



Comisiynydd y
Gymraeg
Welsh Language
Commissioner

Annual Report 2017-18

Welsh Language (Wales) Measure 2011

The Welsh Language Commissioner's Annual Report prepared in accordance with Schedule 1, Paragraph 19(1) of the Welsh Language (Wales) Measure 2011 for the year 1 April 2017 to 31 March 2018, together with the Auditor General for Wales's Certificate and Report on the accounts.

Laid before the National Assembly for Wales on 17 July 2018 in accordance with Schedule 1, Paragraph 19(2) of the Welsh Language Measure.

Contents

		Page
Part 1	Strategic Report	3
Part 2	Accountability	41
Part 3	Financial Statements	64

Part 1 - Strategic Report

	Page
Context	4
Foreword	6
Summary of the year	8
Rights to use the Welsh language	9
i) Imposing duties	10
ii) Implementing duties	12
iii) Enforcing duties	14
Promoting the Welsh language	19
i) Businesses and third sector organisations	20
ii) Policy	22
iii) Infrastructure	25
iv) Communication	27
Management and operation	29
i) Commentary on financial performance	30
ii) Equality	35
iii) Environment	36
iv) Staffing	36
v) Freedom of information	37
vi) Complaints against the organisation	37
Plans for 2018-19	38
Challenges facing the organisation	40

Context

A million Welsh speakers

"The Welsh language is one of the treasures of Wales. It is part of what defines us as people and as a nation. Our ambition as Welsh Government is to see the number of people able to enjoy speaking and using Welsh reach a million by 2050."

This is the vision outlined in the *Cymraeg 2050* strategy published in July 2017.

The strategy presents an ambition to increase the number of Welsh speakers, increase the use of the language and create favourable conditions which will make it easier for people to use Welsh.

This includes taking action to achieve the following:

- reinforce the transmission of the Welsh language within the family
- develop and sustain Welsh language skills through education and training, from the early years to post-16 education and lifelong learning
- increase the use of Welsh in the workplace
- increase the range of Welsh language services and their use
- increase the social use of Welsh
- support the socio-economic structure of Welsh-speaking communities
- ensure that the Welsh language is at the heart of technological developments.

An action plan focusing on 2017-2021 was published.

Welsh-medium education

In December 2017, the Welsh Government published its action plan for Welsh in education 2017-21. This document outlines the Government's plan for meeting the Welsh-medium education objectives of the 2050 Strategy for the next five years.

All councils are required to prepare a Welsh in Education Strategic Plan, outlining their plans for Welsh-medium education. The plans must set out challenging targets for developing Welsh-medium education. One of the Welsh Language Commissioner's duties is to comment on the content of these plans to the Welsh Government. In a letter to the Welsh Language Minister in February 2017, the Commissioner said that she could not see how the majority of plans would lead to a significant increase in Welsh-medium education provision nor the numbers of children and young people receiving their education through the medium of Welsh. She added that she could not see how the plans would make a meaningful contribution to meeting the Government's objectives for the Welsh language.

In response, an urgent review of the plans was commissioned, led by Aled Roberts. In his report published in August 2017, Aled Roberts concluded that a number of plans were "very weak in seeking to create any demand for Welsh-medium education" and that the "legislative requirements and guidance [...] are totally inadequate." A total of 18 recommendations were made for developing the correct basis for planning Welsh-medium education. All of his recommendations were accepted and in February 2018 it was announced that he had been appointed to lead the work of improving the system, for a period of 12 months.

Legislation

In August 2017, the Government announced proposals for a new Welsh Language Bill, starting with a public consultation. The consultation document contained a number of options for the structure of promoting and regulating the Welsh language, with the Government stating that they favoured establishing a Commission to undertake the work. The document also referred to the intention to keep the Welsh language standards' framework, but revising the standards themselves, and how they will be imposed on organisations.

The Commissioner responded to the consultation, which is available on our website.

The Government published the consultation responses on 24 January 2018.

Foreword

At the time of writing, I am beginning my final year as Welsh Language Commissioner. Although this report summarises activities from the past year, it would be worth taking a step back for a second and look at today's achievements through yesterday's lens.

When I started out in this role in 2012, rights to receive services through the medium of Welsh did not exist. Welsh language services were often inconsistent - varying from one area to the next, and of a lower standard than the English in general. Sometimes they showed signs of machine translation or at other times involved long delays. Now, people across Wales have a broad range of rights to use Welsh with more than 100 public organisations through the Welsh language standards, and the process of introducing standards to more organisations continues. These rights give people assurance that they will receive a quality Welsh language service, wherever in Wales they live. I am especially proud of the efforts of organisations from across Wales to respect these rights by seeking to improve their performance and make changes to their way of working.

With plans now in place to introduce new Welsh language legislation, it is crucial to ensure that politics and discussions about structures do not lead to a loss of momentum. Steps must be taken to ensure that the foundations put in place by the Welsh Language Measure are built upon, leading to creating more rights to use the Welsh language.

Whilst public organisations are responding well to the requirements of the standards, I have also seen businesses, charities and third sector organisations showing an unprecedented enthusiasm in developing their use of Welsh. As we began our work of persuading them, we conducted and published research showing the economic advantages of the Welsh language. Then, we developed a specialist service to advise, educate and support organisations to introduce the language to their services and activities. Our Promotion Team now works strategically with a range of businesses, organisations and societies to guide them on their use of Welsh. One of the outcomes of this work is that senior managers of banks and supermarkets now sit on our forums which meet regularly to discuss how to develop the use of Welsh.

Recently, I looked back at some statements and press releases made over the past six years, and it was interesting to read these words from 2013, "It is important that the language is not isolated to one piece of legislation. Rather, it should be mainstreamed and be a central consideration in policies involving the economy, planning, social justice, education, health and so forth." It might be difficult to imagine now but, back then, the answer I would be given often to such comments was that I should be satisfied with the Welsh Language Measure and not to ask for the Welsh language to be included in other areas. Although there is more work to be done in ensuring that the Welsh language is at the heart of policy decisions, we have gained considerable

ground. Our work with the Alzheimer's Society to try to make the Welsh language a central part of dementia care services is one example where the concept of mainstreaming the language has filtered through to the mindset and work of other organisations.

For the last two years, I have been chair of the International Association of Language Commissioners. This association was formed by a group of us in Dublin over five years ago with the original aim of establishing a network to share ideas and experiences. Since then, the Association has grown to become far more practical and influential. I had the enormous privilege last May of welcoming members of the association and their staff here to Wales to our annual conference where we discussed and celebrated the position of the Welsh language - in law, education, the workplace and in a socio-cultural context. This May I will relinquish my chairmanship; and I am sure that the new chair, Rónán Ó Domhnaill from Ireland, will continue to develop the Association and the close collaboration between the countries.

In a year's time I will have passed on the other baton to a new Welsh Language Commissioner. But, there are still a few things I intend to accomplish before then. The most significant, probably, will be placing Welsh language standards on health organisations and ensuring that the Welsh language is a consideration in new GP contracts for the first time. One of the topics closest to my heart, and which has motivated me in my work, is ensuring justice for Welsh speakers. Especially so for the most vulnerable members of society, where using the language is a real necessity. In the coming year, I will do everything within my ability and power to ensure that this need is reflected in the health and care service they receive; and that patients' dignity is respected.

Meri Huws

Annual overview

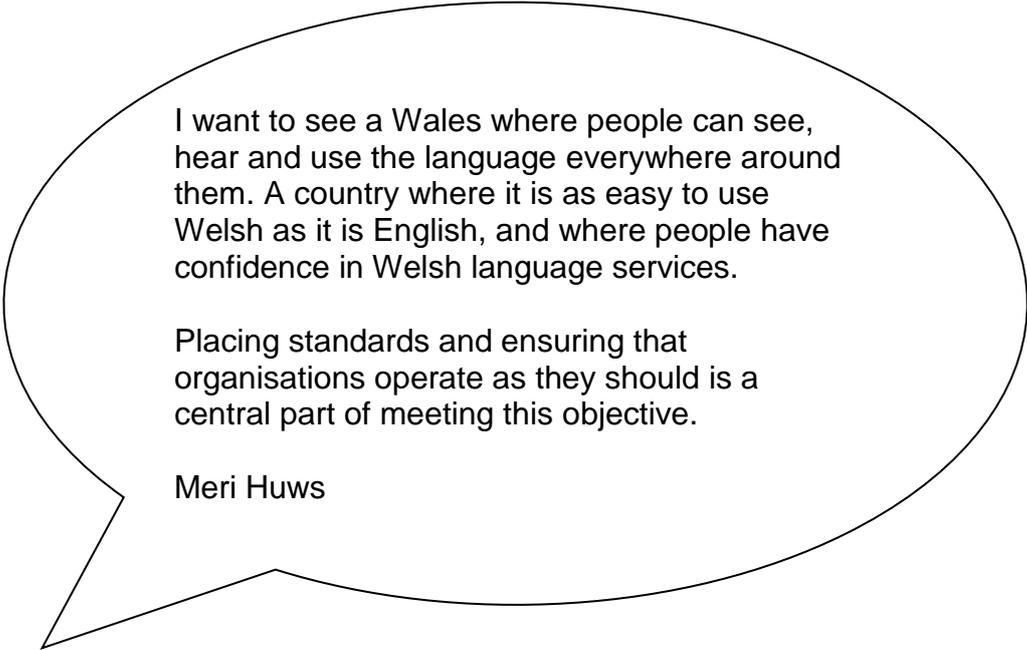
<p>Imposing</p> <p>Imposed standards on 25 educational organisations</p>	<p>Implementing</p> <p>Reviewed the use of Welsh in 130 organisations</p>	<p>Enforcing</p> <p>Determined 58 investigations</p>	<p>Promoting</p> <p>Published an online module to encourage the use of Welsh in sport</p>
<p>Influencing</p> <p>Presented proactive policy recommendations for the Welsh language in the early years and apprenticeship programmes</p>	<p>Developing</p> <p>Hosted the International Association of Language Commissioners' conference in Wales</p>	<p>Communicating</p> <p>1.3m Twitter impressions</p>	<p>Providing</p> <p>Distributed 66,363 laith Gwaith badges and lanyards</p>

Rights to use the Welsh language

The Commissioner places Welsh language standards on organisations, which is a list of the things they must provide and undertake in Welsh. There are standards for service delivery, internal operations, policy making, promoting the wider use of Welsh and record keeping.

The Commissioner ensures that organisations use the Welsh language as they should, providing them with guidance on interpreting the standards, encouraging compliance and sharing good practice. She also requires them to improve their way of working, where needed.

Some organisations implement language schemes rather than standards. With these also, the Commissioner promotes appropriate action so that people can use the Welsh language easily.



I want to see a Wales where people can see, hear and use the language everywhere around them. A country where it is as easy to use Welsh as it is English, and where people have confidence in Welsh language services.

Placing standards and ensuring that organisations operate as they should is a central part of meeting this objective.

Meri Huws

Imposing duties

Key facts

Imposed standards on 25 educational institutions	Individual meetings with 100% of the organisations new to the standards	Launched a consultation on a code of practice to help organisations interpret the standards
93% said they had a better understanding of the standards after attending our briefing sessions	100% said that the briefing sessions were 'very good' or 'good'	Agreed 8 new or revised language schemes

New rights to use the Welsh language in colleges and universities

The Standards Imposition Team’s major project in 2017-18 was imposing standards on the education sector. There are a number of steps which must be taken when imposing standards on organisations, and effective communication is crucial to ensure that organisations understand what they will need to do when implementing the standards.

Regulations No. 6, the standards for these organisations, were approved by the Assembly on 31 January 2017. This enabled the Commissioner to start the work of imposing the standards.

- In March 2017 briefing sessions were held for the organisations as a group, and then individual discussions with each organisation.
- A draft compliance notice was given to each organisation in May 2017, indicating their requirements. An 8-week consultation took place on the draft compliance notices, where organisations were given the opportunity to state what they believed to be reasonable and proportionate for them to do in Welsh.
- Following the consultation and negotiation, the Commissioner issued final compliance notices to the organisations in September 2017, which gave them 6 months to prepare before the standards came into force.
- The standards came into force on 1 April 2018.

Other highlights

- Held individual meetings with 100% of organisations on which new standards were imposed.
- Consulted on a draft code of practice for standards imposed on county councils, Welsh Government and national park authorities, namely the Commissioner's

interpretation of the standards and practical guide to allow organisations to improve their understanding of the requirements.

- Developed a guidance and template for town and community councils' language schemes in order to streamline the process, seek consistency within the sector and increase the number of town and community councils committed to offering services in Welsh.
- Began the process of imposing standards on organisations in the health sector, after the Assembly approved the Welsh Language Standards (No. 7) Regulations on 20 March 2018.

Implementing duties

Key facts

Published a survey report showing that Welsh language services were improving	93% of those who attended workshops concentrating on promoting Welsh language services said they were either good or excellent and 88% said that the workshops would be useful to their work.	Examined 10 types of services provided by 130 organisations	Held engagement sessions with various groups of Welsh speakers across Wales
Interviewed 18 prisoners as part of a project examining the rights and experiences of prisoners	Held briefing sessions on compliance and enforcement for 22 college and university staff	Published 6 case studies on successful practices which can be emulated by organisations	Held 50 one-to-one meetings with organisations to discuss their performance

Improving compliance and promote the use of Welsh

In October 2017 *Rights taking root* was published, a report concluding how public organisations are performing in accordance with the standards or their language schemes. As the title of the report suggests, improvements were seen in the way in which organisations provided Welsh language services in general, although further work was needed in terms of improving their quality and availability.

The report highlighted the importance of promoting services. Particular emphasis was also placed on the promotion strategies published by the county councils and national park authorities under the promotion standards.

Officers from the Compliance Teams held a series of 6 workshops and over 50 feedback meetings with individual organisations to discuss the findings of the report and allow organisations to make improvements, collect information on issues and successful practices.

Looking ahead to this year’s report, ten types of services were tested with over 130 public bodies. Services such as correspondence, telephone service, self-service machines, reception areas, meetings, signage etc. In addition, the way in which organisations monitor and record their own performance was examined. Thematic

studies were completed to understand how organisations are complying with standards relating to contracts, grants, policy and internal administration.

Fourteen engagement groups were held with different cohorts of Welsh speakers in order to allow people to share views on the quality and experience of Welsh language services. Efforts were made to reach a cross-section of society. Four 'user shadowing' sessions were held, looking at people's response to different scenarios in order to ascertain which factors affect behaviours and experiences when using services. In addition, a sample of 500 Welsh speakers were surveyed on their views and experience of Welsh language services through the Omnibus Review.

The results of the testing, studies and engagement group responses will be published during the summer of 2018.

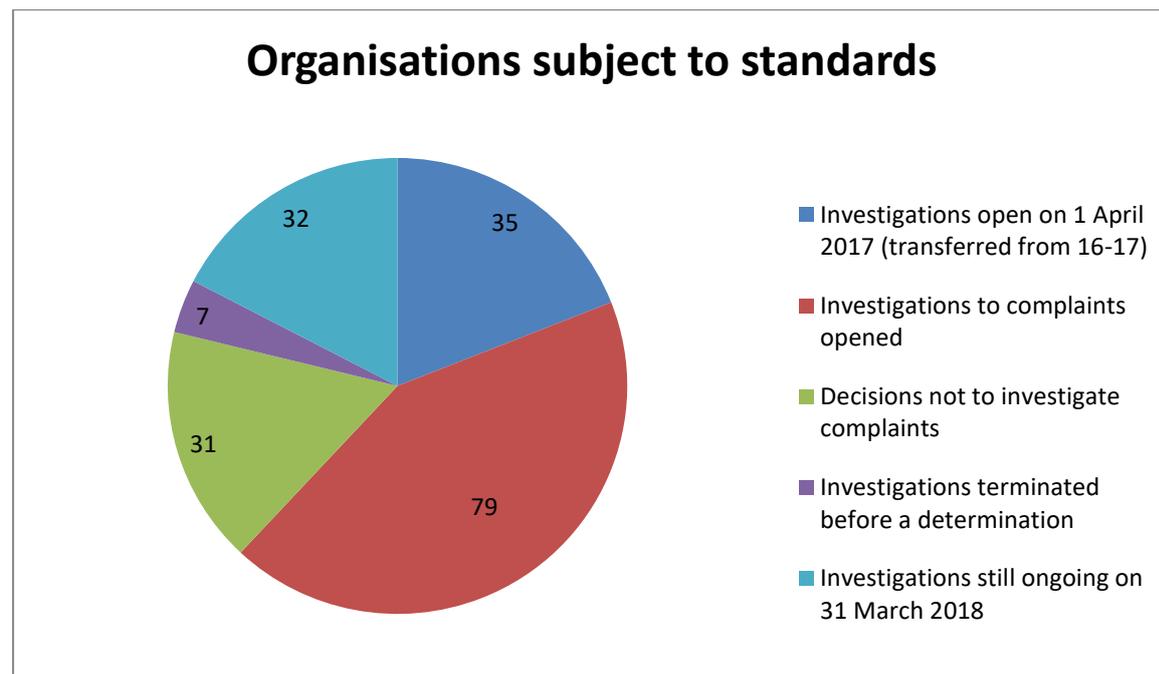
Other highlights

- Prepared advice to support the implementation of local authority and national park Welsh language promotion strategies.
- Collected and publish examples of successful practices by organisations in implementing the standards. Six case studies have now been published on the Commissioner's website, with the most recent involving promoting services and improving recruitment processes in order to attract Welsh speakers.
- Continued with the work of undertaking an audit of the difficulties facing organisations in recording and sharing preferred language internally and externally, with the aim of establishing a group to find solutions.
- Launched a project looking at the rights of prisoners to use Welsh and find to what extent those rights are upheld. As part of the work, prisoners were interviewed in order to discover the reality of their experience. Oral and written evidence was given to the Welsh Affairs Select Committee inquiry, providing early impressions of the situation. The survey will continue by conducting interviews with organisations linked to prisons, and a report is due to be published in Autumn 2018.

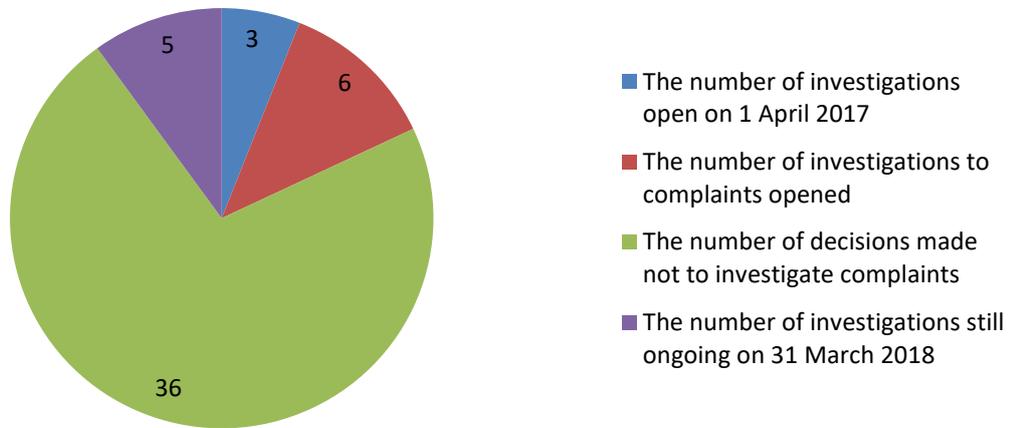
Enforcing duties

A total of 153 valid complaints were upheld - 110 valid complaints on the Welsh language standards and 43 valid complaints on Welsh Language Schemes	Opened 79 investigations	Determined 58 investigations
Advised two private companies on individuals' freedom in Wales to use the Welsh language	23% of valid complaints involved 'correspondence'	13% of valid complaints involved 'telephone services'

Status of investigations



Organisations implementing Welsh language schemes



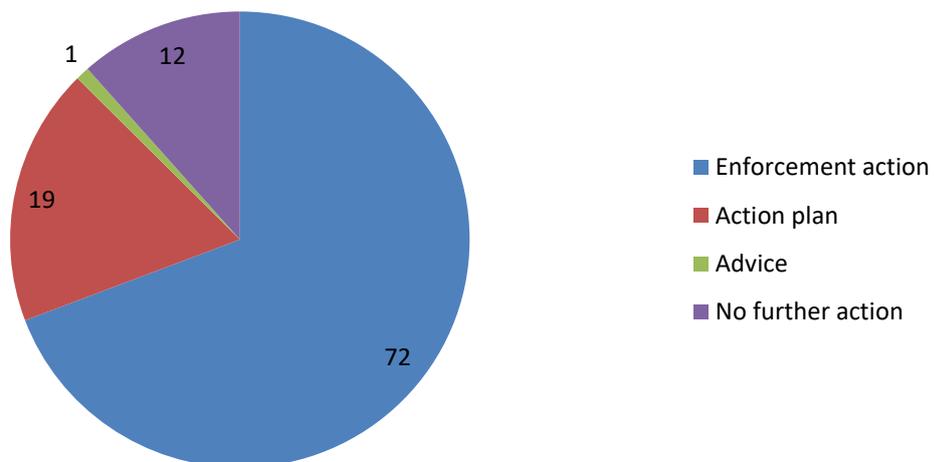
No investigations were terminated before a determination.

Using powers of enforcement

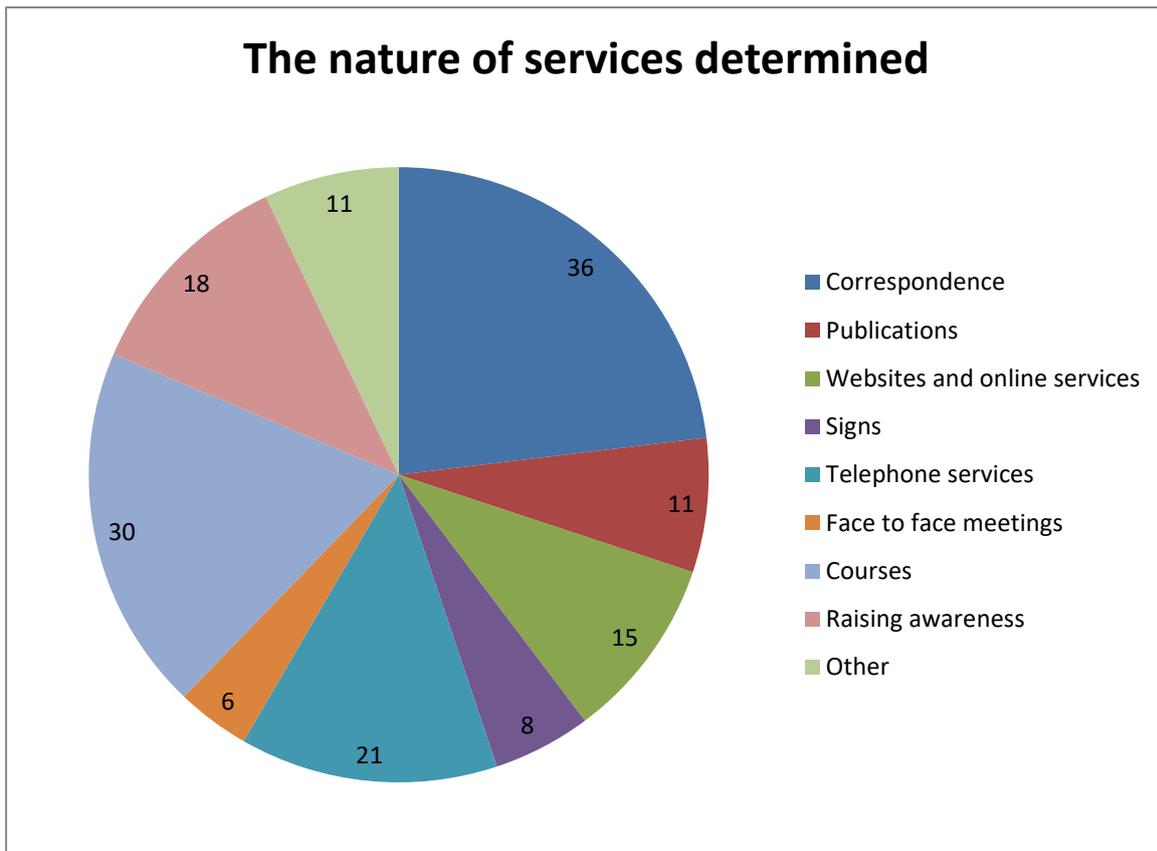
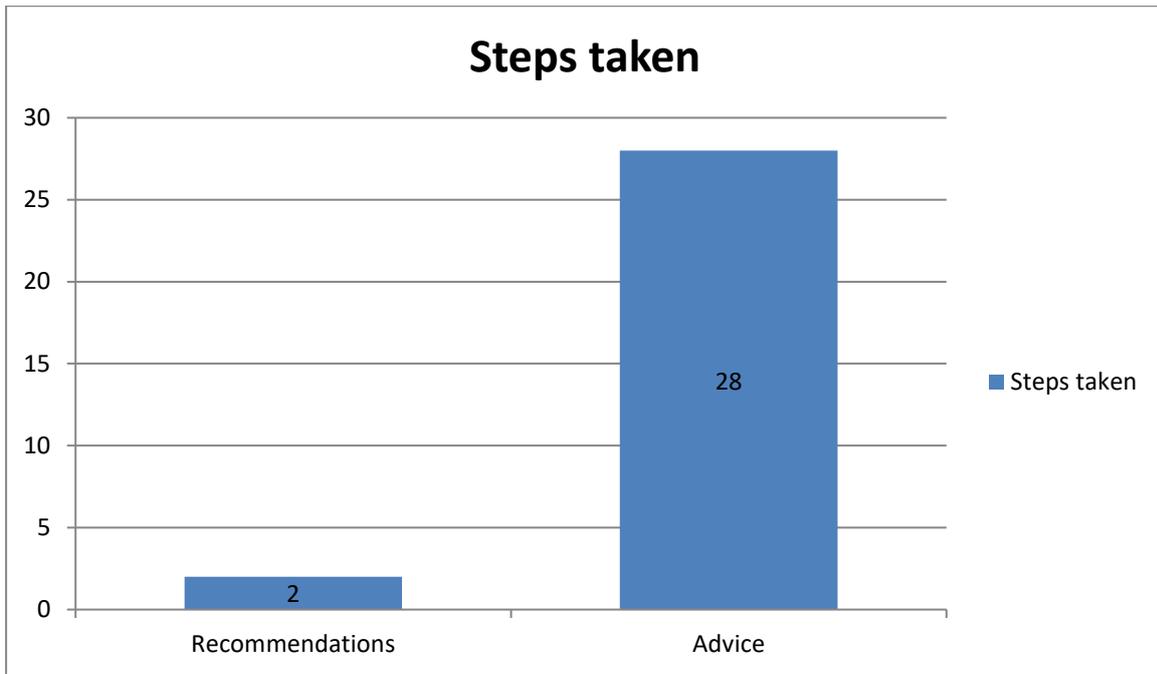
During 2017-18, the Commissioner determined 58 investigations. Sometimes the Commissioner will investigate more than one standard during an investigation, and during the year 156 determinations were made in relation to the standards investigated.

Of those standards where a failure was determined, here are the steps taken by the Commissioner

Enforcement action



Of those standards where no failure was determined, here are the steps taken by the Commissioner



* Also note, of the 43 complaints about organisations' implementation of Welsh language schemes, the nature of services complained about were generally similar to the above.

Investigations opened

The Commissioner may conduct an investigation after receiving a complaint. She may also conduct an investigation at her own discretion if there is evidence which raises doubts about an organisation's compliance with a standard.

The Commissioner aims to improve the availability and quality of Welsh language services, and here are two examples of how investigations led to improving Welsh language services:

Swimming lessons

- The Commissioner held an investigation into the compliance of 17 councils with the duty to provide swimming lessons through the medium of Welsh.
- She determined that there was a failure to comply with the relevant standards.
- She required councils to prepare action plans to prevent the continuation or repetition of the failure.
- The Commissioner's officers met with councils' leisure managers and language officers, and Swim Wales to help them with compliance in the future.
- Each action plan was approved.
- County councils are now taking steps to increase the availability of swimming lessons in Welsh and increase their promotion.

Self-service machines

- The Commissioner held an investigation and determined that organisations failed with their duty to treat the Welsh language no less favourably than English with regard to self-service machines
- Some organisations had not realised that setting English as the default language on machines, with an option to switch to Welsh, treated Welsh less favourably than English.
- The Commissioner placed enforcement actions on organisations.
- Now, organisations have taken steps to change the default language of their self-service machines to Welsh or offer a clear language choice when starting to use the machine.

Freedom to Use Welsh

There were no official applications to investigate interference with the freedom to use Welsh, that is applications from those directly affected by the interference; but two cases relevant to this matter were considered:

One case related to concerns that a branch of a retail chain had directed staff to speak English at work, including personal conversations. The second case related to allegations that an aviation maintenance company had directed staff not to speak Welsh in the presence of non-Welsh speaking members of staff.

In both cases, the Commissioner gave advice to the companies reminding them of the relevant clauses in the Welsh Language Measure and the Human Rights Act, and asked them to take steps to ensure that their staff were aware of their right to use the Welsh language at work.

Since 2012, the Commissioner has received 27 applications relevant to interference with the freedom to use Welsh. Of these, she has carried out 4 investigations. The main reason for not being able to investigate a higher number of applications is that they do not meet the requirements of the Measure. This usually means that the application was made by someone not directly affected by it.

Promoting the Welsh language

Imposing, implementing and enforcing standards are all means of promoting the language – by increasing its use and creating a demand for a workforce able to provide services through the medium of Welsh. In this section, we focus on other activities where the Commissioner promotes the use of Welsh: with businesses and third sector organisations, by influencing consideration of the Welsh language in policy decisions, by coordinating and developing language infrastructure and through communication.



I have always considered the role of Welsh Language Commissioner to be three-fold – where enforcement happens alongside promotion and influence. By motivating and supporting the use of the language and by encouraging policy makers to consider the Welsh language in their decisions, we will see Wales develop into a country where people can use Welsh in every facet of their lives.
Meri Huws

Promoting the use of the Welsh language with third sector businesses and organisations

Key facts

Launched a module to promote the use of Welsh in sports coaching	198 businesses and charities used the self-assessment tool to plan to use more Welsh	Delivered training on introducing the Welsh language to 73 representatives from 60 organisations
91% of those who attended a training session said that they understood more about the position of the Welsh language afterwards. 100% said that the training sessions were good or very good	Published a guide on using the Welsh language on social media	Published a guide on Welsh language considerations in contract and grant applications
Established a quarterly newsletter for businesses and charities with useful news and information	Over 74,000 Twitter impressions for the campaign to promote the sports module	122 businesses and charities used the free proofreading service

Sports module

The Commissioner worked with Sports Wales to develop an online module to encourage community sports leaders to use as much Welsh as possible on the sports field.

The module will be used by different associations and sports, and the WRU, Cricket Wales, Ospreys in the Community and FAW Trust have already committed to using the module as part of their training programmes.

The initiative was supported by rugby stars Rhys Patchell and Ken Owens and the Wales forwards coach Robin McBryde, as well as the Cardiff-based comedian Mike Bubbins. The module was launched in the company of Mike Bubbins and members of Cardiff Welsh RFC under eights and the Minister for Culture, Tourism and Sport at Sports Wales. The module is available at clubsolutions.wales.

Twitter statistics for the @Hybu_Cymraeg account, which focuses on the Commissioner's work with third sector businesses and organisations, showed over 28,000 impressions for tweets about the sports module, compared with 2,500 impressions on average normally.

Other highlights

- Held two meetings of the banking and building society forum. Senior managers from seven of the main organisations were present at the meeting. As well as allowing them to share good practice and discuss challenges, there were presentations from the National Centre for Learning Welsh, RWG Mobile and the Minister for Lifelong Learning and the Welsh Language.
- Presented research findings into the value of the Welsh language to the supermarkets' forum, in a meeting arranged jointly with the Welsh Retail Consortium.
- A total of 198 businesses and charities have used the online questionnaire to assess their Welsh language provision in order to plan to develop more services in Welsh. These included 80 micro businesses or charities (with up to 10 members of staff or volunteers); 63 medium sized businesses or charities (with up to 50 members of staff or volunteers); and 55 large businesses or charities (with over 50 members of staff or volunteers).
- Held 8 training sessions on the use of Welsh for over 70 individuals representing 60 organisations. These were arranged in partnership with WCVA, the Big Lottery Fund and the Arts Council of Wales.
- Published guidance on the use of Welsh on social media and when applying for contracts and grants.
- Established a quarterly newsletter to businesses and third sector organisations to share information on research, successful practices and the practical advice and support available.
- 122 businesses and charities have used the proofreading service. A total of 1,000 words can be proofread free of charge. Text included signage, menus, web text, posters and promotional material.

Influencing the consideration given to the Welsh language in policy developments

Key facts

Published a briefing note and recommendations on developing the use of Welsh in childcare and early years education	Published a briefing note and recommendations on increasing the number of Welsh-medium or bilingual apprenticeships	Presented oral evidence to Assembly and Westminster committees on 2 occasions	Presented evidence to inquiries and consultations on 33 occasions
135 references to the Commissioner's work during Plenary	54 references to the Commissioner's work during Assembly committee meetings	38 Assembly committee reports referred to the Commissioner's evidence and recommendations	16 meetings held with WG and UK Government Ministers and AMs

The Committee has *considered* the view of the Commissioner that specific elements of the Bill do not reflect its ambition and the challenge for the Welsh language. The Committee agrees with the Commissioner's call for an eleventh core aim for the Bill to ensure the delivery of bilingual ALN services" (Report on the Additional Learning Needs and Education Tribunal (Wales))

The committee shares the concern of the Language Commissioner and the Minister that too many Local Authorities have been inactive in stimulating and assessing demand for increased Welsh medium provision" (Achieving the Ambition: Inquiry into the Welsh Government's new Welsh Language Strategy, Culture, Welsh Language and Communications Committee).

Briefing notes

One of the findings of the Commissioner's Five-year Report on the Position of the Welsh Language, published in August 2016, was that four out of every five child now learn Welsh at school. Therefore, education plays a key role in reaching a million Welsh speakers.

Looking at the education sector, it became apparent that there were several weak links in the educational path as it currently stands, which means that the education system does not produce as many Welsh speakers as it could, with opportunities being missed. This was especially true in terms of and post-16 apprenticeship programmes. These areas were therefore prioritised and two comprehensive briefing notes were published providing facts and making recommendations for development.

Childcare and early years provision

- The figures show that 80-85% of children introduced to the Welsh language during this period transfer to Welsh-medium primary education.
- However, English is the main language of 77% of childcare providers in Wales at present.
- It was recommended that the Government should consider the Welsh language when planning, funding and implementing childcare schemes and early years education in future.

Apprenticeship programmes

- As the standards come into force and an increasing number of businesses and other organisations look to increase their use of Welsh, there is increased demand for a workforce which can speak Welsh.
- Despite this, only 0.3% of all apprenticeship programmes in Wales are Welsh-medium, and 3% are bilingual.
- This situation has remained unchanged since 2011-12.
- In her briefing note, the Commissioner recommended that the Welsh Government should set a target for increasing the number of Welsh-medium apprenticeships.

Other highlights

- Presented oral and written evidence to 33 consultations and inquiries in order to ensure consideration of the Welsh language. These included topics such as healthcare, Brexit, reforming local election arrangements, broadcasting and the economy.

- Responded to the Welsh Language Bill White Paper, highlighting the importance of maintaining the momentum gained in recent years and the need to avoid weakening the rights to use Welsh in any way.
- Provided evidence to the Assembly's Children, Young People and Education Committee on the Emotional and Mental Health of Children and Young People. The Committee noted that it agreed with the Commissioner's comments on the Together for Children and Young People (T4CYP) programme and recommended that the Welsh Government ensure T4CYP undertakes a comprehensive piece of work on the current and future availability of Welsh language emotional and mental health support services. In its response to the report the Government agreed to this recommendation.
- Published a position paper on S4C identifying the importance of the channel in creating Welsh speakers and increasing the use of Welsh.
- Worked with the Alzheimer's Society to collect patient experiences of dementia care in Welsh. The information will form the basis of recommendations on how to plan services better in future.
- Contributed to the report of the North Wales Ambition Board highlighting the importance of ensuring that the workforce has the required skills to work through the medium of Welsh.
- Worked with the Future Generations Commissioner to advise Public Service Boards on how to consider the Welsh language in their local well-being plans.
- Informed the Solicitors Regulation Authority, the Counsel General and Law Society of concerns that it is not possible to sit an exam to qualify as a solicitor in Welsh. In response, the Regulation Authority has confirmed that it will refer to the importance of legal skills and education through the medium of Welsh in future regulations.

Developing Welsh language infrastructure

Key facts

100% of local authorities in Wales given recommendations on standardised place-names	665 new names added to the place-name database this year	Associate member of the Historical Place-names of Wales Steering Group
Over 2.2m searches in the online <i>Welsh Academy Dictionary</i>		

Place-names

Place-names are an integral part of our history and identity; they reveal something about a place and our history as people. A lack of understanding or lack of respect towards Welsh place-names can have a detrimental impact on the status of the language.

The Commissioner has convened a Place-names Standardisation Panel to provide expert advice and independent recommendations in this field. In forming its recommendations, the panel considers the meaning, history and etymology of the place-names, as well as their usage. It will also use specific standardisation guidance.

Three panel meetings took place during the year and three projects to standardise the names of Welsh towns and villages were completed.

The panel has now made recommendations on place-names to every local authority in Wales.

Work has been ongoing to develop a national database of place-names. The intention is to publish the database online so that anyone can access it to search for the standardised forms of Welsh place-name by the summer of 2018.

Other highlights

- Provided recommendations and explanatory notes to the Local Democracy and Boundary Commission for Wales on the standardised forms of ward names in six local authorities during its programme of electoral reviews.
- Associate member of the Historical Place-Names of Wales Steering Group who advise the Royal Commission on the Ancient and Historical Monuments of Wales as they undertake the work of drawing up the List of Historical Place-names on behalf of the Welsh Government.

- Revised the translation guidance to ensure that it reflects the new requirements of the standards and encourages organisations to make responsible but innovative use of technology. The revised guidelines will be published during the next reporting period but a taster was given at a national conference arranged by the translation studies course at Aberystwyth University.
- As part of the work of ensuring that the Welsh language is developed in priority areas, the Commissioner is a member of the Welsh Government's Technology Board, Coleg Cymraeg Cenedlaethol's Translation Studies Consortium and the Revitalise Research Project Steering Group.
- The Commissioner is responsible for maintaining the on-line *Welsh Academy English-Welsh Dictionary*. During the year, it has proven to be a valuable tool, attracting over 2.25m searches.

Communications

Key facts

'My language rights' marketing campaign highlighting new rights for students to use Welsh.	35,842 Iaithe Gwaith badges and 30,521 lanyards distributed	5,430 Twitter followers 1.3m impressions for tweets	233 references to the Commissioner in the printed press or online
77 press and media releases and interviews	Stands at the Urdd Eisteddfod and the National Eisteddfod	Chair and secretariat for the International Association of Language Commissioners	Hosted the Annual Conference of the International Association of Language Commissioners in Cardiff

'My Language Rights' marketing campaign

On 1 April 2018 the Welsh language standards for colleges and universities in Wales came into force, and with it the establishment of rights for students to use the language in their dealings with them. To draw attention to the new rights, a marketing campaign was conducted specifically targeting students with information about the services they can expect to be available in Welsh from now on. In preparing the campaign, the Commissioner's Communication Team worked closely with officers from the colleges and universities, the Coleg Cymraeg Cenedlaethol, CollegesWales, and student union officers. Campaign ideas sessions were held with groups of students in different colleges.

The campaign was launched at the Inter-collegiate Eisteddfod dance held on Trinity Saint David University's Lampeter campus in March 2018.

The campaign will continue in 2018-19 to make a new cohort of students aware of their rights.

International Work

Meri Huws has chaired the International Association of Language Commissioners since 2016. The main aim of the Association is to support and promote linguistic rights, equality and diversity across the world and support language commissioners so that they can uphold the highest professional standards in their work.

Members of the Association were welcomed to Wales for the very first time in May 2017 for their annual conference. The guests were welcomed at an event celebrating the 50th anniversary of the Welsh Language Act, with speeches from the First Minister, Carwyn Jones AM, the Assembly's Presiding Officer, Elin Jones AM, and the Right Honourable Sir David Lloyd Jones, Lord Justice of Appeal.

The theme of the conference was 'Iaith Gwaith: The importance of technology and strategic planning for the bilingual workplace' and there were lively contributions from international speakers as well as speakers from Wales. Each speech was recorded and can be accessed on the Commissioner's website.

The Commissioner has also been responsible for the Association's secretariat since 2015. As well as quarterly meetings for members, a programme of webinars took place in order to provide guidance and share information with officers.

Other highlights

- Stands at the Urdd Eisteddfod and the National Eisteddfod.
- Event organised jointly with CollegesWales at the Urdd Eisteddfod calling for strategic investment and planning to increase Welsh language provision in post-16 education.
- Led a discussion at the Royal Welsh Show on the contribution of the agricultural community to the Welsh language; the need for a strategy to attract young people into the farming industry and to increase the numbers studying agriculture through the medium of Welsh.
- Held a panel discussion on the use of Welsh in law at the National Eisteddfod, in the company of Judges Nicolas Parri and Hywel James and Professor Elwen Evans QC.
- Led a panel discussion at the National Eisteddfod on the importance of attracting more Welsh speakers to work in mental health.
- Restructured the website to make it more accessible.

Our management and operation

The Commissioner places an emphasis on effective and efficient operation.

In this section, commentary is provided on the organisation's financial performance, equality issues, environmental issues, staff issues, freedom of information and complaints against the organisation.

Results and appropriations

The Welsh Language Commissioner is a corporation sole funded by Welsh Ministers. The funding allocated by Welsh Ministers for the year 1 April 2017 to 31 March 2018 was £3,051,000 (2016-17: £3,051,000). The net expenditure after interest for the year was £3,249,000 (2016-17: £3,055,000), with capital expenditure of £35,000 (2016-17: £18,000). At 31 March 2018 the general reserve was £501,000 (31 March 2017: £699,000).

	2016-17 Outturn £000	2017-18 Outturn £000	2017-18 ¹ Budget £000	2018-19 ¹ Budget £000
Officers' costs	2,112	2,169	2,385	2,231
Administration				
Accommodation : Rent	119	120	120	125
Accommodation : other costs	172	141	142	165
Office dilapidations	6	20	-	-
Travel and subsistence	68	84	74	75
Training and recruitment	33	37	35	27
Legal and professional	114	205	144	127
Information technology	141	134	143	139
Communication	32	37	37	40
External audit fee	15	15	15	15
Administration other	48	53	49	48
	748	846	759	761
Programme costs	221	261	289	141
Capital and depreciation	44	36	50	47
Net Expenditure	3,125	3,312	3,483	3,180
Income	(69)	(63)	(63)	(47)
Interest receivable	(1)	-	-	-
Net expenditure after interest	3,055	3,249	3,420	3,133

¹ Revised internal budget approved by the Management Team in June 2017

² Final internal budget approved by the Management Team in June 2018

Commentary on the Estimate, budget and outturn for the period

As Accounting Officer I am required, in accordance with the Welsh Language Measure (Wales) 2011, to submit an estimate of expenditure to Welsh Ministers. Following a number of years where successive cuts to the budget were received, the 2018-19 Estimate was submitted on 03/10/2017 for £3.239m which reflected the financial resources required for the organisation to implement its strategy and operating plan and to fulfil its functions and duties. Following approval of the Welsh Government's budget by the National Assembly for Wales a budget of £3.051m was allocated for 2018-19.

In the context of an allocated budget at the same level as 2016-17, the internal forecast for the outturn for the 2016-17 financial year and the consequent level of general reserves; a detailed budget was drawn up for 2017-18 and was revised at the end of June 2017.

The revised budget agreed for 2017-18 forecasts overspend of £369,000 for the financial year. This planned overspend is a considered action which makes appropriate use of the reserves over the medium term. This plan addresses the organisational structure gaps that occurred in 2016-17, due to staff turnover, by prioritising resources on staff to ensure that the structure is fully resourced. This is key to enabling the organisational to deliver its strategy and to fulfil its duties. Also an appropriate budget has been set aside for delivering appropriate programmes.

It is forecast that these budgets make use of reserves over the medium term, whilst planning that reserves are consistent with the Commissioner's principle that it is prudent to maintain a reserve of about £150,000, equal to 5% of expenditure, for unforeseen expenditure plus £100,000 for legal costs relating for the purpose of defending or supporting cases in the courts or Tribunal.

Officers' costs

Employment costs for the financial year 2017-18 were slightly higher than actual costs for 2016-17 and significantly lower than budget for the year. The primary reasons for the savings against budget was the impact of roles in the structure being vacant for periods due to staff turnover, and further savings due to the appointment of new staff on the lowest increment of the pay bands. Also there was a reduction in working hours for some officers, and roles equivalent to 1.6 FTE not filled during the year.

Accommodation

Gross costs of rent have remained stable year on year and against the budget. An increase to rental costs has been planned for the 2018-19 budget due to the requirement to move offices in Caernarfon.

There was a reduction in other accommodation costs in the year compared to the prior year, this had been forecast and was planned for in the budget. The principal factors were the reduction in cost of services and the reduction in non-domestic rates for the Cardiff office. There was a small increase against budget, this was in relation to the costs of moving the Caernarfon office.

An increase has been planned for other accommodation costs in 2018-19 given that the lease on the Cardiff office is coming to an end in December 2018 and there will be a need to consider options around planning for a suitable office in the city.

The income which is derived from sub-letting the Cardiff office is less in 2017-18 because the tenant gets a benefit from the saving on non-domestic rates following the revaluation. The income reduces in 2018-19 because no income has been planned for the final quarter of the financial year after the lease comes to an end.

Travel and subsistence

Travel and subsistence costs have increased in 2017-18 compared to prior year and against budget across the organisation. The expenditure during 2016-17 was historically low compared to previous years. Visits and engagement with stakeholders and users is a key part of the Commissioner's work, enabling officers to execute their duties effectively; this is the primary reason for the increase in travel and subsistence costs. Also during the year the International Association of Language Commissioner's conference was held in Cardiff. Travel and subsistence costs were incurred due to the Commissioner's officers facilitating and supporting the event.

Training and recruitment

Whilst continuing to utilise cost effective methods to recruit staff, a combination of increased staff turnover and use of alternative recruitment methods in order to attract applicants has resulted in an increased expenditure of £3,000 in the year. Training and development costs of approximately £27,500 on training, qualifications, seminars and conferences has been stable compared to the budget and 2016-17. The Commissioner continues to focus officer training and development requirements in specific areas and utilising free course through AcademiWales where applicable, in order to live within a budget which has halved compared to earlier years.

Legal and professional

These costs comprise legal advice, internal audit services, translation services and the services of fire, health and safety consultants. These services support the ordinary activities of the organisation. There was a significant increase in the expenditure in this category in 2017-18 compared to 2016-17 and budget; the main factors are noted below.

Legal costs are responsible for the majority of the increase. Costs of £22,000 in relation to leases of offices that had not been foreseen when the budget was agreed. Also there was an increase of £16,000 in relation to the cost of defending cases in the Tribunal. In addition to legal costs there was an increase to internal audit costs of £4,000 due to specialist requirements and a request by the Commissioner to perform additional work. Translation and proof-reading costs were higher as they returned to a level similar to 2015-16. There was an increase of £9,000 to consultants costs in the year relating to the design of the Caernarfon office, research into options for alternatives for the Cardiff office, consultation on value for money and the response to the white paper on the Welsh Language Bill.

Information Technology

Annual costs of £23,000 relating to hosting data and the website have been categorised under Information Technology this year, in prior years they were categorised under the Communications heading.

There has been a reduction in costs in the year compared to budget and 2016-17. The main reasons are noted below. An increase to hardware and software licences due to an increased requirement for licences. Costs in relation to the fitting out of the voice and data infrastructure for the new office in Caernarfon. Savings due to less use of the external IT helpdesk, a reduction in the subscription costs for the PSBA internet service and a reduction to projects spend to develop the website and the information management system.

Communication

Compared to 2016-17 the organisation subscribed to a parliamentary monitoring service at a cost of £4,500. Also due to the release of accruals and refunds in relation to publishing the Annual Report in previous years, the expenditure in 2016-17 was low, and has returned to a normal level in 2017-18. Annual costs of £23,000 relating to hosting data and the website have been categorised under Information Technology this year, rather than under the Communications heading as they were in the past.

Programme expenditure

Programmes for 2017-18 included research, publication of the Assurance Report on the provision of services in the Welsh language, undertaking research into the experiences of users of services in the Welsh language and programmes to engage with users. Promotion programmes to develop communications resources with businesses and charities; and creation of teaching modules for sports clubs and associations. Conducting publicity campaigns on the rights of users, through various media outlets and attending events.

Further information about the main programmes completed in the section on the organisation's activities and achievements on pages 9 to 28.

Remuneration of External Auditors

The auditor's remuneration is disclosed in note 4 to the accounts. The external auditors did not undertake any non-audit work during the year ended 31 March 2018 (2016-17: £0).

Equality

Equality Impact Assessments

Equality impact assessments are an essential part of the implementation of the equality scheme and both time and resources were invested anew in establishing robust arrangements including the provision of staff guidance. Training was delivered by an external trainer on equality, the requirements of the legislation and how to conduct a meaningful equality impact assessment. As a result, decision reports are expected to consider equality issues. A sample of decision papers and policies were examined during the year.

In preparing the 2017-18 Action Plan, 16 full assessments were conducted on proposed programmes or, in addition to that, assessments were reviewed as a continuation of 2017-18 work. Some assessments will take place in 2018-19. A total of 37 actions were identified as a result of those assessments and will be implemented as part of teams' work programmes during the year.

It was decided not to conduct a full review of the implementation of the impact assessment process during the year as it is a fairly new regime. This work will be undertaken in 2018/19.

No equality impact assessments were published in 2017/18.

Improving delivery

The Welsh Language Commissioner met with the C&HD Wales Commissioner and the Head of the Wales Office in June 2018.

The Senior Governance Officer attended equality network meetings and the annual Stonewall Cymru conference in February 2018. Sessions promoting positive mental health in the workplace and creating a trans-inclusive organisation were attended. Following the conference, discussions have taken place with one Health Board in order to share information on promoting mental health in the workplace.

In April 2017 staff guidance was provided on how to arrange fully accessible events.

It was not possible to collect information to allow the Commissioner to improve the accessibility of her investigations into complaints as the general review of the complaints form was not completed during the period.

External communication strategy

The Commissioner's external communication strategy provides guidance on the work being undertaken by the Commissioner to engage with the public. An equality impact assessment was conducted on the strategy and actions were identified.

It was intended to conduct a review of publications and their formats in order to establish to what extent the Commissioner's publications meet the needs of users. Due

to the departure of the responsible officer it was not possible to undertake this work. The work will be undertaken following the appointment of a new officer.

Corporate issues

All of the Commissioner's employment policies ensure that people are treated fairly. There is an undertaking that no job candidates, staff members nor persons receiving a service will suffer discrimination, harassment nor victimisation as a result of personal characteristics such as age, disability, ethnicity, gender, gender reassignment, pregnancy or maternity, sexual preference, religion or belief, marital status nor civil partnership.

There is also information on the implementation of equality in the workplace policies on page 50 of this annual report.

A commitment to equality is included as part of the Welsh Language Commissioner's contractual policies and procedures.

Environmental issues

The Commissioner is committed to good environmental practices. The Commissioner seeks to reduce the organisation's impact on the environment by promoting the use of technology such as video-conferencing in order to avoid business travel; encouraging the use of public transport and car-sharing; encouraging officers to use less energy and recycle waste in the workplace.

The 'Greening Government' targets for waste identified in 'Public Sector Annual Reports: sustainability reporting guidance 2016-20' continue to be irrelevant to public bodies in Wales.

Staff issues

Union recognition

The organisation has a recognised union branch of the PCS and regular meetings are held between branch representatives, the Commissioner, the Deputy Commissioner and the Senior HR Officer.

Well-being

The Commissioner provides a free and confidential advice service to support officers who may be suffering depression or stress in the workplace.

This service is provided by an external contractor.

Learning and development

The Commissioner implements a Performance Management system which ensures that officers understand what is expected of them and ensures that they have the skills and capacity to meet those expectations. Discussing training and development needs forms

a crucial part of the process and a development plan is produced for each officer based on those discussions.

As the organisation undertakes new responsibilities and duties, it will face significant challenges. In order to develop the skills and competencies of officers to ensure that they are able to undertake their role as regulators effectively, cost-effective options will need to be considered in responding to this challenge in the context of less funding.

Freedom of information

Seventeen requests for information were received under the Freedom of Information Act 2000 during the year (2016-17: 7 requests). The Commissioner's responses to requests, as well as any information released, are published on the website.

No subject access requests were received under the Data Protection Act 1998 during the year.

Following an investigation by the Information Commissioner's Office in 2016-17 where the Information Commissioner came to the decision to uphold the Welsh Language Commissioner's original decision, the case was taken to the First Tier Tribunal (Information Rights) by the Appellant. The Tribunal decided that the Welsh Language Commissioner had used section 44(1)(a) of the Freedom of Information Act correctly in this case and the appeal was rejected.

Complaints against the organisation

In accordance with Section 14 of the Measure, a specific complaints procedure is available should individuals wish to complain about any actions or lack of action relating to the Commissioner's functions. A copy of this procedure is available on the Commissioner's website.

One complaint was received against the organisation during 2017-18 (2016-17: 2 complaints). The complaint involved the Commissioner's decision not to investigate a complaint made under section 18 of the Welsh Language Act. In this case, it was decided that there was no basis to investigate the complaint.

Plans for 2018–19

The Welsh Language Commissioner has a strategic plan for 2018 to 2021. It includes four strategic objectives and related priorities. During 2018-19 work programmes under the different objectives will include:

Strategic Objective 1 - Influencing policy

- Ensure appropriate consideration is given to the Welsh language in policy and legislative developments in areas such as education and skills, health and care, and local government.
- Publish a report in partnership with the Alzheimer's Society on the dementia care experienced by Welsh speakers.
- Analyse the Welsh language provision on the post-16 sector.
- Start to plan for the publication of a second 5-year report on the position of the Welsh language.
- Increase understanding of the Welsh language through research and working with others in Wales and beyond.

Strategic Objective 2 - Extending people's rights to use the Welsh language

- Include more organisations under the Welsh language standards
- Set statutory duties on organisations in the health sector through compliance notices.
- Educate organisations so that they understand the requirements placed upon them by preparing codes of practice.
- Agree language schemes where appropriate.
- Communicate effectively to ensure that the public are aware of their rights to use the Welsh language by conducting campaigns.

Strategic Objective 3 - Ensuring compliance with duties

- Gather evidence on the quality of experience of service users and organisations' levels of compliance.
- Discuss progress with organisations directly and in specific events. Arrange events in order to hear the views of the public as well as conduct surveys.
- Complete a project focusing on the language experiences of prisoners.
- Promote efforts of organisations to self-regulate effectively and facilitate the work of sharing success and innovation.
- Operate an accessible and effective system for the submission of complaints from users by listening to their comments and acting on them.
- Ensure that the work of investigating suspected failures and the enforcement of Welsh language standards impacts positively on the rights of citizens to use the Welsh language in their engagement with organisations.

Strategic Objective 4 - Facilitating wider use of the Welsh language

- Nurture relationships with strategic partners to encourage the use of Welsh by businesses and charities by developing e-learning modules, delivering training and holding seminars with specific sectors.
- Promote the benefits of using Welsh through research and preparing guidance for businesses and charities.
- Provide practical support for businesses and charities on the use of Welsh through the promotion plan and provide training based on contracting and social media guidance.
- Provide advice on translation and update advice on technology and the Welsh language.
- Provide expert and independent advice on the standardised forms of place names in Wales. In particular, publish a list of standardised place names and continue to consider names where needed and advise the Boundary Commission as part of any consultation process.

Challenges facing the organisation

The Commissioner keeps a strategic risk register which outlines the main challenges facing the organisation. The register is used to assess the likelihood and impact of risks and to identify actions to manage or alleviate them. This register is updated regularly.

At the end of the financial year, the strategic risks included the need to continue to implement a governance framework and good corporate administration; the risk of failing to undertake functions and duties and achieve the Commissioner's vision without a sufficient budget; and the legal risk stemming from the Commissioner's semi-judicial role and the need to interpret the law correctly. Other risks involve issues resulting from external decisions and developments.

During the last year, for example, the Welsh Government published a consultation entitled "Striking the right balance: proposals for a Welsh Language Bill". The consultation included the Government's proposals for a new Welsh language act and recommended changes to the way that the Welsh language is promoted and regulated in future. The consultation also recommended significant changes in terms of supporting structures, including establishing a Welsh Language Commission and dissolving the role of Welsh Language Commissioner.

The Commissioner responded to the consultation and shared her views on the proposals. Her general impressions included the need to protect the independence of regulation; ensure that structural changes do not lead to a loss of momentum in terms of the increase in Welsh language services; welcoming the clear commitment to continuing with the standards system; and welcoming a discussion on the future of promotion. Although the Commissioner agreed that one body could undertake both promotion and regulation, she was not convinced that a Commission was the best medium under the circumstances.

At the time of writing this report, the Government had not released a statement on the way forward with the Bill nor the structure of promoting and regulating the Welsh language in future. In the meantime, the Commissioner's work will continue and she will act in accordance to her statutory functions and strategic objectives.

The next financial year will mark the final year of the current Commissioner's seven-year tenure. A new appointee will need to be in post by 1 April 2019. In order to ensure that the transition is as smooth as possible, the organisation has robust policies and procedures in place along with a strategic plan for 2018-21 which will bridge the change.

Part 2 Accountability

	Page
Annual Governance Statement	42
Remuneration and Staff Report	50
Statement of the Accounting Officer’s Responsibilities	59
Certificate and Report of the Auditor General for Wales to the National Assembly for Wales	60

Annual Governance Statement and Report 2017-18

Scope of responsibility

As the Accounting Officer I am personally responsible for the overall organisation, management and staffing of the Welsh Language Commissioner. I must ensure that the organisation has a high standard of financial management and that its financial systems and procedures promote the efficient and economical conduct of business and safeguard financial propriety and regularity.

The purpose of the governance framework

The governance framework is designed to preserve my independence as Welsh Language Commissioner and to balance that independence with my accountability for the public money I spend.

As Accounting Officer I am accountable to the National Assembly for Wales, the Welsh Ministers, the Public Accounts Committee of the National Assembly for Wales, the House of Commons and the Public Accounts Committee of the House of Commons.

The Welsh Language Commissioner is defined by statute as a corporation sole whose powers and responsibilities are set out in Part 2 of the Welsh Language Measure.

The governance framework comprises the systems, processes, culture and values by which the Welsh Language Commissioner is directed and through which it is accountable for its activities.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level.

The Welsh Language Commissioner's permanent Governance Statement is available on the corporate website.

Governance of the organisation

Strategic planning and performance review

The Commissioner has a Strategic Plan, with a detailed Operating Plan drawn up for each year. The 2017-18 Operating Plan was developed through contributions from the Commissioner's senior officers during internal discussions.

It is the responsibility of both Directorates and senior officers to implement the actions that have been specified, the Management Team then reviews progress against targets and outcomes. The vast majority of key activities for 2017-18 were completed by the end of the financial year and they are reported on in the strategic report on pages 9 to 28.

Deputy Commissioner

In accordance with sections 12 and 13 of the Measure, the Welsh Language Commissioner is required to appoint a Deputy Commissioner. The Deputy Commissioner will deputise for the Welsh Language Commissioner during periods of holiday, illness and any other occasion at the request of the Welsh Language Commissioner. Gwenith Price, the Strategic Director, remains the Deputy Welsh Language Commissioner since her reappointment in October 2017.

Management Team

The Management Team, chaired by the Commissioner, and comprising both Directors, exercises management of the Commissioner's functions and activities. The Management Team is responsible for leading, agreeing and delivering the Commissioner's strategic vision, policies and services to the public and other stakeholders. The Management Team's terms of reference was reviewed during July 2016. The Management Team's terms of reference is published on the Commissioner's website.

The Management Team met regularly during the year and is responsible for leadership and management across the organisation. It is the ultimate forum (supported appropriately by other groups) for making executive decisions about operational, resource, communications and other administrative matters in order to implement the strategic and all other business planning processes, and for monitoring performance.

Papers relating to finance, HR and staffing, reports on progress against the operational plan, substantive publications and strategic decisions are presented to the Management Team for consideration and determination.

The membership of the Management Team during the year was as follows:

Meri Huws	Welsh Language Commissioner
Gwenith Price	Strategic Director and Deputy Commissioner
Dyfan Sion	Strategic Director

Auditors

From 14 April 2017, following Ktsowenstomas' decision to merge with Baldwins Group, the Commissioner's internal audit service was delivered by Baldwins Audit Services Limited in accordance with the existing letter of engagement.

Baldwins Audit Services Limited's contract expired on 31 March 2018 and, following a competitive tendering process, TIAA Limited were appointed internal auditors, with the contract commencing on 1 April 2018.

An internal audit plan for 2017-18 was prepared by the internal auditors in March 2017 and approved by the Commissioner and the Audit and Risk Committee in March 2017.

In accordance with Schedule 1, Part 5 of the Measure, the Auditor General for Wales is responsible for auditing the Commissioner's accounts.

Audit and Risk Committee

The Audit and Risk Committee is responsible for providing advice and independent assurance to the Accounting Officer and the Management Team on the adequacy and effectiveness of internal control and risk management. The Audit and Risk Committee's terms of reference was reviewed in December 2016. A copy of the Audit and Risk Committee's terms of reference can be found on the Commissioner's website.

The Committee comprises four independent members. A procedure is in place to allow members to retire at different times in order to ensure continuity of experience and knowledge. The Chair of the Committee is Rheon Tomos.

Wyn Penri Jones' term as member came to an end in November 2017. Following the resignation of Nigel Annett in September 2017, new members were appointed. Iorwen Brooks-Jones was appointed on 20 September 2017 and Liz Aitken on 21 March 2018 for a three year term.

The Audit and Risk Committee met four times during the 2017-18 financial year. The Audit and Risk Committee's membership and attendance were as follows:

	28/06/2017	20/09/2017	14/12/2017	21/03/2018
Rheon Tomos (Chair)	✓	✓	✓	✓
Wyn Penri Jones	✓	✓		
Nigel Annett	x	x		
Dr Ian Rees	✓	x	✓	x
Iorwen Brooks Jones		✓	✓	✓
Liz Aitken				✓

The Audit and Risk Committee receives a number of standard agenda items for each meeting. As part of its remit, the Committee receives the monthly finance report and the Operational Plan progress report, which have been approved by the Management Team.

The Management Team and the Risk Manager attend all Audit and Risk Committees. Representatives of the internal and external auditors are invited to each meeting.

Briefings and training on relevant issues for members are held before the Committee's full meetings. The Committee also has regular discussions with the Commissioner, as well as private meetings with the internal and external auditors.

At the end of each meeting, all attendees are able to give an opinion on any aspect of the meeting. A review was conducted of the Audit and Risk Committee's work in 2016-17 via a self-assessment form. The findings were discussed in the June 2017 meeting and it was concluded that the Committee operates effectively and efficiently with positive responses given to the questions.

Advisory Panel to the Welsh Language Commissioner

In accordance with the requirements of the Welsh Language (Wales) Measure 2011, the Commissioner has an Advisory Panel. The members of the Advisory Panel are appointed by Welsh Ministers for a period of three years. The Commissioner may consult with the Advisory Panel on any matter. A copy of the Advisory Panel's remit is available on the Commissioner's website.

The Advisory Panel's membership and attendance were as follows:

	16/7/2017,	22/9/2017,	18/12/2017	14/03/2018
Nick Speed	✓	✓	✓	✓
Meinir Davies (Chair)	✓	✓	✓	✓
Dr Heledd Iago	✓	✓	✓	✓

Register of interests

In light of the Commissioner's regulatory powers, it is considered important that the Commissioner, the Directors and the organisation's officers are not perceived to be prejudiced in any way. It is also considered important that personal interests do not influence the way in which duties and functions are performed.

The register of interests is updated twice a year; in addition to the formal process, members of the Management Team, the Audit and Risk Committee and the Advisory Panel are asked to record any interests at the start of meetings.

There were no materially relevant transactions during the year with organisations where the Commissioner, directors or senior officers, or any of their family members, hold influential posts. Information on the Management Team's interests can be found on the Commissioner's website.

Welsh Language Tribunal

During the year, applicants made four applications to the Welsh Language Tribunal to review decisions made by the Commissioner not to investigate complaints. Of these, the Tribunal refused to uphold two applications. A hearing was conducted and a decision was made in one case and at the end of March 2018 one case remained under consideration by the Tribunal.

The applications received during 2017-18 called for reviews of decisions not to investigate complaints. Such reviews are treated as if they are applications for judicial review made to the High Court (103(3)). During 2017-18, a hearing was conducted and a decision was made in one case that remained outstanding from 2016-2017.

Commenting on the Welsh Language Tribunal's decisions

WLT16/08: The Tribunal considered how the Welsh Language Commissioner used her discretion in making a decision not to investigate a complaint. Following the Tribunal's decision and in accordance with the policy objectives of the Welsh Language Measure, the Commissioner is disposed to opening investigations as an optional way of addressing valid complaints rather than closing them and using persuasive methods of resolving complaints.

WLT17/02: In WLT/17/2, the Welsh Language Tribunal considered an application made by an individual under section 103 of the Welsh Language (Wales) Measure 2011 to review a decision made by the Commissioner not to investigate a complaint made by the individual regarding a failure by a local authority to comply with one of the Welsh Language Standards. The standard in question was Standard 58: "when you use social media you must not treat the Welsh language less favourably than the English language". In contrast with Standard 58, some standards that impose a duty not to treat the Welsh language less favourably than the English language include a specific requirement in relation to language order. For example, Standard 62 requires that when signs convey the same information in Welsh and in English, the Welsh-language text must be positioned so that it is likely to be read first. In this case, the Tribunal decided that the Commissioner has the right to consider language order when deciding whether an organisation is complying with a standard not to treat the Welsh language less favourably than the English language, even if the standard itself does not impose a specific requirement in relation to language order. The Commissioner will adopt the principle of this decision when fulfilling her functions and considering compliance in the future.

Complaints and Statutory Investigations (sections 17-20 of the Welsh Language Act 1993, and Parts 5 and 6 of the Welsh Language (Wales) Measure 2011)

The Commissioner's Complaints and Statutory Investigations Panel is responsible for complaints and Statutory Investigations (sections 17-20 of the Welsh Language Act and Parts 5 and 6 of the Welsh Language (Wales) Measure 2011).

The decisions made by the Commissioner during meetings include:

- Making statutory recommendations regarding complaints, investigations and investigation reports under section 17 of the Welsh Language Act 1993 and section 71 of the Welsh Language (Wales) Measure 2011.
- Reasoning and making determinations on investigation reports covering allegations of interference with an individual's freedom to use Welsh;
- Considering any complaints or cases brought forward.

A summary of the decisions made by the Commissioner in 2017-18 during Panel meetings can be found in the 'Enforcing duties' section, page 14 of this report.

No investigation was held into 'interference with an individual's freedom to use Welsh' in accordance with Section 115 of the Welsh Language (Wales) Measure, during the year.

The Welsh Language (Wales) Measure requires the Welsh Language Commissioner to maintain a register of enforcement action, including details of all the statutory investigations conducted. The register of enforcement action includes the following sections:

- Investigations
- Findings
- Determinations
- Action statements
- Actions
- Decision notices
- Appeals made

The register of enforcement action can be found on the Commissioner's website.

Working with Ombudsmen and Commissioners

Sections 20 and 21 of the Measure outline the degrees to which the Welsh Language Commissioner can work with ombudsmen and other commissioners in Wales. The Measure names the following organisations as those with whom the Commissioner can work: the Public Services Ombudsman for Wales; the Older People's Commissioner for Wales; the Children's Commissioner for Wales; and the Commission for Equality and Human Rights. Whilst there is no statutory requirement, the Commissioner also has a Memorandum of Understanding with Qualifications Wales.

The Welsh Language Commissioner meets regularly with the Older People's Commissioner for Wales, the Children's Commissioner for Wales and the Public Services Ombudsman for Wales to discuss strategic and operational matters. Officers attend networks and meetings of organisations that are financed by the Welsh Government across the areas of finance, HR and information technology.

Capacity to handle risk

The risk management system is led by the Management Team and endorsed by the Audit and Risk Committee. The Senior Finance and Resources Officer is named as Risk Manager for the organisation. Induction training on risk awareness is provided for new officers, those returning from extended periods of leave and officers undertaking additional responsibilities.

The risk and control framework

The Commissioner manages risk on a Strategic and Operational level.

A process is in place, under the guidance of the Risk Manager and Directors, whereby structured assessments of the risks affecting individual teams are conducted with senior officers as part of the quarterly progress reviews of their areas of responsibility. The risks identified and recorded as part of this process form part of the organisation's operational risks which are managed by each senior officer.

The key operational risks from these reviews are incorporated in the Strategic Risk Register. In addition, every 6 months, the Risk Manager and Directors undertake a formal review of the strategic risks affecting the organisation as a whole and these are

recorded in the Strategic Risk Register. Then, a review and challenge session is held with the Commissioner.

The Strategic Risk Register is presented to the Audit and Risk Committee twice a year, in accordance with the Committee's remit. The Operational Risk Registers are presented to the Audit and Risk Committee once a year.

Relevant risks are identified in every paper presented to the Management Team. This in turn reminds officers to identify and manage risks.

The significant challenges facing the organisation can be found on page 40.

Review of effectiveness

As Accounting Officer, I have responsibility for maintaining a sound system of internal control. My review of the effectiveness of the internal control system is informed by the work of the internal auditors and the Management Team within the organisation, who have responsibility for the development and maintenance of the internal control system, and comments made by the Auditor General for Wales in his management letter and other reports.

The annual internal audit plan for 2017-18 was approved by the Management Team and the Audit and Risk Committee. The following work areas were audited and reported during the year.

Area	Internal Audit Report	Level of Assurance
The Regulatory Regime (Complaints)	Assurance Report	Substantial
Core Financial Processes	Assurance Report	Substantial
HR processes	Assurance Report	Medium
IT processes (follow-up)	Assurance Report	Medium
Communication	Review of Value	-

The internal auditors, Baldwins, have given an opinion in their annual report that they are able to give substantial assurance as to our internal financial, operational and organisational structural control in respect of 2016-17. In their assurance reports in 2015-16, recommendations were made regarding how to improve the internal control system further. The Internal Auditors have confirmed in their reports for 2016-17 that a significant number of the recommendations have been implemented and that significant progress has been made in relation to the others. Further recommendations were made in their reports for 2016-17 and I have responded to these and agreed a programme of continuous improvement.

Incidents relating to personal data

During the financial year, no incidents relating to personal data were reported. The Commissioner maintains a policy and procedures relating to information protection.

The effectiveness of whistleblowing arrangements

The Welsh Language Commissioner is responsible for putting arrangements in place to govern and protect resources. It is good practice for employers to have internal whistleblowing procedures. The Welsh Language Commissioner's Whistleblowing Policy was approved by the Management Team in June 2017. The contact details of the Chair of the Audit and Risk Committee and members of the Commissioner's Internal Audit team, Baldwins, are included in the policy to enable officers to raise concerns with them. No concerns were reported during the year under the whistleblowing policy.

Meri Huws
Accounting Officer
Welsh Language Commissioner

Remuneration and Staff Report

Service Contracts

The Constitutional Reform and Governance Act 2010 requires Public Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

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

Remuneration Policy

The officers of the Welsh Language Commissioner remain on terms and conditions analogous to those of the Welsh Government. The Commissioner wishes to continue on the same terms and conditions.

Members of the Advisory Panel, appointed by Welsh Ministers, are paid in accordance with rates set by the Welsh Government. Members of the Audit and Risk Committee, appointed by the Welsh Language Commissioner, are paid the same rates as the members of the Advisory Panel.

The Welsh Language Commissioner operates a Performance Management Scheme for all officers (including senior officers) which is analogous to that used by HM Treasury. Remuneration is not linked to performance for officers who meet the minimum requirements for the role, although incremental increases may be foregone where minimum performance requirements are not met.

On the whole officers (including senior officers) are employed in permanent posts. Notice periods vary between four weeks and three months depending on level and length of service.

Equality in the workplace

The Welsh Language Commissioner totally opposes any discrimination on any basis. Fair and consistent processes are operated when selecting new officers.

Applicants are requested to complete an equal opportunity monitoring form as part of the application process. The Commissioner operates a guaranteed interview scheme to anyone with a disability, as defined by the Equality Act 2010, and who meets the essential requirements of the role.

Using fair and objective employment practices, the Commissioner will ensure that officers are treated fairly and with respect in the workplace, and have an equal opportunity to contribute and achieve their full potential. Reasonable adjustments

and/or training would be provided for officers who became disabled persons during their employment with the Commissioner.

Remuneration (*)

(*) This section is subject to audit

The following sections provide details of the remuneration and pension interests of the Commissioner and directors, having authority or responsibility for directing or controlling the major activities of the Commissioner:

	Salary (£000)		¹ Pension Benefits (to nearest £1,000)		Total (£000)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Meri Huws	95-100	95-100	3,000	1,000	100-105	95-100
Gwenith Price ²	60-65	60-65	17,000	14,000	80-85	75-80
Dyfan Sion	55-60	50-55	31,000	30,000	85-90	80-85

¹ The value of pension benefits is calculated as follows: (real increase in pension* x20) + (real increase in any lump sum*) - (contributions made by member) *excluding increases due to inflation or any increase or decrease due to a transfer of pension rights.

The value of pension benefits is calculated by MyCSP, the organisation responsible for administering the Principal Civil Service Pension Scheme on behalf of the Civil Service. The Welsh Language Commissioner has no influence over the calculation or the reported amount. This is not an amount which has been paid to an officer by the organisation during the year; it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors e.g. changes in an officer's salary, whether or not they choose to make additional contributions to the pension scheme from their pay and other valuation factors affecting the pension scheme as a whole.

² The director receives an allowance of 10% of salary for deputising for the Welsh Language Commissioner during periods of absence or at the request of the Commissioner.

Salary

'Salary' includes gross salary, overtime, and responsibility allowances where applicable. This report is based on accrued payments made by the Welsh Language Commissioner and thus recorded in these accounts.

Meri Huws was appointed Welsh Language Commissioner from 1 April 2012 on a seven year contract by the First Minister in accordance with the Welsh Language (Wales) Measure 2011, Schedule 1, Paragraphs 3(1) and 6(1). The Welsh Language Commissioner is a member of the Principal Civil Service Pension Scheme (PCSPS). Any annual increase in the Commissioner's remuneration will take into account the recommendations made to the First Minister by the Senior Salary Review Board (SSRB), a body which advises the Prime Minister and the devolved administrations on public sector pay levels.

Performance related pay

There were no performance related or bonus payments made during 2017-18 to senior officers (2016-17: £0).

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue & Customs as a taxable emolument. There were no benefits in kind made during 2017-18 to senior officers (2016-17: £0).

Off-payroll arrangements

No payments were made to individuals under off-payroll arrangements in the year to 31 March 2018 (2016-17: £0).

Consultancy

No payments were made to individuals or organisations for consultancy services, outside the ordinary activities of the organisation, in the year to 31 March 2018 (2016-17: £0).

Remuneration: range and median

Reporting bodies are required to disclose the range of staff remuneration and relationship between the remuneration of the highest-paid officer in their organisation and the median remuneration of the organisation's workforce.

	31 March 2018	31 March 2017
Remuneration band (£000) of the highest-paid officer (Commissioner)	95-100	95-100
Median remuneration of the workforce (£)	35,750	34,750
Ratio of median staff remuneration to higher paid officer	2.73	2.81
Highest pay band (excluding the Commissioner)	64,003	62,590
Lowest pay band	12,831	23,400

The median total remuneration is calculated using the full time equivalent remuneration (gross salary) as at the reporting date of all officers excluding the Commissioner.

Name and title	Accrued pension at pension age as at 31/03/2018 and related lump sum	Real increase in pension and related lump sum at pension age	Cash Equivalent Transfer Value at 31/03/18	Cash Equivalent Transfer Value at 31/03/17	Real increase in Cash Equivalent Transfer Value	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	nearest £100
Meri Huws	5-10	0-2.5	182	169	3	-
Gwenith Price	20-25	0-2.5	374	343	6	-
Dyfan Sion	10-15	0-2.5	171	146	13	-

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 4.60% and 8.05% of pensionable earnings for **classic**, **premium**, **classic plus**, **nuvos** and **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 from 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.

Pension liabilities

Payment is made to the Paymaster General of such sums as may be appropriate as representing accruing liabilities of the Principal Civil Service Pension Scheme. Further details are included in the Remuneration Report and note 1.8 to the accounts.

Staff report

Age/sex demography of workforce

The average age of the Welsh Language Commissioner's workforce on 31 March 2018 was 36 years (2016-17: 36 years).

The gender demography of the directors and officers on 31 March 2017 is summarised in the table below.

	31 March 2018		31 March 2017	
	Male %	Female %	Male %	Female %
Commissioner and Directors	33.3	66.7	33.3	66.7
Other officers	35.4	64.6	32.5	67.5
Total	35.3	64.7	32.6	67.4

Managing absence and attendance

The total number of work days lost through sickness absence for the period 1 April 2017 to 31 March 2018 was 292.0 (2016-17: 139.5).

Of the work days lost through sickness 56.8% (2016-17: 100%) of them were due to short-term sickness and 43.2% (2016-17: 0%) were lost due to long-term sickness. Long-term absence means an absence of more than 20 days for the same reason.

The average work days lost per head (full-time equivalent) was 6.3 (2016-17: 3.1) based on 46.3 ¹ full-time equivalent members of staff (2016-7: 45.4 ¹).

¹ For the purpose of disclosure the full-time equivalent members of staff comprise the Welsh Language Commissioner and 45.3 full-time equivalent officers (2015-16: 44.4)

Staff turnover

The staff turnover rate in 2017-18 was 12.6% (2016-17: 14.5%).

Gifts register

The Commissioner operates a gifts register. No item noted during the year is considered of material interest for inclusion in these financial statements.

Officer numbers and related costs

	2017-18	2016-17
	£000	£000
Salaries (permanent contracts)	1,469	1,410
Salaries (fixed term contracts)	203	214
Social security costs	140	136
Pension costs	347	340
	2,159	2,100
Committee members' fees (1)	8	5
Agency staff costs	2	7
Total cost	2,169	2,112

	2016-17	2016-17
Staff numbers		
Welsh Language Commissioner	1.0	1.0
Officers employed on permanent contracts	37.9	37.4
Officers employed on fixed term contracts	7.4	7.0
Agency staff	0.1	0.2
Average numbers (2)	46.4	45.6
Committee members (1)	9	9

1 - Comprised of 3 members of the Advisory Panel (2016-17: 5) and 4 members of the Audit and Risk Committee (2016-17: 4). The fees paid were £256 per day for the Chair and £198 per day for other members. Nigel Annett waived his fee for attending the Audit and Risk Committee in 2016-17.
2 – Full Time Equivalents employed during the year.

The salary and pension entitlements of the Commissioner and officers in the most senior positions are included on pages 50 to 55.

Pensions

Details of pensions are included on pages 53 to 55.

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Welsh Language Commissioner is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice.gov.uk/pensions).

For 2017-18, employers' contributions of £344,000 (2016-17: £338,000) were payable to the PCSPS at one of four rates in the range 20.0% to 24.5% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2017-18 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £3,000 (2016-17: £3,000) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8.0% to 14.75% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £160 (2016-17: £150), 0.5% of pensionable pay was payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Statement of the Accounting Officer's Responsibilities

Under Schedule 1 Paragraph 18(1) of the Welsh Language (Wales) Measure 2011, the Welsh Language Commissioner is required to prepare accounts in respect of each financial year in accordance with directions given, with the consent of HM Treasury, by the Welsh Ministers.

The accounts are prepared on an accruals basis and must give a true and fair view of the Commissioner's state of affairs at the period end and its net expenditure, changes in taxpayers' equity and cash flows for the year.

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

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

In accordance with Schedule 1 Paragraph 16(1) of the Welsh Language (Wales) Measure 2011 the Commissioner is the Accounting Officer.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Welsh Language Commissioner's assets, are set out in the memorandum, Managing Public Money, published by HM Treasury and Managing Welsh Public Money, published by the Welsh Government.

As Accounting Officer, I confirm that:

- as far as I am aware, there is no relevant audit information of which the entity's auditors are unaware;
- I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information; and
- this annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for this annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Meri Huws
Accounting Officer
Welsh Language Commissioner
13 July 2018

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

Report on the audit of the financial statements

Opinion

I certify that I have audited the financial statements of Welsh Language Commissioner for the year ended 31 March 2018 under the Welsh Language (Wales) Measure 2011. These comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Cash Flows, and Statement of Changes in Taxpayers Equity and related notes. These financial statements have been prepared under the accounting policies set out within them.

In my opinion the financial statements:

- give a true and fair view of the state of Welsh Language Commissioner's affairs as at 31 March 2018 and of its net expenditure, for the year then ended; and
- have been properly prepared in accordance with Welsh Ministers' directions issued in accordance with the Welsh Language (Wales) Measure.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Welsh Language Commissioner is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

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

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.

Report on other requirements

Opinion on other matters

In my opinion, the part of the Remuneration Report to be audited has been properly prepared in accordance with Welsh Ministers' directions made under the Welsh Language (Wales) Measure 2011.

In my opinion, based on the work undertaken in the course of my audit:

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with Welsh Ministers' guidance;
- the information given in the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with Welsh Language (Wales) Measure 2011.

Matters on which I report by exception

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

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

- 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 Welsh Ministers 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.

Responsibilities

Responsibilities of the Accounting Officer for the financial statements

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 Welsh Language (Wales) Measure 2011 and Welsh Ministers' directions made there under, for being satisfied that they give a true and fair view and for such internal control as the Accounting Officer amend as appropriate determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the body's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Responsibilities for regularity

The Accounting Officer is responsible for ensuring the regularity of financial transactions.

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

Huw Vaughan Thomas
Auditor General for Wales
17 July 2018

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Part 3 Financial Statements

	Page
Statement of Comprehensive Net Expenditure	65
Statement of Financial Position	66
Statement of Cash Flows	67
Statement of Changes in Taxpayers' Equity	68
Notes to the Accounts	69

Statement of Comprehensive Net Expenditure for the year ended 31 March 2018

	Notes	2017-18		2016-17	
		£000	£000	£000	£000
Expenditure					
Officers' costs		2,169		2,112	
Administration	4	846		748	
Other programme expenditure	5	261		221	
Depreciation and amortisation	6,7	36		44	
			3,312		3,125
Income	3		(63)		(69)
Net expenditure			3,249		3,056
Interest receivable			-		(1)
Net expenditure after interest			3,249		3,055

All activities undertaken during the year are continuing.

Details of officers' costs are included in the Remuneration and Staff Report on pages 50 and 58.

The notes on pages 69 to 77 form part of these accounts.

Statement of Financial Position as at 31 March 2018

	Notes	31 March 2018		31 March 2017	
		£000	£000	£000	£000
Non-Current assets					
Intangible assets	6	14		11	
Property, plant & equipment	7	<u>70</u>		<u>83</u>	
Total non-current assets			84		94
Current assets					
Trade and other receivables	8	82		106	
Cash and cash equivalents	9	<u>858</u>		<u>1,003</u>	
Total current assets			940		1,109
Total assets			1,024		1,203
Current liabilities					
Trade and other payables	10	<u>(335)</u>		<u>(330)</u>	
Total current liabilities			(335)		(330)
Non-current assets plus net current assets			689		873
Non-current liabilities					
Provisions	11	<u>(188)</u>		<u>(174)</u>	
Total non-current liabilities			(188)		(174)
Assets less liabilities			501		699
Taxpayers' equity					
General reserve			<u>501</u>		<u>699</u>
			501		699

The notes on pages 69 to 77 form part of these accounts.

The financial statements on pages 65 to 68 were approved by the Accounting Officer and signed by:

Meri Huws
Accounting Officer
Welsh Language Commissioner
13 July 2018

Statement of Cash Flows for the year ended 31 March 2018

	Notes	2017-18 £000	2016-17 £000
Cash flows from operating activities			
Net expenditure		(3,249)	(3,056)
Amortisation of intangible assets	6	3	8
Depreciation of property, plant & equipment	7	33	36
Loss on sale of non-current assets		9	-
Decrease / (Increase) in trade and other receivables	8	24	36
Increase / (Decrease) in trade payables and other payables	10	5	(7)
Increase / (Decrease) in provisions	11	14	(2)
Net cash (outflow) from operating activities		<u>(3,161)</u>	<u>(2,985)</u>
Cash flows from investing activities			
Interest received		-	1
Purchase of intangible assets	6	(6)	(1)
Purchase of property, plant and equipment	7	(29)	(17)
Proceeds of disposal of property, plant and equipment		-	-
Net cash (outflow) from investing activities		<u>(35)</u>	<u>(17)</u>
Cash flows from financing activities			
Financing from Welsh Ministers		3,051	3,051
Net financing		<u>3,051</u>	<u>3,051</u>
Net increase / (decrease) in cash and cash equivalents in the period		<u>(145)</u>	<u>49</u>
Cash and cash equivalents at the beginning of the period	9	<u>1,003</u>	<u>954</u>
Cash and cash equivalents at the end of the period	9	<u><u>858</u></u>	<u><u>1,003</u></u>

The notes on pages 69 to 77 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2018

	£000
Balance at 1 April 2016	<u>703</u>
Changes in Reserves for 2016-17	
Retained (Deficit)	(3,055)
Total recognised income and expense for 2016-17	<u>(3,055)</u>
Financing from Welsh Ministers	<u>3,051</u>
Balance at 31 March 2017	699
Changes in Reserves for 2017-18	
Retained (Deficit)	(3,249)
Total recognised income and expense for 2017-18	<u>(3,249)</u>
Financing from Welsh Ministers	<u>3,051</u>
Balance at 31 March 2018	<u>501</u>

The notes on pages 69 to 77 form part of these accounts.

Notes to the accounts for the year ended 31 March 2018

These financial statements have been prepared in accordance with the 2017-18 Government Financial Reporting Manual (FReM) issued by HM Treasury, and any Accounts Direction issued by Welsh Ministers, with the consent of the Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstance of the Welsh Language Commissioner, for the purpose of giving a true and fair view, has been selected. The particular policies adopted by the Welsh Language Commissioner are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1 Statement of accounting policies

(1.1) Accounting conventions

The accounts have been prepared under the historical cost convention. The Commissioner did not re-value any property, plant and equipment or intangible assets as any revaluation adjustments were not, in the Commissioner's opinion, material.

(1.2) Funding

The Welsh Language Commissioner receives amounts in respect of expenditure incurred in carrying out functions. These amounts are regarded as financing and are credited to the General Reserve on receipt.

(1.3) Income

Income is recognised in the financial year that the service is provided. Income invoiced in advance of the service being provided is classed as deferred income.

(1.4) Intangible assets

Intangible assets in excess of £1,000, including irrecoverable VAT, are capitalised. Intangible assets include software licences and other licences. A number of the same type of asset are grouped together to determine if they fall above or below the threshold.

Intangible assets are included at their historical cost. Intangible assets have not been revalued, given that revaluation adjustments are not material.

Intangible assets are amortised in equal annual instalments over their estimated useful economic lives, between 3 and 10 years.

(1.5) Property, plant and equipment

Property, plant and equipment over £1,000, including irrecoverable VAT, are capitalised. A number of the same type of asset are grouped together to determine if they fall above or below the threshold.

Property, plant and equipment are included at their historical cost including costs, such as installation costs, that can be directly attributed to bringing them to their required location and condition. Property, plant and equipment have not been revalued, given that revaluation adjustments are not material.

Property, plant and equipment are depreciated in equal annual instalments over the term of the lease or their estimated useful economic lives, between 36 and 90 months.

(1.6) Provisions

A provision is recognised in the Statement of Financial Position when The Welsh Language Commissioner has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

(1.7) Value Added Tax

The Welsh Language Commissioner is not registered for Value Added Tax. Expenditure and capital is reported including VAT, where relevant, as no VAT can be recovered.

(1.8) Pensions

Payment is made to the Paymaster General of such sums as may be appropriate as representing accruing liabilities of the Civil Service Pension in respect of pensions and other similar benefits for persons employed by the Commissioner and in respect of the administrative expenses attributable to the liabilities and their discharge.

Past and present employees are covered by the provisions of the Civil Service Pension scheme. Further details are contained within the Remuneration and Staff Report.

(1.9) Employee benefits

Wages, salaries, national insurance contributions, bonuses payable and non-monetary benefit for current employees are recognised in the Statement of Comprehensive Net Expenditure as the employees' services are rendered. The Commissioner accounts for short-term compensated absences (paid annual leave) as a liability (accrued expense) where the compensation for absence is due to be settled within twelve months after the end of the period in which the employees render the service.

(1.10) Operating leases

Operating lease rentals are charged to the Statement of Comprehensive Net Expenditure in the year to which they relate.

2 Segmental information

Expenditure, income and interest relate directly to the activities of the Welsh Language Commissioner. The Commissioner's office operates in Wales and deals with issues that affect the Welsh language and the ability of persons in Wales to live their lives through the medium of Welsh. There is only one operational segment as reflected in the Statement of Comprehensive Net Expenditure, the Statement of Financial Position and the associated notes.

3 Income

	2017-18 £000	2016-17 £000
Future Generations Commissioner for Wales	63	35
Welsh Ministers	-	34
	63	69

Income relates to an operating lease on a part of the premises at Market Chambers, 5-7 St Mary Street, Cardiff. A lease with the Future Generations Commissioner for Wales was signed on 25/09/2016 and expires on 10/12/2018.

The income from Welsh Ministers in 2016-17 derives from an undertaking given by Welsh Ministers to compensate the Welsh Language Commissioner for the loss of income for the period between 01/04/2016 and the date the lease was signed.

4 Administration

Administration expenses included:

	2017-18 £000	2016-17 £000
Accommodation - Office rent lease costs	120	119
Accommodation - Other costs	141	172
Provision for premises redecoration and dilapidations	20	6
Travel, subsistence and hospitality	84	68
Training and recruitment	37	33
Legal and professional	205	114
Information Technology and telecommunications	134	141
Communication	37	32
Auditors' remuneration (external audit fee)	15	15
Other administrative expenses	53	48
	<u>846</u>	<u>748</u>

5 Other programme expenditure

The expenditure relates to numerous projects undertaken. The total expenditure during the year was £261,000 (2016-17: 221,000); further information is included on page 34.

6 Intangible assets

	Software Licences £000	Licences £000	Total £000
Cost			
At 31 March 2017	126	43	169
Additions	6	-	6
Disposals	(2)	-	(2)
At 31 March 2018	<u>130</u>	<u>43</u>	<u>173</u>
Amortisation			
At 31 March 2017	125	33	158
Charged in year	1	2	3
Disposals	(2)	-	(2)
At 31 March 2018	<u>124</u>	<u>35</u>	<u>159</u>
Net book value at 31 March 2018	<u>6</u>	<u>8</u>	<u>14</u>
Net book value at 31 March 2017	<u>1</u>	<u>10</u>	<u>11</u>

7 Property, plant & equipment

	Furniture & Fittings £000	Office equipment £000	Total £000
Cost			
At 31 March 2017	421	312	733
Additions	6	23	29
Disposals	(34)	-	(34)
At 31 March 2018	393	335	728
Depreciation			
At 31 March 2017	401	249	650
Charged in year	7	26	33
Disposals	(25)	-	(25)
At 31 March 2018	383	275	658
Net book value at 31 March 2018	10	60	70
Net book value at 31 March 2017	20	63	83

Office equipment includes information technology and telecommunication assets.

Asset financing: The Commissioner held no finance leases or Private Finance Initiative (PFI) contracts. All assets disclosed above were owned by the Commissioner.

There were no contractual capital commitments at 31 March 2018 (31 March 2017: £0).

8 Trade receivables and other current assets

	31 March 2018 £000	31 March 2017 £'000
Amounts falling due within one year		
Trade receivables	19	22
Other receivables	-	-
Prepayments	63	84
	82	106

There are no amounts falling due after more than one year.

9 Cash and cash equivalents

	2017-18 £000	2016-17 £000
Balance at 1 April	1,003	954
Net change in cash and cash equivalent balances	<u>(145)</u>	49
Balance at 31 March	<u>858</u>	<u>1,003</u>

The Commissioner's cash balances were held in a commercial bank at year end. No balances were held with HM Paymaster General at year end.

10 Trade payables and other current liabilities

	31 March 2018 £000	31 March 2017 £000
Amounts falling due within one year		
Trade payables	125	147
Accruals	190	160
Deferred income	<u>20</u>	<u>23</u>
	<u>335</u>	<u>330</u>

There are no amounts falling due after more than one year.

11 Provision for liabilities and charges

	Other £000	Dilapidations and redecorating £000	Total £000
Provision at 31 March 2017	4	170	174
Provided in year	12	36	48
Provisions utilised in the year	(4)	(34)	(38)
Unwinding of discount	-	4	4
Provision at 31 March 2018	<u>12</u>	<u>176</u>	<u>188</u>

HM Treasury's discount rate net of CPI at December 2017 of -2.01% in real terms has been used for dilapidations (2016-17: -2.36%).

Provisions are made for redecorating during the term of the lease and for dilapidations, to return the buildings back to their original condition, at the end of the lease term. These obligations may vary as a result of future information and events which may result in changes to the amounts which have been included, on the basis of the best estimate, at the end of the reporting period. These provisions have been reviewed and updated during the year as required by IAS 37.

Other provisions include legal costs relating to applications pending with the Welsh Language Tribunal for a review of the Welsh Language Commissioner's decisions or appeals against the Commissioner's determinations. Further information about these applications is available on the Welsh Language Tribunal's website

Analysis of the expected timing of the future liabilities

	Other £000	Dilapidations and redecorations £000	Total £000
Not later than one year	12	116	128
Later than one year and not later than five years	-	3	3
Later than five years	-	57	57
	<u>12</u>	<u>176</u>	<u>188</u>

12 Commitments under leases

The total future minimum lease payments under operating leases are given in the table below for each of the following periods.

Obligations under operating leases comprise:	31 March 2018 £000	31 March 2017 £000
Buildings		
Not later than one year	102	107
Later than one year and not later than five years	171	197
Later than five years	166	24
	<u>439</u>	<u>328</u>

The Commissioner did not enter into any finance leases, commitments under PFI contracts or any other non-cancellable contracts with financial commitments.

13 Amounts receivable under leases

The total future minimum lease receivables under operating leases are given in the table below for each of the following periods.

Obligations under operating leases comprise:	31 March	31 March
	2018	2017
Buildings	£000	£000
Not later than one year	22	31
Later than one year and not later than five years	-	22
	22	53

14 Contingent liabilities

There were no contingent liabilities at 31 March 2018 (31 March 2017: £0).

15 Financial instruments

Owing to the nature of the Commissioner's activities and the way in which the operations are financed, the Commissioner is not exposed to a significant level of financial risk.

16 Related party transactions

A Memorandum of Understanding, dated 30 November 2012, was agreed between the Commissioner and Welsh Government. The Welsh Government is regarded as a related party.

During 2017-18 the Welsh Language Commissioner received financing of £3.051m from Welsh Ministers (2016-17: £3.051m). No trade receivables were received from Welsh Ministers in the year ended 31 March 2018 (2016-17: £34,000) and no monies were paid to Welsh Ministers in respect of leasehold premises in the year ended 31 March 2018 (2016-17: £12,000).

During 2016-17 the Welsh Language Commissioner entered into an operating lease with the Future Generations Commissioner for Wales, on part of the premises at Market Chambers, 5-7 St Mary Street, Cardiff; the lease term expires on 10/12/2018. During the financial year 2017-18 the Commissioner received income of £63,000 (2016-17: £35,000) and trade receivables of £19,000 were due on 31 March 2018 (31 March 2017: £22,000).

17 Events since the end of the financial year

There have been no events since the date of the statement of financial position that affect the understanding of these financial statements.