



Comisiynydd Plant Cymru
Children's Commissioner for Wales

Children's Commissioner for Wales

Annual Report and Resource Accounts for the period

1 April 2005 to 31 March 2006

Annual Report

Children's Commissioner for Wales' Report

This is the first of a new style of annual report for my office. It lays out in a summarised format the key achievements of my office over the past year. It remains my intention to publish an additional report similar to the previous format in the autumn of this year. This will discuss more fully issues I believe to be of particular concern in relation to the rights and welfare of Wales's children and review progress made in furthering and safeguarding the rights and welfare of children in Wales. It will also describe in detail the work and the activities of my team and achievements made in the year in question.

I said last year that our work programme for 2005-06 would concentrate chiefly on two aspects of my role as a Children's Champion. The first area of work which has undergone new developments is that of establishing a systematic framework for the involvement of children and young people in my work programmes, enabling children and young people in Wales to identify those issues that were of greatest concern to them. I am already working on a thematic review of bullying, which is probably the issue that children and young people raise with me most often. During 2005 the new framework for involvement was implemented for the first time and I am delighted that we enabled over 1000 children to have a direct input, providing us with a clear mandate on the issues that they wanted us to take forward on their behalf. Those issues are Play and Leisure, and Education and Schools. We are currently exploring those issues further through our work with children and young people, continuing to clarify with them the finer detail of how and what they would wish us to follow up in these areas.

I am also pleased to report that I have been able to consolidate the experience of providing an Advice and Support service over the last 5 years, and I have been able to develop the service by putting in place a dedicated team. Children and young people have helped us recruit and appoint a team of people with different life and work experiences, skills and knowledge that come together to provide the range of responses that children and young people require.

It is unfortunate that I am unable to realise fully the aspirations contained within my three year plan, which set out a vision for increasing the number of staff involved in working directly with children and young people throughout Wales. This would have allowed me to reach out more effectively to those who are likely to benefit most from a Children's Commissioner and take forward successful initiatives such as the Schools Ambassadors scheme on an all-Wales level. I did not receive the full extent of the resources that I requested in order to fulfil and realise the vision. I will however, continue to put forward the case for an extension of resources, in order to reach out to all the children and young people in Wales, to make them aware of their rights, and to ensure that there is increased commitment to safeguard and promote their rights and welfare.

I am aware that, in specific instances, mine is the only role in Wales that is able to call certain organisations and agencies to account over their treatment of or interaction with children and young people. I will continue to press for the furtherance of a children's rights perspective and a child centred approach to the provision of services for children and young people. It is about time that all children's services listened to and learned directly from the views and the evaluations of their primary customers. The point of children's services is that they are there to serve children not for the convenience and comfort of the adults and organisations providing them. There are some shining examples of best practice in Wales and I will be saying more about this issue in the autumn this year.

Peter Clarke, Children's Commissioner for Wales and Accounting Officer
8 August 2006

Management Commentary

Review of Activities and Future Developments

This Annual Report is based chiefly on the work conducted by the Children's Commissioner and his team during the financial year 1st April 2005 to 31st March 2006.

Much of our work is ongoing and continuous, and it is not possible to always separate activities in the same way as financial information or statistics. Our client group consists of all the children and young people of Wales, and we are determined to make sure that children and young people are at the heart of our work programmes. We invest a great deal of time and effort in listening to children and young people, learning from their comments and translating what they say into actions. This means that we must also be able to respond in a timely way to the issues and concerns that they raise, even if this means that we have to put some work on hold, or delay or reschedule our plans. Sometimes we are able to talk about the work that we have undertaken very publicly. At other times we work behind the scenes with the government of Wales, or with local authorities, or with schools, to bring about change for individuals or groups of children and young people.

What is a Children's Commissioner?

A Children's Commissioner is more than an ombudsperson, and is sometimes described as a children's champion or as an independent human rights institution for children.

The number of Children's Commissioners is growing in Europe and throughout the rest of the World as countries become more aware of the need to promote and safeguard the rights and welfare of children and young people and to take them seriously. Each of the countries of the UK now has a Commissioner for Children and Young People in post. Exactly what each Children's Commissioner does, and how they do it, varies from country to country – but they always have the best interests of children and young people at heart.

How and why did Wales get a Children's Commissioner?

Children's organisations in Wales campaigned for a Commissioner for children for over 10 years. Politicians in the National Assembly were also keen on the idea. They wanted someone who would speak up for children and young people's rights and help strengthen and improve the systems there to protect them.

In early 2000, Sir Ronald Waterhouse published his report – Lost in Care – after a long inquiry into child abuse in children's homes in North Wales. He recommended that Wales should have a Children's Commissioner to try and stop such things happening again. This speeded up the campaign and legislation was passed in the UK Parliament to create the post and give it the powers needed.

When was the post created?

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 post's remit and set out its principal aim, which is to safeguard and promote the rights and welfare of children in Wales.

Who is the Children's Commissioner for Wales?

Peter Clarke is – and he took up his post on St David's Day 2001. He was appointed by the First Minister of the National Assembly for Wales after being interviewed by children, young people and adults.

The Children's Commissioner and his team are there to help make sure that children and young people in Wales:

- are safe from harm and abuse
- get the opportunities and services they need and deserve
- are respected and valued
- have a voice in their communities and are able to play as full a part as possible in decisions that affect them
- know about their rights and the UN Convention on the Rights of the Child.

The main focus is on everyone aged 18 or under living in Wales, or who normally lives in Wales. But, the Children's Commissioner can also act on behalf of older young people under certain circumstances – for example if they have been looked after by a local authority. If there are implications for today's children and young people, he can also investigate things that happened to adults when they were children.

What can the Commissioner and his team do?

The Children's Commissioner's role isn't limited to what are usually considered to be children's issues, such as health, education and social services. Planning, transport, the environment, economic development and rural affairs also fall within the scope of his 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
- provide advice and assistance to children and young people, and others concerned about their rights and welfare

The Children's Commissioner for Wales also has 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 Children's Commissioner is committed to:

- making sure that children and young people know where his offices are and how to contact him and his team
 - encouraging children to get in touch with him and the team
 - asking children what they think about his work and future work, and allowing them to influence his work programme
 - making sure that he and his staff go and meet children wherever they are
 - paying particular regard to children who are 'hard to reach', subject to social exclusion or
 - the United Nations Convention on the Rights of the Child, having regard to it in everything he and the whole team do.
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How we work

The Children's Commissioner and his team are based in offices in Swansea and Colwyn Bay, but work all over Wales. There are four staff groups:

- Communications and Participation
- Corporate Services
- Legal and Investigations
- Policy and Service Evaluation

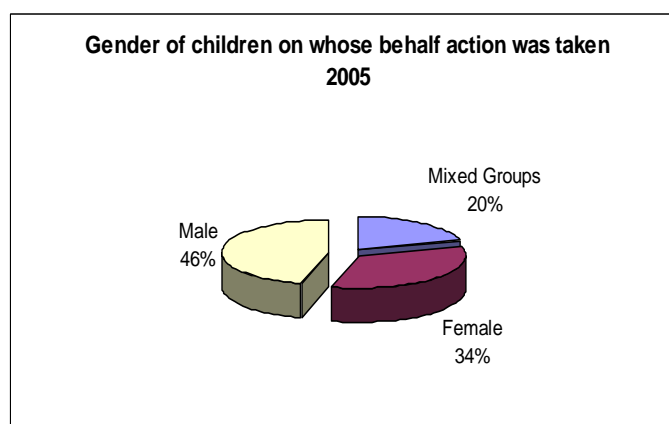
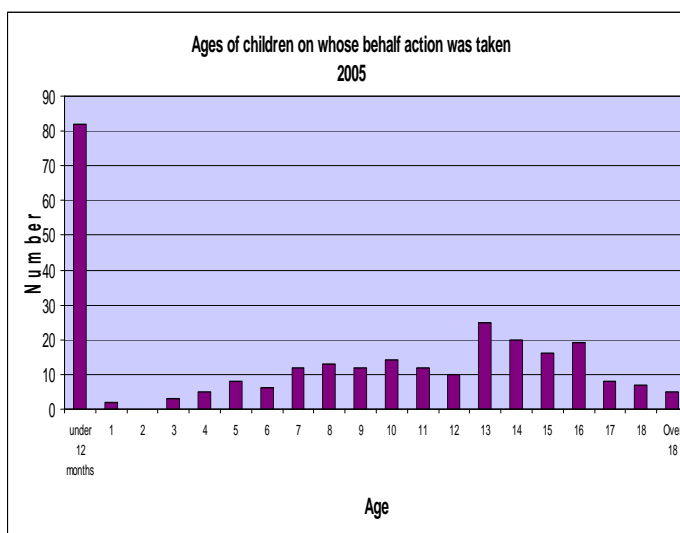
Each staff group is headed by an Assistant Commissioner or equivalent and they contribute specialist skills and knowledge to the work of the office. Many projects and pieces of work involve staff from different areas working together as a cross-functional team.

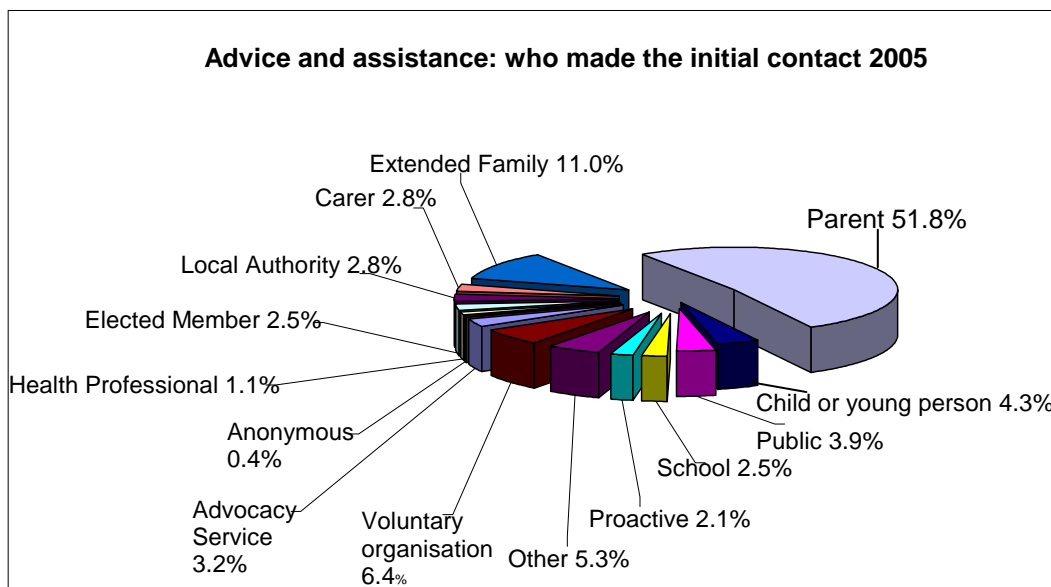
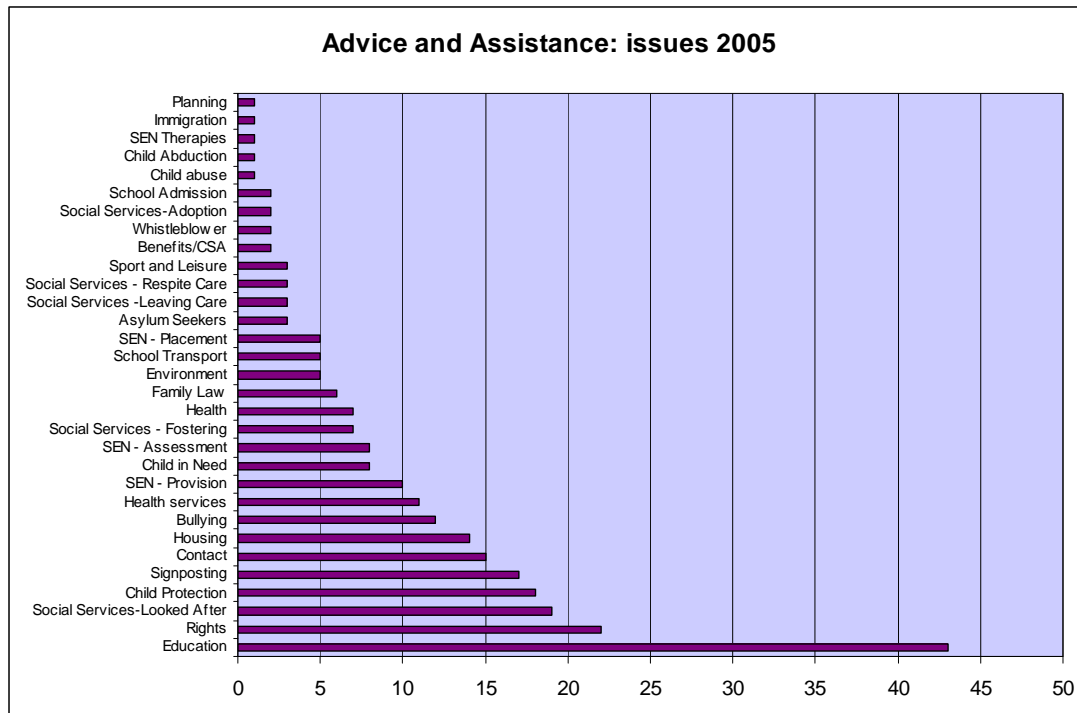
Providing Advice and Support

Children and young people have continued to be supported by the Advice and Support Team. The service has seen a development this year where there has been a shift from a cross functional team gathered from across the organisation to a designated team of officers recruited to provide a high quality service. As a consequence we have been able to offer children and young people a far more efficient service. The aim is always to solve their problems, with their participation, in a quick and effective way. We are also now more able to offer children and young people meetings with our Advice and Support Officers if they wish.

The service has continued to be available to children and young people for advice and support at any time during office hours. The service opening hours for adults has been extended and is currently available from 10.00 am to 1.00 pm every weekday. A bespoke database has been developed to record cases and enable us to establish an accurate picture to emerge on what issues are affecting the children and young people who contact us throughout Wales. This information will be used to help shape our future work programme, identifying priority areas for our own work or for action from others.

We will also share information relevant and appropriate information with those providing services or working with children and young people. Work on developing a channel to enable direct feedback from children and young people who have used the service is also underway.





Volunteers

A Volunteer Co-ordinator has been appointed to recruit and train volunteers to support the work of the Advice and Support workers. The volunteer co-ordinator has already started this work and there will be volunteers in post by November 2006. These volunteers will be based in both the North and South Wales offices. Once in place they will take on the responsibility of answering phone calls requesting advice and support. It will then also be possible to extend the hours that the service is available for adults.

Establishing a team for specialist investigations

We also undertake specialist investigations. This is where a small team, gathers information and investigates more complex cases and issues affecting children and young people throughout Wales. These small teams can involve other team members from within the organisation and sometimes involve specialists from outside the organisation.

Reviewing Policy and Procedures

Throughout the year we have continued to respond to consultations on draft guidance and to undertake reviews - exceeding our target level by 25%.

Examples of responses are:

- Formal Investigation into Physical Health Inequalities Experienced by Children & Adults with Mental Health Problems and Children & Adults with Learning Disabilities in Wales and England
- Guidance For School Governing Bodies on Procedures for Complaints Involving Pupils
- Consultation on Welsh Assembly Government School Uniform Financial Assistance Scheme
- Consultation on Proposals for Legislation on Discharge of Duties to Homeless People (March - June 2005)
- Parenting Action Plan - Supporting Mothers, Fathers & Carers with Raising Children in Wales
- Inclusion & Pupil Support
- Complaints & Representations Procedures in Local Authority Social Services
- Statutory Guidance on Making Arrangements under Section 28 of the Children Act 2004
- Safeguarding Children Together - Guidance to Local Safeguarding Children Boards in Wales
- Children & Young People: Rights to Action (Stronger Partnerships for Better Outcomes)
- Estyn's Arrangements for Assuring the Quality of Contracted Out Work in Relation to Section 10 School Inspections
- Education Act 2002 – Section 175
- Evidence to Education and Lifelong Learning Committee of National Assembly for Wales policy review of Special Educational Needs
- Review of Local Service Delivery- Beecham Review
- Flying Start Consultation

Much work was also done on contributing to the National Assembly's Safeguarding Vulnerable Children Review and in promoting awareness of the need for local authority services for children with sexually harmful behaviours.

Monitoring recommendations

We continue to monitor the implementation of recommendations contained in our reports:

- *Telling Concerns* (social services)
- *Clywch Report*
- *Children don't complain...* (local education authorities)
- *Lifting the lid* (on school toilets)
- *As long as I get there safe* (on school buses)

Listening and learning

We continue to listen to children and young people and identify areas of their concerns which have implications for the development of policy or require changes to the way that services are delivered. Often issues are brought to our attention through calls either to the Advice and Support Service or through reports by concerned professionals or other adults. Occasionally, we follow up on newspaper reports. The wide remit of the office allows my team to make connections between seemingly unconnected policy developments such as the planning of open space in a way that can help reduce anti-social behaviour.

Often in reviewing issues we are able to identify good practice and promote dialogue between agencies to disseminate the best practice in the delivery of services. Concerns about very dubious practice in one local authority sparked a review of the ways in which local authorities tender for school transport for pupils with special educational needs. The good practice found in one authority is now being recommended for all.

Thematic Review of Bullying

Phase 1 of this wide-ranging review commenced in 2005-06 and included a survey with children and young people, this has helped inform our work on this issue. Children and young people, and parents and carers, were given an opportunity to have their say about their awareness of anti-bullying policies and initiatives. We have sifted through all the evidence that we have gathered and we are now in a position to take the work forward directly with children and young people. Statistical analysis of this data will be published in due course.

We have made good progress thus far, and have systematically gathered paper evidence, research, and examples of best practice across Wales, the UK, and further a field. We have considered the various aspects or forms of bullying, such as racial harassment, homophobic bullying, and bullying that take place by means of newer technologies such as mobile phones, and the internet. We have reflected upon the causes of bullying and the current legal and policy framework. We have also looked at the provisions that all agencies and organisations that work with or for children, have put in place to prevent bullying and to deal with it as it arises. Unfortunately we were unable to appoint a secondee as a project co-ordinator to help us with this work, as our financial resources did not allow for this to happen.

United Nations Convention on the Rights of the Child

All the work of the Office is underpinned by the United Nations Convention on the Rights of the Child (UNCRC) but the focus has been sharpened with the requirement for the UK government to report on progress in 2008. All UK Children's Commissioners will have the opportunity to report confidentially to the UN Committee on the Rights of the Child. The Commissioners have established the British and Irish Network of Ombudsmen and Children's Commissioners (BINOCC) and both they and their teams meet on a regular basis to share information on the reporting process as well as other matter of joint interest.

The office is represented as an observer on the Wales NGO UNCRC Monitoring Group and we also conduct workshops and events with children and young people to raise their awareness of the UNCRC.

Wherever possible we attempt to ensure that the UNCRC is referred to in all relevant legislation and that agencies enable children to exercise their rights under the convention to be involved in decisions that affect them. We are currently in discussion with the Special Educational Needs Tribunal for Wales about changes to legislation that will allow children and young people to appeal to them about aspects of their special educational needs or disability discrimination – a right only open to their parents at present.

More about our work with children and young people

School Ambassadors

Following on from the 2004-2005 School Ambassadors' pilot steps have been taken in preparation for the next phase of the scheme. The toolkit has been re-developed based on the feedback from the evaluation of the pilot scheme and also with an awareness that without the planned increased in participation staff to support this work the toolkit needs to provide sufficient resources for ambassadors and their link teachers to take the initiative forward without the level of direct support that was originally built into the scheme. The toolkit now includes additional resources and a section on evaluation to help the Ambassadors in their work. A teachers' toolkit is also being developed in response to the needs identified in the evaluation of the pilot scheme. This toolkit contains parallel information to the Ambassadors' toolkit but includes additional notes to provide more guidance for teachers and show links with the National Curriculum.

Involving Children and young people in our work

This year was the first year for the implementation of our new Framework for Children and Young People's Involvement. This included holding two events to facilitate children and young people's involvement in prioritising issues for the office and establishing two young people's advisory groups who support various aspects of our day-to-day work.

Identifying the themes

Five themes were brought to the prioritisation or 'What next?' events. These were drawn from all the information gathered from children and young people and adults over the previous year. These issues emerged from all aspects of the CCfW's work including workshops and discussions with children and young people, advice and support and policy issues.

For 2005-06 the five themes identified were:

(i) **Play and Leisure**

Children and young people had raised issues with office around the issue of having nothing to do, nowhere to hang around. They also raised issues of vandalised parks, being moved from place to place, feeling unsafe when spending time outside.

(ii) **Education and Schools**

Many of the issues raised by children and young people were about education and school. The key issues were about not feeling listened to, bullying being dealt with badly and often making the situation worse. Other issues were around not being given feedback, so often not knowing the outcome of decisions. The overall sense was that anything outside of the school curriculum was not dealt with well and children and young people not feeling listened to or respected in any process.

(iii) **Emotional Health**

Issues around mental health, such as self harm, depression, eating disorders, and anxiety and panic attacks, were raised by children and young people through the Advice and Support service. While the Advice and Support service in these instances would usually refer the child or young person to the relevant and appropriate service this has clearly frequently been easier said than done. This highlighted the lack of appropriate services in Wales to support children and young people who suffer with any form of mental health illness.

(iv) **Support and Services for children and young people who need them**

Many issues raised were from *looked after* children and disabled children and young people. They said that there were not enough services to support them outside of their 'mainstream' services.

(v) **Respect**

The theme of respect was something that ran throughout each of the other four themes to some extent and over the previous year the most commonly raised issue was that of children and young people did not feel that they were being listened to or taken seriously by adults and professionals.

Events for children and young people

In 2005–06 two events were held for children and young people. One hundred and fifty children and young people attended each event, under eleven in North Wales, over eleven in South Wales. Children and young people were able to explore five themes at these events, drawn from all aspects of the Commissioner's work, and then prioritise the two themes they felt we should focus on in more detail.

Overall over 1,000 children and young people contributed to the voting process which also took place during workshops, when attending events and via Backchat and our website throughout the summer of 2005. The two issues that were chosen were **Play and Leisure** and **Education and Schools**. These will now be taken forward as Commissioner's Projects for the next financial year.

Advisory Groups

Two advisory groups were also established this year. These two groups have been developed to act in an advisory capacity for the Commissioner's office. Their function is to have an influence on and input into the Office's policies and procedures, publications, recruitment, methods of working, Children's Commissioner Events for Children and Young People's and building facilities. The advisory groups do not decide on the work programme of the Commissioner but they contribute to the issues put forward to consider in the same way as any children and young people with whom the office works.

Members of the advisory groups were involved in the recruitment of 11 new members of staff and have been involved in developing their own terms of reference and ways of working with support from the Communications and Participation staff.

Improving Backchat/Atebnôl

A working group of children and young people has been working with the Children's Commissioner's office to look at how the Backchat initiative – an email survey group - can be improved to be a useful communication tool for both children and young people and for the Children's Commissioner's office. The group has been addressing areas such as how to increase the membership, how to ensure that the messages received by children and young people are used most effectively and how to make the initiative more child and young person focussed.

A secure SMS text messaging system has now been developed which is currently undergoing trials with focus groups of children, young people and adults.

Research and evaluation: how are we doing?

As said previously, it is vitally important to involve children and young people in evaluating and reviewing the services that they receive. That approach holds as true for this office as for any other children's service in Wales. Consequently, a team from Swansea University has been commissioned to help me review and evaluate the effectiveness of my office, and to work directly with children and young people in the process.

This is a large scale, long term piece of work which is due to report in 2008. The team have spent time with my staff and also attended the children and young people's events that we have organised. They have also worked with children and young people across Wales. This piece of work will be invaluable for the next Children's Commissioner for Wales, and I will be glad to know that the work of the office in years to come has been directly shaped by children and young people.

Future Plans

- Continue to raise awareness of the Commissioner's office and UNCRC through our programme of work.
- Continue to provide a high quality advice and support service to children and young people throughout Wales.
- Continue to investigate complex cases and conduct investigative reviews.
- Continue to raise awareness of the service with children and young people throughout Wales starting with children and young people whom are looked after, are excluded from school or are in prison.
- Produce promotional items for children and young people telling them about the service.
- Put in place a free phone number for children and young people to contact us on.
- Launch the new design of the website created with children and young people.
- Launch the SMS text messaging service Wales-wide.
- Enter into the next phase of the School Ambassadors scheme with the new updated toolkits for ambassadors and teachers.
- Undertake an all office team review of Bullying.
- Coordinate compilation of the office's report to the UN Committee on the Rights of the Child.
- Form liaisons with Children and Young People's Framework Partnerships.
- Commissioner's Projects focussing on the areas of work decided on by children and young people – Play and Leisure and Education and Schools.

Audit Committee

The Commissioner has established an Audit Committee to provide 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.

The Audit Committee meets at least bi-annually and is made-up of senior officials of the Commissioner and three independent members, these are:

- Brian Charles, Chair of the Committee – former chair of Dwr Cymru/Welsh Water;
- Tom Cassidy – Ex-Chief Executive of CADW; and
- John Cory – Ex-Finance Director of the Wales Tourist Board

Senior officers

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

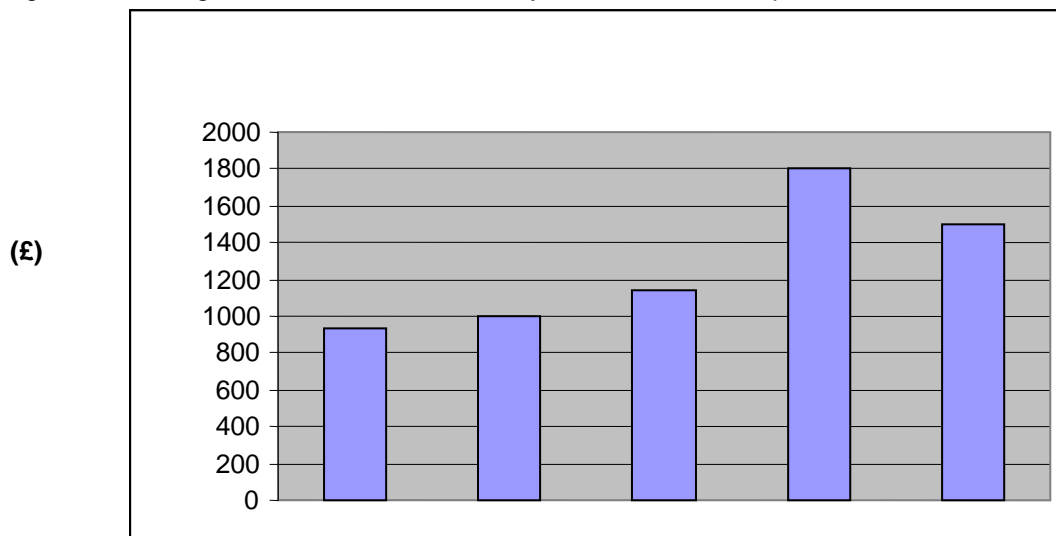
Peter Clarke	Children's Commissioner for Wales & Accounting Officer
Maria Battle	Assistant Commissioner, Legal & Investigations and Deputy Commissioner
Rhian Davies	Assistant Commissioner, Policy & Service Evaluation
Sara Reid	Assistant Commissioner, Communications & Participation
Andrew Robinson	Acting Head of Corporate Services (until 25 January 2006)
Tony Evans	Head of Corporate Services (from 15 May 2006)

Between the departure of Andrew Robinson (Acting Head of Corporate Services) in January 2006 and the appointment of Tony Evans as the new Head of Corporate Services in May 2006 the corporate services function was managed by Maria Battle in her role as Deputy Children's Commissioner.

Funding

The Children's Commissioner for Wales is independent of, but funded by the National Assembly for Wales. In 2005-06 the Commissioner received £1.4 million (2004-05: £1.8 million) to fund his activities. Since the establishment of the office of the Children's Commissioner the amount of funding, received from the National Assembly for Wales has increased steadily to match the ever increasing workload of the Commissioner.

Figure 1: Funding from the National Assembly for Wales from 1 April 2001 to 31 March 2006



We received funding in 2004-05 of £296,250 which related to the 2005-06 period.

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 the National Assembly for Wales. A copy of that direction can be obtained from The Children's Commissioner, Oystermouth House, Charter Court, Phoenix Way, Swansea, SA7 9FS.

These accounts have been prepared for the period from 1st April 2005 to 31st March 2006 and reflect the assets, liabilities and resource outturn of the Children's Commissioner.

Results for the year

The Operating Cost Statement shows a net operating cost, for the period, of £1,525,000 (2004-05: £1,497,000) representing an increase in net expenditure of 2 percent compared to 2004-05. The general fund balance as at the year-end is £118,000 (2004-05: £202,000)

Between April 2005 and March 2006 the Commissioner's staff has increased from 20 (full time equivalent) to 22 (full time equivalent) to reflect the increasing workload of the Commissioner and his teams.

Figure 1: Staff in post April 2005

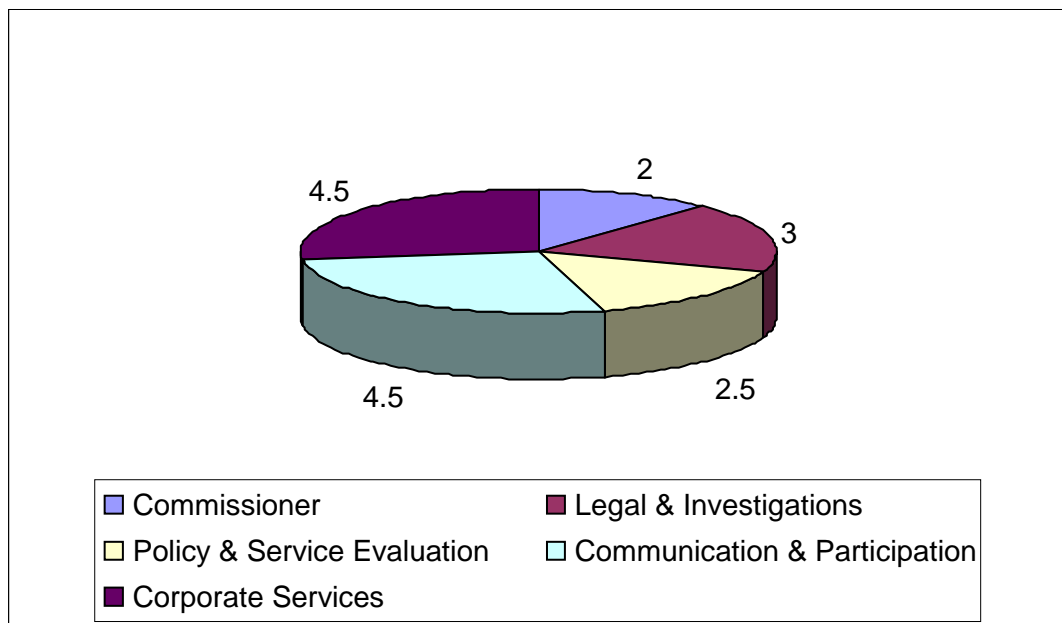
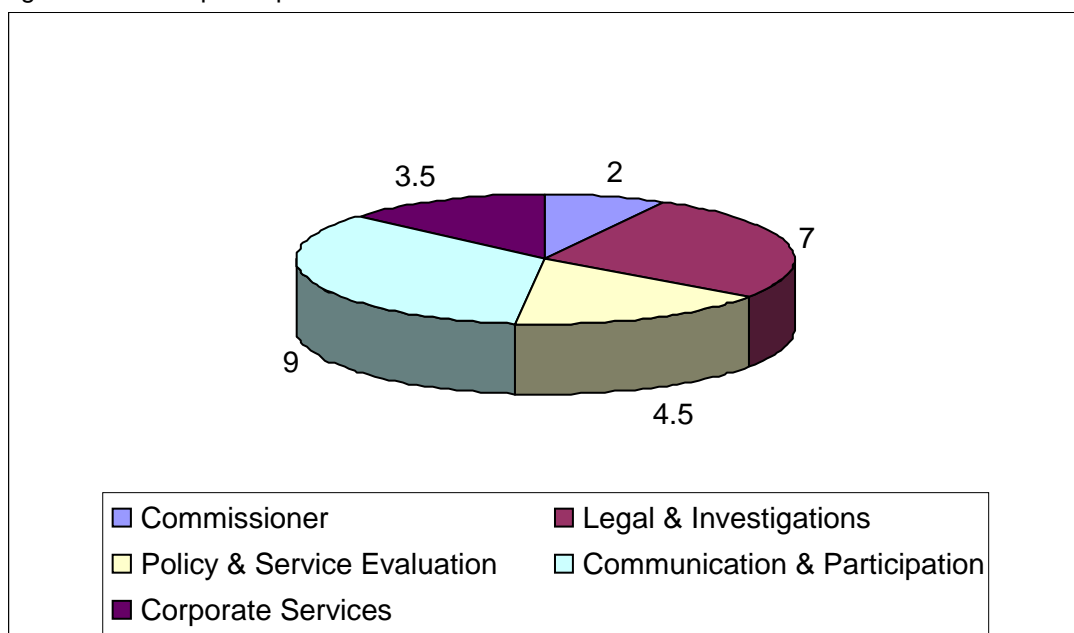


Figure 2: Staff in post April 2006



Senior official appointments

The Commissioner was appointed by the National Assembly for Wales and took up office on 1 March 2001. The appointment was for a maximum of 7 years.

The remaining senior officers took up appointments between January and May 2006 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 were 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, disablement, religion, family/domestic responsibilities or working patterns e.g. part-time, nor should any individual be disadvantaged by conditions or requirements which cannot be shown to be justifiable.

Payment policy

Under the Late Payment of Commercial Debts (Interest) Act 1998, the Children's Commissioner for Wales is required to pay suppliers' invoices not in dispute within 30 days of receipt of goods or services or valid invoice, whichever is the later. For 2005/06 the Children's Commissioner for Wales was unable to determine the precise payment performance percentage. However based on a selective examination of invoices the Children's Commissioner estimated that 87 percent (81 percent in 2004-05) of all such payments made during the period. No interest was paid in respect of late payments.

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*).

The National Assembly for Wales Internal Audit Service provided internal audit services to the Commissioner during the period.

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

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.

Disclosure of information to the Auditors

So far as I am aware, there is no audit information of which the auditors are unaware; and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

8 August 2006

Remuneration Report

Remuneration of members of the Senior Management Team

The National Assembly for Wales determines 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 Senior Management Team (SMT), 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:

	2005-2006		2004-2005	
	Salary range £000*	Benefits in Kind (to nearest £100)*	Salary range £000*	Benefits in Kind (to nearest £100)*
Peter Clarke - Children's Commissioner for Wales	80-85	4,500	80-85	3,800
Maria Battle – Assistant Commissioner & Deputy	55-60	-	55-60	-
Rhian Davies – Assistant Commissioner	45-50	-	45-50	-
Sara Reid – Assistant Commissioner	45-50	-	45-50	-
Andrew Robinson – Acting Head of Corporate Services until 25 January 2006	30-35	-	35-40	-

Peter Clarke was provided with a leased car during the year. The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument. *

As a result of a reorganisation of responsibilities within the Children's Commissioner for Wales in 2005-06 the Finance Manager is no longer disclosed within the senior staff disclosure.

Pension Benefits – Civil Service Pension Scheme

	Accrued pension at 31.3.06* £000	Real increase in pension* £000	CETV(i) at 31.3.06* £000	CETV(i) at 31.3.05* £000	Real increase in CETV* £000
Peter Clarke - Children's Commissioner for Wales	5 – 10	7.5 – 10	171	10	154
Maria Battle – Assistant Commissioner and Deputy	0 – 5	0 – 2.5	23	5	14
Rhian Davies – Assistant Commissioner	0 – 5	0 – 2.5	17	4	11
Sara Reid – Assistant Commissioner	0 – 5	0 – 2.5	29	13	10
Andrew Robinson – Acting Head of Corporate Services until 25 January 2006	0	0	0	170	0

* This information is subject to audit.

(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 CETV figures, and from 2004-05 the other pension details, include the value of any pension benefit in another scheme arrangement which the individual has transferred to the PCSPS arrangements and a transfer payment commensurate to the additional pension liabilities being assumed has been received. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

(ii) Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme arrangement) and uses common market valuation factors for the start and end of the period.

Pension Scheme

(i) Principal Civil Service Pension Scheme

From 1 October 2004, staff have had the option to join the pension arrangements provided through the Principal Civil Service Pension Scheme (PCSPS). Those staff who joined the PCSPS were eligible to have their employee and employer contributions backdated by up to a maximum of two years' service, depending upon the date of joining the Children's Commissioner for Wales. This is an unfunded multi-employer defined benefit scheme, however, the Children's Commissioner for Wales is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31st March 2003. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2005-06 employers contributions of £115,204 (2004-05 £38,383) were payable to the PCSPS at one of four rates in the range 16.2 to 24.6 per cent of pensionable pay, based on salary bands. Not all eligible staff elected to join the PCSPS. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Staff who have elected to join the PCSPS, had the option to participate in either the 'premium' (**premium**) scheme or to join a 'money purchase' stakeholder based arrangement with a significant employer contribution (**partnership pension account**).

Premium Scheme

Benefits accrue at the rate of $1/60^{\text{th}}$ of final pensionable earnings for each year of service. There is no automatic lump sum, but members may commute some of their pension to provide a lump sum up to a maximum of $3/80^{\text{ths}}$ of final pensionable earnings for each years service or 2.25 times pension if greater (the commutation rate is £12 of lump sum for £1 of pension given up). Members pay contributions of 3.5 per cent of pensionable earnings. On death, pensions are payable to the surviving spouse or eligible partner at a rate of $3/8^{\text{ths}}$ of the member's pension (before any commutation). On death in service, the scheme pays a lump-sum benefit of 3 times pensionable earnings and also provides a service enhancement on commuting the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction. Where the member's ill health is such that it permanently prevents them undertaking any gainful employment, service is enhanced to what they would have accrued to the age of 60. Pensions payable are increased in line with the Retail Price Index.

Partnership Pension Account

This is a stakeholder type arrangement where the employer pays a basic contribution of between 3 and 12.5 per cent (depending on the age of the member) into a stakeholder pension product. The employee does not have to contribute but where they do make contributions, these will be matched by the employer up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of risk benefit cover (death in service and ill health retirement). The member may retire at any time between the ages of 50 and 75 and use the accumulated fund to purchase a pension. The member may choose to take up to 25 per cent of the fund as a lump sum.

No employees have opened partnership pension accounts.

There were no pension contributions of any kind prepaid at the balance sheet date.

Children's Commissioner for Wales and Accounting Officer
8 August 2006

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under Schedule 2 to the Care Standards Act, the Children's Commissioner for Wales is required to keep proper accounting records for each financial year, in conformity with a National Assembly for Wales direction, detailing the resources acquired, held, or disposed of during the period and the use of resources by the Commissioner for Wales during the period.

The resource 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, the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the period.

Schedule 2, paragraph 10 of the Care Standards Act 2000 states the Accounting Officer shall be the Commissioner and, in accordance with schedule 2 paragraph 9 shall submit the Children's Commissioner for Wales Accounts to the Auditor General for Wales.

In preparing the accounts the Accounting Officer is required to comply with the Financial Reporting Manual (FReM) prepared by the Treasury, and in particular to:

- observe the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the FReM, have been followed and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping of proper records and for safeguarding the Children's Commissioner for Wales' assets, are set out in the Accounting Officers' Memorandum issued by HM Treasury.

STATEMENT ON INTERNAL CONTROL

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control 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 Government Accounting.

The purpose of the system of internal control

The system of internal control 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. Procedures have been in place throughout the year to 31st March 2006 and continuing up to the date of approval of the annual report and accounts, the systems of internal control accords with Treasury guidance.

Capacity to handle risk

I have a Risk Management Policy & Framework in place and I have appointed a Risk Strategy Manager. 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.

The risk and control framework

Risk management is incorporated into the corporate planning process. The key strategic risks are derived from the corporate plan and assessed by the Senior Management Team (SMT). Each risk is owned by a member of the SMT and the risk register is made available to all staff. During the year, the risk register has been regularly reviewed at SMT meetings. Any new risks or changes are identified and evaluated. The risk appetite is determined by the Commissioner in consultation with his Senior Management Team in the context of the impact on the reputation of the Commissioner; the Commissioner's executive, operational and individual performance; the independence of the Commissioner; and his 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.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the SMT who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter. The Audit Committee has also advised me as to the effectiveness of the system of internal controls that I have in place. I have undertaken to ensure the continuous improvement of the system of internal controls and to address any weaknesses as they arise.

The process applied in maintaining and reviewing the effectiveness of the system of internal control was:

- collectively the SMT discussed and reviewed the operation of internal financial controls;
- the Audit Committee met twice 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.

The National Assembly for Wales Internal Audit Services provides the Internal Audit for my office. They operate to standards defined in the Government Internal Audit Manual. They submit regular reports which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Commissioner's system of internal control together with recommendations for improvement

Children's Commissioner for Wales and Accounting Officer
8 August 2006

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

I certify that I have audited the financial statements on pages 9 to 24 under paragraph 9(2) of schedule 2 to the Care Standards Act 2000. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 29 and 30

Respective responsibilities of the Children's Commissioner for Wales and Auditor

As described on page 19, the Children's Commissioner for Wales is responsible for the preparation of the financial statements in accordance with the Care Standards Act 2000 and National Assembly for Wales directions made thereunder, and for ensuring the regularity of financial transactions. The Commissioner is also responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Care Standards Act 2000 and National Assembly for Wales directions, and whether 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. I also report if, in my opinion, the Children's Commissioner for Wales' Report is not consistent with the financial statements, if the Commissioner has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises only the Children's Commissioner for Wales' Report, Management Commentary and the unaudited part of the Remuneration Report. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on page 20 reflects the Commissioner's compliance with Treasury's guidance 'Corporate governance: Statement on Internal Control'. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

I am not required to consider, nor have I considered, whether the Accounting Officer's Statement on Internal Controls covers all risks and controls. I am also not required to form an opinion on the effectiveness of the entity's corporate governance procedures or its risks and control procedures.

Basis of audit opinion

I conducted my audit in accordance with International Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Commissioner in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Commissioner's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, 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. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Children's Commissioner for Wales at 31st March 2006 and of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the year then ended, and have been properly prepared in accordance with the Care Standards Act 2000 and directions made there-under by the National Assembly for Wales;
- the financial statements and the part of the Remuneration Report to be audited have been prepared in accordance with the Care Standards Act 2000 and directions made there-under by the National Assembly for Wales; and
- 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.

I have no observations to make on these financial statements.

Jeremy Colman
Auditor General for Wales
9 August 2006

Wales Audit Office
2-4 Park Grove
Cardiff
CF10 3PA

Summary of Resource Outturn

for the period 1 April 2005 to 31 March 2006

	2005-2006			2005-2006			2004-2005	
	Estimate			Outturn			Net total outturn compared with Estimate	Prior-year outturn
	Gross expenditure	Income	Net total	Gross expenditure	Income	Net total		
£000	£000	£000	£000	£000	£000	£000	£000	
Administration costs	<u>1,714</u>	<u>-</u>	<u>1,714</u>	<u>1,525</u>	<u>-</u>	<u>1,525</u>	<u>189</u>	<u>1,497</u>

Reconciliation of resources to cash requirement

	2005-06 £000	2004-05 £000
Net total resource outturn	1,525	1,497
Fixed asset acquisitions (<i>Note 5</i>)	106	10
Fixed asset disposals	-	(1)
Accruals adjustments:		
Non-cash items (<i>Note 3</i>)	(109)	(83)
Changes in working capital other than cash (<i>Note 5</i>)	<u>88</u>	<u>42</u>
Net cash requirement	<u>1,610</u>	<u>1,465</u>

The notes on pages 29 to 36 form part of these accounts

Operating Cost Statement
for the period 1 April 2005 to 31 March 2006

		2005-2006	2004-2005
	<i>Note</i>	£000	£000
Administration costs			
Staff costs	2	994	756
Other administration costs	3	531	741
Gross administration costs		1,525	1,497
Net operating costs		1,525	1,497
Net resource outturn		1,525	1,497

All income and expenditure is derived from continuing operations. There are no gains or losses other than those reported in the Operating Cost Statement.

The notes on pages 29 to 36 form part of these accounts

Balance Sheet
as at 31 March 2006

		2006		2005	
		£000	£000	£000	£000
Fixed assets	<i>Note</i>				
Tangible Assets	4		99		96
Current assets					
Prepayments	6	22		43	
Cash at bank and in hand	7	<u>64</u>		<u>535</u>	
		86		578	
Creditors: amounts falling due within one year	8		<u>(67)</u>		<u>(472)</u>
Net current assets / (liabilities)			19		106
Total assets less current liabilities			<u>118</u>		<u>202</u>
<i>Financed by:</i>					
Taxpayer's equity					
General fund	9		<u>118</u>		<u>202</u>

Children's Commissioner for Wales and Accounting Officer
8 August 2006

Cash Flow Statement
for the period 1st April 2005 to 31st March 2006

	Note	2005-06 £000	2004-05 £000
Net cash outflow from operating activities		(1,504)	(1,456)
Capital expenditure	15	(106)	(9)
Financing from the Assembly		<u>1,139</u>	<u>1,808</u>
Increase in cash in the period		<u>(471)</u>	<u>343</u>

The notes on pages 29 to 36 form part of these accounts

Resources by Organisation Aim & Objectives
for the period 1st April 2005 to 31st March 2006

AIMS AND OBJECTIVES OF THE CHILDREN'S COMMISSIONER FOR WALES

Aim

To safeguard and promote the rights and welfare of children and in exercising all of his functions to have regard to the UN convention on the rights of the child.

	2005-2006			2004-2005		
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000
Objective:						
Objective 1	787	-	787	430	-	430
Objective 2	235	-	235	272	-	272
Objective 3	55	-	55	83	-	83
Objective 4	52	-	52	30	-	30
Objective 5	18	-	18	45	-	45
Objective 6	247	-	247	602	-	602
Objective 7	40	-	40	13	-	13
Objective 8	91	-	91	22	-	22
	<u>1,525</u>	<u>-</u>	<u>1,525</u>	<u>1,497</u>	<u>-</u>	<u>1,497</u>

The Commissioners objectives were as follows:

1. To promote the rights and welfare of Children, and to ensure that the Children and Young People of Wales are aware of the existence of the Commissioner, of his role and function; the location of his offices, the way that they can communicate/access the Commissioner and his staff and the rights of Children and Young People, particularly those set out in the UN convention on the rights of a child; to encourage that communication/access; and ensure that public bodies of Wales are aware of the rights of Children and Young People.
2. To ensure that the views of Children and Young People are sought as to how the Commissioner should exercise his function and to the content of the Commissioner's annual work programme.
3. To review and monitor the operation of complaints, advocacy and advice and whistleblowing arrangements to ascertain whether and to what extent they are effective in safeguarding and promoting the rights and welfare of children.
4. To review and monitor the effect on children of the exercise or proposed exercise of any function of the National Assembly for Wales and/or bodies listed at Schedule 2a of the Children's Commissioner for Wales Act 2001.
5. To examine cases of particular children who are or have received regulated services from bodies listed at Schedule 2a of the Children's Commissioner for Wales Act 2001.
6. To provide or arrange for advice representation or other assistance to a child in making a formal complaint or representation to a service provider; and/or any proceedings which concerns the provision of services, if in the Commissioner's reasonable opinion the proceedings relate to matters which have a more general application or relevance to the rights and welfare of children in Wales. To give advice and information to any person.
7. To keep under review the powers of the Commissioner and the effect on Children.
8. To consider and make representations to the National Assembly for Wales about any matter affecting the rights and welfare of children in Wales.

Objectives are subject to regular review to ensure that they reflect the role and function of the Commissioner. The apportionment of operating costs to objectives has been made with reference to the relative amounts of time spent by staff on the above objectives.

The notes on pages 29 to 36 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 follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

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 *Tangible fixed assets*

The Commissioner has valued all fixed 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.

1.3 *Depreciation*

Depreciation is provided at rates calculated to write off the value of tangible fixed 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

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

1.4 *Operating cost statement*

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.

1.5 *Capital charge*

A charge, reflecting the cost of capital utilised by the Commissioner, is included in operating costs. The charge is calculated at the government's standard rate of 3.5% (3.5% in 2004-05) in real terms on the average value of all assets less liabilities, except for cash balances held with the Office of HM Paymaster General, of which there were none.

1.7 *Value Added Tax*

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

1.8 *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 Operating Cost Statement in the year of payment.

1.9 *Operating leases*

Operating lease rentals are charged to the Operating Cost Statement in equal amounts over the lease term.

2. Staff numbers and related costs

a) For the year staff costs consist of:

	2005-2006	2004-2005
	£000	£000
Wages and Salaries	684	613
Social security costs	64	61
Pension costs*	115	19
Sub Total	<u>863</u>	<u>693</u>
Inward secondment and agency staff	<u>131</u>	<u>63</u>
	<u>994</u>	<u>756</u>

* Staff became eligible to join the Principal Civil Service Pension Fund (PCSPS) from October 2004; and during 2005-06 an additional 7 staff joined the PCSPS which resulted in increased costs compared to 2004-05.

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

	2005-06	2004-05
Objective 1	11	7
Objective 2	3	1
Objective 3	1	2
Objective 4	1	1
Objective 5	0	2
Objective 6	4	6
Objective 7	1	-
Objective 8	1	1
Total Number	<u>22</u>	<u>20</u>

The apportionment of staff numbers to objectives has been made with reference to the relative amounts of time spent by staff on objectives, as described on page 27.

3. Other administration costs

	2005-2006	Restated* 2004-2005
	£000	£000
Rental under operating leases:		
- vehicles	7	6
- accommodation	51	52
- photocopier	6	6
Other accommodation & related costs	29	21
IT & telecommunications	27	32
Vehicle & office maintenance	21	8
Publicity, advertising & translation	9	44
Travel, subsistence & hospitality	61	39
Recruitment	33	6
Auditor's remuneration	12	9
Legal & consultancy**	42	317
Other expenditure	124	118
Non-cash items:		
- depreciation	98	76
- loss on disposal of fixed assets	5	-
- cost of capital	6	7
	<u>531</u>	<u>741</u>

*As a result of reclassification of expenditure the prior year figures have been restated.

** The completion of the Clwyd Inquiry in 2004-05 has resulted in a significant reduction in Legal and consultancy costs.

4. Fixed assets

	IT Equipment	Fixtures & Fittings	Office Furniture and Equipment	Total
	£000	£000	£000	£000
Cost				
At 31 March 2005	89	164	190	443
Additions	45	24	37	106
Disposals	-	(2)	(17)	(19)
At 31st March 2006	134	186	210	530
Depreciation				
At 1 st April 2005	85	122	140	347
Charged in year	16	40	42	98
Disposals	-	(2)	(12)	(14)
At 31st March 2006	101	160	170	431
Net book value	33	26	40	99
At 31st March 2006				
At 31 st March 2005	4	42	50	96

5. Movements in working capital other than cash

	2005-2006 £000	Re-stated 2004-2005 £000
Increase/(decrease) in prepayments	(21)	22
(Increase)/decrease in creditors	405	(276)
	384	(254)
Adjustment in working capital not related to net operating costs:		
National Assembly for Wales deferred income	(296)	296
	88	42

6. Prepayments

	2005-2006 £000	2004-2005 £000
Amounts falling due within one year:		
Prepayments and accrued income	22	43
	<u>22</u>	<u>43</u>

7. Cash at bank and in hand

	2005-2006 £000	2004-2005 £000
Balance at 1st April 2005	535	192
Net cash inflow/(outflow)	(471)	343
Balance at 31st March 2006	<u>64</u>	<u>535</u>

8. Creditors: amounts falling due within one year

	2005-2006 £000	2004-2005 £000
Trade creditors	13	46
Taxation and social security	23	-
Accruals	31	130
Deferred income	-	296
	<u>67</u>	<u>472</u>

Deferred income included a receipt of £296,250 from the National Assembly of Wales which was April 2005 Grant in aid received in March 2005.

9. Reconciliation of net operating cost to changes in the general fund

	2005-2006 £000	2004-2005 £000
Net operating cost for the year	(1,525)	(1,497)
Net funding from the National Assembly for Wales	1,435	1,808
Less: funding received in advance for 2005-06	-	(296)
Non cash adjustments:		
- cost of capital	6	7
Net increase/(decrease) in the general fund	(84)	22
General fund at 1 st April 2005	202	180
General fund at 31st March 2006	118	202

10. Commitments under operating leases

	2005-2006 £000		2004-2005 £000	
	Land & Buildings	Other	Land & Buildings	Other
At 31 March 2005 the Commissioner was committed to making the following payments during the next year in respect of operating leases expiring:				
- within one year	-	-	-	-
- between two and five years	51	12	52	12
- after five years	-	-	-	-
	<u>51</u>	<u>12</u>	<u>52</u>	<u>12</u>

11. Derivatives and financial instruments

FRS 13, Derivatives and Other 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 FRS 13 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 National Assembly for Wales. 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 31st March 2006.

12. Capital commitments

There were no capital commitments as at 31st March 2006.

13. Contingent liabilities

There were no contingent liabilities as at 31st March 2006.

14. Related Party Transactions

The National Assembly for Wales is a related party. The Commissioner has had a small number of material transactions during the period with the National Assembly for Wales.

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

15. Notes to the Cash Flow Statement

Re-stated

	2005-06	2004-05
	£000	£000
Reconciliation of operating cost to operating cash flows		
Net Operating Cost	1,525	1,497
Adjust for:		
Non-cash transactions	(109)	(83)
Movements in working capital other than cash	384	(254)
Less: movements in creditors not relating to items passing through the Operating Cost Statement	(296)	296
Net cash outflow from operating activities	<u>1,504</u>	<u>1,456</u>
Analysis of capital expenditure		
Payments to acquire tangible fixed assets	106	10
Receipts from the disposal of tangible fixed assets	-	(1)
Net cash outflow from capital expenditure	<u>106</u>	<u>9</u>
Analysis of financing		
Financing from the Assembly	1,139	1,808
(Increase)/decrease in cash	471	(343)
Net cash requirement	<u>1,610</u>	<u>1,465</u>