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**Older People's Commissioner
for Wales**

Annual Accounts 2009-10

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MANAGEMENT COMMENTARY

These accounts have been prepared in accordance with the Direction given by Welsh Ministers in accordance with the Commission 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 the first Commissioner on 21 April 2008.

The Commission is funded by but is operationally independent of Welsh Ministers and is accountable to the National Assembly for Wales for the use of resources.

Principal Activities

The Commission exists 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.

The Commissioner and Senior Management Team

Ruth Marks was appointed as the first Older People's Commissioner for Wales on 21 April 2008 for a four year term. Other senior employees working with the Commission in 2009/10 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
Helen Kirkby	Head of Finance & HR	Left 14 July 2009
Alison Phillips	Head of Finance, HR & Corporate Governance	9 November 2009

The senior management team hold their appointments on a permanent or fixed term basis. The Remuneration Report within these accounts contains information about the salary and pension entitlements of the named individuals who are employed directly by the Commission.

At the end of the financial year the Commissioner employed 22.75 full time equivalent staff and a further 1 full time equivalent member of staff was seconded from another organisation.

Review of Principal Activities

The establishment of the Older People's Commission for Wales as an organisation progressed substantially over 2009/10; our interim Strategic Plan was determined and drove recruitment to a range of posts within the Commission. This allowed the Commission to undertake a range of actions to press for improvements in policy and practice affecting older people.

In my Annual Review 2008/9, I looked forward to what I wanted the Commission to achieve during 2009/10. Here are just a few examples of how my team and I have fulfilled these commitments:

Prioritise the areas that older people tell me are of greatest concern to them:

My team and I seek regular opportunities to meet with and listen to older people in various settings across Wales.

I have based all the Commission's work on what older people tells us matters most to them.

The top three issues we have been contacted about are health and social care, income and fuel poverty.

Review the law, particularly focusing on protecting older people in situations in which they are vulnerable:

Working with Age Concern Cymru and Help the Aged in Wales, successfully hosted a large scale conference as part of the Law Commission's consultation into Adult Social Care Law. This was attended by over 100 delegates, from a wide range of backgrounds, including older people, front line service providers and organisations working with and for older people in the voluntary sector.

Commissioning Professor John Williams to write a practical guide for health and social care workers, to improve their understanding and application of the current law protecting older people.

Our involvement with the Protection of Vulnerable Adults Project Board has been welcomed.

Challenge age discrimination, negative stereotypes and poor service:

Launching our first Review into the treatment of older people whilst they are in hospital, especially in relation to dignity and respect. We chose this topic by analysing the information received from older people and stakeholders. We followed a robust process, considering several potential review topics and made a decision based on the seriousness of the information we received, as well as where we were best placed to act and would not be duplicating the work of other organisations.

Providing regular comment for the media, for instance, emphasising the voluntary and community work that older people take part in during a BBC interview during the prolonged snow.

Helping older people through dispute intervention or independent assistance with complaints where we are the most appropriate organisation to do so. We are also developing partnerships with other organisations so that we can signpost older people to the best organisation to provide support and advice on particular issues.

Champion the voice and concerns of older people to policy makers:

Engaging with older people and championing their views, for instance in promoting dignity in care and support for free bus passes.

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Scrutinising new policy and service developments to ensure they are fit for purpose.

Hosting a reception for Welsh MPs focussing on the current level of pensions and calling for it to be increased.

Getting involved in the Paying for Care debate, including issuing a press release calling for Attendance Allowance to be protected.

Giving evidence to the Legislative Committee for the proposed Carers Strategies (Wales) Measure.

Responding to the following consultations (these are Welsh Assembly Government consultations, unless otherwise stated):

- Paying for Care
- Independent Commission on Social Services
- Building A Society For All Ages
- National Transport for Wales Consultation
- Proposed Social Care Charges Measure Consultation
- National Dementia Action Plan for Wales Consultation
- UK Government: Ending unfair age discrimination in health and social care and financial services
- Sexual Health and Well-being 2009-14 Strategy
- UK Government: Policy Proposals for specific duties (Equality Bill)

Listen to and meet with older people in as many communities and settings as possible and consult with them about my work plan:

Travelling across Wales meeting with older people and listening to their concerns, including:

- Rose Cross House Residential Home and Day Centre in Penlan, Swansea
- British Geriatrics Society meeting in Wrexham
- Meeting with the Onllwyn and Banwyn and Coelbryn branches of the National Old Age Pensioners Association
- Day Centre at Deva House in Wrexham
- "Meet the Commissioner" events in Abertillery, Rhyader, Bridgend and Neath
- Meeting of the Upper Rhondda Forum
- Meetings of the National Partnership Forum

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- Age Concern North East Wales AGM
- Age Concern Gwent AGM
- Age Concern Morgannwg AGM
- 50+ Strategy Stakeholder Day, Carmarthenshire County Council
- Ceredigion Transport Forum
- My Home Life Wales Conference
- Royal Welsh Show
- National Eisteddfod for Wales
- Care & Repair Cymru Conference
- Pontypridd & Rhondda NHS Retirement Fellowship St David's Day Lunch in Pontypridd

Setting up a bespoke system for recording enquiries, so we can find out what key issues are affecting older people.

Consulting on and publishing our Strategic Plan for 2010 to 2013 based on what older people have told me are their priorities.

Spread best practice to promote dignity, health, wellbeing and independence:

Attending a range of events to promote these messages, including:

- WLGA Learning Exchange
- Listening Events for Dignity in Care
- UK Advisory Forum on Ageing
- Launch of the Cardiff and Vale NHS Trust "Quality Framework for achieving Excellence in Services for Older People"
- Annual Care Conference for Wales
- NHS Confederation Conference
- Institute of Public Policy and Research (IPPR)
- Wales TUC Conference

Research the challenges that older people face, both now and in the future, for example around money and support:

In formulating our work plan we found that there was a lack of evidence in many of the areas that mattered most to older people in Wales. We know that in order to convince people who make decisions that they should listen to us we must develop a solid, authoritative and up to date evidence base. This will also help us to plan our work. In order to do

this we plan to undertake or commission research in the following areas during 2010/11:

- Pensioner poverty and isolation.
- Advocacy and complaints with the Older People and Ageing Research & Development Network (OPAN Cymru).
- The current use of the bus pass and use of and availability of community transport.
- How Local Health Boards, Local Authorities and Voluntary Organisations currently engage with older people.
- How Local Authorities are implementing improvements in the provision of aids and adaptations following the recent Assembly Committee report on this issue.
- Avoidable hospital admissions, the value of prevention in Wales and investment in providing more community services closer to home.
- Information and statistics from the Citizen's Advice Bureau Cymru about the key concerns that older people share with them.
- Issues associated with closures of care homes in Wales and areas where the process of closure departs from Welsh Assembly guidance (Swansea University).

Advocate real choice and clear information:

This call has been integrated into all speeches and policy statements.

“I feel there are some key areas that often underlie what people tell me and will form priorities for my work.

I want to ensure older people are treated with respect and that your voices are heard either directly or through trusted third parties.

I want to look into how information about, and access to, services can be made simpler.

I want to make sure people are supported to claim all the money they are entitled to.”

Ruth Marks, Older People's Commissioner for Wales

Commission an independent evaluation to test the impact of our work:

Commissioning Arad Consulting to conduct an independent evaluation to test the impact of our work. The first evaluation report has been received and we are building their recommendations into the way we work.

Consider the adequacy of current arrangements for complaints, whistle-blowing and advocacy:

Working with Age Cymru to build on evidence and provide up to date information about advocacy provision in Wales. This will be reported in "Advocacy Counts 3" during 2010/11.

The Older People and Ageing Research & Development Network, Swansea University research into advocacy and complaints arrangements will inform our future work in this area.

Work with others to ensure that I make the best use of my resources and achieve the best results for older people in Wales:

We have developed partnerships, for instance with the Pension Service, which have allowed us to reach older people directly in a cost effective way and signpost enquiries to the most appropriate place. Older people have told us they do not want us to duplicate the work of others and we know it is only by working together with other organisations that we can make a lasting positive difference to older people.

Review of the Financial Year

The net expenditure account shows net expenditure after cost of capital charge and income for the period of **£1,449k** of which £825k was for staff costs. Accommodation, IT infrastructure and other running costs amounted to £438k and Specific Project expenditure of £83k. Reserves at the yearend were £741k. The Commission has earmarked the use of these reserves and future funding requirements from the Welsh Assembly Government in our 2010-13 Financial Plan, which supports the delivery of the objectives set out in our 2010-13 Strategic Plan.

Future Developments

Following consultation the Commission has published its three year Strategic Plan, which will be reviewed and updated on an annual basis. It sets out the direction and headline activities of the Commission. This plan is based on extensive information we have received from older people and relevant organisations and individuals in Wales.

The objectives in the Strategic Plan reflect the four main functions set out in the Commissioner for Older People (Wales) Act. For 2010/11 a more detailed organisational plan has been approved by the Commissioner to deliver the aims and objectives set out in the Strategic Plan. Activities planned for 2010/11 under each of our five main objectives include:

Promote awareness of the interests of older people in Wales

- Promotion of the views of older people in the media.
- Highlight 'real' stories that have been shared with our Information and Enquiries team.
- Publish a report on workshops we have held on the UN Principles for Older Persons.
- Launch of a second Review.
- Research projects and policy statements, likely to include advocacy and complaints services, pensioner poverty, information and advice services, avoidable hospital admissions and the use of the bus pass in Wales.
- Raising awareness of pensioner poverty and isolation.

Encourage best practice in the treatment of older people in Wales

- Completion of the Review into dignity and respect in hospital settings.
- Publish results of research into advocacy services.
- Promote the benefits of advocacy services.

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

- Monitoring political debates at the Assembly and in Westminster.
- Follow up on activities delivered in 2009/10 including the Law Commission conference on their review of Adult Social Care Law and work on elder abuse.

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- Producing a guide to the current laws that can be used to protect older people in England and Wales from elder abuse.

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

- Promotion of positive images of older people.
- Publish a report on attitudes to ageing; in partnership with Institute of Welsh Affairs.

Enable the delivery of the 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.

- Progress on the independent evaluation of the role of the Commission.

We will seek to work in partnership, whenever appropriate, to achieve these objectives and make a positive difference to the lives of older people.

We will measure the achievement of these objectives through the following outcomes:

- Greater awareness of older people's interests
- Reduced aged discrimination
- Maintenance of availability of and increased recognition of services which work well for older people
- More effective law
- A demonstrably dynamic, effective and efficient organisation making a lasting difference

Governance and Risk Management

The Commissioner holds personal responsibility for directing and controlling the organisation as Accounting Officer but may authorise the exercise of her functions to any member of staff. The Deputy Commissioner will exercise her functions at any time when the Commissioner is for any reason unable to act.

A Senior Management Team meets fortnightly to provide corporate leadership to the Commission as a whole and assist the Commissioner discharge her statutory responsibilities in a manner consistent with the high standards expected from a publically funded body. This will include advising the Commissioner on the:

- Development of the Commission's strategic aims and objectives;
- Allocation of its financial, human and other resources to achieve those aims and objectives;
- Assessment and management of risk;
- Internal control mechanisms required within the Commission including policies and procedures; and
- Performance of the Commission against the objectives set out in the Annual Operational Plan and 3 year Strategic Plan.

Whole staff team meetings take place monthly to discuss matters of relevance and interest to all staff and explore particular issues identified as requiring dedicated time. Opportunities for learning and development are promoted and during 2009/10 all staff completed an appraisal as part of our performance management policy.

Risk management is a key consideration in the activities of the Commission. A risk management policy was approved during the year which sets out the way in which risks faced by the Commission will be identified, evaluated and controlled. The risk management policy requires the maintenance of a risk register, which was first, established in 2008/09, and is kept under regular review by the Audit Committee and Senior Management Team. Each identified risk is owned by a member of the Senior Management Team and the risk register is shared with all staff.

Audit Committee

The Commissioner has established an Audit 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 3 years from 20 March 2009, these are:

- Gordon Lishman (Chair)
- Kenneth Jones
- Eifion Pritchard
- Ian Summers

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.

Supplier Payment Policy

The Commissioner 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 100% paid on time.

Events occurring after the year end

There were no significant events occurring between the year end and the completion of these accounts.

Audit

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 2009/10 accounts is £15k.

RSM Tenon (formerly RSM Bentley Jennison) provided internal audit services for the Commissioner in 2009/10.

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.

Ruth Marks
Commissioner and Accounting Officer

30 July 2010

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

The following sections provide details of the remuneration and pension interests of the Commissioner and senior staff. These are presented in banding ranges for salary and pension.

Name and title	Salary 2009/10	Salary 2008/09	Real increase in pension and related lump sum at age 65	Total accrued pension at age 65 and related lump sum at 31/3/10	CETV at 31/3/09	CETV at 31/3/10	Real increase in CETV
	£000	£000	£000	£000	£000	£000	£000
Ruth Marks	91	84	4	6	21	63	21
Commissioner (appointed with effect from 21/04/08)		** (89)					
Sarah Stone	57	22	1	2	6	21	13
Deputy Commissioner (employed from 10/11/08)		** (57)					
Julia Lewis	43	16	1	4	40	60	16
Head of Information & Resources (employed from 1/11/08)		** (42)					
Alun Thomas	34	n/a	2	25	83	95	7
Head of Review, Examination & Policy (employed from 1/7/09)	** (45)						
Alison Phillips	18	n/a	1	1	0	3	2
Head of Finance, HR & Corporate Governance (employed from 9/11/09)	** (45)						

**The amounts shown in brackets above is the full year equivalent salary

The Commissioner's salary is set by Welsh Ministers. In May 2010 the Commission received late notification of a revised entitlement for previous years. The amount earned in relation to 2008/09 is now confirmed as £84K which is different from that shown in the Remuneration Report for that year which was £82K.

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.

The secondment of Helen Kirkby who was Head of Finance and HR during 2008/09 ended on 14 July 2009. Alison Phillips took up post as Head of Finance, HR and Corporate Governance from 9 November 2009.

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 spouse's pension contingently payable from the scheme. A CETV is the amount payable 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 the disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the relevant scheme and for which the scheme has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the scheme member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Real Increase in CETV

The real increase in CETV reflects the increase effectively 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. The factors used to calculate the CETV for the PCSPS were revised on 1 April 2005 on the advice of the Scheme Actuary.

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-pensions.gov.uk). For 2009/10, employer 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 2009-10 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus) or nuvos, a career average scheme. The schemes are unfunded with the cost of benefits met by monies voted by the UK Parliament each year. Pensions payable by these schemes are increased annually in line with changes to the Retail Price Index. New entrants joining between 1 October 2002 and 29 July 2007 opted between membership of premium or joining a good quality 'money purchase' stakeholder based arrangement with a significant employer contribution (partnership pension account). New entrants on or after 30 July 2007, may join the nuvos scheme or opt for a 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. Benefits in Classic accrue at the rate of $1/80^{\text{th}}$ of the 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 $1/60^{\text{th}}$ of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum, but members may commute some of their pension to provide a lump sum. Classic plus is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic. Nuvos is a career average scheme where benefits accrue at a rate of 2.3 per cent of salary in each year, revalued in line with the Retail Prices Index at the end of each year.

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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. 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).

Further details about the PCSPS arrangements can be found at the website www.civilservice-pensions.gov.uk

Ruth Marks
Commissioner and Accounting Officer

30 July 2010

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

The Commissioner, as Accounting Officer, has prepared the statement of accounts in accordance with the Direction issued by Welsh Ministers, HM Treasury and with the accounting principles and disclosure requirements set out in the Government Financial Reporting Manual (FReM).

The accounts are prepared on an accruals accounting basis and give a true and fair view of the state of affairs of the Commissioner for Older People in Wales at the year-end and of its net expenditure, movements in cash and cash equivalents and movements in reserves for the financial year.

In preparing the accounts the Commissioner has:

- Complied with the accounts direction given by Welsh Ministers;
- Complied with the relevant accounting principles and disclosure requirements, and applied suitable accounting policies on a consistent basis;
- Made informed judgements and estimates which are reasonable and prudent;
- Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained 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 relevant responsibilities of the Accounting Officer, including the responsibility for the propriety and regularity of the finances of the Commission and for the keeping of proper records, are set out in a memorandum issued by the 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 the Older People's Commissioner for Wales (the Commission) aims and objectives whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

Although I am independent of the Welsh Assembly Government I have held regular meetings during the year with Welsh Assembly Government Ministers and officials on these matters.

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 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 the Commission'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 system of internal control has been in place in the Commission for the year ended 31 March 2010, and up to the date of approval of the annual report and accounts and accords with HM Treasury guidelines.

The key day to day financial and operational decisions for the Commission are either made by me, by the Senior Management Team or with my agreement, by individual members of the Senior Management Team or staff with delegated authority.

Capacity to handle risk

I and my Senior Management Team continue to enhance the internal control system of the Commission to ensure that the Commission has the capacity to identify, assess and manage risk effectively. This process is overseen by the Audit Committee.

The Commission's system of internal control is based on a framework of 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 operation 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;
- the provision of risk management training to all staff; and
- regular reports to Senior Management Team and other budget holders on key areas of expenditure.

The Audit Committee met four times in the year and advised on the adequacy of internal and external audit arrangements, management responses to audit recommendations and in respect of other corporate governance, risk management and internal control matters.

The risk and control framework

Risk management is a key consideration in the activities of the Commission inclusive of the following elements:

- A risk management policy was approved during 2008/09 and formally approved during 2009/10. This sets out the way in which risks faced by the Commission will be identified, evaluated and controlled.
- The risk management policy requires the maintenance of a risk register, which is kept under regular review by the Audit Committee and Senior Management Team.
- Each identified risk is owned by a member of the Senior Management Team and the risk register is shared with all staff.
- A strong approach to governance and internal control; working with Internal Audit to review and strengthen existing arrangements.

- The Audit Committee receives and considers all the reports and recommendations of the Internal Audit including arrangements for the management of risk.
- Financial policies and procedures that set out responsibilities for financial matters, systems for financial control of expenditure as well as the regular reporting of actual expenditure budget.
- An annual report from my Internal Auditors on the adequacy and effectiveness of internal control and an annual management letter from my external Auditors.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of my internal auditors (RSM Tenon), and by my Senior Management Team who have responsibility for the development and maintenance of the internal control framework, the Audit Committee and comments made by my external auditors (Wales Audit Office) as contained in the management letter and other reports.

My review has identified that significant progress has been made during the year in embedding risk management arrangements within the Commission and developing effective procurement procedures.

The internal auditors' opinion states that based on the work undertaken for the year ended 31 March 2010 the Commission has adequate and effective risk management, control and governance processes to manage the achievements of objectives.

The following areas require further strengthening and improvement:

- Business continuity arrangements; progress to date in this area is considered proportionate to our size and existence but further improvement can be achieved.
- IT systems; significant changes were made to our IT systems during the year to meet an increase in staff numbers and functionality requirement of our Business Management System and further work is required to complete this transition.

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In summary, I am satisfied that work is underway to implement all the recommendations made by internal audit during 2009/10 and that the system of internal control has developed effectively over the course of the year.

Ruth Marks
Commissioner and Accounting Officer

30 July 2010

NET EXPENDITURE ACCOUNT

For the period 1 April 2009 to 31 March 2010

	Note	2009/10 £ 000	21 April 2008- 31 March 2009 £ 000
Expenditure			
Staff costs	2	825	482
Depreciation / Amortisation	3	94	69
Other expenditure	3	521	469
		1,440	1,020
Net Expenditure			
Cost of Capital	3	9	6
Income	4	-	1
Net Expenditure after cost of capital charge and income		1,449	1,025

Statement of Financial Position

As at 31 March 2010

	Note	31 March 2010		31 March 2009	
		£ 000	£ 000	£ 000	£ 000
Non- current assets:					
Leasehold improvements	5	159		190	
Office equipment / ICT	5	51		37	
Intangible assets	6	56		34	
Total non-current assets			266		261
Trade receivables	8	38		22	
Cash and cash equivalents	9	562		334	
Total current assets			600		356
Total assets			<u>866</u>		<u>617</u>
Current liabilities:					
Trade payables	10	31		85	
Other liabilities	10	90		51	
Total current liabilities			<u>121</u>		<u>136</u>
Non-current assets plus/less net current assets/liabilities			<u>745</u>		<u>481</u>
Non-current liabilities					
Provisions	11		4		-
Total non-current liabilities			<u>4</u>		<u>-</u>
Assets less liabilities			<u>741</u>		<u>481</u>
Reserves					
General reserves			<u>741</u>		<u>481</u>
			<u>741</u>		<u>481</u>

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Ruth Marks
Commissioner and Accounting Officer

30 July 2010

CASH FLOW STATEMENT

For the period 1 April 2009 to 31 March 2010

		1 April 2009 - 31 March 2010	21 April 2008 - 31 March 2009
	Note	£ 000	£ 000
Cash flows from operating activities			
Net expenditure after cost of capital and interest		(1,449)	(1,025)
Adjustments for non-cash items	3	103	75
(Increase)/Decrease in trade and other receivables	8	(16)	(22)
Increase/(decrease) in trade and other payables	10	(15)	136
Loss on Disposal of Equipment	5	1	-
Provisions	11	4	-
Net cash outflow from operating activities		(1,372)	(836)
Cash flows from investing activities			
Purchase of Leasehold improvements, Office equip. / ICT	5	(55)	(284)
Purchase of intangible assets	6	(45)	(46)
Proceeds of disposal of property, plant and equip.		-	-
Net cash outflow from investing activities		(100)	(330)
Cash flows from financing activities			
Funding from Welsh Assembly Government		1,700	1,500
Net financing		1,700	1,500
Net increase/(decrease) in cash equivalents in the period		228	334
Cash and cash equivalents at the beginning of the period	9	334	-
Cash and cash equivalents at the end of the period	9	562	334

STATEMENT OF CHANGES IN RESERVES

For the period 1 April 2009 to 31 March 2010

	General Reserve	
	1 April 2009- 31 March 2010	21 April 2008- 31 March 2009
	£ 000	£ 000
Balance as at 1 April 2009/21 April 2008	481	-
Changes in taxpayer's equity		
Non-cash charges- cost of capital	9	6
Net expenditure	(1,449)	(1,025)
Total recognised income and expense	(959)	(1,019)
Funding from Welsh Assembly Government	1,700	1,500
Balance as at 31 March	741	481

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 fixed 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 Fixed Assets

The minimum level for capitalisation of a tangible fixed 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 fixed assets are not revalued as, in the opinion of the Commissioner; the amounts involved would not be material.

1.4 Intangible Fixed Assets

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

1.5 Depreciation / Amortisation

Depreciation is provided at a rate calculated to write off the tangible fixed 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

1.6 Operating income and expenditure

Operating income and costs relate directly to the operating activities of the Older People's Commissioner for Wales. The Older People's Commissioner for Wales (OPC) is not registered for VAT and therefore cannot recover VAT. The OPC has only one operational segment and all the specific project expenditure is reported under this segment.

1.7 Capital Charge

A charge, reflecting the cost of capital utilised by the Commissioner, is included in Net Expenditure Account. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities except for cash balances with the Office of the Paymaster General.

1.8 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.

1.9 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-pensions.gov.uk).

1.10 Operating Lease Charge

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

2. Staff numbers and related costs

Staff costs comprise:

	2009/10	2008/09
	£ 000	£ 000
Permanently Employed Staff		
Salaries	544	149
Social Security costs	43	14
Other Pension Costs	99	32
Sub Total	686	195
Inward Secondment and agency costs	139	287
Total net costs	825	482

*Included within staff costs is £9,560 which relates to the remuneration of four Audit Committee Members appointed from 2009/10

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

	2009/10	2008/09
Permanent Staff	13.96	2.50
Seconded Staff	2.03	3.03
Temporary/Casual Staff	2.44	3.98
Fixed Term Appointments	1.00	.66
Total	19.43	10.17

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. A full actuarial valuation is carried out every four years, with the latest as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2009/10, employers' contributions of £99k 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's Actuary reviews employer contributions every four years following a full scheme valuation. The salary bands and contribution rates were revised for 2009-10. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £nil were paid to appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% per cent of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £nil (0.8%) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the balance sheet date were £nil. There were no contributions prepaid at that date.

There were no early retirements on ill-health grounds during the year, and there were no additional accrued pension liabilities in the year.

3. Other Expenditure

Other expenditure consists of:

	2009/10	2008/09
	£000	£000
Rentals under operating leases	61	57
Other accommodation costs	72	106
Information and communications technology	33	18
Professional fees	80	123
Training and development	11	4
Travel and subsistence	17	21
Audit fees - Internal	16	5
Audit fees - External	15	15
Specific Projects	83	-
Other administrative expenses	133	120
	521	469
<u>Non-cash items:</u>		
Depreciation	71	57
Amortisation	23	12
Cost of Capital Charges	9	6
Total	624	544

Specific Projects

During the year the Commission incurred the following programme expenditure which has been classified against the Commission's objectives. Further expenditure will be incurred in the delivering these objectives in future years as set out in the 2010/13 Strategic Plan.

Programmes	2009/10	2008/9
	£ 000	£ 000
Promote awareness of the interests of older people in Wales	44	-
Promote the provision of opportunity for, and the elimination of discrimination against older people in Wales	8	-
Encourage best practice in the treatment of older people in Wales	2	-
Keep under review the adequacy and effectiveness of the law affecting the interest of older people in Wales	2	-
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	27	-
Total	83	-

4. Income

	2009/10	2008/09
	£ 000	£000
Interest Receivable	-	1

5. Non-current tangible assets

	2009/10			
	£000			
	Information Technology	Leasehold Improvements	Office Equipment	Total
Cost or valuation				
At 1 April 2009	14	237	33	284
Additions	29	23	3	55
Disposals	-	1	-	1
At 31 March 2010	43	259	36	338

Depreciation				
At 1 April 2009	3	47	7	57
Charged in year	11	53	7	71
Disposals	-	-	-	-
At 31 March 2010	14	100	14	128

Net book value at 31 March 2010	29	159	22	210
Net book value at 31 March 2009	11	190	26	227

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

6. Non-current intangible assets

	2009-10 £000		
	Software licences	Information Technology	Total
Cost or valuation			
At 1 April 2009	46	-	46
Additions	-	45	45
Disposals	-	-	-
At 31 March 2010	46	45	91
Amortisation			
At 1 April 2009	12	-	12
Charged in year	11	12	23
Disposals	-	-	-
At 31 March 2010	23	12	35
Net book value at 31 March 2010	23	33	56
Net book value at 31 March 2009	34	-	34

7. Financial instruments

As the Commissioner's cash requirements are met through funding provided by the Welsh Assembly 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.

8. Trade receivables

	2009/10	2008/09
	£ 000	£ 000
Amounts falling due within one year:		
Trade receivables	-	-
Prepayments and accrued income	38	22
	<u>38</u>	<u>22</u>

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

9. Cash and cash equivalents

	2009/10	2008/9
	£ 000	£ 000
Balance at 1 April 2009 / 21 April 2008	334	-
Net change in cash and cash equivalent balances	228	334
Balance at 31 March	562	334
The following balances at 31 March were held at:		
Office of HM Paymaster General	517	164
Commercial banks and cash in hand	45	170
Short term investments	-	-
Balance at 31 March	562	334

10. Trade payables and other current liabilities

	2009/10	2008/09
	£ 000	£ 000
Amounts falling due within one year		
VAT	-	-
Other taxation and social security	19	-
Trade payables	12	85
Other payables	-	-
Accruals and deferred income	90	51
	121	136

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

11. Provision for Liabilities and Charges

	2009/10
	£ 000
Balance at 1 April 2009	-
Provided in year	4
Provision utilised in year	-
Balance at 31 March 2010	4

A provision is made for redecorating our offices during the term of the lease and on the termination of the Lease.

12. Capital commitments

	2009/10
	£000
Contracted capital commitments at 31 March 2010 for which no provision has been made	-

13. 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.

	2009/10	2008/9
	£000	£000
Obligations under operating leases comprise:		
Land and buildings:		
Expiry within 1 year	-	-
Expiry after 1 year but not more than 5 years	203	264
Later than five years	-	-
	203	264
	2009/10	2008/9
	£000	£000
Obligations under operating leases comprise:		
Other: Office Equipment		
Expiry within 1 year	-	-
Expiry after 1 year but not more than 5 years	1	-
Later than five years	-	-
	1	-

(b) Finance leases and PFI contracts

There are no obligations under finance leases or PFI contracts.

14. Other financial commitments

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

15. Contingent liabilities disclosed under IAS 37

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

16. Related-party transactions

In 2009/10 the Commission received funding of £1.7m from the Welsh Assembly Government. The Welsh Assembly 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 Assembly Government.

The Commissioner is a Director of the Institute of Welsh Affairs. During the year the Commission entered into a contract with the Institute of Welsh Affairs as part of a project examining attitudes to ageing which will also run into 2010/11. The amount paid in 2009/10 was £15,052. The Commissioner took no part in the awarding of the contract.

No 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.

17. Events after the reporting period

There were no significant events occurring after the Reporting Period date.

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 2010 under the Commissioner for Older People (Wales) Act 2006. These comprise the Net Expenditure Account, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Reserves 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

The Commissioner, as Accounting Officer, 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 thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

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).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Commissioner for Older People (Wales) Act 2006 and directions made thereunder. I report to you whether, in my opinion, the Management Commentary and the unaudited part of the Remuneration Report is consistent with the financial statements. I also report 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.

In addition, I report to you if in my opinion the Older People's Commissioner for Wales has not kept proper accounting records, if I have not received all the information and explanations I require for my

Older People's Commissioner for Wales: Accounts for the period ended 31 March 2010

audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of Older People's Commissioner for Wales corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Accounts and consider whether it is consistent with the audited financial statements. This other information comprises the Management Commentary and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My 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 judgments made by the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Older People's Commissioner for Wales 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 fraud or error, 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 also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Commissioner for Older People (Wales) Act 2006 and directions made thereunder, of the state of Older People's Commissioner for Wales affairs as at 31 March 2010 and of its net expenditure, and cash flow for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Older People (Wales) Act 2006 and directions made thereunder; and
- information which comprises the Management Commentary and the unaudited part of the Remuneration Report is consistent with the financial statements.

Audit 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.

Report

I have no observations to make on these financial statements.

Gillian Body

Auditor General for Wales

24 Cathedral Road

Cardiff

CF11 9LJ

10 August 2010