



Commissioner for Older People
for Northern Ireland

The Commissioner for Older People for Northern Ireland

Annual Report and Financial Statements

2011-2012





The Commissioner for Older People for Northern Ireland

Annual Report and Financial Statements for the period ended 31 March 2012

Laid before the Northern Ireland Assembly under paragraphs 11(5) and 12(3) of Schedule 1 to the Commissioner for Older People Act (Northern Ireland) 2011 by the Office of the First Minister and deputy First Minister

on

18 December 2012

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Any enquiries regarding this document should be sent to us at The Commissioner for Older People for Northern Ireland, Equality House, 7-9 Shaftesbury Square, Belfast BT2 7DP.

This publication is also available for download from our website at <http://www.copni.org/>

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Commissioner's Foreword



Older people, organisations that work with them and others with an interest in improving the quality-of-life of older people in Northern Ireland campaigned hard for the creation of the Commissioner who can act clearly and decisively in the interests of older people.

My principal aim as Commissioner, as set out in legislation, is to “safeguard and promote the interests of older people”.

I was appointed as the first independent Commissioner for Older People for Northern Ireland in November 2011. During 2011/2012 I have focused on hearing what matters to older people and on developing plans to start making a real difference on the important issues.

I have met with and heard from older people across Northern Ireland. Their views and their interests are absolutely central to my work.

More of us are living longer and healthier lives than ever before. The views I have heard clearly show that older people have as varied hopes and challenges as people of any other age in our society. This diversity must be reflected in our positive approach to ageing.

Many issues have been raised with me - and they reflect that what matters to older people is that they can have:

- **Hope** - to live longer and healthier lives than was possible for most people in previous generations.
- **Confidence** - that older people will be recognised first and foremost as individuals who have rights, have made and continue to make contributions to our society, and can make choices and decisions about their own lives, preferences, activities and opinions:
 - that older people will be treated fairly and equitably, with their views, opinions, experience and ideas listened to, considered and informing the work of decision-makers;
 - that their contribution to society will be recognised and valued;
 - that they feel safe at home and in their community;

- that older people have an adequate standard of living;
- that practical support will be available as and when it is needed; and
- that health and social services meet their needs including being treated with dignity and respect.
- **Certainty** - that if older people become frail, develop dementia, become ill, lonely, are living in poverty, are isolated, experience abuse, or otherwise vulnerable, the support, services, respect and care they need will be available in ways that support them to live dignified and fulfilled lives through to the end of life.

I have also participated in the UK Advisory Forum on Ageing - sharing issues affecting older people in Northern Ireland with colleagues from across the UK and recognising the many common positive aspects of ageing and the common concerns of older people.

I chair the Ageing Strategy Steering Group, advising Government on the development of an ageing strategy for Northern Ireland and on the key issues affecting older people. My fellow group members and I have advocated for a more positive approach to ageing and continue to assist OFMdFM in the development of this key strategy for older people and their carers.

This initial period of appointment and operation has focused on the challenging task of establishing an organisation that will make it possible to deliver the real change for older people that was intended by legislation and campaigners. This is an important phase of planning and preparing for the next 4 years which will provide a solid foundation for my work and that of future Commissioners for Older People.

I am committed to ensuring that the work of the Commissioner will be underpinned and supported by high quality governance, standards and value for money.

As Commissioner I have significant statutory powers which I will use to bring about clear change for the better for older people. I will promote the rights of older people and a positive view of ageing and older people. All of my work will be underpinned by and reflective of the United Nations principles for older people, equality and human rights.

I see clear opportunities to use my legislative powers to bring about the real change that is required for older people.



Claire Keatinge

Accounting Officer

Date: 4 December 2012

Commissioner's Report

Commissioner

Claire Keatinge was appointed the Commissioner for Older People for Northern Ireland by the First Minister and deputy First Minister on the 14 November 2011. She was appointed for a period of 4 years.

Accounting Officer

Claire Keatinge

Senior Management Team

Evelyn Hoy - Head of Operations (from 21 May 2012)

Frank Fleming - Corporate Services Manager

Audit and Risk Committee

The Audit and Risk Committee operates in accordance with the principles in "Managing Public Money Northern Ireland" and provides a means of independent assurance and objective review of the Commissioner's financial systems, financial information and internal control mechanisms, thus ensuring that assets are safeguarded, the risk of illegal or improper acts is reduced and confidence in the objectivity and fairness of financial reporting is increased.

Audit and Risk Committee Membership

Members: Mr Gerard Campbell (Chairperson)
Ms Breidge Gadd
Ms Julie Erskine
Mr Don MacKay

Observers: Representatives from the Northern Ireland Audit Office (NIAO) and the Office of the First Minister and deputy First Minister (OFMdFM).

In Attendance: the Commissioner, the Head of Operations and secretariat support.

The Committee, which was established in May 2012, held its inaugural meeting in May 2012 and will meet regularly, at least quarterly each year.

Management Commentary

History

The Commissioner for Older People for Northern Ireland (COPNI) was established in November 2011 under the Commissioner for Older People Act (Northern Ireland) 2011. It is a Non-Departmental Public Body (NDPB) of the Office of the First Minister and deputy First Minister and falls within the scope of that Departmental boundary.

COPNI produces its annual report and financial statements as directed by paragraph 11 of Schedule 1 to the Commissioner for Older People Act (Northern Ireland) 2011. These accounts have been prepared in accordance with the appropriate form and disclosure requirements of the Government Financial Reporting Manual (FReM).

The Commissioner, who is the Accounting Officer for the organisation, in 2011-12, reported directly to the OFMdFM Accounting Officer on NDPB matters.

The primary aim of the Commissioner is to safeguard and promote the interests of older persons.

The Commissioner's main duties are:

- to promote awareness of matters relating to the interests of older persons and of the need to safeguard those interests;
- to keep under review the adequacy and effectiveness of law and practice affecting the interests of older persons;
- to keep under review the adequacy and effectiveness of services provided for older persons by relevant authorities;
- to promote the provision of opportunities for and the elimination of discrimination against older persons;
- to encourage best practice in the treatment of older persons;
- to promote positive attitudes towards older persons and encourage participation by older persons in public life;
- to advise the Secretary of State, the Executive Committee of the Assembly and a relevant authority on matters concerning the interests of older persons as soon as is reasonably practicable after the receipt of a request for advice and on any other occasions that the Commissioner thinks appropriate;

- to take reasonable steps to ensure that older persons are made aware of the functions of the Commissioner, the location of the Commissioner's office and ways to communicate with the Commissioner; and
- to take reasonable steps to ensure that older persons are encouraged to communicate with the Commissioner, to seek the views of older persons concerning the exercise of the Commissioner's functions and that the services of the Commissioner are, so far as practicable, made available to older persons in the locality in which they live.

Principal activities

The Commissioner's work is based upon:

- Her statutory duties and powers.
- OFMdFM's strategy for older persons.
- The Commission's triennial Corporate Plan and annual Business Plan, approved by the First Minister and deputy First Minister.

Progress against key performance indicators

The Department and the Commissioner have agreed that the Commissioner's legal powers would not be drawn down until her organisation was staffed and the bulk of the work to set up the organisation was completed. During this period the Commissioner has worked with colleagues in the Department, staff seconded and staff loaned from ECNI and OFMdFM to attempt to put in place systems of governance, set up the accommodation requirements of the office, analyse and clarify her legal powers and set out the priorities of her agenda for the next 3-4 years. The Commissioner notified OFMdFM that she wishes to draw down the legal powers and an order will be laid before the Assembly in December 2012.

There is an immense amount of work being carried out on issues relating to older people in Northern Ireland but the Commissioner for Older People wishes to maximise the use of the unique powers of this Office to influence government and public sector providers to make life better for older people. The Commissioner wants older people here to see the work of her office and hear about it in the media in a positive way. She will not comment on every issue that comes up in the news or on radio, but is committed to ensuring that when she recommends changes to care arrangements, or promotes awareness of justice issues, she will do so honestly and accurately, and her views will be based on the sound research and evidence of her team.

The Commissioner will publish her Corporate Plan setting out her priorities and agenda in Financial Year 2012/13.

Summary of Financial Information

Financial performance

The Commissioner is funded by OFMdfM and the organisation's budget for the period to 31 March 2012 was £161,000.

The budget and actual expenditure for 2011/12 is shown below:

Expenditure Heading	Budget 2011-12	Actual 2011-12	Drawdown 2011-12
Total	£161,000	£101,674	£95,500

The Office of the Commissioner incurred an underspend against the budget which was £161,000 for the period ended 31 March 2012 due to the nascency of the organisation and the variables and uncertainties of setting up a new organisation. The Commissioner spent a substantial portion of this period familiarising herself with the organisational planning and corporate governance regime she was required to put in place. She has undertaken training in her role as Accounting Officer and has established a formal system of budget reporting and monitoring that will improve the financial and governance performance of the organisation in future years.

The Commissioner wishes to record her thanks to OFMdfM officials and particularly to Junior Ministers for the assistance the Department has provided in this period. She expresses her gratitude for the support of staff seconded or on loan from the Equality Commission and the Department.

The Statement of Comprehensive Net Expenditure is set out in the Financial Statements at page 25 with supporting notes in the pages that follow.

Other Financial Information

Basis of the Accounts

The accounts have been prepared in accordance with the Accounts Direction issued by OFMdfM.

Interest rate and currency risk

COPNI has no borrowings, relies on OFMdfM for its cash requirement and is therefore not exposed to liquidity risks. It also has no deposits and all material assets and liabilities are denominated in sterling, therefore it is not exposed to interest rate risk or currency risk.

Going concern

The Statement of Financial Position as at 31 March 2012 shows net liabilities of £6,174. The operational existence of the organisation has been guaranteed for the foreseeable future by OFMdFM, the annual budget for 2012-13 has been agreed and plans are in the approval process to establish permanent staffing levels thereafter.

Risk

The Commissioner's policy on managing risk complies with the HM Treasury Orange Book and integrates this approach into its corporate planning process. The Commissioner's policy is risk averse.

The Commissioner's Risk Register has been finalised and will be presented to and reviewed by the Commissioner on a regular basis and to the Audit & Risk Assurance Committee on a quarterly basis. This enables the risk environment in which the Commissioner is operating to be assessed on an ongoing basis and ensures that the organisation is best placed to respond to any changes in this environment.

Risks identified include:

- a lack of progress on key areas of the Corporate Plan leading to a potential under spend in Budget;
- a delay in recruitment of staff leading to lack of achievement of targets; and
- a delay in research necessary to advance progress on issues relating to the health and well-being of older people.

Important events occurring after the period-end

There have been no significant events since the period-end which would affect this Report and the Financial Statements.

Assets

The Commissioner does not believe there is any material difference between the market and carrying value of COPNI's assets at 31 March 2012.

Payments to suppliers

COPNI is committed to the prompt payment of bills for goods and services received in accordance with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS7890). Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later.

In the period from 14 November 2011 to 31 March 2012 the Commission paid 64% of invoices within 30 days and 11% within 10 days. The above statistics have been adversely affected by the start up months when COPNI did not operate its own bank account and relied upon a related party to make payments on its behalf.

Charitable donations

The Commissioner made no charitable donations during this period.

Personal data related incidents

There were no personal data incidents to report during the period.

Sickness absence data

There was no sickness absence during the period.

Statement of disclosure of information to the auditors

The Accounting Officer can confirm that:

- So far as the Accounting Officer is aware, there is no relevant audit information of which the company's auditors are unaware. For this purpose "relevant audit information" comprises the information needed by the auditors in connection with preparing their report; and
- The Accounting Officer has taken all steps, including making enquiries of management and staff and the auditors and any other steps required by the Accounting Officer's duty to exercise due care, skill and diligence, that she ought to have taken in her duty as an Accounting Officer in order to make herself aware of any relevant audit information and to establish that the organisation's auditors are aware of that information.

Auditors

The financial statements are audited by the Comptroller and Auditor General for Northern Ireland (C&AG) in accordance with the Commissioner for Older People Act (Northern Ireland) 2011. The Comptroller and Auditor General is head of the Northern Ireland Audit Office and he and his staff are wholly independent of the organisation. He reports his findings to the Assembly.

The audit of the financial statements for 2011/12 resulted in an audit fee of £4,970 which is included in the Other Expenditure within the Statement of Comprehensive Net Expenditure. There were no non-audit costs paid to the organisation's auditors.

Pensions

The present employee is covered by the provisions of the Principal Civil Service Pension Schemes (Northern Ireland) (PCSPS) (NI). Detailed information of pensions can be found in the Remuneration Report and in the Notes to the Accounts.

Register of Interests

The Commissioner is required to register all interests, direct or indirect, which members of the public might reasonably think could influence her judgement. An up to date register of interests will be maintained and will be available for inspection at the Commissioner's offices.

Sustainability Report

The Commissioner for Older People for Northern Ireland is exempted by the de minimis limit from the requirement to prepare a sustainability report.



Claire Keatinge

Accounting Officer

Date: 4 December 2012

Remuneration Report

Remuneration policy

The remuneration of the Commissioner is made in accordance with the Pay Strategy for Senior Civil Servants and is approved by the Head of the Northern Ireland Civil Service and Minister of Finance and Personnel following independent advice from the Review Body on senior salaries.

No other permanent staff were directly employed by the Commissioner for Older People for Northern Ireland during the period.

Service contracts

The appointment of the Commissioner for Older People for Northern Ireland is made by the First Minister and deputy First Minister under Article 1 of the Commissioner for Older People Act (Northern Ireland) 2011 and in accordance with the recruitment code of the Office of the Commissioner for Public Appointments. The terms and conditions are set out in Schedule 1 to the above Act.

Claire Keatinge was appointed as Commissioner for Older People for Northern Ireland on 14 November 2011 for a period of 4 years.

Other members of staff during the period and to date were agency employees, secondees from the Equality Commission for Northern Ireland and staff on loan from OFMdFM. It is anticipated that the organisation will start to recruit its own permanent staff in 2012. These staff will be appointed to grades which are analogous to those in the Northern Ireland Civil Service with terms and conditions which are similar but not necessarily identical.

Audited Information - Salary Entitlement

	Salary	Bonus Payments	Benefits in kind
	£'000	£'000	£'000
C Keatinge	20-25 (annual FTE 75-80)	0	0

Salary

Salary includes gross salary, performance pay or bonuses, any allowance such as London Weighting Allowances, to the extent that it is subject to UK taxation. This report is based on the payments made by the Commissioner and thus recorded in the financial statements.

Benefits in kind

The monetary value of benefits in kind covers any benefit provided by the employer and treated as a taxable emolument by HM Revenue and Customs. No benefits in kind have been paid in the period.

Bonuses

No bonuses were paid or accrued during the period.

Performance assessment

The Director of Equality and Strategy in OFMdfM assesses the performance of the Commissioner for Older People for Northern Ireland against agreed objectives.

Highest paid employee's remuneration compared to median staff remuneration

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind and severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The Commissioner is the highest paid employee with an annualised full time equivalent total remuneration in the band £75,000 to £79,999. The median annualised salary of seconded and agency staff is £28,034. Using the mid-point of the highest paid employee's band and the actual median salary, the ratio is 2.76:1.

Audited Information - Pension Benefits

	Accrued pension as at 31/03/12 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/03/12	Real increase in CETV
	£'000	£'000	£'000	£'000
C Keatinge Commissioner	0-5 plus lump sum 0	0-2.5 plus lump sum 0	5	4

The Commissioner commenced employment with the organisation on 14 November 2011.

The Commissioner made no employer contributions to a Partnership Pension Account during the period.

Northern Ireland Civil Service (NICS) pension arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP).

There were no permanent members of staff other than the Commissioner who were part of the organisation's Nuvos pension arrangements during the period to 31 March 2012 and no staff were in post prior to 30 July 2007. Nuvos is a "Career Average Revalued Earnings" (CARE) pension arrangement in which members accrue pension benefits at a percentage of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension rights are increased annually in line with increases in the Consumers Prices Index. For 2012, public service pensions will be increased by 5.2% with effect from 9 April.

Employee contributions for 2011-12 were set at a rate of 3.5% of pensionable earnings for the Nuvos scheme. From 1 April 2012 the rate is between 3.5% and 5.9% determined by the annual full time equivalent rate of pensionable earnings.

COPNI will offer new starts the option of joining a partnership pension account which is a stakeholder pension arrangement. For this 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). There were no partnership pension accounts during the period.

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 at or over pension age. Pension age is 65 for members of Nuvos.

Further details about the CSP arrangements can be found at the website www.dfpni.gov.uk/civilservicepensions-ni.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme to secure pensions benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV 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.

Compensation for Loss of Office

There were no payments for compensation for loss of office during the period.



Claire Keatinge
Accounting Officer

Date: 4 December 2012

Statement of Commissioner's Responsibilities

Under the Commissioner for Older People Act (Northern Ireland) 2011, the Office of the First Minister and deputy First Minister has directed the Commissioner for Older People for Northern Ireland to prepare financial statements for each financial year in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Commissioner for Older People for Northern Ireland and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial period.

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

- observe the Accounts Direction issued by the Office of the First Minister and deputy First Minister including 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 the going concern basis.

The Accounting Officer of the Office of the First Minister and deputy First Minister has designated the Commissioner as Accounting Officer of the Commissioner for Older People for Northern Ireland. The responsibilities of an 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 Commissioner for Older People for Northern Ireland's assets are set out in Managing Public Money Northern Ireland published by Department of Finance and Personnel.

Statement of Corporate Governance

The Commissioner for Older People for Northern Ireland is committed to the highest standards of corporate governance. The Commissioner values good corporate governance both in the area of accountability and risk management and also as a positive contribution to the development of the organisation.

The policy of the Commissioner is to manage the Commissioner's affairs in accordance with the HM Treasury's "Corporate Governance in Central Government Departments – A Code of Good Practice" so far as the Commissioner considers appropriate and relevant to the nature and scale of this organisation's operations.

The Commissioner is the Accounting Officer of the organisation and is responsible and accountable for the management of the Commissioner's funds and assets.

The Commissioner's primary source of income is grant-in-aid provided by the Office of the First and deputy First Minister (OFMdFM).

The relationship between the Commissioner and the Ministers and their Departments are governed by the "arm's length" principle, wherein the primary role of Ministers is to set the organisation's legal and financial frameworks including the structure of its funding and governance. These responsibilities are discharged on a day to day basis on the Minister's behalf by the Sponsoring Department. Within this framework, it is the role of the Commissioner to determine her policies and activities in keeping with her statutory responsibilities and the objectives of Government policy.

The Commissioner is in the process of agreeing a Management Statement and Financial Memorandum (MSFM) with OFMdFM. This sets out the relationship between the two organisations and defines the financial and administrative frameworks within which the Commissioner operates. It also sets out the conditions, under which grant-in-aid is provided to the organisation and the delegations within which the Commissioner operates.

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 Commissioner for Older People for Northern Ireland's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

All relevant internal control considerations, including any issues of risk, are taken into account with regard to the achievement of COPNI's objectives.

During this period the organisation operated on a budget given to it by the Office of the First Minister and deputy First Minister and in effect came under the auspices of the Principal Accounting Officer within the Department. As Accounting Officer I provide Stewardship Reports to the Department and other reports to the Departmental Board.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Commissioner's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. I have worked closely with OFMdFM and internal colleagues to devise and implement a number of internal controls, which were appropriate to the limited activities and transactions of COPNI in this period. The development and establishment of an appropriately robust system of internal control which provides an acceptable level of assurance to the future organisation has been an area of ongoing focus since the period end.

Capacity to handle risk

I have identified risks pertinent to the achievement of my targets for this period and thereafter. Staff recruited on a temporary basis to deliver those targets in this period, were chosen for their skills and competencies in key areas such as managing resources and people, development of policy and good communication skills. The Management Team and I provide leadership to the staff in their particular areas of responsibility. In order to enable COPNI to progress and to enable me to begin to devise and deliver workstreams, further staff have been recruited on a temporary basis since the period end to provide expertise on the development of a corporate strategy and financial management and to deliver policy, communication and engagement programmes.

The Audit & Risk Assurance Committee (ARAC) was appointed after the period end and has now commenced to meet to discuss issues pertinent to this organisation and review the organisation's Risk Register. In the absence of a Board, I see ARAC as a very important element of this organisation's governance system.

Guidance issued centrally is communicated to staff for implementation as appropriate. Where this impacts on the business of the organisation, either as a new requirement or as a change to existing processes, it is considered in the wider context of the strategic objectives, work plan and the risk register.

The risk and control framework

The organisation's risk management strategy is based on the development and maintenance of the work objectives to be included in the business plan. During this period the size of the organisation, the scope of its activities and the volume of transactions were limited and as a result the risk management strategy reflected this. Service level agreements with the Equality Commission have been the subject of intensive discussion with OFMdfM and I have in part relied upon these arrangements in managing risk. Since the period end, the risk management strategy has been managed to identify significant risks in the Risk Register. Its purpose is to ensure those risks identified are adequately evaluated and addressed. Fundamental to this process is the responsibility placed on the Commissioner and Senior Managers to establish sound systems of internal control and to identify manage and regularly report to ARAC on key risks in their business areas. This is now a continual process embedded in COPNI.

Information Assurance

Information Assurance is the confidence that the Commissioner for Older People for Northern Ireland's information systems will protect the information they handle and will function, as they need, when they need and under the control of authorised/ legitimate users. I can currently advise that I was not aware that any breach of Information Assurance had occurred during the period within this organisation. During this period the organisation entered an agreement with the Equality Commission which included the provision, maintenance and development of a secure IT network including information storage and retrieval. Hard copy information is stored in lockable cupboards.

COPNI will continue to maintain a secure IT network and will also continue to provide training, advice and guidance to ensure that staff are aware of their responsibilities regarding Information Assurance.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the Senior Managers within the organisation who have responsibility for the development and maintenance of the internal control framework. I will also be informed by comments made by the external auditors in their management letter and other reports. A plan to address weaknesses and ensure continuous improvement of the system is in place. The organisation also now has an Audit & Risk Assurance Committee.

Significant control issues

Some control issues were identified through the work of Internal Audit for 2011-2012. Internal Audit's opinion on the effectiveness of the Commissioner's overall control environment, risk management procedures and governance framework was that there is some risk that objectives may not be fully achieved. Risks are controlled to an acceptable level but the systems could be amended to enhance the adequacy and/or effectiveness of risk management, control and governance. This opinion takes into account the ongoing programme of enhancements which have occurred post period end and which remains under development.

Specific issues arising which have been or are in the process of being addressed by the Commissioner for Older People for Northern Ireland are as follows:

- it was considered that there could have been greater clarity regarding the operation of and recording of aspects of the procurement process. In addition suggestions were made concerning the evidencing of the review of documents, the use of a grid stamp and the retention of specific pieces of information;
- all financial policies drafted during the review period and others which are considered important should be finalised and approved as a matter of urgency;
- key governance policies should be finalised and approved urgently;
- appropriate controls over the regular financial monitoring of expenditure against budgets should be enhanced; and
- all draft transitional arrangements should be formalised through service level arrangements where appropriate and tested for value for money before being continued or changed.

I have considered the above matters and in response have agreed with my senior management team, a series of policies and procedures, some of which have already been enacted to deal with many of the issues raised and others which will address any remaining matters raised.



Claire Keatinge
Accounting Officer

Date: 4 December 2012

The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly

I certify that I have audited the financial statements of the Commissioner for Older People for Northern Ireland for the period 14 November 2011 to 31 March 2012 under the Commissioner for Older People Act (Northern Ireland) 2011. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Commissioner and auditor

As explained more fully in the Statement of Commissioner's Responsibilities, the Commissioner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to examine, certify and report on the financial statements in accordance with the Commissioner for Older People Act (Northern Ireland) 2011. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Commissioner for Older People for Northern Ireland's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Commissioner for Older People for Northern Ireland and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on Regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Commissioner for Older People for Northern Ireland's affairs as at 31 March 2012 and of the net expenditure, cash flows and changes in taxpayers' equity for the period 14 November 2011 to 31 March 2012; and
- the financial statements have been properly prepared in accordance with the Commissioner for Older People Act (Northern Ireland) 2011 and Office of the First Minister and deputy First Minister directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Office of the First Minister and deputy First Minister directions made under the Commissioner for Older People Act (Northern Ireland) 2011; and
- the information given in the Management Commentary for the period 14 November 2011 to 31 March 2012 for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with Department of Finance and Personnel's guidance.

Report

I have no observations to make on these financial statements.

A handwritten signature in black ink that reads "Kieran J Donnelly". The signature is written in a cursive style with a large initial 'K' and 'D'.

KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU
11 December 2012

**The Commissioner for Older People
for Northern Ireland**

Financial Statements

For period ended 31 March 2012

Statement of Comprehensive Net Expenditure for the period ended 31 March 2012

		2011-2012
	Note	£
Expenditure		
Staff and Commissioner's costs	3	(80,554)
Depreciation and amortisation	4	(73)
Other expenditure	4	(21,047)
		<u>(101,674)</u>
Income		
Income from activities	5	0
Net expenditure		<u>(101,674)</u>
 Other Comprehensive Expenditure		
		2011-2012
	Note	£
Net gain on revaluation of plant and equipment	6	0
Total Comprehensive Expenditure for the period ended 31 March 2012		<u>(101,674)</u>

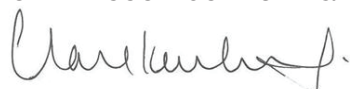
All amounts above relate to continuing activities.

The notes on pages 29 to 38 form part of these accounts.

Statement of Financial Position as at 31 March 2012

	Note	2012 £
Non-current assets		
Plant and equipment	6	532
Intangible assets	7	565
Total non-current assets		1,097
Current assets		
Trade and other receivables	9	2,929
Cash and cash equivalents	10	8,445
Total current assets		11,374
Total assets		12,471
Current liabilities		
Trade and other payables	11	(18,645)
Total current liabilities		(18,645)
Non-current assets less net current liabilities		(6,174)
Assets less liabilities		(6,174)
Taxpayers' equity		
General reserve		(6,174)
		(6,174)

The financial statements on pages 24 to 38 were approved by the Commissioner on 4 December 2012 and were signed by:



Claire Keatinge
Accounting Officer

The notes on pages 29 to 38 form part of these accounts.

Statement of Cash Flows for the period ended 31 March 2012

	Note	2012 £
Cash flows from operating activities		
Net deficit		(101,674)
Adjustments for:		
Depreciation	6	35
Amortisation	7	38
(Increase) in trade and other receivables	9	(2,929)
Increase in trade and other payables	11	18,645
Net cash outflow from operating activities		(85,885)
Cash flows from investing activities		
Purchase of plant and equipment	6	(567)
Purchase of intangible assets	7	(603)
Net cash outflow from investing activities		(1,170)
Cash flow from financing activities		
Financing from OFMdfM		95,500
Net financing		95,500
Net increase in cash and cash equivalents in the period	10	8,445
Cash and cash equivalents at the beginning of the period		0
Cash and cash equivalents at the end of the period	10	8,445

The notes on pages 29 to 38 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the period ended 31 March 2012

	Revaluation Reserve £	SoCNE Reserve £	Total Reserves £
Balance at 14 November 2011	0	0	0
Changes in taxpayers' equity for 2011			
Grant-in-aid from OFMdfM	0	95,500	95,500
Comprehensive expenditure for the period	0	(101,674)	(101,674)
Balance at 31 March 2012	0	(6,174)	(6,174)

The notes on pages 29 to 38 form part of these accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2011-12 Government Financial Reporting Manual (FReM) issued by the Department of Finance and Personnel for Northern Ireland. 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 is judged to be the most appropriate to the particular circumstances of the Commissioner for Older People for Northern Ireland for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Commissioner for Older People for Northern Ireland 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 property, plant and equipment.

1.2 Non-current assets

Non-current assets are fully funded by the Office of the First Minister and deputy First Minister.

Property, plant and equipment have been initially valued at historic cost and are revalued by indices published by the Office for National Statistics. Intangible assets (computer software and licences) are valued at historic cost. A capitalisation threshold of £500 has been applied to all categories of non-current asset.

1.3 Depreciation and amortisation rates

Depreciation and amortisation are provided on all non-current assets at rates calculated to write off the cost of each asset and on a straight line basis over its expected useful economic life. Rates used are as follows:

IT Equipment	25%
Office Equipment	25%
Furniture	10%
Fixtures & Fittings	10%
Intangible Assets	25%

1.4 Impairment

The Commissioner has adopted a policy of conducting a review of non-current assets for impairment at each financial period end.

1.5 Stocks

The value of stocks of consumables is immaterial and the Commissioner does not attribute any value for stocks in the accounts.

1.6 Income

All income from operations is credited to the Statement of Comprehensive Net Expenditure in the period in which it is due.

1.7 Grant-in-aid

Grant-in-aid received, used to finance activities and expenditure which support the statutory and other objectives of the Commissioner, is treated as financing. It is credited to the General Reserve because it is regarded as a contribution from a controlling party.

1.8 Leases

Leases are classified as operating leases whenever the terms of the lease do not transfer substantially all the risks and benefits to the lessee. Rentals under operating leases are expensed to the Statement of Comprehensive Net Expenditure as incurred.

1.9 Financial instruments

Financial assets and liabilities are recognised on the Statement of Financial Position when the Commissioner becomes a party to a contractual provision of the instrument.

1.10 Provisions

The Commissioner makes provision for liabilities and charges where, at the Statement of Financial Position date, a legal or constructive liability exists (that is a present obligation from past events exists), where the transfer of economic benefits is probable and a reasonable estimate can be made. Where the time value of money is material, the provision is discounted to its present value using a standard government discount rate which is currently 3.5%.

1.11 Pensions

Staff have the opportunity to join the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS) (NI). The PCSPS (NI) is an un-funded defined benefit scheme which produces its own resource accounts, but the Commissioner for Older People for Northern Ireland is unable to identify its share of the underlying assets and liabilities. Pension costs are recognised in the Statement of Comprehensive Net Expenditure in the period in which they are incurred.

The most up-to-date actuarial valuation was carried out on 31st March 2007 and these details are available in the PCSPS (NI) resource accounts.

1.12 VAT

The Commissioner for Older People for Northern Ireland is not registered for VAT.

1.13 Staff costs

Under IAS19, Employee Benefits legislation, all staff costs must be recorded as an expense as soon as an organisation is obligated to pay them. This includes the cost of any holiday pay and flexible time owed at the year end.

1.14 Impending application of newly issued accounting standards not yet effective

New standards, interpretations or amendments to existing standards which have been published and are mandatory for accounting periods beginning on or after 1 April 2012, have not been adopted early. The Commissioner does not anticipate that the adoption of these standards will have a material impact on the organisation's accounts in the initial period of application.

2. Statement of operating costs by operating segment

The Commissioner for Older People for Northern Ireland is treated as a single segment entity.

3. Staff numbers and related costs

3.1 Staff costs comprise:

	2011-2012		
	Permanent Staff £	Others £	Total £
Wages and salaries	22,499	50,861	73,360
Social security costs	2,181	0	2,181
Other pension costs	5,013	0	5,013
Total net costs	29,693	50,861	80,554

Others include the costs of 3 members of staff provided by related parties on a secondment or loan basis. The gross salaries, employer's national insurance contribution and pension costs of these people are fully recharged to the organisation. The amount so recharged was £41,733.

Also included is the cost of workers sourced from employment agencies at a cost of £9,128.

3.2 Pension disclosure

Pensions are provided through the Northern Ireland Civil Service pension arrangements, details of which can be found in the Remuneration Report of this document.

3.3 Average number of persons employed

The average number of whole-time equivalent persons employed during the period was as follows:

	2011-2012		
	Permanent Staff	Others	Total
Directly employed	1	0	1
Other	0	4	4
Total	1	4	5

3.4 Exit packages

There were no agreed redundancy or other departures during the period and no exit packages were agreed or paid.

4. Other expenditure

	2011-2012
	£
General Costs	
Auditors' remuneration	(4,970)
Recruitment	(2,508)
Staff training	(1,725)
Office consumables	(862)
IT maintenance	(722)
Travel and subsistence costs for the Commissioner	(616)
Telephone	(597)
Advertising	(296)
IT consumables	(296)
Postage	(282)
Miscellaneous	(267)
Insurance	(261)
Catering	(90)
Travel and subsistence for staff	(68)
	<hr/> (13,560) <hr/>
Premises	
Rents, rates, heating, lighting and service charges	(7,192)
Repairs - building	(295)
	<hr/> (7,487) <hr/>
Total other expenditure	<hr/> (21,047) <hr/>
Depreciation of tangible non-current assets at note 6	<hr/> (35) <hr/>
Amortisation of intangible non-current assets at note 7	<hr/> (38) <hr/>

5. Income

There was no income from activities during the period.

6. Plant and equipment

	Office equipment	2011-2012 Total
	£	£
Cost or valuation		
At 14 November 2011	0	0
Additions	567	567
Revaluations	0	0
At 31 March 2012	567	567
Depreciation		
At 14 November 2011	0	0
Charged in the year	(35)	(35)
At 31 March 2012	(35)	(35)
Carrying amount at 31 March 2012	532	532
Carrying amount at 14 November 2011	0	0
Asset financing		
	£	£
Owned	532	532
Carrying amount at 31 March 2012	532	532

Plant and equipment are revalued annually by reference to the indices issued by the Office for National Statistics for the different types of assets.

7. Intangible Assets

Intangible assets comprise software and licences.

	Software licences	2011-2012 Total
	£	£
Cost		
At 14 November 2011	0	0
Additions	603	603
At 31 March 2012	603	603
Amortisation		
At 14 November 2011	0	0
Charged in the year	(38)	(38)
At 31 March 2012	(38)	(38)
Carrying amount at 31 March 2012	565	565
Carrying amount at 14 November 2011	0	0
Asset financing	£	£
Owned	565	565
Carrying amount at 31 March 2012	565	565

8. Financial instruments

As the cash requirements of the Commissioner for Older People for Northern Ireland are met through Grant-in-Aid provided by the Office of First Minister and deputy First Minister, financial instruments play a more limited role in creating and managing 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 organisation is therefore exposed to little credit, liquidity or market risk.

9. Trade receivables and other current assets

	2011-12
	£
Amounts falling due within one year	
Prepayments	2,929
	<u>2,929</u>
9.1 Intra-Government balances	£
Balances with bodies external to government	2,929
	<u>2,929</u>

10. Cash and cash equivalents

	2011-12
	£
Balance at 14 November 2011	0
Net change in cash and cash equivalent balances	8,445
Balance at 31 March 2012	<u>8,445</u>

The above balance is a current account, held with a commercial bank.

11. Trade payables and other current liabilities

	£
Amounts falling due within one year	
Accruals and deferred income	(18,645)
	<u>(18,645)</u>
11.1 Intra-Government balances	£
Balances with other government bodies	(13,232)
Balances with bodies external to government	(5,413)
	<u>(18,645)</u>

12. Provisions for liabilities and charges

There are no provisions made for the period.

13. Capital commitments

There were no capital commitments at 31 March 2012.

14. Commitments under leases**14.1 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. Obligations under operating leases comprise:

	2011-12
	£
Buildings	
Not later than one year	32,600
Later than one year and not later than five years	0
Later than five years	0
	<hr/> 32,600 <hr/>

The Commissioner for Older People for Northern Ireland is currently in negotiations relating to extending occupancy for a number of years at its current office space in Equality House, Shaftesbury Square, Belfast. As a result, there does not exist at the present time, a further non-cancellable contract which should be reflected in the above table as a financial commitment.

14.2 Finance Leases

There were no commitments under finance leases at 31 March 2012.

15. Other financial commitments

There were no other financial commitments at 31 March 2012.

16. Contingent liabilities disclosed under IAS 37

There were no known contingent liabilities at 31 March 2012.

17. Related-party transactions

The Commissioner for Older People for Northern Ireland is a non-departmental public body sponsored by the Office of the First Minister and deputy First Minister (OFMdFM). OFMdFM is regarded as a related party.

In addition, the Commissioner has had related transactions with other government bodies which are regarded as related parties.

During the year the Commissioner had various material transactions with:

	2011-2012
	£
OFMdFM Grant-in-Aid	<u>95,500</u>
OFMdFM staff secondment costs including expenses	(8,218)
Equality Commission for Northern Ireland:	
Staff services	(33,564)
IT services	(675)
Premises (amount outstanding at the period end was £7,192)	(7,192)
Department of Finance and Personnel:	
Business Services	<u>(1,725)</u>
	<u>(51,374)</u>

There were no other related party transactions. Apart from as noted above, there were no balances with related parties at the period end.

18. Third-party assets

The Commissioner for Older People for Northern Ireland has no third-party assets.

19. Events after the Reporting Period

There were no events after the Statement of Financial Position date which would have an impact on these financial statements.

The accounts were authorised for issue by the Commissioner on 11 December 2012.





Commissioner for **Older People**
for Northern Ireland

**Commissioner for Older People
for Northern Ireland**

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