 cont.

4 Programme Costs

4(i) Training Support and other grants	2016-17	2015-16
	£000	£000
Social Work Bursary Scheme Payments	2,601	2,615
Practice Learning Opportunity Funding	1,229	1,277
Continuing Professional Education & Learning	300	300
	4,130	4,192
Other Grants		
Social Care Regional Partnerships	140	140
Service Users/Carers involvement in Social Work Training	66	62
	4,336	4,394

Social Work Bursary Scheme

The Social Work Bursary Scheme is an incentive to train scheme for students enrolled on undergraduate and post-graduate social work training courses.

The Social Work Bursary Scheme provides students with 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.

Social Care Regional Partnerships

This funding is used to provide a grant to support the four regional social care partnerships in Wales. These Partnerships comprise representatives of employers and training providers in each region and are set up to promote a strategic approach to workforce development by identifying regional issues, developments and solutions.

Each partnership is managed by a strategic group. Funding is paid to a host local authority as the partnerships themselves are not formally constituted bodies.

4(ii) Non grant programme expenditure	2016-17	2015-16
	£000	£000
Workforce Development incl Qualifications and Standards	241	470
Training for The Act	693	721
Regulation of the Workforce	475	489
Regulation of Social Work Training	18	23
	1,427	1,703

Notes to the Account for year ended 31 March 2017 cont.

5	2016-17	2015-16
Administration Costs	£000	£000
Chair, members, and staff expenses	122	127
Other staff costs	104	148
Rental under Operating leases- Accommodation	141	147
Other Premises costs	228	232
Workshops, seminars, promotions, publications	191	77
Equipment and software	193	230
Rental under Operating leases-Photocopiers & Franking Machines	11	6
Administration	37	61
External audit-Audit work	21	18
Other professional fees	64	60
	1,112	1,106

The significant increased costs in Workshops, seminars, promotions, publications is due to expenditure in relation to the transition from the Care Council to Social Care Wales which include the development of a new website and rebranding. These transition costs were funded by increased Grant in Aid from Welsh Government.

Notes to the Account for year ended 31 March 2017 cont.

6 Property, Plant and Equipment	year ended 31 March 2017			
	Accommodation Refurbishment	Furniture and Fittings	Information Technology	Totals
	£000	£000	£000	£000
Cost				
At 1 April 2016	396	140	681	1,217
Additions in the period	10	1	57	68
Disposals in the period	-	-	(3)	(3)
At 31 March 2017	406	141	735	1,282
Depreciation				
At 1 April 2016	272	136	588	996
Charged in the year	50	1	36	87
Disposals in the period	-	-	(3)	(3)
At 31 March 2017	322	137	621	1,080
Net book value				
At 31 March 2017	84	4	114	202
At 1 April 2016	124	4	93	221

	year ended 31 March 2016			
	Accommodation Refurbishment	Furniture and Fittings	Information Technology	Totals
	£000	£000	£000	£000
Cost				
At 1 April 2015	358	140	651	1,149
Additions in the period	38	-	45	83
Disposals in the period	-	-	(15)	(15)
At 31 March 2016	396	140	681	1,217
Depreciation				
At 1 April 2015	233	132	560	925
Charged in the year	39	4	43	86
Disposals in the period	-	-	(15)	(15)
At 31 March 2016	272	136	588	996
Net book value				
At 31 March 2016	124	4	93	221
At 1 April 2015	125	8	91	224

Notes to the Account for year ended 31 March 2017 cont.

7 Intangible Assets	year ended 31 March 2017			Totals £000
	Information Technology £000	Licences £000	Development Expenditure £000	
Cost				
At 1 April 2016	983	79	-	1,062
Additions in the period		-	39	39
Transfer from Development	-	-	-	-
Disposals in the period	-	-	-	-
At 31 March 2017	983	79	39	1,101
Amortisation				
At 1 April 2016	677	49	-	726
Charged in the year	140	12	-	152
Disposals in the period	-	-	-	-
At 31 March 2017	817	61	-	878
Net book value				
At 31 March 2017	166	18	39	223
At 1 April 2016	306	30	-	336
	year ended 31 March 2016			Totals
	Information Technology £000	Software Licences £000	Development Expenditure £000	£000
Cost				
At 1 April 2015	917	63	-	980
Additions in the period	66	16	-	82
Transfer from Development	-	-	-	-
At 31 March 2016	983	79	-	1,062
Amortisation				
At 1 April 2015	491	37	-	528
Charged in the year	186	12	-	198
Disposals in the period	-	-	-	-
At 31 March 2016	677	49	-	726
Net book value				
At 31 March 2016	306	30	-	336
At 1 April 2015	426	26	-	452

Notes to the Account for year ended 31 March 2017 cont.

8. Financial Instruments

As the cash requirements of the Care Council 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 the Care Council's expected purchase and usage requirements and the Care Council is therefore exposed to little credit, liquidity or market risk.

9. Trade receivables and other current assets	At 31 March	
	2017	2016
	£000	£000
Amounts falling due within one year		
Trade receivables		
Welsh Government	-	6
Local Authorities	-	-
Social Work Bursary Scheme Debtors	36	27
Other bodies	19	7
Other receivables		
Prepayments and accrued income	262	221
	317	261

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	2016-17		2015-16	
	£000		£000	
Balance at 1 April	309	167		
Net change in cash and cash equivalent balances	326	142		
Balance at 31 March	635	309		

The balances at the 1st April 2015, the 1st April 2016, and the 31st March 2017 were held at Commercial Banks and cash in hand.

Notes to the Account for year ended 31 March 2017 cont.

11. Trade payables and other current liabilities	At 31 March	
	2017 £000	2016 £000
Amounts falling due within one year		
Trade payables		
Other Taxation and Social Security	8	7
Other payables		
Accruals and deferred income	396	328
	404	335

12. Capital Commitments

There were contracted capital commitments of £352k at 31 March 2017 not otherwise included in these financial statements (£0k at 31 March 2016). This related to the contract for replacing the Carreg ICT system.

13. Commitments under Operating leases	as at 31 March	
	2017 £000	2016 £000
Obligations under operating leases comprise:		
Land and Buildings		
Not later than one year	143	126
Later than one year and not later than five years	131	213
Later than five years	-	-
	274	339
Other		
Not later than one year	23	6
Later than one year and not later than five years	87	18
Later than five years	-	1
	110	25

Notes to the Account for year ended 31 March 2017 cont.

14. Retirement benefit obligations

(i) Present Staff and Pensioners

The Care Council 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 the Care Council and are administered by Rhondda Cynon Taf County Borough Council. The Care Council's 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.

14(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.

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

The disclosures below relate to the funded liabilities within the Rhondda Cynon Taf County Borough Council 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' and 'The Local Government Pension Scheme (Transitional Provisions, savings and Amendment) Regulations 2014'.

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 2016 and the contributions to be paid until 31 March 2020 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

The Care Council 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.

Notes to the Account for year ended 31 March 2017 cont.

The 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. 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.

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 either unaffected or loosely 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.

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2018 are estimated to be £0.78M. The date of the last full actuarial valuation of the Care Council's LGPS funded benefits was 31 March 2016 and the duration of liabilities is 23.4 years.

Key Assumptions	31-Mar-17 (% pa)	31-Mar-16 (% pa)	31-Mar-15 (% pa)
Discount Rate	2.6	3.5	3.3
RPI Inflation	3.1	2.9	3.0
CPI inflation	2.0	1.8	1.9
Pension Increases	2.0	1.8	1.9
Pension accounts revaluation rate	2.0	1.8	1.9
Salary Increases	3.3	3.3	3.4

Notes to the Account for year ended 31 March 2017 cont.

Mortality Assumption

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies resulting from these mortality assumptions are shown below.

Assumed life expectancy at age 65	31-Mar-17	31-Mar-16
Males		
Member aged 65 at accounting date	22.8	23.1
Member aged 45 at accounting date	25.0	25.3
Females		
Member aged 65 at accounting date	24.9	26.0
Member aged 45 at accounting date	27.2	28.4

Asset Allocation	Value at 31 March 2017			Value at 31 March 2016
	Quoted	Unquoted	Total	
Equities	72.6%	0.0%	72.6%	70.1%
Property	5.9%	0.0%	5.9%	6.4%
Government Bonds	9.4%	0.0%	9.4%	9.2%
Corporate Bonds	10.0%	0.0%	10.0%	10.6%
Cash	2.1%	0.0%	2.1%	3.7%
Other	0.0%	0.0%	0.0%	0.0%
Total	100.0%	0.0%	100.0%	100.0%

Reconciliation of Funded Status to the Statement of Financial Position	Value at 31 March 2017	Value at 31 March 2016
	(£M)	(£M)
Fair value of Assets	16.32	12.82
Present value of funded defined benefit obligation	17.20	13.27
Funded Status	(0.88)	(0.45)
Impact of minimum funding requirement / asset ceiling	0.00	0.00
(Liability) recognised on the SOFP	(0.88)	(0.45)

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

Active Members	62%
Deferred Pensioners	22%
Pensioners	16%

Notes to the Account for year ended 31 March 2017 cont.

Amounts recognised in Comprehensive Net Expenditure	Year ending March 2017 (£M)	Year ending 31 March 2016 (£M)
Operating Cost		
Current service cost ⁽¹⁾	0.65	0.61
Past service cost (incl. curtailments)	0.00	0.00
Settlement cost	0.00	0.00
Financing Cost		
Interest on net defined benefit liability	0.01	0.04
Pension cost recognised in Net Expenditure	0.66	0.65
Remeasurements in Other Comprehensive Expenditure		
Return on plan assets (in excess of) that recognised in net interest	(2.12)	(0.02)
Actuarial (gains)/losses due to change in financial assumptions	3.82	(0.97)
Actuarial (gains)/losses due to change in demographic assumptions	(0.78)	0.00
Actuarial (gains) due to liability experience	(0.43)	(0.08)
Total Amount recognised in Other Comprehensive Expenditure	0.49	(1.07)
Total Amount recognised in Total Comprehensive Expenditure	1.15	(0.42)
⁽¹⁾ Allowance for administration expenses included in current service cost (£M)	0.01	0.01
Changes to the present value of the defined benefit obligation	Year ending March 2017 (£M)	Year ending 31 March 2016 (£M)
Opening defined benefit obligation	13.27	13.18
Current service cost	0.65	0.61
Interest Expense on Defined Benefit Obligation	0.47	0.44
Contributions by participants	0.20	0.23
Actuarial (gains)/losses due to changes in financial assumptions	3.82	(0.97)
Actuarial (gains)/losses due to changes in demographic assumptions	(0.78)	0.00
Actuarial (gains) due to liability experience	(0.43)	(0.08)
Net benefits paid out	0.00	(0.14)
Past service cost (incl. curtailments)	0.00	0.00
Net increase in liabilities from disposals/acquisitions	0.00	0.00
Settlements	0.00	0.00
Closing defined benefit obligation	17.20	13.27
Changes to the Fair Value of Assets during the Year	Year ending March 2017 (£M)	Year ending 31 March 2016 (£M)
Opening fair value of assets	12.82	11.62
Interest income on assets	0.46	0.40
Remeasurement gains on assets	2.12	0.02
Contributions by the Employer	0.72	0.69
Contributions by the Participants	0.20	0.23
Net benefits paid out	0.00	(0.14)
Net increase in assets from disposals & acquisitions	0.00	0.00
Settlements	0.00	0.00
Closing fair value of assets	16.32	12.82

Notes to the Account for year ended 31 March 2017 cont.

Actual Return on Assets	Year ending March 2017 (£M)	Year ending 31 March 2016 (£M)
Interest income on assets	0.46	0.40
Remeasurement gains on assets	2.12	0.02
Actual return on assets	2.58	0.42

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.

Analysis of amount charged in other comprehensive expenditure on the provision of services next year	Year ending 31 March 2018 (£M)
Current service cost	0.87
Interest on net defined benefit liability	0.01
Total estimated pension expense	0.88
Allowance for administration expenses included in the Current Service Cost (£M)	0.01
Estimated pensionable payroll over the period ending 31 March 2017 (£M)	2.83

Sensitivity Analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2017 and the projected cost for the year ending 31 March 2018 is set out below.

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

Funded LGPS Benefits

Discount rate assumption	+0.1% p.a.	Base figure	-0.1% p.a.
Adjustment to discount rate			
Present value of total obligation (£M)	16.80	17.20	17.61
% change in present value of total obligation	-2.3%	-	2.4%
Projected service cost (£M)	0.84	0.87	0.90
Approximate % change in projected service cost	-3.1%	-	3.2%

Rate of general increase in salaries	+0.1% p.a.	Base figure	-0.1% p.a.
Adjustment to salary increase rate			
Present value of total obligation (£M)	17.31	17.20	17.09
% change in present value of total obligation	0.7%	-	-0.7%
Projected service cost (£M)	0.87	0.87	0.87
Approximate % change in projected service cost	0.0%	-	0.0%

Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption	+0.1% p.a.	Base figure	-0.1% p.a.
Adjustment to pension increase rate			
Present value of total obligation (£M)	17.49	17.20	16.91
% change in present value of total obligation	1.7%	-	-1.7%
Projected service cost (£M)	0.90	0.87	0.84
Approximate % change in projected service cost	3.2%	-	-3.1%

Notes to the Account for year ended 31 March 2017 cont.

Post retirement mortality assumption*			
Adjustment to mortality age rating assumption	-1 year	Base figure	+1 year
Present value of total obligation (£M)	17.71	17.20	16.69
% change in present value of total obligation	3.0%	-	-3.0%
Projected service cost (£M)	0.90	0.87	0.84
Approximate % change in projected service cost	3.7%		-3.7%

* 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.

15. 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.

16. Related Party Transactions

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

	2016-17	2015-16
Income	£11.014m	£10.874m
Expenditure	£0.024m	£0.029m
Debtor Balance as at 31 March	£0.012m	£0.012m

Care Council Members and Staff

No employees were involved directly or indirectly in any transactions with the Care Council during the year, apart from normal expense claims, salary payments etc.

There were transactions with various related organisations during the year. These transactions were not with the individual Council members but with the organisation for which the Council member was either employed or remunerated by during the year. These transactions relate primarily to contractual payments for the Continuing Professional Education and Learning (CPEL) scheme and Practice Learning Opportunity Funding payments. The transactions were as follows:-

Notes to the Account for year ended 31 March 2017 cont.

Council Member	Relationships & related organisation	Expenditure in 2016/17	Expenditure 2015/16
Kelly Andrews	Regional Organiser GMB	£4,752	£4,752
Simon Hancock	County Councillor Pembrokeshire Council Independent Member Hywel Dda University Health Board	£39,920 £2,500	£46,900 £2,500
Jenny Williams £48,290	Director of Social Services Conwy County Borough Council	£51,351	

As at the 31st March 2017 there was a Creditor Balance of £396 with the GMB (31 March 2016: £4,752).

17. Third Party Assets

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

18. Events after the reporting period

There have been no events after the reporting period, which require adjustment to the 31 March 2017 financial statements. However it should be noted that in accordance with the Regulation and Inspection of Social Care (Wales) Act the Care Council for Wales was renamed Social Care Wales as at the 1st April 2017. With the extended remit of Social Care Wales expenditure from 2017-18 onwards is anticipated to be in the region of £19m. Further information regarding Social Care Wales can be found on our website.