

# Children's Commissioner for Wales Strategic Report and Accounts 2013-14



# Strategic Report

## Introduction

A Children's Commissioner is someone who speaks up for children and young people and their rights and helps strengthen and improve the systems there to protect them and enable them to fulfil their potential. The establishment of such independent human rights institutions for children in many countries throughout the world is considered necessary because:

- sometimes children's rights are ignored, or forgotten about;
- children lack economic and political power;
- sometimes children don't get what they need; and
- sometimes children are at risk.

The post of Children's Commissioner for Wales – the first of its kind in the UK - was established by the Care Standards Act 2000. The Children's Commissioner for Wales Act 2001 broadened the remit and set out the Commissioner's principal aim, which is to safeguard and promote the rights and welfare of children in Wales.

The Commissioner is required to present an annual review of his activities to the National Assembly for Wales. His Annual Review 2013-14 will be laid before the Assembly in October 2014, after which the Review will be uploaded onto the Commissioner's website – [www.childcomwales.org.uk](http://www.childcomwales.org.uk).

On 1<sup>st</sup> March 2008, Keith Towler took up his post as the Commissioner, having been appointed by the First Minister of the National Assembly for Wales after being interviewed by children, young people and adults.

There's a team of people who work with the Children's Commissioner – in Swansea and Colwyn Bay – to help him:

- support children and young people to find out about children's rights;
- listen to children and young people to find out what's important to them;
- advise children, young people and those who care for them if they feel they've got nowhere else to go with their problems;
- influence government and other organisations who say they're going to make a difference to children's lives, making sure they keep their promises to children and young people; and
- speak up for children and young people nationally on important issues – being the children's champion in Wales.

The Commissioner works for every child and young person up to the age of 18 who live in Wales, or who normally live in Wales. He also has the power to act on behalf of older young people under certain circumstances.

Under the legislation that established the Children's Commissioner for Wales there is a duty to:

- have regard to the UN Convention on the Rights of the Child (UNCRC) in everything he and his team do;
- make sure that children and young people know where his offices are and how to contact him and his team;
- encourage children to contact him and the team;
- ask children what they think about his work and future work, and allow them to influence the work programme; and
- make sure that he and his staff go and meet children and young people.

The work isn't confined to what are usually considered to be children's issues, like health, education and social services. Planning, transport, the environment, economic development and rural affairs also fall within the scope of the role.

The Commissioner can:

- review the effects of policies, proposed policies and the delivery of services to children;
- examine in more depth the case of a particular child or children if it involves an issue that has a general application to the lives of children in Wales;
- require information from agencies or persons acting on their behalf, and require witnesses to give evidence on oath; and
- provide advice and assistance to children and young people, and others concerned about their rights and welfare.

There is also an important additional power to consider and make representations to the National Assembly for Wales about **any matter** affecting the rights and welfare of children in Wales.

The Commissioner's five year strategy has been published in his Corporate Plan – a copy of which can be obtained from the Commissioner's website – [www.childcomwales.org.uk](http://www.childcomwales.org.uk). He has also published, on his website, his work programme and priorities for the period ending 31<sup>st</sup> March 2015.

### **Audit and Risk Assurance Committee**

The Commissioner's Audit and Risk Assurance Committee provides advice and assurance in respect of corporate governance, risk management and control within the Commissioner's office and the adequacy of the internal and external audit arrangements.

It meets at least bi-annually and is made-up of senior officials of the Commissioner's Office and Non-Executive members. During the period there were four meetings of the Committee. The Non-Executive members of the Committee are:

- Wyn Mears – Business Consultant and former Director of the Association of Certified Chartered Accountants;
- Ian Summers – Former Partner of the Wales Audit Office;
- Greta Thomas – Former Director of NSPCC in Wales;

- Dr Iolo Doull – Consultant Respiratory Paediatrician at the University Hospital of Wales, Cardiff; and
- Aine Denvir – Child Care Solicitor.

### Senior Officers

The following persons served as the Management Team during the year:

- Keith Towler - Children’s Commissioner for Wales;
- Eleri Thomas – Chief Executive Officer and Deputy Children’s Commissioner;
- Tony Evans - Head of Corporate Services;
- Andy Wallsgrove – Head of Operations;
- Rebecca Griffith – Communications Officer; and
- Amanda Evans – Human Resources Officer.

### Funding

The Children’s Commissioner for Wales is independent of, but funded by the Welsh Government. In 2013-14 the Commissioner received £1.715 million (2012-13: £1.732 million) to fund his activities.

### Format of the Accounts

These financial statements have been prepared in accordance with Paragraph 7(2) Schedule 2 of the Care Standards Act 2000 and the Accounts Direction issued by Welsh Ministers. A copy of that direction can be obtained from the Head of Corporate Services, Children’s Commissioner for Wales, Oystermouth House, Charter Court, Phoenix Way, Swansea, SA7 9FS.

These accounts have been prepared for the period from 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014 and reflect the assets, liabilities and resource outturn of the Children’s Commissioner. These financial statements have been prepared in accordance with the Government’s Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Accounting Standards (IFRS) as adopted or interpreted for the public sector context.

### Results for the Year

The Statement of Comprehensive Net Expenditure shows expenditure, for the period, of £1.692 million (2012-13: £1.755 million). The general fund balance as at the year-end is £390,000 (2012-13: £367,000).

During 2013-14 the Commissioner’s staff changed to 25.7 (whole time equivalent) from 25.2 (whole time equivalent) members of staff, which includes full time and part time employees. The change in staff numbers was due to the introduction of a recruitment freeze in the period.

### Staff Consultation

The Commissioner regularly consults with staff on major changes to the organisation. This is achieved through a variety of methods which includes staff meetings, surveys and the intranet. The Commissioner

has also established an Employment Policy Working Group to review all internal employment policies and procedures to ensure they comply with legislative requirements and best practice.

### **Training**

The Commissioner continues to invest in the provision of development and training opportunities for staff. Through his performance management system all staff are encouraged to produce annual personal development plans. In addition the office produces an annual training and development programme. Which includes four annual all staff learning and development days, covering topics, for example, on Participation and Safeguarding.

### **Staff Absences**

During 2013-14 the sickness absence rate within the Commissioner's office was 4.3 percent (2012-13: 9.7 percent), based as a percentage of the total available working days.

### **Environmental Sustainability**

The Commissioner has established a working group to help develop a Sustainability Action Plan. As part of their work the group has been in discussions with external organisations to help in the development of the plan, for example, the Carbon Trust, Green Dragon and the Eco-Schools initiative.

The Commissioner is committed to minimising his Office's impact on the environment wherever possible and seeks to reduce its impact via the following steps:

- Stationery and office resources: staff are encouraged to minimise their use of office consumables whenever possible;
- Travel: where practical, public transport is used by officers. In addition, meetings are held using video conferencing wherever possible;
- Energy: the Commissioner encourages all staff to be energy conscious and consider ways of reducing their carbon footprint; and
- Waste disposal: the Commissioner is committed to recycling all waste, subject to external restrictions.

### **Senior Official Appointments**

Keith Towler was appointed as Children's Commissioner for Wales with effect from 1st March 2008. The remaining senior officers took up appointments between May 2006 and November 2009 and were appointed by the Commissioner under Schedule 2 paragraph 4 of The Care Standards Act 2000.

### **Equal Opportunities**

All applications for employment with the Children's Commissioner for Wales are considered on the grounds that all job applicants should have equal opportunity for employment and advancement on the basis of their ability, qualifications and suitability for the work.

No job applicant or employee should receive less favourable treatment on grounds of race, colour, sex, sexual orientation, age, marital status, disability, religion, family/domestic responsibilities or working patterns, nor should any individual be disadvantaged by conditions or requirements which cannot be shown to be justifiable.

The Commissioner's Equality Action Plan was published on 1st April 2012. He has also published his annual Equality Report which contains progress against compliance with the requirements of the Equality Act – copies of these documents can be obtained from the Commissioner's website – [www.childcomwales.org.uk](http://www.childcomwales.org.uk).

### **Auditors**

The Children's Commissioner for Wales' accounts are examined and certified by the Auditor General for Wales in accordance with paragraph 9 of Schedule 2 to the Care Standards Act 2000 (*Note 8*).

Baker Tilly provides internal audit services for the Commissioner.

During the period no remuneration was paid to the auditors for non-audit work.

### **Disclosure of Information to the Auditors**

So far as the Commissioner's Office is aware, there is no audit information of which the auditors are unaware; and the Office has taken all the steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

### **Personal Data Related Incidents**

Within the financial year, there were no reported incidents involving personal data. The Commissioner maintains an information security policy and procedures that ensure incidents related to personal data related incidents are minimised.

### **Events Since the End of the Financial Year**

There have been no events since the balance sheet date that affect the understanding of these financial statements.

## Remuneration Report

### Remuneration of Members of the Management Team

The Welsh Ministers determine the remuneration of the Children's Commissioner for Wales in accordance with Schedule 2 paragraph 3 to the Care Standards Act 2000.

For other members of the Management Team, remuneration was determined by the Children's Commissioner for Wales based on guidance from civil service recruitment specialists.

The following sections, which have been subjected to audit, provide details of the remuneration and pension benefits of the most senior officials of the organisation:

	<b>2013-14</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2012-13</b>
	<b>Salary range</b>	<b>Benefits in</b>	<b>Salary range</b>	<b>Benefits in</b>
	<b>£000*</b>	<b>Kind (to</b>	<b>£000*</b>	<b>Kind (to</b>
		<b>nearest</b>		<b>nearest</b>
		<b>£100)*</b>		<b>£100)*</b>
Keith Towler - Children's Commissioner for Wales.	90-95	4,800**	90-95	4,700**
Eleri Thomas – Chief Executive Officer and Deputy Commissioner.	60-65	-	60-65	-
Andy Wallsgrove – Head of Operations.	55-60	-	50-55	-
Tony Evans – Head of Corporate Services.	55-60	-	50-55	-

\* This information is subject to audit.

\*\* Keith Towler was provided with a leased car. The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument.

### Median Remuneration

	<b>2013-14</b>		<b>2012-13</b>
Band of highest paid individual's remuneration (£000)	95-100	Band of highest paid individual's remuneration (£000)	95-100
Median total	33,900	Median total	33,200
Ratio	2.80	Ratio	2.86

I am required to disclose the relationship between the remuneration of the highest-paid individual and the median remuneration of employees. The banded remuneration of the highest-paid individual in 2013-14 was £95-£100,000 (2012-13: £95-£100,000). This was 2.80 times (2012-13: 2.86) the median remuneration of employees. Total remuneration includes salary and benefits-in-kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

## Compensation Paid, Significant Awards to Former Senior Managers

There were no such payments made in this period.

## Pension Benefits – Civil Service Pension Scheme

	Accrued pension at 31.3.14* £000	Real increase in pension* £000	CETV(i) at 31.3.14* £000	CETV(i) at 31.3.13* £000	Real increase/(decrease) in CETV* £000
Keith Towler – Children’s Commissioner for Wales.	36	2	184	146	22
Eleri Thomas – Chief Executive Officer and Deputy Commissioner.	25	2	77	58	11
Andy Wallsgrove – Head of Operations.	29	2	414	374	18
Tony Evans – Head of Corporate Services.	10	1	279	255	7

\* This information is subject to audit.

## Pension Scheme

Pension benefits are provided through the Civil Service pension arrangements. From 30th July 2007, civil servants may be in one of four defined benefit schemes; either a ‘final salary’ scheme (**classic**, **premium** or **classic plus**); or a ‘whole career’ scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year; and although these are defined benefit schemes it is not possible to disclose the amount of assets and liabilities of the schemes. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with changes in the Consumer Prices Index (CPI). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a good quality ‘money purchase’ stakeholder pension with a significant employer contribution (**partnership** pension account).

Employee contributions are set at a percent of pensionable earnings for **classic**, **premium**, **classic plus** and **nuvos**. 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 three years’ 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 in respect of service before 1st October 2002 calculated broadly as per **classic** and benefits for service from October 2002 calculated 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 (31st March) the member’s earned pension account is credited with 2.3 percent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. 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 a stakeholder pension arrangement. The employer makes a basic contribution of between 3 percent and 12.5 percent (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. 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 0.8% 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** and 65 for members of **nuvos**.

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

**(i) Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarial 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 arrangement which the individual has transferred to the Principal Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries 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 drawn.

**(ii) Real increase in CETV**

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

Keith Towler, Children's Commissioner for Wales and Accounting Officer  
July 2014

## STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under Schedule 2 to the Care Standards Act, Welsh Ministers have directed the Children's Commissioner for Wales to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Children's Commissioner for Wales and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

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

- observe the Accounts Direction issued by Welsh Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Commissioner is the Accounting Officer for his office by virtue of paragraph 10 of Schedule 2 to the Care Standards Act 2000. The responsibilities of the Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Children's Commissioner for Wales' assets, are set out in an Accounting Officers' Memorandum issued by HM Treasury.

## **ANNUAL GOVERNANCE STATEMENT**

### **Scope of Responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of governance that supports the achievement of my policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

### **The Purpose of the Governance Framework**

The Governance Framework comprises the systems and processes, and culture and values by which I direct and control the activities of my office. The Framework enables me to monitor the achievement of my strategic objectives and to determine whether the objectives have been delivered in a cost effective manner.

The system of internal control is a significant part of the Framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Commissioner's office for the year ended 31<sup>st</sup> March 2014 and continuing up to the date of approval of the annual report and accounts, the systems of internal control accords with HM Treasury guidance.

### **The Governance Framework**

The office of the Children's Commissioner for Wales has no governing body, but is instead a Corporation Sole. A governing body such as a Board would act counter to the independence of my office. This independence is critical to the holding to account role performed by the office in relation to the human rights of children and young people.

Given the emphasis on the role of the Commissioner as an individual, there are some respects in which the decision-making structure is different to other public sector bodies. However, as it is a public role involving use of public funds, accountability and decision-making need to be rigorous and transparent.

In principle, decisions should be made at the lowest level possible, however, there must always be a relationship between authority and responsibility. Those who are responsible for particular areas of work should have a clearly defined authority to make decisions, and a clear route and measure of accountability. Managers have overall responsibility for their area of work and the supervision of their staff teams. Delegation operates on the basis of delegation to named officers rather than to groups or committees. It is essential therefore that the scope and limits of that delegation be clearly spelled out. This is determined within the Governance Policy and within financial procedures.

The strategic and operational management of the office is delegated to the Chief Executive Officer and the Management Team. The Chief Executive Officer and the Management Team are responsible for the

delivery of the aims and objectives of the office. In pursuing the aims and objectives of the office, employees must adhere to office policies and procedures and keep within allocated budgets.

The Management Team meet monthly and at least quarterly with me, as Commissioner. Its primary purpose is to provide leadership, vision, purpose and accountability in taking forward and delivering the mission of the office. The terms of reference are reviewed every six months and a copy is posted onto the intranet.

The Commissioner has also established an Audit and Risk Assurance Committee to provide advice and support in relation to his governance arrangements.

### **Focusing on the Purpose of the Organisation and on Outcomes**

Corporate planning is the systemic approach to determining our goals. It enables me as a corporate sole, to fulfil my legislative remit and to deliver against the vision set out in my Corporate Plan of ensuring positive and lasting changes for children and young people in Wales. The corporate and annual planning processes provide an overall strategic direction for all functions within the office; and helps to ensure we make the most effective use of organisational resources to maximise our impact for children and young people in Wales.

The planning process each year will commence in September with a rollover assessment of the previous year's annual work plan which will take place at an annual staff development day.

This assessment will include discussion on the current annual plan objectives and their anticipated completion dates and progress on achieving the corporate goals. At this stage, an assessment will be undertaken to establish whether the defined objectives still remain valid and appropriate.

It will also provide an opportunity for members of the Team to highlight potential priorities for the forthcoming year.

Priorities should be presented to the Management Team following the staff development day using a business case-style template that highlights:

- What the potential objective is;
- Why the objective should be considered a priority;
- Whether there are any anticipated resource implications; and
- The key risks to completing and not completing the objective.

The current and potential annual objectives will then be reviewed by the Chief Executive Officer and prioritised in a draft annual work plan (AWP) based on:

- Alignment to the organisation's corporate objectives, goals and vision;
- Equality considerations;
- Statutory remit;
- The key risks; and
- Available resources.

This draft plan will be completed by the end of November each year and will be circulated to the wider staff team for comments and further contributions.

Comments on the draft annual work plan will be considered by the Management Team at January's management team meeting. A preliminary annual work plan will be compiled following this meeting.

Once a preliminary annual work plan is in progress, project initiation documents will be established for each of the annual objectives to define the likely resource (including staffing, finance and ICT) requirements for successful completion, including timescales.

Line Managers will be able to use the preliminary annual work plan to describe individual work plans, and appraisal against objectives for last year's plan, with staff that they manage by the end of March.

The final annual work plan will be effective from 1st April each year.

The annual work plan document is monitored and updated on a quarterly basis by the Management Team. Achievement against work plan, slippage and remedial action is also reported to the Audit Committee, which meets quarterly.

My Risk Register is aligned with the strategic goals and monitored regularly by the Management Team and the Audit and Risk Assurance Committee.

The final annual work plan agreed each year is published on the staff intranet and is used routinely to support and inform performance management processes. There is also a public summary version of the annual work plan on the office's website.

Records of progress are also shared with staff and maintained by the Chief Executive Officer.

#### **Officers Working Together to Achieve a Common Purpose with Clearly Defined Functions and Roles**

Roles and responsibilities are clearly defined in the Governance Policy and detailed within the Overview of Roles and Responsibilities document. These documents outline the level of delegated responsibility within the office; and are posted onto the staff intranet.

All employees have clear conditions of employment and job descriptions, which set out their roles and responsibilities.

The Management Team and Audit and Risk Assurance Committee have terms of reference, which sets out their roles and responsibilities.

The Audit and Risk Assurance Committee provides advice and assurance in respect of corporate governance, risk management and control within the office and the adequacy of the internal and external audit arrangements. In 2014-15 the Audit and Risk Assurance Committee completed an effectiveness review which highlighted a number of development needs. Following on from this review, the Committee have developed an action plan to take forward these needs.

## Promoting Values for the Organisation and Demonstrating the Values of Good Governance through Upholding High Standards of Conduct and Behaviour

I define my office's key values as:

- Children and young people are at the centre of everything we do;
- We listen to children and young people, driving action and change;
- We make a difference to children and young people's lives by working in partnership with people and organisations and holding them to account where necessary;
- We champion children and young people;
- We believe in everyone's rights, diversity and respect;
- We lead and challenge with integrity and courage;
- We inspire people to do their best for children and young people; and
- We invest in staff.

These values have been developed with staff and communicated to all staff and are posted onto the staff intranet. All new staff undertake induction training which provides information on the Commissioner's office, values and culture, policies and procedures relating to Employment, Health and Safety, UNCRC, Vision and Purpose, Financial procedures and ICT Security.

I take issues around fraud and maladministration very seriously and have established the following policies:

- Whistleblowing Policy;
- Anti-Fraud Policy;
- Policies relating to disciplinary or code of conduct; and
- Complaints Policy.

The Management Team regularly review and monitor compliance with these policies.

### **Taking Informed and Transparent Decisions which are Subject to Effective Scrutiny and Managing Risk**

Responsibility for decision making in the office rests with me, however, I have delegated the operational decision making to the Management Team. The level of delegation is documented in the Governance Policy.

The duties of the Management Team are documented within its Terms of Reference. Decisions made by the Management Team are documented and recorded in the minutes, which are posted to the staff intranet.

All staff are informed of decisions made by the Management Team which are communicated via email, updates to the intranet and through updates presented by the Chief Executive Officer.

I have a Risk Management Policy and Framework in place and I have appointed a Risk Strategy Manager. I have ensured that my Risk Strategy Manager has assessed the risks associated with the management and control of information within my office. All staff are aware of the policy and framework which

details the approach and attitude to risk management and defines the structure for management and ownership of risk.

Training has been provided to all managers with authority to make decisions about risk treatment, recognising that some risks will need to be referred to the Management Team. All staff are encouraged to discuss risk management issues during their team meetings. Training for all staff to ensure that they are aware of guidance and best practice was provided during this period; and training was also provided to the independent members of my Audit and Risk Assurance Committee. My Head of Corporate Service is a member of the Directors of Finance Network, where risk management is discussed and we learn from their experiences.

Risk management is incorporated into the corporate planning process. The key strategic risks are assessed by the Management Team. Each risk is owned by a member of the team and the risk register is made available to all staff. During the year, the risk register has been regularly reviewed at Management Team meetings. Any new risks or changes are identified and evaluated. The risk appetite is determined by the Management Team in the context of the impact on the reputation of the office; the executive, operational and individual performance; the independence of the office; and the independent and objective review of activities, censure of any kind by regulatory bodies, financial loss, poor value for money, inappropriate use of public funds or any breach of regularity or propriety. A risk assessment of each operational or project activity is undertaken prior to commencement.

My internal auditors, Baker Tilly, have undertaken a review of my risk strategy. In addition they have undertaken a review of my compliance with the control and management of information and my compliance with the Data Protection Act. They have made a number of recommendations which are being implemented.

#### **Developing the Capacity and Capability of Officers to be Effective**

Through my Management Team, I ensure that all members of staff have the necessary skills, knowledge and capacity to discharge their responsibilities. I recognise the importance of competent and well trained employees to ensure the effective deliver of my objectives. All new members of staff attend an induction process which introduces them to the policies and procedures; and culture of the office.

I have introduced an Appraisal Policy, which links individual performance and development to the corporate objectives of the organisation. This is designed to improve every employee's performance and contribution to the achievement of corporate objectives by providing them with the right skills and environment to do the job to the best of their ability.

I am committed to enabling and empowering employees to meet individual, team and corporate goals and I consider the process of annual appraisals, objective setting and personal development planning processes to be fundamental to achieving this aim.

In support of continuing professional development, employees have regular supervision. This has a vital role to play in supporting staff in their work which is often complex and challenging. Supervision provides an opportunity for staff to reflect on and take ownership of the quality of their practice. It is also fundamental to the continuous improvement of services.

Performance management is a process which contributes to the effective management of individuals and teams in order to achieve high levels of organisational performance. It establishes a shared understanding about what is to be achieved and an approach to leading and developing people which will ensure that it is achieved. Performance management is strategic in that it is about broader issues and long term goals and integrated in that it links various aspects of the organisation, people management, individuals and teams.

Financial management is based upon a framework of regular management information and a set of clear financial procedures. Management information involves regular budget monitoring and reporting; and the development of financial targets and other performance measures.

### **Engaging with Local People and Other Stakeholders**

I am governed by legislation that states I must take reasonable steps to ensure that children and young people are encouraged to give their views on the role and functions of the Commissioner and the programme of work he undertakes.

As part of the corporate planning process consultation is completed with external stakeholders.

The Management Team has developed a Communication Strategy. This strategy ensures that the Commissioner's key messages are communicated to all relevant stakeholders, and ensures that high-quality publications are produced and disseminated to relevant stakeholders. As part of the strategy is the development and implementation of the Commissioner's Social Media Policy, which includes managing accounts on Twitter and Flickr.

### **Review of Effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of governance. This review is informed by the work of the internal auditors and the Management Team who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have also been advised on the effectiveness of the system of governance by the work of the Audit and Risk Assurance Committee. I have undertaken to ensure the continuous improvement of the internal systems and to address any weaknesses as they arise.

The process applied in maintaining and reviewing the effectiveness of the governance framework was:

- collectively the Management Team discussed and reviewed the operation of internal financial controls;
- internal audit completed a review of the effectiveness of key internal controls; and
- the Audit and Risk Assurance Committee met in the year and advised on the implications of assurances provided in respect of corporate governance, risk management and control, the adequacy of the internal and external audit arrangements and management responses to audit recommendations.

Baker Tilly provides the Internal Audit for my office. They operate to Public Sector Internal Audit Standards. They submit regular reports which include the independent opinion on the adequacy and effectiveness of the Commissioner's system of internal control together with recommendations for



improvement. During 2013-14 Baker Tilly provided me with reasonable assurance for this period that I have adequate and effective internal control process to manage the achievement of my objectives.

In addition to the work of Baker Tilly, I commissioned an external contractor to review the Investigation and Advice service. Their report was submitted in 2014-15, a number of recommendations have been made which are being implemented.

From my review of the effectiveness there are no significant internal control issues.

#### **Programme of Improvement for Governance Issues**

During the period there were no significant issues that impacted upon the governance framework. However, Welsh Government have announced that an independent review of the powers and remit of the Commissioner will be undertaken in 2014-15. With a report being published in December 2014.

The Management Team will continue to monitor the internal control environment and ensure that the governance framework continues to meet the needs of the organisation.

#### **Certification by Accounting Officer**

I am assured that the system of governance in operation within my office during 2013-14 has been robust. From the review of the effectiveness of the systems of internal control I am assured that the present arrangements meet the needs of the office and ensure that they comply with best practice.

**Keith Towler, Children's Commissioner for Wales and Accounting Officer**  
**29 July 2014**

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

I certify that I have audited the financial statements of Children's Commissioner for Wales for the year ended 31<sup>st</sup> March 2014 under paragraph 9(2) of Schedule 2 to the Care Standards Act 2000. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### **Respective responsibilities of the Accounting Officer and Auditor**

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

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with applicable law and with International Standards on Auditing (UK and Ireland). These standards require me to comply with the Auditing Practice Board's Ethical Standards for Auditors.

### **Scope of the Audit of the Financial Statements**

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

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

In addition I read all the financial and non-financial information in the Foreword, the Summary of Activity and the Strategic Report, included in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Opinion on Financial Statements**

In my opinion the financial statements:

- give a true and fair view of the state of the Children's Commissioner for Wales' affairs as at 31<sup>st</sup> March 2014 and of its Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, and the Statement of Changes in Taxpayers' Equity for the year then ended; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under the

Care Standards Act 2000.

### **Opinion on Regularity**

In my opinion, in all material respects, the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

### **Opinion on Other Matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Welsh Ministers' directions made under the Care Standards Act 2000; and
- the information which comprises the Foreword, the Summary of Activity and the Strategic Report, included within the Annual Report is consistent with the financial statements.

### **Matters on which I Report by Exception**

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

- the Annual Governance Statement does not reflect compliance with HM Treasury guidance;
- proper accounting records have not been kept;
- information specified by HM Treasury regarding the remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

### **Report**

I have no observations to make on these financial statements.

Huw Vaughan Thomas  
Auditor General for Wales  
24 Cathedral Road  
Cardiff  
CF11 9LJ

5 August 2014

Statement of Comprehensive Net Expenditure for the year ended 31 March 2014

<b>Expenditure</b>	Note	2013-14 £000	2012-13 £000
Administration costs:			
Staff Costs	2	1,194	1,205
Depreciation	4	20	24
Other Administration Costs	4	502	526
		<u>1,716</u>	<u>1,755</u>
<b>Income</b>			
Income from Activities	5	-	-
Other Income		24	-
		<u>24</u>	<u>-</u>
Net Expenditure		1,692	1,755
Interest payable/receivable		-	-
Net Expenditure after interest		1,692	1,755
Other Comprehensive Expenditure			
		-	-
<b>Total Comprehensive Expenditure for the year ended 31<sup>st</sup> March 2014</b>		<u>1,692</u>	<u>1,755</u>

All income and expenditure is derived from continuing operations. There are no gains or losses other than those reported in the Statement of Comprehensive Net Expenditure. The Commissioner receives funding from Welsh Government.

*The notes on pages 24 to 35 form part of these accounts*

Statement of Financial Position as at 31 March 2014

	Note	2014		2013	
		£000	£000	£000 (Restated)*	£000 (Restated)*
<b>Non-current assets:</b>					
Property, plant and equipment	7		27		14
<b>Current assets:</b>					
Trade and other receivables	8	59		34	
Cash and cash equivalents	9	492		534	
<b>Total current assets</b>			551		568
<b>Total Assets</b>			578		582
<b>Current liabilities:</b>					
Trade and other payables	10	(36)		(42)	
<b>Total current liabilities</b>			(36)		(42)
<b>Non-current assets plus/less net current assets/liabilities</b>			542		540
<b>Non-Current liabilities:</b>					
Provision for liabilities and charges	16	(152)		(173)	
<b>Total non-current liabilities</b>			(152)		(173)
<b>Assets less total liabilities</b>			390		<b>367</b>
<b>Taxpayer's equity:</b>					
General fund			390		<b>367</b>

\*The opening balance has been restated to reflect balance adjustments from prior years

**Keith Towler, Children's Commissioner for Wales and Accounting Officer**  
July 2014

*The notes on pages 24 to 35 form part of these accounts*

**Statement of Cash Flows**  
for the period 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014

		2013- 2014	2012- 2013
		£000	£000
	Note		
<b>Cash flows from operating activities</b>			
Net Expenditure	2,4	1,692	1,755
Adjustment for non-cash transactions	4	(20)	(39)
Increase/(decrease) in trade and other receivables	8	25	(1)
Decrease in trade payables	10	6	13
Use of Provisions	16	21	21
<b>Net cash outflow from operating activities</b>		<u>1,724</u>	<u>1,749</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	33	-
<b>Net cash outflow from investing activity</b>		<u>33</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Financing from the Welsh Government		1,715	1,752
<b>Net Financing</b>		<u>1,757</u>	<u>1,752</u>
Net (increase)/decrease in cash and cash equivalents	9	42	(3)
Cash and cash equivalents at beginning of period		534	531
<b>Cash and cash equivalents at end of period</b>		<u>492</u>	<u>534</u>

*The notes on pages 24 to 35 form part of these accounts*

**Statement of Changes in Taxpayers' Equity for the year ended 31<sup>st</sup>  
March 2014**

	Note	General Fund £000 (Restated)*
<b>Balance as at 31<sup>st</sup> March 2013</b>		<b>367</b>
		<hr/>
<b>Changes in Taxpayers' Equity 2013-2014</b>		<b>367</b>
Funding from Welsh Government		1,715
Comprehensive net expenditure for the year		(1,692)
		<hr/>
<b>Balance at 31<sup>st</sup> March 2014</b>		<b>390</b>
		<hr/>

\*The opening balances have been restated to reflect balance adjustments from prior years.

*The notes on pages 24 to 35 form part of these accounts*

## Notes to the Resource Accounts

### 1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the Government's Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM apply International Accounting Standards (IFRS) as adopted or interpreted for the public sector context. Where the FRoM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Commissioner for the purpose of giving a true and fair view has been selected. They have been applied consistently in dealing with items considered material in relation to the accounts. The particular accounting policies adopted by the Children's Commissioner for Wales are described below.

#### 1.1 Accounting Convention

These accounts have been prepared under the historical cost convention as in the opinion of the Children's Commissioner for Wales the effect of the revaluation of fixed assets at their value to the organisation by reference to their current cost is considered to be immaterial.

#### 1.2 Income and Funding

The only source of funding for the Children's Commissioner for Wales is from the Welsh Government via an annual grant, which is credited to the general fund when the grant is received. The grant is recognised in the period in which services are provided.

The only source of income is in relation to recover of salary costs related to a secondment, which is credited to the general fund when the income is received.

#### 1.3 Property, Plant and Equipment

The Commissioner has valued all non-current assets at historic cost as any revaluation adjustments are, in the Commissioner's opinion, not material. The minimum level for capitalisation of individual assets is £1,000. Large numbers of the same type of asset have been grouped together in determining if they fell above or below the threshold.

#### 1.4 Depreciation

Depreciation is provided at rates calculated to write off the value of non-current assets by equal instalments over their estimated useful lives, as follows:

• IT Equipment	3 years
• Furniture	5 years
• Office Equipment	5 years
• Fixtures & Fittings	5 years
• Vehicles	5 years



A full year's depreciation is charged in the year of acquisition.

#### 1.5 Statement of Comprehensive Net Expenditure

Operating income and expenditure is that which relates directly to the operating activities of the Commissioner. It comprises charges for goods and services provided on a full cost basis. All expenditure is classed as administration expenditure.

#### 1.6 Value Added Tax

The Commissioner is not registered for VAT. Expenditure and fixed asset purchases are accounted for VAT inclusive, as VAT is irrecoverable.

#### 1.7 Pensions

The Commissioner's staff are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The PCSPS is a defined benefit scheme. The cost of the defined benefit element of the scheme is recognised on a systematic and rational basis over the period during which it derives benefit from employees' services by payment to the 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 scheme, the Children's Commissioner recognises the contributions payable for the year; these amounts are charged to the Statement of Comprehensive Net Expenditure in the year of payment.

#### 1.8 Leases

Leases of assets where substantially all risks and rewards of ownership of a leased asset are borne by the Commissioner are classified as finance leases. The asset is recorded as a tangible fixed asset and a debt is recorded to the lessor of the minimum lease payments. Payments are charged to the Statement of Comprehensive Net Expenditure and a finance charge is made based upon the interest rate implicit in the lease.

Operating lease rentals are charged to the Statement of Comprehensive Net Expenditure in equal amounts over the lease term.

#### 1.9 Segmental Reporting

The Commissioner's Office operates in Wales and deals with issues that impact upon children and young people in Wales. The Statement of Comprehensive Net Expenditure and associated notes reflects the segments that the operating results are reported.

#### 1.10 Staff Expenses

The Commissioner provides for short term compensated absences unused at the year-end.

#### 1.11 Provisions

The Commissioner provides for legal or contractual obligations which are of uncertain timing or amounts at the balance sheet date, on the basis of best estimate of the expenditure required to settle the obligation.

#### 1.12 Cash and Cash Equivalent

The Commissioner holds cash which is deposited in a commercial bank account upon receipt. Petty cash is also held at each of the Commissioner's offices.

## 2. Staff Numbers and Related Costs

a) For the year staff costs consist of:

			2013-2014 £000	2012-2013 £000
	Permanently Employed Staff	Other	Total	Total
Wages and Salaries	963	-	963	972
Social Security Costs	70	-	70	70
Pension Costs	161	-	161	163
<b>Sub Total</b>	<b>1,194</b>	<b>-</b>	<b>1,194</b>	<b>1,205</b>
Less recoveries in respect of outward secondments	(24)	-	(24)	-
<b>Total Net Costs</b>	<b>1,170</b>	<b>-</b>	<b>1,170</b>	<b>1,205</b>

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the participating organisations are not able to identify their share of the underlying assets and liabilities. The scheme was last actuarially valued as at 31 March 2007 but since this date, actuarial valuations of the Scheme were suspended pending the implementation of the Hutton Review recommendations. Details can be found in the Resource Accounts of the Cabinet Office: Civil Superannuation – [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

For 2013-14, employer's contributions of £154,286 were payable to the PCSPS (2012-13: £157,300) at one of four rates in the range 16.7 percent to 24.3 percent of pensionable pay, 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 paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £4,256 were paid to one or more of a panel of appointed stakeholder pension providers (2012-13: £4,661). Employer contributions are age-related and range from 3 to 12.5 percent of pensionable pay (2012-13: 3 to 12.5 percent). Employers also match employee contributions up to 3 percent of pensionable pay. In addition, employer contributions of £772 or 0.8

percent of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of employees (2012-13: £773 or 0.8 percent). Contributions of £5,494 were due to the partnership pension providers at 31<sup>st</sup> March 2014. (2012-13: £3,626). All these contributions are included in Pension costs in Note 2a above.

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

			2013-2014 £000	2012-2013 £000
	Permanently Employed Staff	Other	Total	Total
Directly Employed	25.7	-	25.7	23.9
Other	-	-	-	1.3
Staff Engaged on Capital Projects	-	-	-	-
<b>Total</b>	<b>25.7</b>	<b>-</b>	<b>25.7</b>	<b>25.2</b>

### 3. Reporting of Civil Service and Other Compensation Schemes – Exit Packages

Exit package cost band £000	Number of compulsory redundancies	Number of other departures agreed	2013-2014		2012-2013	
			Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10	-	-	-	-	1	1
£10-£25	-	-	-	-	1	1
£25-£50	-	-	-	-	-	-
£50-£100	-	-	-	-	-	-
£100-£150	-	-	-	-	-	-
£150-£200	-	-	-	-	-	-
Total	-	-	-	-	2	2
number of exit packages by type						
Total resource cost £000	-	-	-	-	24	24

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the Commissioner has agreed early retirements, the additional costs are met by the Commissioner and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and not included in the table.

The full costs of departure are charged to the Statement of Comprehensive Net Expenditure in the year that the decision is made. Amounts payable in future years are credited to a provision which is utilised when the payments are made (see note 16).

#### 4. Other Administration Costs

	2013-2014 £000	2012-2013 £000
4.1 Rental under operating leases:		
- vehicles	5	5
- accommodation	71	71
- photocopier	4	7
	80	83
4.2 Administration costs:		
Premises	47	47
Office	85	84
Training and recruitment	31	35
Travel and subsistence	39	37
External audit's remuneration	19	18
Internal auditor's remuneration	9	10
Communication	71	71
Computer	35	51
Other	51	33
Legal and professional fees	35	42
	422	428
4.3 Non-cash items:		
- depreciation charge on ordinary assets	20	24
- loss on disposal of fixed assets	-	-
- in year provision made	-	15
	20	39
	522	550

## 5. Income

	2013-2014 £000	2012-2013 £000
Income from secondment	24	-
	<u>24</u>	<u>-</u>

The only source of income received by the Commissioner relates to the recovery of salary and related costs associated with a secondment between the Commissioner's office and another organisation.

## 6. Segmental Information

	2013-2014 £000	2012-2013 £000 (Restated)*
	Reportable segment £000	Reportable segment £000
Gross expenditure	1,716	1,755
Income	(24)	-
Net expenditure	<u>1,692</u>	<u>1,755</u>
Other information reported to the Chief Operating Decision Maker	-	-
Total assets	578	582
Net assets	390	367

The Commissioner's office operates in Wales and deals with issues that impact upon children and young people in Wales. The monthly information presented to the Management Team is based upon the ledger balances. This information is consolidated into the budget lines and matches the budget lines presented to the Welsh Government as part of the estimate process. The information does not differentiate between different activities within the Commissioner's office. Further analysis of the information does not identify different activities or segments. It is therefore the Commissioner's opinion that his office only operates in one segment as reported.

\* The opening balances have been restated to reflect balance adjustments from prior years.

## 7. Property, Plant and Equipment

	IT Equipment (Restated)*	Fixtures & Fittings (Restated)*	Office Furniture and Equipment (Restated)*	Transport Equipment (Restated)*	Total (Restated)*
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 April 2013	216	205	269	49	739
Additions	33	-	-	-	33
Disposals	-	-	-	-	-
At 31 <sup>st</sup> March 2014	249	205	269	49	772
<b>Depreciation</b>					
At 1 <sup>st</sup> April 2013	214	199	263	49	725
Charged in year	14	3	3	-	20
Disposals	-	-	-	-	-
At 31 <sup>st</sup> March 2014	228	202	266	49	745
Net book value At 31 <sup>st</sup> March 2013	2	6	6	-	14
Net book value At 31 <sup>st</sup> March 2014	21	3	3	-	27
<b>Asset financing:</b>					
Owned	21	3	3	-	27
Net book value At 31 <sup>st</sup> March 2014	21	3	3	-	27
Owned	21	3	3	-	27
Net book value At 31 <sup>st</sup> March 2013	2	6	6	-	14

All assets are owned by the Commissioner, there are no assets financed through a finance lease.

\*The opening balances have been restated to reflect balance adjustments from prior years.

## 8. Trade Receivables and Other Current Assets

	2013-2014 £000	2012-2013 £000
<b>Amounts falling due within one year:</b>		
Trade receivables	11	-
Prepayments and accrued income	48	34
	<b>59</b>	<b>34</b>

## 9. Cash and Cash Equivalents

	2013-2014 £000	2012-2013 £000
Balance at 1st April 2013	534	531
Net change in cash and cash equivalent balances	(42)	3
Balance at 31st March 2014	<b>492</b>	<b>534</b>

All balances as at 31<sup>st</sup> March 2014 were held with a Commercial bank and cash in hand.

## 10. Trade Payables and Other Current Liabilities

Amounts falling due within one year	2013-2014 £000	2012-2013 £000
Taxation and social security	6	28
Trade payables	17	2
Accruals	13	12
	<b>36</b>	<b>42</b>



## 11. Commitments Under Leases

### Operating Leases

The Commissioner was committed to making the following payments in respect of operating leases expiring

	2013-2014 £000		2012-2013 £000	
	Land & Buildings	Other	Land & Buildings	Other
Obligations under operating leases:				
Not later than one year	71	9	71	9
Later than one year and not later than five years	208	4	229	9
Later than five years	116	-	166	-
	<b>395</b>	<b>13</b>	<b>466</b>	<b>18</b>

## 12. Financial Instruments

IFRS7, Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the non-trading nature of the Commissioner's activities and the way in which his operations are financed, his office is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS7 mainly applies. The Commissioner has very limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks he faces in undertaking his activities.

### Liquidity Risk

The Commissioner's net revenue and capital resource requirements are financed by the Welsh Government. His office is not therefore exposed to significant liquidity risks.

### Interest-rate Risk

The Commissioner's financial assets and liabilities are not exposed to interest-rate risks.

### Foreign Currency Risk

The Commissioner's financial assets and liabilities are not exposed to foreign currency risks.

## Fair Values

There is no difference between the book values and fair values of the Commissioner's financial assets and liabilities as at 31<sup>st</sup> March 2014.

## 13. Capital Commitments

There were no capital commitments as at 31<sup>st</sup> March 2014.

## 14. Contingent Liabilities

There were no contingent liabilities as at 31<sup>st</sup> March 2014.

## 15. Related Party Transactions

The Welsh Government is a related party, the Commissioner received his sole source of funding from the Welsh Government; he received £1.715 million during the period. The Commissioner has had a small number of material transactions during the period with HM Revenue and Customs (Tax and National Insurance payments); and the Cabinet Office (payments in respect of the Principle Civil Service Pension Scheme).

There were no material transactions with organisations in which senior staff, or any of their family, held positions of influence.

## 16. Provisions for Liabilities and Charges

	Early Departure £000
Balance as at 1 April 2013	173
Use of provision	(21)
In year provision	-
Balance as at 31 <sup>st</sup> March 2014	152

## Analysis of Expected Timings of Provisions

	Early Departure
	£000
Not later than one year	21
Later than one year and not later than five years	83
Later than five years	48
Balance as at 31 <sup>st</sup> March 2014	152

### Early Departure Costs

The Commissioner meets the additional cost of benefits beyond the normal Principal Civil Service Pension Scheme (PCSPS) benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement age. The Commissioner provides for this in full when the early departure becomes binding by establishing a provision for the estimated payments.

### 17. Events After the Reporting Period

There were no events between the statement of financial position date and the date the accounts were signed that impact upon these statements.