

Accounts

2019–20



**Comisiynydd
Plant Cymru**

Children's
Commissioner
for Wales

Audit and Risk Assurance Committee's Annual Report 2019-20

Under its Terms of Reference, the committee is required to produce an Annual Report summarising the work done during the year to support the Annual Accounts and Governance Statement. The Children's Commissioner's Audit and Risk Assurance Committee (ARAC) is therefore pleased to present this report for the year ending 31 March 2020.

Introduction

The primary role of the Committee is to provide independent advice to the Children's Commissioner for Wales, to assist her to discharge her responsibilities as Accounting Officer. Reporting directly to the Commissioner, members of the Committee review the comprehensiveness of the systems of assurances put in place to meet the Commissioner's Accounting Officer needs and reviewing the reliability and integrity of those systems. In practice, members of the Committee review and challenge the assurances provided by the Commissioner's staff and by her internal and external auditors and advise her on corporate governance, risk management and internal control.

This report focuses on the Committee's work in discharging those functions this financial year, from 1 April 2019 to 31 March 2020.

To ensure the Committee complies with the Good Practice principles set out in HM Treasury's Audit and Risk Assurance Committee Handbook, members were invited to complete the National Audit Office's Audit and Risk Assurance Committee Effectiveness Checklist, the results of which have been taken into account in preparing this Annual Report.

Membership

Non-executive members

- **Jocelyn Davies (Chair), a former Member of the National Assembly for Wales**
- **Margaret Provis, former Civil Servant**
- **Arwel Thomas, former Civil Servant**
- **Aine Denvir, a childcare solicitor (member until 17 July 2019)**
- **Nina Ruddle, Head of Public Policy Engagement at Wrexham Glyndwr University (member until 17 July 2019)**

Commissioner's staff

- **Sally Holland, Children's Commissioner for Wales**
- **Tony Evans, Head of Finance and delegated Accounting Officer (April – September 2019)**
- **Helen Verity, interim delegated Accounting Officer (November 2019 – March 2020)**
- **Sara Jermin, Head of Communications and Performance**
- **Ceirios Williams, Executive Support Officer who provides Secretariat support to the Committee.**

Others

Representatives from the Commissioner's internal auditors (currently Deloitte LLP), who comply with the Public Sector Internal Audit Standards and representatives from the Wales Audit Office, now known as Audit Wales, (external auditors), discharging the Auditor General for Wales' statutory duties and obligations under the Code of Audit Practice.

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Remuneration

Members do not receive any remuneration but can be reimbursed for out-of-pocket expenses occurred. Members submit such claims in accordance with the Commissioner's Travel and Subsistence Policy.

Conflicts of Interest

As members of ARAC, each member of the Committee completes an annual declaration of interests, held in accordance with all relevant data protection regulations. In addition, the first agenda item for any ARAC meeting allowed for the declaration of any interest specific to the agenda items for that meeting.

Training

Plans are in place to host refresher risk management training with Deloitte LLP for all members in 2020/21.

Members have reflected via the annual review of effectiveness that the training programme is the area to be addressed during the next financial year. With recruitment of new non-executive members scheduled to take place during the 2020/21 financial year, a skills-gap analysis will inform the new programme of training to be put in place.

Meetings

We aim to meet at least four times a year. During this financial year, meetings were held in May 2019, July 2019, October 2019 and January 2020.

An additional meeting was held between non-executive members and the Commissioner in December 2019 to discuss the findings and actions resulting from the independent review commissioned of the finance team in Autumn 2019.

To ensure that appropriate matters can be raised in confidence, the Chair and non-executive members also meet with representatives of External and Internal Auditors in private ahead of most full-Committee meetings.

Attendance Record

Member	Attendance level
Jocelyn Davies	75%
Aine Denvir	50% (Finished 17 July 2019)
Margaret Provis	100%
Nina Ruddle	0% (Finished 17 July 2019)
Arwel Thomas	100%
Sally Holland	100%
Tony Evans / Helen Verity	75%
Sara Jermin	100%
Ceirios Williams	100%
Deloitte	100%
Audit Wales	100%

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Committee Business

Terms of Reference, reviewed annually by members, details the Committee's remit and work plan. They were last updated and approved in May 2019 and can be accessed on the Commissioner's website. Included within the Terms are details of the Committee's standing agenda items, including:

- **Risk Register**
- **Finance report**
- **Internal Audit report**
- **External Audit update**
- **Governance / evaluation framework**

The Committee's Chair reviews the agenda prior to its despatch to Committee members and attendees.

In addition to the routine items, the Committee reviewed the following updated internal policies during the 2019/20 financial year:

- **Risk Management Policy**
- **Business Continuity Plan**
- **Document Retention Policy**

and advised on the draft governance statement, new risk appetite statements, staff survey results, lessons learned relating to complaints received and accommodation review plans.

In response to the Management Letter received by the Auditor General for Wales in 2018/19, the Commissioner instigated an independent review of the finance function. Non-executive committee members advised the Commissioner on the scope of the review and on the team's response to the recommendations.

Overall Assessment

External Audit

In its Audit of Accounts Report and Management Letter for 2019/20, Audit Wales reported the Auditor General's intention to issue an unqualified audit opinion. They were satisfied for the Commissioner, as Accounting Officer, to sign off on the 2019/20 accounts. Some corrected mis-statements to the financial statements were drawn to the Committee's attention for information and they also noted that the accounts had been delivered to deadline and to quality standards and that they audit did not identify any material weaknesses in internal control.

Included within this report were their assessment of progress made against prior year recommendations – accepted in full by the Commissioner. No new recommendations were presented as a result of this year's audit.

The Commissioner's team report on progress made in relation to these recommendations on a quarterly basis to the Committee.

Internal Audit

Deloitte LLP, as the Commissioner's appointed internal auditors, provide independent and objective assurance to the Accounting Officer on risk management, internal control and governance. They completed a full internal audit programme in 2019/20, as approved by ARAC, and stated in its annual report to the Committee:

"Based on the work undertaken as detailed in our internal audit report for 2019/20, our overall assessment is that the classification of assurance for corporate governance and risk management remains as **substantial**."

"Based on the conclusions of our work, we can provide the Commissioner with **moderate** assurance in relation to the organisation's arrangements for risk management, governance and internal control."

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Below is the statement of level of assurance achieved for each area of audit:

- **Financial Systems: General Ledger: Moderate**
- **Financial Systems: Purchasing and Payments: Substantial**
- **Corporate Governance and Risk Management: Substantial**
- **Participation: Moderate**

Conclusion

As a result of its work and the findings of internal and external audit, the Committee can provide the Accounting Officer with assurances that the governance, financial management and risk management arrangements in place are appropriate and have operated satisfactorily during the financial year.

In particular, the Committee welcomed the robust and swift action taken by the Commissioner this year in response to the previous management letter issued by Wales Audit Office, and subsequent actions taken as a result of the recommendations of the independent review of the finance systems. Members were grateful for the Commissioner's team's transparency during the process and the drive to enable the Committee to contribute effectively to the review's response.

The Committee thanks the Commissioner and her staff for being open and receptive to challenge and for the cooperative approach they have taken to the Committee's work. Members would also like to extend their gratitude to the internal and external auditors for their constructive contribution and collaboration.

This year's focus, as well as the core work plan commitments, will be on enhancing the committee's training programme and ensuring we plug the legal expertise gap with the recruitment of new non-executive members.

Prepared by
Jocelyn Davies, Chair
July 2020

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Directors' Report

Introduction

The Children's Commissioner for Wales is an independent children's human rights institution. The principal aim of the Commissioner is to safeguard and promote the rights and welfare of children. Two laws set out rules about how she can carry out her work and give her certain powers: the Care Standards Act 2000 and the Children's Commissioner for Wales Act 2001 (which amended the Care Standards Act 2000).

Here is a summary of the Commissioner's powers

- **The power to review and monitor the arrangements for complaints, whistleblowing and advocacy of defined public bodies;**
- **The power to review the exercise of functions (powers and duties) or proposed exercise of functions of defined public bodies, including Welsh Government;**
- **The power to examine cases, in respect of individual children;**
- **The power to provide assistance to individual children; and**
- **The power to make representations to the First Minister, Welsh Ministers and the Counsel General about any matters affecting the rights and welfare of children which concern her and for which she does not have the power to act.**

The Commissioner does not have the power to act in a number of defined circumstances:

- **Matters that have not been devolved to the Welsh Government which include immigration and asylum, welfare benefits, justice and policing, and children in the military;**
- **Where CAFCASS (the Children and Court Advisory Service) is able to act;**
- **Where Welsh Ministers have functions in respect of family proceedings; and**
- **From enquiring about or reporting on any matter that is or has been the subject of legal proceedings.**

Professor Sally Holland took up her post as the Commissioner from 20th April 2015, having been appointed by the First Minister, for a seven-year term. The remaining senior officers took up appointments between May 2006 and August 2016 and were appointed by the Commissioner (current and previous) under Schedule 2 paragraph 4 of the Care Standards Act 2000.

Senior Officers

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

- **Professor Sally Holland – Children's Commissioner for Wales;**
- **Andy Wallsgrove – Head of Practice;**
- **Sara Jermin – Head of Communications and Performance;**
- **Tony Evans – Head of Finance;**
- **Amanda Evans – Head of Human Resources; and**
- **Rachel Thomas – Head of Policy and Public Affairs.**

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Directors' Report

Audit and Risk Assurance Committee

Further details of the role and function of this Committee can be found within our governance statement. In summary, the Commissioner's Audit and Risk Assurance Committee provides advice and assurance in respect of corporate governance, risk management and control within the Commissioner's office and the adequacy of the internal and external audit arrangements. It meets at least bi-annually and is made-up of senior officials of the Commissioner's Office and Non-Executive members. The Non-Executive members of the Committee are:

- **Jocelyn Davies – former Member of the National Assembly of Wales**
- **Aine Denvir – Child Care Solicitor, until July 2019;**
- **Margaret Provis – former Civil Servant;**
- **Nina Ruddle – Head of Public Policy Engagement at Wrexham Glyndwr University, until July 2019; and**
- **Arwel Thomas – former Civil Servant.**

Audit Wales and Deloitte, the Commissioner's current internal auditors, also take part in every meeting

Funding

The Children's Commissioner for Wales is independent of, but funded by the Welsh Government. In 2019-20 the Commissioner received £1.580 million (2018-19: £1.543 million) to fund the Commissioner's activities.

Format of the Accounts

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

These accounts have been prepared for the period from 1st April 2019 to 31st March 2020 and reflect the assets, liabilities and resource outturn of the Children's Commissioner. These financial statements have been prepared in accordance with the Government's Financial Reporting Manual (FRM) issued by HM Treasury. The accounting policies contained in the FRM apply International Accounting Standards (IFRS) as adopted or interpreted for the public sector context.

Results for the Year

The Statement of Comprehensive Net Expenditure shows expenditure, for the period, of £1.644 million (2018-19: £1.579 million). The general fund balance as at the year-end is £171,000 (2018-19: £235,000). During the period 2019-20 we completed a number of high profile outcomes which are reported in detail in the Commissioner's Annual Report, listed below is a summary of my main achievements during this period:

- **Engaged with 15,504 children and young people across Wales at events, workshops and meetings.**
- **Responded to at least 28 Assembly, Welsh Government and other organisations' consultations, creating tangible change in a number of new policies and legislation.**
- **Created 5 reports on topics ranging from regional partnership boards to an evaluation of our previous three-year strategic plan.**
- **Launched 6 bilingual rights resources for schools and organisations, including a Scouts and Guides rights challenge, rights resources for children with additional learning needs, rights lessons and a new song for 3-7s, an activism toolkit and a Coronavirus Information Hub.**

- **Managed 627 cases through our Investigations and Advice service.**
- **Secured at least 534 pieces of broadcast and print coverage for the organisation, resulting in over 10 million opportunities to read or hear about our work.**
- **Delivered training to 200 early years professionals on our new offer for early years settings, Bitw Bach.**
- **Increased our Super Ambassador membership to 606 primary schools across Wales.**
- **Trained 475 children and 219 teaching staff to become rights ambassadors.**
- **Secured 7,404 responses from children and young people and 360 responses from teachers to our second education rights survey.**
- **Worked with at least 154 working groups and organisations on a range of children's rights issues.**

During 2019-2020 the Commissioner's staff changed to 21.76 (whole time equivalent) from 22.50 (whole time equivalent) members of staff, which includes full time and part time employees.

Learning and Development

We've included further details of our work relating to learning and development in our governance statement. In brief, the Commissioner continues to invest in the provision of learning and development opportunities for staff.

Through the Commissioner's Appraisal Process all staff are encouraged to identify personal development needs and record these needs on a Personal Development Plan. The Appraisal Policy is a process which links individual performance and development to the objectives of the organisation. The main purpose of this process is to improve every employee's performance and contribution to the achievement of objectives by providing them with the right skills and environment to do their job to the best of their ability.

In addition, the organisation provides all employees with regular staff development sessions each financial year. These meet its obligations with regards to learning and development that is either dictated by statute or is considered essential for all staff groups, covering topics, for example, on Child Protection and Safeguarding.

Staff Consultation and Engagement

The Commissioner regularly consults with staff on major changes to the organisation and organisational development priorities. This is achieved through a variety of methods including weekly staff meetings (Fika), regular surveys and whole team development days. In addition, all staff were provided with opportunities as individuals and in groups to contribute to the development of the Commissioner's three-year strategic plan and annual work plans.

Staff Absences

During 2019-20 the sickness absence rate within the Commissioner's office was 4.1 percent (2018-19: 5.45 percent), based as a percentage of the total available working days.

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Directors' Report

Sustainability

As member of the Future Generation Commissioner's Advisory Panel and as a public body in Wales, the Commissioner is committed to the principles as outlined in the Wellbeing of Future Generations (Wales) Act 2015, which are:

- **A prosperous Wales;**
- **A resilient Wales;**
- **A healthier Wales;**
- **A more equal Wales;**
- **A Wales of cohesive communities;**
- **A Wales of vibrant culture and thriving Welsh language;** and
- **A globally responsible Wales.**

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

- **Stationery and office resources: staff are encouraged to minimise their use of office consumables whenever possible. Printing and photocopying are kept to the minimum;**
- **Travel: where practical, meetings are held using video conferencing wherever possible. More than 90 percent of the Commissioner's official journeys are carried out by train or bicycle and she encourages her staff to do the same;**
- **Energy: the Commissioner encourages all staff to be energy conscious and consider ways of reducing their carbon footprint;** and
- **Waste disposal: the Commissioner is committed to recycling all waste and in 2019-20 the decision was taken to change the contract for the removal/recycling of waste, which will increase the rate of recycling in the office from 2020-21.**

Section 6 of Part 1 of the Environment (Wales) Act puts in place a Biodiversity and Resilience of Ecosystems Duty for public authorities. This year, a plan was devised in accordance with the four pillars of our performance framework (which covers children and young people, the Commissioner's staff, organisational processes and financial stability/value for money) in response to that duty. The plan is discussed every six months by management team and each task within that plan is owned by a member of management team. You can read a copy of the plan on our website, under 'publications'.

Equal Opportunities

All applications for employment with the Children's Commissioner for Wales are considered on the grounds that all job applicants should have equal opportunity for employment and advancement on the basis of their ability, qualifications and suitability for the work. No job applicant or employee should receive less favourable treatment on grounds of race, colour, sex, sexual orientation, age, marital status, disability, religion, family/domestic responsibilities or working patterns, nor should any individual be disadvantaged by conditions or requirements which cannot be shown to be justifiable.

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.

Deloitte LLP provides internal audit services for the Commissioner.

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

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Directors' Report

Disclosure of Information to the Auditors

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

Personal Data Related Incidents

Within the financial year, there were no reported incidents involving personal data. There is a suite of internal policies to ensure the safety of all information retained by the Commissioner, including a clear document retention schedule.

Events since the End of the Financial Year

There have been no events since the end of the financial year that affect the understanding of these financial statements. However, during March 2020 the UK Government and the Welsh Government introduced "lock-down" arrangements in order to deal with the COVID19 Pandemic. The Commissioner and her staff have complied with the requirements and all staff have been working from home since March 2020. The Commissioner has ensured that the organisation has maintained adequate governance and management arrangements throughout, whilst also ensuring that the health and wellbeing of staff is maintained and monitored. The Commissioner and her Management Team continue to monitor the arrangements and give due consideration to the guidance issued by the Welsh Government concerning the pandemic.

Statement of Accounting Officer's Responsibilities

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

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

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

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

Annual Governance Statement

This Statement by the Children’s Commissioner for Wales sets out the basis on which the organisation has been established, the way in which it is governed and managed and how it is accountable for what it does.

Role of the Children’s Commissioner for Wales

Established by the Care Standards Act 2000, the Children’s Commissioner for Wales is an independent human rights institution. The Commissioner’s remit is laid down in the Children’s Commissioner for Wales Act 2001, which amended the Care Standards Act 2000. The principal aim of the Commissioner is to safeguard and promote the rights and welfare of children. This must be the Commissioner’s overriding objective when undertaking her functions.

A summary of the Commissioner’s powers is available [here](#).

Current post holder

I took up post as the Commissioner on 20 April 2015, having been appointed by the First Minister for a seven-year term.

Annual Governance Statement

Governance Structure

Below is a description of our governance structure. Further details about the membership of each group, attendance and respective terms of reference can be accessed on our website .

Sally Holland – Children’s Commissioner for Wales

- Corporation Sole
- Accounting Officer

Management Team (MT)

Comprising: Head of Communications & Performance, Head of Practice, Head of Finance, Head of Policy & Public Affairs, Head of Human Resources. Chaired by the Commissioner.

The MT’s primary purpose is to provide the Commissioner with support and advice on the strategic direction of the organisation, including contributing to the development of strategic aims and annual work plans. The MT is also responsible for the strategic leadership of the organisation, managing the operational, day-to-day running of the office in line with the organisation’s values.

Commissioner’s Advisory Panel and Young People’s Panel

Commissioner’s Advisory Panel & Young People’s Panel, comprising 10-12 adult members & 2-4 young people

Young People’s Panel, comprising 18 members aged 11–18

Provide independent advice, support, scrutiny and challenge to the Commissioner and her staff, so as to secure the effective delivery of the Children’s Commissioner’s statutory responsibilities and to act as a critical friend and sounding board for the Commissioner and her staff regarding policies and proposals, informing the policy and strategic priorities.

Audit and Risk Assurance Committee

Comprising: 4–6 Non-Executive members

Advise the Commissioner on the strategic processes for risk, control and governance, accounting policies, the accounts, and the planned activity and results of both internal and external audit.

The potential impact of Covid-19 on the organisation

The Covid-19 outbreak has developed rapidly in 2020. Measures taken by the UK Government and devolved administration here in Wales to contain the virus have affected most aspects of our lives. We have taken a number of measures to monitor and prevent the effects of Covid-19 virus such as health and safety measures for our staff (all staff have been enabled to work from home for the duration of the crisis), securing access to equipment to enable us to continue with our core functions, maintaining senior management oversight of all work, continuing with the supervision of all staff, increased regularity of the Commissioner's management team meetings.

Ahead of lockdown we escalated the pending outbreak to our corporate risk register, ensuring effective controls were put in place ahead of major changes to our ways of working and enabling management team to have weekly discussions about the crisis from a risk perspective.

At this stage, the impact on our organisational plans and performance is limited. We will continue to follow Welsh and UK Governments' guidance and will do our utmost to continue implementing our strategic obligations in the best and safest way possible.

In addition to the already known effects, it is unknown what the longer term impact on our organisation may be. The scale and duration of this pandemic remain uncertain but are expected to further impact on the organisation. The main risks that result from the current uncertain situation regarding Covid-19 are:

- **Income: squeeze on public finances resulting from pandemic, which may impact on our future funding levels**
- **Revised internal controls: how sustainable they are and how robust they are long-term**
- **Increased cyber security risks due to home working by all staff**
- **Capacity of public services in Wales, including the Welsh Government to deliver the changes we want to protect children's rights in Wales, as noted in our three-year strategic plan.**

Governance framework

As a public office in receipt of public funds, I am committed to implementing rigorous and transparent accountability and decision-making systems.

My governance framework comprises the systems, processes and values by which the organisation is directed and controlled. In line with our review procedures, our governance framework was updated by Management Team this year to ensure our arrangements are firmly rooted in best practice models, draws on elements from the 'UK Corporate Governance Code' and builds on the Nolan Principles for the conduct of individuals in public life. In the spirit of wanting to continually evaluate our own effectiveness, we have committed to reviewing the framework every two years and this latest review in 2019-20 included us overhauling the scheme of delegation and the creation of a detailed map of every element of our governance framework outlined against the six core principles of good governance for public service organisations.

Below are details of the extent to which the organisation lives up to these standards and explains the reasons for adapting the principles to suit the organisation.

In accordance with the Public Sector Internal Audit Standards, corporate governance has been subject to internal audit by our consultants, Deloitte. **Their overall assessment in 2019-20 was that the classification of assurance that can be taken in respect of corporate governance and risk management remains as substantial assurance.**

Governance framework



* Within our governance framework, the Commissioner has the overall responsibility for directing and controlling the organisation. At the Commissioner's office, the Commissioner has delegated some responsibilities to members of her management team, all of which are outlined in our scheme of delegation.

Governance framework

Being clear about the organisation's purpose and outcomes

Having a clear organisational purpose and set of objectives is a hallmark of good governance. Our strategic planning approach is the systemic approach to determining our goals. It enables the office to fulfil its legislative remit and to deliver against the vision and objectives set out in my strategic plans.

The strategic and annual planning processes provide an overall strategic direction for all functions within the office; and helps to ensure we make the most effective use of organisational resources to maximise our impact for children and young people in Wales.

Engaging stakeholders and making accountability real

I don't commission services nor do I deliver front-line services. Instead my work is focused on persuading and supporting others to introduce and implement change. I want children and young people to hold me to account on how my team and I have worked to influence progress in key areas of their lives.

My first three-year plan, covering the period 2016 – 2019, was developed following a large-scale consultation with children, young people and adults who care and work for them. This year, we undertook a **full evaluation of the impact of that plan**, reviewing how well we've implemented our mission to bring forward new evidence and information, along with capturing the voices and experiences of young people in Wales to demonstrate to the Welsh Government and wider public services in Wales why they should heed our calls for change.

Our **current work plan**, covering the period 2019 – 2022 was also based on the biggest ever consultation we've undertaken with children, young people and adults; over 11,000 people shared their views. Included within this plan are my strategic objectives for my final three years in post as Commissioner.

In addition to these large-scale consultation, our participation strategy ensures I am working with and speaking up for children and young people across the country and our strategic planning policy expects all of our projects to work with children and young people to deliver change.

Our work on implementing our equality duties also enables us to make sure our work reaches those with protected characteristics.

My panel of young people and my panel of adults provides me and my team with advice and challenge and, for the first time, I worked with the Senedd Ieuenid / Youth Parliament to discuss certain elements of my work which feature as their priority areas, including mental health provision for children and young people.

Capacity and capability to be an effective organisation

I recognise that governance is strengthened by the participation of people with many different types of knowledge and experience. I am confident, due to our Performance Development Framework, that all members of staff have the necessary skills, knowledge and capacity to discharge their responsibilities.

As an organisation we are committed to investing time and resources in the development of everyone who works here and the development of clear systems and structures to support the way we develop. In practice, this means we:

- **have an in-depth induction programme for all new members of staff;**
- **encourage all staff during their monthly supervision to discuss their learning and development needs and wants;**
- **reflect on achievements during our annual appraisal meetings with all staff and use our tailored training needs analysis form to base our discussions on future areas of development;**
- **support whole team development topics, some of which are mandatory.**

Governance framework

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

Developed with staff during 2015, our values and principles for delivery underpin all our operational and staff policies as well as our three-year strategy. They are shared with new staff members during induction and are communicated externally on our website and in key publications.

We are committed to enabling and empowering employees to meet individual, team and strategic goals and consider the process of annual appraisals, objective settings and personal development planning processes to be fundamental to achieving this aim.

There exists a suite of internal employment policies that all staff are required to follow in undertaking their duties on behalf of the organisation, including:

- **Policy and Procedure for Dealing with Unsatisfactory Conduct**
- **Dignity at Work policy**
- **Recruitment Principles and Procedures**
- **Procedure for handling Grievance Concerns**
- **Complaints Policy**
- **Whistleblowing Policy**
- **Performance Development Framework**

These policies each have an owner at Management Team level, are discussed with new members of staff during induction, and are updated on a regular cycle (the schedule of which is tabled at management team). As a suite, these policies help us foster a culture that values high performance and strengthens and improves how we carry out our roles.

All our internal policies are reviewed on a regular cycle and this year saw key employment policies being reviewed and updated following staff consultation. They included:

- **our policy and procedure for dealing with unsatisfactory conduct;**
- **our dignity at work policy; and**
- **our recruitment principles and procedures.**

Governance framework

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

Responsibility for decision-making in the office rests with me, as corporation sole. However, I have delegated aspects of the operational decision making to the Management Team. Roles and responsibilities for all staff are clearly defined in respective job descriptions and within the Governance Framework's new scheme of delegation. All employees have clear conditions of employment and job descriptions, which set out their roles and responsibilities.

Below is a summary of how we ensure we take robust and transparent decisions:

• Management Team Terms of Reference

Contained within the Management Team's terms of reference is a commitment to internally publishing the agenda and minutes of each meeting, making decision-making transparent. At every meeting members are asked to report on whether they have any new conflict of interest; and members are excused from parts of the meeting where there is a conflict. The Commissioner maintains a register of interest for all staff.

• Audit and Risk Assurance Committee Terms of Reference

Contained within the Audit and Risk Assurance Committee's terms of reference is a commitment to publishing the agenda and minutes of each meeting. Members are also requested to make declaration of any new interests prior to the start of the meetings; and are excused where there is a conflict. The Commissioner maintains a register of interests for Committee members and Advisory Panel members. They produce annual reports, which will be published on the organisation's website and its chair also prepares an annual statement for inclusion in the organisation's annual report to the First Minister.

• Strategic Planning Policy

Our project management approach ensures the intended outcomes for children and young people are defined and achieved. It offers an effective mechanism for the organisation to define measurable outcomes, and includes mechanisms to monitor performance throughout all stages, including planning, specification, execution and post-project evaluation. Most members of staff have received formal project management training and the majority have obtained a basic qualification.

• Risk Policy

This policy defines the framework for risk management within the organisation. The main purpose of the policy is to document the process of risk management so that all staff know what is expected of them; ensure the introduction and maintenance of the process of risk management in a consistent manner; ensure that risk management is embedded in the organisation's activities; and promote a culture of risk awareness. Also reviewed and published annually are the organisation's risk appetite statements.

• Financial management

Our financial management is based on a framework of regular management information and a set of clear financial procedures, outlined within the organisation's suite of regularly-updated finance policies and procedures. Review of management information involves regular budget monitoring and reporting. Comparison of spend against budget is reported to Management Team every month and to the Audit and Risk Assurance Committee on a quarterly basis. Our project management approach also requires all project managers to develop detailed budgets, which are reported on monthly at Management Team. Our internal auditors, Deloitte, have provided substantial assurance for our purchasing and payments and moderate assurance for our general ledger. Also this year, to ensure our financial management approach was as robust as possible, I commissioned an independent review of our finance function, the recommendations of which have been implemented this year.

I also take issues around fraud and maladministration very seriously. We have in place policies on whistleblowing, anti-fraud, code of conduct and complaints.

Governance framework

Risk Management

As noted above, our Risk Management Policy defines the framework for risk management within the organisation. Reviewed and updated this year to ensure compliance with 'The Orange Book: Management of Risk' published by HM Treasury, the policy adheres to the main principles of this guidance and aims to document the process of risk management so that all staff know what is expected of them; ensure the introduction and maintenance of the process of risk management in a consistent manner; ensure that risk management is embedded in the organisation's activities; and promote a culture of risk awareness.

Our system of internal control in relation to risk is based on a continuous process designed to identify and prioritise the risks to the achievements of the organisation's strategic objectives and compliance with policies and procedures. This involves evaluating the likelihood of those risks being realised and impact should they be realised on the organisation and on children and young people, and managing them efficiently, effectively and economically. In practice, it means all members of staff accepting that risks are inevitable. It also means in practice, every member of staff should be proactive in identifying and managing risks, to ensure the successful delivery of our three year strategic plan.

We manage risk on four levels:

- **Our corporate risk register, identifies risks associated with our strategic objectives.**
- **Our project risk registers and issues logs, for each project within our annual work plan, are managed by our project managers, who report to Management Team every month.**
- **Our thematic risk registers are in place for specific areas of core work e.g. cyber security. These are maintained by officers responsible for that area of work.**

- **Our team risk registers are developed for individual teams within the organisation and are maintained by the head of that function and reviewed regularly during supervision sessions with the Commissioner.**

During this period, we have been actively managing corporate risks in the following areas:

- **Appetite / capability of public bodies embedding a children's rights approach**
- **Capability / capacity of the organisation to implement legislative remit**
- **Capability / capacity of the organisation to implement strategic plan**
- **Cyber security and compliance with data protection regulations.**

We determine and continuously assess the nature and extent of the principal risks that the organisation is willing to take to achieve our objectives and we ensure that planning and decision making appropriately reflects this assessment. These risk appetite statements were updated by members of Management Team this year and reviewed by my Audit and Risk Assurance Committee. We based our work on advice and guidance from the Institute of Risk Management, Deloitte and the UK Corporate Governance Code and below is a general statement about our risk appetite. Our other risk appetite statements can be viewed [here](#)

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Governance framework

We aim to be risk aware, not overly risk averse and to actively manage organisational risks to protect and grow the organisation. To deliver its strategic aims, the organisation recognises that it will have to take and manage certain risks. Intolerable risks are those that could:

- 1. Negatively affect the safety of employees or to children and young people who we work with and for.**
- 2. Damage the organisation's trustworthiness and bring our credibility into disrepute.**
- 3. Lead to breaches of laws and regulations.**
- 4. Endanger the future operations of the organisation.**

The careful management of risk has been subject to Internal Audit, in accordance with Public Sector Internal Audit Standards. **Deloitte, our internal auditors' overall assessment in 2019-20 was that the classification of assurance that can be taken in respect of risk management remains as substantial assurance.**

Our Audit and Risk Assurance Committee also maintained an overview of the effectiveness of risk management arrangements.

Performing effectively in clearly defined functions and roles

The organisation consists of five interrelated functions that work together in a whole-team approach. We deliver a work programme that is completely interdependent. Officers take expert roles within this according to their specialism but are dependent on the other parts of the organisation to deliver the programme of work.

All committees and advisory panels associated with the Commissioner have Terms of Reference, which are reviewed annually and are published on our [website](#).

The Management Team reviews progress against all our projects, outlined in the annual work plan, every month. On an annual basis, via the Annual Report, we reflect on the progress made against each of our strategic objectives.

As a public office in receipt of public funds, I am committed to implementing rigorous and transparent accountability and decision-making systems. Our evaluation framework is designed to provide an overview of the delivery of our core work and the internal processes within the organisation. It focuses on four elements: our people, our organisational processes, the Commissioner's financial sustainability and value for money and children and young people. These reports are discussed monthly at Management Team meetings and quarterly by the Audit and Risk Assurance Committee.

Contained within my advisory panels' terms of reference is a specific requirement for them to offer considered advice to me and my staff, as necessary, so that our effectiveness is enhanced and my remit is fulfilled.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of governance and in accordance with Managing Public Money in Wales, whether I comply with the Cabinet Office's Corporate Governance Code. This review is informed by the work of the internal auditors and the Management Team who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have also been advised on the effectiveness of the system of governance by the work of the Audit and Risk Assurance Committee and from the Annual Report produced by the Chair of the Committee. I have undertaken to ensure the continuous improvement of the internal systems and to address any weaknesses as they arise.

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

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

Deloitte provides the Internal Audit for my office within the period. They operate to Public Sector Internal Audit Standards. They submit regular reports, which include the independent opinion on the adequacy and effectiveness of my system of internal control together with recommendations for improvement. During the period the auditors reported on the following areas:

Internal Audit Area	Level of Assurance
Financial Systems: General Ledger	Moderate
Financial Systems: Purchasing & Payments	Substantial
Corporate Governance & Risk Management	Substantial
Participation	Moderate

From my review of the effectiveness there are no significant internal control issues and where applicable, I comply with the principles as outlined in the Corporate Governance Code.

I have, however, reviewed the overall efficiency and effectiveness of the finance function this year, in response to Wales Audit Office's management letter of 2018-19. I commissioned an independent review by TIAA, which concluded in September 2019. Its final report included 22 recommendations for improvement, which we accepted in full and used to create a new operating model for the finance function. The review's findings and progress in implementing the recommendations have been reported to Management Team and to our Audit and Risk Assurance Committee. At the end of this financial year, all but 5 recommendations had been implemented.

Review of Effectiveness

Programme of Improvement for Governance Issues

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

As Accounting Officer I have a legal duty to properly manage the resources made available to me to enable my office to deliver on its statutory obligations. I must also ensure that arrangements have been put in place to ensure that my office is properly managed and governed. This Governance Statement has provided a detailed description of these arrangements.

Certification by Accounting Officer

I am assured that the system of governance in operation within my office during 2019-20 has been robust. From the review of the effectiveness of the systems of internal control I am assured that the present arrangements meet the needs of the office and ensure that they comply with best practice.

Professor Sally Holland

Children's Commissioner for Wales and Accounting Officer

13th July 2020

Remuneration and Staff Report

Remuneration of Senior Members of the Management Team

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

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

The following sections, which have been subjected to audit, provide details of the remuneration and pension benefits of the most senior officials who have delegated responsibility within the Commissioner's office:

	Salary £000*		Benefits in Kind (to nearest £100)*		Pension Benefits (to nearest £1000)*		Total £000*	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Professor Sally Holland – Children's Commissioner for Wales	90-95	90-95	-	-	36,000	36,000	126-131	126-131
Sara Jermin – Head of Communication and Performance**	55-60	55-60	-	-	21,000	-	76-81	55-60
Andy Wallsgrove – Head of Practice	55-60	55-60	-	-	22,000	19,000	77-82	74-79
Rachel Thomas – Head of Policy and Public Affairs***	40-45	-	-	-	-	-	45-50	-

* This information is subject to audit.

** Sara Jermin was a member of the Partnership Pension Scheme until 30th April 2019.

*** Rachel Thomas is a member of the Partnership Pension scheme and £5,886 was paid as employer contributions during the period.

Remuneration and Staff Report

Median Remuneration

	2019-20	2018-19 Restated*
Band of highest paid individual's remuneration (£000)	90-95	90-95
Median total	31,187	28,157
Ratio	1:2.96	1:3.29

I am required to disclose the relationship between the remuneration of the highest-paid individual and the median remuneration of employees. The banded remuneration of the highest-paid individual in 2019-20 was £90,000 - £95,000 (2018-19: £90,000 - £95,000). I have taken the mid-point of this range £92,500 to compare these amounts, this was 2.96 times (2018-19: 3.29) the median remuneration of employees. The movement between the periods is due to individuals reaching the top of their pay bands and one individual being regraded in 2019-20. Total remuneration includes salary and benefits-in-kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Compensation Paid, Significant Awards to Former Senior Managers

During the period 2019-20 there were no compensation payments or significant awards to former senior managers.

Remuneration and Staff Report

Pension Benefits – Civil Service Pension Scheme

	Real increase in pension*	CETV(i) at 31.3.20*	CETV(i) at 31.3.19**	Real increase/ (decrease) in CETV*
	£000	£000	£000	£000
Professor Sally Holland – Children’s Commissioner for Wales	0-2.5	140	108	21
Sara Jermin – Head of Communication and Performance	0-2.5	11	-	7
Andy Wallsgrove – Head of Practice	0 -2.5	680	634	14
Rachel Thomas – Head of Policy and Public Affairs.	Note 2	Note 2	Note 2	Note 2

Note 1: Sara Jermin was a member of the Partnership Pension Scheme until 30th April 2019.

Note 2: Rachel Thomas is a member of the Partnership Pension scheme and £5,886 was paid as employer contributions during the period.

* This information is subject to audit.

Remuneration and Staff Report

Pension Scheme

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

Employee contributions are set at a percent of pensionable earnings for **classic**, **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits in respect of service before 1st October 2002 calculated broadly as per classic and benefits for service from October 2002 calculated as in premium. In **nuvos** a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31st March) the member's earned pension account is credited with 2.3 percent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3 percent and 14.75 percent (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3 percent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8 percent of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Remuneration and Staff Report

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.

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

(i) Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarial assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme arrangement which the individual has transferred to the Principal Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

(ii) Real increase in CETV

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

Changes to the Civil Service Pension Scheme

From 1st April 2015 a new pension scheme, called Alpha, came into effect. The Alpha scheme replaces the **classic**, **premium**, **classic-plus** and **nuvos** schemes. The majority of staff transferred directly into Alpha on 1st April 2015.

Remuneration and Staff Report

Staff Numbers and Related Costs

a) For the year staff costs consist of:

	2019-2020 £000		2018-2019 £000	
	Permanently Employed Staff	Other	Total	Total
Wages and Salaries	891	32	923	872
Social Security Costs	94	-	94	89
Pension Costs	208	-	208	145
Sub Total	1,193	32	1,225	1,106
Costs in respect of inward secondments	14	-	14	-
Less recoveries in respect of outward secondments	(25)	-	(25)	(67)
Total Net Costs	1,182	32	1,214	1,039

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the participating organisations are not able to identify their share of the underlying assets and liabilities. The scheme was last actuarially valued as at 31 March 2007 but since this date, actuarial valuations of the Scheme were suspended pending the implementation of the Hutton Review recommendations. However, a revaluation of the scheme was conducted in 2018-19 and revised employer pension contributions were announced by HM Treasury effective from 1st April 2019. Details can be found in the Resource Accounts of the Cabinet Office: Civil Superannuation – www.civilservice-pensions.gov.uk

For 2019-20, employer's contributions of £183,458 were payable to the PCSPS (2018-19: £118,782) at one of four rates in the range 16.7 percent to 24.3 percent of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits paid during this period to existing pensioners.

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Remuneration and Staff Report

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £23,512 were payable to one or more of a panel of appointed stakeholder pension providers (2018-19: £24,262). Employer contributions are age-related and range from 3 to 12.5 percent of pensionable pay (2018-19: 3 to 12.5 percent). Employers also match employee contributions up to 3 percent of pensionable pay. In addition, employer contributions of £822 or 0.8 percent of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of employees (2018-19: £1,151 or 0.8 percent). Contributions of £13,746 were due to the partnership pension providers at 31st March 2020, (2018 19: £6,425). All these contributions are included in Pension costs.

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

	2019-2020		2018-2019	
	Permanently Employed Staff	Other	Total	Total
Directly Employed	20.09	1.67	21.76	22.50
Total	20.09	1.67	21.76	22.50

Remuneration and Staff Report

Reporting of Civil Service and Other Compensation Schemes – Exit Packages:

During the period 2019-20 there were no compensation payments or exit packages made to former employees.

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

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

Professor Sally Holland

Children's Commissioner for Wales and Accounting Officer

13th July 2020

The Certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales

Report on the audit of the financial statements

Opinion

I certify that I have audited the financial statements of the Children's Commissioner for Wales for the year ended 31st March 2020 under the paragraph 9 (2) of schedule 2 to the Care Standards Act 2000. These comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, the Statement of Cash Flows, Statement of Changes in Taxpayers Equity and related notes, including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In my opinion the financial statements:

- **give a true and fair view of the state of the Children's Commissioner for Wales affairs as at 31st March 2020 and of its net expenditure, for the year then ended;**
and
- **have been properly prepared in accordance with Welsh Ministers' directions issued under the Care Standards Act 2000.**

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

The Certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- **the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or**
- **the Children's Commissioner for Wales has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.**

Other information

Legislation and directions issued to the Children's Commissioner for Wales do not specify the content and form of the other information to be presented with the financial statements. The Children's Commissioner for Wales is responsible for the other information in the annual report and financial statements. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

The Certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales

Opinion on regularity

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

Report on other requirements

Opinion on other matters

As legislation and directions issued to Children's Commissioner for Wales do not specify the content and form of the other information to be presented with the financial statements. I am not able to confirm that the other information to be issued with financial statements has been properly prepared.

In my opinion, based on the work undertaken in the course of my audit, the information given in the other information to be issued with financial statements is consistent with the financial statements.

Although there are no legislative requirements for a Remuneration Report, the Children's Commissioner for Wales has prepared such a report and in my opinion, that part ordinarily required to be audited has been prepared in accordance with HM Treasury guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in other information provided with the financial statements or the Governance Statement.

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

- **adequate accounting records have not been kept;**
- **the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns;**
- **information specified by Welsh Ministers regarding the remuneration and other transactions is not disclosed; or**

The Certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales

- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Responsibilities

Responsibilities of the Children's Commissioner for Wales for the financial statements

- As explained more fully in the Statement of Accounting Officer's Responsibilities, the Children's Commissioner for Wales is responsible for preparing the financial statements in accordance with the Care Standards Act 2000 and Welsh Ministers' directions made there under, for being satisfied that they give a true and fair view and for such internal control as the Children's Commissioner for Wales determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- In preparing the financial statements, the Children's Commissioner for Wales is responsible for assessing the body's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

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The Certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales

Auditor's responsibilities for the audit of the financial statements

- **My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.**
- **A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.**

Responsibilities for regularity

The Accounting Officer is responsible for ensuring the regularity of financial transactions. I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

Adrian Crompton

Auditor General for Wales, July 2020

24 Cathedral Road, Cardiff CF11 9LJ

The maintenance and integrity of Children's Commissioner for Wales website is the responsibility of the Children's Commissioner. The work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The Certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales

Statement of Comprehensive Net Expenditure for the year ended 31st March 2020

	Note	2019-20 £000	2018-19 £000
Expenditure			
Administration costs:			
Staff Costs	2.3	1,214	1,039
Depreciation	2.2	17	8
Other Administration Costs	2.1	413	532
		1,644	1,579
Income			
Income from Activities		-	-
Other Income		-	-
		-	-
Net Expenditure		1,644	1,579
Interest payable/receivable		-	-
Net Expenditure after interest		1,644	1,579
Other Comprehensive Expenditure			
Net gain/(loss) on revaluation of Plant and Equipment		-	-
Total Comprehensive Expenditure for the year ended 31st March 2019		1,644	1,579

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

The Commissioner receives funding from the Welsh Government.

The notes on pages 40 to 47 form part of these accounts

The Certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales

Statement of Financial Position as at 31st March 2020

	Note	£000	2020 £000	2019 £000
Non-current assets:				
Property, plant and equipment	4		26	12
Current assets:				
Trade and other receivables	5	51		51
Cash and cash equivalents	6	262	313	529
Total assets			339	541
Current liabilities:				
Trade and other payables	7	(91)	(91)	(154)
Total assets less current liabilities			248	387
Non-Current liabilities:				
Provision for liabilities and charges	13	(77)	(77)	(152)
Total assets less total liabilities			171	235
Taxpayer's equity:				
General fund			171	235

Professor Sally Holland

Children's Commissioner for Wales and Accounting Officer
13th July 2020

The notes on pages 40 to 47 form part of these accounts

The Certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales

Statement of Cash Flows for the period 1st April 2019 to 31st March 2020

	Note	2019-2020 £000	2018-2019 £000
Cash flows from operating activities			
Net Expenditure	2	1,644	1,579
Adjustment for non-cash transactions	2	(17)	(8)
Increase/(decrease) in trade and other receivables	5	-	(15)
(Increase)/decrease in trade payables	7	63	(7)
Use of Provisions	13	53	8
Reversal of unused provision	13	22	-
Net cash outflow from operating activities		1,765	1,557
Cash flows from investing activities			
Purchase of property, plant and equipment*	4	31	15
Net cash outflow from investing activity		31	15
Cash flows from financing activities			
Net Financing from the Welsh Government		(1,580)	(1,543)
Net Financing		(1,580)	(1,543)
Net increase/(decrease) in cash and cash equivalents	6	(216)	(29)
Cash and cash equivalents at beginning of period		478	507
Cash and cash equivalents at end of period		262	478

The notes on pages 40 to 47 form part of these accounts.

The Certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales

Statement of Changes in Taxpayers' Equity for the year ended 31st March 2020

	Note	General Fund £000
Balance as at 31st March 2019		235
Changes in Taxpayers' Equity 2019-2020		
Funding from Welsh Government		1,580
Comprehensive net expenditure for the year		(1,644)
Balance at 31st March 2020		171

The notes on pages 40 to 47 form part of these accounts.

Notes to the Accounts

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the Government's Financial Reporting Manual (FRM) issued by HM Treasury. The accounting policies contained in the FRM apply International Accounting Standards (IFRS) as adopted or interpreted for the public sector context. Where the FRM 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.

We have considered the impact of standards and interpretations which have been issued but are not yet effective and which have not been adopted early by the Commissioner. With the exception of International Financial Reporting Standards (IFRS) IFRS16 Leases, the Commissioner anticipates that the adoption of these Standards and interpretations in future periods will have no material impact on the financial statements. The impact of IFRS16, which has been issued by the International Accounting Standards Board (IASB) will apply from 2020-21, is not reasonably estimable at this stage.

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 Funding

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

1.3 Property, Plant and Equipment

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

1.4 Depreciation

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

- | | |
|-----------------------|---------|
| • ICT 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.

1.5 Statement of Comprehensive Net Expenditure

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

1.6 Value Added Tax

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

Notes to the Accounts

1.7 Pensions

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

1.8 Leases

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

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

1.9 Segmental Reporting

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

1.10 Staff Expenses

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

1.11 Provisions

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

1.12 Cash and Cash Equivalent

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

Notes to the Accounts

2. Other Administration Costs

	2019-20 £000	2018-19 £000
2.1 Administration costs:		
Premises	90	94
Office	56	63
Training and recruitment	15	19
Travel and subsistence	15	12
External audit's remuneration	18	18
Internal auditor's remuneration	11	13
Communication	44	41
ICT equipment	29	54
Other	119	214
Legal and professional fees	16	4
	413	532
2.2 Non-cash transactions Depreciation charge in-year		
	17	8
2.3 Staff costs:*		
Wages and salaries	923	872
Social security costs	94	89
Pension	208	145
Net recoveries in respect of secondments	(11)	(67)
	1,214	1,039
	1,644	1,579

* Further information relating to staff costs can be found in the Remuneration Report.

Notes to the Accounts

3. Segmental Information

The Commissioner's office operates in Wales and deals with issues that impact upon children and young people in Wales. It is therefore the Commissioner's opinion that her office only operates in one segment as reported.

Notes to the Accounts

4. Property, Plant and Equipment

	IT Equipment	Fixtures & Fittings	Office Furniture and Equipment	Total
	£000	£000	£000	£000
Cost				
At 1 April 2019	208	197	211	616
Additions	31	-	-	31
Disposals	-	-	-	-
At 31st March 2020	239	197	211	647
Depreciation				
At 1st April 2019	196	197	211	604
Charged in year	17	-	-	17
Disposals	-	-	-	-
At 31st March 2020	213	197	211	621
Net book value At 31st March 2019	12	-	-	12
Net book value At 31st March 2020	26	-	-	26
Asset financing:				
Owned				
Net book value At 31st March 2019	12	-	-	12
Owned				
Net book value At 31st March 2020	26	-	-	26

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

Notes to the Accounts

5. Trade and Other Receivables

	2019-20	2018-19
	£000	£000
Amounts falling due within one year:		
Trade and other receivables	-	-
Prepayments and accrued income	51	51
	51	51

6. Cash and Cash Equivalents

	2019-20	2018-19
	£000	£000
Balance at 1st April	478	507
Net change in cash and cash equivalent balances	(216)	(29)
Balance at 31st March	262	47

All balances as at 31st March 2020 were held with a Commercial bank and cash in hand

7. Trade and Other Payables

Amounts falling due within one year

	2019-20	2018-19
	£000	£000
Taxation and social security	14	69
Trade payables	50	46
Accruals	27	39
	91	154

8. Commitments under Leases

Operating Leases

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

	2019-20		2018-19	
	£000		£000	
	Land & Buildings	Other	Land & Buildings	Other
Obligations under operating leases:				
Not later than one year	50	1	50	1
Later than one year and not later than five years	17	1	66	2
Later than five years	-	-	-	-
	67	2	116	3

Notes to the Accounts

9. Financial Instruments

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

Liquidity Risk

The Commissioner's net revenue and capital resource requirements are financed by the Welsh Government. Her 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 2020

10. Capital Commitments

There were no capital commitments as at 31st March 2020.

11. Contingent Liabilities

There were no contingent liabilities as at 31st March 2020.

12. Related Party Transactions

The Welsh Government is a related party, the Commissioner received her sole source of funding from the Welsh Government; she received £1.580 million during the period (2018-19 - £1.543 million). The Commissioner has had a small number of material transactions during the period with HM Revenue and Customs (Tax and National Insurance payments) of £312,776 (2018-19 £331,074); and the Cabinet Office (payments in respect of the Principle Civil Service Pension Scheme) of £236,929 (2018-19 £178,587).

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

Notes to the Accounts

13. Provisions for Liabilities and Charges

	Early Departure	Dilapidations	Total
	£000	£000	£000
Balance as at 1 April 2019	75	77	152
Use of provision	(53)	-	(53)
In year provision	-	-	-
Reversal of provision	(22)	-	(22)
Balance as at 31st March 2020	-	77	77

Analysis of Expected Timings of Provisions

	Early Departure	Dilapidations	Total
	£000	£000	£000
Not later than one year	-	-	-
Later than one year and not later than five years	-	77	77
Later than five years	-	-	-
Balance as at 31st March 2020	-	77	77

Early Departure Costs

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

Dilapidations

The Commissioner meets the cost of meeting her obligations under the terms of the lease of her Swansea office, the lease ends in July 2021. The Commissioner provides for this in full by establishing a provision for the estimated payments.

14. Events after the Reporting Period

There were no events between the statement of financial position date and the date the accounts were signed that impact upon these statements. The Accounting Officer authorised these financial statements for issue on 13th July 2020.

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**Comisiynydd
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