

ANNUAL REPORT AND ACCOUNTS

2016/17



Annual Report & Accounts

of

The Public Services Ombudsman for Wales
for the year ended
31 March 2017

Laid before the National Assembly for Wales
under paragraphs 14,16 and 17 of Schedule 1
of the Public Services Ombudsman (Wales) Act 2005

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**Performance
Report**

Ombudsman's Review of the Year



It is with great pleasure that I present the first combined annual report and accounts for the Public Services Ombudsman for Wales (PSOW) for the year ended 31 March 2017, which was my second full year in office. In accordance with paragraph 18 of Schedule 1 to the Act, I have personal responsibility for the overall organisation, management and staffing of the office and for its procedures in relation to financial and other matters.

Progress in Innovation, Improvement and Influence: A Review of 2016/17

I am delighted to be able to report substantial progress in the activities of the office over the past year, with specific reference to our three year strategic themes of *innovation*, *improvement* and *influence*, which have led to substantial increases in outcomes for complainants and, I hope, positive impacts on public services.

In terms of *innovation* the office made further progress on compliance, ensuring that recommendations for improvement are implemented and that we ensure that the learning from complaints is acted upon. We also continued to make progress with changes emerging from our paperless project.

This year I established Sounding Boards for the first time, holding meetings with voluntary sector representatives and the health sector, providing a “safe space” where bodies in jurisdiction, or key representative bodies, can challenge me about what we do and how we do it.

One area of particular improvement was the improvement on timescales – with a move towards *complainant centred timescales* and I am pleased that the Complaints Advice Team succeeded in ensuring that targets are met from when we receive complaints, rather than

when we have gathered sufficient information in order to investigate. The establishment of the Code Advisory Group has meant the proactive oversight of code of conduct complaints, and a seven per cent reduction in cases taking longer than six months. I was delighted that the introduction of the Public Interest Test has reduced the number of low-level complaints being considered by my office and that in the very rare occasions where we do refer more serious matters to the Adjudication Panel for Wales, it has found breaches of the code.

A new Quality Assurance Framework was developed with staff so that as well as coping with ever increasing quantities of work, the qualitative aspects of what we do are also supported. There have also been a range of good practice seminars for staff and a Staff Risk Workshop to

help support a new approach to Risk Management. We also appointed ICRS in order to undertake independent review of complaints about our services and also undertook a review of our information security.

The *improvement* function has started well. All Improvement Officers have developed specific action plans for the relevant bodies in jurisdiction this has led to a number of specific improvements in their complaint handling cultures:

Ceredigion County Council accounted for 28 per cent of upheld local government closed complaints in 2014/15; in 2016/17 this figure was 17 per cent.

Abertawe Bro Morgannwg University Health Board saw a substantial reduction of more than 25 per cent of their complaints received.

There was a small reduction in overall complaints closed against Aneurin Bevan University Health Board, which included a 14 per cent reduction in upheld complaints.

Whilst both Hywel Dda and Cwm Taf University Health Boards saw a significant increase in their complaint volumes, I am pleased to see that there was no corresponding increase in upheld complaints for Hywel Dda. In fact, there was a 50 per cent reduction. However, Cwm Taf saw a slight increase in upheld reports.

Unfortunately complaint volumes, upheld complaints, and public interest reports all increased for Betsi Cadwaladr University Health Board in 2016/17.

Given the variance in Health Board performance in complaint handling my office will be organising a special seminar for health complaints and best practice.

I was delighted that my first thematic report on Out of Hours services led to a peer review by the Welsh Government to be implemented throughout 2017. I produced a further thematic report *Ending Groundhog Day, Lessons from Poor Complaint Handling* in March 2017.

In 2016/17 there was a further increase in the use of Voluntary Settlement , an increase of some 26% per cent on the previous year. However, whilst this can lead to speedier resolution for complainants and cheaper processes for public services, it is important that Early Resolution is not seen as some form of easy escape for bodies in my jurisdiction. In May 2016 I issued a Section 22 report against Hywel Dda University Health Board when it failed to comply with an Early Resolution agreement. I expect the same level of compliance to an Early Resolution as with a recommendation emanating from an investigation.

I published six public interest reports in the course of the year, three of which were in relation to Betsi Cadwaladr University Health Board, a number of health reports also related to Out of Hours services.

In order to meet the needs of the people of Wales, my office can only function effectively through getting the best out of the talented people in its employ. During 2016/17 further developments were made to a new performance review and development planning system with further investment in training including HR support, Management Training and Coaching. We conducted a Staff Survey which led to an action plan which is being implemented. We have also looked at the structure of the organisation with further changes in relation to policy, communications, data, HR, information and ICT to ensure that we are fit for the future. In terms of staffing costs of particular note was the confirmation by the Cardiff and Vale of Glamorgan Pension Fund that the long standing pension deficit has been eradicated with the office intending to return £292,000 of the cash allocated in the 2017/18 Estimates. No further deficit payments are required.

In terms of our *influence* and collaboration with other bodies inside and outside Wales 2016/17 was a busy year. We implemented joint Internal Audit arrangements with the Older People and the Children's Commissioners and also implemented payroll arrangements for the Future Generations Commissioner. I was also delighted to participate in Wales Audit Office events on complaints in both North and South Wales. Memoranda of Understanding were signed with a number of Commissioners and Healthcare Inspectorate Wales.

I also met with NHS Chief Executives, Medical Directors and the NHS Confederation ensuring robust but constructive engagement and discussion.

During the course of the year I had positive appearances at the Equality, Local Government and Communities Committee and the Finance Committee of the National Assembly for Wales (NAW).

I was delighted to be elected to both the European and World Boards of the International Ombudsman Institute (IOI) and to continue as vice Chair of the Ombudsman Association (OA). PSOW staff have also played a key part in broader networks, with Chris Vinestock, the Chief Operating Officer, contributing to work on Service Standards across the sector, Katrin Shaw, Assistant Director of Investigations, chairing the Ombudsman Association Legal Interest Group and Marilyn Morgan providing PA services on a part time basis to the OA. One Investigation Manager, Claire Beynon, provided direct training to the new Northern Ireland Public Service Ombudsman and Jenny Strinati and Susan Hudson collaborated with other jurisdictions on Equality and Human Rights issues.

In October 2016 the IOI and OA held a seminar at Aberystwyth University which looked at the differing jurisdictions emerging in Scotland, Ireland and Northern Ireland in the context of draft PSOW legislation and the event was addressed by Rafael Ribó, Catalan Ombudsman and President of the European IOI, as well as Simon Thomas AM Chair of the NAW Finance Committee.

During 2016/17 we submitted a Regulatory Impact Assessment to the Finance Committee and I am very hopeful that the legislation will now be taken forward in 2017/18.

Finally, 2016/17 was a year of not just positive activity, but of positive outcomes. Despite the challenge of increasing workloads the number of complainants who received a positive outcome from my office, either through voluntary settlement or an upheld complaint, increased by 16 per cent!



Nick Bennett
Ombudsman

SNAPSHOT OF THE YEAR 2016/17

April

Published our new three-year strategic plan 'Innovation, Influence and Improvement'



May

Issued the first ever special report against a Health Board under Section 22 of the PSOW Act



June

Held our first meeting of the Service User Sounding Board comprising representatives from voluntary and advocacy groups to feedback on accessibility and of our service and processes

Chaired the Academi Wales summer school

Participated in Wales Audit Office complaints seminars



July

Our annual report highlighted a 4% rise in Welsh NHS complaints

Issued the Annual Letters to Health Boards and County Councils



August

Exhibited at the National Eisteddfod in Abergavenny

Issued updated Code of Conduct Guidance for county and town/community councillors



September

Took steps to improve transparency and openness by publishing our first open data spreadsheet – a list of all complaints closed by the office during 2015/16



SNAPSHOT OF THE YEAR 2016/17

October

Held a joint seminar with The WISERD-Centre for Welsh Politics and Society, Aberystwyth University, the Ombudsman Association and the International Ombudsman Institute to discuss the Ombudsman in a decade of public policy change

Elected as a Director of International Ombudsman Institute



November

Held our first Health Sector Sounding Board meeting

Issued three public interest reports against Health Boards



December

Welsh Government committed to conducting a peer review of out of hours care following a recommendation in our thematic report last year

Issued a public interest report against Bridgend County Borough Council for not monitoring a looked-after child's savings while he was in care, eventually resulting in him receiving the full amount back



January

Held awareness session on the role of the Ombudsman for Assembly Members



February

Launched the pilot of a tool to help investigators consider human rights in Ombudsman casework



March

Raised awareness of our work at the first Wales Council for Voluntary Action's annual conference

Published the second thematic report in 12 months - 'Ending Groundhog Day: Lessons from Poor Complaint Handling' which looked at failings in investigations by public bodies in Wales



Who we are, what we do

Role of the Public Services Ombudsman for Wales

As Ombudsman, I have two specific roles. The first is to consider complaints about public services providers in Wales; the second role is to consider complaints that members of local authorities have broken the Code of Conduct. I am independent of all government bodies and the service that I provide is free of charge.

Complaints about public service providers

Under the PSOW Act 2005, I consider complaints about bodies which, generally, are those that provide public services where responsibility for their provision has been devolved to Wales. The types of bodies I can look into include:

- local government (both county and community councils)
- the National Health Service (including GPs and dentists)
- registered social landlords (housing associations) and
- the Welsh Government, together with its sponsored bodies.

I am also able to consider complaints about privately arranged or funded social care and palliative care services.

When considering complaints, I look to see whether people have been treated unfairly or inconsiderately, or have received a bad service through some fault on the part of the service provider. Attention will also be given to whether the service provider has acted in accordance with the law and its own policies. If a complaint is upheld I will recommend appropriate redress. The main approach taken when recommending redress is, where possible, to put the complainant (or the person who has suffered the injustice) back in the position they would have been in if the problem had not occurred. Furthermore, if from the investigation I see evidence of a systemic weakness, then recommendations will be made with the aim of reducing the likelihood of others being similarly affected in future.

Code of Conduct Complaints

Under the provisions of Part III of the Local Government Act 2000 and also relevant Orders made by the National Assembly for Wales under that Act, I consider complaints that

members of local authorities have breached their authority's Code of Conduct. I can consider complaints about the behaviour of members of:

- county and county borough councils
- community councils
- fire authorities
- national park authorities and
- police and crime panels.

All these authorities have a code of conduct which sets out in detail how members must follow recognised principles of behaviour in public life.

If a county councillor wishes to make a complaint about another county councillor within their own authority, then I expect them to first of all make their complaint to that authority's Monitoring Officer, as it may be possible to resolve the matter locally without my involvement.

Management Team

The Management Team has continued to support and advise me in relation to strategic direction as well as the operational, day to day, running of the office.

Shared Services and Collaboration

My Finance, ICT and HR staff, who enable the delivery of our objectives, already work collaboratively when appropriate, sharing professional knowledge through a network comprising Welsh Government sponsored bodies plus Commissioners and they will continue to do so.

We continue to look to identify opportunities to work towards any pooled arrangement for sharing knowledge, skills and experience to achieve cost savings.

Improvement Officers

Last year I introduced into the roles of a number of investigation staff in my office, the additional role of 'improvement officer'. Whilst the main element of their role remains the investigation of complaints, their improvement role will include stakeholder engagement with certain bodies in jurisdiction as well as subject leads for areas which continue to affect quality public services.

I am pleased to say that I do not consider Cardiff & Vale University Health Board a priority for improvement engagement with my office any longer and so it no longer has an improvement officer linked to it. However, an improvement officer has been assigned to one new body for the coming year.

So for 2017/18 those organisations assigned an Improvement Officer are:

- Abertawe Bro Morgannwg University Health Board
- Aneurin Bevan University Health Board
- Betsi Cadwaladr University Health Board
- Ceredigion County Council
- Cwm Taf University Health Board
- Hywel Dda University Health Board
- Powys County Council

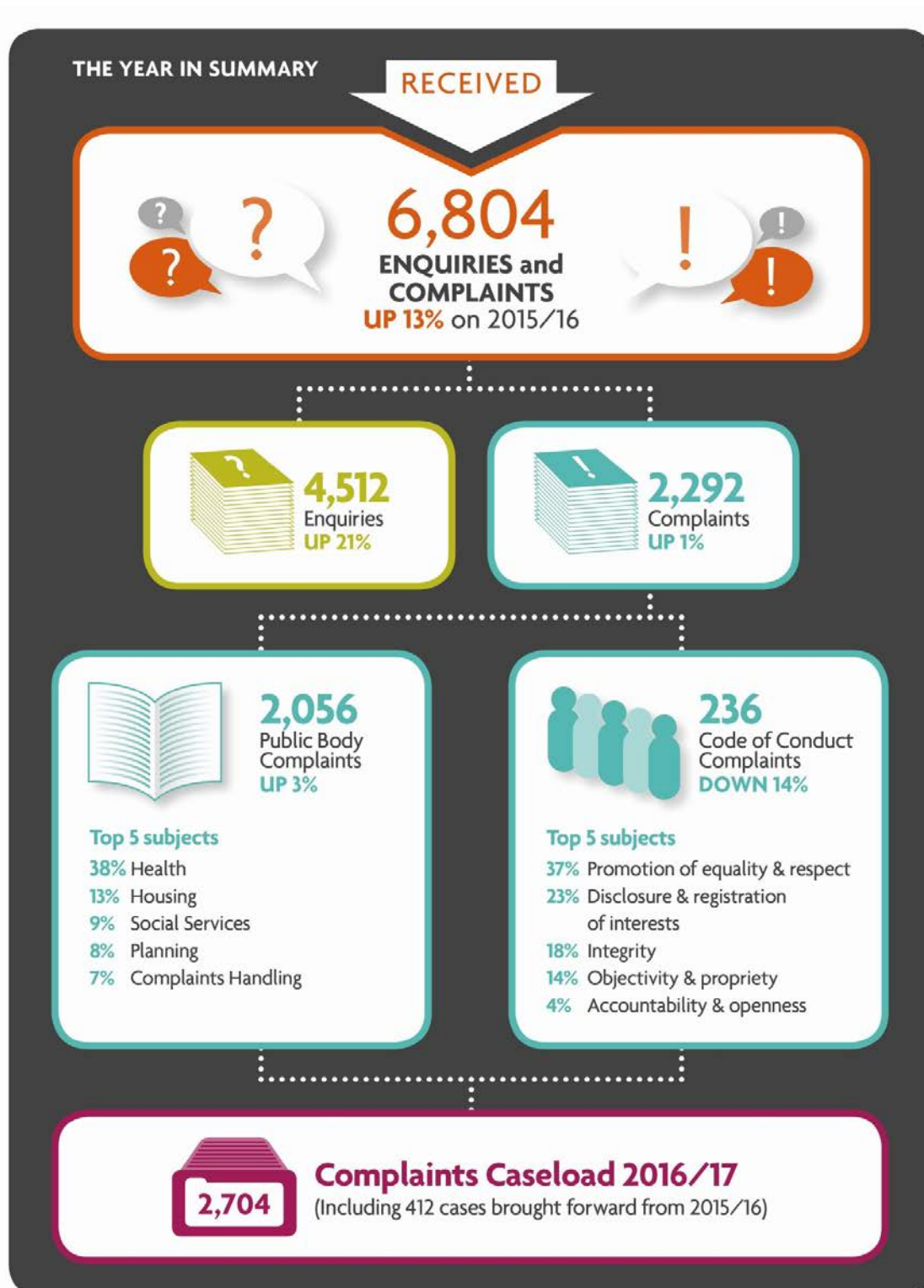
In engaging with these bodies we hope to see ongoing improvements in complaints handling, learning and putting things right, along with the governance arrangements necessary for continuous improvement. We will regularly review our data, and the insights we gain from these arrangements, to identify areas for improvements. I will in due course consider whether it would be beneficial to extend this approach to other bodies.

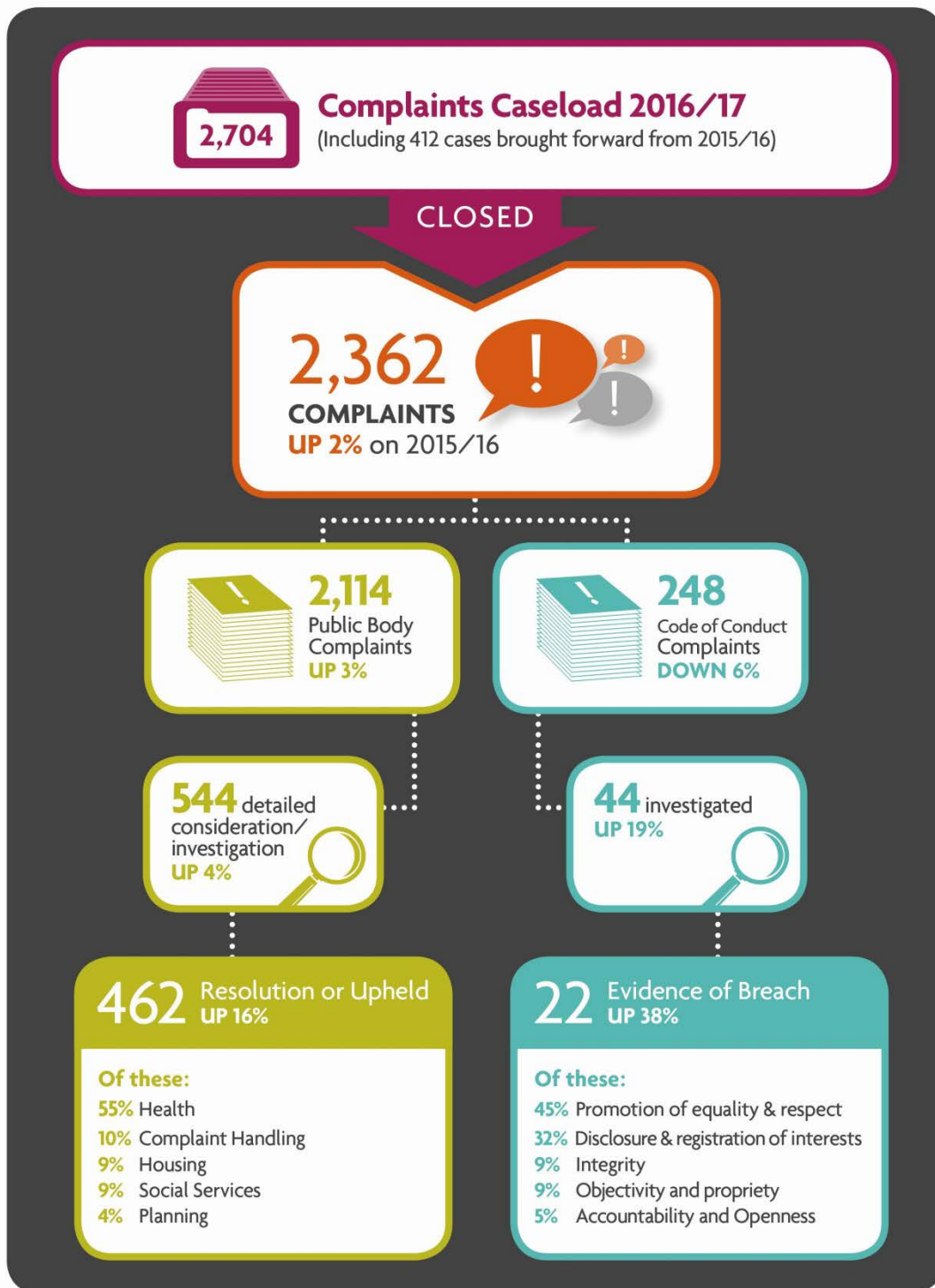
Subject leads are in place for:

- health
- housing
- local government planning services
- social services
- school appeals
- the code of conduct for local authority members
- our service provision on the Welsh language, and
- recommendations and compliance

Subject leads are specifically tasked with identifying trends from casework across the office, leading on thematic reports, and monitoring legislative and other developments affecting the subject areas.

The Complaints Service

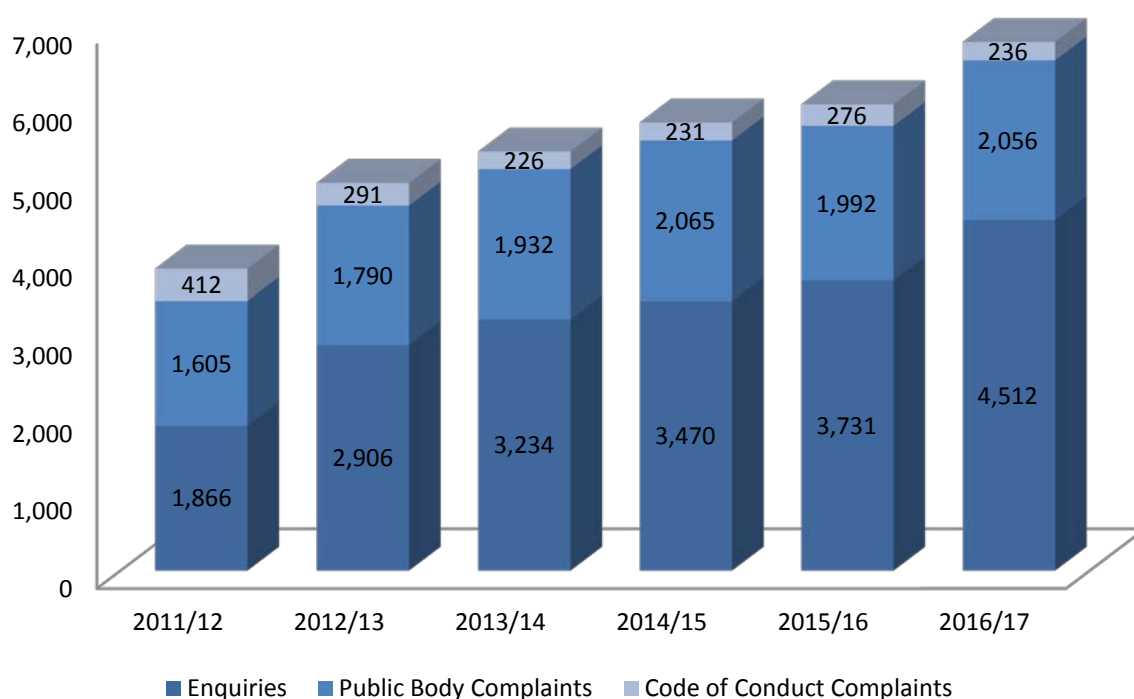




Overall Casework Statistics

The number of enquiries and complaints (public body complaints, and complaints about the conduct of members of local authorities) totalled 6804 during 2016/17 which is a 13% increase on the position for 2015/16. Over the past six years, overall casework has increased by 75%.

Total Enquiries and Complaints received by year



Enquiries

The office dealt with 4,512 enquiries during 2016/17 compared with 3,731 the previous year. This is a 21% increase. Despite this increase we have continued to maintain a fast and efficient service at the frontline.

We set ourselves the target of answering our main line reception calls within 30 seconds in 95% of cases. The Team performed impressively in this regard, answering 98% of calls within this timescale.

An enquiry is a contact made by a potential complainant asking about the service provided, which does not, result in a formal complaint being made to me at that time. At this point in our service we will advise people how to make a complaint to me or, where the matter is outside my jurisdiction, direct the enquirer to the appropriate organisation able to help them. Where appropriate, the Complaints Advice Team will also seek to resolve a problem at enquiry stage without taking the matter forward to the stage of a formal complaint.

Public Body Complaints

During 2016/17 we received 2,056 complaints about public sector providers – a 3% increase on the previous financial year. This brings public body complaints to a similar level as 2014/15 when my office received 2,065 complaints.

Sectoral breakdown of complaints received

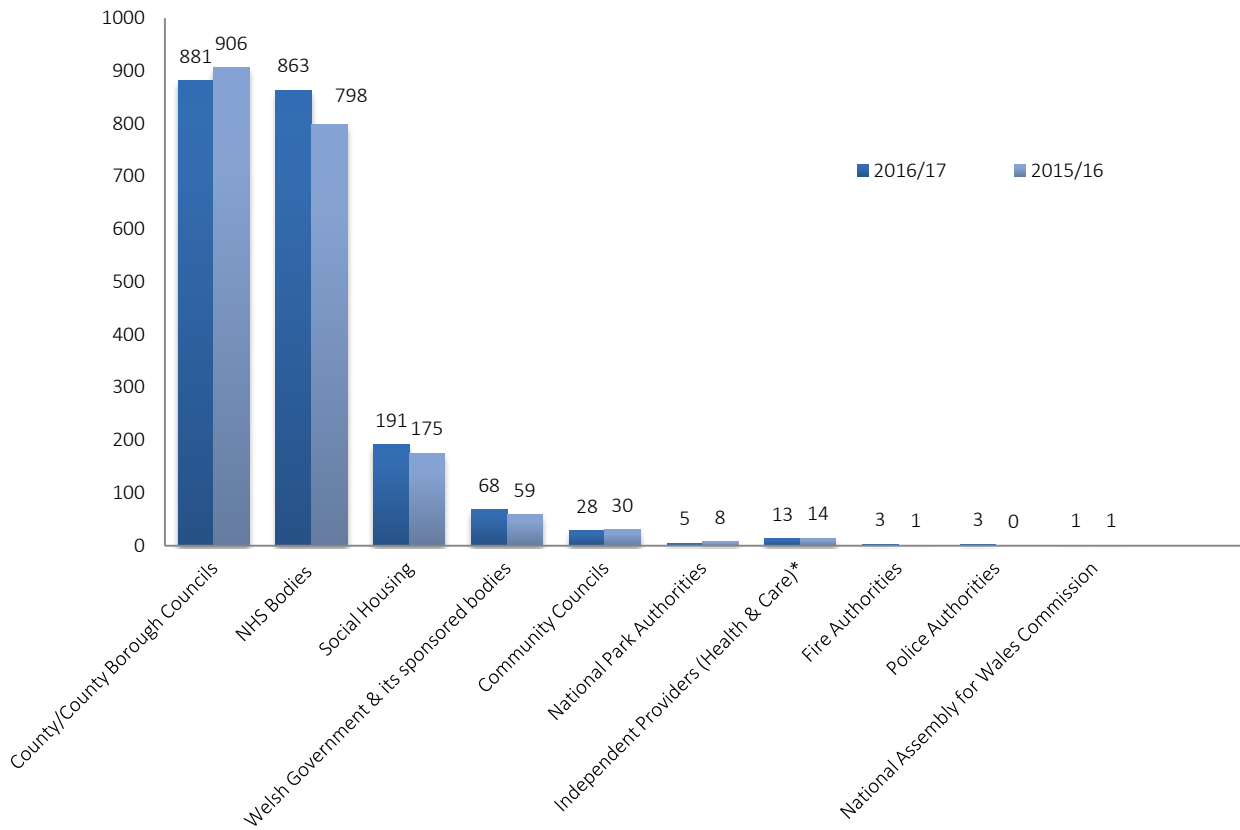
County councils have always generated the most complaints to this office due to the wide range of services they provide. However, for the second year running there has been a decrease in the number of complaints – down from 906 during 2015/16 to 881 in 2016/17.

Once again there has been an increase in complaints about NHS bodies. These include complaints about Local Health Boards, NHS trusts, GPs and dentists. There was a 8% increase in complaints about health bodies compared with 2015/16 (863 compared with 798)

Complaints about NHS Bodies have increased by 8% from 798 in 2015/16 to 863 in 2016/17. A large proportion of that increase is due to a rise in complaints **received** about Betsi Cadwaladr University Health Board of 23%.

The chart on page 16 shows the distribution of the complaints received by sector.

Complaints received by public body sector

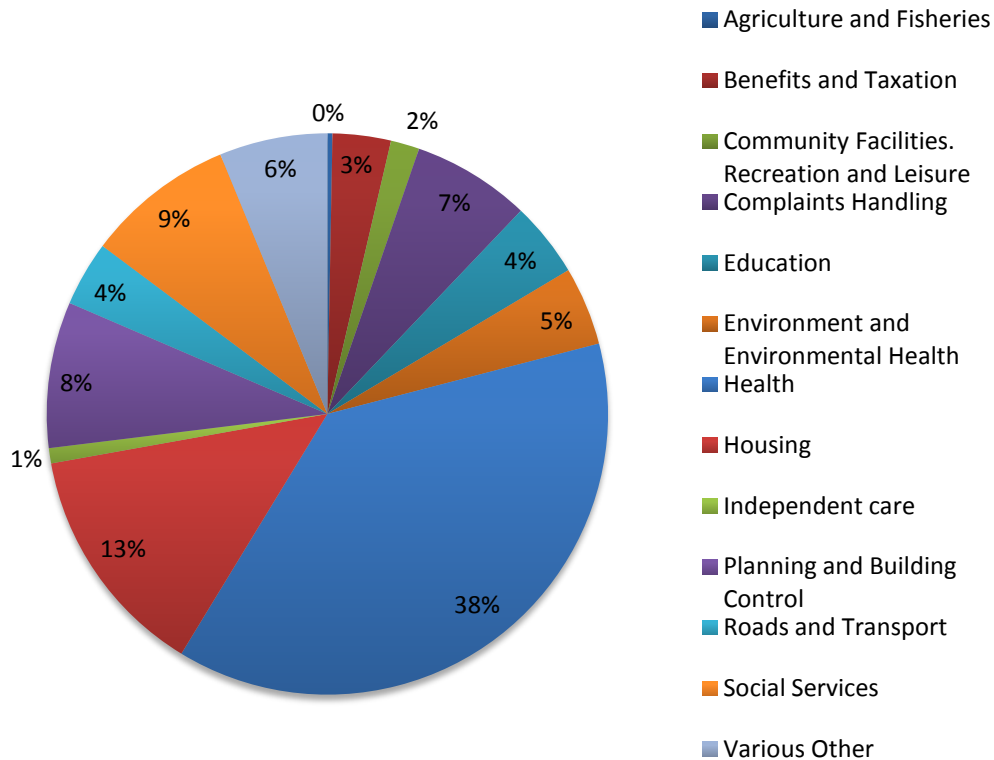


Complaints received about public bodies by subject

As consistent with previous years, health was the major part of our office caseload, up from 36% last year to 38% this year. This was followed by housing (13%) and planning and building control (8%). Social Services remained at a similar proportion as the previous financial year at 9%.



Complaints received about public bodies by subject



Outcomes of complaints considered

We closed 2,114 complaints about public service providers during the past year compared with 2,050 in 2015/16 (an increase of 3%). A summary of the outcomes is set out in the table below and detailed breakdowns of the outcomes by public service provider can be found at Annex A.

I am pleased that staff have managed to achieve this level of case closures during the year, together with the fact that the number of cases on hand at the end of 2016/17 stood at 345, compared with 412 at the end of 2015/16 (which is a reduction of 13%). This is well within what I consider to be a reasonable caseload for the office to have open at any one time.

Complaint about a Public Body	2016/17	2015/16
Closed after initial consideration	1570	1488
Complaint withdrawn	0	41
Complaint settled voluntarily	287	227
Investigation discontinued	16	19
Investigation: complaint not upheld	66	105
Investigation: complaint upheld in whole or in part	168	163
Investigation: complaint upheld in whole or in part – public interest report	6	7
Investigation: complaint upheld in whole or in part – public interest report (S22)	1	0
Total Outcomes – Complaints	2114	2050

Decision times

Time taken to tell the complainant if I will take up their complaint

We set ourselves a target to tell complainants whether or not I will take up their complaint. This year we introduced new key performance indicators. Previously there was a blanket four week target for all complaints, regardless of complexity. This has been changed to ensure the focus is on measuring against the service user's experience rather than the previous internal focus.

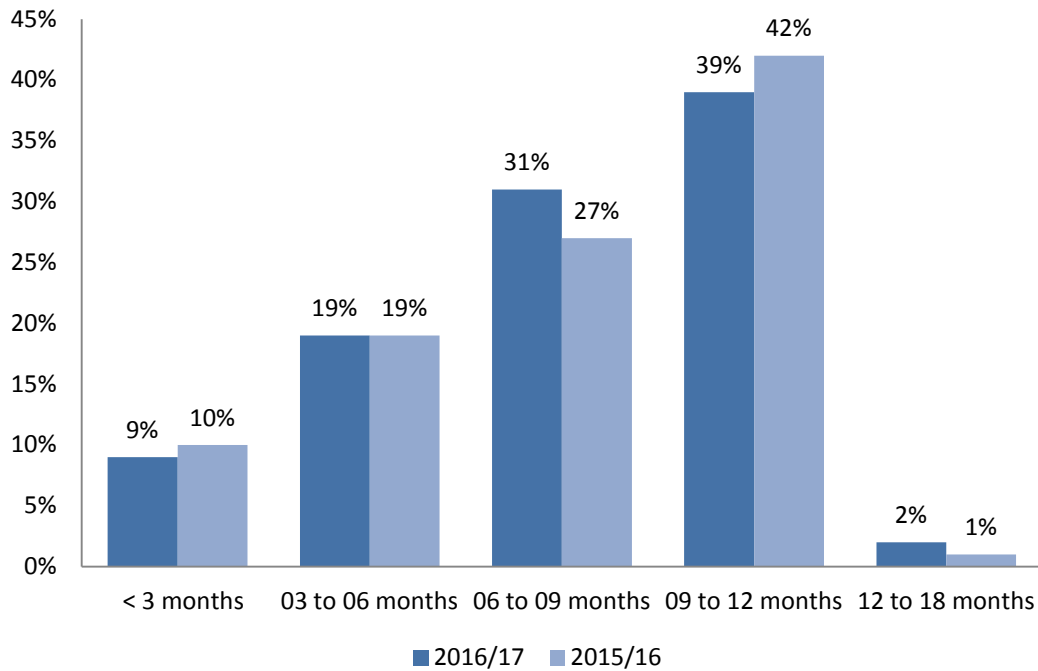
The new decision times are as follows:

- Decision on whether complaint within jurisdiction/premature - within 3 weeks.
- Decision on whether to investigate, following detailed assessment - within 6 weeks.
- Where decision to seek early resolution without need to investigate, resolution achieved - within 9 weeks.
- Date sufficient information received (DSIR) from complainant to investigation start date – within six weeks

	Percentage 2016/17
Decision on whether complaint within jurisdiction/premature – within three weeks	95%
Decision on whether or not to investigate, following detailed assessment - within six weeks.	92%
Where decision to seek early resolution without need to investigate, resolution achieved – within nine weeks	95%
DSIR to Investigation start date – within six weeks	80%

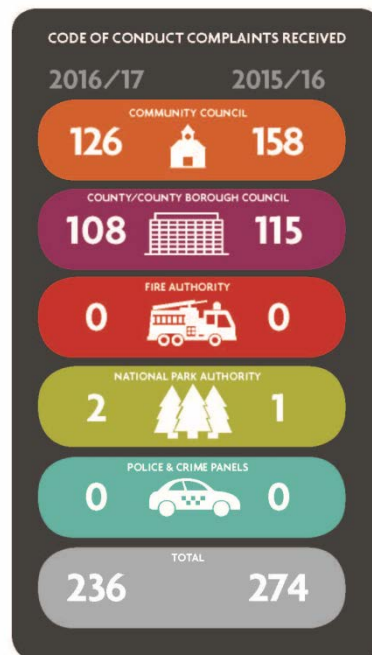
Investigation Decision Times

In 2016/17 we completed 98% of investigations within 12 months, against the 100% target we set ourselves. There were seven investigations that went over 12 months. These cases were complex and required further investigatory work, or where there were significant challenges to draft findings by the complainant or public body. The chart below gives further details on investigation timescales.



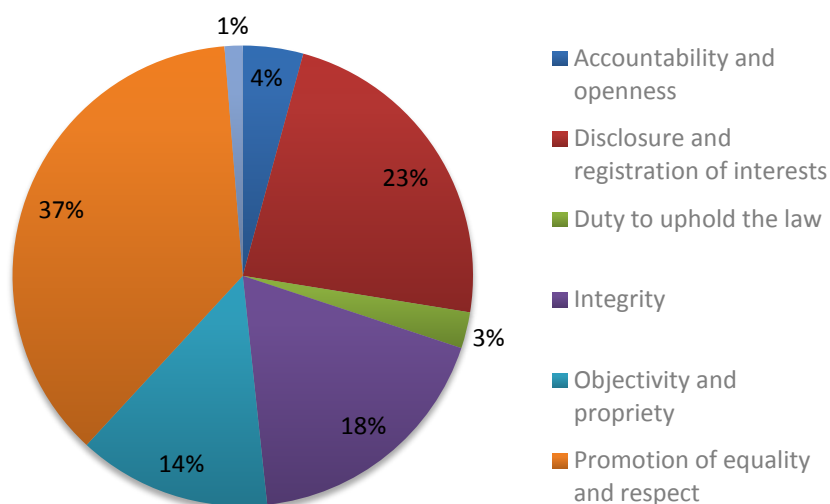
Code of Conduct Complaints

The number of code of conduct complaints decreased by 14% compared with 2015/16 (236 in 2016/17 against 274). This is encouraging considering historically, code of conduct complaints increase in the period before local elections.



Nature of Code of Conduct complaints received

The majority of complaints received during 2016/17 related to matters of ‘promotion of equality and respect’ accounting for 37% of the complaints made to me. (this was 41% in 2015/16). Disclosure and registration of interests (23%) and Integrity (18%) were the next largest areas of complaint which is consistent with the previous year.



Summary of Code of Conduct complaint outcomes

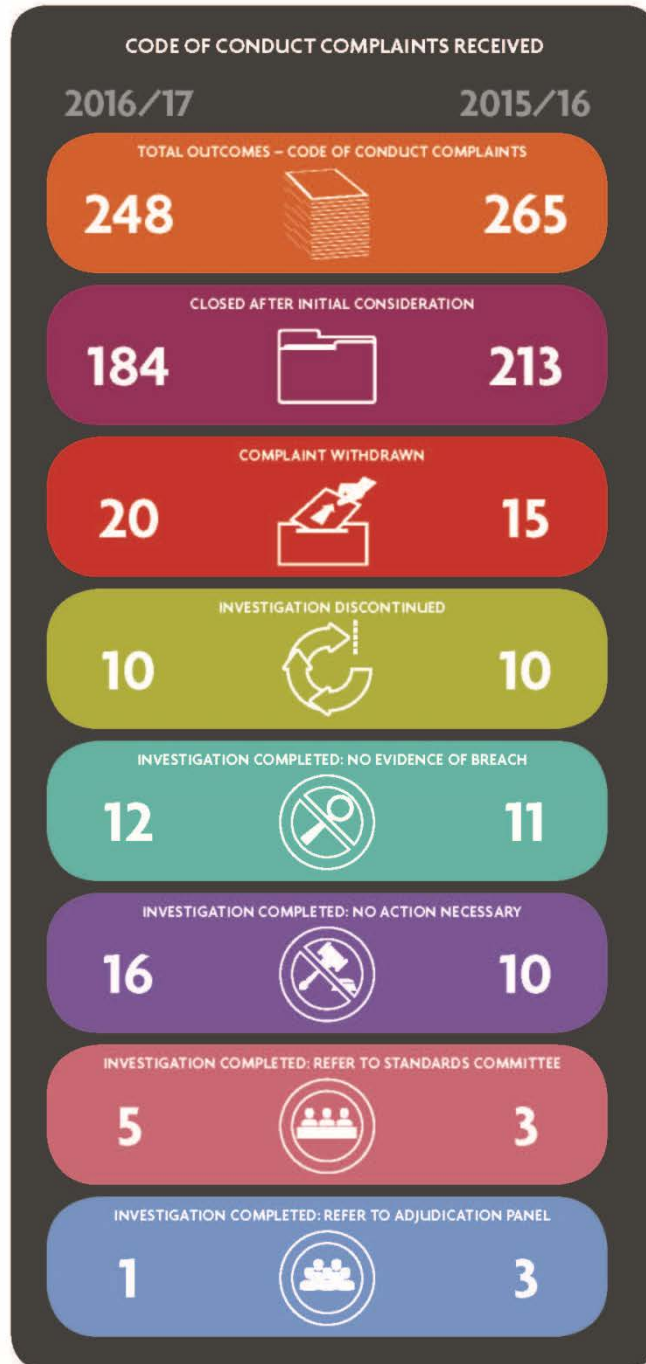
Of the 248 Code of Conduct complaints closed in 2016/17, the majority (184) were closed under the category ‘Closed after initial consideration.’

This includes decisions such as

- there was no ‘prima facie’ evidence of a breach of the Code
- the alleged breach was insufficiently serious to warrant an investigation (and unlikely to attract a sanction)

With regard to code of conduct closed cases, a greater number were fully investigated this year (34) compared to 2015/16 (27). Six cases were referred either to local authority’s standards committee or to the Adjudication Panel for Wales in 2016/17, the same number as the previous year. In these circumstances it is for these bodies to consider the evidence found, together with any defence put forward by the member concerned. It is then for them to determine whether a breach has occurred and, if so, what penalty, if any, should be imposed.

A breakdown of the outcomes is below:



A detailed breakdown of the outcome of Code of Conduct complaints investigated, by authority, during 2016/17 is set out in the Annex.

Decision times

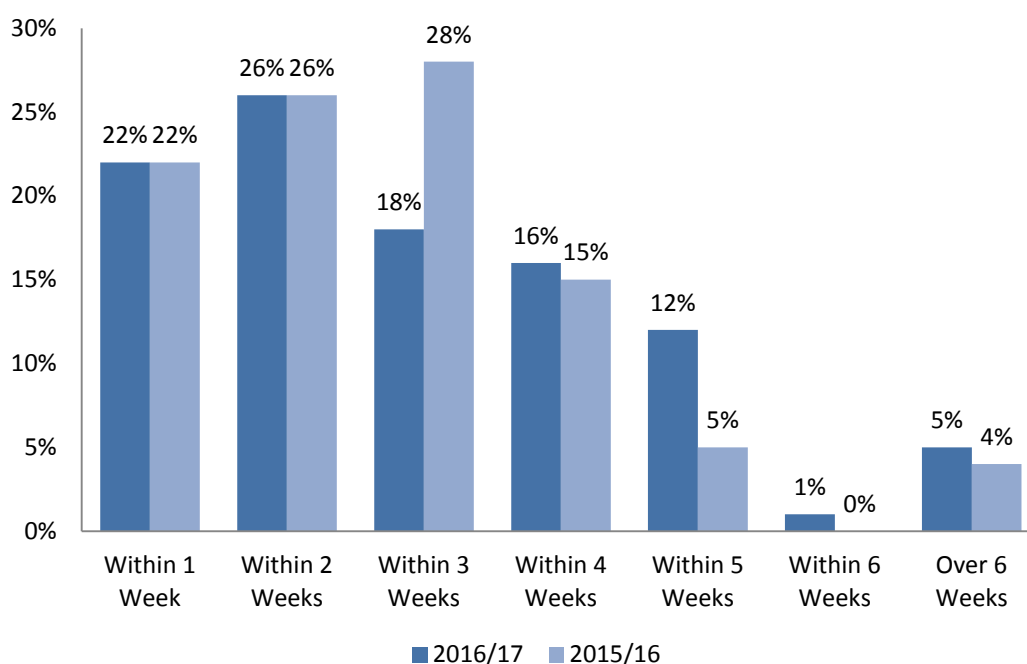
Time taken to tell the complainant if I will take up their complaint

In respect of Code of Conduct complaints, 82% of complainants were informed within four weeks of whether I would take up their complaint (from the date that sufficient information is received). This is considerably lower than during 2015/16 where 91% were informed within four weeks.

However, this is partially explained by the fact that a greater number of complaints this year reached investigation. I consider that it is fairer for us to take into consideration what a member has to say before taking a decision and this process can take some time. This is because the commencement of a formal investigation against a member is a stressful and serious matter for the member being complained about.

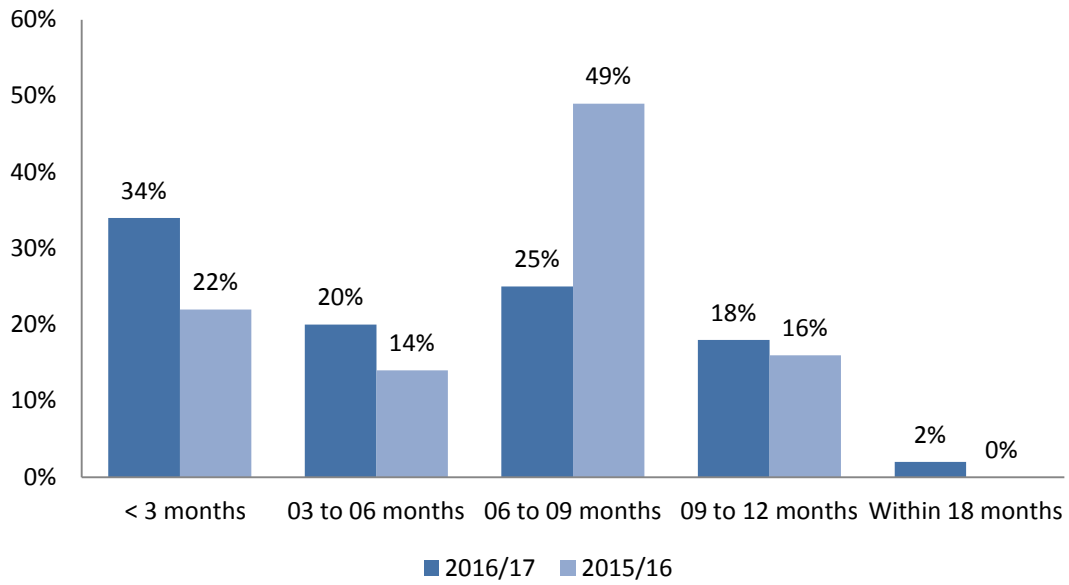
Further details on these decision timescales are shown below.

Code of Conduct time taken to tell the complainant if I will take up their complaint



Decision times for concluding Code of Conduct investigations

Comparing performance against 2015/16, a greater percentage of investigations were closed within three months (34% compared to 22% in 2015/16.)



Cases of Note

During 2016/17, I produced seven public interest reports, including one special report (see below).

All but one of the investigations were health related and worryingly, three of the cases were against the same hospital – Ysbyty Glan Clwyd run by Betsi Cadwaladr University Health Board.

The six health cases included:

- A patient with a history of chronic renal failure who waited 12 hours to see a consultant, and died a few hours later.
- A cancer patient who was left waiting 132 days to receive his first treatment.
- A patient at a South Wales hospital that died following a complete lack of medical staff involvement in his care over a weekend.

I am pleased that in all health cases, apologies were made to the families affected by shortcomings and recommendations were agreed to ensure the same mistakes are not repeated, although this will only ever provide some comfort to the families affected.

Another high profile investigation surrounded the monitoring of a looked-after child's savings accounts by Bridgend County Borough Council while he was in their care. While public interest reports from my office are anonymised, in this case, the complainant wished to speak to the media publicly.



Rob Johnson, 18, complained to my office that the Council had not managed his savings properly and in accordance with its policy. He said that some of his savings were wrongly used to pay for trips for which he should have received a special allowance.

My investigation found that the Council had failed to keep adequate records or retain Mr Johnson's saving books at the end of his fostering placement and it was unclear why his savings were as low as they were. These failings, amongst others, amounted to maladministration and my office calculated a figure for appropriate recompense for his savings.

Initially Bridgend Council refused to pay the amount but at a later date did make the £3,310 payment in full.

Mr Johnson said he was "over the moon" with the outcome, adding:

"It just shows that making a complaint does make a difference."

All our public interest reports are publicly accessible and can be found [here](#).

I am pleased to say in all of the code of conduct cases my office has referred to either local Standards Committees or the Adjudication Panel for Wales, the member has been found to have breached the code when the matter has been heard. This vindicates my decisions to investigate the complaints and refer them.

Thematic Reports

March 2017 saw the publication of the second thematic report in 12 months. 'Ending Groundhog Day: Lessons from Poor Complaint Handling' comprises 18 cases from public services across Wales where the service user had been let down by inadequate investigations and a failure to take ownership of complaints.

Failings highlighted include the inappropriate involvement in the investigation of staff complained about, as well as delayed and inaccurate responses.

My report calls for an end to the fear and blame culture that exists in some public bodies, and a move towards seeing complaints as learning tools. I also identified improved data collection as a means of identifying patterns of poor complaint handling and tackling bad practice.

If the new Ombudsman legislation is passed this year, it will allow the gathering and reporting of consistent complaint data across Welsh public services.

Special Report

Last year, a special report, under Section 22 of the Act, was issued against Hywel Dda University Health Board – the first time for a Health Board.

Under the provisions of the Public Services Ombudsman (Wales) Act 2005, pursuant to section 3, the Ombudsman is able to take any action he considers appropriate to resolve a complaint as an alternative to investigating it. This can include agreeing with a relevant body that it will take certain actions within a stipulated time. Where the Ombudsman is not satisfied that the relevant body has carried out the actions it explicitly agreed to undertake within the time specified he may issue a special report under s22(6) of the Act.

Annual Sustainability Report

The Public Services Ombudsman for Wales and his staff aim to reduce the impact of the office on the environment and operate in a sustainable and responsible manner.

Our Building

We have one office in Pencoed, near Bridgend. We originally took up the lease for the ground floor in 2005 and have, since then, expanded to occupy part of the first and second floors to accommodate 58 staff and visitors in a largely open plan office space.

Electricity is the only energy supply used and this provides lighting and heating/cooling as well as powering normal office equipment. The building is leased, which limits our ability to make changes to the energy efficiency of the building. Consequently our efforts focus on reducing material usage and waste.

Building Statistics

Building	Constructed	No. of Floors	Total Usable Floor Area (ft ²)	Heating Type	Electricity usage (Annual Av. kWh)
1 Ffordd yr Hen Gae	2004	3	16,460	Air Handling Units	102,577

Accessibility

The offices have good transport links. The railway station at Pencoed (less than one mile away) together with bus services to/from the site, provide public transport options for staff and visitors. Our offices are also easily accessed by car from the M4 motorway.

Progress

Staff are encouraged to use public transport where suitable, for business meetings and commuting. Showers and bicycle stands are provided at our offices.

Local suppliers are used where possible to help reduce carbon emissions.

In April 2016 the Public Services Ombudsman for Wales took its first steps to becoming a paperless office. A year on substantial progress has been made. So far:

- Our electronic case records are now the definitive case record, even where paper files exist
- Enquiries and initial assessment stages of our work are conducted using electronic documents only (emails, submissions via the internet and scanned documents)
- Letterhead details have been incorporated into electronic documents so that we do not need to print onto letterhead paper.
- Where possible we email rather than send correspondence by post.
- Staff have been provided with enhanced software to make it easier to work with electronic documents
- Bodies within the Ombudsman’s jurisdiction are asked for contact to be made electronically where possible.

Following these changes throughout 2017/18 the PSOW should expect to see a reduction in the amount of paper used and paper waste produced.

Waste

We recycle all waste paper confidentially and recycle general waste such as plastic, cardboard and tins along with batteries and toner cartridges. We are continuing to remind staff to minimise waste, particularly that sent to landfill.

We produce little food waste, but used coffee grounds and tea bags are offered to staff for use in compost.

Current Waste Figures

	Per week (average)	Per year (average)
Confidential Waste	600 litres	31200 litres
Mixed Recycling	300 litres	15600 litres
General Waste (including food waste)	1100 litres	57200 litres
Total waste per year		104,000 litres

We will be working to reduce waste in 2017/18.

Annual Equality Report

Under the Equality Act 2010 and the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 laid down by the National Assembly for Wales, the Ombudsman is required to produce an annual report in respect of equality matters. I do so here as part of my overall Annual Report and Accounts for 2016/17.

Accessibility

As part of our complaint process, we do our very best to identify as early as possible any individual requirements that may need to be met so that a service user can fully access our services and, in particular, we ask people to tell us their preferred method of communication with us.

We continue to develop strong links with third sector organisations which support our service-users, using their expertise to advise on how we can make our services more accessible.

Where we can we make reasonable adjustments to help people make and present their complaint to us. Well established examples are: providing correspondence in Easy Read, a dedicated pool of Welsh language speakers to deal with enquiries from the public in Welsh, and the use of Language Line for interpretation where a complainant is not comfortable with making their complaint in English or Welsh, obtaining expertise to assist us to understand the particular requirements of complainants with certain conditions, such as Asperger's syndrome, and visiting complainants at their homes.

We produce key documents in alternative formats, such as CD/tape and Braille, and translate these into the eight key ethnic minority languages used in Wales. Our website has continually been upgraded, and now features an enhanced BrowseAloud service. Additionally, the GoogleTranslate service has been embedded meaning that the PSOW website content pages are automatically translated into any one of over 100 languages on selection, and the BSL video and SignVideo service.

The Complaints Advice Team also continues to provide information on advocacy and advice organisations to those people who may need assistance in making their complaint to me. This information is also readily available on our website.

Equality Data Gathering / Monitoring – Service Users

We continued with our equality monitoring in respect of service users, which informs our annual outreach strategy. The outcome of the monitoring during 2016/17 in respect of the protected characteristic groups (as defined in the Equality Act) is set out below.

In view of the nature of the work of this office, we would expect the composition of people who complain to this office to, at the very least, mirror the national demographic position; in fact, we would expect the proportion of complainants from groups who could be considered to be at a disadvantage or vulnerable to exceed the national picture. In respect of each of the questions we asked, those who completed the form were given the opportunity to respond 'Prefer not to say'. Nevertheless, from the results below, the PSOW is relatively satisfied that in making comparisons with official data available (e.g. the Census 2011) the composition of our service users meets or exceeds national demographics in the way we would expect.

It is particularly good to see that of those who responded, 5% identified themselves as having a minority ethnic background, which is slightly higher than the demographic picture in Wales.

Protected characteristic group	Percentage Outcome
Age	
Under 25	3%
25-34	12%
35-44	20%
45-54	23%
55-64	20%
65-74	11%
75 or over	5%
Prefer not to say / No response	6%
Disability	
Yes	25%
No	65%
Prefer not to say/No response	10%
Health problem or disability limiting day-to-day activities?	
Yes, limited a lot	25%
Yes, limited a little	12%
No	51%
Prefer not to say/No response	12%
Gender reassignment	
Yes	1%
No	61%
Prefer not to say/No response	38%
Religion or belief	
No religion	38%
Christian (all denominations)	49%
Other religions	6%
Prefer not to say/No response	7%
Married or same-sex civil partnership	
Yes	49%
No	40%
Prefer not to say/No response	11%

Race/Ethnicity	
White	88%
Other ethnic background	5%
Prefer not to say/No response	6.7%
Sex	
Male	48%
Female	46%
Prefer not to say/ No response	6%
Sexual orientation	
Heterosexual or straight	83%
Gay or Lesbian	2%
Bisexual	1%
Other	0.5%
Prefer not to say/No response	13.5%

Customer Satisfaction

We have continued with our satisfaction survey practice in relation to customer satisfaction for our first contact service. The table below gives details for 2016/17.

	% of respondents answering either 'strongly agree' or 'agree'
It was easy to find out how to contact the Public Services Ombudsman for Wales	93%
The service I have received has been helpful and sensitive	88%
Staff were able to understand my query / complaint	90%
I was given a clear explanation of what would happen to my query / complaint	91%

Complaints about the PSOW service can be found in Annex C.

Outreach

For 2016/17 we focused on children and young people in our outreach work. This included liaising with colleagues at Children in Wales and the Children’s Commissioner for Wales to produce a ‘how to complain’ leaflet aimed at children, as well as committing to exhibiting at the Urdd Eisteddfod for the first time.

In order to learn from our colleagues in the third sector, we established a Sounding Board comprising members of voluntary and advocacy organisations which support our service-users. We wanted to listen to their feedback on our processes and service. We have held two meetings of the board so far which have been a great success. As a result we established a similar board for the health sector and are currently developing the membership for a third, local government Sounding Board.

We also actively engaged with a range of third sector bodies including the British Deaf Association, Stonewall, Care Forum Wales and various housing associations, as well as hosting a stand at the Welsh Council for Voluntary Action's annual conference.

Staff Equality Data Gathering/Monitoring

Our staff are asked annually to complete and return a monitoring form seeking information in respect of each of the protected characteristics That disclosure is, of course, on a voluntary basis. Most recent responses are set out below.

Age	The composition of staff ages is as follows: 25 to 34: 21% 35 to 44: 33% 45 to 54: 23% 55 to 64: 12% Prefer not to say 12%
Gender	63 % of staff stated they were Female; 31% Male; 6% prefer not to say. When asked if the gender staff identify with was the same as described at birth, 90% said yes, 2% said no, and 8% prefer not to say.
Disability	87% of staff said there were not disabled, 2% of staff said that they were a disabled person (11% preferred not to say). However, when asked if their day-to-day activities were limited because of a health problem or disability which had lasted, or was expected to last, at least 12 months, 0% said that they were limited a lot, 8% said they were limited a little, 81% said their day to day activities were not limited (12% preferred not to say)
Nationality	In describing their nationality, 52 % said they were Welsh; 25% said British, 12 % said they were English, 6% said 'Other' (6% preferred not to say)
Ethnic group	The ethnicity of staff is: 88% White (Welsh, English, Scottish, Northern Irish, British); 2% White/Irish 2% Black (African, Caribbean, or Black British/Caribbean 2% Asian or Asian British/Bangladeshi (6% preferred not to say)
Language	When asked about the main language of their household, 69% of staff said this was English; 16% said Welsh, and 4% said 'Other' (10% preferred not to say)

Religion or Belief	Responses to the question asking staff about their religion were as follows: No religion: 43%; Christian 36%; Muslim 2%; Other:2% (17% preferred not to say)
Marriage/Civil Partnership	53% of staff stated they were married; 2% were in a civil partnership; 20% were single; 4% replied Other (21% preferred not to say)
Sexual Orientation	Responding on this, 81% said that they were Heterosexual or Straight, 2% said Gay or Lesbian (17% preferred not to say)

Total percentages may not add up to 100% due to rounding'

Staff Training

The majority of staff training is based upon job roles or applicable for all staff to attend, and as such there are no equality considerations to report. All individually requested training by staff has been approved, and as such there is no need to report on equality data differences between approved and non-approved training requests.

Pay and Gender – data as at 31 March 2017

Under the specific duties we are required to set an equality objective for gender and pay; if we do not do so, we must explain why. I currently do not have any specific objective in this regard because females are very well represented at the higher pay scales within my office. The position is kept under continual review and the equality objectives will be revised if necessary. The table below shows the current position.

Pay (FTE)	Male*	Female*
Up to £20,000	0	4
£20,001 to £30,000	2	13
£30,001 to £40,000	2	5
£40,001 to £50,000	7	16
£50,001 to £60,000	4	3
£60,001 +	1	1
Subtotal	16	42
Total	58	

*Headcount

In relation to the working patterns of the above, all staff work on a full time basis with permanent contracts, with the exception of the following:

8 members of staff work part time (6 female, 2 male).

Recruitment

During the past year we have had 1 members of staff leave and 3 new employees were recruited. Due to the low numbers involved, the equality data for the individuals appointed has been reported as part of the all staff information above; it is not considered appropriate to report separate equality information relating to these individuals due to the risk of identification.

Two new members of staff were recruited via the 'Jobcentre Universal Job Match' scheme, and consequently, apart from their data being included in the above figures, we do not have any further equality data relating to other members of the Jobcentre scheme who were not presented to the PSOW for selection.

Disciplinary / Grievance

Due to the small numbers of staff working in the office, and the small number of instances of disciplinary / grievance, it is not considered appropriate to report on equality data for this category due to the risk of identification of staff involved. I remain satisfied that there are no identifiable issues in this area that would cause me concern.

Procurement

Our procurement policy now refers to the relevant equality requirements that we expect our suppliers to have in place.

Key Financial Data

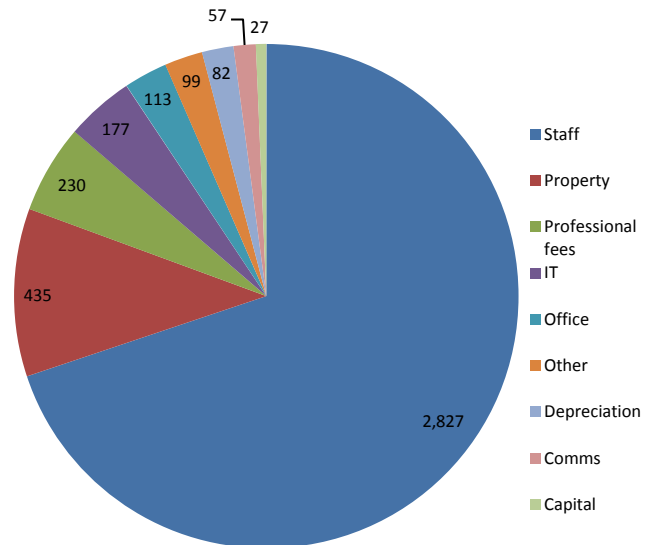
Resource Funding:	£4,090k	Total Assets:	£395k
Resource Expenditure:	£4,047k	Total Liabilities:	£749k
Cash to be Repaid:	£34k	Net Liabilities:	£354k

Resource Expenditure £000s (pages 72-73)

PSOW’s funding comes from the Welsh Consolidated Fund (WCF). Each year the estimated costs of running the Office have to be submitted to the Finance Committee of the National Assembly for Wales for consideration. When agreed, funds are drawn down monthly with any surpluses returned to the WCF during the following Financial Year.

Resource expenditure was £4,047k compared to funding of £4,090k. The under-spend was mostly attributable to changes in provisions and working capital.

A cash under spend of £34k will be returned to the WCF in 2017/18 as well as £5k income in excess of budget allocation.



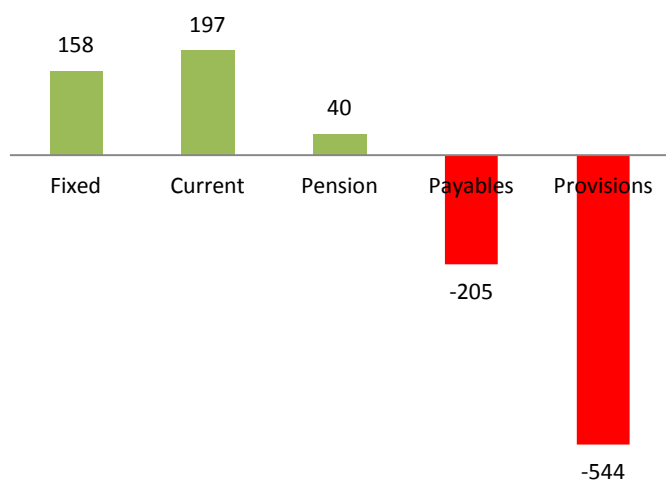
Assets and Liabilities £000s (pages 75-78, plus Pensions Disclosures pages 82-91)

Non-current assets consist of plant and equipment £140k, intangibles such as software £18k and pension fund surplus of £40k.

Current assets consist of receivables £163k and cash £34k.

Liabilities are accounted for by payables (£205k) and provisions for pensions and dilapidations (£544k).

There is a net liability of (£354k).



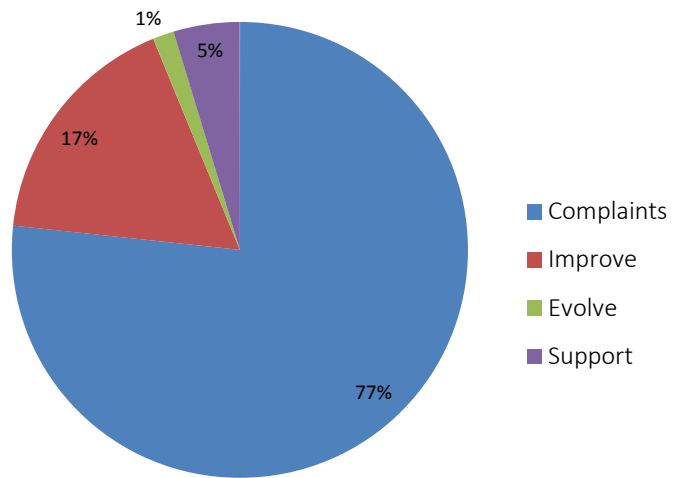
Expenditure by Aims and Objectives (page 74)

Aim 1: To provide a complaints service that is of the highest quality, proportionate and effective.

Aim 2: To use the knowledge and insight obtained from the complaints we consider to improve complaint handling by public services providers and to have an impact on improving public service delivery and informing public policy.

Aim 3: To continue to evolve and grow as an office, specifically planning for implementation of the Ombudsman’s new powers should the National Assembly for Wales create a new Public Services Ombudsman (Wales) Act.

Aim 4: To be accountable for the service we provide and the public money we spend.

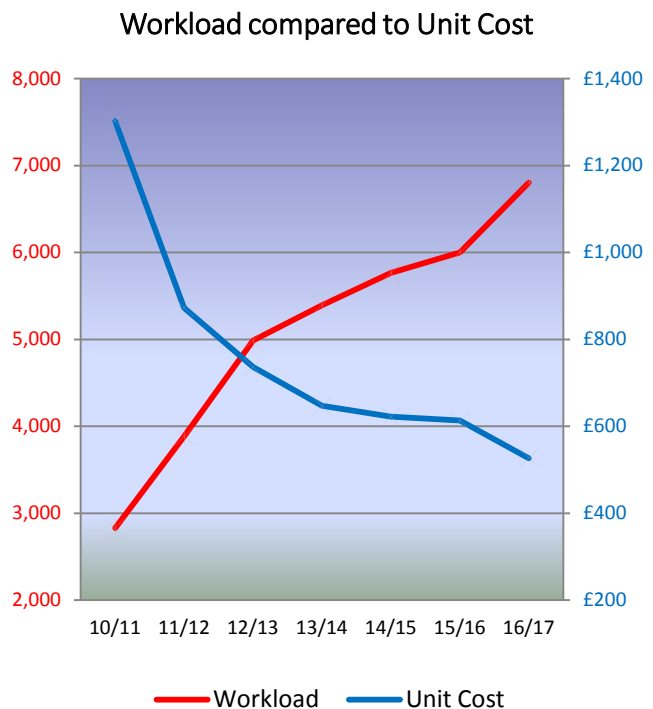


Trend (page 39)

Over the period 2010/11 to 2017/18 workload increased by over 140% whilst the unit cost reduced by 60%.

Enquiries	+300%
Complaints:	
Code of Conduct	-15%
Public Body	+44%

Over the same period resource expenditure decreased from £3.7m to £3.6m when adjusted for inflation – a reduction of 3%.



Nick Bennett
Accounting Officer

12 July 2017



**Accountability
Report**

Corporate Governance Report

Ombudsman's Report

Background

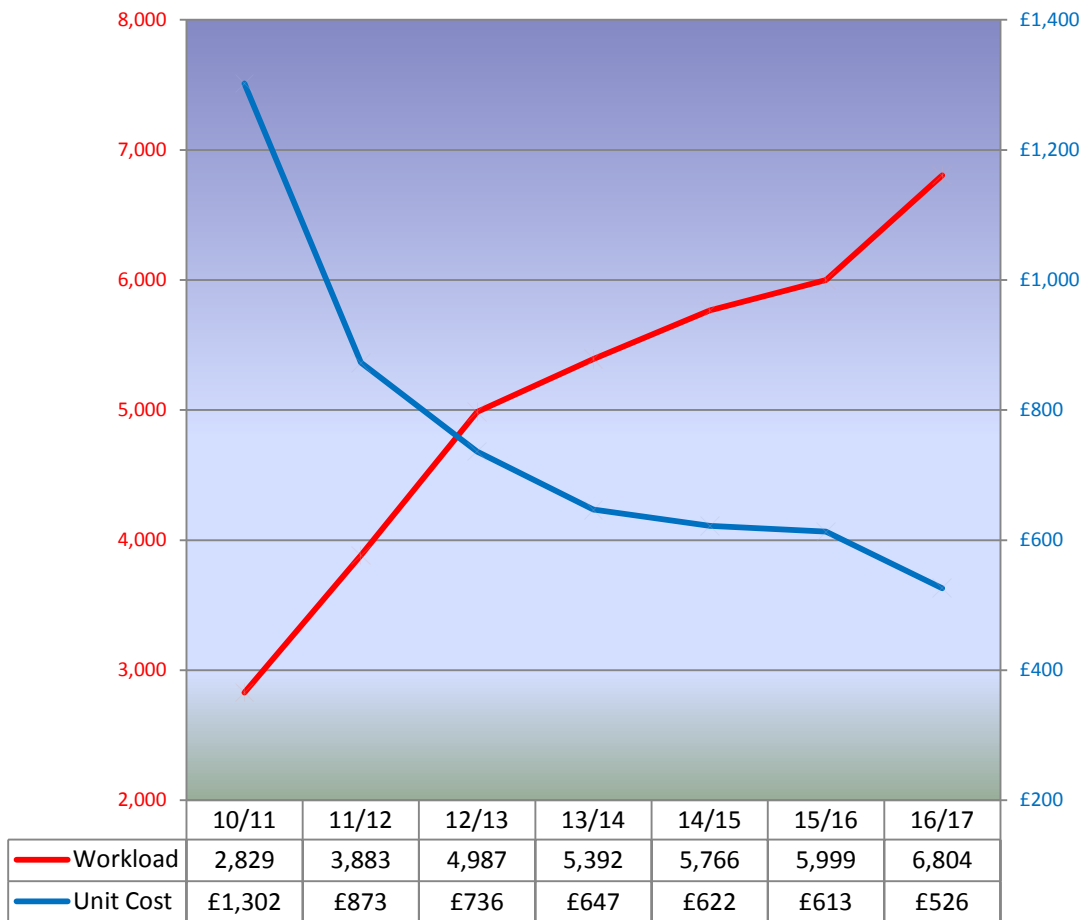
Under the Government of Wales Act 2006 the office is financed through the Welsh Consolidated Fund (WCF). Any unspent cash balances have to be repaid into the WCF no later than four weeks after a certified copy of the accounts has been laid before the National Assembly for Wales. This creates a further control in that there is a need to effectively manage the budget on both a cash and a resource basis. The salary of the office holder of the Public Services Ombudsman for Wales, and the related costs, are a direct charge on the WCF and are administered through the National Assembly for Wales.

As at 31 March 2017, the Office comprised 58 staff based in Pencoed, Bridgend including the Ombudsman, Chief Operating Officer, Assistant Director/Legal Adviser as well as investigation and support staff.

The National Assembly for Wales provided cash of £4.3 million for the funding of the Office although £34k of this is due to be returned to the WCF being the unused cash balance at the year end. The sum of £34k is within the accepted year-end balance criteria of 3% funding. The Office has achieved a level of spending in line with changes in the overall level of the Welsh block which is especially noteworthy considering the upward demand for the services of the Office.

Great strides have been made over recent years in improving efficiency in the way we consider complaints. This has been essential in view of the ever-increasing caseload. The table below shows that over the past seven years, the Office has seen an increase of over 140% in all contacts (that is, in enquiries, public body complaints and complaints about the conduct of members of local authorities) whilst unit costs have reduced by 60% when adjusted for CPI inflation. The past year has seen yet another increase in enquiries and complaints of 13%. Despite this, we have still managed to exceed the majority of our performance targets. We continued with our information technology upgrade programme with a view to getting new technology to take some of the strain of the administrative tasks associated with complaint handling.

Workload compared to Unit Cost



Remuneration

Details of the pay and related costs of the Ombudsman and the Office are shown in the Remuneration Report on page 54.

Pension Liabilities

The pension obligations to present and past employees are discharged through:

- (a) the Principal Civil Service Pension Scheme (PCSPS);
- (b) the Local Government Pension Scheme administered through the Cardiff and Vale of Glamorgan Pension Scheme (the Fund); and
- (c) the pensions paid directly to former Commissioners or their dependants.

Further details are given in the Pensions Disclosures at page 82.

Corporate Governance

The office holder of the Public Services Ombudsman for Wales is a Corporation Sole. In addition, upon taking up my role as Ombudsman, I was appointed by the Treasury as the Accounting Officer for the public funds with which the National Assembly entrusts me to undertake my functions. The Advisory Panel, established during 2011/12, has continued to meet on a regular basis over the past year. A review of its effectiveness conducted during 2015/16 concluded that the Panel added the additional scrutiny and support sought by the Ombudsman. Further details are set out in the Annual Governance Statement.

Register of Interests

A register of interests is maintained for the Ombudsman, directors and members of the Advisory Panel and Audit and Risk Assurance Committee.

Accounts Direction

Under the Accounts Direction issued by HM Treasury dated 21 December 2006, I was required to prepare accounts for the financial year ended 31 March 2017 in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (the FReM) issued by HM Treasury which was in force for 2016/17.

The accounts have been prepared so as to:

- (a) give a true and fair view of the state of affairs at 31 March 2017 and of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year then ended; and
- (b) provide disclosure of any material expenditure or income that has not been applied for the purposes intended by the National Assembly for Wales or material transactions that have not conformed to the authorities that govern them.

Auditors

The Auditor General for Wales is the External Auditor of the accounts of the PSOW as laid down in paragraph 17 of Schedule 1 to the Public Services Ombudsman (Wales) Act 2005. The cost of the audit for 2016/17 was £20k compared with £20k in 2015/16.

So far as I am aware I have taken all the steps necessary to make the auditors aware of any relevant audit information.

Nick Bennett
Accounting Officer

12 July 2017

Statement of Accounting Officer's Responsibilities

Under the Public Services Ombudsman (Wales) Act 2005 as Public Services Ombudsman for Wales, I am required to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Office during the year in the form of and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the PSOW and its net resource outturn, resources applied to objectives, changes in tax payer's equity and cash flows for the financial year.

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

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

My relevant responsibilities as Accounting Officer include responsibility for the propriety and regularity of the public finances for the PSOW, keeping proper records and safeguarding the Office's assets as set out in the Accounting Officer's memorandum issued by HM Treasury that is published in "Managing Welsh Public Money", and are in accordance with the Public Services Ombudsman (Wales) Act 2005.

Annual Governance Statement 2016/17

Status of the Public Services Ombudsman for Wales

As laid down in Schedule 1 paragraph 2 of the Public Services Ombudsman (Wales) Act 2005 (the Act), the Ombudsman is a Corporation Sole holding office under Her Majesty and discharges his function on behalf of the Crown. Schedule 1 paragraph 18 states that the Ombudsman is the Accounting Officer for the Office of the Ombudsman.

Scope of Responsibility

In undertaking the role of Accounting Officer I ensure that the Office operates effectively and to a high standard of probity. In addition, I have responsibility for maintaining a sound system of internal control that supports the achievement of the PSOW'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 Welsh Public Money".

I am independent of the National Assembly for Wales but am accountable to its Public Accounts Committee for the use of resources made available to support my statutory functions. In determining the level of resources available to the Office the PSOW's budget proposals are considered by the Finance Committee of the National Assembly for Wales in accordance with the process laid down in the Act. My annual report is considered by the Equality, Local Government and Communities Committee. For the first time I am producing a combined Annual Report and Accounts for consideration by both Committees.

I am required to include this statement with my annual report and accounts to explain how the governance of my Office works and to ensure it meets the requirements of the Corporate Governance Code. To enable me to satisfy these requirements I have established appropriate structures, systems and procedures that are comprehensive and provide me with evidence that the governance arrangements are working as intended across the whole organisation and its activities. Such arrangements include my Governance Framework, a comprehensive internal control environment, effective internal and external audit scope and robust financial management, risk planning and monitoring procedures.

Strategic Planning and Performance Monitoring

In considering the Strategic Plan for the next three years, 2016/17 to 2018/19, I have established the following:

Vision: A public service culture that values complaints and learns from them to improve public service delivery, and a

Mission: by considering complaints, to put things right for service users and contribute to improved public service delivery and standards in public life.

Whilst individual teams within the Office are charged with implementing the actions identified, the Management Team and the Advisory Panel monitor progress made against targets and the outcomes achieved via quarterly reports. I was very pleased that all key activities for 2016/17 had been delivered by the end of the financial year.

System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than 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 my 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. The system of internal control has been in place in the Office of the PSOW for the year ended 31 March 2017 and up to the date of approval of these accounts, and accords with HM Treasury guidance. No significant areas of internal control weaknesses have been identified from audit work and steps to improve controls further are implemented promptly and monitored by the Audit and Risk Assurance Committee.

Corporate Governance arrangements

Governance arrangements include an Advisory Panel of external advisers supplemented by an Audit and Risk Assurance Committee which is a sub-committee of the Panel. The respective responsibilities are:

Advisory Panel

(a) Role of the Panel

The Advisory Panel is a non-statutory forum whose main role is to provide support and advice to the Ombudsman in providing leadership and good governance of the office of the PSOW. The Advisory Panel also brings an external perspective to assist in the development of policy and practice.

The Advisory Panel provides specific advice and support to the Ombudsman on:

- vision, values and purposes
- strategic direction and planning
- accountability to citizens for the public funds it receives and
- internal control and risk management arrangements

The Advisory Panel is an advisory only body to the Ombudsman, and does not make decisions in its own right.

The Panel also assists the Ombudsman in establishing:

- governance arrangements, including Terms of Reference of any sub-committees
- the PSOW's strategic direction, aims and objectives and targets
- key business policies
- key employment strategies and policies

and scrutinising and assuring:

- the Three Year Strategic Plan and the Annual Business Plan
- high level budget allocation
- the budget Estimates submission to the Finance Committee of the National Assembly for Wales
- resource accounts (delegated to the Audit and Risk Assurance Committee); and
- capital investment/contracts (over £250k) (delegated to the Audit and Risk Assurance Committee).

It also monitors and reviews:

- risk and internal control (delegated to the Audit and Risk Assurance Committee)
- operational performance and delivery
- financial performance

- effectiveness of employment strategies and policies
- diversity and equal opportunities, particularly in relation to the Equality Act 2010
- external communications strategies and stakeholder relations and
- health and safety and business continuity.

Four meetings were held in July, September and December 2016 and March 2017.

(b) Membership

Membership comprises:

- the Ombudsman
- up to six external members (who offer specific skills and experience sought by the Ombudsman and one of whom may be from another ombudsman office).

The Policy and Communications Manager acted as Secretary to the Panel; other Management Team members as decided by the Ombudsman may be in attendance at the Panel's meetings but are not formally members of the PSOW Advisory Panel.

Attendance during 2016/17 was as follows:

Membership:	
Nick Bennett – Ombudsman and Chair	3
Margaret Griffiths	3
Jonathan Morgan	1
William Richardson	4
Sharon Warnes	4
Jan Williams	3
John Williams	4

Audit and Risk Assurance Committee

(a) Terms of Reference

The Advisory Panel is responsible for agreeing the Terms of Reference of the Audit and Risk Assurance Committee. The Audit and Risk Assurance Committee supports the Ombudsman by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report.

(b) Membership

The independence of the Committee continues to be enhanced. It is chaired by William Richardson who, as the former Deputy Chief Executive at the office of the Parliamentary and Health Service Ombudsman, brings considerable experience of operating governance, financial and administrative systems within the context of an ombudsman scheme. Jonathan Morgan, who served as an Assembly Member for 12 years, and is a former Chair of the National Assembly Public Accounts Committee, became the newest member of both the Advisory Panel and the Audit and Risk Assurance Committee in March 2016. The Ombudsman is no longer a Member of the Committee, although he does attend and contribute to the meetings.

(c) Training

Members of the Committee are invited to assess their training needs annually. During the past year, to supplement the previous year's induction programme for Advisory Panel and Audit and Risk Assurance Committee members, additional training in relation to the work of the Ombudsman's office has taken place. This has taken the form of a presentation/discussion at the end of each Advisory Panel meeting. Arrangements were also made for Sharon Warnes and Jonathan Morgan to attend CIPFA's Effective Audit Committee course during 2016/17. Unfortunately, CIPFA cancelled the scheduled course. This will be re-booked when the course is next run by CIPFA.

(d) Meetings

The Committee sets for itself an annual work programme. There were four meetings of the Committee during the year. At each meeting the Committee received a number of standing agenda items. One of these covered Risk Management and included details of new risks and any changes to the existing Risk Register (e.g. movement in the level of risk). When the annual Internal Audit Plan is considered the full risk register is made available to the Committee to ensure that the plan being proposed reflects the priorities within the register. At other meetings, as a minimum, the Committee is presented with high and medium risks as a method of ensuring that they are kept aware of key risks. The key risks monitored during the year were the Office’s reputation and in the current economic climate the appropriate level of resources to enable the Ombudsman to meet his statutory obligations. The overall level of risk facing the Office has remained relatively low and generally static. Attendance was as follows:

Membership:	
William Richardson (Chair)	4
Jonathan Morgan	2
Sharon Warnes	4
John Williams	4

Other standing reports submitted to the Committee related to declarations of any fraud or losses, including any data losses, identified.

During the year the Committee also received reports on any appropriate matters that fell within its Terms of Reference. They included: the 9 and 12 month accounts, internal audit plans, updates on the business continuity plan, and relevant financial and corporate governance matters issued by HM Treasury.

At each meeting, the Committee received for information purposes a copy of the latest Budget Monitoring report considered by the Management Team. This is intended to provide the Committee with an assurance that there is a regular scrutiny of the financial position within the Office.

The Committee provided advice to the Ombudsman to ensure that the 2016/17 Annual Governance Statement included appropriate information and complied with best practice.

(e) Internal and External Audit

The Committee received regular reports from both the internal and external auditors. The work of Deloitte as Internal Auditors during the year was planned on the basis of their overall needs assessment and carried out through their third annual programme. Their reports highlighted the satisfactory internal control framework within the organisation and made recommendations for improvement where necessary. Their Finance Systems Internal Audit Annual Report for 2016/17 stated the following overall assessments:

Budgetary Control	SUBSTANTIAL assurance
General Ledger	SUBSTANTIAL assurance
Fixed Assets	MODERATE assurance

The rolling audit programme covering the other aspects of the Office's work and controls also noted the satisfactory internal control framework within the Office and made recommendations for improvement where necessary. The overall assessments were as follows:

Corporate Governance	SUBSTANTIAL assurance
Complaints Handling	SUBSTANTIAL assurance

The internal auditors' Annual Report for 2016/17 stated: 'Based on the work we have undertaken during the year we are able to conclude that the Public Services Ombudsman for Wales (PSOW) has a basically sound system of internal control, which should provide substantial assurance regarding the achievement of the PSOW's objectives'. These findings provide assurance that the arrangements in place are reducing the Office's exposure to risk. The Committee noted the thoroughness of the audit work, practicality of recommendations and the open and positive response of management to the recommendations made.

The role of external audit is undertaken by the Wales Audit Office (WAO). The Committee considered the Annual Accounts that included the Governance Statement of the Office for 2015/16 together with the External Audit of Financial Statements Report and Management Letter. The audit conclusions for the 2015/16 financial year were reviewed at the September 2016 meeting of the Committee.

An unqualified opinion was given on the 2015/16 Accounts on 21 July 2016 with the two recommendations accepted in full by management. These will be implemented in the 2016/17 annual accounts.

Both Internal and External Auditors have the right, if considered appropriate, to raise any matter through an open access policy to the Chair and through that right to bring any matter to the attention of the Committee. The Committee by reviewing the programmes of both the External and the Internal Auditors ensured that they were co-operating effectively with each other. The quality of the audit work and that of the Committee has been evaluated during the year through consideration of the audit reports and recommendations and dialogue at meetings between Committee Members and the Auditors.

To ensure that appropriate matters can be raised in confidence the Chair of the Committee holds an annual meeting with representatives of the External and Internal Auditors. Such a meeting was held on 15 March 2017.

(f) Monitoring processes

At each meeting during 2016/17 the Committee received a report on progress made on implementation of External and Internal Audit recommendations. The Committee members were satisfied that all the recommendations made had been implemented or will be implemented by the first quarter of 2017/18.

(g) Annual Review and Assessment

This annual review is undertaken to ensure that the work of the Audit and Risk Assurance Committee continues to comply with the Good Practice Principles set out in the HM Treasury Audit Committee Handbook. To assist the Committee in determining that it was complying with good practice each member was invited to complete the National Audit Office's 'The Audit Committee self assessment checklist.'

Comments received from Committee members were taken into account in preparing the Annual Report for 2016/17.

The report concluded that it had received comprehensive assurances and information that was reliable and sufficient to enable it to carry out its responsibilities. Those assurances demonstrated a satisfactory overall internal control environment, financial reporting, and the management of risk and of the quality of both the Internal and External Audit work undertaken.

The Committee was therefore able to provide assurances to effectively support me as the Public Services Ombudsman for Wales to comply with my Accounting Officer responsibilities, in particular, in providing evidence to assist in the preparation of this Annual Governance Statement.

Reporting of Personal Data Related Incidents

All incidents involving personal data are reported to the Audit and Risk Assurance Committee, regardless of whether the PSOW is at fault. Where PSOW is at fault, guidance issued by the Information Commissioner's Office is considered to establish whether it is necessary to report the incident to that office. During 2016/17, there was one incident which required reporting to the Information Commissioner's Office. This was duly reported to the Information Commissioner who, after receiving further details of the incident and steps taken to prevent a similar incident occurring in the future, decided that no further action was necessary.

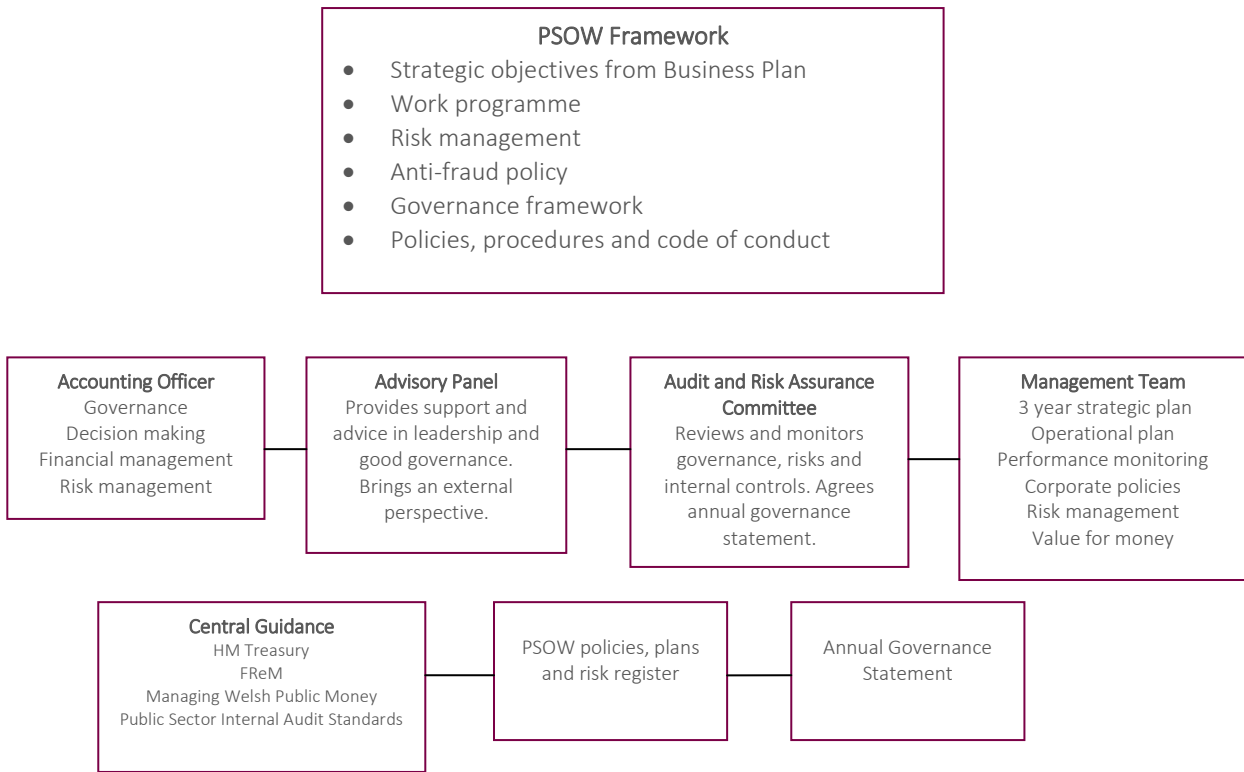
The Risk and Control Framework

As required by "Managing Welsh Public Money" I am supported by a professionally qualified Financial Accountant who carries out the responsibilities of a finance director as set out in that document.

Risk management and the risk register are standing Agenda items for the Audit and Risk Assurance Committee. This matter was a subject that received special attention during the year. A workshop on this topic was facilitated by our internal auditors, Deloitte. As a result a proposal for a new approach to risk was developed, together with a possible shorter and more focused report highlighting key risks. This work is ongoing.

I am continuing to enhance the robust internal control arrangements to ensure that the Office has the capacity to identify, assess and manage risk effectively. In undertaking this responsibility during the year ended 31 March 2017 I have been supported by a Chief Operating Officer to whom some of the Ombudsman's responsibilities have been delegated. In addition the Management Team which I chair has responsibility for overseeing risk management. I am satisfied that the systems in place identify potential risks at an early stage and enable, through active management, the appropriate action to be taken to minimise any adverse impact on the office. As already stated the Audit and Risk Assurance Committee receives regular reports on the Risk Register of the Office.

Risk Assurance Framework Arrangements



Assurance Map Components



Budgeting Process

As Accounting Officer, I ensure that I have in place arrangements for tight control of the public money entrusted to me, as did my predecessor before me. In particular, the Management Team receives a monthly budget monitoring report setting out details of actual against budgeted expenditure. Any unexpected expenditure issues that may arise during the course of the year are considered and actions required to ensure that the office remains within its budgeted expenditure are agreed. No major issues arose in respect of the PSOW's budget for 2016/17.

As far as the process of producing the PSOW's financial estimate for 2017/18 is concerned, a paper setting out initial budget criteria was considered by the Advisory Panel in July 2016. Following on from this a draft budget estimate paper was considered at the meeting in September 2016. That paper set out in full the financial resources that the PSOW had identified as being necessary to enable the PSOW to carry out his duties. The final Estimates paper was submitted to the Finance Committee of the National Assembly for Wales. The Finance Committee considered the paper in October 2016 and I was pleased to be able to attend the meeting in order to answer Assembly Members' specific questions on the submission.

The National Assembly for Wales subsequently approved the financial estimate in full for 2017/18.

Conclusion

I am able to report that there were no significant weaknesses in the Office's system of internal controls in 2016/17 which would affect the achievement of the Office's policies, aims and objectives and that robust Corporate Governance is in operation with no breaches of the Corporate Governance Code.

Nick Bennett
Accounting Officer

12 July 2017

Remuneration Report

Public Services Ombudsman for Wales

The Government of Wales Act 2006 provides for my remuneration and associated national insurance and pension costs to be met from the Welsh Consolidated Fund, rather than being paid directly. These costs are included, for transparency, in the remuneration report on page 54 and 55.

Remuneration

The following sections provide details of the remuneration and pension interest of the most senior management of the Office: Nick Bennett - Ombudsman, Chris Vinestock - Chief Operating Officer and Director of Investigations and Katrin Shaw - Assistant Director of Investigations and Legal Adviser.

Single Total Figure of Remuneration										
Officials	Salary (£'000)		Bonus payments (£'000)		Benefits in Kind (to nearest £100)		Pension benefits (to nearest £1,000)		Total (£'000)	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
Nick Bennett	140-145	140-145	-	-	-	-	57,000	56,000	200-205	195-200
Chris Vinestock	90-95	85-90	-	-	-	-	79,000	48,000	170-175	130-135
Katrin Shaw	70-75	65-70	-	-	-	-	74,000	33,000	145-150	95-100

Salary

Salary includes gross salary, overtime and any other allowances to the extent that they are subject to UK taxation.

Benefits in kind

The monetary value of benefits in kind covers any expenditure paid by the PSOW and treated by HM Revenue and Customs as a taxable emolument. There was no such expenditure.

Bonuses

No bonus was paid during the year to me or to any staff within my office as no bonus scheme is in operation.

Pay multiples

The banded remuneration of the highest-paid director in the financial year 2016/17 was £140-£145,000 (2015/16, £140-£145,000). This was 3.5 times (2015/16, 3.5) the median remuneration of the workforce, which was £40,623 (2015/16, £40,218). In 2016/17, no employee received remuneration in excess of the highest-paid director (2015/16, none).

Remuneration ranged from £16,000 to £145,000 (2016/17, £14,000-£145,000). Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Pay awards

Staff pay is linked to the pay awards made to employees within Local Government in England and Wales. In line with that procedure a 1% pay increase was awarded to staff in 2016/17 that covered the year April 2016 to March 2017.

Pensions

Pension entitlements for the persons shown above are detailed below:

Name	Accrued pension at pension age as at 31/03/17 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/17	CETV at 31/03/16	Real Increase in CETV	Employer contribution to partnership pension accounts
	£000	£000	£000	£000	£000	Nearest £100
Nick Bennett ¹	30-35	10-12.5	348	222	21	-
Chris Vinestock	50-55	2.5-5	651	580	44	-
Katrin Shaw	25-30	2.5-5	364	304	44	-

¹ The real increase in pension includes a transfer in brought by the member during the reporting year.

Pension Liabilities

The pension obligations to present and past employees are discharged through:

- (a) the Principal Civil Service Pension Scheme (PCSPS)
- (b) the Local Government Pension Scheme administered through the Cardiff and Vale of Glamorgan Pension Scheme (the Fund) and
- (c) the pensions paid directly to former Commissioners or their dependants.

Fuller details are given in the Pensions Disclosures at page 82.

Sickness

During the year, an average of 4.0 days per employee were lost through sickness compared with 5.6 days in 2015/16. This is the equivalent of 1.5% (2.0% in 2015/16) of total possible workdays.

In previous years pregnancy and maternity related sickness was excluded from the reported figures as these absences must, by law, be recorded separately. Whilst still recorded separately, for consistency with the approach in Office of National Statistics reports, pregnancy and maternity related sickness has now been included in the figures above. Figures (above) for 2015/16 have therefore been adjusted from those reported last year, so that they are shown on the same basis as the figures for 2016/17.

Reporting of Civil Service and other compensation schemes – exit packages

No exit packages were paid in 2016/17 (2015/16 Nil).

Advisory Panel and Audit and Risk Assurance Committee

The following non pensionable payments, based on a daily rate, were made to members of the Advisory Panel and Audit and Risk Assurance Committee:

	2016/17	2015/16
	£	£
William Richardson	2,737	2,737
John Williams	1,711	1,400
Jan Williams	-	-
Margaret Griffiths	1,269	987
Sharon Warnes	1,711	1,244
Jonathan Morgan	1,244	-

For staff reporting issues see Annual Equality Report on page 29.

Nick Bennett
Accounting Officer
Public Services Ombudsman for Wales

12 July 2017

National Assembly for Wales Accountability and Audit Report

In addition to the primary statements prepared under **International Financial Reporting Standards (IFRS)**, the Government Financial Reporting Manual (FRM) requires the Ombudsman to prepare a statement and supporting notes to show resource outturn against the Supply Estimate presented to the Assembly, in respect of each request for resource.

Summary of Net Resource Outturn

For the year ended 31 March 2017

	Revised Estimate			Outturn			2015/16	
	Gross Expenditure	Income	Net Total	Gross Expenditure	Income	Net Total	Net total outturn compared to estimate	Net Total
	£000	£000	£000	£000	£000	£000	£000	£000
Revenue	4,065	-	4,065	4,025	-	4,025	40	3,984
Capital	25	-	25	27	-	27	(2)	144
Net Resource	4,090	-	4,090	4,052	-	4,052	38	4,128
Net Cash Requirement	4,279	-	4,279	4,240	-	4,240	39	4,218

The £5k income received was in excess of the approved budget and will be returned to the Welsh Consolidated Fund (WCF) in addition to the £34k bank balance as at 31 March 2017.

The Ombudsman is paid directly from the Welsh Consolidated Fund and not by the Office. In previous years the Ombudsman's salary has been accounted for as a Non Staff Administration Cost in Note 3 and subsequently removed from the Summary of Resource Outturn. The Ombudsman's pay costs will not be included in the PSOW accounts from 2016/17 and the figures for 2015/16 have been adjusted to reflect this change.

For transparency, the Ombudsman's remuneration will continue to be disclosed in the Remuneration Report.

Reconciliation of Net Resource to Net Cash Requirement

For the year ended 31 March 2017

	Note	2016/17 Revised estimate	2016/17 Net total Outturn	Net total outturn compared to revised estimate	2015/16 Outturn
		£000	£000	£000	£000
Net Revenue	2-4	4,065	4,025	40	3,984
Net Capital	6	25	27	(2)	144
Net Resource		4,090	4,052	38	4,128
Excess income to WCF	4	-	(5)	5	-
Movement in provisions	10	(30)	(21)	(9)	11
Capital charges	6	(80)	(82)	2	(83)
Movements in working capital	7-9	20	16	4	(88)
Pension funding	Pensions Disclosures	279	280	(1)	250
Net cash requirement		4,279	4,240	39	4,218

The £5k income received was in excess of the approved budget and will be returned to the Welsh Consolidated Fund (WCF) in addition to the £34k bank balance as at 31 March 2017.

The figures for 2015/16 have been restated to take into account the revised treatment of the Ombudsman's pay costs.

Nick Bennett
Accounting Officer

12 July 2017

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

I certify that I have audited the financial statements of the Public Services Ombudsman for Wales for the year ended 31 March 2017 under paragraph 17 (2) of schedule 1 of the Public Services Ombudsman (Wales) Act (2005). These comprise the Summary or Net Resource Outturn, Statement of Comprehensive Net Expenditure, Statement of Financial Position, Consolidated Statement of Cash Flows, Statement of Changes in Taxpayers Equity and 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 Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for preparing the financial statements, in accordance with the Public Services Ombudsman (Wales) Act 2005 and HM Treasury directions made there under and for ensuring the regularity of financial transactions.

My responsibility is to audit, certify and report on the financial statements in accordance with applicable law and with International Standards on Auditing (UK and Ireland). These standards require me to comply with the Financial Reporting Council'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 Public Services Ombudsman for Wales' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Public Services Ombudsman for Wales; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National

Assembly for Wales and the financial transactions conform to the authorities which govern them.

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

Opinion on Financial Statements

In my opinion the financial statements:

- give a true and fair view of the state of the Public Services Ombudsman for Wales' affairs as at 31 March 2017 and of its net cash requirement, net resource outturn and net operating cost, for the year then ended; and
- have been properly prepared in accordance with HM Treasury directions issued under the Public Services Ombudsman (Wales) Act 2005.

Opinion on Regularity

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

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Public Services Ombudsman (Wales) Act (2005); and
- the information in the Annual Report and Accounts 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:

- the Governance Statement does not reflect compliance with HM Treasury guidance;
- proper accounting records have not been kept;
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns;
- information specified by HM Treasury regarding the remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Huw Vaughan Thomas
Auditor General for Wales
19 July 2017

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ



**Financial
Statements**

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2017

	Note	2016/17	2015/16
		£000	£000
Administration costs			
Staff costs	2	2,827	2,498
Other non staff administration costs	3	1,198	1,486
Gross Administration Costs		4,025	3,984
Operating Income	4	(5)	-
Net Administration Costs		4,020	3,984
Net Revenue Outturn		4,020	3,984

All activities commenced in the period are continuing.

The notes on pages 68 to 81 and the Pensions Disclosures on pages 82 to 91 form part of these statements

The figures for 2015/16 have been restated to take into account the revised treatment of the Ombudsman's pay costs.

Statement of Financial Position

as at 31 March 2017

	Note	2016/17		2015/16	
		£000	£000	£000	£000
Non-current assets					
Property, Plant and Equipment	6a	140		146	
Intangible assets	6b	18		67	
Receivables due after more than one year	7	-		-	
Pension fund surplus	Pensions Disclosures	40		-	
Total non-current assets			198		213
Current Assets					
Trade and other receivables	7	163		151	
Cash and cash equivalents	8	34		36	
Total current assets			197		187
Total assets			395		400
Current liabilities					
Trade and other payables	9	(172)		(173)	
Provisions	10	(83)		(49)	
Total current liabilities			(255)		(222)
Non-current assets plus net current assets			140		178
Trade and other payables due after one year	9	(33)		(38)	
Provisions	10	(461)		(474)	
Non-current liabilities			(494)		(512)
Assets less liabilities before Pensions			(354)		(334)
Pension fund deficit	Pensions Disclosures		-		(230)
Assets less liabilities			(354)		(564)
Taxpayers' Equity:					
General Fund			(354)		(564)

The notes on pages 68 to 81 and the Pensions Disclosures on pages 82 to 91 form part of these statements. The financial statements were approved by the Accounting Officer and authorised for issue on 12 July 2017 by:

Nick Bennett
Accounting Officer

12 July 2017

Statement of Cash Flows

for the year ended 31 March 2017

	Note	2016/17	2015/16
		£000	£000
Net cash outflow from operating activities	11	(4,215)	(4,041)
Net cash flow from investing activities	12	(27)	(144)
Financing from National Assembly for Wales	13	4,279	4,254
Net increase (decrease) in cash equivalents before adjustments for payments to Welsh Consolidated Fund		37	69
Payments of amounts due to the Welsh Consolidated Fund	8,9	(39)	(36)
Net increase (decrease) in cash equivalents after adjustments for payments to Welsh Consolidated Fund		(2)	33
Cash and cash equivalents at the beginning of period		36	3
Cash and cash equivalents at the end of period		34	36

The notes on pages 68 to 81 and the Pensions Disclosures on pages 82 to 91 form part of these statements.

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2017

	General Fund 2016/17	General Fund 2015/16
	£000	£000
Balance as at 1 April	(564)	(808)
Net operating costs	(4,020)	(3,984)
Funding by National Assembly for Wales	4,279	4,254
Due back to Welsh Consolidated Fund		
- Cash	(34)	(36)
- Income in excess of approved budget	(5)	-
Actuarial (deficit) surplus	(10)	10
Total recognised income and expense for year	210	244
Balance as at 31 March	(354)	(564)

The notes on pages 68 to 81 and the Pensions Disclosures on pages 82 to 91 form part of these statements.

The figures for 2015/16 have been restated to take into account the revised treatment of the Ombudsman's pay costs.

Notes to the Financial Statements

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the Government Financial Reporting Manual (the FReM) issued by HM Treasury which is in force for 2016/17. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adopted or interpreted for the public sector. Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the PSOW for the purpose of giving a true and fair view has been selected. The particular accounting policies adopted by the PSOW are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for any revaluation of fixed assets, where material to their value to the business, by reference to their current costs.

1.2 Property, Plant and Equipment

Expenditure on property, plant and equipment is capitalised where the purchases are expected to have a useful life extending over more than one year and the cost exceeds £1k. Assets costing less than £1k may be capitalised providing they are capital in nature and are part of a larger scheme that is in total more than £1k. Assets are shown at cost less an allowance for depreciation. On initial recognition fixed assets are measured at cost, including such costs as installation, which are directly attributable to bringing them into working condition for their intended use. In reviewing the costs of the fixed assets previously acquired and the prices paid for the new acquisitions during the year there is no material difference between the historic net book value of the assets and their replacement cost less depreciation.

1.3 Depreciation

Assets are depreciated at rates calculated to write them down to zero or if applicable, estimated residual value on a straight-line basis over their estimated useful life following an initial charge of a full year's depreciation in the year of purchase. Assets in the course of construction are depreciated from the year in which the asset is

brought into use. Except where otherwise noted asset lives are assumed to be the following:

Plant	10 years or the lease term if shorter
Furniture and other fittings	10 years or in the case of fittings the lease term
Computers and other equipment	3 to 10 years

1.4 Intangible assets

Purchased computer software licences and developed software are capitalised where expenditure of £1k or more is incurred and the useful life is more than one year. Intangible assets costing less than £1k may be capitalised providing they are capital in nature and are part of a larger scheme that is in total more than £1k. Intangible assets are reviewed annually for impairment and are stated at amortised historic cost. Software licences are amortised over the shorter of the term of the licence and the useful economic life of the computer equipment on which they are installed. This would usually be from 3 to 5 years. Developed software is amortised over the estimated useful life. In the year of acquisition a full year's amortisation charge is made with the balance amortised on a straight line basis over the balance of the estimated life.

1.5 Value Added Tax

The PSOW is not registered for VAT. Expenditure is therefore disclosed gross of VAT.

1.6 Pensions

The pension obligations to present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), the Local Government Pension Scheme administered through the Cardiff and Vale of Glamorgan Pension Scheme (the Fund) and by direct payment to previous Commissioners for Local Administration in Wales and any surviving beneficiaries. Full details are disclosed in the Pensions Disclosures at the end of the Financial Statements. The costs of providing these pensions are charged through the Statement of Comprehensive Net Expenditure with actuarial gains and losses relating to the Cardiff and Vale of Glamorgan Pension Scheme being recognised in the year in which they occur.

1.7 **Early departure costs**

Where the PSOW is required to meet the additional cost of benefits beyond the normal benefits payable by the appropriate pension scheme in respect of employees who retire early, these costs are charged to the Statement of Comprehensive Net Expenditure in full when the liability arises.

1.8 **Operating Leases**

Expenditure on leased property is expensed in the period to which it relates. Operating lease charges for equipment are spread equally over the life of the lease.

1.9 **Staff Costs**

In line with IAS 19, short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, as well as non-monetary benefits for current employees, are recognised when an employee has rendered services in exchange for those benefits.

1.10 **Provisions**

These are sums which are of uncertain timing or amount at the balance sheet date and represent the best estimate of the expenditure required to settle the obligations. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the recommended HM Treasury discount rate.

1.11 **Income**

All income is recognised in the statement of Comprehensive Net Expenditure in accordance with IAS 18.

1.12 Impact of Standards Not Yet Effective

Standard	Effective date	Further details
IFRS 9 financial instruments	2018/19	IFRS 9 financial instruments will replace IAS 39 and includes a new principles-based approach for the classification and measurement of financial assets. It also introduces a new impairment methodology for financial assets based on expected losses rather than incurred losses. This will result in earlier and more timely recognition of expected credit losses. The accounting requirements for financial liabilities are almost all carried forward unchanged from IAS 39.
IFRS 15 revenue from contracts with customers	2018/19	IFRS 15 revenue from contracts with customers introduces a principles-based five-step model for recognising revenue arising from contracts with customers. It is based on a core principle requiring revenue recognition to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration the body expects to be entitled to, in exchange for those goods or services. It will also require more extensive disclosures than are currently required.
IFRS 16 leases	2019/20	IFRS 16 will replace the current leases standard IAS 17. The key change is that it largely removes the distinction between operating and finance leases for lessees by introducing a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. It will lead to all leases being recognised on the balance sheet as an asset based on a right of use principle with a corresponding liability for future rentals. This is a significant change in lessee accounting.

2. Staff Costs and Numbers

The aggregate employment costs were as follows:

	2016/17	2015/16
	£000	£000
Permanent staff:		
Salaries	2,130	1,967
Social Security Costs	221	158
Pension costs	448	416
Pension fund movements	28	(56)
Total	2,827	2,485
Temporary staff		
Salaries	-	10
Social Security costs	-	1
Pension costs	-	2
Total	-	13
Total employment costs	2,827	2,498

The costs of temporary staff include agency staff together with any persons employed on a non permanent contract.

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

	2016/17	2015/16
	No.	No.
Directors	2	2
Investigations	42	40
Corporate services	7	7
Communications and PA	4	4
Total	55	53

The figures for 2015/16 have been restated to take into account the revised treatment of the Ombudsman's pay costs.

3. Non Staff Administration Costs

	2016/17		2015/16	
	£000		£000	
Rentals under operating leases	261		250	
External Audit fee	20		20	
Professional Advisers	230		250	
Other property costs	174		396	
Computer services	177		151	
Office costs	113		161	
Travel and subsistence	39		34	
Training and Recruitment	45		68	
Communications	57		73	
Sub-total		1,116		1,403
Depreciation	33		33	
Amortisation charge	49		50	
Loss on disposal	-		-	
Sub-total		82		83
Total Other Administration Costs		1,198		1,486

The figures for 2015/16 have been restated to take into account the revised treatment of the Ombudsman's pay costs.

4. Operating Income

	2016/17	2015/16
	£000	£000
Seconded staff	(4)	-
Interest receivable	-	-
Other – Future Generations Commissioner	(1)	-
Total	(5)	-

5. Operating Costs by Strategic Aims

The costs of providing a first class Ombudsman service to Wales are set out below. We have identified four new strategic aims for delivering our mission and the allocation to each of the aims has been based on the following:

- (a) An estimate of the staff time spent on the objective
- (b) Direct allocation of expenditure where applicable
- (c) Apportionment of other costs pro rata to the estimate of staff time

	2016/17		2015/16	
	£000	%	£000	%
Strategic Aim 1: To provide a complaints service that is of the highest quality, proportionate and effective.	3,097	77.0	3,098	77.8
Strategic Aim 2: To use the knowledge and insight obtained from the complaints we consider to improve complaint handling by public services providers and to have an impact in improving public service delivery and informing public policy.	677	16.8	659	16.5
Strategic Aim 3: To continue to evolve and grow as an office, specifically planning for implementation of the Ombudsman's new powers should the National Assembly for Wales create a new Public Services Ombudsman (Wales) Act.	59	1.5	56	1.4
Strategic Aim 4: To be accountable for the service we provide and the public money we spend.	187	4.7	171	4.3
Net operating costs	4,020	100.0	3,984	100.0

The allocation for 2015/16 has been restated to take into account the four new strategic aims as well as the revised treatment of the Ombudsman's pay costs.

6a Property, Plant and Equipment

	Plant	Computers and other equipment	Furniture and other fittings	Total
2016/17	£000	£000	£000	£000
Cost or valuation at 1 April 2016	156	222	406	784
Additions	-	8	19	27
Disposals	-	(48)	(10)	(58)
At 31 March 2017	156	182	415	753
Depreciation At 1 April 2016	(156)	(183)	(299)	(638)
Charged in the year	-	(17)	(16)	(33)
Disposals	-	48	10	58
At 31 March 2017	(156)	(152)	(305)	(613)
Carrying amount as at 31 March 2017	-	30	110	140
Carrying amount as at 31 March 2016	-	39	107	146

	Plant	Computers and other equipment	Furniture and other fittings	Total
2015/16	£000	£000	£000	£000
Cost or valuation at 1 April 2015	156	198	297	651
Additions	-	24	109	133
Disposals	-	-	-	-
At 31 March 2016	156	222	406	784
Depreciation At 1 April 2015	(156)	(164)	(285)	(605)
Charged in the year	-	(19)	(14)	(33)
Disposals	-	-	-	-
At 31 March 2016	(156)	(183)	(299)	(638)
Carrying amount as at 31 March 2016	-	39	107	146
Carrying amount as at 31 March 2015	-	34	12	46

6b Intangible Assets

	Information Technology	Software Licences	Total
2016/17	£000	£000	£000
Cost or valuation at 1 April 2016	502	71	573
Additions	-	-	-
Disposals	(174)	-	(174)
At 31 March 2017	328	71	399
Amortisation as at 1 April 2016	(435)	(71)	(506)
Amortisation charged in the year	(49)	-	(49)
Disposals	174	-	174
At 31 March 2017	(310)	(71)	(381)
Carrying amount as at 31 March 2017	18	-	18
Carrying amount as at 31 March 2016	67	-	67

	Information Technology	Software Licences	Total
2015/16	£000	£000	£000
Cost or valuation at 1 April 2015	491	71	562
Additions	11	-	11
Disposals	-	-	-
At 31 March 2016	502	71	573
Amortisation as at 1 April 2015	(385)	(71)	(456)
Amortisation charged in the year	(50)	-	(50)
Disposals	-	-	-
At 31 March 2016	(435)	(71)	(506)
Carrying Value as at 31 March 2016	67	-	67
Carrying Value as at 31 March 2015	106	-	106

In the opinion of the Public Services Ombudsman for Wales there is no material difference between the net book value of assets at current values and at their historic cost. A full verification of IT assets was completed during the year with numerous items no longer in use removed from the asset register.

7. Trade and other Receivables

	2016/17	2015/16
	£000	£000
Amounts falling due within one year		
Prepayments	163	151
Trade debtors	-	-
Amounts falling due after more than one year	-	-
Prepayments	-	-
Total	163	151

8. Cash and Cash Equivalents

Any bank balance held at the year-end has to be returned to the Welsh Consolidated Fund. A figure of £34k (£36k in 2015/16) has been included within the accounts, being the net balance at the year end on all the bank accounts operated by the PSOW, irrespective of whether the individual account is in debit or credit. This balance will have to be repaid to the Welsh Consolidated Fund in 2017/18 under the Government of Wales Act 2006.

9. Trade Payables and other Current Liabilities

	2016/17	2015/16
	£000	£000
Amounts falling due in one year		
Untaken annual leave	72	51
Deferred rent reduction	5	5
Welsh Consolidated Fund - unspent balances	34	36
Welsh Consolidated Fund - excess income	5	-
Trade payables	22	69
Accruals	34	12
	172	173
Amounts falling due in more than one year		
Deferred rent reduction	33	38
Total	205	211

10. Provisions for Liabilities and Charges

	2016/17				2015/16
	Pensions for Former Commissioners	Dilapidation Costs	Legal Costs	Total	Total
	£000	£000	£000	£000	£000
Balance at 1 April	287	236	-	523	534
Additional provision required	17	-	42	59	158
Discount rate movement	11	-	-	11	(1)
Provisions utilised in the year	(49)	-	-	(49)	(168)
Balance at 31 March	266	236	42	544	523

Analysis of expected timings of payment of provisions:

	2016/17	2015/16
	£000	£000
Payable within one year	83	49
Payable within 2 to 5 years	166	165
Payable in more than 5 years	295	309
Balance at 31 March	544	523

Pension provisions are calculated based on the National Life Tables for England and Wales issued by the Office of National Statistics. Later year pension increases are in line with GDP deflator information issued by HM Treasury. The discount factor has been amended to 0.24% for the financial year (1.37% in 2015/16) in line with the guidance issued by the Treasury. Two surviving spouses of former Commissioners remain as a pension liability.

A full dilapidations assessment was completed in 2015/16 to assess the full liability when the lease on the building at Bocam Park ends in 2025.

Legal fees have been provided to defend an ongoing legal case.

11. Reconciliation of Operating Cost to Operating Cash Flows

	Notes	2016/17 £000	2015/16 £000
Net operating cost		(4,020)	(3,984)
Adjust for non cash items	3	92	123
Decrease /(Increase) in trade and other receivables	7	(12)	19
Increase/(Decrease) in trade and other payables	9	(6)	102
Payment to meet pension fund deficit	Pensions Disclosures	(290)	(290)
Movement in provisions	10	21	(11)
Net cash outflow from operating activities		(4,215)	(4,041)

The figures for 2015/16 have been restated to take into account the revised treatment of the Ombudsman's pay costs.

12. Non Current Asset Expenditure and Financial Investment

	2016/17 £000	2015/16 £000
Purchases of property, plant and equipment	(27)	(133)
Proceeds of disposals of property, plant and equipment	-	-
Purchases of intangible assets	-	(11)
Net cash outflow from investing activities	(27)	(144)

13. Reconciliation of Net Cash Requirement to Increase/ (Decrease) in Cash

	2016/17 £000	2015/16 £000
Net Cash Requirement:		
Operating activities	(4,215)	(4,041)
Capital Expenditure	(27)	(144)
	(4,242)	(4,185)
Financing from National Assembly for Wales	4,279	4,254
Repayment to Welsh Consolidated Fund	(39)	(36)
Increase /(Decrease) in cash and cash equivalents	(2)	33

14. Commitments under Operating Leases

	2016/17	2015/16
	£000	£000
Total future minimum operating lease payments on Building:		
Payable within one year	183	183
Within two and five years	732	732
More than five years	656	839
	1,571	1,754
Other:		
Payable within one year	20	24
Within two and five years	32	34
More than five years	-	-
	52	58
Total – all operating leases	1,623	1,812

15. Contingent Liabilities

There is one ongoing legal case for which a provision for unrecoverable legal costs has been made. The outcome of the case and any potential liability is unknown.

16. Capital Commitments

There were no capital commitments at 31 March 2017 (2015/16 Nil).

17. Related Party Transactions

The PSOW is headed by the Public Services Ombudsman for Wales and was established under the Public Services Ombudsman (Wales) Act 2005. The Ombudsman is independent of Government and the funding arrangements of the Office are set up to ensure that the independence of the Office is secured. The PSOW has had a number of material transactions with the National Assembly for Wales, the Office of the Parliamentary Ombudsman, HM Revenue and Customs (Tax and National Insurance payments) and the Cabinet Office (payments in respect of the Principal Civil Service Pension Scheme).

During the year, no directors, key members of staff or their related parties have undertaken any material transactions.

18. Events after the Reporting Period

None.

Pensions Disclosures

Two pension schemes are operated on behalf of current staff – The Principal Civil Service Pension Scheme (PCSPS) and the Cardiff and Vale of Glamorgan Pension Fund (the Fund). There also remains an ongoing liability to meet the unfunded pensions of two dependant relatives of former Local Government Commissioners.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

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**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 3% and 8.05% of pensionable earnings for members of **classic** (and members of **alpha** who were members of **classic** immediately before joining **alpha**) and between 4.6% and 8.05% for members of **premium**, **classic plus**, **nuvos** and all other members of **alpha**. 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 initial 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 for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out 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 Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% 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**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

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 or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a

scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real Increase in CETV

This reflects the increase in CETV that is 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

No staff left under Voluntary Exit or Voluntary Redundancy terms during the financial year.

Cardiff and Vale Pension Fund - Local Government Pension Scheme

The disclosures below relate to the funded liabilities of the Cardiff and Vale of Glamorgan Pension Fund (the Fund) which is part of the Local Government Pension Scheme (the LGPS). The funded nature of the LGPS requires the PSOW and its employees who are members of the scheme to pay contributions into the Fund, calculated at a level intended to balance the pension's liabilities with investment assets.

The PSOW recognises gains and losses in full, immediately through the Statement of Comprehensive Net Expenditure. In accordance with International Financial Reporting Standards, disclosure of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required.

No further contributions are required to be paid to the Fund by the PSOW for future years.

Disclosure under IAS19 (LGPS funded benefits)

Introduction

The disclosures below relate to the funded liabilities within the Fund which are part of the LGPS.

Results under IAS 19 (LGPS funded benefits)

Date of the last full actuarial valuation	31 March 2016
Expected employer contributions next year (£M)	-
Duration of liabilities	12.8 years

Key assumptions (% per annum)

	31 March 2017	31 March 2016	31 March 2015
	%	%	%
Discount rate	2.50	3.30	3.20
RPI Inflation	3.10	2.80	2.90
CPI Inflation	2.00	1.70	1.80
Pension increases	2.00	1.70	1.80
Pension accounts revaluation rate	2.00	1.70	1.80
Salary increases	3.00	2.70	2.80

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below:

Assumed life expectancy at age 65	31 March 2017	31 March 2016
Males		
Member aged 65 at accounting date	23.0	23.8
Member aged 45 at accounting date	24.0	25.9
Females		
Member aged 65 at accounting date	25.7	26.8
Member aged 45 at accounting date	27.1	29.1

Asset allocation

	Value at 31 March 2017			Value at 31 March 2016
	Quoted %	Unquoted %	Total %	Total %
Equities	0.0	0.0	0.0	75.1
Property	0.0	0.0	0.0	7.3
Government bonds	100.0	0.0	100.0	8.1
Corporate bonds	0.0	0.0	0.0	7.2
Cash	0.0	0.0	0.0	2.3
Other	0.0	0.0	0.0	0.0
Total	100.0	0.0	100.0	100.0

Reconciliation of funded status to Statement of Financial Position

	Value at 31 March 2017 £M	Value at 31 March 2016 £M
Fair value of assets	7.00	6.12
Present value of funded defined benefit obligation	5.35	5.00
Funded status	1.65	1.12
Unrecognised asset due to limit in paragraph 64 - IFRIC 14	(1.61)	(1.35)
Asset/(Liability) recognised on the balance sheet	0.04	(0.23)

The split of the liabilities at the last valuation between the various categories of members is as follows:

Active Members	6%
Deferred Pensioners	12%
Pensioners	82%

Amounts recognised in Statement of Comprehensive Net Expenditure

	Period ending 31 March 2017 £M	Period ending 31 March 2016 £M
Operating cost		
Current service cost	0.01	0.03
Past service cost (incl. curtailments)	0.00	0.00
Settlement cost	0.00	0.00
Financing Cost		
Interest on net defined benefit liability (asset)	0.00	0.01
Pension expense recognised in profit and loss	0.01	0.04
Re measurements in Other Comprehensive Income		
Return on plan assets (in excess)/below that recognised in net interest	(0.59)	0.29
Actuarial (gains)/losses due to change in financial assumptions	0.88	(0.12)
Actuarial (gains)/losses due to changes in demographic assumptions	(0.30)	0.00
Actuarial (gains)/losses due to liability experience	(0.19)	(0.07)
Adjustments in respect of paragraph 64	0.21	(0.11)
Total amount recognised in other comprehensive income (OCI)	0.01	(0.01)
Total amount recognised in profit and loss OCI	0.02	0.03
Allowance for administration expenses included in current service cost (£M)	0.00	0.00

Changes to the present value of the defined benefit obligation during the accounting period

	Period ending 31 March 2017 £M	Period ending 31 March 2016 £M
Opening defined benefit obligation	5.00	5.24
Current service cost	0.01	0.03
Interest expense on defined benefit obligation	0.16	0.16
Contributions by participants	0.00	0.01
Actuarial (gains)/losses on liabilities – financial assumptions	0.88	(0.12)
Actuarial (gains)/losses on liabilities – demographic assumptions	(0.30)	0.00
Actuarial (gains)/losses on liabilities – experience	(0.19)	(0.07)
Net benefits paid out	(0.21)	(0.25)
Past service cost (incl. curtailments)	0.00	0.00
Net increase in liabilities from disposals/acquisitions	0.00	0.00
Settlements	0.00	0.00
Closing defined benefit obligation	5.35	5.00

Changes to the fair value of assets during the accounting period

	Period ending 31 March 2017 £M	Period ending 31 March 2016 £M
Opening fair value of assets	6.12	6.16
Interest income on assets	0.21	0.20
Re measurement gains/(losses) on assets	0.59	(0.29)
Contributions by the employer	0.29	0.29
Contributions by participants	0.00	0.01
Net benefits paid out	(0.21)	(0.25)
Net increase in assets from the disposals/acquisitions	0.00	0.00
Settlements	0.00	0.00
Closing fair value of assets	7.00	6.12

Actual return on assets

	Period ending 31 March 2017 £M	Period ending 31 March 2016 £M
Interest income on assets	0.21	0.20
Re measurement gain/(losses) on assets	0.59	(0.29)
Actual return on assets	0.80	(0.09)

Funded Benefits

The following data was provided by the Fund Administering Authority and / or the Employer and has been used to produce the IAS 19 results in this report. Details of the split of assets between the various asset classes were also provided by the Fund Administering Authority and are shown in Section 1. We have also shown some of the intermediate calculations used in evaluating the figures in this report.

Active Members as at 31 March 2016

	Number	Total Pay £(M)
Total	1	0.05

Pensioner and deferred pensioner members as at 31 March 2016

Type	Number	Total Pension £(M)
Deferred members	5	0.02
Pensioners and dependants	11	0.23

Funded cash-flow data provided

	Months Provided	Amount Provided (£M)	Amount Used (£M)
Employer – Normal contributions	12	0.01	
Employer – Additional capital contributions	12	0.00	
Employer – Early retirement strain on fund payments	12	0.00	
Total contributions by the Employer			0.01
Employee – Normal contributions	12	0.00	
Employee – Added years contributions	12	0.00	
Total contributions by participants			0.00
Transfers in	12	0.00	
Other income	12	0.00	
Transfers out	12	0.00	
Retirement lump sums	12	0.00	
Other outgoings	12	0.00	
Death in service lump sums *	12	0.00	
Benefits paid (i.e. pension paid)	12	0.21	
Net benefits paid out **			0.21

* We have calculated the expected death in service lump sums over the year to be (£M) 0.00

** The 'Net benefits paid out' figure includes an allowance for expenses of (£M) 0.00

Funded cash-flow data provided – additional contributions

Description	Date paid	Amount (£M)
Deficit payment	20 May 2016	0.28

Annualised pensionable payroll over the accounting period

Type	(£M) *
Period ending 31 March 2017	0.05
Period ending 31 March 2016	0.08

* The annualised pensionable payroll has been derived from the contributions paid over the relevant accounting period

Fund return

The overall annualised Fund return over the accounting period has been calculated as 18.0%. This includes any adjustment to reflect the difference between Fund returns and estimated index returns used over the last accounting period, where appropriate. The overall annualised Fund return from the 2016 Valuation date without such an adjustment is 18.1% and this return has been used to roll forward the assets notionally allocated to the Employer at the 2016 Valuation.

Please note the returns used to determine the overall Fund return over the accounting period are estimated figures as provided by the Administering Authority (net of investment management expenses), as the final figures were unavailable at the time of producing these accounting figures. In addition, please note that the asset return from 1 December 2016 to 31 March 2017 for the Employer has been taken as the index return on the published FTSE Index Linked UK Gilts over 5 years total return index, to reflect the notional low risk investment strategy which has been put in place with effect from 1 December 2016 in respect of the Employer.

Note from Fund Manager

PSOW requested to be protected against future market fluctuations. The actuary has recommended a low risk portfolio invested in FTSE Index Linked Gilts. It is their opinion that based on this approach it is unlikely that a deficit should emerge in the future.

Pensions for former Ombudsmen

With the agreement of the Secretary of State for Wales in 1991 and subsequent confirmation by Statutory Instrument 1993 No. 1367, Local Government Commissioners became eligible to join the Local Government Pension Scheme. However, the pensions of the three previous Local Government Commissioners remained the responsibility of the Public Services Ombudsman for Wales and are met through the Statement of Comprehensive Net Expenditure. At 31 March 2017 two surviving spouses of former Commissioners continued to receive a pension.

Pensions are increased annually in line with other pension schemes within the Public Sector. The basis of calculations of the Annual Pensions Increase has been changed from using the annual movement based on the Retail Price Index (RPI) to the Consumer Price Index (CPI). The amount of the uplift applied is normally set out in the Statutory Instrument Pensions Increase (Review) Order. This year there was no uplift for 2016/17.

The total payments during 2016/17 were £49k (£68k in 2015/16). The liabilities arising out of the obligation to finance these pensions together with any dependant pensions has been calculated to be £266k (£287k in 2015/16). The calculation to determine the overall liability has been carried out internally using life expectancy tables for males and females in Wales obtained from the website of the Government Actuary's Department. A discount rate, from PES (2016) 10, of 0.24% (1.37% in 2015/16) has been applied in accordance with the Treasury guidance that all pension liabilities should be discounted



Annexes

Annex A: Public Body Complaints closed – Statistical Breakdown by outcomes by public body

County/County Borough Councils

County/ County Borough Council	Out of Jurisdiction	Premature	'Other' cases closed after Initial consideration	Discontinued	Early Resolution/ Voluntary Settlement	S16 Report - Upheld in whole or in part	Other Report Upheld - in whole or in part	Other Report - Not Upheld	Withdrawn	Total Cases Closed
Blaenau Gwent	4	3	2	0	3	0	0	0	0	12
Bridgend	9	18	10	0	4	1	0	0	0	42
Caerphilly	20	14	17	0	4	0	0	0	0	55
Cardiff	31	43	38	1	16	0	3	1	0	133
Carmarthenshire	10	18	12	0	5	0	1	1	0	47
Ceredigion	5	11	15	0	4	0	4	0	0	39
Conwy	11	10	7	0	2	0	2	1	0	33
Denbighshire	3	8	15	0	0	0	0	1	0	27
Flintshire	8	9	11	0	9	0	4	0	0	41
Gwynedd	4	9	15	0	3	0	2	0	0	33
Isle of Anglesey	4	6	14	0	3	0	0	0	0	27
Merthyr Tydfil	3	2	2	0	2	0	1	0	0	10
Monmouthshire	7	2	10	0	1	0	2	0	0	22
Neath Port Talbot	11	11	13	0	3	0	0	0	0	38
Newport	2	6	15	0	7	0	0	0	0	30
Pembrokeshire	3	9	16	0	3	0	1	1	0	33
Powys	4	18	22	0	7	0	2	0	0	53
Rhondda Cynon Taf	9	12	21	0	6	0	0	0	0	48
Swansea	5	23	22	0	4	0	0	0	0	54

Torfaen	4	3	13	0	2	0	0	0	0	22
Vale of Glamorgan	7	7	16	0	9	0	0	0	0	39
Wrexham	3	19	12	0	13	0	0	0	0	47
Total	167	261	318	1	110	1	22	5	0	885

Other Local Authority

	Out of Jurisdiction	Premature	'Other' cases closed after initial consideration	Discontinued	Early Resolution/ Voluntary Settlement	S16 Report - Upheld - in whole or in part	Other Report Upheld - in whole or in part	Other Report - Not Upheld	Withdrawn	Total Cases Closed
School Appeal Panels										
Admission Appeal Panel Roath Park Primary School	0	0	1	0	0	0	0	0	0	1
Admission Appeal Panel St Richard Gwyn Catholic High School	0	0	0	0	0	0	0	0	1	1
Admission Appeals Panel St Brigid's School	0	0	1	0	0	0	0	0	0	1
Admissions Appeal Panel Cardiff High School	0	0	2	1	0	0	0	0	0	3
Admissions Appeal Panel – Bassaleg School	0	0	1	0	0	0	0	0	0	1
Admissions Appeal Panel – Pillgwenlly Primary School	0	0	1	0	0	0	0	0	0	1
Admissions Appeal Panel – Rhydypenau Primary School	0	0	1	0	0	0	0	0	0	1
Admissions Appeal Panel – The Bishop of Llandaff Church-in-Wales High School	0	0	1	0	0	0	0	0	0	1
Admissions Appeal Panel- Hawarden High School	0	0	1	0	0	0	0	0	0	1
Admissions Appeals Panel – Newbridge School	0	0	2	0	0	0	0	0	0	2
Admissions Appeals Panel for St Joseph's Cathedral	0	0	1	0	0	0	0	0	0	1

Primary School										
Appeals Panel – Bishopston Comprehensive School	0	0	1	0	0	0	0	0	0	1
Independent Appeal Panel – Fitzalan High School	0	0	1	0	0	0	0	0	0	1
Independent Appeal Panel – Garnteg Primary School	0	0	3	0	0	0	0	0	0	3
Independent Appeal Panel – Ysgol Estyn	0	0	1	0	0	0	0	0	0	1
Independent School Admissions Appeals Panel (Cardiff)	0	0	1	0	0	0	0	0	0	1
TOTAL	0	0	19	1	0	0	0	0	0	21

National Park Authorities

National Park Authority	Out of Jurisdiction	Premature	'Other' cases closed after initial consideration	Discontinued	Early Resolution/ Voluntary Settlement	S16 Report - Upheld - in whole or in part	Other Report Upheld - in whole or in part	Other Report - Not Upheld	Withdrawn	Total Cases Closed
Brecon Beacon	0	0	1	0	0	0	0	0	0	1
Pembrokeshire Coast	0	1	1	0	0	0	0	0	0	2
Snowdonia National Park Authority	0	1	0	0	0	0	0	0	0	1
Total	0	2	2	0	0	0	0	0	0	4

Fire Authorities

Fire & Rescue	Out of Jurisdiction	Premature	'Other' cases closed after initial consideration	Discontinued	Early Resolution/ Voluntary Settlement	S16 Report - Upheld - in whole or in part	Other Report Upheld - in whole or in part	Other Report - Not Upheld	Withdrawn	Total Cases Closed
Mid and West Wales	0	0	1	0	0	0	0	0	0	1
South Wales	0	0	2	0	0	0	0	0	0	2
TOTAL	0	0	3	0	0	0	0	0	0	3

Police Authorities

Police Authority	Out of Jurisdiction	Premature	'Other' cases closed after initial consideration	Discontinued	Early Resolution / Voluntary Settlement	S16 Report - Upheld - in whole or in part	Other Report Upheld - in whole or in part	Other Report - Not Upheld	Withdrawn	Total Cases Closed
South Wales Police and Crime Panel	2	0	1	0	0	0	0	0	0	3
TOTAL	2	0	1	0	0	0	0	0	0	3

Community/Town Councils

Community or Town Council	Out of Jurisdiction	Premature	'Other' cases closed after Initial consideration	Discontinued	Early Resolution/ Voluntary Settlement	S16 Report - Upheld - in whole or in part	Other Report Upheld - in whole or in part	Other Report - Not Upheld	Withdrawn	Total Cases Closed
Aberdyfi Community Council	0	0	0	0	1	0	0	0	0	1
Aberporth Community Council	1	0	1	0	0	0	0	0	0	2
Brackla Community Council	0	0	2	0	0	0	0	0	0	2

Churchstoke Community Council	0	1	1	0	0	0	0	0	0	2
Clocaenog Community Council	0	0	0	0	1	0	0	0	0	1
Dolgellau Town Council	0	1	0	0	0	0	0	0	0	1
Holyhead Town Council	2	0	2	0	0	0	0	0	0	4
Llanbedr Community Council	0	0	1	0	0	0	0	0	0	1
Llandudno Town Council	0	1	0	0	0	0	0	0	0	1
Llandwrog Community Council	0	1	1	0	0	0	0	0	0	2
Llanharan Community Council	0	0	1	0	0	0	0	0	0	1
Mawr Community Council	1	0	0	0	0	0	0	0	0	1
Neath Town Council	0	1	0	0	0	0	0	0	0	1
Penarth Town Council	0	0	2	0	0	0	0	0	0	2
Pen-Y-Cae Community Council	0	0	1	0	0	0	0	0	0	1
Porthcawl Town Council	0	1	0	0	0	0	0	0	0	1
Prestatyn Town Council	1	0	0	0	0	0	0	0	0	1
Radyr and Morganstown Community Council	0	0	1	0	0	0	0	0	0	1
Seven Sisters Community Council	1	0	0	0	0	0	0	0	0	1
Ynysawdre Community Council	1	0	0	0	0	0	0	1	0	2
Total	7	6	13	0	2	0	0	1	0	29

Registered Social Landlords

Housing Association (Registered Social Landlord)	Out of Jurisdiction	Premature	'Other' cases closed after Initial consideration	Discontinued	Early Resolution/ Voluntary Settlement	S16 Report - Upheld - in whole or in part	Other Report Upheld - in whole or in part	Other Report - Not Upheld	Withdrawn	Total Cases Closed
Aelwyd Housing Association	0	0	0	0	0	0	1	0	0	1
Bro Myrddin Housing Association	0	0	1	0	0	0	0	0	0	1
Bron Afon Community Housing Ltd	3	8	5	0	3	0	1	0	0	20
Cadarn Housing Group Ltd	0	0	1	0	0	0	0	0	0	1
Cadwyn Housing Association Ltd	0	5	0	0	0	0	0	0	0	5
Cardiff Community Housing Association Ltd		1	5	0	0	0	0	0	0	6
Care and Repair Ynys Mon	1	0	0	0	0	0	0	0	0	1
Cartrefi Conwy	3	5	7	0	0	0	0	0	0	15
Cartrefi Cymunedol Gwynedd	1	5	3	0	0	0	0	0	0	9
Charter Housing Association	0	1	5	0	0	0	0	0	0	6
Clwyd Alyn Housing Association Ltd	1	0	0	0	0	0	0	0	0	1
Coastal Housing Group Ltd	0	0	4	0	0	0	0	0	0	4
Cymdeithas Tai Cantref	0	0	1	0	0	0	0	0	0	1
Derwen Cymru	0	0	0	0	1	0	0	0	0	1
Family Housing Association (Wales) Ltd	0	0	1	0	0	0	0	0	0	1
Grwp Cynefin	0	0	1	0	0	0	0	0	0	1
Gwalia Cyf	0	2	4	0	1	0	0	0	0	7
Hafod Housing Association	1	0	2	0	2	0	0	0	0	5
Linc-Cymru Housing Association	1	1	1	0	1	0	0	0	0	4

Melin Homes Ltd	1	3	1	0	0	0	0	0	0	5
Merthyr Tydfil Housing Association Ltd	1	0	0	0	0	0	0	0	0	1
Merthyr Valleys Homes	1	3	7	0	2	0	0	0	0	13
Mid Wales Housing Association Ltd	2	0	0	0	0	0	0	0	0	2
Mill Bay Homes	0	0	0	0	1	0	0	0	0	1
Monmouthshire Housing Association	1	2	0	0	0	0	0	0	0	3
Newport City Homes	3	6	6	0	3	0	0	0	0	18
Newydd Housing Association	0	2	5	0	0	0	0	0	0	7
North Wales Housing	0	2	1	0	0	0	0	0	0	3
NPT Homes	1	3	3	0	1	0	0	0	0	8
Pembrokeshire Housing Association Ltd	0	0	0	0	2	0	0	0	0	2
Rhondda Housing Association Ltd	0	0	0	0	0	0	1	0	0	1
Taff Housing Association	0	2	0	0	0	0	0	0	0	2
Tai Calon	0	4	2	0	1	0	0	0	0	7
Tai Ceredigion Cyf	0	1	0	0	1	0	0	0	0	2
Trivallis	1	3	2	0	7	0	0	0	0	13
United Welsh Housing Association	2	2	3	0	2	0	0	1	0	10
Valleys To Coast	0	4	4	0	0	0	0	0	0	8
Wales and West Housing Association	1	2	3	0	1	0	0	1	0	8
Total	25	67	77		29		3	2		204

Local Health Boards and NHS Trusts

Local Health Board/NHS Trust	Out of Jurisdiction	Premature	'Other' cases closed after Initial consideration	Discontinued	Early Resolution / Voluntary Settlement	S16 Report - Upheld - in whole or in part	Other Report Upheld - in whole or in part	Other Report - Not Upheld	Withdrawn	Total Cases Closed
Abertawe Bro Morgannwg	13	22	21	2	18	0	24	7	0	107
Aneurin Bevan	6	18	33	1	11	1	17	8	0	95
Betsi Cadwaladr	20	27	44	5	46	3	42	6	1	194
Cardiff and Vale	11	24	25	1	8	0	15	9	0	93
Cwm Taf	12	15	18	0	9	1	14	2	0	71
Hywel Dda	15	21	23	1	31	0	6	5	0	102
Powys Teaching	3	2	14	0	3	0	1	1	0	24
Public Health Wales	0	0	0	0	0	0	0	0	0	0
Velindre	0	0	0	0	0	0	0	0	0	0
Welsh Ambulance Services		4	6	2	2	0	0	2	0	16
Total	80	133	184	12	128	5	119	40	1	702

Community Health Councils

Community Health Councils	Out of Jurisdiction	Premature	'Other' cases closed after Initial consideration	Discontinued	Early Resolution / Voluntary Settlement	S16 Report - Upheld - in whole or in part	Other Report Upheld - in whole or in part	Other Report - Not Upheld	Withdrawn	Total Cases Closed
Abertawe Bro Morgannwg	0	1	0	0	0	0	0	0	0	1
Cardiff and Vale of Glamorgan	0	1	0	0	0	0	0	0	0	1
Cwm Taf	0	0	0	0	0	0	0	0	1	1
TOTAL	0	2	0	0	0	0	0	0	1	3

Other Health Bodies

Other Health	Out of Jurisdiction	Premature	'Other' cases closed after Initial consideration	Discontinued	Early Resolution/ Voluntary Settlement	S16 Report - Upheld - in whole or in part	Other Report Upheld - in whole or in part	Other Report - Not Upheld	Withdrawn	Total Cases Closed
Dentists	4	5	6	0	4	0	5	3	0	27
GPs	15	38	52	0	11	0	12	15	0	143
Pharmacist	0	0	2	0	0	0	1	0	0	3
TOTAL	19	43	60	0	15	0	18	18	0	173

Welsh Government and Welsh Government Sponsored Bodies

Welsh Government and Welsh Government Sponsored Bodies	Out of Jurisdiction	Premature	'Other' cases closed after initial consideration	Discontinued	Early Resolution/ Voluntary Settlement	S16 Report - Upheld - in whole or in part	Other Report Upheld - in whole or in part	Other Report - Not Upheld	Withdrawn	Total Cases Closed
Welsh Government										
CADW	0	1	0	0	0	0	0	0	0	1
CAFCASS Cymru	1	2	1	0	0	0	0	0	0	4
CSSIW	1	1	3	0	0	0	1	0	0	6
Planning Inspectorate	3	2	5	0	0	0	1	0	0	11
Welsh Government	4	3	10		1		1			19
Welsh Health Specialised Services Committee	0	0	1	0	0	0	1	0	0	2
Total	9	9	20	0	1	0	4	0	0	43
Welsh Government Sponsored Body										
Care Council for Wales	0	0	1	0	0	0	0	0	0	1
Natural Resources Wales	3	1	9	0	0	0	0	0	0	13
Student Finance Wales	2	6	7	0	1	0	0	0	0	16
Total	5	7	17	0	1	0	0	0	0	30

Independent Care Providers

Independent Care Providers	Out of Jurisdiction	Premature	'Other' cases closed after Initial consideration	Discontinued	Early Resolution / Voluntary Settlement	S16 Report - Upheld - in whole or in part	Other Report Upheld - in whole or in part	Other Report - Not Upheld	Withdrawn	Total Cases Closed
Caldey Grange	1	0	0	0	0	0	0	0	0	1
Hallmark Care Home Limited	0	0	0	0	0	0	1	0	0	1
NHS Independent Care										
Glasfryn Nursing Home	0	0	0	0	1	0	0	0	0	1
Leonard Cheshire Disability	0	0	0	0	0	0	1	0	0	1
Self Funding Independent Care										
Broadway Care Centres	0	1	0	0	0	0	0	0	0	1
Glanenig House Care Home	0	1	0	0	0	0	0	0	0	1
Hafod House Residential Care Home	0	0	0	0	0	0	1	0	0	1
MiHomecare Limited	0	1	0	0	0	0	0	0	0	1
Nazareth House	1	0	0	0	0	0	0	0	0	1
Q Care Ltd	1	0	0	0	0	0	0	0	0	1
Towy Castle Care Home	1	0	0	0	0	0	0	0	0	1
TOTAL	4	3	0	0	1	0	3	0	0	11

Other

Other	Out of Jurisdiction	Premature	'Other' cases closed after Initial consideration	Discontinued	Early Resolution/ Voluntary Settlement	S16 Report - Upheld - in whole or in part	Other Report Upheld - in whole or in part	Other Report - Not Upheld	Withdrawn	Total Cases Closed
National Assembly for Wales Commission	1	0	0	0	0	0	0	0	0	1
NHS Business Services Authority	0	1	1	0	0	0	0	0	0	2
TOTAL	1	1	1							3

Annex B: Code of Conduct Complaints closed – Statistical Breakdown by outcomes by local authority

County/County Borough Councils

County/County Borough Council	Closed after initial consideration	Discontinued	No evidence of breach	No action necessary	Refer to Standards Committee	Refer to Adjudication Panel	Withdrawn	Total Cases Closed
Blaenau Gwent	1	0	0	0	0	0	0	1
Bridgend	3	0	0	1	0	0	0	4
Caerphilly	6	0	1	0	0	0	0	7
Cardiff	4	0	0	0	0	1	0	5
Carmarthenshire	1	0	0	0	0	0	0	1
Ceredigion	5	0	0	0	0	0	0	5
Conwy	1	0	0	1	0	0	0	2
Denbighshire	6	0	0	0	0	0	0	6
Flintshire	3	0	1	0	0	0	0	4
Gwynedd	3	0	0	0	0	0	0	3
Isle of Anglesey	2	0	0	1	0	0	0	3
Merthyr	0	1	0	0	0	0	0	1
Monmouthshire	7	0	1	0	0	0	0	8
Neath Port Talbot	1	0	0	0	1	0	0	2
Newport	1	0	0	0	0	0	0	1
Pembrokeshire	2	0	0	0	0	0	0	2
Powys	16	0	1	0	3	0	2	22
Rhondda Cynon Taf	6	0	1	0	0	0	0	7
Swansea	12	1	0	0	0	0	0	13
Torfaen	3	0	0	0	1	0	0	4

Vale of Glamorgan	1	0	0	0	0	0	0	1
Wrexham	4	0	0	0	0	0	0	4
TOTAL	88	2	5	3	5	1	2	106

Community/ Town Councils

Community/Town Council	Closed after initial consideration	Discontinued	No evidence of breach	No action necessary	Refer to Standards Committee	Refer to Adjudication Panel	Withdrawn	Total Cases Closed
Abergele Town Council	4	0	0	0	0	0	0	4
Aberporth Community Council	8	0	0	0	0	0	0	8
Abertillery & Llanhilleth Community Council	3	0	0	0	0	0	0	3
Aberystwyth Town Council	0	0	0	1	0	0	0	1
Amlwch Town Council	1	0	0	0	0	0	0	1
Bangor City Council	1	0	0	0	0	0	0	1
Barry Town Council	3	0	0	0	0	0	0	3
Bedwas, Trethomas & Machen Community Council	1	0	0	0	0	0	0	1
Bodelwyddan Town Council	0	0	0	1	0	0	0	1
Coity Higher Community Council	1	0	0	0	0	0	0	1
Cornelly Community Council	0	1	0	0	0	0	0	1
Cwmamman Town Council	0	0	0	1	0	0	0	1
Fishguard & Goodwick Town Council	1	0	0	0	0	0	0	1
Glynneath Town Council	14	0	0	0	0	0	0	14
Gwaun Cae Gurwen Community Council	1	0	0	0	0	0	0	1
Kidwelly Town Council	0	0	0	1	0	0	0	1
Laleston Community Council	2	0	0	0	0	0	0	2
Langstone Community Council	0	0	2	0	0	0	0	2

INNOVATION, IMPROVEMENT, INFLUENCE

Llandrindod Wells Town Council	2	0	0	0	0	0	0	2
Llandudno Town Council	3	0	0	0	0	0	0	3
Llandwrog Community Council	1	0	0	0	0	0	0	1
Llanelli Rural Council	4	0	0	2	0	0	0	6
Llanelli Town Council	1	0	0	0	0	0	0	1
Llanelly Community Council	1	0	0	0	0	0	0	1
Llanfihangel Glyn Myfyr Community Council	1	1	0	0	0	0	0	2
Llangefni Town Council	9	0	1	0	0	0	0	10
Llangennech Community Council	2	0	0	0	0	0	0	2
Llangynog Community Council	1	1	0	0	0	0	0	2
Llantrisant Community Council	1	0	0	0	0	0	0	1
Llantwit Major Town Council	1	0	0	1	0	0	0	2
Magor with Undy Community Council	2	0	1	0	0	0	0	3
Manorbier Community Council	1	0	0	0	0	0	0	1
Milford Haven Town Council	2	0	0	0	0	0	0	2
Mold Town Council	1	0	0	0	0	0	0	1
Mumbles Community Council	2	3	0	3	0	0	18	26
Northop Hall Community Council	2	0	0	0	0	0	0	2
Ogmore Valley Community Council	1	0	0	0	0	0	0	1
Pen-Y-Cae Community Council	1	0	0	0	0	0	0	1
Pontyclun Community Council	2	0	0	0	0	0	0	2
Pontypridd Town Council	4	0	0	0	0	0	0	4
Prestatyn Town Council	5	2	0	1	0	0	0	8
Queensferry Community Council	1	0	0	0	0	0	0	1
Radyr and Morganstown Community Council	0	0	3	0	0	0	0	3
Saltney Town Council	1	0	0	0	0	0	0	1

Sully and Lavernock Community Council	1	0	0	0	0	0	0	1
Trefriw Community Council	1	0	0	0	0	0	0	1
Tywyn Town Council	0	0	0	2	0	0	0	2
TOTAL	112	8	7	13	0	0	18	140

National Park Authorities

	Closed after initial consideration	Discontinued	No evidence of breach	No action necessary	Refer to Standards Committee	Refer to Adjudication Panel	Withdrawn	Total Cases Closed
National Park Authorities								
Brecon Beacons	2	0	0	0	0	0	0	2
TOTAL	2	0	0	0	0	0	0	2

Annex C: Complaints About PSOW service

Our 'How to complain about us' policy can be used when complainants feel that we have:

- treated them unfairly or rudely; or
- failed to explain things clearly; or
- caused unreasonable delays; or
- failed to do what we have said we would; or
- failed to follow our processes correctly.

We aim to provide a first class Ombudsman service for Wales. As part of that commitment we aim to:

- provide an accessible, simple, effective and transparent process for looking into complaints about the service we give;
- respond quickly to complaints about the service we have provided; and,
- if we have got things wrong or given poor service, apologise and learn from our mistakes.

The table below reports on the number of complaints received during 2016/17 and their outcomes, together with a comparison of the position in 2015/16.

	2016/17	2015/16
Complaints brought forward from previous year	0	1
Complaints about us received	62	61
TOTAL COMPLAINTS	62	62
OUTCOMES		
Upheld	11	15
Not Upheld	51	47
TOTAL CLOSED DURING YEAR	62	62
Ongoing and carried forward at 31 March 2017	1	0

The nature of the complaints that were upheld were:

Lack or delay in contacting complainant	5
Delay in case referral	2
Adequacy of approach to ensuring those named in complaints are given a chance to comment	1
Telephone system hold message – Welsh language issue	1
Staff process error e.g. misfiling, incorrect letter template used	2
TOTAL	11

The following corrective action was undertaken;

- an apology was issued to the complainant in each upheld case;
- the relevant line manager(s) were made aware of the upheld complaints relevant to their teams for future training and monitoring;
- appropriate and relevant staff training was undertaken where necessary;
- appropriate action in accordance with PSOW HR policies was undertaken;
- relevant policies / processes reviewed and revised to minimise risk of re-occurrence.

I have also appointed an independent external reviewer of complaints about my service.

This review service is available to those who have complained about my service, but remain dissatisfied having received my response. The annual report from the ICRS, the independent external reviewer, notes that five complainants asked ICRS to review their complaints about PSOW during the 2016/17 year and two complaints from 2015/16 were concluded. ICRS have not made any recommendations to me arising from their work, noting that complaints are generally about the outcomes of complaints about a public service or body, rather than about the service provided by me and my staff.

Public Services Ombudsman for Wales

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