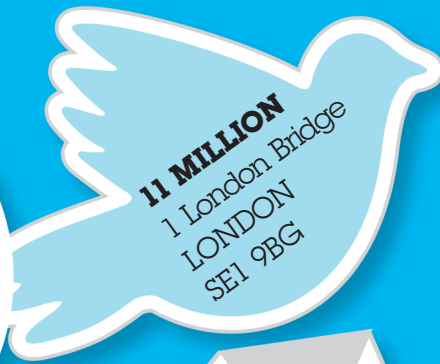


11 MILLION Annual Report 2007/08



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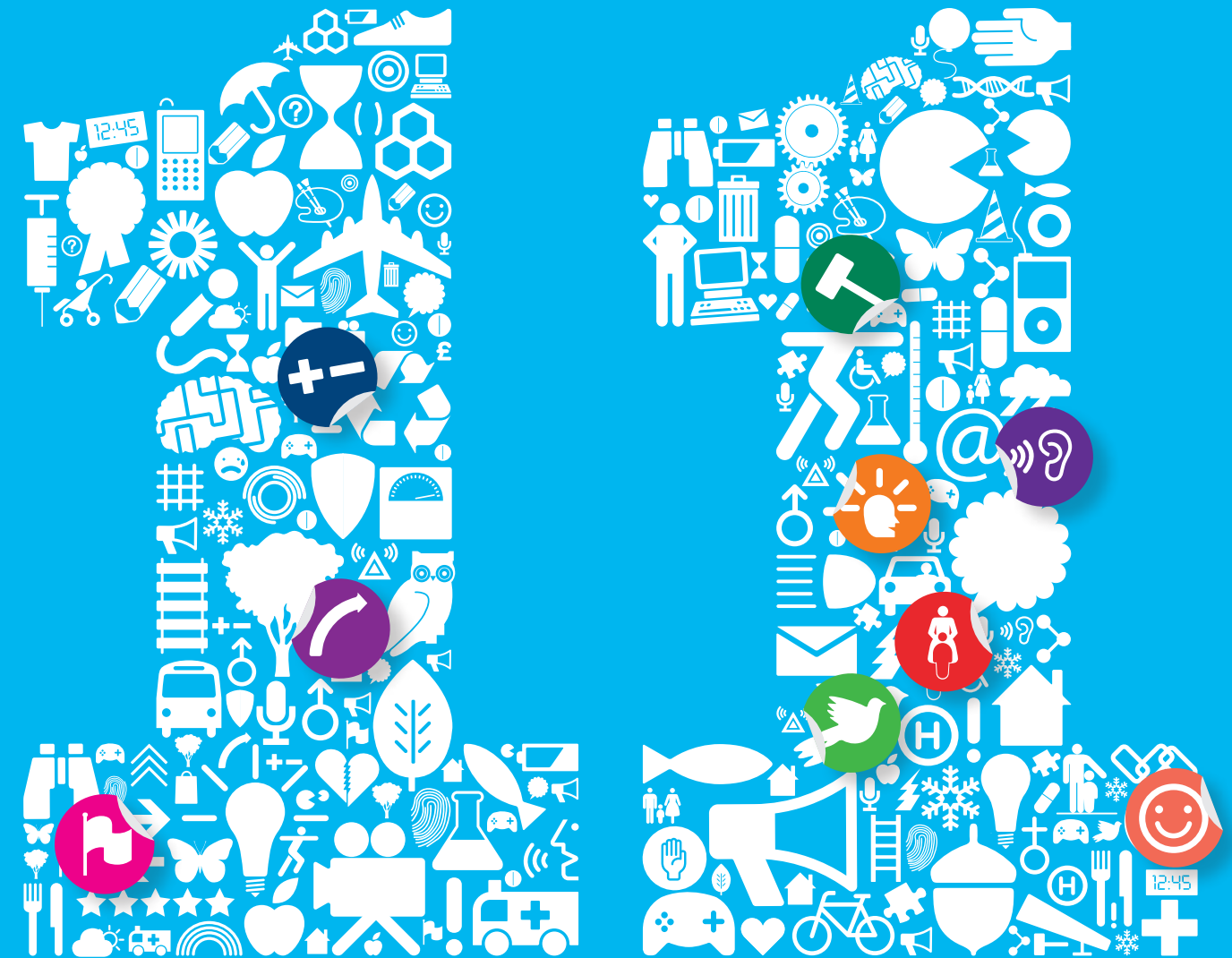
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14. Operating lease

11 MILLION has entered into operating lease contracts for the provision of photocopiers, post franking machine, hot and cold water systems and office accommodation. At 31 March 11 MILLION was committed to making the following payments during the next year, analysed according to the period in which the lease expires.

Expiry Date:	31 Mar 08 £000	31 Mar 07 £000
Within one year	-	-
Between two and five years	107	107
After more than five years	-	9
Total	107	116

15. Related parties

11 MILLION is sponsored by the DCSF which is regarded as a related party. There were material transactions with the DCSF in respect of grant-in-aid (Note 11). During the year 11 MILLION had material transactions with the Department of Health in respect of seconded staff. None of the Board members, key managerial staff or other related parties has undertaken any material transactions with 11 MILLION during the year.

16. Financial instruments

11 MILLION has no borrowings and relies primarily on departmental grants for its cash requirements, and is therefore not exposed to liquidity risk. It has no material deposits, and all material assets and liabilities are denominated in sterling so it is not exposed to interest rate risk or currency risk.

17. Post Balance Sheet events

There have been no events after the balance sheet date requiring an adjustment to the financial statements.

The financial statements were authorised for issue by the Accounting Officer on 15 July 2008.

11 MILLION led by The Children's Commissioner for England

Annual Report and Accounts 2007/08 from the Children's Commissioner for England

Financial statements of 11 MILLION for the year ended 31 March 2008 together with the Certificate and Report of the Comptroller and Auditor General thereon.

Presented to Parliament by the Secretary of State for Children, Schools and Families
pursuant to the Children Act 2004 Section 8 (3)(b)
Ordered by the House of Commons to be printed 21 July 2008

HC 912

London: The Stationery Office

Thanks a million!

**A massive thank you to all the children,
young people and organisations who
have helped us this year.**

You shape everything we do.

Contents

Foreword by Laura, from the Happy and Healthy buddy group	03
Foreword by the Children's Commissioner for England	04
Performance review	06
Next year's plan	14
Management report	17
Remuneration report	21
Statement of responsibilities of the Children's Commissioner	25
Statement of internal control	26
Audit certificate	29
Financial report	31

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11. Movement on general reserve

	2007/08 £000	2006/07 £000
At 1 April: 2007	761	381
Net expenditure on continuing operations	(2,856)	(2,982)
Grant-in-aid received towards capital expenditure	154	1,006
Grant-in-aid received towards resource expenditure	2,509	2,356
At 31 March 2008	568	761

12. Reconciliation of consolidated net expenditure to net cash from operating activities

	2007/08 £000	2006/07 £000
Net expenditure	(2,856)	(2,982)
Depreciation (Note 7)	324	243
Decrease / (increase) in debtors	(23)	59
Increase / (decrease) in creditors	209	305
Net cash inflow from operating activities	(2,346)	(2,375)

13. Other cash flows

	2007/08 £000	2006/07 £000
Capital expenditure and financial investment		
Tangible assets acquired	(39)	(979)
Intangible assets acquired	(115)	(27)
Total fixed asset acquired	(154)	(1,006)
Financing		
Grant received towards capital expenditure	154	1,006
Grant received towards resource expenditure	2,509	2,356
	2,663	3,362

8. Debtors

	2007/08 £000	2006/07 £000
8a Amounts falling due after one year		
Rent deposit	89	89
Pre-payments	19	-
	108	89
8b Amounts falling due within one year		
Pre-payments	18	17
Trade debtors	-	1
Staff debtors	4	-
	22	18

There are no balances outstanding with other central government bodies.

9. Cash

	2007/08 £000	2006/07 £000
Paymaster General	326	183
Commercial Bank and Petty Cash	31	11
	357	194

10. Creditors: amounts falling due within one year

	2007/08 £000	2006/07 £000
10a Analysis by type		
Trade creditors	532	356
Accruals	261	242
PAYE	20	14
National insurance contributions	14	10
Pension contributions	22	18
Deferred income	75	75
	924	715

	2007/08 £000	2006/07 £000
10b Intra-government balances		
Balance with other central government bodies	137	78
Balance with local authorities	-	12
Intra government balances	137	90
Balance with bodies external to government	787	625
Total creditors at the 31 March 2008	924	715

Foreword by Laura



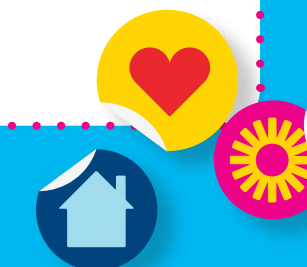
11 MILLION is really cool,
We learnt much more than we do in school,
We learnt about children and playgrounds,
Also about bullies who seem vicious like hounds,
When we learnt what happens off school grounds,
How they are beaten by Dad, abandoned by Mum,
Got bullied and never knew how to have fun.

We went to London to aim quite high,
Guess what, we went on the London Eye,
The Residential was really fun,
We were all sad when it was done,
Doing things we've never done before,
I'll tell you now it wasn't a bore.

Making changes to parks to make them nice,
When we started this project we were quiet as mice,
But as we carried on we started to speak,
Our confidence has grown more each week.

We've had a load of fun and made some friends,
We'll keep in touch even when it ends,
So you can see what we have done,
And how we've had a load of fun!

**Laura, age 11
from Mexborough**



Foreword
by the Children's Commissioner
for England

Welcome to our report on what we've done over the past year and 11 MILLION's plans for this year and beyond. We take our promise to listen to the views and opinions of children and young people very seriously, and what they say shapes our work programme.



7. Tangible assets

	Furniture and fittings £000	Equipment £000	Total £000
Valuation/Cost			
At 1 April 2007	1,278	124	1,402
Additions (Note 13)	32	7	39
At 31 March 2008	1,310	131	1,441
Depreciation			
At 1 April 2007	224	30	254
Charge for year	277	33	310
At 31 March 2008	501	63	564
Net book value			
At 31 March 2008	809	68	877
At 1 April 2007	1,054	94	1,148

The Assets are stated at cost as the net increase in value when using modified historical cost convention is not material.

7a. Intangible assets

	Software licenses £000	Total £000
Valuation/Cost		
At 1 April 2007	27	27
Additions (Note 13)	115	115
At 31 March 2008	142	142
Amortisation		
At 1st April 2007	-	-
Charge for Year	14	14
At 31 March 2008	14	14
Net book value		
At 31 March 2008	128	128
At 1 April 2007	27	27

5. Other operating expenses

	2007/08 £000	2006/07 £000
IT Support costs from DCSF	56	78
Corporate communications	43	160
Travel	31	28
Attendance at meetings and conferences	5	11
Administration services	55	54
Office supplies	10	30
Depreciation	324	243
Legal expenses	(2)	10
Miscellaneous expenditures	2	22
Recruitment	59	62
Telephone	49	56
Auditors remuneration		
External Auditors*	22	20
Internal Auditors	19	12
Accommodation costs	267	254
Heating and lighting	5	4
	945	1,044

*The audit fee for the year was £23k, but because of an over accrual of £1k in the prior year the amount charged in this years account is £22k. 11 MILLION has entered into an agreement to lease space in No 1 London Bridge from February 2006. The cessation date of the lease is the end of March 2011 and the total rent payable over this term is £531,600. The rent forms part of the accommodation costs charged under Other Operating Expenses above.

6. Notional charges

	2007/08 £000	2006/07 £000
Occupancy costs	-	14
Cost of capital	14	13
	14	27

At our Summer event, children and young people chose Violence, Abuse and Bullying as the theme they wanted us to work on in 2008/09. We spent a lot of time visiting children and young people's groups across England, documenting what they had to say in young offender institutes, health services and schools to name but a few.

We've encouraged others to listen too. As a result of our Happy and Healthy project, many of our partners have become powerful advocates for participation, sharing their skills with others. Over 10,000 children and young people and 500 organisations took part in the first 11 MILLION Takeover Day. Organisations used the day to showcase the participation work whilst other used it as a platform to kick start the process.

We welcome the Government's commitment to play and, in partnership with Play England, respond to the Fair Play consultation. We have become a strong voice for children seeking asylum, especially those who are here alone without their families. Using my statutory powers, I visited an asylum screening unit and a local authority residential home. Since then we have seen concrete examples of changes made to improve the lives of children, young people and families in detention. We are delighted that the Government has agreed to review its reservation on asylum to the United Nations Convention on the Rights of the Child. My hope is that it will be lifted and we will see and treat children seeking asylum as vulnerable children first and foremost.

We have been particularly effective in challenging the 'Mosquito' device through our BUZZ OFF campaign, working closely with young people, The National Youth Agency, Groundwork and Liberty. The campaign sparked intense debate and interest from overseas as to why England is prepared to treat our children in this discriminatory manner. We are delighted and encouraged that Kent County Council, among other organisations, has taken a stand by banning the device.

In our work on youth justice, I listened to young people in the criminal justice system and voiced my concerns about their treatment, particularly the overuse of physical restraint. The Government has set up an independent review of the use of restraint which will report back this Autumn. We have submitted evidence to the independent review of child and adolescent mental health services and hope that we will see continued progress in the delivery of high quality care for children with mental health problems.



I am encouraged by the unprecedented focus by all political parties at this time on children's issues. I will continue to share the views and lived experiences of children in England today with all parliamentarians to ensure policy and practices are designed in their best interests.

Our first Secretary of State for Children Schools and Families' vision for England to be the best place in the world for young people to grow up is one I wholeheartedly support.

The Children's Plan, published last year, has the potential to create a society where children are more valued, and where their interests take centre stage.

I will work with Ed Balls and his committed team to see the plan implemented fully for young people in England.

Finally, I am grateful to the many individuals and organisations that have worked with and supported us over the past year. We have ambitious plans for the coming year but I know that together we can make a real difference to the lives of all our children.

Professor Sir Al Aynsley-Green
Children's Commissioner for England

9 July 2008

Performance review

Last year's annual report set out the policy areas we would work on in 2007/08. We also made a commitment to involve children and young people in everything we do. A selection of our most significant achievements are presented in this section.



Happy and Healthy



Choices and Voices in Learning and Leisure



Youth Justice



Staying Safe



Asylum and Trafficking



Listening



A Fair Life



Organisational capacity achievements



Mental Health

4. Project expenses

	2007/08 £000	2006/07 £000
Annual Theme – Happy and Healthy	65	24
Website project	106	10
Brand development	–	93
Bullying	–	28
Grants to voluntary sector organisations	9	19
Shout competition	–	85
Correspondence tracking	22	7
Children in society	–	52
Participation programme	99	65
Young commissioners	24	–
BINOCC	12	–
11 MILLION awareness survey	26	–
Youth justice and antisocial behaviour	2	–
Asylum and trafficking	8	77
Mental health	17	–
Enjoying education and leisure	13	–
Other projects	76	89
	479	549

3. Staff costs

	Staff with a permanent (UK) contract £000	Government secondees £000	Contract Personnel £000	Total £000	Total 2006/07 £000
Cost of employment					
Salary	1,010	84	14	1,108	691
Social security costs	89	10	1	100	64
Pension costs	223	21		244	156
Cost of non-employed staff			85	85	479
VAT on Secondments		(14)		(14)	14
Total	1,322	101	100	1,523	1,404

The average number of persons employed by 11 MILLION during the period expressed as full time equivalents was:

Executive	3.00	1.00	-	4.00
Other personnel	22.00		1.50	23.50
Total	25.00	1.00	1.50	27.50

The salary costs included an accrual of £7,596 for staff bonuses in relation to 2007/08. There was no accrual made at the end of the previous financial year as the bonuses had not been determined by the time the accounts were prepared. The VAT on secondment costs relates to an erroneous accrual from 2006/07, which was reversed during 2007/08.

Pension costs

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but 11 MILLION is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation. www.civilservice-pensions.gov.uk

For 2007/08, employers' contributions of £244k (2006/07 £156k) were payable to the PCSPS at one of four rates in the range 17.1 to 25.5 per cent of pensionable pay, based on salary bands. Employer contribution rates are reviewed every four years following a full scheme valuation by the Government Actuary. This year the salary bands have been revised but the rates will remain the same. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. No employer's contributions were paid to any of the panel of three appointed stakeholder pension providers. No persons retired early on ill-health grounds.



Keira (4)
from Newcastle

Happy and Healthy

Objective

To work with children and young people aged 2-18 to enable them to make informed and positive recommendations that support others to lead happier and healthier lives.



[The project's] been a really good experience all round for the children, parents and staff. Involving them... encourages them to be more engaged in the community and have more confidence to put their ideas forward.
Liz Rouse,
Development Worker, Sure Start Tamworth

Summary

We have gathered evidence on what matters to children and young people regarding their health and wellbeing. Using children and young people's own recommendations, Happy and Healthy will enable 11 MILLION to influence national and local policy. From a commitment to long term participation-based action research, the project has created a sustainable legacy of participation, most notably amongst our early years partners. Parents of participating children have fed back positive comments including the recognition of the importance of communication within their families.

Achievements

- 1 Published a summary of 131 children and young people's views that identified the six main areas chosen by children and young people as being essential to their health and wellbeing.
- 2 Happy and Healthy partners have reported positive outcomes resulting from their involvement in the project. In Tamworth,

the project has influenced how they plan and implement decisions with the active involvement of children and service users and many of our partners have become powerful advocates for participation, sharing their skills with others.

- 3 Thirty-nine children involved in the Happy and Healthy project shared their views with Secretary of State Ed Balls and 15 children took part in the launch of the Children's Plan. Thirty-four children shared their experiences and views with 28 MPs and Peers at a parliamentary reception.

Challenge

Children and young people, from as young as two years of age, understand health messages, but the popularity of junk food brands combined with peer pressure undermines their ability to make healthy choices.



Youth Justice

Objective

To improve the lives of children and young people in the criminal justice system and to ensure their rights are upheld.

Summary

We have listened to children and young people, including running in-depth sessions with 30 young people, and represented their views in ministerial meetings and consultation responses including contributions to the Youth Crime Action Plan. We have voiced our concerns about the treatment of children in custody, in particular the overuse of physical control and restraint being used against children. We intervened in a judicial review into regulations introduced to endorse the extended use of restraint in secure training centres to highlight our concerns about breaches of children's rights.



Sir Al Aynsley-Green on his visit to Lancaster Farms, a young offenders institute

Achievements

- 1 Made five visits to the secure estate including two young offender institutions, a secure training centre, a secure children's home and a secure forensic mental health unit to speak to children and young people about their views and experiences of the criminal justice system.
- 2 Following extensive discussion, the Government has set up an independent review of the use of restraint across the secure estate.
- 3 Pressed for urgent action to tackle the mental health of young offenders. We submitted the evidence we had gathered to the Bradley Review into the mental health of offenders.

Challenge

Despite recent changes in targets and policy, there is still the need to reduce the high numbers of children in custody by focusing on early interventions and support to address their behaviour, needs and welfare.

The children's commissioners have come out fighting the corner for children, who remain disenfranchised and insufficiently heard in our society.
Frances Crook
Director, Howard League for Penal Reform

Asylum and Trafficking

Objective

To ensure the Government puts the best interests of asylum seeking and trafficked children at the heart of policies, procedures and practice that affect them.

Summary

We focused on children seeking asylum who are separated from their parents. We listened to children about their experiences in the asylum and care systems and made recommendations to local authorities and Government through publications and regular meetings. We have become a strong voice for asylum seeking children, gaining the respect of the children's

and refugee sectors and the Government for our comprehensive and detailed work. Sir AI's testimony of meeting children seeking asylum was included in the play *Motherland*.

Achievements

- 1 Using his statutory powers, the Children's Commissioner visited an asylum screening unit to research children's experiences. Several of our recommendations have been implemented and others are under consideration.
- 2 Following discussions with the UK Border Agency and the policy issues raised through a high profile case, the Government has reviewed all third country families who have been here a long time and decided to consider many of these cases 'substantively' within the UK.
- 3 We responded to the Government's plans to change the arrangements for the care and support of asylum seeking children separated from their families, and contributed to improvements to plans that better reflect children's needs. Following discussions by us and others, the Government has announced a review of its reservation on asylum to the UN Convention on the Rights of the Child (UNCRC).

Challenge

The detention of children for immigration purposes is detrimental to their health and wellbeing. We will continue to press the Government to find the political will and resources to end a practice that breaches children's fundamental rights, as set out in the UNCRC.

I meet with the Children's Commissioner for England frequently, and I find his advice invaluable, especially around issues raised about the detention of children in immigration removal centres.
Liam Byrne MP,
Minister of State for Immigration



Young person at Yar's Wood Immigration Removal Centre

i. Notional charges

The Treasury Financial Reporting Manual requires that the result of operations disclosed in the Operating Cost Statement should reflect the true value of resources consumed. Where a supply of goods or services is received at less than full cost a charge equivalent to the estimated difference is introduced into the Operating Cost Statement.

j. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made and due to be made under an operating lease of real property (net of any benefit received from the lessor) are charged by equal annual instalments to the Operating Statement over the period from the date of first occupation until expiry of the lease. Resulting debit balances are classified as prepayments in the Balance Sheet. Resulting credit balances that will be eliminated within one year are classified as current liabilities. Operating lease costs are charged to expenditure as they are incurred (see Note 14 for further details).

k. VAT

11 MILLION is not registered for VAT. As a consequence, it cannot reclaim any VAT charged by various suppliers. VAT costs incurred are included in each expenditure category and are not identified separately in the accounts.

l. Cost of capital

The cost of capital is calculated by applying a rate of 3.5% to the average capital employed. The average capital employed is defined as the average of total assets less total liabilities at 1 April and 31 March. The total assets balance excludes non-interest bearing bank balances with the Paymaster General.

2. Income

	2007/08 £000	2006/07 £000
Project specific grant	75	-
Other operating income	16	1
	91	1

e. Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. 11 MILLION recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits 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 schemes, 11 MILLION recognises the contributions payable for the year. PCSPS also permits employees to opt for a partnership pension account, a stakeholder pension with an employer contribution. The defined benefit schemes are treated for accounting purposes as a defined contribution scheme as required by Financial Reporting Standard 17. The defined benefit scheme prepares its own financial statements. A description of the pension schemes is at Note 3.

f. Project costs

Expenditure on projects funded from grant-in-aid is charged to the Operating Cost Statement as it is incurred. Project grants payable by 11 MILLION are recognised when they fall due for payment.

g. Tangible fixed assets

Assets purchased for use on a continuous basis at a cost in excess of £2,500 are initially recorded at cost price. Assets other than construction in progress are re-valued to current replacement cost as at 31 March using price indices for current cost accounting published by the Office for National Statistics, when the effect of their revaluation over time is material. In instances where there are separate individual items of IT hardware which individually fall below the capitalisation threshold, similar items are grouped together and the combined cost is used for the purposes of determining whether they fall with the threshold.

Construction in progress is capitalised at cost. When complete the cost of a construction project is transferred to the relevant asset class as a single item of expenditure.

h. Depreciation

Modified historic cost of a tangible fixed asset is depreciated to expected residual value by equal annual instalments from the date of bringing of into operation as follows:

Equipment

Information technology, storages – over four years capital equipment is depreciated over its estimated useful economic life from the month of acquisition.

Building – leasehold buildings are depreciated over the life of the lease and the cost of improvements to the buildings that have been made since 1 July 2006 are depreciated over the remaining life of the lease.

Intangible fixed assets – intangible fixed assets are amortised over expected useful economic life from the beginning of next calendar month after the acquisition.

A Fair Life

Objective

To improve equality and eliminate discrimination against children and young people.

Summary

We worked with the Children's Rights Alliance for England (CRAE) and other children's charities to promote the inclusion of children in the age discrimination provisions in the Single Equality Bill. We pressed the Government for recognition of the additional needs of families with disabled children. We issued briefings and wrote to key organisations including the Council of Europe, the Government and parliamentarians pressing for change in the law on physical punishment.



Everyone should be treated fairly and not picked on because of what they look like and who they are.

Girl (12),
11 MILLION's Summer event

Achievements

- 1 We responded to the consultation on the review of section 58 of the Children Act 2004 to enable children to have the same right to protection under the law on common assault as that afforded to adults.
- 2 The HM Treasury report *Aiming High for Disabled Families* reflected the views of 11 MILLION and reflected some of the concerns we raised in our evidence to the Comprehensive Spending Review.
- 3 Liaised with Mencap and the Equality and Human Rights Commission to overturn the ban on children with learning difficulties taking part in the UK School Games.



Challenge

We will continue to support a shift in public attitude and press the Government to find the courage necessary for children to be given equal protection under the law on common assault as adults.



Mental Health

Objective

To improve the lives of children and young people with mental health problems.

Summary

Following *Pushed into the Shadows*, our report into the experiences of young people on adult mental health wards, the young people we worked with through YoungMinds told parliamentarians what it was like to be on an adult ward. We analysed the responses received from 150 NHS organisations to the Children's Commissioner's formal request to respond to the recommendations.

11 MILLION worked with young people, children's charities and professional organisations to ensure that the Mental Health Act 2007 addressed concerns of children with mental health problems.

Achievements

- 1 Following the publication of *Pushed into the Shadows*, through section 31 of the Mental Health Act 2007, the Government made a commitment to end the inappropriate admission of children to adult wards by April 2010.
- 2 The Act also requires independent mental health advocacy services to be provided for all detained patients including children, and the right for 16/17 year olds not to have their wishes about admission to hospital overridden by their parents.



Young people from YoungMinds VIK

Notes to the accounts

For the year ended 31 March 2008

1. Statement of Principal Accounting Policies

a. Basis of preparation

The Children's Commissioner was created as a Corporation Sole under Schedule 1 of the Children Act 2004 and was established following the appointment of the Commissioner in March 2005. Accounts are drawn up in accordance with Treasury Guidance, Annual Reports and Accounts guidance, the Children Act 2004, and the Accounts Direction and the financial memorandum between the Secretary of State for Children, Schools and Families (DCSF) and the Commissioner dated 12 September 2005, copies of which can be obtained from the Children's Commissioner or DCSF. They are drawn up in accordance with the Financial Reporting Manual (FRM). This follows generally accepted accounting practice (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

The particular accounting policies adopted by the Children's Commissioner are described below. In accordance with FRS18, the accounting policies and estimation techniques used are those that are judged to be the most appropriate for the purpose of giving a true and fair view. These policies are reviewed regularly to ensure they remain the most appropriate.

They have been applied consistently in dealing with items considered material in relation to the accounts.

These accounts have been prepared on a going concern basis.

b. Accounting convention

The accounts are prepared using the modified historical cost convention and in accordance with the accounting disclosure requirements of Treasury, the Companies Act 1985 (as amended by the Companies Act 1989) and accounting standards adopted by the Accounting Standards Board; with the exception of the requirement contained in FRS3 for the inclusion of a note showing historical cost profits and losses.

c. Grant-in-aid

Grant-in-aid received from DCSF in respect of revenue expenditure or relating to general capital expenditure is recognised in the general reserve in the year it is received.

d. Income recognition

Grant income that is receivable for a specific purpose or project is credited to the Operating Cost Statement over the duration of the activity to which it relates. Other income is recognised in the Operating Cost Statement on an accruals basis.

Challenge

Compliance with the statutory requirement and the Government's commitments is needed to ensure that no young person will ever again face the distressing experience of being on an adult ward without adequate safeguards and recognition of their needs as children.

Pushed into the Shadows was...extremely timely in highlighting the bad experiences that some young people have on adult psychiatric wards.
Rosie Winterton MP,
Health Minister



Making decisions, having arguments and making-up.

this information to feed into the Children's Plan. Sir Al presented a four-part series for Teachers TV, interviewing pupils and teachers across the country on issues such as bullying and health, and the impact of school councils and the UNICEF Rights Respecting School initiative.

Achievements

- 1 The views of children and young people have influenced the provision of extended services in Birmingham's Perry Beeches Schools Cluster.
- 2 We worked with young people from the Prince's Trust at risk of disengagement and exclusion, enabling them to express their views on Government proposals to raise the compulsory education and training age. In particular, their views around compulsion have persuaded the Government to introduce greater safeguards against being sanctioned unreasonably for non-participation.
- 3 Primary age children's views of learning strategies that we gathered as part of this project have been fed into the Government's Rose Review on primary education.

Challenge

Current assessment and accountability structures can crowd-out children and young people's creative influence over their own education.

Choices and Voices in Learning and Leisure



Objective

To ensure education and play policy and provision should be informed by what children and young people think about the importance of choice.

Schools should take students out more and let them try different things... if you offer more, then people will give more.
Year 11 member of Prince's Trust xl Club which fed into our response to the Raising Expectations Green Paper

Summary

We worked with over 200 children of all ages and from different backgrounds to explore the choices they want in and out of school. We looked at how having choices at school can help develop confident, happy and responsible learners and improve outcomes. Our sustained work with a pupil voice project in Birmingham established that mixed age and ability participation groups should have a key role to play in influencing provision through extended services. We used

Cash flow statement

For the year ended 31 March 2008

	Note	2007/08 £000	2006/07 £000
Net cash inflow from operating activities	12	(2,346)	(2,375)
Capital expenditure and financial investment	13	(154)	(1,006)
Financing	13	2,663	3,362
Cash inflow / (outflow) before use of liquid resources and financing		163	(19)
Increase / (decrease) in cash		163	(19)

Reconciliation of net cash flow to movement in net funds

	2007/08 £000	2006/07 £000
Increase in cash in the period	163	(19)
Decrease in short term deposits	-	-
Change in net funds	163	(19)
Net funds at 1 April 2007	194	213
Net funds at 31 March 2008	357	194

Staying safe

Objective

To ensure that children and young people stay safe.

Summary

The Children's Commissioner spoke out on the need to keep children safe and to provide therapeutic support for those who have been abused. Having contributed to the Review of the Protection of Children from Sex Offenders, we continued to raise concerns about the impact that notifying the community of sex offenders in the community could have on children's safety ('Megan's Law').

Following a visit to a mother and baby unit in a women's prison, we published research to see what would help to promote the best outcomes for the babies of young female offenders.

I can assure you that your concerns will be taken into account as we develop plans for the pilots in consultation with the relevant police forces.
Vernon Coaker MP,
Under Secretary of State for
Crime Reduction

Achievements

1 Following high profile comments by the Children's Commissioner, the Government decided against the introduction of an equivalent to Megan's Law and is piloting alternative ways of dealing with child sex offenders living in the community.



'It's a house with happy people in it!'
Alice (11)



2 Published research into mother and baby units in prisons with recommendations to the Government about the need for women with babies to receive non-custodial sentences wherever possible, and suggested changes to the procedures in these units. This has been widely used to inform debates in Parliament on the Corston Report in January and February 2008.

Challenge

Ensuring that children who are abused receive the therapeutic help that they need to enable them to make a full recovery.



Listening

Objective

Every child in England has a right to raise any issue with us. We promise to listen to the views and opinions of children and young people and tell others what we have learned.

Summary

We have taken our listening function very seriously, and encouraged adults to do the same. We launched 11 MILLION Takeover Day to encourage adults to start the journey of listening to and valuing young people's views. At 11 MILLION, we delivered on our commitment to get out to listen to more children across the country – meeting them where they live – by embarking on Sir Al's regional Listening Tours. The BUZZ OFF campaign, to halt the use of ultra-sonic dispersal devices, was created because Sir Al listened to young people's concerns and joined forces with partners young and old to raise awareness of young people's views about the device. We also wanted to ensure young people's views were shared with others. The website is the main channel for this, but our quarterly reports have also enabled young people to share their views and experiences with others.

Achievements

1 Over 10,000 young people and 500 organisations took part in 11 MILLION Takeover Day.



Young BUZZ OFF campaigners from Corby

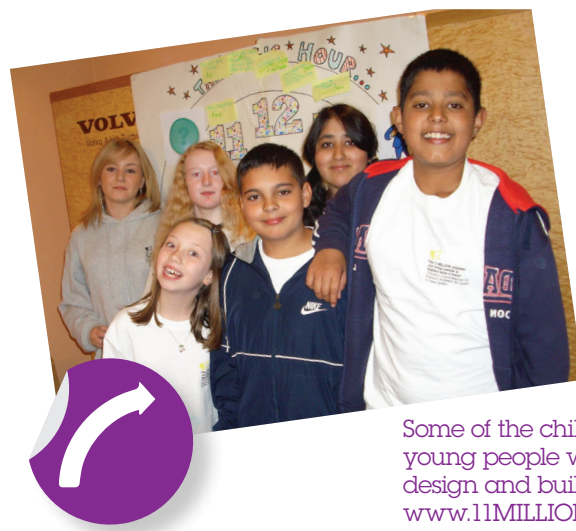
2 Strong partnership with young people, The National Youth Agency, Liberty and Groundwork for the BUZZ OFF campaign. The campaign sparked intense media interest from national and international media. Kent County Council has banned the Mosquito device, along with the Co-operative and another major retail chain. Baroness Sarah Ludford MEP tabled a written declaration denouncing the use of the Mosquito and calling on the European Commission to ban its sale and use.

3 We distributed 100,000 quarterly reports to children and young people. The Children's Commissioner went on Listening Tours to five different regions, meeting with groups of children and young people and Directors of Children's Services.

Challenge

As there are 11 million children in England, we have to use innovative ways to raise awareness of the Children's Commissioner's role and children's rights among children and young people. Partnerships with other organisations have proved to be highly effective. We will continue to find or create new ways to ensure children and young people know they have a Children's Commissioner who is listening and willing to support them to have their voice heard.

This is a fantastic opportunity to celebrate the importance of children and young people in our society not just for this day, but every day too, and I congratulate the Children's Commissioner for organising a day that truly recognises the talents and contributions of children and young people.
Beverley Hughes MP,
Minister for Children,
speaking on 11 MILLION Takeover Day



Some of the children and young people who helped design and build the all new www.11MILLION.org.uk

Organisational capacity achievements

Objective

To increase the impact that our work has on the outcomes and rights of the 11 million children in England.

Summary

We have made significant progress in developing the efficiency and effectiveness of our office to make sure that we get the best return from the money we have available to spend.

Although still in its infancy, 11 MILLION has made significant improvements to its internal control system during the past 12 months, particularly in relation to its risk management, corporate governance and procurement operations.
Bentley Jennison,
Internal Auditor's Annual Report 07/08

Achievements

- 1** We have installed new software to track all enquiries which come into our office and streamlined our accounts process.
- 2** We have strengthened our organisational capacity through the development and mainstreaming of our equality and diversity, safeguarding and recruitment policies.
- 3** Children and young people aged four to 18 made key decisions at every stage of our new website, which now provides an innovative platform for children to interact with us and shape our work.

Challenge

We need to continue to attract increasing numbers of children and young people to our website so that we can learn more about their views.

Balance sheet

As at 31 March 2008

	Note	2007/08 £000	2006/07 £000
Fixed assets			
Tangible assets	7	877	1,148
Intangible assets	7a	128	27
		1,005	1,175
Debtors falling due after more than one year	8a	108	89
Current assets			
Debtors	8b	22	18
Cash at bank and in hand	9	357	194
		379	212
Creditors: Amounts falling due within one year	10	(924)	(715)
Net current assets (liabilities)		(545)	(503)
Total assets less current liabilities		568	761
Net assets		568	761
Represented by:			
Tax payers' equity	11		
General reserve		568	761
Total funds		568	761



Professor Sir Al Aynsley-Green
Children's Commissioner
and Accounting Officer

9 July 2008

Operating cost statement

For the year ended 31 March 2008

	Note	2007/08 £000	2006/07 £000
Income			
Grants	2	75	-
Other operating income	2	16	1
Total income		91	1
Operating expenditure			
Staff costs	3	1,523	1,404
Project costs	4	479	549
Other operating expenses	5	945	1,044
Cost of capital	6	14	13
Total operating expenditure		2,961	3,010
Net expenditure		(2,870)	(3,009)
Reversal of cost of capital/ notional charges	6	14	27
		-	-
Net expenditure for the year		(2,856)	(2,982)

Note:

A) All of the income and expenditure of 11 MILLION is in respect of continuing operations.

B) There are no other gains or losses other than reported above.



Key performance indicators for 2007/08

We wanted 5,000 children and young people to have logged their views on issues through our website.

Each of our Spotlight areas will have carried out a programme of participation with children and young people to gather their views.

300 children and young people have regular and sustained involvement in helping us plan, deliver and evaluate our projects.

20% of children and young between the ages of five and 18 years of age will have prompted awareness of the Children's Commissioner.

50% of senior and mid level managers in local authority children's services will have prompted awareness of the Children's Commissioner.

The Happy and Healthy project results in clear recommendations for policy and practice produced by children and young people.

We can show at least 10 changes in law, policy, or practice which have come about as a result of our work.

Four quarterly reports on issues coming to us from children and young people.

The theme for 2008/09 will have been determined by the annual children and young people's event which will take place during Summer 2007.

90% of letters to us should be responded to within 20 days.

100% of invoices not in dispute will be paid within 30 days of their receipt in our office.

100% of our permanent staff will have been recruited with the involvement of a panel of children and young people.



Did we meet this target?

No. We invested our time in making sure that children played a key role in designing an effective website to enable more children to have their say in the future. Since April 2008 over 1,300 have shared their views via the site.

No. Every Spotlight, except Staying Safe and A Fair Life, had a high quality, sustained engagement over the year with young people who informed our policy advice.

Yes, in excess of 300 children and young people worked with us on a regular basis over the year.

No. An independent survey shows that 9% of children and young people knew about the Children's Commissioner (equivalent to one million children). We will work to increase this next year.

Yes, 100% of Directors of Children's Services who responded to an independent survey knew of the Children's Commissioner.

Yes, we published a preliminary report of last year's project in May at a parliamentary event and a full report will be available in the Autumn.

Yes, our impact log shows us that over 15 changes in law, policy or practice have come about either directly or partly because of our work putting forward the views and interests of children and young people.

Yes, we have published four reports for children and young people on what we have heard from them.

Yes, over 90 children and young people attending 11 MILLION's Summer event chose Violence, Abuse and Bullying as the theme that they wanted us to focus on in 2008/09.

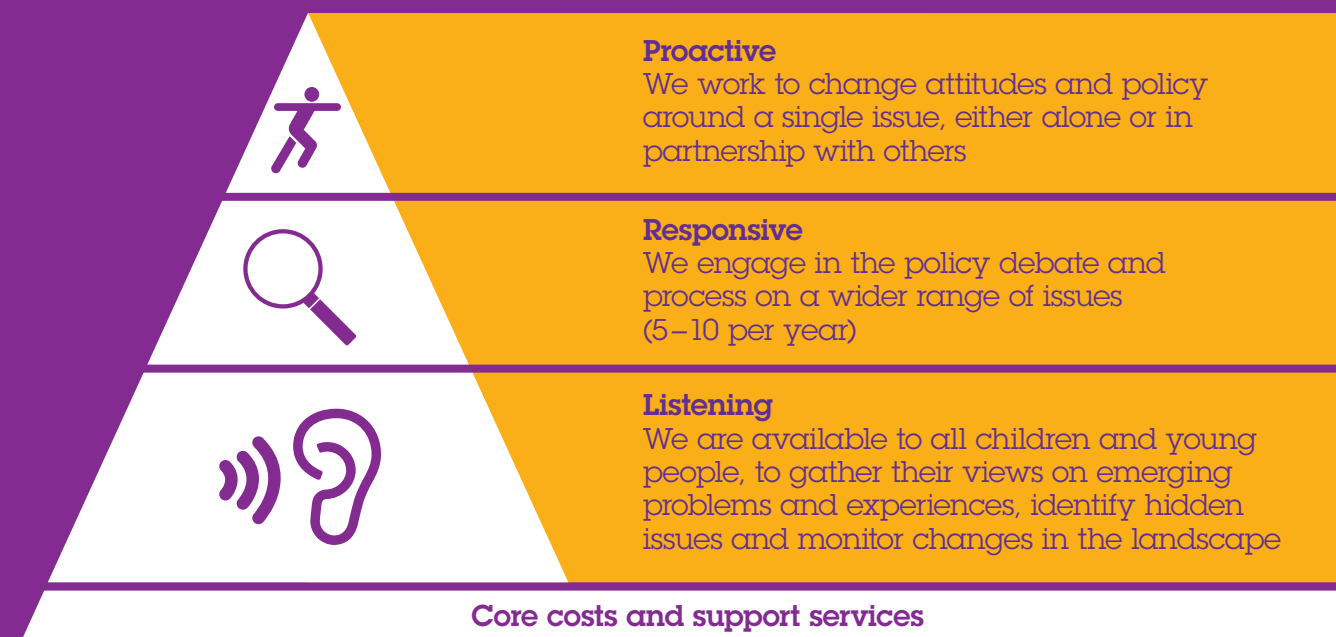
Yes, we reorganised our correspondence tracking system and, by January 2008, were achieving our target.

No, our average performance was 75% against this target. We have installed new accounting software which will help us meet this target next year.

Yes, all staff have been recruited with a panel of children and young people.

Next year's plan

In our strategic plan, we agreed to consider our work according to three different levels of engagement: listening to children and young people, being responsive and being proactive. The annual plan and budget is drawn up along these lines with the addition of a base level of core costs including our payroll, our office and our administration expenses.



Financial report

We spent around £3 million on ensuring that the views of children and young people are heard and that outcomes for children improve over time. Since there are 11 million children in England, we need to ensure that every year we get the best value for money out of our limited budget.



Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to 11 MILLION's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Children Act 2004 and directions made thereunder by Secretary of State for Children, Schools and Families, of the state of 11 MILLION's affairs as at 31 March 2008 and of its net expenditure for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Children Act 2004 and directions made thereunder by Secretary of State for Children, Schools and Families; and
- information, which comprises the Management Commentary, and the information in the Remuneration Report that is described in that report as being unaudited, included within the Annual Report, is consistent with the financial statements.

Opinion on regularity

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

Report

- I have no observations to make on these financial statements.

T J Burr

Comptroller and Auditor General

National Audit Office
151 Buckingham Palace Road
Victoria
London SW1W 9SS

15 July 2008

Proactive theme



Gun and knife crime

The children and young people at our annual event in August 2007 chose Violence, Abuse and Bullying as our theme for 2008/09. We established a project team of 70 children and young people to work with us to define more precisely what we will work on, and they have asked us to focus specifically on gun and knife crime. We are working with them to bring forward their views and come up with recommendations to inform policy debate.

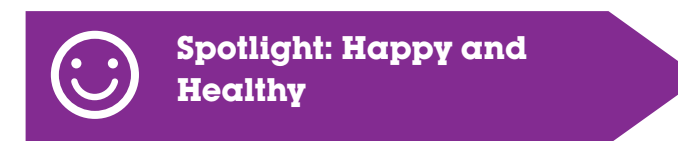
Responsive programme

We will promote awareness of the views and interests of children and young people, particularly in the following areas during this financial year:



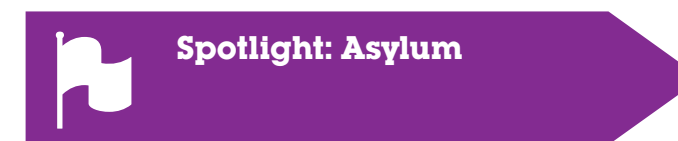
Spotlight: Respect and Discrimination

Chosen by children and young people at our 2007 event.



Spotlight: Happy and Healthy

Intended to pursue issues and recommendations identified by children and young people during the 2007/08 Happy and Healthy theme.



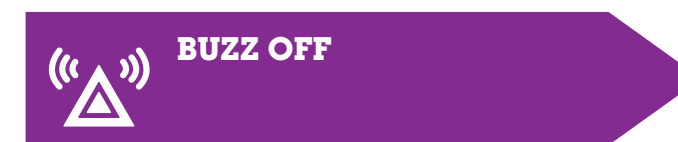
Spotlight: Asylum

To raise awareness of the views and interests of children going through the asylum system in the UK.



Geneva/children's rights

This will cover our work reporting to the UN Committee in Geneva and following up on the Committee's concluding observations.



BUZZ OFF

Working with children and young people to reduce the use of the Mosquito device against children and young people and raise awareness of the cultural attitude towards children which lies behind its use.



11 MILLION Takeover Day

We will repeat Takeover Day on 7 November 2008 as part of The National Youth Agency's Youth Work Week and will work with others to build the number taking part. To date, 100 organisations have signed up.

Listening

We will continue with our programme of Listening Tours this year. At regular intervals during the year, the Children's Commissioner and members of his team visit one of the nine local government regions of England. The purpose is to meet with children and young people in various locations, and find out their concerns. The Children's Commissioner also meets with local directors of children's services and other service providers.

Our new website was officially launched in April 2008. The new site has been created with the help of children and young people, who interviewed and chose a web design agency and then worked with them throughout the implementation of their ideas. The website provides a space for children and young people to have their say by answering questions, uploading videos, pictures and PowerPoints, submitting thoughts and poems or by creating shapes through 'SHAPE IT!'. It will enable us to collect the views and opinions of large numbers of children and young people, and also provide a space to explore key issues in more depth.

In October 2008, we are repeating our successful annual event, to enable children and young people to decide how we should spend one half of our available project budget for next year's plan. We have already established the planning team of children and young people who, with our support, will run the event.

Communicating the views and interests of children and young people

One of our key challenges is to make sure that we communicate what children and young people are telling us about their experiences, and their proposed solutions. We have an effective programme of engagement with ministers, officials, policy makers and other stakeholders who can make a difference. We plan to build on these relationships in 2008/09, and position ourselves as a source of good advice about what children and young people would like to see happen in different policy areas.

Through our quarterly reports we will keep children and young people up to date on what they've been saying to us and what we've been doing about it. And we will explore different formats through which children and young people can communicate their views directly to policy makers.

Measuring our performance

Our strategic plan sets out a number of key performance indicators for our work, against which we report to Parliament each year. We will work with the same performance indicators for this annual business plan, aiming to improve on our performance in 2007/08.

Resources

We expect our expenditure for 2008/09 to be £3,077,000. Of this, £3 million is from grant-in-aid provided by the Department for Children, Schools and Families (DCSF). The remainder comes from other sources.

Our headcount of staff will be 29 (from 27.5 full-time equivalents at the end of 2007/08).

Audit certificate

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of 11 MILLION for the year ended 31 March 2008 under the Education Act 1994 as amended by the Education Act 2005. These comprise the Operating Cost Statement, the Balance Sheet, the Cash Flow Statement 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 11 MILLION, Chief Executive and auditor

11 MILLION and the Children's Commissioner as Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Children Act 2004 and directions made thereunder by the Secretary of State for Children, Schools and Families, and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Responsibilities of the Board and Chief Executive.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Children Act 2004 and directions made thereunder by the Secretary of State for Children, Schools and Families. I report to you whether, in my opinion, certain information in the Annual Report, the Management Commentary, and in the part of the Remuneration Report that is described in that report as being unaudited, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if 11 MILLION has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on internal control reflects 11 MILLION's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of 11 MILLION's corporate governance procedures or its risk and control procedures.

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

Data management

Data management policies are currently being developed, and we are striving to implement the Hannigan requirements on data security. I have appointed the Chief Executive as the Senior Information Risk Officer, in accordance with these requirements. A full data security audit has been undertaken and we will be developing policies to ensure that data is obtained, processed, stored and retained for defined purposes only.

Internal control issues

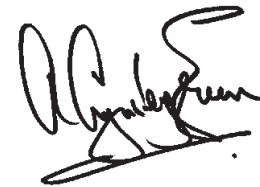
My review of the effectiveness of the internal control system shows that in 2007/08 we made significant improvements to our internal control systems. I am satisfied that we have adequate and effective risk management, control and governance processes to manage the achievement of our objectives, and this is confirmed within Bentley Jennison's Annual Report. They concluded that 'In our opinion, based upon the work we have undertaken, for the 12 months ended 31 March 2008, 11 MILLION has adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives'.

They went on to say that '11 MILLION has made significant improvements to its internal control system during the past 12 months, particularly in relation to its risk management, corporate governance and procurement operations'. All the audits carried out by Bentley Jennison during the year resulted in a substantial or adequate level of assurance with the exception of their examination of our arrangement for business continuity, where they found only limited assurance. We will be working to put a full disaster recovery system in place in the first months of 2008/09.

With regards to procurement activities, they reported that we have made significant improvements towards developing and embedding a robust contracts and purchasing control framework. Overall, Bentley Jennison's follow up work indicated that good progress has been made in implementing previous recommendations.

In the final part of their conclusions, Bentley Jennison say that 'the organisation is steadily developing a sound control structure to mitigate its risks. However, further strengthening is required, and going forward, these controls need to be fully applied at all times to support the achievement of the organisation's objectives'. We are heartened by the fact that considerable progress has been made in improving the control environment within our organisation, but remain eager for more progress. We know that we can improve our systems further and are committed to devoting resources to this work.

Signed

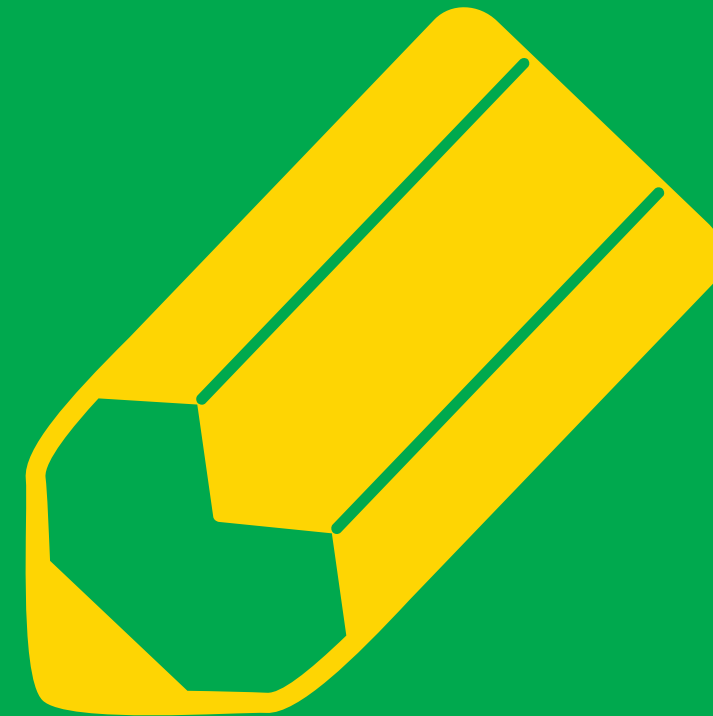


Professor Sir Al Aynsley-Green
Children's Commissioner
and Accounting Officer

9 July 2008

Management report

The Children's Commissioner is a Corporation Sole, established under the Children Act 2004, to promote awareness of the views and interests of children and young people in England. The Commissioner has a UK-wide responsibility for issues that affect children and young people and which have not been fully devolved.



In May 2007 we changed the name of our organisation from the Office of the Children's Commissioner to 11 MILLION. We are established as a non-departmental public body sponsored by the Department for Children, Schools and Families. Our budget is set by the Secretary of State for Children, Schools and Families who also appoints the Children's Commissioner. Each year the Children's Commissioner reports to Parliament through the Secretary of State for Children, Schools and Families.

Introduction

2007/08 was the first year of our current five year strategy, the aims of which are to achieve better outcomes and access to rights for children, and to improve the relationships between adults and children. This means it was the first year in which we structured our work across one large themed project (Happy and Healthy) and several smaller pieces of work we called our Spotlight issues. We benefited greatly from the additional focus this structure has given to our work, and we have seen a large number of impacts from our work this year. However, inevitably there are tensions around how much work we are trying to do, and the limitations of the resources available to us.

Investment in fixed assets

This year we spent £50,000 developing a new website aided by a team of children and young people. They worked with a web design company to produce a very exciting internet presence for children to visit and get involved in. The website was completed and then officially launched in April 2008. We also spent £36,000 on a new financial accounting software package, and £29,000 on the further development and implementation of our correspondence tracking software. We spent £39,000 on premises and equipment.

Future fixed asset investment

We are not expecting any further significant fixed asset investment in 2009/10. However, we are aware that we may need to vacate our offices when our lease runs out in March 2011. This is because it is possible that our building may be redeveloped. The implication for us is that we would need to find new premises and may also need to spend a significant amount of money on 'fit out' costs.

Our staff

We started the year with 24 full time staff and ended it with 27.5 people on full time contracts. The expansion of numbers took place within our Policy and Participation teams, and with the addition of an Enquiries Officer to our Corporate Services team. We will recruit one more person to our Participation team in 2008/09 and we are also reviewing our management structure to reduce the number of different grades in our organisation. If we implement this option we would expect to have more staff at lower grades and fewer staff at higher grades by the time of next year's management report. This is because we are no longer in 'set up' phase, and so need different skills and experience. We spent £1,523,000 on staff costs in 2007/08.

Project expenditure

We spent £479,000 on projects during the year. Of this, £99,000 was the overall cost of our participation work. We spent £106,000 on working with children and young people and a web development company to produce our new website, as well as web hosting, promotional activity, moderation set up and amends to our previous site. We spent £65,000 on our Happy and Healthy project. The rest of our project expenditure was split between other smaller projects. These included a big piece of work on mental health and young people, which contributed to significant changes to the Mental Health Act 2007.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a responsible level, rather than eliminate all risk of failure to achieve aims and objectives. It can therefore only provide reasonable assurance of effectiveness. The system of internal control is designed to identify and prioritise the risks to the achievement of the Children's Commissioner's aims and objectives; to evaluate the likelihood of those risks being realised; and to manage them efficiently, effectively and economically.

The system of internal control has been operative for the year ended 31 March 2008 and up to the date of approval of the Annual Report and Accounts. It accords with Treasury guidance.

The risk and control framework

Risk identification and assessment is now an integral part of the Children's Commissioner's corporate and business planning. The process of risk assessment is led by the Strategic Board, with inputs from managers and staff. All risks have a designated senior manager and managers responsible for reporting the status of each identified risk. New risks which are identified during the year are added to the risk register.

The risk register is reviewed at every meeting of the Strategic Board and Audit and Risk Committee. This review covers the top 10 risks and changes to the register since the last review. The Strategic Management Board and the Audit and Risk Committee also review the whole register several times a year. The Audit and Risk Committee reported to me that they are content that appropriate consideration is being given to risk management.

Review of effectiveness

As Accounting Officer, I am responsible for reviewing the effectiveness of the system of internal control. My review is informed by the work of our internal auditors and 11 MILLION senior managers who have responsibility for the development and maintenance of the internal control framework. Bentley Jennison were appointed in October 2006 for a three year period to provide our internal audit function. We have taken careful account of comments made by the external auditors in their management letter following the 2006/07 audit of our financial statements.

Since implementation the effectiveness of the system of internal control has been and will continue to be maintained by:

- regular monitoring of the status of corporate risks by the Strategic Board;
- review and approval by the Strategic Board of key policies which underpin internal control systems;
- oversight of the status of all risks by the Audit and Risk Committee;
- scrutiny of all internal and external audit reports by the Audit and Risk Committee, supported by follow-up reports on the management response;
- receipt of the Internal Auditor's Annual Report; and
- receipt of the Audit and Risk Committee's Annual Report.

Statement of internal control

Introduction

The Children's Commissioner is a Corporation Sole, set up by the Children Act 2004.

I was appointed in March 2005 and took up my post as Children's Commissioner on a full-time basis on 1 July 2005. My appointment as the Accounting Officer was made on 26 July 2006. The resource budget was set at £3 million per annum for the three year period 2005/06 to 2007/08. The financial year April 2007 to March 2008 is the third year of our operation as a non-departmental public body (NDPB).

Scope of responsibility

As Accounting Officer, I have a personal responsibility for maintaining a sound system of internal control that supports the achievement of the Children's Commissioner's 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. I am also accountable to Parliament for maintaining effective systems for identifying, evaluating and managing the principal risks of the Children's Commissioner as detailed in the management statement.

In order to meet my statutory responsibilities, I have designed a structure that establishes robust scrutiny and governance arrangements for the Corporation Sole. In the first year of operation, I established the core systems for assessing and reviewing risks and taking mitigating action where appropriate. During 2006/07 we worked to define a longer term strategy for the Children's Commissioner, resulting in a five year strategy. During 2007/08, we developed an annual business plan for 2008/09.

Our governance process is led by the Strategic Board which consists of me, the Chief Executive Officer, the Director of Policy and Research and the Director of Communications and Participation. In addition, to provide independent scrutiny, we appointed, through the Cabinet Office's public appointments procedure, an Audit and Risk Committee, comprising a Chair and three Members. The remit for this Committee covers the oversight of audit and risk management. The Audit and Risk Committee met six times in 2007/08. A separate Remuneration Committee has also been established responsible for approving pay reviews developed by the Strategic Board. This committee met twice during 2007/08. This Statement of Internal Control was reviewed by the Audit and Risk Committee at its meetings in April and May 2008.

The role of the Strategic Board is to determine the Children's Commissioner's strategy, as well as the risk management culture, an appropriate level of risk exposure, and approves major decisions within the organisation's risk profile. It also has responsibility for monitoring management of corporate risks, satisfying itself that risks are being actively managed and annually reviewing the Children's Commissioner's approach to risk management. The Audit and Risk Committee scrutinises the working of the Strategic Board in these areas.

The Children's Commissioner's relationship with its sponsor department, the Department for Children, Schools and Families (DCSF), is defined in the Management Statement with its accompanying Financial Memorandum, and is maintained through regular meetings with the DCSF sponsor team and periodic meetings with Ministers. The DCSF has observer status on the Audit and Risk Committee. I continue to meet regularly with the DCSF Accounting Officer, the Permanent Secretary, to review my function as Accounting Officer.

Future financial risks

We are monitoring the possible financial risks which may materialise by the end of our lease on 1 London Bridge. The terms on which the superior landlord agreed to an underlease allowed them, on expiry of the original lease, to insist on restoration of the property to its original condition before our alteration work began. We have protected our position in the lease agreements with our landlord. Our liability is limited to elements such as the removal of partitions and alterations to compartment walls. Liability in respect of the restoration of the high cost items of mechanical and electrical installations and floor, wall and ceiling finishes is excluded.

Governance

The Children's Commissioner continues to be well served by his Strategic Management Board and by the Audit and Risk Committee.

The Strategic Management Board is chaired by the Children's Commissioner and includes Rob Williams (Chief Executive); Claire Phillips (Director of Policy and Research) and Lisa White (Director of Communications and Participation). The Chair of the Audit and Risk Committee attends every second meeting of the Strategic Management Board. In 2007/08, the four full members of our Audit and Risk Committee were Terry Price (Chair), Christine Barwell, Mark Eldridge and Shujahat Aslam. All of the above also serve as members of the Remuneration Committee.

The new Remuneration Committee carried out its duties scrutinising the operation of our pay and reward policy. Towards the end of the year, the Strategic Management Board agreed to create a position for a Legal Non-Executive Board Member. We will go through an appointment process for this role in the first half of the new financial year.

Our internal auditors, Bentley Jennison, carried out a full year of audit testing on our internal controls and governance risk management, and found our systems to be greatly improved. More details on this can be found within the Statement of Internal Control. We were happy to see that they recognised the progress we have made in our organisational development.

Child protection

We are committed to ensuring the safety of children and young people who become involved in our work in any way. All staff are checked by the Criminal Records Bureau (CRB) to an enhanced level. This year we have done a significant amount of work on our safeguarding policies and procedures with the assistance of expert advice from the NSPCC. We now have a comprehensive safeguarding policy, with all staff having received training in how our policies and procedures work, and their responsibilities.

All external suppliers who are expected to work with children are also required to go through the CRB check process.

Opportunities and diversity

We aim to provide support and assistance to enable staff to manage their own career development in partnership with us and to reach their full potential regardless of race, gender, marital status, sexual orientation, religion, ethnic origin, disability or age.

Health and safety management

The Strategic Management Board has agreed the Health and Safety policy. The Children's Commissioner is committed to providing a safe and healthy workplace for all employees, consultants, agency workers and children as specified by the occupational health and safety requirements in the Health and Safety at Works Act 1974 and subsequent legislation or amendments. The ultimate goal of the health and safety policy is to prevent injury and ill health in the workplace.

Environmental policy

The Children's Commissioner is committed to best environmental practices including recycling. This year we started work on developing our sustainability framework and will be developing comprehensive sustainability policies over the Summer of 2008.

Data security

The security of information we hold on members of the public is a priority for us. In 2007/08 we began an intense review of our procedures for handling personal protected data and we expect to launch revised comprehensive data security policies by the end of July 2008. From this year, public offices like ours are required to publish details of any incident of data loss involving personal protected data. The definition of 'personal protected data' is given by the Cabinet Office in guidance issued on 6 March 2008. In the year 2007/08 we have had no incident of data loss concerning personal protected data. In the three prior years we also had no loss involving personal protected data.

Relationship with suppliers

We aim to achieve transparency, fairness and value for money through our procurement processes, and to pay undisputed invoices within 30 days. In 2007/08, we paid 75 per cent of invoices within this target period and we aim to improve this area in 2008/09.

Pension liabilities

Full details of our pension processes are outlined in Note 3 to the accounts and in the Remuneration Report.

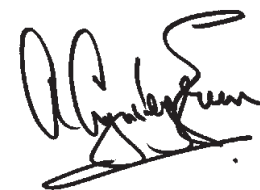
Audit

In accordance with the Children Act 2004, our financial accounts are audited by the National Audit Office under direction from the Comptroller and Auditor General.

So far as the Accounting Officer is aware, there is no relevant information of which the auditors are unaware.

The Accounting Officer has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Signed



Professor Sir Al Aynsley-Green
Children's Commissioner
and Accounting Officer

9 July 2008

Statement of responsibilities of the Children's Commissioner

Under the Children Act 2004, Schedule 1, Clause 8, the Children's Commissioner is required to prepare accounts in accordance with HM Treasury requirements. The accounts are prepared on an accruals basis and must give a true and fair view of the Children's Commissioner's state of affairs at the year-end, and of its income and expenditure and cash flows for the financial year just ended.

In preparing the accounts the Children's Commissioner is required to:

- observe the accounts direction set out in the Financial Memorandum and Accounts Direction issued by the Secretary of State for Children, Schools and Families, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departure from these in the financial statements; and
- prepare financial statements on the going concern basis, unless it is inappropriate to presume that the Children's Commissioner or its functions will continue.

The Principal Accounting Officer for the Department for Children, Schools and Families has designated the Children's Commissioner as Accounting Officer for 11 MILLION. The Accounting Officer is responsible for the proper management of resources and staff, for ensuring that Government guidance on regularity, propriety and value for money is complied with, and is responsible for the following:

- keeping proper records and safeguarding 11 MILLION's assets;
- advising the Audit and Risk Committee on financial, risk and remuneration issues;
- ensuring the efficient, economic and effective management of the Children's Commissioner's resources, including cash, liquid assets, capital assets, equipment and personnel;
- signing the final statement of accounts and sending copies of the statement to the Secretary of Children Schools and Families and the Comptroller and Auditor General in accordance with the timetable; and
- observing the guidance in Managing Public Money and all other guidance on the responsibilities of accounting officers that the Treasury or the Cabinet Office may issue from time to time.

A copy of the accounts is available from 11 MILLION at 1 London Bridge, London, SE1 9BG or via our website at www.11MILLION.org.uk

RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004. The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement). 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

The Cash Equivalent Transfer Value


A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits 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 Civil Service pension arrangements and for which the Civil Service (CS) Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

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

Civil Service pensions

This is covered in the notes to the accounts.



Professor Sir Al Aynsley-Green
Children's Commissioner and Accounting Officer

9 July 2008

Remuneration report

Remuneration Committee

The Children's Commissioner has appointed an Audit and Risk Committee. From May 2007 the Children's Commissioner established a separate Remuneration Committee as a sub group of the Audit and Risk Committee, whose terms of reference include remuneration for all staff in 11 MILLION. A merit based pay review system has been introduced from April 2007.



The Children's Commissioner's pay is reviewed by the Permanent Secretary in the Department for Children, Schools and Families, in line with average Senior Civil Service pay increases.

Service contracts

Professor Sir Al Aynsley-Green was appointed as the Children's Commissioner by the Secretary of State for Education and Skills. In accordance with the Children Act 2004, his salary is paid for by grant-in-aid from the Department for Children, Schools and Families and is identified separately in the accounts.

Other appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointments to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended until they reach the normal retiring age. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Salary and pension entitlements (audited information)

The following sections provide details of the remuneration and pension interests of the senior officials of the Children's Commissioner.

Remuneration

	2007/08		2006/07	
	Salary in bands of £5,000	Benefits in kind (to nearest £100)	Salary in bands of £5,000	Benefits in kind (to nearest £100)
Sir Al Aynsley-Green Children's Commissioner Contract for 5 years April 2005 to March 2010 3 months notice	£135,000 to £140,000	–	£130,000 to £135,000	–
Rob Williams Chief Executive Officer 3 months notice	£80,000 to £85,000	–	£50,000 to £55,000 ¹	–
Claire Phillips Director of Policy On secondment from Department of Health 3 months notice	£80,000 to £85,000	–	£85,000 to £90,000	–
Lisa White Director of Communications and Participation 3 months notice	£70,000 to £75,000	–	£70,000 to £75,000	–

¹ Figure quoted for the period 1 August 2006 to 31 March 2007. The full year equivalent is £80,000 to £85,000.

Salary

'Salary' includes gross salary; performance pay or bonuses; London weighting; and any other allowance to the extent that it is subject to UK taxation.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument.

Pension benefits

	Accrued pension at age 60 as at 31/3/08	Accrued lump sum at age 60 as at 31/03/08	Real increase in pension at age 60	Real increase in lump sum at age 60	CETV at 31/3/08	CETV at 31/3/07	Real increase in CETV
Sir Al Aynsley-Green Children's Commissioner 3 months notice	5–10 (0–5)	–	0–2.5 (0–2.5)	–	103	62	34 (37)
Rob Williams Chief Executive 3 months notice	0–5 (0–5)	–	0–2.5 (0–2.5)	–	30	10	15 (8)
Claire Phillips Director of Policy On secondment from Department of Health 3 months notice	30–35 (25–30)	90–95 (85–90)	0–2.5 (0–5)	2.5–5 (10–15)	571	476	17 (73)
Lisa White Director of Communications and Participation 3 months notice	5–10 (0–5)	15–20 (0–5)	0–2.5 (0–2.5)	2.5–5 (5–7.5)	76	52	11 (52)

Figures in brackets reflect values at 31 March 2007.

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final 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. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with changes in the Retail Prices Index (RPI). 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 the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th 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 1 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 his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with