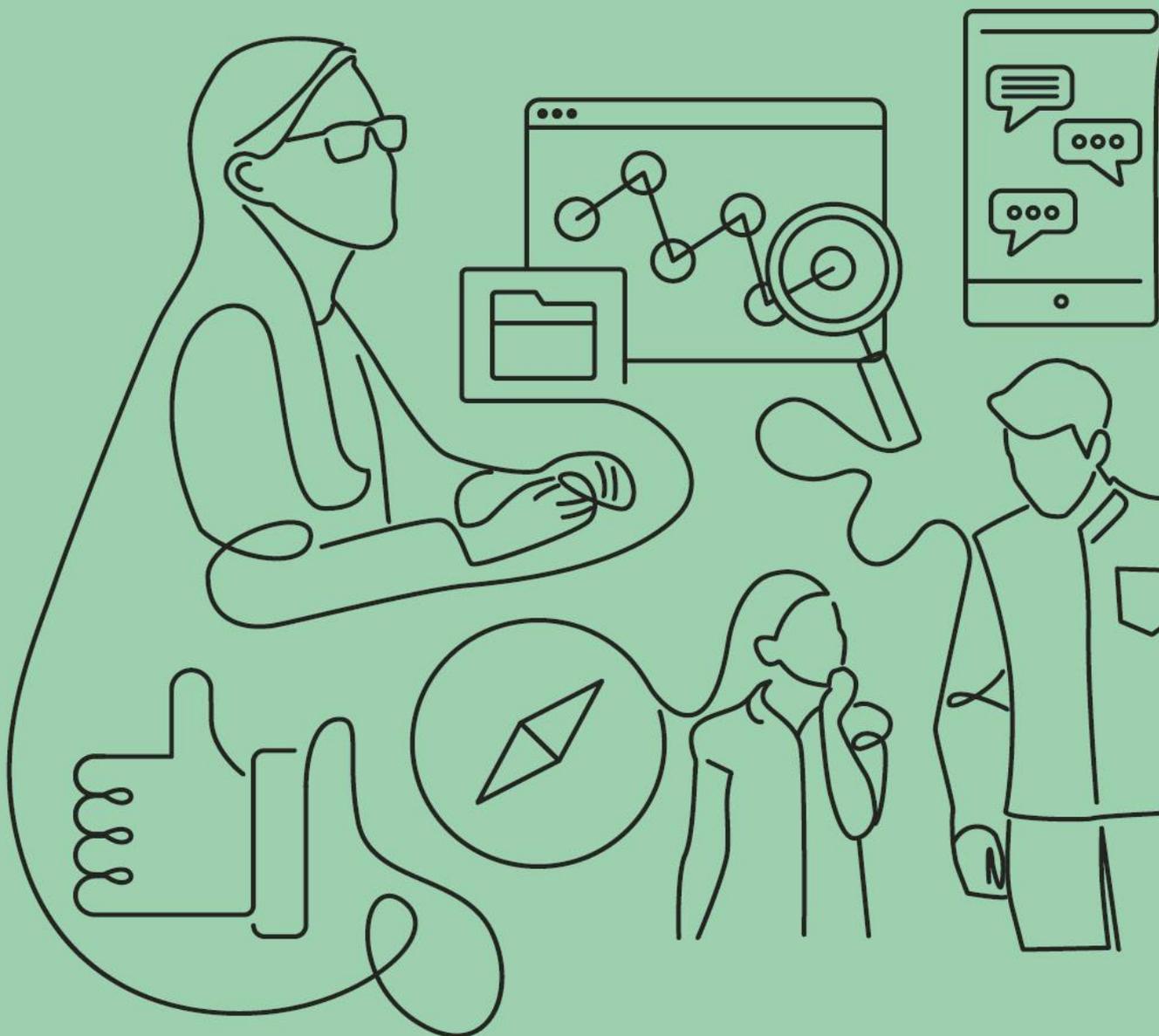
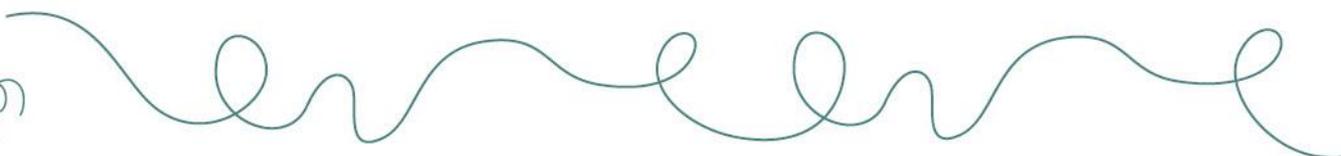


# Social Work England

## Annual Report and Accounts

For the period 1 September 2018 – 31 March 2019





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# **Social Work England**

# **Annual Report and Accounts**

**For the period 1 September 2018 – 31 March 2019**

**A Non-Departmental Public Body**

**Presented to the House of Commons pursuant to paragraph 18(3),  
schedule 3 of the Children and Social Work Act 2017**

**Ordered by the House of Commons to be printed on 25 July 2019**

**HC 2447**

# OGL

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## Contents

Introduction	6
Performance Report	8
Overview	8
Performance analysis	8
Financial commentary	14
Non-financial commentary	15
Accountability Report	18
Corporate governance report	18
Statement of Accounting Officers responsibilities	19
Governance Statement	20
Remuneration and staff report	29
Parliamentary accountability and audit report	37
Certificate and report of the Comptroller and Auditor General	38
Financial Statements	42
Notes to the Financial Statements	46
Annex A - Glossary of terms	60

## Introduction

Social work is fundamentally about people and that is reflected in the complexity and often competing priorities of the role. Every day, social workers support millions of people to improve their chances in life.

Social Work England is a specialist body taking a new approach to regulating social workers in their vital roles. We believe in the power of collaboration and share a common goal with those we regulate – to protect the public, enable positive change and ultimately improve people’s lives.

Later this year we will take over from the current regulator, the Health and Care Professions Council (HCPC) and continue to work closely with them to ensure a safe and smooth transition.

### Establishing Social Work England

This is our first annual report and accounts since we were established under the Children and Social Work Act 2017. We are a non-departmental public body (NDPB) and will operate at arm’s length from Government. This means that whilst we will work within a strategic framework set by ministers, Social Work England is independent from Government. That independence means we can respond to the changing demands of delivering social work practice and education safely and effectively.

Social Work England will regulate both child and family social workers, and adult social workers. The Department for Education (DfE) has policy responsibility for the child and family social workers, and the Department of Health and Social Care (DHSC) has policy responsibility for adult social workers. Both Departments will fund Social Work England through the initial set up phase and will work in close partnership to oversee and support Social Work England in the delivery of its statutory responsibilities.

### Growing and evolving

Our first year of operations has largely focused on establishing and developing our organisation to ensure that we successfully deliver our regulatory functions.

During the year we:

- Continued to increase our staff numbers, capabilities and overall capacity.
- Made significant progress on our digital services, our transition arrangements and business processes.
- Began working from our own premises, enabling us to develop and test our operations and train our staff on site.
- Launched our consultation on our professional standards, our standards for education and training and our rules for registration, education and training and fitness to practise.

- Engaged with key stakeholders to build relationships and start a conversation on shared ambitions.

Moving forward, our focus will shift from establishing the organisation, to embedding our regulatory powers and developing the way we work to ensure that we are an effective and proportionate regulator. Collaborating with everyone involved in social work will be at the heart of everything we do.

The establishment of Social Work England has been an enormous task only made possible by the hard work and dedication of its employees. This report would like to recognise their ongoing commitment to ensure that Social Work England succeeds as the new specialist regulator.

### **Colum Conway**

Chief Executive and Accounting Officer  
Social Work England

## Performance Report

This performance report covers the period of 1 September 2018 to 31 March 2019. It details Social Work England's organisation structure and performance, along with key issues and risks.

### Overview

Social work is a complex and challenging profession. Excellent social work delivers support that has the power to transform people's lives when they need it most.

Social Work England is a new, specialist regulator for social workers in England. It was established as part of the Government's reform programme, across child and family and adult social work, to improve both the quality of social work practice, and the systems which support social workers. Like the other health and social care regulators across the UK, Social Work England's primary objective will be public protection.

We will regulate all social workers in England, taking over existing regulatory functions from the HCPC, and will be responsible for registering over 95,000 social workers across the UK.

The Minister for Children and Families has announced Monday 2 December 2019 as the date when Social Work England will take over as the new social work regulator.

The achievement of our primary objectives will be delivered through six key regulatory functions:

- Setting profession-specific standards for, and approving, courses of initial education and training to enable registration as a social worker.
- Setting professional standards, including proficiency, conduct and ethics.
- Maintaining a register of over 95,000 qualified and practising social workers in England.
- Running a proportionate and efficient fitness to practise system.
- Auditing continuing professional development, which promotes continuing fitness to practise.
- Approving post-qualifying courses and specialisms.

### Performance analysis

The tables below provide a summary of the activities undertaken and the progress made against objectives in our grant allocation letter to 31<sup>st</sup> March 2019.

## Performance Report

### Performance analysis continued

#### Objective

Ensure we have the right governance structures and systems in place to support the Chair, the Board and Chief Executive in delivery of their responsibilities and the achievement of Social Work England objectives. The establishment of the Board should follow the principles of good governance for non-departmental public bodies in line with Cabinet Office guidance.

Ensure we are a well-managed and appropriately structured organisation that supports and develops its people to enable delivery of its objectives. Ensure we have the right people, structure, culture and working practices to achieve our objectives.

#### Progress/Activities Undertaken

Governance structures and systems to support the Chair, the Board and the Chief Executive have been established in line with Cabinet Office guidelines. These structures and systems will continue to develop and evolve to support our evolving needs.

We continue to design and build the organisational structure. A learning and development programme is being developing to support business processes and working practices.

A clear leadership and management structure is in place, headed by the Chief Executive and supported by a project management, planning and reporting processes.

#### Objective

Lead and deliver a 'readiness' review during the reporting period in partnership with the Senior Sponsor and Sponsor Team to review progress and assess operational readiness.

#### Progress/Activities Undertaken

We completed our first 'readiness' review in November 2018 in consultation with the DfE senior sponsorship team. The findings of which have informed subsequent planning and decision-making processes.

#### Objective

Build sufficient capacity in Social Work England to enable it to set up its regulatory functions, ensuring that key posts are filled across Social Work England function areas to enable it to work effectively with the Health and Care Professions Council (HCPC) during the 'readiness for regulation' phase.

#### Progress/Activities Undertaken

Recruitment of our core regulatory staff is on track. In total we have recruited 60 colleagues comprising of 41 directly employed and 19 seconded/contracted at the end of March 2019.

The Executive Leadership Team has been recruited and all, but one Head of Function role has been offered.

## Performance Report

### Performance analysis continued

#### Objective

Ensure that appropriate HR and recruitment policies are in place to support recruitment activity and our people (review to be undertaken early January 2019).

#### Progress/Activities Undertaken

Procurement and development of a learning and development catalogue and e-learning system is ongoing with rollout in 2019-20. HR and recruitment draft policies are under review for sign off in 2019-20.

#### Objective

Ensure that Social Work England has operational premises, with appropriate facilities management, IT infrastructure, equipment, telephony and support systems for staff in DfE offices (initially) and then in Social Work England's headquarters building (early 2019).

#### Progress/Activities Undertaken

Social Work England moved into its new headquarters in central Sheffield in December 2018. All key office infrastructure to support ongoing day to day operational activities in place. Construction and fit-out work on hearings facilities will continue through to 2019-20.

#### Objective

Manage the preferred digital supplier, to deliver the suite of digital services required to enable Social Work England to carry out its regulatory role.

#### Progress/Activities Undertaken

A detailed digital solution delivery plan is in place.

Development strands delivered the core functionality of the system in March 2019 and ongoing work will focus on functionality improvement and creation of additional features.

Development moved into the private beta phase at the end of April 2019. Completion of the first phase allows for a significant period of user acceptance testing and business process alignment.

## Performance Report

### Performance analysis continued

#### Objective

Ensure that by April 2019 Social Work England has a product that allows Social Work England staff to work on live or shadow data and is on track to deliver an operationally ready digital service by the time it takes over responsibility for the register.

#### Progress/Activities Undertaken

We will deliver an early functional test version of our digital service by April 2019. This will ensure we can start to shadow HCPC operations shortly after, leaving sufficient time to resolve any issues.

#### Objective

Through the business planning process, set out plans for consultations on regulatory rules, professional and education and training standards.

#### Progress/Activities Undertaken

We sought views on our proposed rules for:

- the appointment of advisers by Social Work England,
- the establishment of panels of advisers,
- the role of inspectors appointed to inspect courses of education and training,
- requirements and restrictions in relation to those appointed as case examiners, investigators and adjudicators for fitness to practise proceedings.

The appointment rules consultation concluded in December 2018 and the rules were approved by the Secretary of State in January 2019. The approved rules were posted to the Social Work England website on 31 January 2019.

Social Work England established an experts by experience group and professional experts group to ensure a collaborative approach to the initial drafting of rules and standards for consultation with the wider sector. The consultation was on fitness to practise rules, registration rules, education and training rules, qualifying education and training standards and professional standards was launched on 21 February 2019.

The consultation will run for 10 weeks closing on 1 May 2019. Social Work England planned a series of consultation events scheduled around the country commencing with a launch event in London on the 6 March 2019 with additional events to be held in Plymouth, Salford, Newcastle, Birmingham and Sheffield.

## Performance Report

### Performance analysis continued

#### Objective

Agree and deliver transition plans (plan in place by end-December 2018 to implement from January 2019) with HCPC to ensure a smooth, safe and seamless transfer of data and functions to Social Work England.

#### Progress/Activities undertaken

Transition plans have been agreed with HCPC and ongoing contact is in place at senior and operational levels. Work is ongoing on arrangements for the transfer of data to allow a sufficient period of planned testing from March 2019 onwards. A project plan is in place to ensure all the interrelated activities in relation to the transition process are closely monitored and regularly reviewed.

#### Objective

Ensure that issues relating to transition are escalated to the department as soon as possible, so that these can be addressed through DfE-HCPC management processes.

#### Progress/Activities Undertaken

Work is ongoing with HCPC to ensure key milestones for the transfer and test of data is safely managed in line with the General Data Protection Regulation (GDPR) legislation.

Regular feedback has been supplied throughout the process to the DfE.

#### Objective

Work in partnership with the DfE and DHSC, as appropriate, to co-ordinate and maximise the impact of communications activity.

#### Progress/Activities Undertaken

Our communications strategy focuses on the need to work closely with all our external stakeholders ensuring we identify and bridge any information gaps, using joint messages as needed.

#### Objective

Ensure Social Work England has agreed with the DfE and published an interim business/corporate plan for 2018-19 financial year.

#### Progress/Activities Undertaken

The 2018–2019 business plan was published to the Social Work England website on 18 March 2019 <https://socialworkengland.org.uk/publication/business-plan-2018-19/>.

## Performance Report

### Performance analysis continued

#### Objective

Engage widely and proactively with the sector to promote Social Work England's vision and objectives, and to ensure the profession is clear on what the move from HCPC to Social Work England means for them.

Work in partnership with the DfE and DHSC, as appropriate, to co-ordinate and maximise the impact of communications activity.

#### Progress/Activities Undertaken

We have established a corporate identity to ensure audiences are clear on the purpose and future aspirations of our organisation.

We have built and grown relevant, timely and trusted communication channels that pave the way for quality interactions with professionals, the public and those with lived experience.

We have started our engagement work to be transparent about our journey so far, promote our recruitment offer, discuss our role as a specialist regulator and raise the profile of our leadership team.

We have worked with others to personalise messages for our audiences, identifying key events and opportunities that will allow Social Work England to engage and listen to everyone who has an interest in social work.

Our communications plan focuses on the need to work closely with all partners ensuring we identify and bridge any information gaps, using joint messages as needed.

## Performance Report

### Financial commentary

Social Work England's financial statements are classified to the central government sector and will therefore be consolidated into the Department of Education's 2018-2019 annual accounts.

#### Statement of comprehensive net expenditure

During the seven-month period ended 31 March 2019, Social Work England received £5.030m from the Department for Education (DfE) in the form of "Grant in Aid"; to be used in furtherance of our objectives.

Revenue expenditure for the same period was £2.142m against a budget of £3.346m. Expenditure incurred is inclusive of £1.284m staff costs, £0.189m IT costs and £0.185m professional fees.

#### Statement of financial position

Non-current assets obtained in year cost a total of £2.218m; £1.498m was incurred on leasehold improvements, furniture and fittings and ICT equipment and £0.72m on a digital customer relationship management (CRM) solution, which is still under development.

As at 31 March 2019, cash and cash equivalent balance was £2.726m. The higher than expected balance was due to several large invoices not being received and subsequently paid prior to the financial year end.

#### Long-term financial perspective

Social Work England's long-term strategy is to become self-financing rather than be reliant upon grant in aid funding, future financial operating models are being developed on this basis. However, the achievement of a self-financing strategy will take several years to realise as we develop our organisational structure and drive operational effectiveness and efficiencies.

Accordingly, Social Work England has considered its operating model as well as engaging with the DfE as sponsor and adopted a going concern basis for the preparation of these financial statements and annual report.

## Performance Report

### Non-financial commentary

#### Social responsibility

As an organisation we are yet to fully implement plans for corporate social responsibility (CSR). Our strategy will be primarily focused on three key themes: community, people and environment.

Initial progress has been made and includes:

- creation of opportunities for apprenticeship within Social Work England, predominantly at our offices in Sheffield,
- working alongside local organisations to supply incentives for staff to trial public and environmentally friendly forms of transport for commuting,
- to implement organisational policies and procedures to minimise our impact on the environment, and
- to procure goods and service where possible from within the Sheffield city region.

#### Respect for human rights

In line with the Equality Act 2006, Social Work England is aligned to support the development of society in which:

- people's ability to achieve their potential is not limited by prejudice or discrimination,
- there is respect for and protection of each individual's human rights,
- there is respect for the dignity and worth of each individual,
- each individual has an equal opportunity to participate in society, and
- there is mutual respect between groups based on understanding and valuing diversity, and on shared respect for equality and human rights.

#### Anti-corruption and anti-bribery

Social Work England is committed to conducting its affairs in an ethical and transparent manner and is committed to implementing and enforcing systems and processes that ensure bribery is prevented. Social Work England has zero-tolerance for bribery and corrupt activities. We are committed to acting professionally, fairly, and with integrity in all business dealings and relationships, wherever in the country we operate.

Social Work England will constantly uphold all laws relating to anti-bribery and corruption in all the jurisdictions in which we operate. Social Work England is bound by the laws of the UK, including the Bribery Act 2010.

## Performance Report

### Next steps

**Our primary objective is to protect the public.** We will ensure that we protect, promote and maintain the health, safety and well-being of the public. We will do this by setting professional, education and training standards for social workers, and by providing assurance that those registered meet the standards, are qualified and remain fit to practise.

**We will promote public confidence in the social work profession.** As a single-profession regulator, we will be able to develop an in-depth understanding of the sector and set profession-specific standards that clarify expectations about the knowledge, skills, values and behaviours required to become and remain registered as a social worker in England.

**We will be a modern, proportionate and efficient regulator.** Our regulatory framework enables us to operate systems and processes which adapt to emerging opportunities, challenges and best practice, ensuring professional regulation reflects the changing reality of delivering social work practice safely and effectively.

**We will continue to consult widely about our plans.** Comprehensive consultation will ensure that what we do reflects the needs of those with lived experience of social work. To be effective at protecting the public, it is fundamental that those individuals and families who receive social work support are always at the heart of what we do. We want to understand where there are issues developing in the sector and the risks to people, the public, and professionals to see if we can prevent problems before they escalate.

Our ambition is for Social Work England to become a key enabler of change in the social care landscape. We believe we can achieve this by acting in the public interest to redefine and reshape social work standards that underpin social work training and practice. By ensuring that we're intelligence led in our approach we will identify data and learning that will form the evidence base from which we can improve.

## Performance Report

### Next steps continued

We will know we have been successful if:

- from our first day as the specialist regulator we deliver quality regulatory functions,
- there is a seamless transition of data and accountabilities from HCPC,
- we continue to have meaningful engagement and build relationships with colleagues and partners across the country including people with lived experience of social work,
- we strengthen the connection between social workers and the professional standards which will enable them to deliver the better support, and
- we create better alignment between professional standards for social workers in England with the social work standards in the devolved administrations (our social work family).

**Colum Conway**

Chief Executive and Accounting Officer

8 July 2019

## Accountability Report

### Corporate governance report

This report includes details of Social Work England's practise and processes by which it is directed and controlled.

### Directors report

Executive Directors:

- Colum Conway – Chief Executive, Social Work England
- Sarah Blackmore – Executive Director, Standards
- Jonathan Dillon – Executive Director, Fitness to Practise
- Phillip Hallam – Executive Director, Registration and Quality Assurance
- Alison McKinna – Executive Director, Corporate Services
- Nadine Pemberton – Executive Director, Legal
- Adnan Bashir – Executive Director, Finance (appointed 1 April 2019)

### Register of interests

Directors and Members of the Board must avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with their responsibilities as a Board member. All company directorships and significant interests must be declared and managed in accordance with Social Work England's conflict of interest policy.

All Board members completed their declarations and a register of all declaration of interest is published on Social Work England's website, via the following link: <https://socialworkengland.org.uk/publication/final-social-work-england-board-register-of-interests/>

All related party transactions are declared within note 11 to the financial statements.

### Personal information breaches

Social Work England is required to report personal data related incidents that have occurred during the financial year in accordance with the standard disclosure format issued by the Cabinet Office.

The Cabinet Office defines a '*personal data related incident*' as a loss, unauthorised disclosure or insecure disposal of protected personal data. '*Protected personal data*' is data that a department or its delivery partner agrees the release or loss of which could cause harm or distress to individuals, including as a minimum:

- information that links one or more identifiable living person with information about them the release of which would put the person or persons at significant risk of harm or distress, and

## Accountability Report

- any source of information about 1,000 or more identifiable individuals, other than information sourced from the public domain.

Social Work England had no protected personal data related incidents to report to the Information Commissioner's Office.

### Statement of Accounting Officers responsibilities

The Accounting Officer of DfE has designated the Chief Executive as Accounting Officer of Social Work England. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Social Work England's assets, are set out in 'Managing public money' published by the HM Treasury.

Under the Children and Social Work Act 2017, the Secretary of State has directed Social Work England to prepare for each financial year a statement of accounts in the form and on the basis set out in the account's direction. The accounts must be prepared on an accruals basis and must give a true and fair view of the state of affairs of Social Work England and of its net expenditure, statement of financial position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis,
- make judgements and estimates on a reasonable basis,
- state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the financial statements,
- prepare the financial statements on a going concern basis, and
- confirm that the ARA as a whole is fair, balanced and understandable and take personal responsibility for the judgements required for determining that the ARA is fair, balanced and understandable.

As Accounting Officer, I confirm that:

- there is no relevant audit information of which the auditor is unaware,
- I have taken all steps that I ought to in order to ensure that I am aware of relevant audit information, and
- I have taken all step that I ought to in order to establish Social Work England's auditor is aware of the information.

I confirm that the ARA as a whole is fair, balanced and understandable and I take personal responsibility for the ARA and the judgement required for determining so.

## Accountability Report

### Governance Statement

#### The purpose of the governance statement

The statement explains how the Chief Executive as the Accounting Officer and the Board of Social Work England have put in place arrangements for good corporate governance and reviews of the effectiveness of these arrangements to ensure compliance with the Cabinet Office's *Good Governance* guidelines.

#### Scope of responsibility

The Accounting Officer is personally responsible for maintaining a sound system of governance, internal control and risk management to support the achievement of the Social Work England's policies, aims and objectives, whilst safeguarding public funds and assets.

Social Work England has maintained a system of internal control to govern expenditure for the seven-month period ending 31 March 2019 and up to the date of approval of the Annual Report and Accounts (ARA).

#### Executive leadership team

The executive leadership team (ELT) consists of the Chief Executive and Executive Directors as noted in the directors' report. The ELT supports the Chief Executive with the identification, development and implementation of strategic priorities in the form of a three-year strategic plan and an annual strategic business plan.

The remit of ELT is both strategic and operational and includes the following:

- strategic and operational policy,
- communications,
- corporate planning and delivery,
- business planning and performance measurement,
- financial management and budgetary control,
- human resource management,
- risk management,
- IT and systems, and
- information governance.

#### Departmental Sponsor Governance

The DfE's Senior Sponsor for Social Work England is the Deputy Director for Social Work Reform. The framework by which the DfE interacts and governs Social Work England is defined by the Interim Framework Document, which sets out the broad framework within which Social Work England will operate and is primarily focused on developing the infrastructure, systems and governance framework needed to operate as an effective regulator.

## Accountability Report

DHSC has also appointed a ‘key point of contact’, at senior civil service level, who works closely with the DfE’s Senior Sponsor. DHSC’s representative attends regular meetings chaired by the Senior Sponsor on Social Work England’s performance to feed in the views of DHSC.

Social Work England will regulate both child and family social workers, and adult social workers. The DfE has policy responsibility for the former, and DHSC for the latter. Both Departments co-fund Social Work England with Grant in Aid being paid to Social Work England in full by DfE as senior sponsor and DHSC making a voted cash payment to DfE for their portion. Both Departments will work in close partnership to oversee and support Social Work England in the delivery of its statutory responsibilities and objectives.

### The role of the Social Work England Board

The Social Work England Board holds the Chief Executive and the ELT to account and provides the overall strategic direction for the organisation.

### Social Work England Board members

Appointments to the Board of Social Work England are the responsibility of the Secretary of State for Education, in consultation with DHSC, as set out in Schedule 3, paragraph 2 (b) of the Act. All Board appointments and reappointments are carried out in line with the *Governance Code for Public Appointments*.

The current non-executive and executive directors of the Board of Social Work England are:

Board Member	Position	Appointment Date	Meetings Attendance
Lord Kamlesh Patel of Bradford	Chair	19/03/2018	4/4
Dr Andrew McCulloch	Non-Executive Director	10/08/2018	4/4
Baroness Claire Tyler of Enfield	Non-Executive Director	10/08/2018	4/4
Dr Helen Phillips	Non-Executive Director	10/08/2018	4/4
Jonathan Gorvin	Non-Executive Director	10/08/2018	3/4
Mark Lam	Non-Executive Director	11/01/2019	2/2
Colum Conway	Chief Executive	01/09/2018	4/4
Adnan Bashir	Executive Director, Finance	01/04/2019	0/0

As at the 31 March 2019 the Board consisted of the Chair, five non-executive directors, and the Chief Executive. The permanent executive director, finance role was not appointed until after the end of the 2018-19 financial year. All non-executive appointments are for no less than a three-year term.

Social Work England complies with all the requirements for a non-departmental public body and the principles of good governance for public bodies in ensuring that non-executive members will always be in the majority on the Board.

## Accountability Report

The Board is responsible for overseeing the full range of Social Work England's regulatory functions, specific responsibilities include:

- establishing and taking forward the strategic aims and objectives of Social Work England,
- ensuring that the relevant ministers are kept informed of any changes likely to impact on strategic direction or targets, and determining the steps needed to deal with such changes,
- ensuring that any statutory and/or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority, any delegated authority agreed with the DfE, including conditions related to the use of public funds, and guidance issued by the DfE,
- ensuring that the Board receives and reviews regular financial information concerning the management of Social Work England; approves the annual report and accounts; and is informed in a timely manner about any concerns and provides assurance to the DfE that appropriate action has been taken, and
- to demonstrating high standards of corporate governance at all times.

The decisions made by the majority of Board members are considered as if made by the whole Board, all decisions and actions are recorded within the minutes of the meeting.

The Board and all sub-committee's review their own performance against an appropriate evaluation framework annually. A Board and sub-committee evaluation were not undertaken due to the newly established nature of Social Work England.

The terms of reference of the Board and all sub-committees are reviewed and approved annually.

### Audit and Risk Committee

The Audit and Risk Committee (ARC) was established as a sub-committee of the Board. ARC provides assurance on the comprehensiveness and reliability of the processes relating to corporate governance, risk management and internal control, including:

- governance and internal control,
- high-level risk management systems and processes,
- anti-fraud and bribery,
- whistleblowing,
- the Annual Report and Accounts (ARA), and
- internal and external audit services.

The ARC currently consists of the Chair and one other non-executive director, to ensure independence, the Chair of the Board cannot also be the Chair of ARC.

## Accountability Report

Committee Member	Position	Date of appointment	Meetings Attended
Dr Andrew McCulloch	Interim Chair	10/08/2018	1/1
Jonathan Gorvin	Non-Executive Director	10/08/2018	1/1

Members of ARC are appointed on the basis of their skills, knowledge and experience, therefore, providing a comprehensive level of expertise and challenge. The minimum number of non-executive members for ARC to be quorate is two, including the Chair.

ARC will ordinarily meet at least three times a year however during the seven-month period ending 31 March 2019, only one ARC meeting was convened. The Chair of ARC may convene additional meetings as deemed necessary.

ARC formally reports in writing to the Board after each meeting. This is complemented, where necessary, by an oral report from the Chair of ARC at the Board meeting.

ARC provides assurance to the Board and the Accounting Officer, timed to support approval of the ARA by the Board.

### Remuneration Committee

The Remuneration Committee was established as a sub-committee of the Board.

The delegated responsibilities of the Remuneration Committee are as follows:

- monitor the performance of the Chief Executive and executive directors,
- Advise on, oversee and agree appropriate contractual arrangements for the Chief Executive and executive directors, including appropriate legal advice on termination and financial advice on the proper use of funds,
- carry out an annual review and approve on behalf of the Board the total remuneration package, including terms and conditions of the Chief Executive, the executive directors and all other staff,
- give consideration to and make plans for succession planning for the Chief Executive and executive directors taking into account the challenges and opportunities facing the organisation and the skills and expertise needed, in particular for the future, and
- recruitment, motivation and retention of staff.

Except where explicitly delegated otherwise, the Remuneration Committee acts only in an advisory capacity to the Board. All remuneration decisions during the seven-month period ending 31 March 2019 were agreed by HM Treasury and the DfE sponsorship team.

The Chair of the Social Work England Board, Lord Kamlesh Patel of Bradford, is the Chair of the Remuneration Committee. The Committee consisted of the Chair and five Non-Executive Board members.

## Accountability Report

Committee Member	Position	Date of appointment	Meetings Attended
Lord Kamlesh Patel of Bradford	Chair	19/03/2018	1/1
Dr Andrew McCulloch	Non-Executive Director	10/08/2018	1/1
Baroness Claire Tyler of Enfield	Non-Executive Director	10/08/2018	1/1
Dr Helen Phillips	Non-Executive Director	10/08/2018	1/1
Jonathan Gorvin	Non-Executive Director	10/08/2018	1/1
Mark Lam	Non-Executive Director	11/01/2019	1/1

The minimum number of Non-Executive members for the Remuneration Committee to be quorate is three, including the Chair.

The Remuneration Committee will normally meet at least once a year. The Chair of the Committee may convene additional meetings as he/she deems necessary.

The Committee formally report a summary of its activities to the Social Work England Board after each meeting.

### Risk management

#### Risk overview and responsibilities

Social Work England manages risk consistently across all areas of its business operations. Risk management is part of the strategic decision-making process, to ensure that risks, which could significantly affect the operation of the business, are considered appropriately.

The Social Work England Board is committed to establishing a transparent risk management process and reporting culture, in an environment where staff feel able and are supported to identify risks. The Board expect and encourage staff to participate in a robust risk management process, to achieve its objectives and to continuously improve its performance.

#### Risk appetite statement

The Social Work England Board is generally averse to any risks that have the potential to impact Social Work England's readiness to regulate the profession upon the transfer of regulatory powers. The Board has expressed an expectation that such risks are tracked accurately, regularly, and addressed appropriately.

The Board is open to exposure of reasonable risk. This allows for the successful achievement of organisational objectives with regards to business improvement and the achievement of goals not directly linked to Social Work England's regulatory functions.

#### Risk reporting

As Social Work England continues to establish its structures and systems risk is managed at a project level. Risk are identified in relation to a work stream and a project outcome and as such high-level risks are escalated to the corporate risk register based on the rating of the likelihood, potential impact and the proximity of the risk.

## Accountability Report

The register records the strategic risks across all directorates and any project level risks with a strategic impact and includes risks carried over from the Strategy & Implementation Board that closed in October 2018; which operated as the decision making body while Social Work England existed as a project under the DfE, prior to becoming an NDPB.

Information and data reported to the Board is reviewed and cross referenced at multiple levels within Social Work England prior to distribution to the Board. This process ensures that all documents are of good quality and meet the business needs of Board and Social Work England.

### Key Issues

The corporate risk register captures those risks with the potential to have a significant adverse impact on operations, regulatory functions and on the achievement of organisational objectives. Risks are reviewed and reported each month and included as a standing item on the Board and ARC meeting agendas. In addition, during the year, the ELT perform a deep-dive on specific areas of risk. Social Work England’s key corporate risks for the period ending 31 March 2019 are:

<b>Risk Category</b>
Transfer Programme
<b>Risk Description</b>
There is a risk that the transfer of data from HCPC to Social Work England due to its complexity, identification of further requirement and changes in the volume and content to be transferred will lead to an increase of costs and potentially a compromised or delayed transfer of regulatory responsibilities to Social Work England.
<b>Key Action and Issues</b>
Social Work England continues to work with HCPC to operationalise transitional arrangements. Uncertainty around the delivery of the transitional order and the current estimates of work in progress (WIP) of “live” regulatory cases however, efforts are being made to complete this review as soon as possible so as to effectively plan for the transition.
Social Work England’s programme plan has been scrutinised, validated and updated based on latest understanding of the data transfer landscape. HCPC have now approved statements of work from their systems supplier to provide data based on the data discovery report.
A data sharing agreement is under discussion and advice from Social Work England’s retained legal advisers has been initiated.
Initial discussions on data sets have been completed by HCPC and Social Work England IT teams, although currently we are still uncertain on quality and quantity of data until we receive the first data set from HCPC. We continue to work with HCPC to ensure a smooth transition of regulatory responsibilities.

## Accountability Report

<b>Risk Category</b>
External Relations
<b>Risk Description</b>
There is a risk that changes to HCPC operational activities and human resource capital, prior to the transfer of regulatory responsibilities will create knowledge gaps, adversely impacting Social Work England’s transition arrangements with HCPC, leading to a potential time, cost and quality overrun.
<b>Key Action and Issues</b>
To mitigate the risk identified above Social Work England has sought to implement the following activities: <ul style="list-style-type: none"> <li>• provide updates at monthly HCPC meetings,</li> <li>• manage key stakeholders in terms of knowledge, communication and impact on migration of data,</li> <li>• agree a clear plan for the transfer of all data inclusive of data cleansing and validation,</li> <li>• identification and communication of operational risks at regular monthly meetings with HCPC, and</li> <li>• develop contingency/scenario plans for potential impact on data migration.</li> </ul>

<b>Risk Category</b>
Legislation and Regulatory Powers
<b>Risk Description</b>
There is a risk that Social Work England will not be able to fully use its powers of accepted disposal for fitness to practise proceedings due to delays in passing the legislation, causing concerns that oversight of accepted disposals cannot be sufficiently scrutinised by the Professional Standards Authority (PSA). The impaired ability of Social Work England to manage transition cases effectively and to reduce the time taken to complete fitness to practise proceedings will impact the operating model leading to a backlog of cases, increased resource requirement and higher costs.
<b>Key Action and Issues</b>
The Chair and Chief Executive of Social Work England have and will continue to engage Ministers in an open dialogue to agree a satisfactory resolution. Social Work England will also continue to meet with DfE, DHSC, HCPC and the PSA during 2019 to discuss the exercise and scrutiny of its legislative and regulatory powers.

## Accountability Report

### Internal control

Social Work England continues to develop a robust system of governance, internal control and risk management to manage risk to an appropriate level rather than eliminate all risk of failure to achieve policies, aims and objectives. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of Social Work England's aims and objectives,
- evaluate the likelihood of those risks being realised and the impact should they be realised, and
- take reasonable steps to manage them efficiently, effectively and economically.

The internal control framework and risk management processes are subject to review by the ARC who during the year commissioned the Government Internal Audit Agency (GIAA) to undertake an audit of controls and provide an annual assurance opinion.

### Internal audit

Social Work England's internal audit function for the seven-month period ending 31 March 2019 was outsourced to the GIAA who operate in compliance with the *Public Sector Internal Audit Standards (PSIAS)*. The purpose of internal audit is to provide an independent, objective assurance and consulting activity to add value and improve operations. The internal audit function also helps to support the Accounting Officer and the Board comply with their responsibilities by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The following core principles underpinned GIAA's audit of Social Work England:

- demonstrates integrity,
- demonstrates competence and due professional care,
- is objective and free from undue influence (independent),
- aligns with the strategies, objectives, and risks of the organisation,
- is appropriately positioned and adequately resourced,
- demonstrates quality and continuous improvement,
- communicates effectively,
- provides risk-based assurance,
- is insightful, proactive, and future-focused, and
- promotes organisational improvement.

## Accountability Report

During the seven-month period ending 31 March 2019, GIAA planned and undertook the following reviews:

- Development of Key Financial, Operational and Governance Systems.
- Information and Technology Governance including preparedness to comply with GDPR.

The overall assessment based upon the reviews completed provided for a Limited opinion.

GIAA's opinion was determined as follows *"... We have concluded that the weaknesses reported with respect to the oversight arrangements to develop IT governance and GDPR compliance mean that the assurance at this point (in Social Work England's progress toward go-live) is limited – there are significant weaknesses in the framework of governance, risk management and control such that it could become inadequate and ineffective. In so doing, we acknowledge the generally positive findings in our finance/HR review and the commitment of management to address the IT governance risks we highlighted and their plans supported by the action plan arising from that audit report (if implemented in a full and timely manner) should ensure the required strategy, policy and procedure are being adequately progressed in anticipation of Social Work England assuming its full responsibilities ('go-live')"*.

### Conclusion

The information outlined above demonstrates that Social Work England need to improve and develop internal controls and put in place an action plan to take forward the recommendations of the GIAA.

As Accounting Officer, I acknowledge and accept the recommendations of the internal auditors in regard to Social Work England's internal control, risk management and governance arrangements which I believe are adequate given Social Work England's progress, but I recognise that these arrangements will require enhancement as we continue to grow and am confident that the appropriate levels of control and oversight will be fully implemented prior to Social Work England assuming regulatory responsibility.

## Accountability Report

### Remuneration and staff report

#### Remuneration Part A: Unaudited

##### Remuneration Policy

Social Work England’s remuneration structure is determined by the DfE and approved by HM Treasury as per the interim framework agreement and the delegation of financial authority. Social Work England employees are public servants and paid in accordance with the public servant pay structure.

Staff seconded to Social Work England are civil servants employed by the DfE and are paid as per the DfE’s remuneration policy within the civil servant pay structure.

#### Remuneration Part B: Audited

##### Non-Executive Director Remuneration

Non-Executive	Position	Appointed	Salary £000
Lord Kamlesh Patel	Chair	19 March 2018	70-75
Dr Andrew McCulloch	Non-Executive Director	10 August 2018	0-5 (5-10)
Baroness Tyler of Enfield	Non-Executive Director	10 August 2018	0-5 (5-10)
Dr Helen Phillips	Non-Executive Director	10 August 2018	0-5 (5-10)
Jonathan Gorvin	Non-Executive Director	10 August 2018	0-5 (5-10)
Mark Lam	Non-Executive Director	11 January 2019	0-5 (5-10)

Lord Kamlesh Patel’s remuneration represents a full financial year, the period April 2018 to August 2018 was paid directly by DfE and the period from September 2018 to March 2019 (40-45) was paid by Social Work England.

The Non-Executive Directors are not entitled to be part of Social Work England’s bonus or pension schemes. Total Non-Executive Board expenses for the year were £2,000.

## Accountability Report

### Executive Director Remuneration (including salary) and Pension Entitlements

Executive Director	Salary £000	Bonus Payment £000	Benefits in Kind £00	Pension Benefit £000	Total £000
Colum Conway Chief Executive  from 1 September 2018	80-85 (140-145)	0-5	0	4	80-85
Alison McKinna Executive Director Corporate Services  from 12 November 2018	35-40 (95-100)	0	0	2	35-40
Jonathan Dillon Executive Director Fitness to Practise  from 15 November 2018	30-35 (85-90)	0-5	0	2	30-35
Philip Hallam Executive Director Registration & QA  from 26 November 2018	30-35 (85-90)	0-5	0	2	30-35
Nadine Pemberton Executive Director Legal  from 3 December 2018	25-30 (85-90)	0-5	0	1	30-35
Sarah Blackmore Executive Director Standards  From 14 January 2019	15-20 (80-85)	0-5	0	1	15-20

Lucy Oliver was appointed Interim Executive Director of Finance on 2 January 2019 under an agency contract whilst recruiting for a permanent Executive Director of Finance. Her duties were performed in an advisory capacity only and total remuneration for the period was £25-£30,000.

### Salary

Salary includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by Social Work England and thus recorded in these accounts.

## Accountability Report

### Benefits in Kind

Benefits-in-kind is the monetary value of benefits-in-kind and covers any benefits provided by Social Work England and treated by HM Revenue and Customs as taxable emolument.

### Bonuses

Social Work England will award bonuses on an annual basis in line with its remuneration and reward policy.

### Compensation payments to past Directors and payments for loss of office

No severance or non-contractual payments for loss of office have been made to past directors of Social Work England during the seven-month period ending 31 March 2019.

### Pay Multiples

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 Hutton Fair Pay disclosure for Social Work England is as follows:

Remuneration Analysis	2018–19 £000
Band of highest paid director's remuneration	140-145
Median company salary	39
Range:	
LOW	21
HIGH	143
Remuneration Ratio (Highest paid/Median Salary)	3.65

The banded remuneration of the highest-paid director at Social Work England during the seven-month period ending 31 March 2019 was £140,000 to £145,000. This was 3.65 times the median employee remuneration, which was £39,000.

### Pension scheme

Social Work England is part of the National Employment Savings Trust (NEST), an unfunded multi-employer defined contribution scheme.

Employers' pension contributions for the seven-month period ending 31 March 2019 were £33,971, based on 5% of pensionable pay.

Employees can opt to open a stakeholder pension with an employer contribution. No employees opted to open a stakeholder pension in 2018-19.

No persons retired early on ill-health grounds.

## Accountability Report

### Special, Severance and con-contractual packages

Social Work England did not pay for any exit packages for any staff during the seven-month period ending 31 March 2019.

### Staff Report

#### Part A: Audited

##### Analysis of staff costs

Analysis of Staff Costs by Category	Permanent Staff £000	Other £000	Total £000
Wages and Salaries	739	435	1,174
Social security costs	76	-	76
Pension costs	34	-	34
<b>Total</b>	<b>849</b>	<b>435</b>	<b>1,284</b>

Social Work England pays a flat fee for agency staff, which includes social security, holiday pay, pension costs etc. This note discloses the total sum as wages and salaries.

Others also includes the salary and on-costs of inward secondments from DfE and Sheffield City Council. This note discloses the total sum as wages and salaries.

##### Staff Composition

At 31 March 2019 Social Work England's headcount for employees was:

Staff Composition Analysis	Permanent Staff	Others	Total
Directly employed	41	-	41
Other	-	19	19
<b>Total</b>	<b>41</b>	<b>19</b>	<b>60</b>

## Accountability Report

### Part B: Unaudited

#### Staff by grade and gender

At 31 March 2019 Social Work England's headcount for employees was:

Grade	Permanent Males	Other Males	Permanent Females	Other Females
Chief Executive	1	0	0	0
Executive Leadership Team	2	0	3	1
Heads of Department	3	2	5	5
Other	5	4	22	7
<b>Total</b>	<b>11</b>	<b>6</b>	<b>30</b>	<b>13</b>

Average headcount of employees during the period:

Permanently employees	Others	Total
25.4	10.6	36.0

#### Commitment to improving diversity

Social Work England is committed to promoting an environment that welcomes and values diverse backgrounds, thinking, skills and experience. We want everyone to thrive and fulfil their potential regardless of race, religion, sex, sexual orientation, gender identity, disability, marriage, civil partnership or any other protected characteristic as defined under the *Equality Act 2010*.

For all new and existing employees with a disability Social Work England commits to offering appropriate training, support and reasonable adaptations to ensure they can carry out their role as appropriate.

Social Work England will uphold the following principles in regard to equality and diversity:

- Provide equality, fairness and respect for all in our employment, whether temporary, part-time or full-time.
- Not unlawfully discriminate because of the *Equality Act 2010* protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality, and ethnic or national origin), religion or belief, sex (gender) and sexual orientation.
- Oppose and avoid all forms of unlawful discrimination. This includes in pay and benefits, terms and conditions of employment, dealing with grievances and discipline, dismissal, redundancy, leave for parents, requests for flexible working, and selection for employment, promotion, training or other developmental opportunities.

## Accountability Report

### Equality and Disability

As part of our commitment to disabled colleagues, we guarantee to interview all disabled applicants who meet the minimum criteria for any given opportunity. In addition, we will make reasonable workplace adjustments to help overcome disadvantage resulting from disability. For example, we make adjustments to the arrangements for interviews and selection tests and agree a package of workplace adjustments when people join Social Work England.

We aim to support people who become disabled during their employment to remain in work and achieve their potential. We seek specialist advice on adjustments that would enable the person concerned to continue in their current post, via occupational health advice and guidance.

Workplace adjustments are also made to allow employees with a disability to access suitable learning and development opportunities. When promotion opportunities arise, disabled colleagues are encouraged to apply and to discuss any adjustments they require to the selection arrangements to remove any disadvantage resulting from their disability.

### Equality and Fairness

We are committed to fostering an inclusive working environment in which individuals' differences are respected and everyone is encouraged to reach their potential to make a full contribution to Social Work England's objectives.

We aim to ensure that all staff receive equal treatment that is free of discrimination, and we follow all employment-related procedures impartially and objectively. This approach includes decisions relating to recruitment, training and development, performance management, reward and benefits and promotion.

We do not tolerate bullying or harassment of any kind. We work hard and will continue to do so to ensure people feel confident that they can raise issues in a safe, supportive and confidential environment and that we will investigate allegations quickly, sensitively and fairly.

### People Management

Our people strategy aims to ensure that we attract, retain, build the capability of and motivate our work force to enable them to deliver outstanding performance. In order to achieve this, for all staff, we have:

- committed to offer learning and development opportunities each year,
- set corporate objectives for all staff for each reporting cycle, and
- require staff to produce challenging work objectives for the year.

## Accountability Report

### Other employee matters

#### Sickness absence

During the seven-month period ending 31 March 2019 17 days were lost to sickness absence, an average of 1.15 days per employee per year.

#### Health and safety at work

Social Work England is committed to ensuring the health, safety and wellbeing of staff, contractors and all others who could be affected by its activities. We fully accept the responsibilities under the Health and Safety at Work Act 1974.

We recognise that effective management of health and safety makes a significant contribution to our overall business performance and strategic aims, as well as a positive impact on the wellbeing of staff. Social Work England acknowledges that positive, proportionate health and safety risk management prevents harm and enables efficient delivery of services across the organisation.

#### Staff relations and communications

Social Work England's human resource plan provides an outline of our workforce and people priorities which will underpin the achievement of our organisational objectives. The ELT agreed the plan and oversees progress. Our priorities within the plan include developing staff to improve both core and specialist skills and promoting a positive culture and ethos.

We have in place regular performance reviews to identify training needs and create individual training programmes which support the development and growth of our workforce.

#### Consultancy Spend

No expenditure on consultancy was incurred during the seven-month period ending 31 March 2019.

## Accountability Report

### Off-Payroll engagements

#### Review of tax arrangements of public sector appointees

Off-payroll engagements: Board members and/or senior officials with significant financial responsibility:

Engagements by category	2018-19
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	1
Number of individuals that have been deemed “board members and/or senior officials with significant financial responsibility” during the financial year. This figure should include both off-payroll and on-payroll engagements.	12

As disclosed in the Remuneration Report (page 30), Lucy Oliver advised the Board on financial matters as part of an interim agency contract which was paid off payroll.

We consider that all Board members and Executive Directors have significant financial responsibility and they are reimbursed through payroll (page 29-30)

## Accountability Report

### Parliamentary Accountability Report

#### Parliamentary accountability disclosures: audited

##### A1 Losses statement

Losses Statement	2018-19
Number of Fruitless Payment Cases	5
Value	£000
Fruitless Payments	0

A fruitless payment is a payment which cannot be legally avoided because the recipient is entitled to it even though nothing of use to Social Work England will be received in return, including staff travel tickets purchased but unable to be used.

##### A2 Special payments

There were no special payments during the seven-month period ending 31 March 2019.

##### Remote contingent liabilities

There were no remote contingent liabilities during the seven-month period ending 31 March 2019.

### Colum Conway

Chief Executive and Accounting Officer  
8 July 2019

## Accountability Report

### The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

#### Opinion on financial statements

I certify that I have audited the financial statements of Social Work England for the 7-month period ended 31 March 2019 under the Children and Social Work Act 2017. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of Social Work England's affairs as at 31 March 2019 and of net expenditure for the 7-month period then ended; and
- the financial statements have been properly prepared in accordance with the Children and Social Work Act 2017 and Secretary of State directions issued thereunder.

#### Opinion on regularity

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

#### Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of Social Work England in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Accountability Report

### Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Social Work England's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

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

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Board and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

My responsibility is to audit, certify and report on the financial statements in accordance with the Children and Social Work Act 2017.

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. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Accountability Report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Social Work England's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

### Other Information

The Board and the Accounting Officer are responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Children and Social Work Act 2017,

## Accountability Report

- in the light of the knowledge and understanding of Social Work England and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared 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:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### Report

I have no observations to make on these financial statements.

**Gareth Davies**      **Date 23 July 2019**

**Comptroller and Auditor General**

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

## Financial Statements

### Statement of Comprehensive Net Expenditure

For the seven-month period ending 31 March 2019

	Note	2018-19 £000
Staff costs	2	1,284
Expenditure	3	858
		<b>2,142</b>
<b>Net operating expenditure</b>		
		<b>2,142</b>
<b>Net expenditure for the year</b>		<b>2,142</b>

There are no discontinued operations.

There are no other recognised gains or losses.

The notes on pages 46 to 59 form part of these accounts

## Financial Statements

### Statement of Financial Position as at 31 March 2019

	Note	2018-19 £000
<b>Non-current assets:</b>		
Receivables	4	4
PPE	7	1,394
Intangibles	8	720
<b>Total non-current assets</b>		<b>2,118</b>
<b>Current assets</b>		
Receivables	4	242
Cash and cash equivalents	5	2,726
<b>Total current assets</b>		<b>2,968</b>
<b>Total assets</b>		<b>5,086</b>
<b>Current liabilities</b>		
Payables	6	(2,064)
<b>Total current liabilities</b>		<b>(2,064)</b>
<b>Total assets less current liabilities</b>		<b>3,022</b>
<b>Non-current liabilities</b>		
Payables	6	(134)
<b>Total non-current liabilities</b>		<b>(134)</b>
<b>Assets less liabilities</b>		<b>2,888</b>
<b>Taxpayers' equity:</b>		
General fund		2,888
<b>Total taxpayers' equity</b>		<b>2,888</b>

**Colum Conway**

**Chief Executive, Social Work England  
8 July 2019**

The notes on pages 46 to 59 form part of these accounts

## Financial Statements

### Statement of Cash Flows

For the seven-month period ending 31 March 2019

	Note	2018-19 £000
<b>Cash flows from operating activities</b>		
Net operating cost	SoCNE	(2,142)
Adjustments for non-cash transactions	3	104
(Increase)/decrease in receivables	4	(246)
Increase/(decrease) in payables	6	1,186
<b>Net cash outflow from operating activities</b>		<b>(1,098)</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE	7	(486)
Purchase of Intangibles	8	(720)
<b>Net cash outflow from investing activities</b>		<b>(1,206)</b>
<b>Cash flows from financing activities</b>		
Exchequer supply from sponsor department	SoCTE	5,030
<b>Net cash inflow from financing activities</b>		<b>5,030</b>
<b>Net increase (decrease) in cash and cash equivalents (net of overdrafts)</b>		<b>2,726</b>
<b>Cash and cash equivalents (net of overdrafts) at beginning of the year</b>	5	-
<b>Cash and cash equivalents (net of overdrafts) at end of the year</b>	5	<b>2,726</b>

The notes on pages 46 to 59 form part of these accounts

## Financial Statements

### Statement of Changes in Taxpayers Equity

For the seven-month period ending 31 March 2019

	Note	General Fund £000
<b>Balance at 1 September 2018</b>		-
Grant in Aid from sponsor Department		5,030
Comprehensive expenditure for the year	SoCNE	(2,142)
<b>Balance at 31 March 2019</b>		<b>2,888</b>

The notes on pages 46 to 59 form part of these accounts.

## Notes to the Financial Statements

### 1. Accounting Policies

These accounts have been prepared in accordance with the 2018-19 *Government Financial Reporting Manual* (FReM) issued by HMT, as set out in a statutory Accounts Direction issued pursuant to paragraph 18(3), schedule 3 of the Children and Social Work Act 2017. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRSs) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the circumstances of Social Work England for the purpose of giving a true and fair view has been selected. The policies adopted by Social Work England for 2018-19 are described below.

They have been applied consistently in dealing with items considered material in relation to the accounts, other than where required to differ for IFRS 9 and IFRS 15 adoption.

#### 1.1. Reporting Period

Social Work England became an NDBP on 1 September 2018. The 2018-19 figures in the Financial Statements are prepared for the seven-month period 1 September 2018 to 31 March 2019. All costs incurred prior to 1 September as part of the creation of Social Work England are contained within the DfE statutory accounts.

#### 1.2. Accounting Convention

These financial statements have been prepared under the historical cost convention.

#### 1.3. Areas of Judgement

The preparation of these accounts requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. These assessments are based on historic and other factors that are believed to be reasonable, the results of which form the basis for making judgements. The estimates and underlying assumptions are reviewed on an on-going basis. The main estimates in these accounts are accruals and prepayments.

## Notes to the Financial Statements

### 1.3.1. Intangible Assets

The recognition of intangible assets involves two critical judgements by management. The first judgement is over the projected feasibility of the intangible asset once it has been completed. Intangible assets are only recognised when management are satisfied that the organisation has or can secure the technical and operational skill set to complete the development of the intangible asset.

The second critical judgement is the identification of costs that are required to be included in the assets carrying value. Costs are only included if they are direct costs wholly incurred in developing and bring into use the future intangible asset.

### 1.4. Going Concern

Fee income of £2.85m is anticipated in 2019-20 but Grant in Aid will remain the primary source of funding (approximately £11.7m).

The Department for Education's (DfE) Estimates and forward plans include provision for Social Work England's continuation and it is therefore appropriate to prepare these accounts on a Going Concern basis.

### 1.5. Grant in Aid

Grant in Aid received from DfE in respect of revenue expenditure or relating to general capital expenditure is recognised in the general reserve in the year it is received

### 1.6. IFRSs in issue but not yet effective

In order to comply with the requirements of *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors*, Social Work England must disclose where it has not applied a new IFRS that has been issued but is not yet effective. Social Work England has carried out a review of the IFRSs in issue but not yet effective, to assess their impact on its accounting policies and treatment. The full impact of the IFRSs in issue is not yet known and could be material to the accounts: Social Work England has therefore, chosen not to early adopt requirements of the following accounting standards and interpretations, which have an effective after the date of these accounts.

## Notes to the Financial Statements

Standard	Effective	FReM Application	Change & Impact
IFRS 16 Leases	Annual periods beginning on or after 1 January 2020	2020-21 (Subject to EU adoption and consultation)	<p><b>Change:</b></p> <p>The proposed changes simplify the classification and measurement of leases by introducing a single lessee accounting model, removing the distinction between recognising an operating lease (off-balance sheet financing) and a finance lease (on-balance sheet financing). The new standard requires recognition of all leases which last over 12 months to be recognised as a finance lease (on-balance sheet). This will result in the recognition of a right-to-use asset, measured at the present value of future lease payments, with a matching liability. The pattern of recognition of the expenditure will result in depreciation of the right-to-use asset and an associated finance cost being recognised.</p> <p><b>Impact on Social Work England:</b></p> <p>The main effect of the adoption of IFRS 16 will be for lessees; which will result in any former operating leases being brought on-balance sheet.</p> <p>The effect on lessor accounting for the new standard is limited in scale; and remains largely unchanged. In addition, Social Work England does not have significant lessor activities.</p>

### 1.7. Segmental Reporting

In accordance with *IFRS 8: Operating Segments* (IFRS 8), Social Work England has considered the need to analyse its income and expenditure relating to operating segments. Social Work England has assessed that all lines of operation fall within the same geographical location and regulatory environment as envisaged by IFRS 8. Since segmental information for total assets and liabilities is not regularly reported to the chief operating decision-maker and in compliance with the FReM, it has not been produced in the accounts.

## Notes to the Financial Statements

### 1.8. Leases

Leases are classified as finance leases whenever the terms of the leases transfer substantially all the risks and rewards of ownership of the leased assets to the lessee. All other leases are classified as operating leases. Operating leases are charged to the SoCNE as expenditure is incurred.

### 1.9. Pensions

Social Work England has adopted IAS 19 Employee Benefits (IAS 19) to account for its pension schemes. Social Work England Employee offers staff a defined contribution scheme where we Social Work England contribute 5% of gross salary, and this contribution is recorded as expenditure in the Statement of Comprehensive Net Expenditure.

### 1.10. Other Employee Benefits

The value of untaken holiday leave at year-end is accrued as it is earned.

### 1.11. Property, Plant and Equipment

The minimum level of capitalisation for expenditure on property, plant and equipment (PPE) is £2,000. In the case of IT equipment and furniture, all items recorded as capital expenditure are capitalised and if they fall below the capitalisation threshold, they are grouped together and recorded as bulk assets. The asset value on capitalisation is measured at cost plus all direct costs, such as installation, attributable to bringing them into working condition.

### 1.12. Depreciation

Depreciation is provided at rates calculated to write off the valuation of buildings and other property, plant and equipment by equal instalments over their estimated useful lives. Assets under construction are not depreciated.

## Notes to the Financial Statements

Asset lives are is the following ranges:

- Computer equipment 3-5 years;
- Fixtures and fittings 2-5 years; and
- Leasehold improvements term of lease

### 1.13 Intangible Assets

Assets are capitalised as intangible assets where expenditure of £2,000 or more is incurred. Intangible assets are initially valued at cost, then carried at fair value that is determined by reference to an active market where possible. Where there is no active market, we use depreciated replacement cost as a proxy fair value.

Asset lives are in the following ranges:

- Software Licenses 2-5 years or the license period, whichever is shorter;
- Developed Software 3-5 years.

### 1.14 Financial Instruments and Risk

Social Work England applies IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments. Financial assets and financial liabilities are recognised when Social Work England becomes party to the contractual provisions of the instrument.

Financial Instruments (IFRS 7) disclosure requires Social Work England to disclose information on the significance of financial instruments to its financial position and performance.

- Liquidity risk - Parliament votes annually on the financing of Social Work England's net revenue resource requirements, as well as its capital expenditure. With no borrowings, Social Work England does not consider itself exposed to any significant liquidity risks.
- Interest rate risk - Social Work England's financial liabilities carry either nil or fixed rates of interest. Social Work England does not consider itself exposed to any significant interest rate risk.
- Foreign currency risk - All material assets and liabilities are denominated in sterling. Social Work England does not consider itself exposed to any significant currency risk.

## Notes to the Financial Statements

IFRS 9 Financial Instruments defines a financial instrument as “any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.”

### 1.14.1 Financial Assets

Financial assets include cash and cash equivalents, trade and other receivables. Social Work England determines the classification of its financial assets at initial recognition. Financial assets are recognised initially at fair value, normally being the transaction price plus directly attributable costs. Social Work England does not hold derivative financial instruments.

Subsequent measurement of financial assets depends upon their classification into IFRS 9’s three categories: amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI).

#### Amortised cost

Financial assets classified as amortised cost include:

- **Trade and other receivables** which have fixed or determinable payments that are not quoted on an active market. They do not carry any interest.
- **Cash and cash equivalents**

### 1.14.2 Financial Liabilities

Social Work England classifies trade and other payables, including accruals as financial liabilities. Financial liabilities are recognised at their face value on initial recognition. Subsequently they are held at amortised cost using the effective interest method.

### 1.15 Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash in hand and on demand deposits.

### 1.17 VAT

Social Work England is not registered for VAT as it had no VAT taxable turnover in the seven-month period to 31 March 2019. All expenses are presented inclusive of VAT.

## Notes to the Financial Statements

### 1.18 Corporation Tax

Social Work England is exempt from Corporation Tax.

### 1.19 Shared Services

Social Work England uses a finance shared service provided by the DfE which includes use of the Department's finance system, management of bank account, supplier payments, and preparation of monthly accounts workbooks. Social Work England has not been recharged for these services in 2018-19 due to the low volume of activity.

## Notes to the Financial Statements

### 2. Staff Costs

	Permanently employed staff £000	Others £000	2018-19 Total £000
Wages and Salaries	739	435	1,174
Social security costs	76	-	76
Pension costs	34	-	34
	<b>849</b>	<b>435</b>	<b>1,284</b>

Others includes inward secondees from DfE and Sheffield City Council as well as agency staff. Further details around staff and pensions costs can be found in the Accountability Report, Remuneration and Staff Report (pages 29 to 36).

### 3. Operating Expenditure

#### Operating Expenditure

	2018-2019 £000
Staff related costs	81
Consultancy and other professional fees	185
Board costs	62
Premises costs including rates and service charges	47
Utilities	8
Catering	12
Marketing	32
IT and telecommunications costs	189
Rentals under operating leases:	-
land and buildings	48
Travel and subsistence	38
Audit fees	37
Other expenditure	15
<b>Total</b>	<b>754</b>

Consultancy and Other Professional Fees includes the costs for specialist regulatory support during the creation of Social Work England and specialist legal advice.

## Notes to the Financial Statements

Board Costs relate to the fees paid to the Chair of the Board, Lord Kamlesh Patel of Bradford and the Non-Executive Directors as disclosed in Section B of the Remuneration Report.

IT and Telecommunications spend relates to IT spend not capitalised and is in addition to the capital costs reflected in the Property Plant and Equipment note.

The NAO auditor's remuneration relates to fees payable to the NAO for the audit of the statutory annual accounts. The auditors did not provide any non-audit services.

### Depreciation, amortisation and other non-cash charges

	2018-19 £000
Amortisation	-
Depreciation	104
<b>Total</b>	<b>104</b>

Depreciation is charged on all property, plant and equipment expenditure shown in Note 7 Property Plant and Equipment.

All Intangible asset expenditure as shown in Note 8 is currently classed as Asset under Construction (AuC), and therefore not amortised.

## 4. Receivables

### Current receivables

	2019 £000
<b>Amounts falling due within one year:</b>	
Other receivables	55
Prepayments	187
	<b>242</b>

### Non-current receivables

	2019 £000
<b>Amounts falling due after one year:</b>	
Prepayments	4
	<b>4</b>

## Notes to the Financial Statements

### 5. Cash and Cash Equivalents

	2018-19 £000
Balance at 1 September	-
Net change in cash and cash equivalent balances	2,726
<b>Balance at 31 March</b>	<b>2,726</b>
The following balances are held at:	
<b>Cash at bank and in hand:</b>	
Government Banking Service	2,726
<b>Balance at 31 March</b>	<b>2,726</b>
<b>Balance at 31 March, net of overdrafts</b>	<b>2,726</b>

### 6. Payables

#### Current payables

	2018-19 £000
Trade and other payables	569
Accruals and deferred income	1,495
<b>Total payables due within one year</b>	<b>2,064</b>

Other payables include a £276,000 intercompany loan from the Education and Skills Funding Agency (ESFA), which is also included in cash. This loan was repaid in full in April 2019.

Included in accrual and deferred income are capital accruals of £1,012,000.

## Notes to the Financial Statements

### Non-current payables

	2019 £000
Other payables	134
<b>Total payables due after more than one year</b>	<b>134</b>

### 7. Property, Plant and Equipment

	Land & Buildings £000	Furniture, Fixtures & Fittings £000	Information Technology £000	2019 Total £000
<b>Cost or Valuation</b>				
At 1 September	-	-	-	-
Additions	911	252	335	1,498
Reclassifications	-	-	-	-
<b>At 31 March</b>	<b>911</b>	<b>252</b>	<b>335</b>	<b>1,498</b>
<b>Depreciation</b>				
At 1 September	-	-	-	-
Depreciation charge	(41)	(25)	(38)	(104)
<b>At 31 March</b>	<b>(41)</b>	<b>(25)</b>	<b>(38)</b>	<b>(104)</b>
<b>Carrying value at 31 March</b>	<b>870</b>	<b>227</b>	<b>297</b>	<b>1,394</b>

Leasehold Improvements relates to the refit of Social Work England's offices and hearings rooms.

Furniture and Fittings relates to furniture and white goods to enable the office to be useable.

Information Technology spend includes IT infrastructure, equipment, telephony and support systems for staff.

## Notes to the Financial Statements

### 8. Intangible Assets

	2019 AuC £000
<b>Cost or Valuation</b>	
At 1 September	-
Additions	720
<b>At 31 March</b>	<b>720</b>
<b>Amortisation</b>	
At 1 September	
Amortisation charge	
<b>At 31 March</b>	<b>-</b>
<b>Carrying value at 31 March</b>	<b>720</b>

Assets under Construction (AuC) relates to the costs to date of developing a suite of digital services required to enable Social Work England to carry out its regulatory role. It is anticipated that the asset will become live at some point between Autumn 2019 and Spring 2020.

### 9. Operating Leases

Social Work England has entered into operating lease contracts for office accommodation, with a break clause after five years and the first 20 months being rent free. At 31 March 2019, the total future minimum lease payments under operating leases is detailed below for the seven-month period to 31 March 2019:

	2018-19 £000
<b>Obligations under operating leases for the 7-month period comprise:</b>	
<b>Buildings</b>	
Not later than one year	164
Later than one year and not later than five years	610
Later than five years	-
	<b>774</b>

## Notes to the Financial Statements

### 10. Capital Commitments

	2018-19 £000
<b>Contracted capital commitments at 31 March 2019 not otherwise included in these accounts:</b>	
<b>Property, Plant &amp; Equipment</b>	
Leasehold Improvements	175
Furniture and Fittings	18
<b>Intangible Assets</b>	
AuC	164
	<b>357</b>

Leasehold Improvements and Furniture and Fittings relate to the remainder of the building works and fit-out of Social Work England's office space and hearing rooms. Work is anticipated to be complete summer 2019.

AuC spend relates to the remainder of the contract to develop a digital customer suite prior to Social Work England taking on the regulatory function Autumn 2019 – Spring 2020.

### 11. Related Party Transactions

Social Work England is sponsored by the Department for Education (DfE) and for the purposes of these accounts is regarded as a related party. There were material transactions with the DfE in respect of Grant in Aid, secondment of staff and the provision of IT services. In addition, Social Work England is co-sponsored by the Department for Health and Social Care (DHSC). There were no financial transactions with the DHSC.

Social Work England has had several transactions with other government departments and central bodies. Most of these transactions have been with the HMRC and ESFA, including an intercompany loan of £269,000 from ESFA as declared in note 6.

Lord Patel of Bradford, Chair of Board has received remuneration of £70k with £41k being from Social Work England and the balance from DfE. Director and Board members' remuneration is not material but is disclosed on pages 29-31.

## Notes to the Financial Statements

Board Member, Dr Andrew McCulloch is Chair of GMC Services International who have provided expertise in drafting the rules around Fitness to Practise and Education and Standards.

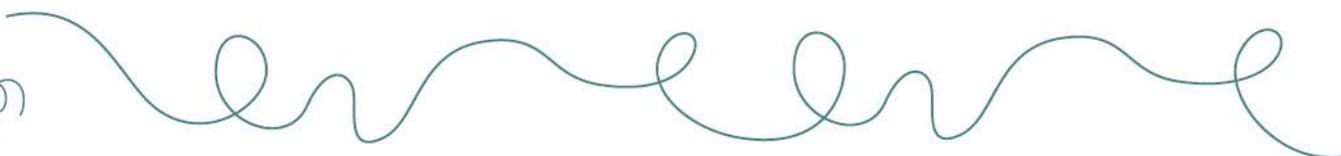
	Payments £000	Payables £000
GMC Services International	41	1

At 31 March, £1,000 was still owing to GMC Services International and was included in the payables for the period ending 31 March 2019.

### 12. Events after the Reporting Period Date

The accounts were authorised for issue by the Accounting Officer on the date of Certification by the Comptroller & Auditor General. These accounts do not consider events after that date.

<b>Annex A</b>	-	<b>Glossary of Terms</b>
ARA	-	Annual Report and Accounts
ARC	-	Audit and Risk Committee
AUC	-	Asset under Construction
C&AG	-	Comptroller and Auditor General
CEO	-	Chief Executive Officer
DfE	-	Department for Education
DHSC	-	Department of Health and Social Care
ELT	-	Executive Leadership Team
ESFA	-	Education and Skills Funding Agency
FReM	-	Financial Reporting Manual
GDP	-	Gross Domestic Product
GDPR	-	General Data Protection requirements
GIAA	-	Government Internal Audit Agency
HMRC	-	Her Majesties Revenue and Customs
HMT	-	Her Majesty's Treasury
IAO	-	Information Asset Owner
NAO	-	National Audit Office
NDPB	-	Non-Departmental Public Body
NEST	-	National Employment Savings Trust
PSA	-	Professional Standards Authority
PSIAS	-	Public Sector Internal Audit Standards
SRO	-	Senior Responsible Owner
The Act	-	Children and Social Work Act 2017



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