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**Older People's Commissioner
for Wales**

Annual Accounts 2011-12

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MANAGEMENT COMMENTARY

These accounts have been prepared in accordance with the Direction given by Welsh Ministers in accordance with the Commissioner for Older People (Wales) Act 2006, Schedule 1 Paragraph 10 (1) (b).

History and statutory background

The Office of the Commissioner for Older People in Wales was established under Section 1 of the Commissioner for Older People (Wales) Act 2006 and came into existence with the appointment of Ruth Marks as the first Commissioner on 21 April 2008 for a four year term which concluded on 20 April 2012.

Sarah Stone, Deputy Commissioner discharged the functions of Commissioner and Accounting Officer from 21 April 2012 until the second Commissioner Sarah Rochira took up post on 4 June 2012.

The Commission is funded by but is operationally independent of Welsh Ministers and is accountable to the National Assembly for Wales (the Assembly) for the use of resources. In 2011-12 the Commission received funding of £1.747million to fund its activities.

Principle activities

My objectives and those of my team are to:

- Promote awareness of the interests of older people in Wales.
- Promote the provision of opportunities for, and elimination of discrimination against, older people in Wales.
- Encourage good practice in the treatment of older people in Wales.
- Keep under review the adequacy and effectiveness of the law affecting the interests of older people in Wales.

Further information on the work of the Commission is available in the annual report published separately to these accounts at

www.olderpeoplewales.com

Review of principle activities in 2011-12

This year was the second of our three year strategic plan. We have achieved substantial progress against our objectives, including through the follow up of our review to improve dignity and respect for older people in hospitals in Wales.

We actively engaged with older people across Wales in the development and delivery of our work.

Set out below are examples of our activities under our objectives:

Promote awareness of the interests of older people in Wales

We published and promoted "Turning the Page" which set out ten clear and achievable changes which could be made by the Welsh Government to improve the lives of older people in this Assembly term. We highlighted the impact of poverty through, for example, commissioning and publicising a report on enquiries to Citizens Advice Cymru which showed a significant level of issues related to debts and benefits.

We championed older people's issues and concerns through representations to politicians in the Assembly and in Westminster. We gave evidence to the Health and Social Care Committee of the Assembly on residential care and to the Public Accounts Committee on nutrition in hospitals. We met with and pressed UK Ministers to take full account of the concerns of older people in Wales in reforming welfare benefits. Specific issues on which we called for change included the funding of community transport schemes and the situation of women in new pension arrangements.

We recognised and celebrated the contribution of older people in Wales through our publications such as our newsletter and through the use of other media opportunities.

We achieved extensive media coverage for issues of concern to older people through interviews and features in the press, on radio and television. ITV devoted a programme to the issues arising from our Dignified Care Review.

We raised awareness of the right of all older people to choice and control in care through publication of a scoping report on advocacy and through the launch of our second Review into the adequacy of advocacy

arrangements for older people in care homes in Wales. We gathered and analysed evidence from older people, relatives, care home staff, other individuals and organisations. The report will be published in 2012-13.

We pressed for improved access for older people to information and advice services through commissioning research and holding a conference to consult on potential guidance for public bodies. We also commissioned research on whistleblowing and published a report on complaints processes.

Promote the provision of opportunities for, and the elimination of discrimination against, older people in Wales

We promoted awareness of the importance of the public sector equality duty through the provision of information, of training and the use of speeches and presentations. We contributed to the UK Government's senior stakeholder group, pressing for the effective implementation of the section of the Equality Act which relates to age discrimination in the provision of goods, facilities and services.

We called for change to the proposals that would end the Community Transport Concessionary Fares initiative. We used evidence we had gathered which showed the beneficial impact of the scheme on older peoples' lives to make the case effectively to decision makers.

We highlighted the importance of the United Nations Principles for older people by placing these principles at the heart of our work, for example through our hospital and advocacy reviews. We gave evidence to the National Assembly Cross Party Group on Human Rights.

We identified where age discrimination exists and the actions needed to tackle it through carrying out research and a survey of the experiences and perceptions of older people. This work will form a basis for further action in 2012-13.

Encourage best practice in the treatment of older people in Wales

We promoted the right of older people to dignity and respect in hospitals through following up the recommendations of our 'Dignified Care?' Review. We used the powers set out in our legislation to seek, and to assess, responses to these recommendations from health boards, the Trust, local authorities and the Welsh Government.

All the bodies subject to the Review accepted the findings and recommendations and by the close of our formal process had achieved adequate responses. We brought together bodies tasked with monitoring and inspecting the quality of care in hospitals in order to promote a co-ordinated and effective approach to driving improvements. We saw extensive actions taking place across Wales in response to our work, including the initiation of unannounced dignity spot checks. We met with the Chief Executives of all the Health Boards and the Trust to discuss progress on the recommendations.

We promoted the interests of older people in receipt of care services at home through putting out a call for evidence using advertisements and letters in the free press as well as through the use of questionnaires. We asked about the experience of receiving domiciliary care services, especially what older people value about the help they receive and what they would like to change. We received over a thousand responses and the analysis of this will inform our future work. We will publish a report in 2012/13.

We sought better protection for care home residents in homes at risk of closure through issuing a report to the First Minister. The report set out the evidence showing the current limitations and called for a revision of current guidance. It included recommendations to increase access to independent advocacy services for older people. The report also called for good practice from Wales, and elsewhere in the UK, to be included as part of the updated guidance.

We partnered Swansea University in the production of research on the experience of older people of care home closure. This research was presented as evidence to the Health and Social Care Committee of the Assembly and underpinned our report on guidance on care home closure.

We improved the access older people have to information about housing adaptations and repairs through a campaign and through the publication of a leaflet, in partnership with Care and Repair Cymru, Age Cymru and the College of Occupational Therapists.

Keep under review the adequacy and effectiveness of the law affecting the interests of older people in Wales

We improved access to the legal tools available to prevent and to address the abuse of older people through publishing 'Protection of

Older People in Wales: A Guide to the Law'. This guide aimed to reduce confusion and make practitioners more aware of the law available to them in their day to day work and has been widely welcomed and used. We sought to identify potential improvements in the law itself which would better safeguard older people through holding a conference on elder abuse in partnership with Age Cymru. The outcomes of this very successful event, attended by over 140 delegates are being used to inform the Commissions contribution to the shaping of forthcoming legislation. We have pressed for improvements in protection arrangements through public statements including in the media.

Enable the delivery of objectives listed above in ways which are proper and regular, prudent and economical, make efficient and effective use of resources and identify and manage risks.

We engaged with the diversity of older people through discussions with individuals and groups across Wales and through specific projects.

Through our advocacy review and through our call for evidence on home care we heard directly about the experiences of individual older people receiving care services. We carried out opinion polling and research to inform us and others on the issues of importance to older people and to support our work to influence policy and practice. We ran focus groups at the National Eisteddfod in Wrexham to hear older people's experiences of receiving services through the Welsh language and other matters including dignity and respect, domiciliary care and age discrimination. We also ran a stand at Cardiff's Mardi Gras to highlight the role of the Commission to Lesbian, Gay, Bisexual and Transgender older people within Wales .

We drafted and consulted on our Strategic Equality Plan and objectives. This was made available on our website from 2 April 2012.

We responded to enquiries and contacts from older people. We were able to provide assistance in many cases, helping to resolve disputes and providing information and support. We recorded data on these contacts through our business management system, and produced statistics on their range and nature in order to inform our future work.

We engaged with key stakeholders throughout Wales through meetings, presentations and attendance at events. We attended meetings of the National Partnership forum and played an active part in the UK Advisory Forum on Ageing.

The independent three year evaluation of the Commission's impact by ARAD Consulting was finalised toward the end of year. This report will be published in 2012-13.

Review of the 2011-12 Financial Year

The Statement of Comprehensive Net Expenditure shows net expenditure after interest for 2011-12 of £1.896 million (2010-11 £1.845 million).

Reserves at the year-end were £547k. The Commission has a plan to use these reserves effectively to support non recurrent programmes of work in 2012/13 and in future years.

It is essential that the Commission continues to retain a reasonable level of contingent reserves to exercise the functions within the Act which can arise from unplanned requests raised by older people in Wales regarding the services that they receive, for example, through examination and assistance. This may require the temporary appointment of additional staff and professional advisors.

The other planned use of reserves is to continue to build up an evidence base of research into areas of concern raised by older people in Wales. This evidence will then influence the focus of the planned use of powers within the Act, by the Commission in future years.

Forward look to 2012/13

The Commissioner and the team will further develop the use of our powers to scrutinise, challenge, review, examine and assist. We will do all we can to ensure that older people's voices are heard, services are maintained and the valuable ground that has been gained is not lost.

The main areas of work for 2012-13 will include:

- Publication of the findings and recommendations of the Review into advocacy arrangements for older people in care homes in Wales.
- Follow up of 2011-12 activities including the Commissioner's recommendations contained in the Review into the treatment of older people in a hospital setting with regard to dignity and respect.
- Further work to raise awareness of age discrimination and the need for the law to better safeguard older people in Wales.

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- Follow up on Welsh Government's response to our report which sought better protection for care home residents in homes at risk of closure.
- Continuing to respond effectively to the enquiries received from individual older people across Wales.
- Preparation of the second Strategic Plan that will run from April 2013.

The Commissioner envisages delivering this work through her employed staff, but will also make use of individual experts and researchers and other organisations to contribute to the delivery of the five objectives in the Strategic Plan.

The achievements of the past year are set out in greater detail in the statutory Commissioner's Report for 2011-12 which will be available on our website www.olderpeoplewales.com.

Copies of our Strategic Plan and other publications including our research and media statements are also available on our website or in other accessible formats on request from our office.

Working within the Commission

Ruth Marks was appointed as the first Older People's Commissioner for Wales on 21 April 2008 for a four year term. The Senior Management Team working with the Commission in 2011-12 were:

| <u>Name</u> | <u>Position</u> | <u>Appointed</u> |
|-----------------|--|------------------|
| Sarah Stone | Deputy Commissioner | 10 November 2008 |
| Julia Lewis | Head of Information & Resources | 1 November 2008 |
| Alun Thomas | Head of Review, Examination & Policy | 1 July 2009 |
| Alison Phillips | Head of Finance, HR & Corporate Governance | 9 November 2009 |

The Remuneration Report within these accounts contains information about the salary and pension entitlements of these named individuals.

During the year we employed an average of 25.42 whole time equivalent staff (27.04 in 2010-11).

Opportunities for learning and development are promoted and during 2011-12 all staff completed an appraisal as part of our performance management policy. Training delivered in year included the Equality Act, Protection of Vulnerable Adults, project management and methods of engagement.

During 2011-12 the average sickness absence rate per member of staff within the Commission was 11.44 days (5.87 days in 2010-11). The significant increase relates in the main to one member of staff who returned to work in March 2012. We are committed to the health and well-being of our staff and have a comprehensive policy on sickness absence.

We achieved Investors in People status in June 2011, this built upon the success of gaining bronze status in the Small Workplace Health Award the previous year.

Pension Arrangements

The Commissioner and directly employed staff are eligible for membership of the Principal Civil Service Pension Scheme. Further details are set out in the Remuneration Report and the Accounts.

Equal Opportunities

We are committed to equality of opportunity and seek to employ a diverse workforce. All applications 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 age, race, colour, sex, sexual orientation, 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.

During 2011-12 the Commission consulted upon its Equality Scheme as required by Welsh Government and in accordance with the public duties of the Equality Act 2010. A copy of the scheme is available on our website www.olderpeoplewales.com.

Audit and Risk Assurance Committee

The Commissioner has established an Audit and Risk Assurance Committee to support the Commissioner as Accounting Officer in monitoring and reviewing corporate governance, risk management and internal control systems.

The Committee consists of four independent members, appointed for an initial 3 years term in 2009-10. The Commissioner has in 2011-12 reviewed and extended the terms of each member as follows:

| | |
|------------------------|---------------|
| Gordon Lishman (Chair) | 31 March 2014 |
| Kenneth Jones | 31 March 2014 |
| Eifion Pritchard | 31 March 2015 |
| Ian Summers | 31 March 2015 |

Environmental Sustainability

The Commission is committed to good environmental practises. Examples of how we pursue good environmental stewardship are set out below:

- Energy usage - as one of a number of tenants within a small modern office block it is not possible to have full control over the water, heat and lights facilities. However there are thermostatically controlled valves on all the radiators, energy savings light bulbs, and movement sensitive lighting in some areas within the office environment.

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- Public Transport - wherever appropriate the use of public transport is encouraged.
- Vehicle usage - the office does not operate any vehicles but it does encourage the use of hired vehicles for longer journeys in order to ensure greatest efficiency. Staff are encouraged to share transport for official journeys where practicable.
- Paper management - Staff are encouraged to assess whether a paper copy is necessary and to use black and white, double sided printing whenever possible. The use of an office intranet enables information to be accessed without the need for paper distribution systems. Print management software will be installed in 2012-13 to encourage best practice throughout the office.
- Products - Suppliers are encouraged to use environmentally friendly products where possible, an example would be our cleaning contractors now use Eco Friendly products instead of harsh chemicals.

We use environmentally sound paper products such as re-cycled paper and envelopes.

- Waste Disposal - procedures are in operation for the recycling of materials as per our Local Authority's collection system, including paper, cardboard and some plastics.

Paper containing sensitive information is disposed of through confidential waste recycling facilities due to the obligation to maintain confidentiality in our enabling legislation. We have a certificate of environmental accomplishment that certifies our shredding and recycling programme saved 24.4 trees from destruction in 2011.

Payment Policy

The Commission aims to comply with the UK Government's Better Payment Code. The target is for payment to be made within agreed payment terms or 30 days of receipt of invoices not in dispute for goods and services received.

Payment performance for the year averaged 99.64% paid on time (98.34% in 2010-11). No interest was paid in respect of late payments.

Events occurring after the reporting period

There were two non-adjusting events occurring after the reporting period which are documents on page 44.

Otherwise there were no significant events occurring between the year end and the approval of these accounts.

Audit arrangements

These Accounts are audited by the Auditor General for Wales in accordance with paragraph 12 of Schedule 1 to the Commissioner for Older People (Wales) Act 2006. The agreed cost for the audit of the 2011-12 accounts is £14k.

Deloitte provided internal audit services to the Commissioner in 2011-12. Following a tender process in 2010-11, their contract runs for three years until 31 March 2013.

Disclosure of Relevant Audit Information

As Accounting Officer, I have taken all necessary steps to ensure that I am aware of any relevant audit information and to establish that the auditors are also aware of this information.

Sarah Rochira
Older People's Commissioner for Wales
July 2012

REMUNERATION REPORT

Remuneration Policy

The Commissioner's salary is set by the Welsh Ministers in accordance with Schedule 1(3) of the Commissioner for Older People (Wales) Act 2006. Under the terms of this appointment annual increases follow the percentage award made by the Senior Salaries Review Body and the Commissioner is also eligible to join the Principal Civil Service Pension Scheme.

The salaries of directly employed senior staff are set by the Commissioner after conducting a formal pay review annually which assesses any significant changes to the role, their contribution to the Commission's strategic objectives, and the impact of the change on other positions within the Commission and an assessment of wider market rates for similar positions in other comparable organisations.

Neither the Commissioner nor any member of staff received benefits-in-kind.

Service Contracts

Appointments of permanent members of staff, on terms and conditions set by the Commissioner, are made on merit on the basis of fair and open competition but also include provision for circumstances when appointments may otherwise be made. These principles are in line with civil service arrangements. Staff are not members of the Civil Service but are entitled to membership of the Principal Civil Service Pension Scheme (PCSPS).

Unless otherwise stated below, staff covered by this report hold open-ended appointments. The Commission intends that there will be no mandatory retirement age, although PCSPS rules on earliest pensionable age will apply.

Mechanisms for performance appraisal have been developed to ensure that the contribution of individual employees is maintained at an appropriate level at all stages of their employment with the Commission.

Early termination, other than for misconduct, would result in the individual receiving compensation as set out under the Civil Service Compensation Scheme.

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Salaries and Pension Entitlements

This section is subject to audit by Wales Audit Office.

The following sections provide details of the remuneration and pension interests of the Commissioner and senior staff.

| Name and title | Salary 2011-12 | Salary 2010-11 | Real increase in pension and related lump sum at age 65 | Total accrued pension at age 65 and related lump sum at 31/3/12 | CETV at 31/3/11* | CETV at 31/3/12 | Real increase in CETV** |
|--|---------------------------|---------------------------|--|--|-----------------------------|----------------------------|--|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Ruth Marks Commissioner | 91 | 91 | 2 | 10 | 66 | 87 | 13 |
| Sarah Stone Deputy Commissioner | 67 | 63 | 1 | 6 | 34 | 49 | 10 |
| Julia Lewis Head of Information & Resources | 50 | 47 | 1 | 6 | 79 | 100 | 13 |
| Alun Thomas Head of Review, Examination & Policy | 50 | 47 | 1 | 30 | 104 | 116 | 3 |
| Alison Phillips Head of Finance, HR & Corporate Governance | 50 | 47 | 1 | 3 | 8 | 14 | 4 |

*Taking account of inflation, the CETV funded by the employer has been decreased in real terms.

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** The actual factors used to calculate CETVs were changed in 2011/12. The CETVs at 31/3/11 and 31/3/12 have both been calculated using the new factors, for consistency. The CETV at 31/3/11 therefore differs from the corresponding figures in last year's report which was calculated using the previous factors. Salaries in the above table are the amount earned in the financial year and include all remuneration payable. They do not include National Insurance or Superannuation contributions.

Median Remuneration

| | 2011-12 £000 | | 2010-11 £000 |
|--------------------------------------|-------------------------|--------------------------------------|-------------------------|
| Highest Paid individual | 91 | Highest Paid Individual | 91 |
| | £ | | £ |
| Median Total Remuneration | 28,285 | Median Total Remuneration | 26,938 |
| Ratio | 3.22 | Ratio | 3.38 |

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The remuneration of the highest-paid director (the Commissioner) was £91,048 in 2011-12 (2010-11, £91,048). This was 3.22 times (2010-11 3.38) the median remuneration of the workforce, which was £28,285 (2010-11, £26,938).

Incremental increases to other staff salaries were awarded in line with contractual terms and conditions. No inflationary or cost of living increase was awarded in 2010-11 or in 2011-12 to any staff including the Commissioner. In 2011-12 nil (2010-11 nil) employees received remuneration in excess of the Commissioner. Remuneration ranged from £16,538 to £67,240 (2010-11 - £15,750 to £63,434). Total remuneration includes only salary. It does not include employer pension contributions and the cash equivalent transfer value of pensions. The Commission has not made any non-consolidated performance-related payments, benefits-in-kind or severance payments.

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 they have 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 the 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 Pension 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.

Pensions

Pension benefits for the Commissioner and directly employed staff are provided through the Principal Civil Service Pension Scheme (PCSPS) arrangements. The PCSPS is an unfunded multi-employer defined benefit scheme but the Commissioner's office is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice.gov.uk/pensions).

For 2011-12, employers' contributions were payable at one of the four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the

benefits accruing during 2011-12 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes: either a final scheme (classic, premium or classic plus): or a whole career scheme (nuvos). The statutory arrangements are unfunded with the cost benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with Pension increase legislation. 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 set at the rate of 1.5% of pensionable earnings for Classic and 3.5% for Premium, Classic Plus and nuvos, increases to employee contributions will apply from 1st April 2012. Benefits in Classic accrue at the rate of 1/80th of the final pensionable salary 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 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 his 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% of their pensionable earnings in that scheme year and the accrued pension is up rated in line with Pension increase legislation. 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% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three 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).

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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 PCSPS arrangements can be found at the website www.civilservice.gov.uk/pensions.

Sarah Rochira
Older People's Commissioner for Wales
July 2012

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

As required by the Commissioner for Older People (Wales) Act 2006, the Commissioner, as Accounting Officer, has prepared for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction issued by Welsh Ministers.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Commissioner for Older People in Wales and of its net expenditure, financial position, changes in taxpayer's equity and cash flows for the financial year.

In preparing the accounts the Commissioner is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular:

- 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 accounts, and
- prepared the accounts on a going concern basis.

The Commissioner is, by virtue of paragraph 11 to schedule 1 to the Commissioner for Older People (Wales) Act 2006, the Accounting Officer for her office. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Commission's assets are set out in a memorandum issued by Treasury.

GOVERNANCE STATEMENT

This Governance Statement sets out the basis on which the Older People's Commissioner for Wales has been established; the way in which it is governed and managed; and how it is accountable for what it does.

Role of the Commission

The Older People's Commissioner for Wales was established as a Corporation Sole under Section 1 of the Commissioner for Older People (Wales) Act 2006, and came into existence with the appointment of the first Commissioner on 21 April 2008. The functions of the Commissioner are to:

- Promote awareness of the interests of older people in Wales.
- Promote the provision of opportunities for, and elimination of discrimination against older people in Wales.
- Encourage good practice in the treatment of older people in Wales.
- Keep under review the adequacy and effectiveness of the law affecting the interests of older people in Wales.

In carrying out these functions the Commissioner as Accounting Officer is responsible for putting in place appropriate arrangements for the management and control of the resources in her organisation (the Commission) including sound governance arrangements and the identification and management of risk.

Purpose of the governance framework

The governance framework sets out the way in which the Commission is governed and managed. It is made up of the systems and processes in place through which the Commission is directed and controlled. It also incorporates the values and culture of the Commission.

The governance framework enables the Commissioner to monitor the performance of her organisation against its strategic objectives and to consider whether those objectives have led to improved outcomes for older people in Wales and whether those outcomes have been delivered through the most effective means.

The system of internal control is a significant part of that framework and is designed to manage risk at a reasonable level rather than to eliminate all risk of failure to achieve 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 management of risks to the achievement of the Commissioner's 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 governance framework has been in place for the year ended 31 March 2012 and up to the date of approval of the Annual Accounts, and is prepared in accordance with Treasury guidance.

Governance framework

The Commissioner is a Corporation Sole; there is therefore no Board as one might find in other public bodies. As a Corporation Sole and the Accounting Officer the Commissioner holds personal responsibility for directing and controlling the Commission but may authorise the exercise of her functions to any member of staff.

The Deputy Commissioner exercises the functions if the office is vacant or should the Commissioner at anytime be unable to act for any reason. Following the conclusion of Ruth Mark's term of office on 21 April 2012, the Deputy Commissioner discharged the functions of the Commissioner, including the responsibilities of Accounting Officer, until the new Commissioner was able to take up post.

The Commissioner has appointed a Senior Management Team which meets monthly and provides corporate leadership to the Commission as a whole and assists the Commissioner to discharge her functions in a manner consistent with the UK Corporate Governance Code and the Good Governance Code for Public Services i.e. consistent with the high standards expected from a publically funded body.

The Senior Management Team advised the Commissioner on the:

- Development of the Commissioner's strategic aims and objectives;
- Allocation of financial, human and other resources to achieve agreed aims and objectives;
- Assessment and management of risk;
- Internal control mechanisms required including compliance with policies and procedures; and

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- Performance of the Commissioner against the objectives set out in the 2010-2013 Strategic Plan.

Website link: [Terms of Reference for Senior Management Team.](#)

The SMT has not to date formally reviewed its effectiveness as a team, although members of the team complete individual performance appraisals as do all staff. A process for reviewing the effectiveness of the SMT is planned for 2012-13.

The Commissioner has put in place arrangements for an independent evaluation of the Older People's Commissioner for Wales 2009–2012. The aim of the evaluation is to help the Commissioner reflect on, and learn from, actions and achievements to date and to share these evaluation lessons with others. The findings are based on evidence collected through consultations with a range of stakeholder organisations, policy makers and older people. They also draw on consultations with the Commissioner, Deputy Commissioner and other staff members within the organisation. Evidence has also been gathered from various background documents including the Commission's strategic plan as well as a range of research reports and monitoring records. The final report is due for publication in 2012-13.

The Commissioner has established an Audit and Risk Assurance Committee to support her as Accounting Officer in monitoring and reviewing corporate governance, risk management and internal control systems. Due to the Corporation Sole status of the Commissioner, the Committee considers that the absence of an executive board (from which the Audit and Risk Assurance Committee would normally be drawn) has created an "information gap" for the members as they do not have wider responsibilities and oversight. The Committee has overcome this gap partly by virtue of their additional advisory work and also by additional discussions with and presentations by the Commissioner and senior staff as an "add-on" to Committee meetings.

The Committee comprises four independent members, all older people, with considerable experience of public and third sector organisations in Wales and the UK. This committee meets quarterly.

Website link: [Audit and Risk Assurance Committee.](#)

Each year the Audit and Risk Assurance Committee provide the Commissioner with an annual report which summarises the work of the Committee. As a result of its work in 2011-12, the Committee is content with

the overall level of internal and external audit coverage. In respect of the Commissioner's arrangements for financial management, and the wider corporate governance and identification of risk and management processes, the Committee considers that, based on the findings of the auditors and its own observations, it can provide the Commissioner with very good assurance that the arrangements in place are appropriate and have been operating effectively.

The Commissioner does not have a remuneration committee. The Commissioner's salary is set by Welsh Ministers in accordance with Schedule 1(3) of the Commissioner for Older People (Wales) Act 2006. Under the terms of this appointment annual increases (if applicable) follow the percentage award made by the Senior Salaries Review Body. The salaries of directly employed staff are set by the Commissioner, after conducting a formal pay review annually.

More information about the Commissioner's remuneration policy can be found within the Remuneration Report of the Annual Accounts on page 13.

The Commissioner appointed Deloitte through a tender process to provide internal audit services for a three year period from 1 April 2010. During 2011-12 Deloitte undertook reviews into governance, risk management, financial systems, project management, health and safety and HR, pensions and payroll; providing either full or substantial levels of assurance on each area. They also followed up on the implementation of recommendations made in prior years.

All recommendations made in 2010-11 by internal audit concerning Corporate Governance and Risk Management systems and controls had been implemented by the Commissioner and her staff. No new recommendations were identified by internal audit in 2011-12.

The Commission's governance framework is based on management information, financial and administrative policies and procedures, including appropriate segregation of duties. In particular it includes:

- Regular meetings of the Senior Management Team to manage and review strategic and operational planning and to review and monitor performance against objectives, targets and budgets.
- Regular meetings of the Senior Management Team to identify and monitor the management of risks.

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- The completion of a learning and development needs analysis and implementation of a plan for all staff within the Commission and the Audit and Risk Assurance Committee to meet identified needs.
- Regular report to Senior Management Team and other budget holders on key areas of expenditure.
- An Audit and Risk Assurance Committee.

Commissioner's performance

The Commissioner has published her Strategic Plan for 2010-13. Website link: [Strategic Plans](#).

The main objectives within that plan reflect the Commissioner's objectives during her term of office and are to:

- Promote awareness of the interests of older people in Wales
- Promote the provision of opportunity for, and the elimination of discrimination against older people in Wales
- Encourage best practice in the treatment of older people in Wales
- Keep under review the adequacy and effectiveness of the law affecting the interests of older people in Wales
- Enable the delivery of functions in ways which are proper and regular, prudent and economical, make efficient and effective use of resources and identify and manage risks.

Performance against the objectives in this plan is reported in her Annual Report which is usually considered by the Health and Social Care Committee of the Assembly. Website link: [Annual Reports](#).

Highlights of 2011-12 would include:

- The publication of Protection of Older People in Wales: a Guide to Law. Many positive responses received from practitioners working in health and social care about this guide.
- The follow up of responses by Welsh Government and NHS organisations on their plans to meet the recommendations made in Dignified Care? A review into the experiences of older people in hospital

in Wales. This included the promotion of best practice where it was identified.

- The launch of a second review into the advocacy arrangements for older people in care homes in Wales. The findings will be published in 2012-13.
- A conference to identify barriers to the provision of good information and advice services to older people, as well showcase examples of best practice.
- Research carried out into the experiences of older people in Wales who receive care in their own homes. The results of this research will be evaluated and published in 2012-13.
- Assistance provided to 754 individual older people in Wales who contacted the Commission directly for help.
- Consultation on the Commission's own Equality Scheme to comply with the public duties of the Equality Act 2010. The final scheme will be published from 2 April 2012.
- Investors in People status awarded in June 2011 at the first time of assessment.

A summary of financial performance is included within the annual accounts on page 7.

Approach to risk

The Commission's risk framework aims to

- Ensure a safe environment for staff to work in;
- Improve the performance of the Commission by informing and improving decision making and planning;
- Promote a more innovative, less risk averse culture in which the taking of calculated and managed risks in pursuit of opportunities to benefit the Commission is encouraged and managed; and
- Provide a sound basis for integrated risk management and internal control as part of good corporate governance.

All staff within the Commission has some responsibility for risk management and internal control in order to achieve their individual objectives and the Commission's overall aims and objectives.

A positive approach to risk management means that the Commission will not only look at the risk of things going wrong, but the impact of not taking opportunities or not capitalising on corporate strengths.

The Commissioner recognises that there are significant risks faced by the organisation which if ignored would seriously impact on the ability to meet the strategic objectives. These are set out in our Risk Management Strategy and are summarised below:

- Failure to understand our legislation;
- Failure to maintain appropriate relations with older people and other key stakeholders;
- Failure to maintain appropriate relationships with Welsh Government;
- Unable to deliver critical activities due to loss of resources;
- Lack of strategic direction;
- Perception of in effectiveness; and
- Poor use of or poor management of resources.

Management of such risks is a key consideration in the delivery of the activities of the Commission inclusive of the following key elements:

- A risk management policy is in place and is reviewed and updated regularly. This policy sets out for all staff the way in which risks faced by the Commission will be identified, evaluated, monitored, and controlled.
- The risk management policy requires the maintenance of a risk register, which is reviewed bi-monthly by the Senior Management Team and twice a year by the Audit and Risk Assurance Committee. The reporting format of the risk register is compared to good practice annually.
- To be effective Risk Management must be embedded into the day-to-day management and planning of the work of the Commission. Each identified risk is owned by a member of the Senior Management Team and the risk register is available to all staff on the internal intranet system.
- A strong approach to governance and internal control; working with internal audit to review and strengthen existing arrangements.

- The Audit and Risk Assurance Committee receives and considers all the reports and recommendations of the external and internal auditors including the latter's annual review of the arrangements for the management of risk.
- Financial policies and procedures, that set out responsibilities for financial matters including procurement, systems for financial control of expenditure as well as the regular reporting of actual expenditure against budgets.
- Arrangements have been put in place to safeguard the security of information held by the Commission. This includes personal data held relating to enquiries made on behalf of individual older people in Wales, and evidence gathered by the Commissioner in the carrying out of her functions. There have been no breaches of data security in 2011-12.

The Commissioner and her Senior Management Team will continue to prioritise the use of available resources to make the most economic and effective use of them. During the period of transition from one Commissioner to another, the Deputy Commissioner will ensure that the organisation remains committed to its strategic direction as set out in the Strategic and Operational plans.

Review of effectiveness

The Accounting Officer reviews the effectiveness of the governance framework, and this is informed by the work of internal audit, by the Senior Management Team who has responsibility for the development and maintenance of the internal control framework, and comments made by external auditors (Wales Audit Office) as contained in the management letter and other reports.

The Commissioner is also advised on the implications of the result of her review of the effectiveness of the governance framework by the Audit and Risk Assurance Committee.

During the year further progress was made in strengthening the internal control systems, recommendations made by internal auditors were progressed and implemented. Plans to address new recommendations and ensure continuous improvement of the systems are also in place.

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The internal auditors' opinion states that based on the work undertaken for the year ended 31 March 2012 the Commission has a basically sound system of internal control, which should provide substantial assurance regarding the achievement of the Commission's objectives.

I have considered the evidence provided in this governance statement. The conclusion of my review is that the overall governance and internal control structures and procedures have been appropriate to support our functions and objectives and have worked effectively through 2011-12.

Sarah Rochira
Older People's Commissioner for Wales
July 2012

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2012

| | Note | 2011/12 £ 000 | 2010/11 £ 000 |
|---|------|------------------|------------------|
| Expenditure | | | |
| Staff costs | 2 | 1,086 | 1,068 |
| Depreciation / Amortisation | 3 | 96 | 95 |
| Other expenditure | 3 | 714 | 682 |
| | | <u>1,896</u> | <u>1,845</u> |
| Income | | | |
| Interest | | - | - |
| Total Comprehensive Net Expenditure after interest | | <u>1,896</u> | <u>1,845</u> |

Statement of Financial Position

As at 31 March 2012

| | Note | 31 March 2012 | | 31 March 2011 | |
|--|------|---------------|-------|---------------|-------|
| | | £ 000 | £ 000 | £ 000 | £ 000 |
| Non- current assets: | | | | | |
| Leasehold improvements | 4 | 56 | | 112 | |
| Office equipment / ICT | 4 | 18 | | 30 | |
| Intangible assets | 5 | 11 | | 34 | |
| Total non-current assets | | | 85 | | 176 |
| Current Assets: | | | | | |
| Trade receivables | 7 | 39 | | 41 | |
| Cash and cash equivalents | 8 | 553 | | 567 | |
| Total current assets | | | 592 | | 608 |
| Total assets | | | 677 | | 784 |
| Current liabilities: | | | | | |
| Trade payables | 9 | 29 | | 27 | |
| Other liabilities | 9 | 41 | | 55 | |
| Total current liabilities | | | 70 | | 82 |
| Non-current assets plus/less net current assets/liabilities | | | 607 | | 702 |
| Non-current liabilities | | | | | |
| Provisions | 10 | | 60 | | 6 |
| Total non-current liabilities | | | 60 | | 6 |
| Assets less liabilities | | | 547 | | 696 |
| Taxpayers' equity | | | | | |
| General reserves | | | 547 | | 696 |
| | | | 547 | | 696 |

Sarah Rochira
Commissioner and Accounting Officer

July 2012

Statement of Cash Flows

For the year ended 31 March 2012

| | | 1 April 2011 - 31 March 2012 | 1 April 2010 - 31 March 2011 |
|--|------|---------------------------------|---------------------------------|
| | Note | £ 000 | £ 000 |
| Cash flows from operating activities | | | |
| Net expenditure after interest | | (1,896) | (1,845) |
| Adjustments for non-cash items | 3 | 96 | 95 |
| (Increase)/Decrease in trade and other receivables | 7 | 2 | (3) |
| Increase/(decrease) in trade and other payables | 9 | (12) | (39) |
| Loss on Disposal of Equipment | 3 | - | 4 |
| Provisions | 10 | 54 | 2 |
| Net cash outflow from operating activities | | (1,756) | (1,786) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 4 | (5) | (9) |
| Purchase of intangible assets | 5 | - | - |
| Proceeds of disposal of property, plant and equipment | | - | - |
| Net cash outflow from investing activities | | (5) | (9) |
| Cash flows from financing activities | | | |
| Funding from Welsh Government | | 1,747 | 1,800 |
| Net financing | | 1,747 | 1,800 |
| Net increase/(decrease) in cash equivalents in the period | | (14) | 5 |
| Cash and cash equivalents at the beginning of the period | 8 | 567 | 562 |
| Cash and cash equivalents at the end of the period | 8 | 553 | 567 |

Statement of changes in Taxpayer's Equity

For the year ended 31 March 2012

| | General Reserve | |
|--|--------------------------------|--------------------------------|
| | 1 April 2011- 31 March 2012 | 1 April 2010- 31 March 2011 |
| | £ 000 | £ 000 |
| Balance as at 1 April | 696 | 741 |
| Net expenditure | (1,896) | (1,845) |
| Total recognised income and expense | (1,200) | (1,104) |
| Funding from Welsh Government | 1,747 | 1,800 |
| Balance as at 31 March | 547 | 696 |

NOTES TO THE ACCOUNTS

1. Statement of accounting policies

These financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Older People's Commissioner for Wales for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Commissioner are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of non-current assets.

1.2 Non-current assets

Non-current assets are included at cost, as, in the opinion of the Commissioner; any adjustments arising from revaluation would be immaterial. All non-current assets are owned by the Commissioner.

1.3 Tangible Non-current Assets

The minimum level for capitalisation of a tangible non-current asset is £1,000 inclusive of irrecoverable VAT. Title to all property is held by the Commissioner. All property occupied by the Commission is leased. Other tangible non-current assets are not revalued as, in the opinion of the Commissioner; the amounts involved would not be material.

1.4 Intangible Non-current Assets

Software licences and information technology software are capitalised as intangible non-current assets and amortised on a straight line basis over their expected useful lives (normally 4 years).

1.5 Depreciation / Amortisation

Depreciation/Amortisation is provided at a rate calculated to write off the tangible non-current assets by equal instalments over their estimated useful lives. Asset lives are normally as follows:

| | |
|------------------------|--|
| Leasehold improvements | Term of the lease up to the break clause |
| Office equipment | 5 years |
| ICT related equipment | 4 years |

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1.6 Income, funding and expenditure

The only source of funding for the Commission is from Welsh Government via an annual grant.

Expenditure is that which relates directly to the activities of the Older People's Commissioner for Wales. The Commissioner's office operates in Wales and deals with the issues that impact upon older people in Wales. The Commission has only one operational segment as reflected in the Statement of Comprehensive Net Expenditure and associated notes.

The Commission is not registered for VAT. All expenditure is reported inclusive of VAT where applicable, as VAT is irrecoverable.

1.7 Foreign Exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction. Foreign currency imprests are translated into sterling at the exchange rate ruling at the time of funding.

1.8 Pensions

The Commissioner and directly employed staff are eligible for membership of the Principal Civil Service Pension Scheme (PCSPS). It is an unfunded multi-employer defined benefit scheme. Contributions to the scheme are charged to the net expenditure account when due for payment in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice.gov.uk/pensions).

1.9 Operating Lease Charge

Rentals payable under operating leases are charged to the Statement of Comprehensive Net Expenditure in the period to which they relate.

1.10 Cost of Capital

In 2010/11 the FReM introduced a change to the way in which notional cost of capital should be accounted for; the change effectively removes the cost in the Statement of Comprehensive Net Expenditure and the corresponding credit in the Statement of Changes in Taxpayers' Equity. There is therefore no charge for 2011/12.

1.11 Provisions

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

Older People's Commissioner for Wales: Accounts for the period ended 31 March 2012

1.12 Cash and cash equivalents

The Commissioner draws down its funding regularly during the year, which is deposited in the Government Banking Service account upon receipt. Monies are drawn down into a commercial bank account to pay liabilities as they fall due. Petty cash is also held at the Commissioner's office.

2. Staff numbers and related costs

Staff costs comprise:

| | 2011/12 | 2010/11 |
|------------------------------------|----------------|----------------|
| | £ 000 | £ 000 |
| Permanently Employed Staff | | |
| Salaries | 852 | 822 |
| Social Security costs | 66 | 60 |
| Other Pension Costs | 157 | 149 |
| Sub Total | 1,075 | 1,031 |
| Inward Secondment and agency costs | 11 | 37 |
| Total net costs | 1,086 | 1,068 |

Included within staff costs is £10,646 (£11,146 2010/11) which relates to the remuneration of four Audit Committee Members. Additional remuneration was paid to Ken Jones for further work on the Advocacy in Care Homes Review which is included within Note 3 Specific Projects.

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

| | 2011/12 | 2010/11 |
|-------------------------|----------------|----------------|
| Permanent Staff | 21.84 | 21.34 |
| Seconded Staff | 0.08 | 0.92 |
| Temporary/Casual Staff | 0.25 | 0.19 |
| Fixed Term Appointments | 3.25 | 4.59 |
| Total | 25.42 | 27.04 |

Principal Civil Service Pension Scheme

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Commissioner's office is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice.gov.uk/pensions).

Older People's Commissioner for Wales: Accounts for the period ended 31 March 2012

For 2011/12, employers' contributions of £157k (2010-11 £149k) were payable to the PCSPS at one of four rates in the range 16.7% to 24.3% 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 accruing during 2011-12 to be paid when the member retires and not 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. No Commission employees currently hold this type of account and contributions therefore were nil.

There were no early retirements on ill-health grounds during the year, and there were no additional accrued pension liabilities in the year. The Commission has not made any severance payments.

3. Other Expenditure

Other expenditure consists of:

| | 2011/12 | 2010/11 |
|---|----------------|----------------|
| | £000 | £000 |
| Rentals under operating leases | 62 | 62 |
| Other accommodation costs | 58 | 61 |
| Information & communications technology | 22 | 20 |
| Professional fees | 49 | 47 |
| Training & development | 25 | 26 |
| Travel & subsistence | 15 | 26 |
| Audit fees – Internal Audit | 11 | 9 |
| Audit fees – External Audit | 14 | 16 |
| Provision for property redecoration | 58 | 2 |
| Specific Projects | 294 | 275 |
| Other administrative expenses | 106 | 134 |
| | 714 | 678 |
| <u>Non-cash items:</u> | | |
| Loss on Disposal | - | 4 |
| Depreciation | 73 | 73 |
| Amortisation | 23 | 22 |
| Total | 810 | 777 |

Specific Projects

During the year the Commission incurred the following programme expenditure which has been classified against the Commission's objectives.

The expenditure disclosed does not include any apportionment of Commission staff salary costs, and reflects additional direct costs only.

Further expenditure will be incurred in the delivery of these objectives in future years as set out in the 2010/13 Strategic Plan.

| Programmes | 2011/12 £000 | 2010/11 £000 |
|--|-------------------------|-------------------------|
| Promote awareness of the interests of older people in Wales | 111 | 127 |
| Promote the provision of opportunity for, and the elimination of discrimination against older people in Wales | 42 | 45 |
| Encourage best practice in the treatment of older people in Wales | 68 | 52 |
| Keep under review the adequacy and effectiveness of the law affecting the interest of older people in Wales | 14 | 13 |
| Enable the delivery of functions in ways which are proper and regular, prudent and economical, make efficient and effective use of resources and identify and manage risks | 59 | 38 |
| Total | 294 | 275 |

4. Tangible non-current Assets

| | Information Technology £000 | Leasehold Improvements £000 | Office Equipment £000 | Total £000 |
|--------------------------|-----------------------------------|-----------------------------------|-----------------------------|---------------|
| Cost or valuation | | | | |
| At 1 April 2011 | 37 | 268 | 36 | 341 |
| Additions | - | - | 5 | 5 |
| Disposals | - | - | - | - |
| At 31 March 2012 | 37 | 268 | 41 | 346 |
| Depreciation | | | | |
| At 1 April 2011 | 22 | 156 | 21 | 199 |
| Charged in year | 9 | 56 | 8 | 73 |
| Disposals | - | - | - | - |
| At 31 March 2012 | 31 | 212 | 29 | 272 |

| | | | | |
|--|----------|-----------|-----------|-----------|
| Net book value at 31 March 2012 | 6 | 56 | 12 | 74 |
| Net book value at 31 March 2011 | 15 | 112 | 15 | 142 |

There has been no impairment of any assets and they are shown at cost which is considered to be the 'fair value'.

5. Intangible non-current assets

| | Software licences £000 | Information Technology £000 | Total £000 |
|--|------------------------------|-----------------------------------|---------------|
| Cost or valuation | | | |
| At 1 April 2011 | 46 | 45 | 91 |
| Additions | - | - | - |
| Disposals | - | - | - |
| At 31 March 2012 | 46 | 45 | 91 |
| Amortisation | | | |
| At 1 April 2011 | 34 | 23 | 57 |
| Charged in year | 12 | 11 | 23 |
| Disposals | - | - | - |
| At 31 March 2012 | 46 | 34 | 80 |
| Net book value at 31 March 2012 | 0 | 11 | 11 |
| Net book value at 31 March 2011 | 12 | 22 | 34 |

6. Financial instruments

As the Commissioner's cash requirements are met through funding provided by the Welsh Government, financial instruments (investments, derivatives and other financial instruments) play a more limited role in creating risk than would apply to a non-public sector body.

The majority of financial instruments relate to contracts to buy non-financial items in line with the Commissioner's expected purchase and usage requirements and the Commissioner is therefore exposed to little credit, liquidity or market risk.

7. Trade receivables

| | 2011/12 £ 000 | 2010/11 £ 000 |
|---|------------------|------------------|
| Amounts falling due within one year: | | |
| Trade receivables | - | - |
| Prepayments and accrued income | 39 | 41 |
| | 39 | 41 |

There were no receivables falling due after more than one year.

8. Cash and cash equivalents

| | 2011/12 £ 000 | 2010/11 £ 000 |
|--|------------------|------------------|
| Balance at 1 April | 567 | 562 |
| Net change in cash and cash equivalent balances | (14) | 5 |
| Balance at 31 March | 553 | 567 |
| The following balances at 31 March were held at: | | |
| Government Banking Service | 512 | 516 |
| Commercial banks and cash in hand | 41 | 51 |
| Short term investments | - | - |
| Balance at 31 March | 553 | 567 |

9. Trade payables and other current liabilities

| | 2011/12 | 2010/11 |
|--|----------------|----------------|
| | £000 | £000 |
| Amounts falling due within one year | | |
| Other taxation and social security | 23 | 22 |
| Trade payables | 6 | 5 |
| Accruals and deferred income | 41 | 55 |
| | 70 | 82 |

There were no trade payables and other liabilities falling due after more than one year.

10. Provision for Liabilities and Charges

| | 2011/12 | 2010/11 |
|----------------------------|----------------|----------------|
| | £000 | £000 |
| Balance at 1 April | 6 | 4 |
| Provided in year | 58 | 2 |
| Provision utilised in year | 4 | 0 |
| Balance at 31 March | 60 | 6 |

A provision is made for redecorating/dilapidations of our offices during the term of the lease and on the termination of the lease. This provision has been reviewed and updated during 2011-12 are required by IAS 37.

11. Capital commitments

| | 2011/12 |
|--|----------------|
| | £000 |
| Contracted capital commitments at 31 March 2012 for which no provision has been made | - |

12. Commitments under leases

(a) Operating leases

Total future minimum lease payments under operating leases are given in the table below analysed according to the period in which the lease expires.

| | 2011/12 £000 | 2010/11 £000 |
|---|-----------------|-----------------|
| Obligations under operating leases comprise: | | |
| Land and buildings: | | |
| Expiry within 1 year | - | - |
| Expiry after 1 year but not more than 5 years | 82 | 144 |
| Later than five years | - | - |
| | 82 | 144 |

| | 2011/12 £000 | 2010/11 £000 |
|---|-----------------|-----------------|
| Obligations under operating leases comprise: | | |
| Other: Office Equipment | | |
| Expiry within 1 year | - | - |
| Expiry after 1 year but not more than 5 years | 1 | 1 |
| Later than five years | - | - |
| | 1 | 1 |

(b) Finance leases and PFI contracts

There are no obligations under finance leases or PFI contracts.

The Commissioner has not entered into non-cancellable contracts which are not leases or PFI contracts.

13. Contingent liabilities disclosed under IAS 37

The Commissioner has not incurred any contingent liabilities that are not disclosed elsewhere in these accounts.

14. Related-party transactions

In 2011/12 the Commission received funding of £1.747M from Welsh Government (2010/11 £1.8M). The Welsh Government is regarded as a related party. In addition the Commission has had a small number of transactions with other bodies sponsored or funded by the Welsh Government.

During 2011/12 neither the Commissioner, nor other members of the Senior Management Team, or any of their family were involved directly or indirectly in any transactions with the Commission during the year, apart from normal expense claims and salary payments.

15. Events after the reporting period

- Commissioner's term of office - The four year term of office of Ruth Marks as Older People's Commissioner for Wales concluded on 20 April 2012. Sarah Rochira took up post as the second Older People's Commissioner for Wales and started a four year term on 4 June 2012.

From 21 April 2012 to 3 June 2012 Sarah Stone, Deputy Commissioner discharged the functions of Accounting Officer and of Commissioner as set out in the Commissioner for Older People (Wales) Act 2006.

- Flood damage - The Commission has a lease agreement for offices at Cambrian Buildings, Mount Stuart Square in Cardiff. At some time between 6 April and 10 April 2012, significant damage occurred due to a water leak in another part of the shared office block. The costs of disruption and remedial works will be subject to an insurance claim in 2012-13. These costs cannot as yet be quantified.

This event is non-adjusting, but the costs, whilst covered by insurance are likely to be material.

Otherwise there were no significant events occurring between the year end and the approval of these accounts.

CERTIFICATE AND REPORT OF THE AUDITOR GENERAL FOR WALES

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

I certify that I have audited the financial statements of the Older People's Commissioner for Wales for the year ended 31 March 2012 under the Commissioner for Older People (Wales) Act 2006. These comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Cash Flow Statement and Statement of Changes in Tax Payers 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 being audited.

Respective responsibilities of the Commissioner and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Commissioner is responsible for preparing the Remuneration Report and the financial statements in accordance with the Commissioner for Older People (Wales) Act 2006 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 relevant legal and regulatory requirements, 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 Older People's Commissioner for Wales's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Older People's Commissioner for Wales; and the overall presentation of the financial statements.

Older People's Commissioner for Wales: Accounts for the period ended 31 March 2012

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 Management Commentary 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 Older People's Commissioner for Wales affairs as at 31 March 2012 and of its net expenditure, recognised gains and losses and cash flows for the year then ended; and
- have been properly prepared in accordance with Welsh Ministers directions issued under the Commissioner for Older People (Wales) Act 2006.

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 the Welsh Ministers directions made under the Commissioner for Older People (Wales) Act 2006; and
- the information which comprises financial information, included within the Management Commentary and the unaudited part of the Remuneration 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;

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- 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
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CF11 9LJ