Estyn annual report and accounts

2025-2026

This report is also available in Welsh

The purpose of Estyn is to inspect quality and standards in education and training in Wales. Estyn is responsible for inspecting:

- nursery schools and settings that are maintained by, or receive funding from, local authorities
- primary schools
- secondary schools
- all-age schools
- maintained special schools
- pupil referral units
- independent schools
- further education
- independent specialist colleges
- adult learning in the community
- local government education services
- Welsh language immersion arrangements in local authorities
- youth work
- initial teacher education
- Welsh for adults
- apprenticeships
- learning in the justice sector

We also:

- report to Senedd Cymru and provide advice on quality and standards in education and training in Wales to the Welsh Government, Medr and others
- make public good practice based on inspection evidence

Every possible care has been taken to ensure that the information in this document is accurate at the time of publication. Any enquiries or comments regarding this document/publication should be addressed to:

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This and other Estyn publications are available on our website: www.estyn.gov.wales

This document has been translated by Trosol (English to Welsh).

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Chief Inspector's foreword

Estyn's purpose remains clear: we inspect independently, report honestly and use our evidence to support improvement. Our work is for learners, for Wales. To achieve this, we continue to work closely with our partners to improve provision across Wales.

During 2025-2026, we continued to embed our new inspection arrangements across most sectors. We completed 385 inspections, maintained follow-up work with providers that need to improve most, and strengthened the way we use interim visits, professional dialogue and feedback. We also widened the involvement of peer inspectors and worked with providers and partners to refine frameworks in sectors where new arrangements are being developed.

Our evidence shows a system with many strengths. Across Wales, we see committed staff, caring relationships, inclusive cultures and a strong focus on well-being. Where leaders know their provision well, set high expectations and use evidence intelligently, children, pupils and learners usually make stronger progress. We continue to see effective work to support learners with additional learning needs, learners affected by poverty and learners from diverse communities.

At the same time, our evidence also identifies persistent challenges. The quality of teaching remains too variable, particularly in secondary schools. Too many learners do not develop their reading, numeracy and digital skills well enough. Attendance remains below pre-pandemic levels for many children and young people, and this limits their learning and well-being. In some providers, self-evaluation is still too descriptive or focused on compliance. These are not isolated concerns. They are patterns across the system and they need clear, sustained action.

This year, we strengthened our focus on supporting a national priority. Having been asked by the Cabinet Secretary, Lynne Neagle MS, we announced reading as a three-year strategic priority, because strong reading skills open access to learning across the curriculum and beyond. We also continued to support work to improve the teaching of mathematics, reduce the impact of poverty on learning, implement additional learning needs reform, support anti-racist practice and promote the Welsh language. We used our inspection evidence and thematic work to provide independent advice to the Welsh Government, Medr and Senedd committees.

We published 12 thematic reports during the year. These covered important areas, including attendance, behaviour, mathematics, international languages, artificial intelligence, adult learning, independent living skills, post-16 additional learning needs and education otherwise than at school. We also published case studies and shorter examples of interesting practice from inspection. This work helps providers learn from each other and gives policy makers evidence about what works well and what needs to change.

We have continued to make our work more accessible. Through Estyn Live events, the Sgwrs podcast, videos, case studies and our website, we shared findings in ways that are useful for busy professionals, parents and carers, and partners. We ran a broad programme of stakeholder events and inspector training. We also continued our Ready Already campaign, helping providers understand what to expect from inspection.

Our work depends on strong partnerships, while maintaining our independence. During the year, we worked closely with the Welsh Government, Medr, Care Inspectorate Wales, local authorities, Qualifications Wales, the Quality Assurance Agency and many others. We also engaged directly with providers and professional groups. We value these relationships because they help ensure that our inspection, advice and improvement work remain grounded in the realities of education and training in Wales.

We also continued to strengthen Estyn as an organisation. We invested in staff learning, Welsh language development, safeguarding expertise, equality, well-being, digital services and financial systems. Staff engagement remains high, and our internal audit work continued to provide assurance about our governance and controls. We also listened to feedback and complaints so that we can improve our processes and the way we communicate.

As Accounting Officer, I am responsible for ensuring that Estyn uses public money properly and effectively. This report sets out how we have used our resources to deliver independent inspection, advice and support for improvement. It also reflects the care and professionalism of colleagues across Estyn, our contracted inspectors and the many peer inspectors who contribute to our work.

I am grateful to everyone who has worked with us this year: children, pupils, learners, parents and carers, providers, practitioners, governors, local authorities, Welsh Government, Medr and our inspection teams. Their openness and commitment help us do our job well.

The year ahead will bring further change, including continued development of inspection arrangements and a deeper focus on reading. We will keep listening, learning and improving. Most importantly, we will continue to report clearly and independently on what matters most: the quality of education and training, the standards learners achieve and how the system can improve for all learners in Wales.

Owen Evans

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

The Accounting Officer authorised these financial statements in section 3 of this report for issue on 30 July 2026.

Section 1: The Performance Report

1.1 Overview

Our purpose

Estyn is His Majesty's Inspectorate for Education and Training in Wales. Our strapline "For learners, for Wales" captures our purpose to support the system to improve the quality of education and training, and outcomes for learners. We do this by providing an independent, high-quality inspection and advice service to the Welsh Government and the citizens of Wales. We are independent of, but funded by, the Welsh Government (section 104 of the Government of Wales Act 1998).

Our activities

During the year we reviewed our values by reflecting on how they show up in our day-to-day work, our relationships with each other, and the outcomes we want to achieve for learners across Wales. Through open discussion and feedback, we considered whether the values still felt relevant, clear, and meaningful, and whether they reflected the behaviours we want to encourage across the organisation and in our external work. This helped us refine them into a set of shared commitments: doing what's right, putting people first, achieving more together, supporting improvement, and leading with purpose.

Details of our inspector roles can be found on our website.

Our performance summary

Each year we publish an Annual Plan, which sets out the key activities for the year that support the delivery of our mission and objectives, and reflect how we deliver our work. Our Annual Plan 2025-2026 sets out our approach as we moved to embed the new inspection cycle.

- We focussed on embedding and learning from implementation of our new inspection arrangements and acted upon feedback as to how the inspection processes can be further improved
- Extended our deployment of peer inspectors on inspection, involving them on interim visits from the autumn term
- Provided ongoing professional development and training updates for our external workforce to ensure they were fully equipped for inspection

Each year we set ourselves ambitious performance indicators and achievement of these targets is monitored on a regular basis by our Strategy Board.

Our Annual Report and Accounts 2024-2025 were produced within statutory timescales and Estyn's annual resource accounts were unqualified by external audit.

In 2025-2026, we achieved our expected performance level in most areas. The indicator gauge below indicates our level of performance throughout the report.

not met	partially met	substantially met	met

Key events during the year included

Summer 2025

We delivered a significant programme of engagement and training in summer term, including 8 partner events, 12 external training events, and 3 internal training events. Our partner events included forums across multiple sectors, a Headteachers reference group and an Estyn Live event focussed on our behaviour in schools thematic report. We also had a presence at the Urdd Eisteddfod, taking a place on the Qualifications Wales stand and hosting a joint Q and A panel with senior leaders.

External training activity focused on annual updates for All Age, Maintained Special & PRU, Post 16 and lay inspectors in venues across Llandudno, Cardiff and Swansea. We held initial professional inspector training for Secondary and NPQH and ran another session of the Ethnic Minority Leadership Programme. In total, over 900 delegates attended external training, with additional engagement across stakeholder and internal events (Professional Learning and Development week and Central services' Connect and Collaborate event).

We launched five new thematic reports during this term as listed below:

- Fostering mutual respect – promoting positive behaviours in secondary schools
- Improving attendance in secondary schools – an update on progress
- Unlocking potential: Insights into improving teaching and leadership in mathematics education
- International Languages in Schools in Wales
- Jobs Growth Wales+ Follow-up Review

Our Assistant Director represented Estyn at the National Centre for Learning Welsh annual conference in May talking about Estyn's work in this sector.

We ran a second burst of the Ready Already campaign to continue with awareness raising around expectations of providers prior to and during inspection.

Autumn

Our engagement and training programme saw another busy term of activity in autumn, with 9 partner events, 14 external training events, and 4 internal training events delivered. This included the launch of the early insights from the Chief Inspector's Annual Report which took place at Libanus primary school in Blackwood.

Over 500 individuals attended our partner events, and over 300 participants took part in our training activity which included annual update training for post-16 sectors, Youth, Welsh for Adults, and ALN, CIW joint update training (North & South), Termly update training for RgNI and Initial training for Lay, ALN, LGES (Directors of Education) and NPQH. We also hosted the first PI pathway interim visits training for Primary and ran another two sessions as part of the Ethnic Minority Leadership Programme.

Four in person internal training events were held this term Professional Learning and Development week in September and December, a Central services' Connect and Collaborate event and an all-staff conference which focussed on values and gave staff the opportunity to review and refresh our values and behaviours.

We announced our enhanced focus on reading this term which will be embedded into inspection activity from September 2026

We launched a further five new thematic reports during this term as listed below:

- Teaching the Curriculum for Wales
- Literacy, numeracy and digital skills in adult learning in the community
- The Independent Living Skills (ILS) Curriculum in Further Education: Building a person-centred skills-based curriculum
- A New Era: How Artificial Intelligence (AI) is Supporting Teaching and Learning
- Implementation of post-16 aspects of Additional Learning Needs

We launched our second stakeholder survey this term to better understand perceptions of Estyn as an organisation and the impact of our work. This survey will be run as a three-year project to enable us to benchmark, reflect and consider improvements throughout the year.

HMCI and an Assistant Director presented at the CYDAG national secondary conference.

At the start of this term we introduced a monthly programme of Estyn lives, as well as beginning a monthly release of podcasts focussing on education and training related topics, under our Sgwrs brand. During the term, we hosted Estyn lives opening up discussions around Inspection for Schools & PRUs, Teaching the Curriculum for Wales, International Languages in Schools in Wales, and Improving Teaching and Leadership in Maths education. Podcasts released this term are listed below:

- Demystifying the inspection process for schools and PRUs
- The ongoing concerns around attendance in schools
- Overcoming challenges in the teaching of reading
- Thoughts on the teaching of Mathematics in Wales

Spring

On 11 February, we published the Chief Inspector's Annual Report 2024–2025, with an event at the Pierhead building highlighting cross-cutting themes from inspection and thematic work. The online report includes four podcast and a number of best practice case study videos.

During this term, we delivered ten partner events, 8 external training events, and 1 connect and collaborate event for CS staff. We introduced our first Secondary Maths Roadshow to share the findings of our recent thematic report which was delivered in partnership with Dysgu offering six sessions over three locations to support middle leaders in the teaching of maths. 186 delegates attended these sessions. We held a training event for School Improvement Partners from local authorities in preparation for their deployment on IVs as part of the secondary/all age pilot.

Our senior team gave evidence at the CYPE committee in March, answering questions on the findings of the HMCI's annual report.

We also hosted a mini summit with Welsh Government – Anti-racist Wales, to discuss next steps in progressing this agenda.

We exhibited and delivered a workshop at the NTfW conference and the HMCI gave an address at the ASCL Wales conference.

Estyn lives hosted this term covered The HMCI's Annual Report: Key takeaways, and Inside an Interim Visit. We also hosted a webinar exclusively for ASCL members focussed on interim visits.

Podcasts released this term are listed below opened up discussions on the impact of poverty on education and how AI is supporting teaching and learning.

Thematic reports published this term are listed below:

- Exploring the Potential: Artificial Intelligence in Further Education
- More than a last resort: Arrangements and quality of EOTAS tuition in Wales
- Local Authority support for Schools to manage their budgets

1.2 Performance analysis

Performance against strategic objectives

Strategic Objective 1: Provide public accountability to service users on the quality and standards of education and training in Wales

Table 1: Estyn core inspections by sector 2025-2026

Sector	Number in 2025-2026	Number in 2024-2025
Non-maintained nursery settings*	94	89
Primary and maintained nursery schools	208	220
Secondary schools	34	29
All age schools	5	6
Special schools	7	8
Pupil referral units (PRUs)	6	4
Independent Schools (including independent special schools)	14	16
Independent specialist colleges	2	0
Initial teacher education (ITE)	0	3
Local government education services	3	4
Further education institutions	2	3
Work based learning / apprenticeship	1	3
Adult learning (AL)	2	4
Youth Services (YS)	3	3
Welsh for Adults (WfA)	1	2
Welsh language immersion arrangements in local authorities	3	3
Total number of inspections	**385**	**397**

* Joint inspections with Care Inspectorate Wales (All figures - financial year)

Overview of inspection 2025-2026

Developing our inspection frameworks

Since September 2024, the vast majority of our sectors are being inspected using our new frameworks. The updates below provide an overview of key strengths and areas for improvement for each sector. With the inspection arrangements now in place for five terms, we will start the process of a mid-cycle review next year with a view to rolling out any changes in September 2027.

Four sectors are developing their new inspection frameworks. These relate to our non-maintained nurseries, initial teacher education, apprenticeships and learning in the justice sectors. Progress on each sector is as follows:

Non-maintained nurseries

Working with Care Inspectorate Wales (CIW), we have engaged and consulted with partners to develop a new joint inspection framework for the non-maintained nursery sector. The refreshed framework will introduce a clearer, more focused approach while remaining familiar to providers. It also supports shorter, more accessible reports with a stronger focus on what matters most for children, parents and practitioners. Our proposed arrangements will be tested in the spring and summer terms with a view to rolling out our new arrangements in September.

Initial teacher education

Working with partners, we have been developing new inspection arrangements for the initial teacher education sector. Building on our recent consultation, we are engaging with partners to develop changes such as the new ITE link inspector for each partnership and rationalising the inspection areas of our core inspections. We will continue to develop our arrangements with a view to rolling out our new framework in September 2027.

Learning in the justice sector

Building on our recently updated arrangements for inspecting men's prisons, we have worked with partners to update our inspection arrangements for youth offending institutions, and secure children's homes. Draft arrangements will be consulted on next year before we finalise our framework.

Apprenticeships

We are continuing to develop our approach to inspection in the apprenticeship sector, recognising both the changing policy and commissioning landscape in Wales and the distinctive characteristics of apprenticeship delivery. Following the completion of the most recent cycle of core apprenticeship inspections, working with Medr, we have continued to gather robust evidence about the sector through enhanced link inspector visits. An important element of this approach has been the introduction of themed insight reports. During summer 2026, we will publish insights reports on Health & Social Care apprenticeships, and timely completion rates across all subjects using the evidence we have gathered during our enhanced link inspector visits. We will continue to engage with Medr, the sector, and other partners as this work progresses, with the aim of implementing new inspection arrangements during the 2027-2028 academic year.

Welsh language strategy

We continue to meet our statutory responsibilities and completed the compulsory self-assessment questionnaire on our legal compliance with Welsh Language Standards as required by the Welsh Language Commissioner (WLC).

Our revised Strategic Welsh Language Plan has been drafted but not yet published. We intend to revise our strategic plan further to align with an internal use of Welsh policy we are developing following guidance to public bodies issued by the WLC earlier in the year.

This year, we have enhanced our Welsh language training offer by arranging a bespoke, intensive week-long course in Nant Gwrtheyrn at Entry/Foundation level for staff. Two further members of staff attended a similar, intensive course open to the public. We have also supported colleagues where possible to find appropriate follow-on courses and are exploring other ways to support staff to continue with their learning. In January 2026, we launched a mentoring scheme, partnering Welsh learners with fluent Welsh speakers, to support staff on their language journeys.

We arranged a hybrid Gloywi/Proficiency course for fluent speakers who wish to improve their professional use of Welsh.

Well-being of Future Generations (Wales) Act 2015

The Act sets out a shared purpose to achieve a better and lasting quality of life for us all. Although the duty does not apply to us, as we are not a listed public body for the purposes of the Act, we continue to play our part in delivering this vision for the people of Wales. Our strategic objectives support this contribution by focusing on improving outcomes for learners, informing national policy, and building capacity for improvement across education and training in Wales. Our Annual Plan also makes clear that Estyn is committed to contributing to a better and more sustainable quality of life for all, in alignment with the principles of the Act.

Our inspection, accountability and improvement work contributed through the continued embedding of inspection arrangements, including core inspections and interim visits.

These arrangements support providers to identify strengths and consider next steps for improvement.

Our capacity building activity has contributed directly through:

- developing inspection arrangements in partnership with providers and stakeholders, across a range of sectors.
- using interim visits, professional dialogue and feedback to support schools and PRUs to review progress and identify next steps for improvement.
- sharing evidence-based insights, good practice, case studies, thematic findings, Estyn Live webinars and the Sgwrs podcast so that our work is accessible, engaging and useful to education and training professionals.
- contributing to national priorities including Cymraeg 2050, reducing the impact of poverty on learning and attainment, anti-racism, LGBTQ+ inclusion, ALN reform and Curriculum for Wales.
- providing evidence-based advice to Welsh Government and Medr through inspection evidence, thematic reviews, national working groups, consultation responses and the Annual Report.
- strengthening equality, diversity and inclusion through stakeholder forums and work to promote a more diverse peer inspector and education workforce.
- supporting sustainability and long-term ways of working through our data and digital strategy, improved resource management, use of AI where appropriate, Welsh language commitments, and environmentally sustainable operations.

Maintained schools and pupil referral units

The quality assurance (QA) of our inspection arrangements and practices continues through the quality assurance of all inspection reports and on-site quality monitoring. The findings of all QA activities are considered as part of our improvement process that involves the review and refinement of our inspection arrangements.

In the secondary and all age sectors we have piloted deploying School Improvement Partners on IVs. This work continues and will be evaluated in the summer term 2026.

In primary, from September 2025 to March 2026, 19 PIs have been deployed as a team or shadow on IVs. 25 Peer Inspectors have been invited to shadow or be team on primary IVs for the summer term 2026.

Independent mainstream and special schools

All actions identified for 2025–2026 have been completed. Core inspections were carried out in all independent schools scheduled for inspection during the cycle, evaluating compliance with the Independent School Standards (Wales) Regulations 2024 and reporting against the revised inspection framework. Monitoring inspections were also completed as planned to ensure continued compliance with the regulations, and follow-up visits were undertaken where required to support schools in meeting the standards.

Throughout the year, we continued to evaluate schools' compliance with the Independent School Standards (Wales) Regulations 2024 and tracked the impact of the revised inspection framework. Feedback evidence indicates that the framework is supporting a culture of continuous improvement across the sector. Support was provided to schools requiring improvement, including scrutiny of action plans and follow-up engagement to ensure effective implementation.

A strong focus was maintained on schools providing for pupils with ALN to ensure that provision meets pupils' specific needs and supports their progress. In addition, targeted training for inspectors was delivered to strengthen expertise in applying the regulations and evaluating key areas such as ALN provision, safeguarding and improvement planning.

Overall, the completion of these actions has strengthened our inspection and monitoring processes and supported improvement in teaching, learning and leadership across independent schools in Wales.

Non-maintained nursery settings

The work has continued at pace this academic year to ensure that the Framework is delivered on time. The draft framework has been shared with members of the NMS stakeholder group and received very positive comments. Four try-out inspections have been planned for early summer term with a further four pilot inspections taking place during the summer term.

30 new RgNI received training at the end of the spring term and will all be deployed for Part 2 of the assessment during the 2026/27 academic year. This will double our number of RgNIs and will help us to meet our planned number of inspections each year.

Joint training events in both north and south Wales have been organised for June and possibly September to train CIW/HMI/RgNI inspectors on the new framework.

We continue to be on track to meet the number of planned inspections this year.

Local government educational services

All LGES (and associated youth work) inspections completed as scheduled, with no significant issues arising.

Youth work sector

During the summer term, we undertook a themed inspection across four voluntary youth work organisations. In September, we delivered update training for peer inspectors. Inspections were conducted in Neath Port Talbot, Monmouthshire and Bridgend local authorities across the summer, autumn and spring terms respectively. Throughout the year, we maintained active engagement with stakeholders from across the sector.

Welsh language immersion arrangements in local authorities

By the end of March 2026, we will have inspected Welsh language immersion provision in three local authorities since April 2025. These include Merthyr Tydfil, RCT and Vale of Glamorgan. The inspection of Swansea LA provision has had to be re-scheduled for 2026/27 financial year due to a clash with a LGES ELV.

We continue to build capacity within the sector including both HMI and PI, it has been challenging at times to programme a HMI with relevant experience and skills in this area due to demands on the work programme. As a result, we had to allocate an AI to the Vale of Glamorgan inspection.

We have had discussions with WG on their development of guidance to support LA and immersion centres. We will continue to meet with them termly to support them with this development.

Post-16 sectors

By the end of March 2026, we will have concluded the inspection activity that we planned for the year.

As previously reported, we completed the previous cycle of inspection for apprenticeship providers by August 2025.

As agreed with Medr, we have paused core inspections of apprenticeship providers for 2 years to allow Medr to consult on, develop and implement the new apprenticeship programme which will run from 1st August 2027. Instead, we have conducted enhanced link inspector work with a particular focus on health and social care and will result in the publication of early insights reports in the summer term 2026.

We have established effective working relationships with Medr. This included operating a service level agreement for the 2025-2026 financial year as well as developing the grant funding arrangements from April 2026 when our funding for work in tertiary education started to come directly from Medr. Through our role as observer on the Medr Quality Committee were able to ensure that evidence from inspections informed the Committees discussions were relevant.

We continue to work with QAA to share expertise and bring greater coherence in our inspection and quality review processes across tertiary education providers. We are currently working on a joint project with QAA to support effective self-evaluation and improvement planning across all tertiary providers. This will be published during summer

2026. We have also been reviewing how we would respond to any significant concerns raised about a provider that we inspect.

Welsh for Adults

As planned, we have published our first themed inspection report of Work Welsh/Cymraeg Gwaith (September 2025). Completed a core inspection of a Learn Welsh provider (December 2025) and concluded the fieldwork for our second themed inspection of Welsh in the education workforce (Spring 2026). We have tweaked our planning arrangements for the second themed inspection after reflecting on our new inspection arrangements.

Learning in the justice sector

We inspected the secure children's home in November 2025. We arrived with CIW, but as they had chosen a week for their inspection when the education provision wasn't running (half-term), we inspected the following week. We will review our MoU and working arrangements with CIW following this inspection.

Following a period of consultation and piloting our arrangements in February 2025, work with His Majesty's Inspectorate of Prisons to finalise new inspection arrangements for implementation from April 2026.

We also undertook an unannounced inspection alongside HMI Prisons in March 2026.

Safeguarding

We continue to strengthen our work to ensure that safeguarding remains central to Estyn's inspection activity and organisational practice. The strengthened approach introduced in September 2024 is now embedded across inspection work and internal systems, with safeguarding consistently prioritised in inspection planning, evidence gathering and reporting.

Over the year we further developed staff capability through targeted professional learning e.g. bespoke training on the Prevent duty, violence against women, domestic abuse and sexual violence and a trauma-informed inspection approach to support inspectors when working with vulnerable learners and sensitive safeguarding contexts. In addition, all safeguarding lead officers and assistant directors completed enhanced safeguarding training facilitated by the NSPCC, strengthening leadership capacity and oversight of safeguarding across sectors.

We have continued to provide direct support to inspectors when safeguarding concerns arise during inspection activity. This support provides an immediate and rapid response to help inspection teams manage sensitive situations confidently and ensure that concerns are addressed promptly and appropriately. Feedback from inspectors indicates that this responsive support is highly valued. However, the team has at times found it challenging to respond when safeguarding leads are themselves engaged in inspection activity. To address this, a timetabled rota of safeguarding lead officer availability has been established to ensure consistent cover and maintain rapid support for inspectors.

We completed a comprehensive internal review of Estyn's safeguarding arrangements in November 2025. The review examined safeguarding across inspection frameworks, internal policy implementation, training, judgement-making and the use of safeguarding intelligence. It confirmed that Estyn's safeguarding arrangements are strong, credible and professionally embedded, providing a secure foundation for inspection and organisational assurance.

The review provides a clear direction for further development as we move toward the 2026–27 inspection framework cycle, with a focus on improving consistency, deepening evaluative practice and making better use of safeguarding intelligence.

External engagement has remained a strong aspect of our safeguarding work. Estyn has continued to work closely with Welsh Government, Care Inspectorate Wales (CIW), Healthcare Inspectorate Wales (HIW) and HMICFRS, contributing to national safeguarding procedures and wider professional learning.

Estyn strengthened joint inspection arrangements with CIW by developing a collaborative framework to support national thematic reviews and joint inspections focused on safeguarding and child protection. This included a national review of Section 5 procedures and a joint safeguarding inspection in Gwynedd, helping improve multi-agency accountability and understanding of safeguarding practice across Wales.

Follow-up activity

Formal monitoring arrangements for providers requiring follow-up activity following core inspection have been maintained. Monitoring activity has been scheduled and undertaken in line with agreed timelines.

There are no longer maintained schools or pupil referral units (PRUs) in Estyn review as at Spring term 2026.

Collaborative working with the Welsh Government and local authorities to support the multi-agency programme for secondary schools causing concern has been sustained. Other engagement has included participation in discussions around post-inspection action planning, the further development of the pastoral HMI role in secondary and all age schools and involvement in review activity for secondary, all-age schools and PRUs in special measures. We have also developed and published guidance on supporting schools and PRUs going into statutory category.

Link inspector support for local authorities causing concern has been delivered. Improvement conferences and monitoring visits have been carried out where required, providing appropriate levels of challenge and support.

Follow up work with post-16 providers identified as causing concern through inspection has continued. Initial engagement has taken place with the Welsh Government and Medr to clarify Estyn's role in supporting providers who may be at risk of non-compliance with Medr's quality and continuous improvement condition. Early discussions have informed the development of agreed approaches which will be discussed and agreed with partners during the coming year.

Number of providers going into and coming out of follow-up, financial year 2025-2026[1]

(a) Statutory follow-up (special measures / significant improvement), focused improvement and re-inspection

Sector	In follow-up at the start of the year	Placed in follow-up from core during the year	Proportion of inspections carried out where providers placed in category	Downgraded level of follow-up	Removed from follow-up during the year	In follow-up at the end of the year
Maintained schools and PRUs	83	27	11.4%	2 (1 SI to SM and 1 ER to SM)	46	64
Non-maintained nurseries	2	1	1.2%	0	2	1
LGES	1	0	0%	0	0	1
Post-16	1	0	0%	0	1	0
ITE	1	0	0%	0	0	1

The number of maintained schools and PRUs in special measures or significant improvement during the year decreased from 83 to 64.

(b) Estyn review / Estyn monitoring / Progress review / Local authority causing serious concern

Sector	In this level of follow-up at the start of the year	Placed in this level of follow-up from core during the year	Proportion of inspections carried out where providers placed in this level of follow-up	Downgraded level of follow-up	Removed from this level of follow-up during the year	In this level of follow-up at the end of the year
Maintained schools and PRUs	26	0	0%	1 (ER to SM)	26	0
Non-maintained nurseries	1	0	0%	0	1	0

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

We discontinued Estyn review as a follow-up category for school and PRU core inspections taking place from the Autumn term 2024. We have continued to review the progress of school/PRU providers placed in Estyn review with local authorities prior to September 2024. These reviews are likely to continue until December 2025.

When a provider is placed in statutory monitoring, it is a statutory requirement that immediately after the report's publication, the governing body devises a post-inspection action plan (PIAP), and the local authority writes a statement of action. Inspectors meet with the provider and the local authority to ensure that the plans are likely to bring about the required improvements, before the plans are forwarded to the Welsh Government. We call these visits PIAP visits.

Once the plans have been accepted, we monitor the progress of these providers. For maintained schools and PRUs in special measures, the monitoring visits take place every four to six months. In practice, this is normally termly. For providers placed in significant improvement, we return to evaluate progress around 12 to 18 months after the core inspection.

We are continuing to work with schools and local authorities to support improvements. In particular we are working closely with school leaders to consider how they can be more involved in the monitoring process, to build capacity and ensure that they can align monitoring feedback with other aspects of their evaluation and improvement arrangements. We also continue to support the multi-agency programme in the secondary and all-age sectors.

In terms of our performance measures:

None of our published inspection reports during the reporting period required substantial amendment after publication as a result of challenge and all were published in a timely manner.

97% of providers express satisfaction with the reliability and independence of inspection findings.

Feedback

Three formal complaints were received about the inspection process in 2025-2026.

We also received lots of positive feedback about our work, both through or formal feedback mechanisms and unsolicited. Here is a selection of comments we have received regarding our inspection activity in the last year:

Headteacher of primary school: The staff and myself wanted to extend our sincere thanks to the Estyn team in the way in which they conducted the inspection this week. Their calm, professional and supportive approach helped to reassure staff and myself as nominee throughout the process. The team's manner created a positive atmosphere in school and made what could have been a very stressful experience feel constructive and fair. We genuinely appreciated the way they engaged with our pupils, staff and governors, and how clearly they communicated each step. It was a valuable experience for us as a school, and we are grateful for the respect and clarity shown by the inspection team from start to finish.

Headteacher of primary school about the follow-up process: This process has been productive, and so helpful on an ongoing basis. For SM (special measures), because HMI visit termly, the direction of travel and achieving improvements incrementally has been nothing but helpful. It's given clear direction to all parties, that everyone's understood. … The sustainable bit of SM –the main learning outcome, is that their monitoring has moved away from what teachers do and moved onto pupil progress. This single point is what's made the biggest difference, and what everyone understands now as 'school improvement'.

Headteacher of secondary school: I just wanted to email to say thank you to you and the whole team for carrying out our Estyn inspection so well last week. As you know, when I first received the call only 4 days into a new headship, I was filled with absolute dread, but in hindsight I realise that it was actually an excellent process for me to be part of so early and has provided me with clear recommendations to work on with the team moving forward. Thank you for being very supportive and caring, not just during the inspection week itself, but in the weeks leading up to it - this definitely helped me to remain calm and positive for the staff and pupils at school. I'd like also to thank the whole team; every one of the inspectors was incredibly professional, thorough, but also supportive and caring throughout. On the Tuesday, Owen Evans asked me how I felt inspections could be less stressful for schools, and the answer for me is definitely having inspectors like those we had: professional, thorough, fair, but also caring, supportive and "human".

Headteacher of maintained special school: The team were excellent throughout , they made staff feel at ease from the outset and encouraged the staff to carry out their roles as they would normally. There were opportunities for staff to chat informally to the team and this was greatly appreciated by staff. All the team were happy easy going and supported staff where possible to be relaxed and comfortable, this ensured staff were able to give of their best. Overall, the inspection was very well conducted and managed with the school staff feeling very supported by the team. I feel as Nominee there were very good opportunities for professional discussion and I was involved throughout the process and my views and voice were listened too. As a process I feel it was very positive and more importantly one where we as a school could take a lot from and progress.

Manager: Welsh for Adults: I wanted to get in touch directly to thank you (and the team) for the report on Cymraeg Gwaith plans. It gives us a clear focus in terms of planning for the future. We had a meeting of the Workplace Group at the beginning of the week and had a very positive conversation with the Managers and their officers about the priorities. I'm sure we'll have many interesting things to report on when you see us next.

Strategic Objective 2: Inform the development of national policy by the Welsh Government and Medr

Welsh Government has welcomed our focus on 'Reading' as our 3-year strategic priority. We have held a 'Live' Estyn event for primary schools to explain our enhanced focus on reading and to share high-level information about our piloting arrangements in the spring term. There is a detailed programme of professional learning in place for internal staff. Modules 1 and 2 were delivered during December's PLD week and were well received. Modules 3 and 4 will be delivered during April PLD week. In addition, we have filmed a 20-minute video for the primary and secondary sectors to use as an introductory focus during update training for external inspectors during the summer term.

We have also identified the 'Teaching of mathematics' as an additional priority and have been supported by Welsh Government to provide professional learning for teachers.

In launching the Annual Report, the Chief Inspector noted that it draws together inspection evidence from across education and training in Wales to provide a wider picture of how the system is working for learners. The report highlights that there remains much to celebrate across sectors, including strong relationships, inclusive cultures and a clear commitment to learner well-being. It also recognises that, where provision is well tailored, many learners, including those with additional learning needs and those experiencing poverty, make at least sound progress. Safeguarding continues to be a consistent strength, supported by thoughtful curriculum design and dedicated leadership in many settings.

At the same time, the report makes clear that important challenges remain. In particular, teaching quality continues to be too variable, especially in secondary schools. It also highlights inconsistencies in the development of learners' skills, notably in numeracy, digital competence and advanced reading. Attendance remains well below pre-pandemic levels for too many learners, limiting their progress and engagement in learning.

In addition to this, the Chief Inspector emphasised that the report helps to identify these issues not as isolated concerns within individual providers, but as wider patterns across the system. It highlights that, where leaders know their provision well, set high expectations, use evidence intelligently and align professional learning to improvement priorities, outcomes are stronger. Conversely, where self-evaluation is superficial or overly focused on compliance, improvement is slower and less secure.

He stated:

> *This year's annual report shows a system with genuine strengths, but also one where persistent weakness in teaching, attendance and self-evaluation continue to hold too many learners back. Our hope is that the report supports honest reflection across the system and helps all those involved in education and training to focus clearly on what needs to improve if all learners in Wales are to thrive.*

HMCI's Annual Report was published in February 2026, in line with the target date within our Annual Plan 2025-2026.

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

During 2025-2026, we published twelve thematic reports on a range of topics in response to the Minister's annual remit letter. These reports contained an overall total of 157 recommendations, 51 for the Welsh Government. All recommendations for improvement were accepted or commented on by the Welsh Government during the reporting period.

Thematic reports published in 2025-2026

Name	Date of publication
Promoting positive behaviour in FE colleges	May 2025
Promoting positive behaviour in secondary schools	May 2025
Improving attendance in secondary schools – an update on progress	May 2025
Curriculum for Wales: Maths and Numeracy AOLE	July 2025
International languages	July 2025
Jobs Growth Wales Plus	July 2025
Curriculum for Wales: Teaching in the context of Curriculum for Wales	September 2025
Basic skills in adult learning in the community	September 2025
Independent Living Skills curriculum review	September 2025
Generative AI in schools and PRUs	October 2025
LA support for school budgets	March 2026
Arrangements for and the quality of individual tuition for pupils educated otherwise than at school	March 2026

Across 2025-2026, we also published a total of 32 case studies, based on effective practice identified during inspection and invited from providers. We also launched the use of shorter cameos of identified interesting practice, for inclusion within inspection reports.

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

- 11 March 2026: HMCI's Annual Report

Senior management and HMI also attended the Welsh Affairs Select Committee hearing:

- 29 October 2025: Inquiry into prisons, probation and rehabilitation in Wales

Curriculum for Wales

We have continued to support the roll out of Curriculum for Wales, holding regular meetings with Welsh Government officials to advise on curriculum matters such as progression and professional learning. We have met with the Cabinet Secretary for Education to advise on priorities relating to curriculum, teaching and assessment.

Artificial Intelligence

We have made significant progress this year in developing our understanding and use of artificial intelligence (AI), both in our own work and across the wider system. Our thematic reports on AI in education (A New Era: How Artificial Intelligence (AI) is Supporting Teaching and Learning - Estyn and Exploring the Potential: Artificial Intelligence in Further Education - Estyn), together with associated workshops, have helped establish a clear position: AI is not an end in itself, but a tool to support effective teaching, learning and inspection. This message has been reflected in our published work and engagement with practitioners, where the emphasis has been on using AI to strengthen thinking and professional judgement rather than replace them.

During the year, we continue to make progress with our pilot projects. Through carefully governed experimentation and on-going professional learning, AI has supported tasks such as analysing large volumes of evidence, identifying emerging themes, and improving the clarity and accessibility of our reporting. Colleagues have also begun using AI to test ideas, refine outputs and prepare for external presentation. Although these approaches have improved efficiency, we have maintained a strong focus on professional oversight, recognising risks such as inaccuracy, bias and over-reliance. A decision to roll out these pilot projects will be made early next year.

Our work with international partners to develop approaches to using AI in support of inspection was also highlighted in a recent podcast recorded as part of a conference we hosted in Cardiff Bay.

We have also strengthened our international and system leadership work. Engagement with partners, including through our work with Tallinn University has reinforced the importance of viewing AI as a leadership, curriculum and workforce challenge rather than a purely technical one. This has helped shape our thinking about the role of AI in Welsh education, including its potential to support effective teaching and learning.

Our approach to AI is now moving from exploration towards implementation and embedding. A move made possible because of our investment in guardrails such as professional learning, data protection and equality impact assessments and appropriate governance and risk management. Practice across the system, however, remains uneven and is often driven by individual initiative rather than coordinated leadership. In response, we are continuing to deepen our internal understanding, explore how we look at AI as part of inspection activity, and work with partners, including Welsh Government and Dysgu, to build a more coherent and sustainable approach to AI in education in Wales.

The implementation of ALNET Act

The implementation and embedding of the ALNET Act continues to be a key focus across sectors.

We remain active contributors to the ALN/ADEW working group, where we provide advice, report on the current state of ALNET implementation and offer strategic oversight of the reform.

During this year, we have produced both a Welsh-medium and an English-medium podcast showcasing effective ALN practice across maintained primary, secondary and all-age schools.

ALN remains an area for development within further education (FE) colleges. In response, we are publishing sector guidance on terminology, delivering a planned presentation for Colegau Cymru ALN delegates and releasing an Estyn podcast.

In addition, our thematic review 'The Independent Living Skills (ILS) Curriculum in Further Education: Building a person-centred skills-based curriculum, identified key strengths and areas for development in college provision for independent living skills. An accessible “easy read” version of the report has also been published.

To support our work around ALN, we have revised and published supplementary guidance for ALN and provided clear guidance to inspectors on our approach to inspecting local authority specialist resource classes (LASC).

We have continued to develop and strengthen our briefing guide for inspectors. This guide provides clear and detailed instructions to both reporting inspectors and ALNI on how to approach and report on the inspection of LASC provision in schools. Feedback from colleagues regarding the briefing guide has been positive.

Independent schools

We have observed that a few pupils who previously have attended independent mainstream schools are now being issued with IDPs. As a result, these schools are unable to admit such pupils unless their registration explicitly reflects the pupils' needs.

On behalf of the Welsh Government, we have provided advice on the suitability of the ALP offered by these schools and, where necessary, recommended amendments to their registration. However, as independent schools are not within the scope of ALNET and their registration continues to be based on ALN rather than ALP, this creates ongoing challenges.

Anti-Racism

We continue to progress against our strategic equality plan priorities. During this year, our ethnic minority leadership programme completed its third cohort, incorporating the local government sector for the first time, with former participants reporting positive steps forward in their careers including promotions and successful completion of our peer inspector training. We rolled out demographic questions as part of our pre-inspection learner questionnaires which over time will allow us to analyse whether there are any differences of views about their experiences from different groups of learners. Our annual report focused on the experiences of learners from Gypsy, Roma and Traveller communities (Supporting pupils from Gypsy, Roma and Traveller communities and Video). Despite, target recruitment activity as part of or lay inspector recruitment round, we failed to attract a more diverse set of applicants so we will review our approach again next time.

While recent recruitment has attracted a diverse pool of applicants, this is not yet reflected in outcomes. In response, we are introducing candidate feedback mechanisms and plan to work with equality organisations to better understand and address potential barriers in our recruitment processes.

Self-evaluation and improvement planning

We meet regularly with officers from the Welsh Government to provide feedback from inspection and other activity. This includes practical suggestions to support leaders, including delivering on these aspects at joint conferences with the Welsh Government for primary and secondary headteachers.

As mentioned earlier, we worked with QAA and tertiary providers to draw together evidence about effective self-evaluation and continuous improvement across tertiary providers, resulting in a toolkit that will be published in summer 2026.

Mitigating the impact of poverty

Mitigating the impact of poverty on learning and educational attainment is a Welsh Government priority: we have therefore continued to focus on providers' work to mitigate the impact of deprivation. For example, we have reviewed and updated our supplementary guidance and published it on our website. We have also shared our approaches to inspecting how providers are addressing this in an all-Wales conference of Pupil Development Grant (PDG) officers as well as a round-table event with the Welsh Government when discussing the publication on the use of the PDG grant by Bangor University. To further emphasise the importance of this aspect of our work and to encourage practice that goes beyond mitigating the material impact of poverty alone, we delivered a session on this topic in an external update training for the schools sectors in the summer of 2025.

During 2025-26 we have been further developing our whole-organisation strategy and action plan for our work to mitigate the impact of poverty, sharing across senior management for further development and scrutiny. In summer 2026 we will present the latest action plan and proposed developments.

We have introduced and delivered a training session on this topic in every professional learning week for our own staff, this academic year. We have also continued to reflect on how inspection can support our drive to reduce the impact of poverty on educational attainment and well-being.

Our work with Medr

We have continued to build strong relationships with Medr. This has included reaching the point of Medr agreeing our first funding settlement and establishing the mechanisms for them to provide us with direction about how they want us to deliver our responsibilities in support of their priorities. We provided feedback to help them shape their first published quality framework, which we will help to shape how we evolve our future inspection arrangements.

We worked closely with Medr to provide feedback as part of the relevant thematic work carried out this year including the reports on adult basic skills, AI in further education, independent living skills programmes and behaviour in FE colleges. We also established a joint process with Medr and Welsh Government to identify and agree future thematic reports that would meet their strategic needs and priorities.

Medr provided additional grant funding for us to collaborate with QAA on the self-evaluation and continuous improvement toolkit, as part of the strategic drive towards a more joined up tertiary education sector in Wales.

We were able to contribute directly to the work of Medr's Quality Committee for example by presenting papers on our work and potential joint work with QAA. We used local authority link inspector time and our evidence from inspections of secondary and all age schools to develop an overview of quality across sixth forms which was discussed by the Quality Committee.

As Medr continue to develop aspects of their work such as the new learner survey or the learner engagement code, we have facilitated discussions with inspectors to ensure inspection evidence shapes the developments.

Consultation responses

We also used our extensive evidence base to respond to 35 consultations on a wide range of educational matters during the financial year, 22 from the Welsh Government, 5 from Medr and 9 from other organisations. Consultation responses included:

- Rights, respect, equality anti-bullying guidance
- Teacher recruitment and retention
- Design requirements for new essential skills Wales qualifications
- Medr: consultation on new regulatory system

The Welsh Government's consultation page can be found here.

You can view all our consultation responses on our website:

Responses to school reorganisation proposals

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025 – 2026
33	30	32	11	31	34	43

In 2025-2026, we responded to 43 school re-organisation proposals, which is slightly higher than in previous years, aside from a dip in 2022-2023. In most cases, we concluded that the proposal is likely to at least maintain the current standards in terms of education, provision, and leadership and management. We noted where the proposer had identified a clear rationale for the proposal and gave reasons why the change was necessary.

Advice and support to key national steering groups

We support a range of working groups nationally and on an ad hoc basis as required. In particular, we have established regular meetings with Medr at a range of levels to discuss matters of shared interest. In addition, we continued to contribute to a range of national steering groups during the year, which can be broken down as follows:

Catch-ups / regular stakeholder meeting groups: 61
Committees: 18
Formally constituted working groups: 54
Project groups: 12
Reference groups: 12
Request to take part in research: 13

Examples of the groups attended this year are as follows:

- The programme board and Coherence group for the School Improvement Partnership Programme
- As an observer on Medr’s Quality Committee
- National Professional Qualification for Headship (NPQH) working group
- Literacy and Numeracy Framework (LNF) working group
- Ministerial Taskforce for attendance
- Qualifications Wales Stakeholder Group

Strategic Objective 3: Build capacity for improvement of the education and training system in Wales

Information gathered from inspection and engagement work and thematic survey work helps us to play a key role in building capacity for improvement across the education system. This work includes consultations and surveys, conferences, stakeholder events, training events and publishing improvement resources on our website. Our improvement resources include: the HMCI's annual report, influential thematic reports, effective practice case studies and a wide range of multimedia assets, which aim to support practitioners in their day to day work. These include video summaries, video FAQs and our podcast channel.

Education professionals and other stakeholders access our thematic report recommendations, guidance and effective practice case studies through a range of communication channels. We actively promote our resources through social media and our website using graphics and videos to boost engagement and attract the attention of busy headteachers, teachers and others who work in or support education and training.

We continue to share updates with our parent and carers community including summaries of our new framework changes, our new website and seeking feedback on interim visit reports.

We continue to raise awareness of the range of resources available on the Estyn website and to encourage stakeholders to visit and access this wealth of information to support their work. Listening to feedback from users, we continue to develop the functionality of the website to enhance the user experience and present our information in an accessible and engaging way.

Resources are listed and presented in an easy search view and video content and FAQs are developed to present information in a more interesting format. We have introduced video case studies to share effective practice and will build on this offer encouraging providers to share footage of successful work highlighted on inspection.

Our work around the **HMCI's annual report** continues with our drive to ensure that our work is accessible and useful to stakeholders. As well as presenting the information in an engaging online format, we captured best practice through video case studies and shared the report findings at a stakeholder launch event, which included a provider Q and A panel.

We continued with our podcast series, pulling a diverse range of providers together to discuss topics aligned to key themes within the report.

We continue to promote the Barod yn barod/Ready Already campaign, focused on post-16 providers in the Summer term, to relay expectations of inspection to this audience – building on our campaign aimed at schools and PRUs launched earlier in the year.

In 2025-2026, we carried out a full programme of both online and in-person events.

We ran 80 events during the year including 28 stakeholder events and 34 training events. 19 stakeholder events were held in person and 9 online. Of the inspector training events held, 26 were in person and 8 were either fully or partially online.

We value the feedback we receive from delegates and use this to continually improve. We collated feedback from our training events and best practice conferences and received lots of positive feedback.

Peer inspectors

Peer inspectors (professional practitioners who have a leadership role in a school or provider and have significant teaching or training experience in the relevant sector) remained an integral part of our inspection processes. We have around 1,236 peer inspectors on our lists.

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

We deployed peer inspectors on 306 inspections throughout this reporting year.

To prepare the ground for future peer inspectors, this year we recruited a third cohort of our leadership development programme for practitioners from ethnic minority backgrounds to raise their awareness of our work and support their leadership development as they progress in their careers. Eight participants completed the programme successfully, including Local Government Education Services for the first time and continuing to include further education and primary schools. The programme continues to have impact, with around half of those participating achieving promotion during the course of the programme. Some will progress to our full peer inspector training programme and successfully attain peer inspector status, helping to increase the diversity of our workforce. The number of eligible applications has increased significantly, with five successful applicants deferred to cohort 4 of the programme to take place during 2026-2027. We will target specific sectors to fill the remaining 3 places.

Local authority link inspectors

Our local authority link inspectors (LALIs) have continued to provide a worthwhile link between Estyn and local authorities across Wales, sharing information, and gathering knowledge and understanding of the work of local authorities across a number of education sectors. As previously stated, local authorities are complimentary about this link and value the open discussions about a wide range of issues that LALIs have with them at various levels in the local authority. We provide guidance, professional learning and termly plenary sessions for our link inspectors to enable them to carry out the role effectively.

Post-16 link inspectors

We continued to engage with post-16 providers through link inspector visits this year. Our areas of focus for the year included Artificial Intelligence (AI) in further education, and health and social care and timely completion rates in apprenticeships. We published an insights report Exploring the Potential: Artificial Intelligence in Further Education – Estyn in March 2026. We worked with Medr and the sector to explore changing how we approach our link inspector engagements during the next year.

How we deliver our work

Building a better organisation and living our values

A great place to work

Throughout 2025-2026, we have continued our work on making Estyn a great place to work, and have built on last year's progress.

Civil Service People Survey 2025:

Staff engagement score: 73%
(Civil Service Benchmark score 65%)

Our Engagement Score was above the Civil Service high performers benchmark

The results of the Civil Service People Survey showed that Estyn was again within the top quartile in terms of employee engagement across the Civil Service. Seven out of nine of the themes were at or above the Civil Service high performers benchmark.

Over the course of the year, we have:

- developed an action plan, based on feedback from the people survey which features short-term, medium-term and long-term goals
- completed a review of the scope of the employee engagement group, continuing to work with the group on employee engagement matters
- continued to review and update People policies in line with best practice and changes to employment legislation.
- Recruited to several new roles within Central Services to help capacity and capability
- continued to evaluate the staffing needs across the organisation

Turnover for the year was 10% (compared to 7.1% in 2024-2025)

Relationship with unions

During 2025-2026, we maintained our productive and professional relationship with the two unions, Public and Commercial Services Union (PCS) and FDA. We discuss together the outcomes of the annual People Survey and how we will tackle issues identified.

Skilled people

During the year, we have continued to ensure that our learning and development programme supports staff to further develop the skills that help underpin our values and maintain our high levels of engagement.

During 2025-2026 we:

- provided comprehensive induction for new joiners
- provided recruitment training to those from central services involved in recruitment panels
- continued to support staff to develop Welsh language skills, including residential courses and weekly lessons
- supported inspectors and central services staff to attend professional seminars and conferences
- continued to roll out Equality Impact Assessment training for policy makers within Estyn to ensure that our policies, practices, or decisions do not discriminate and actively promote fairness, inclusion, and equality for all
- undertook a review of our Professional Learning and Development weeks for HMI to ensure that our approach reflects the needs of colleagues
- provided mental health awareness training to colleagues in Central Services
- provided enhanced safeguarding training to those individuals who lead on safeguarding
- piloted reverse mentoring for colleagues in Central Services to mentor senior colleagues

Equality and employee welfare

During 2025-2026, we continued to raise awareness of equality and diversity. Our equality objectives cover how we consider equality when we inspect and how we will ensure that our own staff and those we contract with have equality of opportunity and are treated equally. We updated our Strategic Equality Plan, which now reflects our intentions up to 2028: Strategic Equality Plan 2024-2028. This document lays out how we will work to achieve our three equality objectives:

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

The well-being and safety of our staff are at the forefront of our organisation’s plans. The well-being and employee engagement group regularly promote well-being initiatives and activities.

We have developed a wellbeing strategy in 2025-26 which supports us further in creating a well-being culture which is championed at all levels, prevention focused and improves our standards and practices.

We also ensure all staff are:

- equipped with software, laptops and other IT equipment to work securely and efficiently from home
- aware of the support services on offer via the Employee Assistance Programme
- provided with a range of safety equipment required to carry out their inspection activity visits safely
- given the opportunity to review their DSE assessment, following changes to their original home/work base set up
- given the opportunity to undertake an annual health check
- encouraged to use well-being time

Welsh language standards

In 2024-2025, our 13th Annual report on the Welsh language in Estyn 2024-2025 was published, which included a progress summary and priorities for 2024-2025. The report highlighted how we continued to comply with the legal duties placed upon us as an organisation under the Welsh Language Standards.

We continued to engage with a wide range of public consultations and our inspection and thematic reports considered the use of the Welsh language relevant to those educational contexts and recommendations to providers and settings are often made in those reports.

Last year, we identified the need to respond more proactively to the enthusiasm of staff to develop their Welsh language skills. This year, we have supported staff to develop their Welsh language skills by:

- providing access to residential Welsh language learning opportunities at Nant Gwrtheyrn
- delivering a proficiency level course for staff to refine their professional Welsh language skills
- supporting staff access to Learn Welsh provision in their own time
- introducing a mentoring programme to support staff to practice their language skills and grow in confidence.

Met the requirements of Welsh Language Standards

Comments and complaints

Over 2025-2026, the number of complaints we received about our inspection activity increased from those investigated in the previous year. Eight stage 2 complaints were received during the period.

Complaint	Date	Outcome
Conduct of secondary inspection team and bias in relation to the school	June 2025	Not upheld
Conduct of primary team inspector	October 2025	Partly upheld
Conduct of primary inspection team	November 2025	Partly upheld
Conduct of secondary inspection team	November 2025	Partly upheld
Conduct of primary inspection team	November 2025	Partly upheld
Conduct of secondary inspection team and application of inspection processes	January 2026	Complainant withdrew
Conduct of primary lead inspector and fairness of inspection process	March 2026	Ongoing
Conduct of Post 16 inspection team	March 2026	Partly upheld

Where aspects of the complaints were upheld, an action plan was produced in order that the issues raised could be addressed as quickly as possible, either through training, or through modification of our systems and processes.

Although the complaint investigations were completed and responses provided within agreed extended deadlines, each of the providers has expressed dissatisfaction with Estyn's processes, and we recognised the need to ensure that our processes are tightened, in relation to the preparation of meeting notes, and the checking of the final report responses. We have responded to a request from the Public Services Ombudsman for Wales.

We strive to improve our processes on a continual basis, using the experience of each complaint investigation to refine our internal guidance. During the year, we carried out an internal consultation on our complaints management and guidance. As a result, the documents have been updated and we will carry forward any future investigations in accordance with our revised procedures.

As part of our continuing work to strengthen our complaints process, we piloted an external complaints review panel as a sub-group of ARAC, in response to feedback about the perceived lack of externality in our arrangements. The panel reviewed a sample of closed complaints, including the supporting timelines, outcome letters and associated inspection reports. The discussion identified useful learning to help refine our complaints policy and guidance, including the handling of safeguarding concerns, links with inspection quality assurance, clarity where multiple complaints relate to the same inspection activity, and training for non-executive directors. Following the pilot, we agreed that the panel should continue to meet annually as an ARAC sub-group, with its findings feeding into our annual complaints reporting and ongoing improvement of the process.

A total of 16 informal stage 1 complaints were also received, each of which required in response an explanatory note about our procedures and decision-making, or a telephone call to provide reassurance about our systems where necessary.

We also logged a total of 59 compliments about our work, for example in relation to the conduct of our inspectors, and about our support on training or participation in conferences.

Requests for information

This year we received a total of 35 Freedom of Information requests with two requests being withdrawn. Thirty-four of the responses were responded to within 20 working days. One request exceeded the statutory deadline due to an administrative issue (receipt via a spam folder), which has since been addressed through strengthened processes. In terms of outcomes:

- A majority of requests resulted in full disclosure
- A proportion required partial disclosure, reflecting appropriate application of exemptions
- A small number were not held, withdrawn or refused, consistent with normal FOI activity

Details of FOIA requests and responses are published on our website and can be found here.

Sustainability and biodiversity reporting

We continue to identify opportunities to further improve our environmental management activities and outline these in our environmental report. In 2025-2026, our CO_2 emissions fell to 121,523 kg CO_2, an 8% reduction compared with the previous year.

Our organisation, workload and operations continue to grow. Further information about our increased expenditure is provided in the section on ‘financial performance highlights’. Our main environmental impact continues to arise from transport-related CO_2 emissions, primarily from inspectors travelling to education and training providers. Transport accounted for 89% of our emissions in 2025-2026.

During 2025-2026, we carried out 385 core inspections and maintained more regular engagement across the education sector. This included themed visits in the Welsh for

Adults sector, enhanced visits in both the LGES and Post-16 sectors, monitoring inspections in the independent sector, monitoring visits to independent specialist colleges, and interim visits in maintained schools and PRUs. We also undertook a considerable amount of follow-up inspection work, thematic report activity, and event and training activity.

Total transport emissions were 107,617 kg CO_2 in 2025-2026, compared with 115,604 kg CO_2 in 2024-2025. Business mileage by private and hire car totalled 374,797 miles in 2025-2026, compared with 383,900 miles in 2024-2025. During the reporting period, air travel totalled 20,706 miles and rail travel totalled 10,991 miles.

We continue to use online delivery for some stakeholder and training events, helping to reduce CO_2 emissions. In 2025-2026, we ran 28 stakeholder events and 34 training events. Of the stakeholder events, 19 were held in person and 9 online. Of the inspector training events, 26 were held in person and 8 were delivered either fully or partially online.

Gas usage within our building is apportioned by the landlord between tenants and included in our service charge. Our office downsizing has affected gas usage over time, as has the adoption of hybrid working arrangements by central services staff. Gas usage accounted for 4% of our total emissions in 2025-2026. CO_2 emissions from gas usage were 4,882 kg CO_2 in 2025-2026, compared with 5,612 kg CO_2 in 2024-2025.

For electricity, since 2023 the landlord has introduced a new building-wide electricity contract. Electricity usage is apportioned between tenants and paid directly to the landlord.

Office electricity usage now contributes to our CO_2 emissions, accounting for 7% of total emissions. Our scope 2 emissions from electricity were 9,024 kg CO_2 in 2025-2026, compared with 11,344 kg CO_2 in 2024-2025.

This is also our eighth reporting year with zero waste going to landfill.

Our 2025 environmental report is published on our website. The report includes our environmental policy, which is also displayed in our office training facility. In line with the biodiversity duty, the report sets out how we maintain and enhance biodiversity and promote ecosystem resilience. It also includes information on our compliance with the section 6 duty of the Environment (Wales) Act.

The Green Dragon Environmental Standard recognises effective environmental management. Estyn was re-accredited to level 3 of the Standard in March 2026.

As the adoption of artificial intelligence (AI) increases, so too does the demand for energy-intensive infrastructure, which can contribute to climate change and resource depletion. We will use AI prudently and explore ways to minimise its harmful environmental effects as part of our approach to effective environmental management. This may include considering the use of data centres powered by renewable energy. We will also seek to influence our partners by encouraging AI companies to be more transparent about the environmental impacts of AI.

Our position on AI is stated on our website Artificial Intelligence – Estyn.

Financial performance highlights

Our expenditure for 2025-2026 totalled £17.159m, compared to a restated outturn in 2024-2025 of £16.623m, an increase of 3.2%.

In 2025-2026 we received Welsh Government grant income totalling £565k (2024-2025 - £498k) to support several programmes of work including:

Work Stream	Value
Review: Education Welfare Services	£70,000
Review: LA support for schools to manage their budget	£70,000
Review: Arrangements for and the quality of individual tuition for pupils educated otherwise than at school (EOTAS)	£70,000
Review: International Languages	£75,000
Review: Generative AI in Schools (Year 2)	£48,000
Review: The effectiveness of education provision for care experienced learners	£28,000
Review: Comparative study of PCET ITE (PGCE / PgCE / PCE) curricula	£9,000
Youth Work Inspections	£136,700
Safeguarding	£26,200
MEDR self evaluation funding	£32,000
Total - WG grant income	**£564,900**

Staff costs for permanent employees for the period increased by 5.1%, including higher employer national insurance contributions (21% increase) and a 3.75% pay award. Expenditure on agency staff and secondees fell by £360k (35%). Details of our remuneration policy and pay rates are available within our published 2025 Pay Policy Statement

During the year, we continued to invest for the future by:

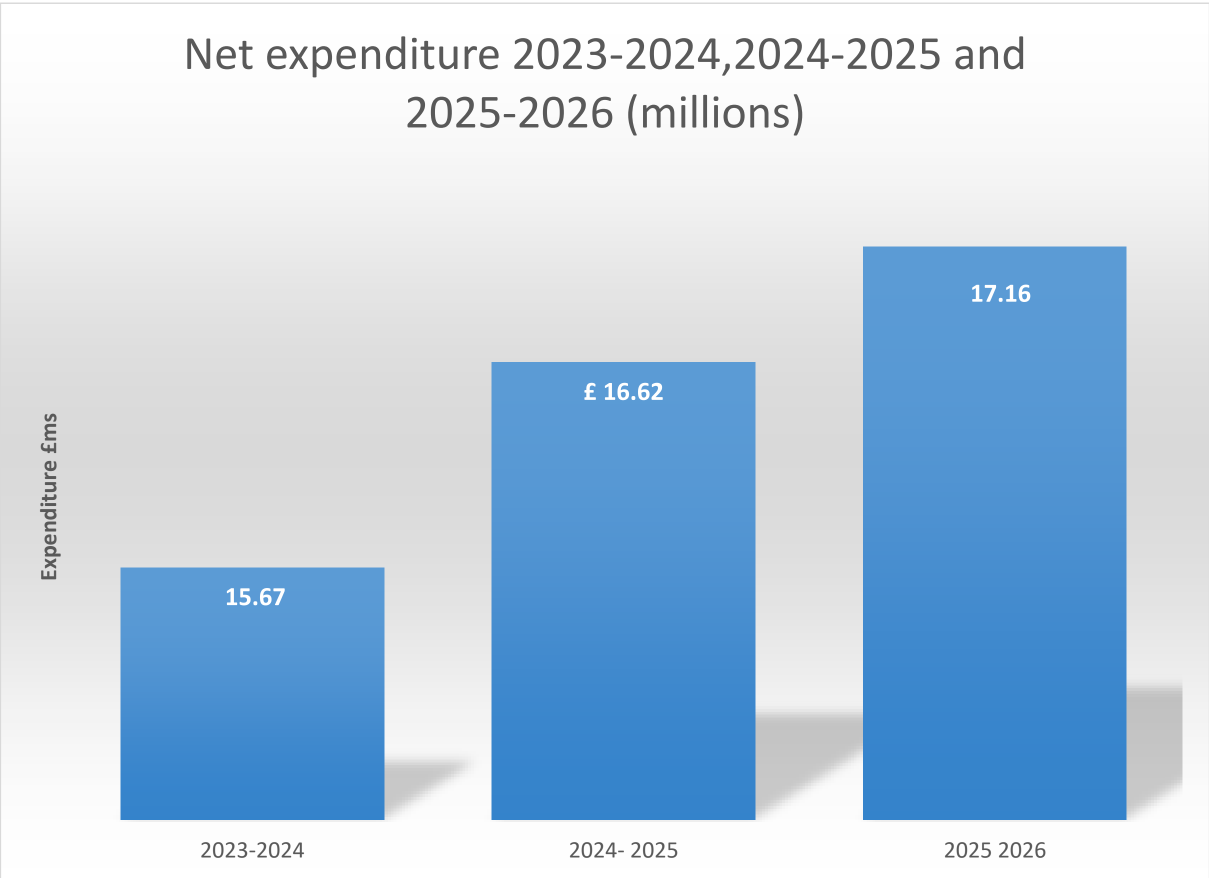
- commissioning research into stakeholder perceptions of Estyn; we will use data and insights from this work to benchmark our impact and feed into improvements

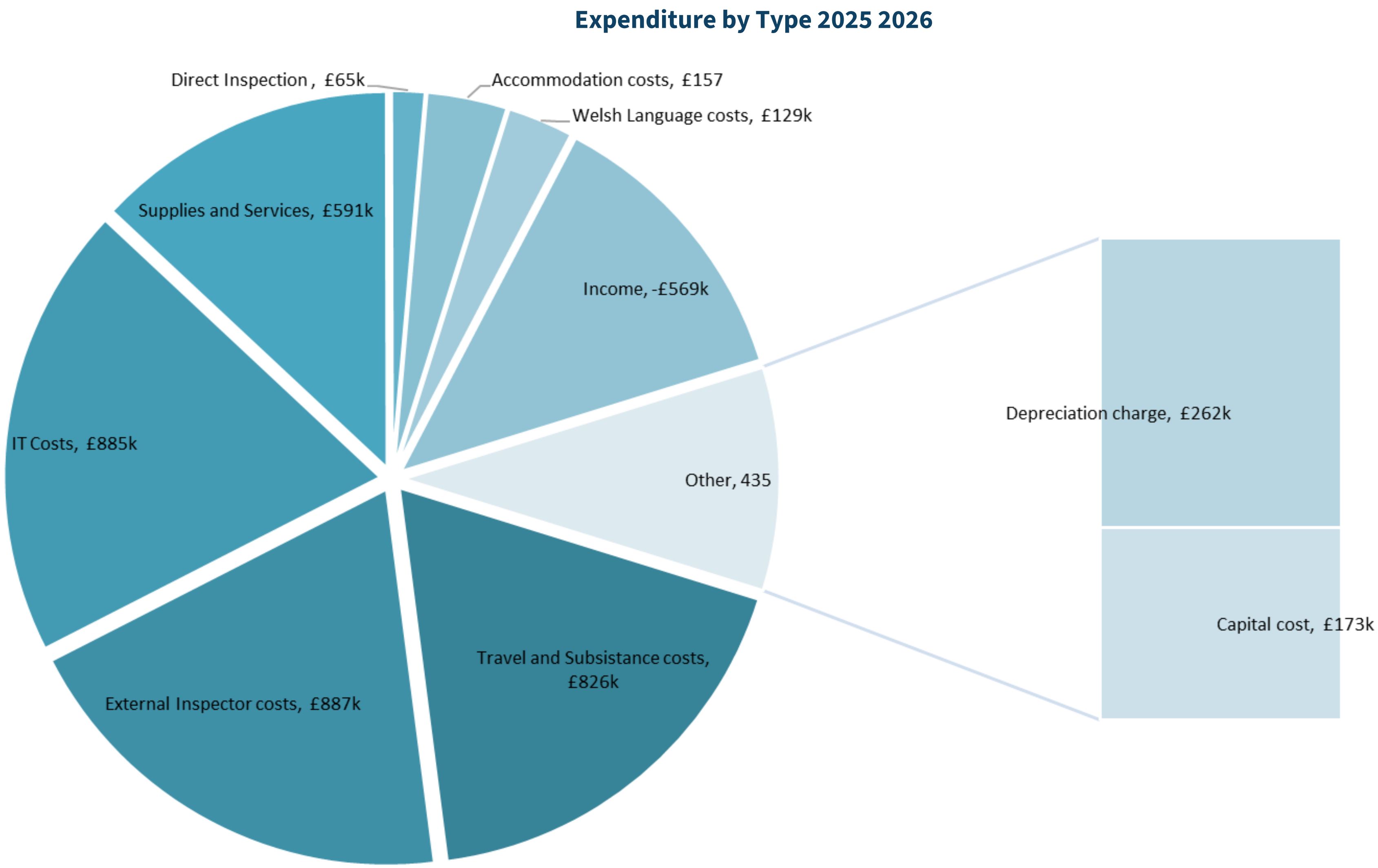
- further developing our Virtual Inspection Room application to deliver a more streamlined, efficient, and stable environment for colleagues to work with
- continuing our digital transformation and investment in Artificial Intelligence that will leverage new technologies and systems to improve organisation efficiency and effectiveness

We used £173k of the £250k capital funding budget allocated by the Welsh Government, most of which was used to replace end-of-life laptops for staff and upgrading IT infrastructure.

The Statement of Financial Position (SofFP) as of 31 March 2026 shows net liabilities of £1,524k (2024- 2025: £178k). The increase in net liabilities is mainly the result of significantly lower cash balances in accordance with Welsh Government's directive.

During 2026 2027, we will receive funding from the Welsh Government to meet our liabilities in line with the 'going-concern' basis adopted in the preparation of these financial statements. No losses or special payments have been incurred in 2025 2026 and there was one member of staff who left under the early departure scheme.




Expenditure by Type 2025 2026
Direct Inspection , £65k
Accommodation costs, £157
Welsh Language costs, £129k
Supplies and Services, £591k
Income, -£569k
IT Costs, £885k
Other, 435
Depreciation charge, £262k
Capital cost, £173k
Travel and Subsistance costs, £826k
External Inspector costs, £887k

Section 2: The accountability report

2.1 Corporate governance report

The Directors report

Our **Strategic Management Group**, comprised of executive members (HMCI and strategic directors), supports and assists HMCI in leading and managing Estyn corporately. Our **Operational Group**, which is attended by our assistant directors and branch heads, supports HMCI in leading and managing our inspection and policy advice work, as well as day to day operational delivery. The **Inspection Leadership Group** discusses inspection related matters and is attended by HMI, Strategic and Assistant Directors.

Our **Strategy Board (the Board)**, consisting of executive members and Non-Executive members (Non-Executive directors), sets and monitors our strategic agenda. The Strategy Board is chaired by HMCI and has two sub committees, chaired by Non-Executive members; the **Audit and Risk Assurance Committee** and the **Remuneration Committee**. A full record of Strategy Board / Committee membership and attendance can be found on our website.

Significant interests held by members

Declarations of interest are made by all permanent employees, secondees and temporary staff in line with our Managing potential conflicts of interest policy, and guidance set out in the Civil Service Code. No member of the Board holds directorship or other significant interests that might conflict with their management responsibility.

Personal data related incidents

One personal data related incident was reported to the Information Commissioner's Office during the year; in response we were advised that no further action was necessary. Our Information and Data Governance Group has monitored and reviewed information governance arrangements across the organisation and provided oversight of compliance with policies and assurance processes within our Information governance policies.

Payment policy

In 2025-2026 we worked to achieve compliance with our responsibilities under the Late Payment of Commercial Debts (Interest) Act 1998 to pay undisputed suppliers' invoices within 30 days of receipt of goods or services or valid invoice, whichever is the later. This policy is stated in the Terms and Conditions covering Estyn Contracts. We paid 99% of invoices within 30 days.

99% of undisputed invoices were paid within 30 days (against a target of 100%)

Statement of accounting officer's responsibilities

HMCI is the Accounting Officer for Estyn. HMCI has prepared the statement of accounts in accordance with the Direction issued by HM Treasury and with the accounting principles and disclosure requirements set out in the Government Financial Reporting Manual. The Accounts are prepared on an accruals accounting basis and give a true and fair view of Estyn's state of affairs at the year-end and of its statement of comprehensive net expenditure; statement of financial position; cash flows, and statement of changes in taxpayers' equity for the financial year.

In preparing the accounts the HMCI has:

- complied with the accounts direction issued by HM Treasury
- complied with the relevant accounting and disclosure requirements and applied suitable accounting policies on a consistent basis
- made judgements and estimates that are reasonable and prudent
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- prepared the accounts on a going concern basis

The relevant responsibilities of the Accounting Officer, including the responsibility for the propriety and regularity of the finances of Estyn and for the keeping of proper records, are set out by HM Treasury.

HMCI confirms that:

(a) as far as they are aware, there is no relevant audit information of which Estyn's auditors are unaware

(b) the Accounting Officer has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that Estyn's auditors are aware of that information

(c) the annual report and accounts as a whole is fair, balanced and understandable

(d) they take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable

Owen Evans
His Majesty's Chief Inspector of Education and Training in Wales and
Accounting Officer
Date 30 July 2026

The governance statement

Introduction

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Estyn's policies, aims and objectives while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

In discharging this overall responsibility, I have maintained proper arrangements for the governance of our affairs. We have a sound system of internal control that facilitates the effective exercise of our functions and includes arrangements for the management of risk. The principles of The Corporate governance in central government departments: Code of Good Practice 2017 (The Code), within our context as a non-ministerial department, are reflected in our governance arrangements. This annual governance statement outlines how we maintain good governance and explains the main challenges we face and how these are being managed.

The governance framework

I have established a governance framework that describes the systems, processes, culture and values by which our organisation is directed and controlled and by which we monitor the achievement of our strategic objectives and engagement with our stakeholders. Throughout 2025-2026, we maintained our full governance arrangements with most of our meetings being held virtually. The diagram at the end of this statement succinctly illustrates the range and level of assurances that underpin our governance arrangements. Our Corporate governance framework is published on our website and reviewed annually.

A clear statement of our purpose and vision is set out on our website and in our Annual Plan. The Annual Plan outlines our overarching vision and sets out our principal aims and objectives. Information on our performance and delivery against the Annual Plan is also published on our website. Our plan reflected our work to continue with our new programme of inspections, which started in September 2024.

Oversight is exercised through our Strategy Board and its sub committees (Audit and Risk Assurance Committee and Remuneration Committee). Members were supported throughout the year with access to appropriate technologies, such as Microsoft Teams, to ensure that business could be conducted securely and efficiently on a remote working basis. All components of our governance structure continued to work effectively.

During 2025-2026, the Strategy Board met four times and the Audit and Risk Assurance Committee (ARAC) met four times; three of the four Strategy Board meetings and three of the four ARAC meetings were attended in full by all members; in the other two instances one member was not present. The Strategy Board has received sound external advice on strategic matters and risk management as part of the non-executive director role to provide challenge and support to our executive. Some of the key areas of review and discussion by the Strategy Board during 2025-2026 included:

- reviewing the arrangements new cycle of inspection
- reviewing Estyn's arrangements and Memorandum of Understanding in relation to our relationship with the newly established Medr
- providing feedback to inform the final procedure following external consultation on our Feedback and Complaints policy
- budget and allocation of resources
- reviewing updates to our Strategic Equality Plan
- HMCI's Annual Report
- outcomes of CS People's Survey

Each meeting concludes with a self-evaluation of the effectiveness of the meeting; our non-executive directors have confirmed that they are content with proceedings and the quality of information presented and discussed at meetings, that they have appropriate input to the agenda and have sufficient opportunity to raise any concerns. The Strategy Board is satisfied that our whistleblowing arrangements are effective; no whistleblowing cases were raised in 2025-2026.

We liaise with the Welsh Government on matters of financial management. Accountability is managed through an Accounting Officer Agreement between HMCI and the Additional Accounting Officer designated by the Welsh Government, currently the Welsh Government's Chief Operating Officer. This link governance arrangement helps to maintain our independence in training and education matters, although close links with the Welsh Government's Education Group continues to support a strategic and coherent approach on key matters and emerging priorities.

Audit and impact

An annual report of the Chair of the ARAC is published on our website; the report highlights the key work undertaken during the year and comments on the internal audit reviews undertaken and reported to the committee. The Chair's report for 2025-2026 provides assurances on the quality of audit work and the effectiveness of the committee; the committee is satisfied that our arrangements for governance and risk management were appropriate throughout 2025-2026. For each of the audits that were undertaken in the financial year, Estyn received full assurance, and in two cases no recommendations for action were required.

In addition, the committee continues to receive updates in relation to the actions following the earlier business continuity and workforce planning audits, with papers to explain the evolving timeline for carrying through the developments to each of the processes, and the interconnections between the various recommendations.

Throughout 2025-2026, our internal audit service has been provided by TIAA. The work has been carried out remotely, and we have continued to work closely with audit staff to ensure that this does not hinder the effectiveness and quality of the service provided.

Our ARAC approved the 2025-2026 audit programme, using a risk-based approach to establish areas of coverage within a rolling three-year audit programme agreed with TIAA. Progress against the audit plan was monitored and at the year-end an annual report of the Internal Auditor was considered. This report advised on the work undertaken during the year and furnished an overall view on the internal control environment for consideration by members of the ARAC. The outcome from the internal audit coverage informed the Head of Internal Audit's opinion on the overall adequacy of our internal control framework; '*for the areas reviewed during the year, Estyn has reasonable and effective risk management, control and governance processes in place*'. Work completed by our internal auditors during 2025-2026 resulted in reports that included an independent opinion on the adequacy and effectiveness of the system of internal control together with recommendations for improvement. All internal audit assurance reports were reviewed and the main issues arising discussed by the ARAC, which was satisfied that all management actions had been implemented or were being actioned.

Table 1: 2025-2026 internal audit programme

Reports	Assurance rating	Number of recommendations (priority rating)
SAGE Intacct	Substantial	6 (1 urgent, 3 important, 2 routine)
Risk management	Substantial	1 (routine)
Website project	Reasonable	3 (1 important, 2 routine)
IT support	Reasonable	4 (1 medium, 1 low risk, 2 operational)
Key financial controls	Substantial	3 (1 low, 2 operational)
Impact of professional learning weeks (advisory)	Substantial	4 (2 medium, 2 operational)
Strategic equality planning	Substantial	None

Our Remuneration Committee met once during 2025-2026. The group considered the review of HMCI and Strategic Directors' performance and objectives for the year ahead. Committee members also provided advice to HMCI regarding pay levels and allowances for members of the Senior Civil Service.

As in previous years, we ensured compliance with Managing Welsh Public Money, Cabinet Office Procurement Policy Notes and Welsh Dear Accounting Officer (DAO) letters. Our Assistant Director for Inspection and Central Services provided an assurance statement to each Audit and Risk Assurance Committee, which reported on the above and provided assurance on other relevant areas, such as procurement, the meeting of tax obligations, feedback and complaints, responses to Freedom of Information requests, adherence with the civil service recruitment principles and compliance with Cabinet Office reporting.

We work closely with the Welsh Government but maintain our status as an independent body. Therefore, as a non-ministerial department we are not subject to Ministerial Directions.

No member of the Strategy Board held directorships or other significant interests that conflicted with their work responsibilities. A Register of Interest and Gifts and a Hospitality Register is maintained for all our permanent employees, secondees and temporary staff.

The above assurance areas were also covered within the regular assurance statement presented at each meeting of the ARAC, along with updates on fraud, information security, tracking against performance indicators, and financial matters impacting the annual accounts.

Managing risk

Following an audit in 2022-2023, we published a revised risk management policy in November 2023, which streamlined our approach to managing risk. An advisory audit in 2023-2024 took the form of risk management workshops involving executive and non-executive members. A further audit took place in 2024-2025 and substantial assurance was provided with only one routine action recommended. The revised strategic risk register is regularly reviewed by our Strategic Management Group (and further reviewed at Strategy Board). The corporate risk register is reviewed at Operational Group / Inspection Leadership Group. Each risk has an individual owner. Risk owners provide assurance and evidence that key controls for managing risks are in place and are working effectively. Central Services functional risks continue to be directly managed within each area controlled by established governance fora including desk instructions and operational procedures / contingency planning. We continued to ensure that supportive measures were in place to manage potential risks of remote working.

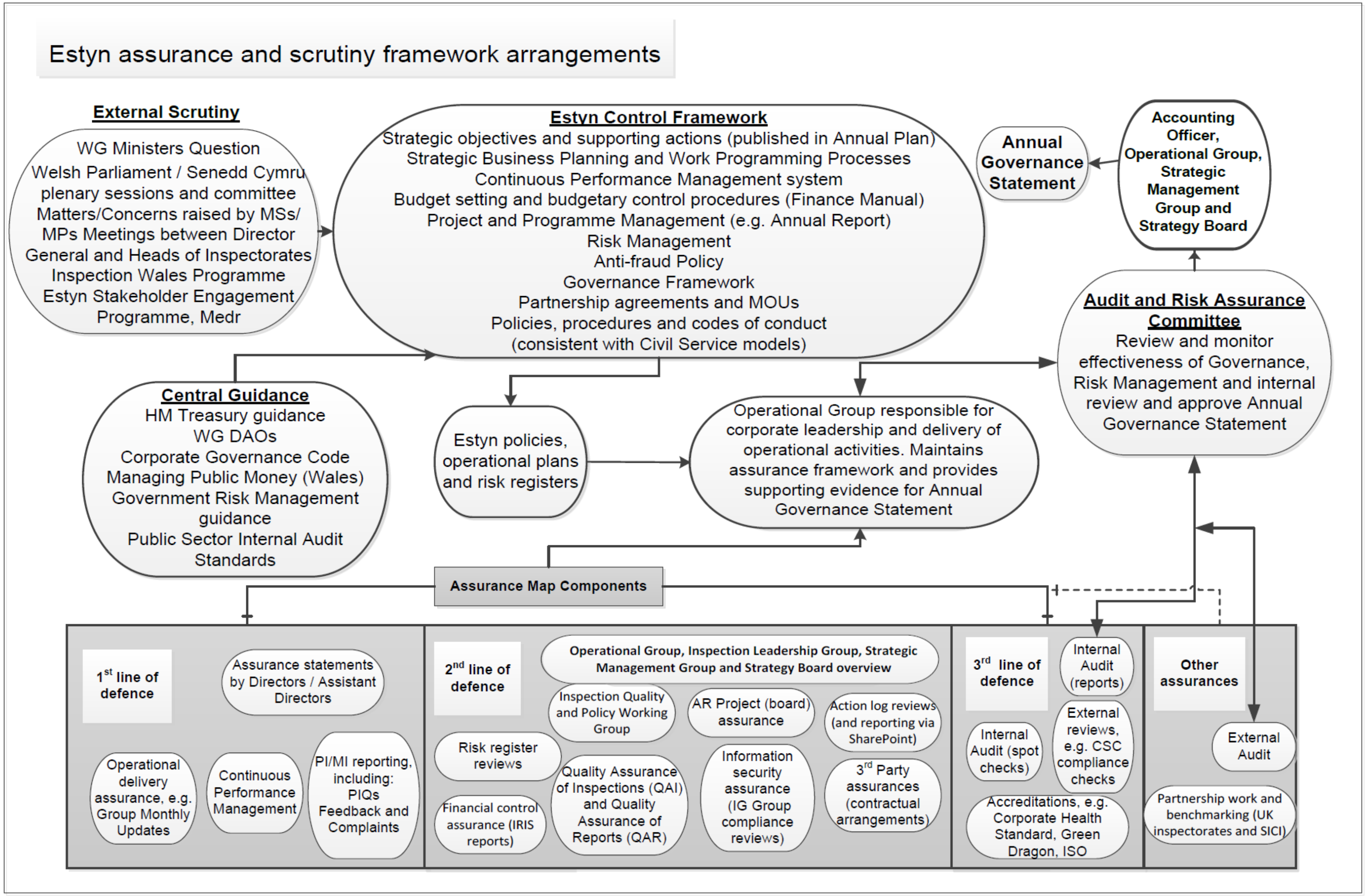
Annual assurance statements for 2025-2026, completed by all our directors, provided confirmation that there were no major concerns and that action had been taken where minor issues of control had been identified. Information security incidents and near misses are logged and reported to our Information and Data Governance Group (IDGG) and Operational Group (OG). There were no reportable losses of personal data in 2025-2026. Where appropriate, we also sought and received assurances externally, for example from the Welsh Government in respect of the payroll and human resources services it provides to us under a formal service level agreement.

Significant governance issues

No significant issues have been identified during the year in relation to our overall governance framework. Internal audit reviews covered key areas of our business and it is pleasing to report that there were no significant areas of control weaknesses identified and no high-level recommendations raised in assurance reports. During this financial year, I have been reassured by the processes in evidence and the engagement and commitment to our values and the civil service code shown by colleagues. In due course I will seek to review and refine our governance arrangements to ensure that Estyn continues to run as an exemplar public body.

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

Date: 30 July 2026


Estyn assurance and scrutiny framework arrangements
External Scrutiny
WG Ministers Question
Welsh Parliament / Senedd Cymru plenary sessions and committee
Matters/Concerns raised by MSs/ MPs Meetings between Director General and Heads of Inspectorates
Inspection Wales Programme
Estyn Stakeholder Engagement Programme, Medr
Estyn Control Framework
Strategic objectives and supporting actions (published in Annual Plan)
Strategic Business Planning and Work Programming Processes
Continuous Performance Management system
Budget setting and budgetary control procedures (Finance Manual)
Project and Programme Management (e.g. Annual Report)
Risk Management
Anti-fraud Policy
Governance Framework
Partnership agreements and MOUs
Policies, procedures and codes of conduct (consistent with Civil Service models)
Annual Governance Statement
Accounting Officer, Operational Group, Strategic Management Group and Strategy Board
Audit and Risk Assurance Committee
Review and monitor effectiveness of Governance, Risk Management and internal review and approve Annual Governance Statement
Central Guidance
HM Treasury guidance
WG DAOs
Corporate Governance Code
Managing Public Money (Wales)
Government Risk Management guidance
Public Sector Internal Audit Standards
Estyn policies, operational plans and risk registers
Operational Group responsible for corporate leadership and delivery of operational activities. Maintains assurance framework and provides supporting evidence for Annual Governance Statement
Assurance Map Components
1st line of defence
Assurance statements by Directors / Assistant Directors
Operational delivery assurance, e.g. Group Monthly Updates
Continuous Performance Management
PI/MI reporting, including: PIQs Feedback and Complaints
2nd line of defence
Operational Group, Inspection Leadership Group, Strategic Management Group and Strategy Board overview
Inspection Quality and Policy Working Group
AR Project (board) assurance
Action log reviews (and reporting via SharePoint)
Risk register reviews
Financial control assurance (IRIS reports)
Quality Assurance of Inspections (QAI) and Quality Assurance of Reports (QAR)
Information security assurance (IG Group compliance reviews)
3rd Party assurances (contractual arrangements)
3rd line of defence
Internal Audit (reports)
Internal Audit (spot checks)
External reviews, e.g. CSC compliance checks
Accreditations, e.g. Corporate Health Standard, Green Dragon, ISO
Other assurances
External Audit
Partnership work and benchmarking (UK inspectorates and SICI)

2.2 Remuneration and staff report

The remuneration of His Majesty's Chief Inspector of Education and Training in Wales is determined by the National Assembly for Wales under paragraph 3 of Schedule 2 to the Education Act 2005.

For other permanent senior staff members of the Board, remuneration was determined by Estyn's Remuneration Committee comprising the Chief Inspector of Education and Training in Wales and five non-executive directors, in accordance with Cabinet Office guidance on Senior Civil Service (SCS) remuneration.

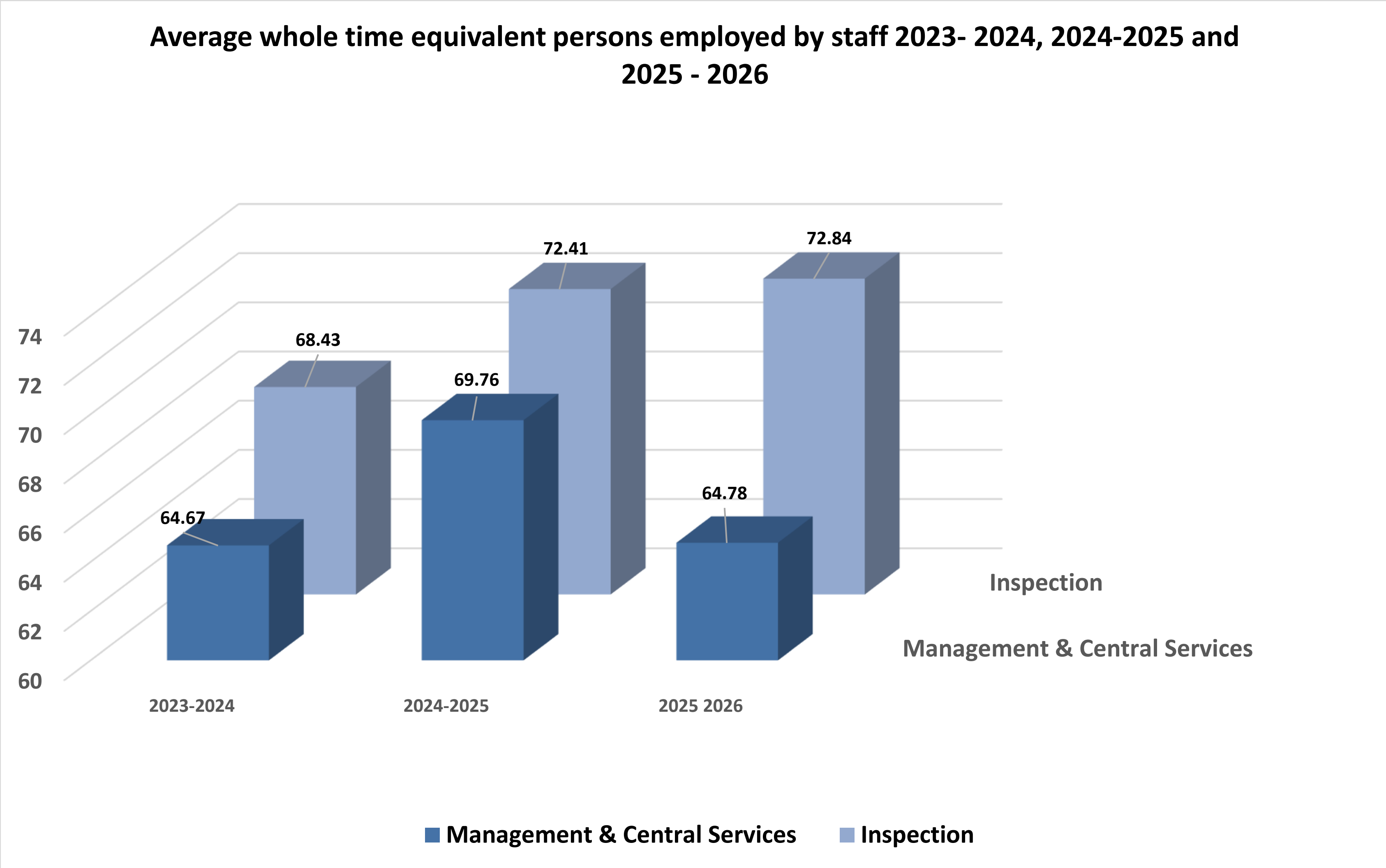
In reaching its recommendations, the Estyn Remuneration Committee has regard to the following considerations:

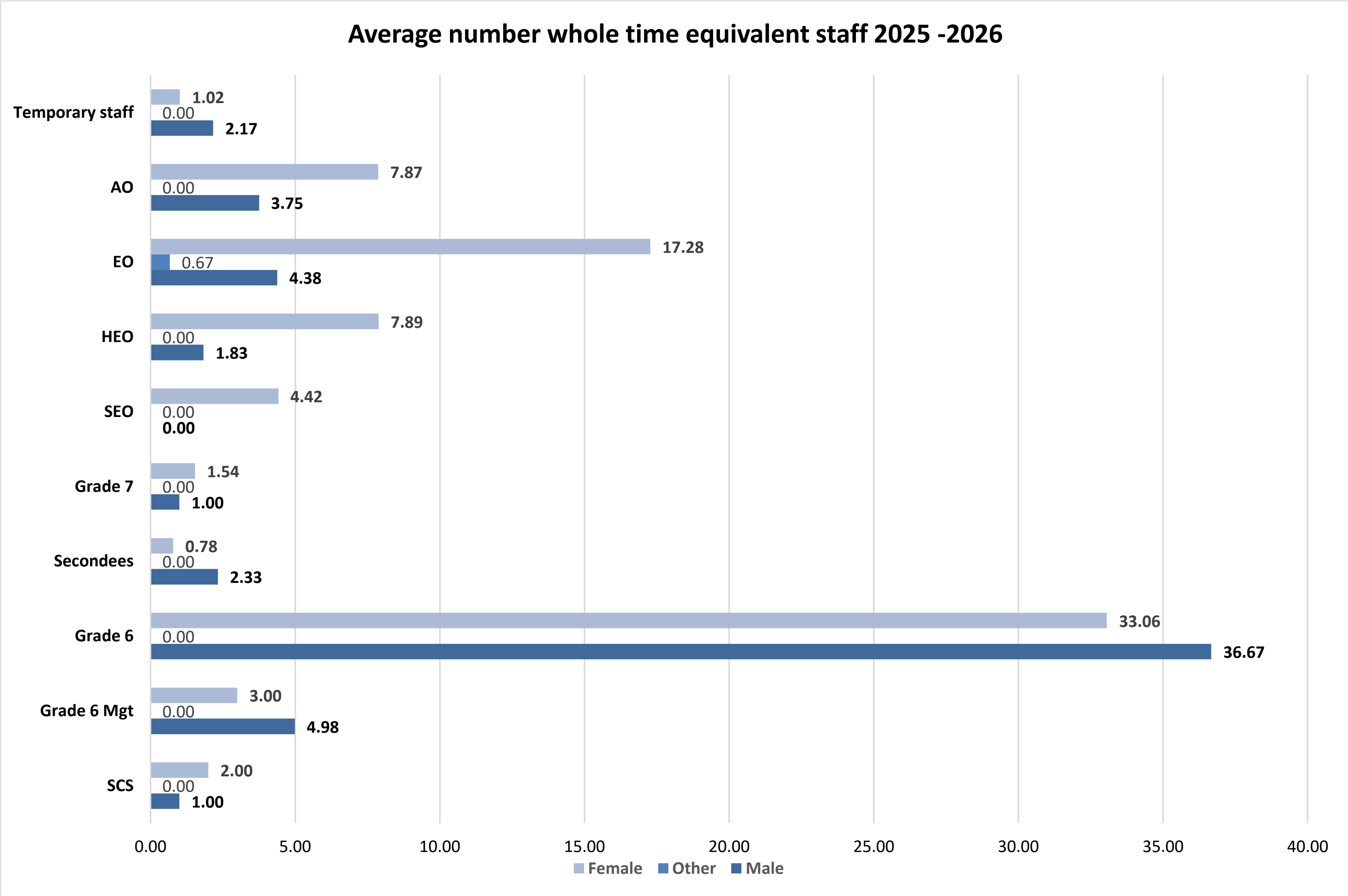
- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities
- benchmarking information available from Cabinet Office and other Government departments, including those closest to Estyn in location and work type
- the funds available to the department and the advice available annually from the Welsh Government
- Government policies for improving public service delivery and the role of performance management in securing and recognising value to the organisation and rewarding contributions to business and corporate objectives

The Estyn Remuneration Committee takes account of the evidence available in respect of wider economic considerations and the affordability of its recommendations.

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

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


Average whole time equivalent persons employed by staff 2023- 2024, 2024-2025 and 2025 - 2026
74
72
70
68
66
64
62
60
68.43
72.41
72.84
64.67
69.76
64.78
2023-2024
2024-2025
2025 2026
Inspection
Management & Central Services
Management & Central Services
Inspection


Average number whole time equivalent staff 2025 -2026
Temporary staff
1.02
0.00
2.17
AO
7.87
0.00
3.75
EO
17.28
0.67
4.38
HEO
7.89
0.00
1.83
SEO
4.42
0.00
0.00
Grade 7
1.54
0.00
1.00
Secondees
0.78
0.00
2.33
Grade 6
33.06
0.00
36.67
Grade 6 Mgt
3.00
0.00
4.98
SCS
2.00
0.00
1.00
0.00
5.00
10.00
15.00
20.00
25.00
30.00
35.00
40.00
Female
Other
Male

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

Remuneration[1] (salary, benefits in kind, and pensions)

	2025 2026					2024 2025				
Officials	**Salary £000's**	**Non-Consolidated Performance Pay £000's**	**Benefits in kind (to nearest £100)**	**Pension benefits to nearest £1,000**	**Total [2]£000's**	**Salary £000's**	**Non-Consolidated Performance Pay £000's**	**Benefits in kind (to nearest £100)**	**Pension benefits to nearest £1,000**	**Total [3]£000's**
Owen Evans CBE, His Majesty's Chief Inspector of Education & Training in Wales	**160-165**	**-**	**-**	**60**	**220-225**	**155-160**	**-**	**-**	**61[4]**	**215-220**
Claire Morgan, Strategic Director	**105-110**	**-**	**-**	**41**	**145-150**	**100-105**	**-**	**-**	**41**	**145-150**
Jassa Scott, Strategic Director	**105-110**	**-**	**-**	**26**	**130-135**	**100-105**	**-**	**-**	**63**	**165-170**
Mererid Wyn Williams, Assistant Director Inspection and Central Services until March 29th 2026	**95-100**	**-**	**-**	**26**	**120-125**	**95-100**	**-**	**-**	**55**	**150-155**

[1] Audited

[2] These figures will be affected by the Public Services Pensions Remedy. See "Civil Service Pensions" section below.

[3] These figures will be affected by the Public Services Pensions Remedy. See "Civil Service Pensions" section below.

[4] Restatement due to refinement to underlying data and methodology rather than errors in prior year reporting.

Rhidian Dafydd, Assistant Director – Central Services	**95 - 100**	**-**	**-**	**39**	**135 - 140**	**-**	**-**	**-**	**-**	**-**
Jack Mansfield (Financial Controller from 30th March 2026)	**0-5**				**0-5**					
Dr Emyr Roberts, Non–Executive Director (to August 31st 2025)	**0-5**	**-**	**-**	**-**	**0-5**	**5-10**	**-**	**-**	**-**	**5-10**
John Cappock, Non-Executive Director (from September 1st 2025)	**0-5**	**-**	**-**	**-**	**0-5**	**-**	**-**	**-**	**-**	**-**
Professor Charlotte Williams OBE FRS, Non-Executive Director (to August 31st 2025)	**0-5**	**-**	**-**	**-**	**0-5**	**0-5**	**-**	**-**	**-**	**0-5**
Ravi Pawar, Non-Executive Director (from September 1st 2025)	**0-5**	**-**	**-**	**-**	**0-5**	**-**	**-**	**-**	**-**	**-**
Gareth Morgans, Non-Executive Director (from September 1st 2025)	**0-5**	**-**	**-**	**-**	**0-5**	**-**	**-**	**-**	**-**	**-**
David Jones OBE, Non-Executive Director	**0-5**	**-**	**-**	**-**	**0-5**	**0-5**	**-**	**-**	**-**	**0-5**
Maria Rimmer, Non-Executive Director	**0-5**	**-**	**-**	**-**	**0-5**	**5-10**	**-**	**-**	**-**	**5-10**

Pension[5] entitlements for senior managers

Officials	Accrued pension at pension age as at 31/3/26 and related lump sum[6] £000's	Real increase/ (decrease) in pension and related lump sum at pension age £000's	CETV at 31/3/26 £000's	CETV at 31/3/25 £000's	Real increase/ (decrease) in CETV £000's	Employer contribution to partnership pension account nearest £100
Owen Evans His Majesty's Chief Inspector of Education & Training in Wales	60-65 plus lump sum of 0	2.5 - 5 plus lump sum of 0	994	908	44	-
Claire Morgan Strategic Director	45-50 plus lump sum of 0	0 – 2.5 plus lump sum of 0	830	763	33	-
Jassa Scott Strategic Director	45-50 plus lump sum of 0	0 - 2.5 plus lump sum of 0	840	701	11	-
Mererid Wyn Williams Assistant Director Inspection and Central Services	35-40 plus lump sum of 0	0 - 2.5 plus lump sum of 0	661	610	13	-
Rhidian Dafydd Assistant Director Central Services	5 – 10 plus lump sum of 0	0 – 2.5 plus lump sum of 0	97	67	21	

[5] audited
[6] These figures will be affected by the Public Services Pensions Remedy. See "Civil Service Pensions" section below

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

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date, all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has 4 sections: 3 providing benefits on a final salary basis (**classic, premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic, premium, classic plus, nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022.

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022."

All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the 2 schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a ‘money purchase’ stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% of pensionable earnings for members of **classic, premium, classic plus, nuvos** and **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to 3 years’ initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on their pensionable earnings during their period of scheme membership.

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

The **partnership** pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement). The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic, premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the 2 schemes, but note that part of that pension may be payable from different ages.)

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

Cash Equivalent Transfer Values

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

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with the Occupational Pensions Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for loss of office

Exit Package: Reporting of Civil Service and other compensation schemes –exit packages[7]

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

Fair pay disclosure

We are required to disclose the relationship between the highest paid Director in Estyn and the average remuneration of our workforce. Total remuneration includes the items detailed in the above “Salary” paragraph. It does not include employer pension contributions, severance payments or the CETV of pensions.

[7] Audited

Remuneration relationship[8]

	2025 2026 £000's Chief Inspector	2025 2026 £000's Employee	2025 2026 £000's Ratio	2024 2025 £000's Chief Inspector	2024 2025 £000's Employee	2024 2025 £000's Ratio
Total Pay and benefits						
25th percentile pay ratio	163	37	4.39	158	34	4.65
Median pay	163	89	1.82	158	87	1.82
75th percentile pay ratio	163	89	1.82	158	87	1.82
Salary component of total pay						
25th percentile pay ratio	163	37		158	34	
Median pay	163	89		158	87	
75th percentile pay ratio	163	89		158	87	

Percentage changes	2024-2025 to 2025-2026	2023-2024 to 2024-2025
% Change from previous financial year in respect of the Chief Inspector		

[8] audited

Salary and allowances	3.16%	3.27%
Performance pay and bonuses	0.00%	0.00%

Average % Change from previous financial year in respect of employees takes as a whole

Salary and allowances	8.99%	0.51%
Performance pay and bonuses	0.00%	0.00%

Remuneration ranged from £27,315 to £162,500 (2024/2025 = £24,420 - £157,406). Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, temporary payments, employer pension contributions and the cash equivalent transfer value of pensions. The year on year percentage change reflects the increase in the number of people who are on a higher salary than last year.

Owen Evans
His Majesty's Chief Inspector of Education and Training in Wales and
Accounting Officer
30 July 2026

Staff report

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

Year	Permanently employed staff	Other[1]	Total staff
2024-2025	132.11	10.07	142.1
2025-2026[9]	131.33	6.29	137.62

Staff sickness rates are as follows:

Headline staff measures

Measure	2024-2025	2025-2026
Sickness absence rate	5.2%	**2.5%**
Proportion of staff accruing sickness absence	42.3%	35.7%
Average working days lost per employee	11.8	**5.5**
Average length of absence	14.6	7.7
Sickness absence occurrences (new)	104	94
Proportion of long term absence	83%	67%

Mental health accounted for 43% of all sickness absence.

For information about our approach to ensuring equality and diversity in our recruitment and retention practices, see page 24 above.

Total sickness absence rate of 2.5 against a target of <4%

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

[9] Audited

2.3 Accountability and audit report

The Certificate and report of the Auditor General for Wales to the Senedd

Opinion on financial statements

I certify that I have audited the financial statements of Estyn: His Majesty's Inspectorate of Education and Training in Wales (Estyn) for the year ended 31 March 2026 under the Government of Wales Act 1998.

The financial statements comprise the Statement on Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and related notes, including the material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the state of Estyn's affairs as at 31 March 2025 and of its net expenditure and application of resources, for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.
- have been properly prepared in accordance with HM Treasury directions issued under the Government of Wales Act 1998.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of financial statements and regularity of public sector bodies in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my certificate.

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

Conclusions relating to going concern

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

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

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

The going concern basis of accounting for Estyn is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

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

I have nothing to report in this regard.

Opinion on other matters

In my opinion, the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government of Wales Act 1998.

In my opinion, based on the work undertaken in the course of my audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Government of Wales Act 1998; and
- the information given in the Chief Inspector's Foreword, Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

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

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

- I have not received all of the information and explanations I require for my audit.
- proper accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Accountability Report are not in agreement with the accounting records and returns;
- information specified by HM Treasury regarding remuneration and other transactions is not disclosed;
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;

- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and financial statements as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing Estyn's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Estyn will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government of Wales Act 1998.

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

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

My procedures included the following:

- Enquiring of management, Estyn's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Estyn's policies and procedures concerned with:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and

- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals; suspension of access controls in financial ledger;
- Obtaining an understanding of Estyn's framework of authority as well as other legal and regulatory frameworks that Estyn operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Estyn;
- Obtaining an understanding of related party relationships.

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

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

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Estyn's controls, and the nature, timing and extent of the audit procedures performed.

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

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.

Catherine Mealing-Jones	1 Capital Quarter
Auditor General for Wales	Tyndall Street
[Date]	Cardiff

Section 3: Financial statements

3.1 Statement of comprehensive net expenditure

for the year ended 31st March 2026

		2025-2026 Outturn £000s	**2024-2025 Outturn (restated) £000s**	
Resources				
Staff costs	2	13,926	13,641	
Depreciation	5a&b	262	241	
Auditor's remuneration	3	72	33	**
Other expenditure	3	3,468	3,213	
Total Resources		**17,728**	**17,128**	
Miscellaneous Income	3	**(4)**	**(7)**	
Grant income	4	**(565)**	**(498)**	*
Net Operating Costs for the Year		**17,159**	**16,623**	*

* Restated 2024-2025 – see note 1 to the accounts.

** 2025-2026 audit fee includes payment for additional assurance work related to the change in Estyn's accounting system.

Net expenditure is reported as a single segment in line within Estyn Annual Plan 2025-2026

The notes on pages 78 to 89 form part of these accounts.

3.2 Statement of Financial Position position at 31st March 2026

		2025-2026 £000s	2025-2026 £000s	2024-2025 £000s	2024-2025 £000s
Non-current assets					
Property, plant, and equipment	5a	231		209	
Intangible assets	5b	64		99	
Right-Of-Use assets	5a	46		122	
Total non-current assets			**341**		**430**
Current assets					
Trade and other receivables	7	443		458	
Cash and cash equivalents	8	39		992	
Total current assets			**482**		**1,450**
Total assets			**823**		**1,880**
Current liabilities					
Trade and other payables	9	(2,246)		(1,882)	
Lease liabilities	11	(46)		(77)	
Total current liabilities			**(2,292)**		**(1,959)**
Total assets less current liabilities			**(1,469)**		**(79)**
Non-current liabilities					
Provisions	10	(55)		(55)	
Lease liabilities	11	-		(44)	
Total non-current liabilities			**(55)**		**(99)**
Assets less liabilities			**(1,524)**		**(178)**
Total Taxpayer's Equity			**(1,524)**		**(178)**

The financial statements were approved by the Accounting Officer and authorised for issue on 30 July 2026 by:

Owen Evans
His Majesty's Chief Inspector of Education and Training in Wales and Accounting Officer
30 July 2026

3.3 Cash Flow 2025-2026

	Note	2025-2026 £000s	2024-2025 (restated) £000's	
Cash flows from operating activities				
Net Operating Cost		**(17,159)**	**(16,623)**	*
Adjustments for non-cash transactions:				
Depreciation	5a&b	262	241	
Increase / (Decrease) in Trade & other payables	9	364	(458)	
(Increase) / Decrease in Trade & other receivables	7	15	(270)	*
Interest element on lease liability payments	11	1	2	
Net Cash outflow from operating activities		**(16,517)**	**(17,108)**	*
Cash flows from investing activities				
Purchase of Property, Plant & equipment	5a	(146)	(36)	
Purchase of intangible assets	5b	(27)	(34)	
Net cash flow from investing activities		**(173)**	**(70)**	
Cash flows from Financing activities				
Financing activities – lease repayments	11	(76)	(78)	
Net Funding received		15,813	17,615	*
Net cash flow from financing		**15,737**	**17,537**	*
Net Increase / (Decrease) in cash and cash equivalents		**(953)**	**359**	
Cash and Cash equivalents at beginning of year	8	992	633	
Cash and Cash equivalents at end of year	8	**39**	**992**	

* Restated 2024-2025 – see note 1 to the accounts.

3.4 Statement of Change in Taxpayer's Equity

	£000s	£000s
Accumulated deficit at April 1st 2025		**(178)**
Total recognised income and expense for 2025-2026	(17,159)	
Welsh Government Grant in Aid 2025-2026	15,813	
Deficit for the year		(1,346)
Accumulated deficit at 31 March 2026		**(1,524)**

	£000s	£000s
Accumulated deficit at April 1st 2024		**(1,170)**
Total recognised income and expense for 2024-2025 (restated *)	(16,623)	
Welsh Government Grant in Aid 2024-2025	17,615	
Surplus for the year		992
Accumulated deficit at 31 March 2025		**(178)**

The notes on pages 75 to 85 form part of these accounts.

* Restated 2024-2025 – see note 1 to the accounts.

3.5 Notes to the resource accounts

1 Statement of accounting policies

The financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) 2025-2026 issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, Estyn has selected the policy it judged to be the most appropriate to its circumstances, for the purpose of giving a true and fair view.

The accounting policies adopted by Estyn for 2025-2026 are described below and, other than the change in accounting policy described in paragraph 1.1, they have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Change in Accounting Policy

Nature of the change

During the year, the entity changed its accounting policy in respect of Grant Income. The new policy has been adopted to account for Grant Income receivable in the Statement of Comprehensive Net Expenditure (SoCNE) and not alongside Grant in Aid within the movement in Taxpayers' Equity.

This change has been applied retrospectively to the comparative financial statements for 2024-2025, in accordance with IAS8 Accounting Policies, Changes in Accounting Estimates and Errors, as adopted by the FreM. Comparative figures have been restated to reflect the retrospective application of this change in accounting policy.

There is no impact on the Statement of Financial position or the Total Taxpayers' Equity balance at 31st March 2025. However, the reduction in net expenditure results in restatement of the Statement of Comprehensive Net Expenditure (SoCNE), the movement on Taxpayers' Equity and the Statement of Cash Flows for 2024-2025 as follows - [figures in brackets indicate a decrease]:

Impact on the Statement of Financial Position

There is no impact on the Statement of Financial Position.

Impact on the Statement of Comprehensive Net Expenditure (SoCNE)

£'000	As previously stated	Adjustment	Restated
Grant income	Nil	498	498
Net Operating Costs	17,121	(498)	16,623

Impact on Reserves/ Taxpayers' Equity

£'000	As previously stated	Adjustment	Restated
Other Grant Funding	498	(498)	Nil
Total recognised income and expense	17,121	(498)	16,623

Impact on Statement of Cash Flows

£'000	As previously stated	Adjustment	Restated
Net Operating Cost	17,121	(498)	16,623
(Increase)/decrease in Trade and other receivables	51	219	270
Net cash outflow from operating activities	17,387	(279)	17,108
Net Funding received	17,894	(279)	17,615

1.2 Accounting Convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of fixed assets and intangible assets at their fair value. Expenditure on services, licences and subscriptions which straddle more than one financial year are treated as costs within the financial year that the payment is made, unless the individual prepaid amount exceeds £1000.

1.3 Grant in Aid

Grant Funding in the form of Grant-in-aid provided by Welsh Government to be applied in general support of Estyn's ongoing operating objectives, is credited directly to equity as financing and reported in the Statement of Changes in Taxpayer Equity.

1.4 Grant Income

Income in respect of hypothecated grants receivable for delivering pre-determined projects and specific services, is credited to income in the Statement of Comprehensive Net Expenditure.

1.5 Property, plant and equipment and Intangible assets

Expenditure is capitalised where the asset purchased is expected to have a useful life extending over several years and the cost of the item exceeds £1,000 or the cost of a cluster of similar items, e.g. laptops, exceeds £10,000. Fixed assets are shown at cost less an allowance for depreciation (see note 1.3 below). Given that no property is held, it is the opinion of Estyn, that there is no material difference between the historic net book value of the assets and their fair value.
Assets which have been fully depreciated and have no further use, are de-recognised from the Fixed Asset Register resulting in reductions in historical costs and accumulated depreciation balances.

1.6 Depreciation

Depreciation is provided at rates calculated to write off the value of fixed assets by equal instalments over their estimated useful lives. In the year 2022-2023 we changed from an annual depreciation charge to a monthly depreciation charge – depreciation is charged from the month that the asset is acquired. The impact on the Income and Expenditure Account and the Fixed Asset value is not material. Asset lives remain as follows:

- IT Equipment 3-5 years
- Furniture & Fittings 5 years
- Office Equipment 5 years
- IT Systems 5 years
- Intangible Assets 3 years

Where an impairment of a tangible fixed asset has occurred the net impairment is charged to the Statement of Comprehensive Net Expenditure in the year in which it has occurred.

1.7 Provisions

Provisions are included in the accounts for liabilities that are likely or certain to arise but uncertain as to the amount or dates on which they will arise. Provisions are created or increased by making a charge to revenue expenditure in the year of creation. When the expenditure is actually incurred, the expenditure is charged directly to the provision. The provision included within these accounts are regarded as short term, within one year and medium term, between two and five years. All provisions are subject to annual review, to ensure they are still relevant and sufficient to fund the specific future liability.

The provision in the accounts is for the works required to restore the property back to its original condition prior to tenancy. This is a requirement of the lease agreement, and the clause is activated when we vacate the Cardiff office.

1.8 Operating income

Operating income is income that relates directly to the operating activities of Estyn.

It principally comprises fees and charges for services provided and other miscellaneous income including grant income as per note 1.1. HM Treasury has issued a receipts direction allowing Estyn to retain such receipts.

1.9 Staff costs and other costs

The Statement of Comprehensive Net Expenditure is analysed between Staff and Other costs incurred in the undertaking of Estyn's purpose. The Welsh Government provides Estyn with a single budget line for Revenue expenditure and a separate budget line for Depreciation. Estyn has discretion to allocate its revenue budget in accordance with its operational requirements. For transparency, 'Other costs' are reported in Note 3 against sub totals for Administration expenditure and Programme expenditure.

1.10 Value Added Tax

Most of our activities are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.11 Pensions

Present and past employees are covered by the provisions of the Civil Service Pension Schemes, which are described in Note 2. The defined benefit elements of the schemes are unfunded and are non-contributory except in respect of dependents' benefits. Estyn recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Principal Civil Service Pension Schemes (PCSPS) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, Estyn recognises the contributions payable for the year.

1.12 Early departure costs

Estyn is required to meet the additional cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early. Estyn provides for this cost in full when the liability arises.

1.13 Right of use assets

The right of use asset for the office lease is initially measured at cost, which comprises the total of the lease liability adjusted for initial direct costs, prepayments, and incentives. The right of use asset is subsequently measured at either fair value or current value in existing use in line with property, plant and equipment assets.

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

1.14 Cash and Cash Equivalents

Cash and cash equivalent is solely composed of the balance held at Estyn's bank accounts.

1.15 Trade and Other Receivables

Trade and other receivables comprise prepaid expenditure above the minimum limit described in 1.2 Accounting convention, recoverable VAT, grant income receivable at year end and other receivables.

1.16 Trade and Other Payables

Trade and other payables comprise amounts owing in respect of supplier invoices, accruals for expenditure incurred but not yet invoiced by suppliers and recognition of the liability to pay holiday pay for employees who have a remaining leave balance at year end.

1.17 Going Concern Concept

Estyn is expected to remain in existence for the foreseeable future and will receive funding from the Welsh Government to meet all its current liabilities when they mature in the 2026-2027 financial year. It has accordingly been considered appropriate to adopt a 'going-concern' basis for the preparation of these financial statements.

1.18 Accrued Leave

Staff annual leave accrual is accounted for within Table 2 – Staff costs. The accrual is a calculation to reflect the net annual leave owed or owing to staff at the year end. Movement in year is now charged as an accrual within salaries.

2 Staff costs

Description	2025-2026 Total £000's	Permanently Employed Staff £000s	Agency & secondees £000s	2024-2025 £000s
Wages and Salaries	9,325	9,325	-	8,986
Social Security Costs	1,282	1,282	-	1,062
Pension Costs	2,657	2,657	-	2,572
Total Net Costs	**13,264**	**13,264**	**-**	**12,620**
Plus:				
Secondees in	394	-	394	434
Agency Staff	205	-	205	408
NED costs	15	15	-	27
Apprenticeship Levy	33	33	-	29
Early departure	15	**15**	-	123
Total Staff Costs	**13,926**	**13,327**	**599**	**13,641**

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as "Alpha" – are unfunded multi-employer defined benefit schemes, but Estyn is unable to identify its share of the underlying assets and liabilities.

The scheme actuary valued the PCSPS as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation here.

For 2025-2026, employers' contributions of £2.657m were payable to the PCSPS (2024-2025 £2.572m) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2025-2026 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

3 Other Costs

	2025-2026 £000s	2024-2025 (restated) £000s
Other Costs 2024-2025		
Rental Under Operating leases - Accommodation	18	14
Other Accommodation	139	131
IT & Telecoms	885	694
Travel Subsistence & hospitality	826	851
Welsh Government Central Services	24	23
Auditors Remuneration - audit of accounts	72	33
General Administration Costs	534	511
Non-Cash items:		
Lease liability interest charge	1	2
Lease (Right of use of asset) depreciation	76	69
-Tangible asset depreciation	124	114
-Intangible asset depreciation	62	58
Sub Total	**2,761**	**2,500**
Grant Income	(565)	**(498)**
Miscellaneous Income	(4)	**(7)**
Income Total	**(569)**	**(505)**
Total Net Administration Costs	**2,192**	**1,995**
Additional Inspection Related Costs		
External inspector costs	887	806
General inspection related costs	154	181
Sub Total	**1,041**	**987**
Total Other Costs	**3,233**	**2,982**
Excluding Depreciation	**2,971**	**2,741**
Excluding Depreciation and Income	**3,540**	**3,246**

4 Income

	2025-2026 £000s	2024-2025 (restated) £000s
Income:		
Grant income	(565)	(498)
Miscellaneous	(4)	(7)
Total Income	**(569)**	**(505)**

5a Tangible Fixed Assets

	IT Equipment £000s	Furniture & Fittings £000s	Office Equipment £000s	Right of Use Asset £000	Total £000s
Cost or valuation					
At 1 April 2025	**455**	**68**	**5**	**347**	**875**
Additions	146	-	-	-	146
Disposals	-	-	-	-	-
At 31 March 2026	**601**	**68**	**5**	**347**	**1,021**
Depreciation					
At 1 April 2025	**297**	**21**	**1**	**225**	**544**
Charged in year	111	12	1	76	200
At 31 March 2026	**408**	**33**	**2**	**301**	**744**
Net book value					
At 31 March 2026	**193**	**35**	**3**	**46**	**277**
At 31 March 2025	158	47	4	122	331
Asset Financing:					
Owned	193	35	3	-	231
Leased	-	-	-	46	46

5b Intangible Assets

	Software	Training Materials	IT Systems	Website Development	Total
	£000's	**£000's**	**£000's**	**£000's**	**£000's**
Cost					
At 1 April 2025	-	3	442	34	479
Additions	-	6	21	-	27
At 31 March 2026	**-**	**9**	**463**	**34**	**506**
Depreciation					
At 1 April 2025	-	1	371	8	380
Charged in year	-	1	50	11	62
At 31 March 2026	**-**	**2**	**421**	**19**	**442**
Net book value					
At 31 March 2026	**-**	**7**	**42**	**15**	**64**
At 31 March 2025	-	2	71	26	99

6 Financial instruments

Whilst Estyn receives its money via the Welsh Government and not through the normal supply estimates, most of the financial instruments relate to contracts for non-financial items in line with their expected purchase and usage requirements and Estyn's exposure to credit, liquidity or market risk is therefore minimal. Estyn does not hold financial instruments that are complex or play a significant medium-to-long-term role in the financial risk profile of Estyn.

Liquidity risk

Estyn relies primarily on funding from the Welsh Government for its resource requirements and is not therefore exposed to significant liquidity risks.

Interest rate and foreign currency risk

Whilst the bank balance that Estyn holds is material, the risk related to the balance is minimal as it is held within the Government Banking Service (GBS) set of bank accounts. All material deposits and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or foreign currency risk.

Credit risk

Estyn is funded, under legislation, by the Welsh Government and is therefore not exposed to any material credit risks.

7 Trade and other receivables

Amounts Falling Due within Year	2025-2026 £000s	2024-2025 £000s
Other receivables	180	101
Grant funding receivable	-	219
Prepayments and accrued income	263	138
Total Debtors	**443**	**458**

8 Cash and Cash Equivalents

	31 March 2026 £000s	31 March 2025 £000s
Opening Balance	992	633
Net Cash Inflow/(outflow)	(953)	359
Closing Balance	**39**	**992**

9 Payables and Accruals

	31 March 2026 £000s	31 March 2025 £000s
Amounts falling due within one year		
Payables	593	301
Payroll Funding	1,653	1,581
Total	**2,246**	**1,882**

10 Provisions for liabilities

Provisions for liabilities of £55k (31st March 2025 = £55k) are in respect of obligations arising for refitting of the leased office property to its original condition on termination of the lease in October 2026.

11 Leases Right of use assets

Right of use assets relate to lease properties that do not meet the definition of investment properties and are presented within Note 5a – Property, Plant & Equipment. Estyn has only one lease which is in respect of the Anchor Court office premises. The lease expires in October 2026 and included a break-out clause at 1 November 2023 and 1 November 2024, neither of which were enacted.

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

	Lease Liability £000s
Balance at 31 March 2025	(121)
Additions in year	-
Lease payment	76
Interest Charge	(1)
Balance at 31 March 2026 (current liability)	**(46)**

12 Capital commitments

There were no capital commitments at 31st March 2026 (31st March 2025 – Nil).

13 Other commitments

Estyn has not entered any non-cancellable contracts (which are not operating leases) as at 31st March 2026 (there were no non-cancellable contracts as at 31st March 2025).

14 Contingent liabilities

As at 31 March 2026, Estyn was the subject of a series of legal actions, commencing in September 2025, relating to an inspection. As yet, there is no indication of the likely outcome (if any) however, we have received legal advice on the merits of the claims and have incurred expenditure preparing a defence. Due process will need to take place before we will be able to assess any financial consequences that may arise.

There were no contingent liabilities at 31st March 2025.

15 Related party transactions

The Welsh Government and Medr are related parties to Estyn. Material transactions with Welsh Government and Medr during 2025-2026 are:

- Grant in Aid funding of £15.813m and £433k of Grant income from Welsh Government. (2024-2025: Grant in aid £17.615m and grant income of £448k). Grant income of £32k from Medr (2024-2025 £50k).
- we paid Welsh Government £13.486m, mainly for reimbursement of staff salaries and corresponding deductions they pay on our behalf (£11.7m in 2024-2025)
- At 31st March 2026, we had £1.134m accruals with the Welsh Government (£1.09m 2024-2025) and debtors of £36k (2024-2025: £219k).

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

16 Events after the reporting period

Estyn has entered into a lease agreement for office premises at Anchor Court for the period from 1 November 2026 to 31 October 2030. In accordance with IFRS 16, the capitalised value and lease liability of the future lease payments, estimated at approximately £300k, will be recognised in 2026–2027.

Annex : Glossary of acronyms used in this report

ALN	Additional learning needs
ALNI	Additional Learning Needs Inspectors
ALNET	Additional Learning Needs and Education Tribunal
ARAC	Audit Risk and Assurance Committee
CETV	Cash Equivalent Transfer Value
CIW	Care Inspectorate Wales
CSOPS	Civil Servant and Other Pension Scheme
CYPE	Children, Young People and Education
ELV	Enhanced LALI (local authority link inspector) visit
slDAO	Welsh Dear Accounting Officer letters
FOIA	Freedom of Information Act
FReM	Financial Reporting Manual
GBS	Government Banking Service
HIW	The Health Inspectorate Wales
HMCI	His Majesty's Chief Inspector of Education and Training in Wales
HMI	His Majesty's Inspector
IFRS	International Financial Reporting Standards
ISAs(UK)	International Standards on Auditing in the United Kingdom
ITE	Initial teacher education
JICPA	Joint inspectorate review of child protection arrangements
LALI	Local authority link inspector
LASC	Local authority specialist classes
LGES	Local government education services
LNF	Literacy and Numeracy Framework
LO	Lead officer
NED	Non-Executive Director
NPQH	National Professional Qualification for Headship
PCS	Public and Commercial Services Union
PCSPS	Principal Civil Service Pension Scheme
PDG	Pupil Development Grant
PI	Performance Indicator
PIAP	Post-inspection action plan
PRU	Pupil referral unit
RgI	Registered Inspector
RgNI	Registered Nursery Inspector
RI	Reporting inspector
SCS	Senior Civil Service
SICI	Standing International Conference of Inspectorates
SoFFP	Statement of Financial Position
UP	Underlying Principles

VAT	Value Added Tax