



MANAAKITIA Ā TĀTOU TAMARIKI

**Children's
Commissioner**

Statement of Performance Expectations



**FOR THE FINANCIAL YEAR
ENDING 30 JUNE 2020**

Statement of Performance Expectations for the Office of the Children's Commissioner

For the financial year ending 30 June 2020

Presented to the House of Representative pursuant to
Section 149L(3) of the Crown Entities Act 2004



This work is protected by copyright owned by the Children's Commissioner. This copyright material is licensed for re-use under the Creative Commons Attribution 4.0 International License. In essence you are free to copy, distribute and adapt the material, as long as you attribute it to the Children's Commissioner and abide by the other license terms. To view a copy of this license, visit <http://creativecommons.org/licenses/by/4.0/s>.

ISSN 2382-0357 (Print)

ISSN 2382-0365 (Online)

CONTENTS

- Statement of Responsibility..... 2
- Overview and Purpose 3
 - Reportable class of outputs..... 3
- Appropriation Assessment of Performance 6
- Output One: Development, Monitoring and Investigations (under the Oranga Tamariki Act 1989 and OPCAT legislation)..... 7
 - What is intended to be achieved? 7
 - Expected revenue and forecast expenses..... 9
 - Outputs 9
 - Impacts..... 10
 - Outcomes..... 11
- Output Two: Strategy, Rights and Advice..... 12
 - What is intended to be achieved? 12
 - Expected revenue and forecast expenses..... 12
 - Outputs 13
 - Impacts..... 13
- Forecast Financial Statements..... 14
 - Statement of forecast comprehensive revenue and expense for the year ending 30 June 2020..... 14
 - Statement of forecast financial position for the year ending 30 June 2020 15
 - Statement of forecast changes in equity for the year ending 30 June 2020 16
 - Statement of forecast cash flows for the year ending 30 June 2020..... 16
 - Statement of accounting policies for the year ending 30 June 2020 17
 - Statement of significant underlying assumptions..... 21

Statement of Responsibility

The Children's Commissioner is an Independent Crown entity established under the Children's Commissioner Act 2003. It operates pursuant to the Crown Entities Act 2004 and represents the 1.1 million people in Aotearoa under the age of 18, who make up 23 percent of the population of New Zealand.

Our primary responsibilities are to advocate for the interests, rights and wellbeing of children and young people, monitor the services provided under the Oranga Tamariki Act 1989 and develop means of consulting with children. We also advocate for the implementation of the United Nations Convention on the Rights of the Child.

This Statement of Performance Expectations (SPE) is complemented by our 2017-2021 Statement of Intent (SOI), which describes our strategic intentions and outlines the overall direction and priorities of the Office of the Children's Commissioner.

I accept responsibility for the preparation of this SPE, which details our annual performance measures and prospective financial statements. It includes the assumptions on which the financial statements are based, and information on the reportable class of outputs I intend to supply in the 2019/20 financial year. The prospective financial statements have been prepared in accordance with Generally Accepted Accounting Practice (NZ GAAP) and the Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS). As a Tier 2 entity with expenditure under \$30 million, under PBE IPSAS we will apply the reduced disclosure requirements for reporting.

In March 2019 the Government made decisions on strengthening independent oversight of children's issues and the Oranga Tamariki system. These decisions may have an impact on the future functions of my Office. It may become necessary for me to prepare a new SPE to update and republish the prospective financial statements in the light of these implications and any functional changes, and it may be necessary to seek an appropriate and commensurate increase in funding.

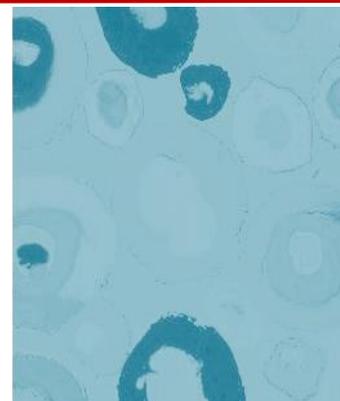
The prospective financial statements have been prepared for the purpose of presenting our intentions in Parliament and should not be relied upon by any other party for any alternative purpose without my express written permission. I am of the opinion that these financial statements fairly reflect the expected financial position and operations of the Children's Commissioner.

I have authorised the issue of the Statement of Performance Expectations on this day, 28 June 2019.



Judge Andrew Becroft

Children's Commissioner | Te Kaikōmihana mō ngā Tamariki o Aotearoa



He aha te mea nui o te ao?

Māku e kī atu, he tamariki, he taiohi, he rangatahi.

What matters most on this earth?

I proclaim, it is the child, the juvenile, it is the youth.

Overview and Purpose

REPORTABLE CLASS OF OUTPUTS

This Office of the Children's Commissioner (the Office) proposes to supply and deliver on outputs purchased by the Minister for Social Development through the following two outputs:

- 1) Development, Monitoring and Investigations of Oranga Tamariki and of policies, practices and decisions arising under the Oranga Tamariki Act 1989
- 2) Strategy, Rights and Advice.

The activities of the Office are primarily funded by the Crown through a non-departmental output expense (Children's Commissioner) in Vote Social Development. A small amount of funding is received from interest earned on investments. From time to time one-off funding is received from other agencies for specific projects. Any operating deficit will be funded through prior-year surpluses.

OUR VISION

New Zealand is a place where all children thrive.

WHY DO WE HAVE A CHILDREN'S COMMISSIONER?

Children under the age of 18 are a core part of our society. However, they are not included in our democratic process; they have no vote and often no voice in major decisions that impact them.

It is the role of the Children's Commissioner to be their voice: to encourage organisations to take more child-centred approaches, to advocate for improving their well-being, and to raise awareness of issues that directly or indirectly affect children or where children are not getting a fair go.

WE MONITOR HOW WELL NEW ZEALAND CHILDREN ARE DOING

The Office monitors how well all children are doing. We consider several perspectives to make that assessment and determine where we should advocate for change. These include a child rights framework based on the United Nations Convention on the Rights of the Child, research, evidence and emerging trends, and, the voices and views of children and young people themselves.

For children in the care and protection and youth justice systems, we have an added legislative mandate to monitor to greater depth New Zealand's compliance with the Oranga Tamariki Act 1989, the United Nations Convention on the Rights of the Child, and the Optional Protocol to the United Nations Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment. This monitoring enables us to identify areas of concern, to provide advice to Oranga Tamariki and contracted agencies, and to advocate for better outcomes for all children.

THE COMMISSIONER'S TOP PRIORITIES



1. Improved systems, services and supports for mokopuna Māori and their whānau

We see all mokopuna Māori within the context of their whānau, hapū and iwi. We advocate for services and policies to reduce inequalities and improve outcomes for mokopuna Māori.

We respect mātauranga Māori, and see it as an integral part of improving systems, services and supports.

Our focus areas:

- Hear the voices and learn from the experiences of mokopuna Māori
- Understand the way whānau work collectively so we can better advocate for their hopes and the aspirations of mokopuna Māori
- Work effectively with whānau, hapū, iwi and communities and influence others to build positive relationships with them.



3. Enhanced child wellbeing

We encourage all organisations to take a child-centred approach to enhance the wellbeing of all children. This means considering the best interests of children in the context of their family, whānau, hapū, iwi and wider family group. We promote children's rights, including their right to participate in decisions that affect them.

Our focus areas:

- Encourage government agencies and community groups to prioritise child rights, interests and wellbeing, and to take children's voices into account
- Providing input and advice, underpinned by the rights of all children, on developing the government's Child Wellbeing Strategy
- Advocate for agencies to use child impact assessment tools in policy development
- Providing systemic advocacy and advice to improve the outcomes of all children. We also give advice on how to engage with children.



2. Work with Oranga Tamariki to transform the care and protection and youth justice systems

We advocate for systemic changes that support children and young people to remain within their families, whānau, hapū, iwi and wider family group, including the phased closure of the national care and protection residences.

Our focus areas:

- Encourage Oranga Tamariki to build respectful and positive relationships with whānau, hapū and iwi Māori, as tangata whenua, and support and resource them to care successfully for their own children and young people
- Encourage Oranga Tamariki to develop and tailor more community-based care options to meet the needs of children and young people who require specialist or custodial care
- Stop the use of police cells for more than 24 hours for young people after their first court appearance.



4. Access to education for all

We want all children to be able to exercise their right to full-time education that supports them to develop to their full potential. We raise awareness of the experiences of children and young people and how education can be improved, especially for children not currently well served by the system.

Our focus areas:

- Listen to children and take account of their views at all levels of education
- Improve education systems, services and supports for mokopuna Māori
- Improve responses to and prevention of bullying
- Improve support for children with neuro-disabilities and other learning difficulties
- Reduce suspensions and exclusions from school, and support a pilot appeal mechanism for reviewing board decisions
- Ensure children in care of Oranga Tamariki have equitable and stable access to education.

WHAT WE DO

We provide authoritative, independent advice on the wellbeing of children and young people, and a voice for their views and best interests.

We review and inform the design and development of, the strategies, policies and practices of Oranga Tamariki, New Zealand's statutory child protection agency. We apply a Mana Mokopuna monitoring approach¹ to visits to Oranga Tamariki sites and residences, and talk with children, young people, their families and whānau, Oranga

¹ Mana Mokopuna is about how we engage with children and young people (and their families and whānau) to understand their experiences of Oranga Tamariki and its contracted providers. Approximately 30,000 children and young people are in contact with Oranga Tamariki on any given day. Around 6,000 of these are in the care or custody of Oranga Tamariki. Mana Mokopuna has significantly changed the way we monitor the services provided to those children and young people, and the families and whānau who support them. More information is available on our website at <http://www.occ.org.nz/our-work/mana-mokopuna/>.

Tamariki staff, iwi and Māori, non-government agencies and other stakeholders. These reviews and consultations allow us to provide evidence-based feedback to Oranga Tamariki on how children, young people, their families and whānau experience statutory services, identifying good practice and areas for improvement.

As independent experts, we advocate for better wellbeing of children and young people in New Zealand.

We use our expertise and advice to raise awareness of issues, to identify constructive solutions based on best practice and evidence, and to influence government and non-government organisations to prioritise, invest in and improve their services for and to children and young people.

In addition to the priorities set out above, we respond to calls for submissions, inquiries by Parliamentary select committees, and requests for information from stakeholders and members of the public.

FUNCTIONS

Our main functions include:

- encouraging the development within Oranga Tamariki of policies and services that are designed to promote the wellbeing of children and young people;
- monitoring and assessing the services provided by Oranga Tamariki
- investigating the actions of Oranga Tamariki and other agencies that provide care services under the Oranga Tamariki Act 1989 (also referred to as the Children's and Young People's Well-being Act 1989);
- monitoring the nine Oranga Tamariki residences and youth justice remand homes as a National Preventive Mechanism in respect of the Optional Protocol to the United Nations Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT);
- systemic advocacy and investigation of issues compromising the interests, rights and wellbeing of children and young people;
- raising awareness and understanding of the United Nations Convention on the Rights of the Child, and advancing and monitoring its application by the State;
- developing mechanisms for hearing and sharing children's voices and perspectives;
- ensuring the voices of children and young people are included in our work and directly inform our monitoring findings and the advice we provide;
- demonstrating best practice in listening to children and using their views in decision-making;
- providing child-centred advice to Select Committees, Ministers, and government and non-government organisations;
- providing support to members of the public relating to their enquires related to concerns for individual children or issues ;
- maintaining membership of and providing advice to the Advisory Committee on Assisted Reproductive Technology (ACART);
- raising awareness of children's interests among New Zealanders generally.

Appropriation Assessment of Performance

Assessment of Performance	2018/19		2019/20
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The percentage of key deliverables agreed with the Minister for Social Development in the Children's Commissioner's Statement of Performance Expectations completed to agreed standards will be no less than	90%	100%	90%

Output One: Development, Monitoring and Investigations in respect of Oranga Tamariki (and services under the Act and OPCAT legislation)

WHAT IS INTENDED TO BE ACHIEVED?

Through our monitoring activities we aim to support Oranga Tamariki to deliver a quality and child focused statutory social work service.

Our monitoring framework takes a broad and systemic approach, and has a strong focus on capturing the voices and service experiences of children and young people. Over this year we will ensure that our monitoring activity continues to support the transformation of the Oranga Tamariki statutory service delivery system. Our monitoring activity will identify best practice and areas for development, including recommendations for system and practice changes to improve the service experiences of children, young people, their families and whānau. With a focus on continuous improvement, we will continue to support the effective design and implementation of Oranga Tamariki's new operating model by:

- undertaking performance reviews of all eight Oranga Tamariki secure residences to assess how well they are implementing the changes required to improve outcomes for children and young people in care;
- undertaking a monitoring review of the newly established Northern Residential Service, visiting the assessment hub which has the facility to provide secure care when needed and the two specialised group homes;
- undertaking a monitoring review of a minimum of two of the newly established youth justice remand care homes;
- undertaking at least two thematic reviews across a range of Oranga Tamariki care and protection sites, with a particular focus on the quality of practice for tamariki and whānau following the implementation on 1 July 2019 of the new section 7AA of the Oranga Tamariki Act 1989. The exact areas of focus will be determined in consultation with Oranga Tamariki to ensure that we identify the best strategic opportunities to support and improve outcomes for children and young people involved with Oranga Tamariki's statutory services;
- reviewing Oranga Tamariki residences, remand homes and the Northern Residential Services assessment hub under OPCAT;
- investigating the quality of Oranga Tamariki's case management of individual cases brought to the notice of the Commissioner;
- reviewing section 47 reports²;
- applying our developmental mandate under section 13(1)(c) of the Children's Commissioner's Act 2003 to inform organisational change, new service design

² Under section 47 of the Oranga Tamariki Act 1989, reports must be provided to the Commissioner when a child or young person is released from custody under section 39, 40, 42 and 45(a) before being required to be brought before the court.

and capability development within Oranga Tamariki and/or contracted care providers to mobilise a positive transformation in the service experience of children, young people, their families and whānau;

- robustly and systematically obtaining the views of children and young people in care or custody or involved with other Oranga Tamariki services and their families and whānau;
- increasing transparency of the monitoring work through publishing one or more public reports on our monitoring activity;
- providing professional advice and assistance into the development and establishment of the new independent monitoring service, including design of the framework for monitoring the implementation of the Care Standard Regulations, in accordance with a Memorandum of Understanding to be agreed between the Children’s Commissioner and the Ministry of Social Development.

EXPECTED REVENUE AND FORECAST EXPENSES

Output 1: Development, Monitoring & Investigations under the Oranga Tamariki Act 1989 and OPCAT legislation	2019/20 \$000
Crown Revenue	1,691
Other Revenue	118
Expense	2,081
Surplus/(deficit)³	(272)

OUTPUTS

Performance measures and standards	2018/19	2019/20
The number of monitoring visits to Oranga Tamariki secure residences will be at least	12-18	8-12
Systemic review of the Northern Residential Care Service, including visiting the three care facilities within the Service: the hub and the two specialised group homes will be at least	New measure for 2019/20	1
The number of monitoring visits to Oranga Tamariki youth justice remand homes will be at least	New measure for 2019/20	2
The number of thematic reviews covering four or more Oranga Tamariki sites will be at least	3	2-3
The percentage of findings from monitoring visits that will be reported to Oranga Tamariki within three months of the visit will be no less than	100%	100%
The percentage of the OCC monitoring of Oranga Tamariki and subsequent reporting that complies with agreed standards and processes established by the Memorandum of Understanding between OCC and Oranga Tamariki will be no less than	100%	100%

³ Deficits are funded by retained equity.

Performance measures and standards	2018/19	2019/20
The percentage of OCC professional advice and assistance into the development and establishment of the new independent monitoring service that complies with agreed standards and processes established by a Memorandum of Understanding between OCC and the Ministry of Social Development will be no less than	New measure for 2019/20	100%
The number of thematic public reports produced	1	1

IMPACTS

We will achieve impact when Oranga Tamariki acts on our advice and recommendations. Oranga Tamariki will act on our advice if it is seen as credible and outlines practical and achievable ways to improve outcomes for children and young people.

Impact: Our recommendations for improving Oranga Tamariki systems and services are responded to	2018/19	2019/20
The percentage of monitoring report recommendations accepted by Oranga Tamariki – Ministry for Children and/or contracted care providers as evidenced and in line with the provisions of the Oranga Tamariki Act 1989 and Oranga Tamariki – Ministry for Children policies and practices, will be no less than ⁴	90%	90% ⁵
The percentage of monitoring report recommendations to Oranga Tamariki and/or contracted care providers that are followed by actions will be no less than	100%	100%
The percentage of Oranga Tamariki and contracted care providers experiencing our monitoring services who rate their overall satisfaction with OCC's approach as 'satisfied' or 'very satisfied' will be no less than	80%	80%

⁴ Appropriations Performance Measure

⁵ The measure will be evidenced in the minutes of meetings held between OCC and Oranga Tamariki to confirm which monitoring recommendations are to be accepted

OUTCOMES

In addition to measuring our own outputs and impacts, we will also monitor Oranga Tamariki's progress with implementing systems, policy and practice changes designed to ensure that children, young people and their families and whānau have a high-quality service experience and can achieve good outcomes. Our monitoring activity will identify required improvements in the services and care being provided by Oranga Tamariki and other approved care providers to children and young people in the care and protection and youth justice systems. Our reports and recommendations are designed to assist Oranga Tamariki and other contracted care providers to continually improve so that they can more effectively support and enable immediate safety and sustained wellbeing for these children and their families and whānau.

Output Two: Strategy, Rights and Advice

WHAT IS INTENDED TO BE ACHIEVED?

We aim to improve child wellbeing and outcomes of children and young people by influencing others. To have impact, our advice must be seen as credible and be valued by our stakeholders. Activities we undertake include:

- providing advice to agencies on child-centred policy, legislation and services for children;
- influencing others to take action or to advocate for children and young people based on our advice;
- gathering and sharing the voices, views and opinions of children and young people;
- raising awareness of issues and needs of children;
- producing an annual Child Poverty Monitor;
- providing advice and support to callers on our Child Rights Line (CRL);
- promoting progressive implementation by the State of the United Nations Convention on the Rights of the Child obligations.

EXPECTED REVENUE AND FORECAST EXPENSES

Output 2: Strategy, Rights and Advice	2019/20 \$000
Crown Revenue	1,466
Other Revenue	132
Expense	1,822
Surplus/(deficit)⁶	(224)

⁶ Deficits funded by retained equity

OUTPUTS

Performance measures and standards	2018/19	2019/20
The number of items of child-focused policy advice or submissions to Select Committees, government departments or Ministers will be at least	4	4
The number of reports published on Child & Youth Voices will be at least	2	2
Child Poverty Monitor released	Achieved	Achieved
The percentage of submissions, reports and other pieces of advice that are produced within required timeframes will be no less than	100%	100%

IMPACTS

We advocate for the needs of children to ensure they get the services, supports and resources they need to be kept safe and thrive. We do not provide any direct supports or services to children. We achieve impact by influencing agencies and government departments to consider the needs of children and young people in their policy advice and services. We also achieve impact by consulting with and supporting children to have a voice in matters that impact them, and then incorporating their views in decision making.

Impact: Our advice is valued and sought by stakeholders and is used to shape policy and legislation for children and young people	2018/19	2019/20
The percentage of specified stakeholders ⁷ that agree that the Office of the Children's Commissioner's advocacy activities contribute to improving the wellbeing of children and young people will be no less than ⁸	80%	80% ⁹
The number of examples of impact achieved by advocacy activities will be at least	2	2

⁷ Specified stakeholders will be listed in the Memorandum of Understanding between the Office and the Minister for Social Development, but subject to change if new work is taken on

⁸ Appropriations Performance Measure

⁹ The measure will be evidenced by the results from our annual stakeholder survey of specified stakeholders

Forecast Financial Statements

STATEMENT OF FORECAST COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDING 30 JUNE 2020

	2018/19 Budget \$000	2018/19 Est. Actual \$000	2019/20 Budget \$000
REVENUE			
Revenue from the Crown	3,157	3,157	3,157
Other revenue	261	357	230
Interest	20	29	20
Total revenue	3,438	3,543	3,407
EXPENSES			
Personnel	2,751	2,746	3,301
Operating	619	507	524
Projects	77	154	67
Depreciation	20	21	11
Total expenses	3,467	3,428	3,903
Surplus/(deficit)	(29)	115	(496)
Other comprehensive revenue and expense	0	0	0
Total comprehensive revenue and expense	0	0	0

In the 2018/19 financial year the Office will have spent \$3.428m, and received Crown funding of \$3.157m and \$0.386m of other revenue and interest. Although we had budgeted for a deficit of \$0.029m, we estimate a surplus of \$0.115m due to reduced rent expenditure while awaiting our Review outcome. This year we plan to spend this surplus, plus almost all reserves.

In the 2019/20 financial year we expect to spend \$3,903m, made up of \$3.157m of Crown funding and \$0.250m of other revenue and interest and also a further \$0.496m of our reserves. This will enable the Office to continue with the same number of resources from last year to meet our increased performance measures as well as the increased business as usual performance.

STATEMENT OF FORECAST FINANCIAL POSITION FOR THE YEAR ENDING 30 JUNE 2020

	2018/19 Budget \$000	2018/19 Est. Actual \$000	2019/20 Budget \$000
ASSETS			
Current assets			
Cash and cash equivalents	374	589	281
Receivables	1	3	3
Investments	250	250	-
Prepayments	17	14	14
GST receivable	5	30	3
<i>Total current assets</i>	647	886	301
Non-current assets			
Property, plant and equipment	9	16	5
<i>Total non-current assets</i>	9	16	5
Total assets	656	902	306
LIABILITIES			
Current liabilities			
Payables	45	133	33
Employee entitlements	119	128	128
Revenue received in Advance	-	-	-
Accruals	35	38	38
Lease Inducement	14	11	11
<i>Total current liabilities</i>	213	310	210
Non-current liabilities			
Employee entitlements	-	-	-
<i>Total non-current liabilities</i>	-	-	-
Total liabilities	213	310	210
Working Capital	434	576	91
Net Assets	443	592	96

STATEMENT OF FORECAST CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE 2020

	2018/19 Budget \$000	2018/19 Est. Actual \$000	2019/20 Budget \$000
Balance as at 1 July	472	477	592
Surplus/(deficit)	(29)	115	(496)
Balance as at 30 June	443	592	96

STATEMENT OF FORECAST CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2020

	2018/19 Budget \$000	2018/19 Est. Actual \$000	2019/20 Budget \$000
Cash flows from operating activities			
Receipts from the Crown	3,157	3,157	3,157
Other income received	262	347	230
Interest received	20	29	20
Goods and services tax (net)	12	(4)	27
Payments to suppliers	(714)	(641)	(691)
Payments to employees	(2,751)	(2,761)	(3,301)
Net cash flows from operating activities	(14)	126	(558)
Cash flows from investing activities			
Receipts from sale of property, plant and equipment	0	0	0
Receipts from maturity of investments	0	0	250
Purchase of property, plant and equipment	(20)	(26)	0
Acquisition of investments	0	0	0
Net cash flows from investing activities	(20)	(26)	250
Net increase/(decrease) in cash and cash equivalents	(34)	100	(308)
Cash and cash equivalents at the beginning of the year	408	489	589
Cash and cash equivalents at the end of the year	374	589	281

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDING 30 JUNE 2020

REPORTING ENTITY

The Children's Commissioner is a Crown Entity as defined by the Crown Entities Act 2004 and is domiciled in New Zealand. As such, the Commissioner's ultimate parent is the New Zealand Crown.

The Children's Commissioner was first established on 1 November 1989 under the Children, Young Persons and their Families Act 1989 (now the Oranga Tamariki Act), but his functions were then mandated by the Children's Commissioner Act 2003. Its primary objective is to ensure that the interests and rights of every child and young person are recognised and each enjoys safety, good health and education, economic and sociocultural wellbeing and opportunities to actively participate in matters that affect them.

Accordingly the Children's Commissioner has designated itself as a public benefit entity for the purposes of International Public Sector Accounting Standards (IPSAS).

The forecast financial statements for the Children's Commissioner are for the year ending 30 June 2020 and approved in June 2019.

BASIS OF PREPARATION

Purpose

The forecast financial statements of the Children's Commissioner have been prepared to promote public accountability by providing a base against which its actual performance can later be assessed. The information in these statements may not be appropriate for purposes other than that described.

Statement of compliance

The financial statements of the Children's Commissioner have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand

Generally Accepted Accounting Practice (NZ GAAP). These forecast financial statements are the second set of prospective financial statements presented in accordance with public benefit entity (PBE) accounting standards with reduced disclosing requirements, as appropriate for public benefit entities of the size of the Children's Commissioner.

The adoption of these PBE accounting standards has not materially affected financial disclosures in the prospective financial statements or the comprehensive financial information provided.

Measurement base

The forecast financial statements have been prepared on a historical cost basis.

Functional and presentation currency

The forecast financial statements are presented in New Zealand dollars and all values rounded to the nearest thousand dollars (\$000). The functional currency of the Children's Commissioner is New Zealand dollars.

Basis for assumptions, risks and uncertainties

In preparing these forecast financial statements, the Children's Commissioner has made estimates and assumptions concerning the future.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The forecast financial statements have been prepared on a going concern basis. The estimates and assumptions used are consistent with the strategic direction outlined in the Children's Commissioners' Statement of

Intent. They also reflect Crown Estimates and existing contractual obligations.

Subsequent actual results achieved for the period may vary from the information presented, and variances may be material.

SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies, which materially affect the measurement of comprehensive income and expense and financial position, have been applied consistently.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

The Children's Commissioner is primarily funded by the Crown for the purposes and objectives specified in its accountability documents.

Revenue for services (Crown and other parties) is recognised when it is earned and is reported in the statement of comprehensive income in the period to which it relates.

Interest

Interest income is recognised using the effective interest method.

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Children's Commissioner are classified as "operating leases". Lease payments under an operating lease are expensed as incurred in the Statement of Financial Performance. The Children's Commissioner leases office premises and photocopiers only.

Finance leases

The Children's Commissioner does not enter into finance leases.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with domestic

banks, other short-term, highly liquid investments with original maturities of three months or less.

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Investments

At each balance sheet date the Children's Commissioner assesses whether there is objective evidence that an investment is impaired.

Bank deposits

Investments in bank deposits are initially measured at fair value plus transaction costs. After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method.

Property, plant and equipment

Property, plant and equipment asset classes consist of furniture, office equipment and computer equipment. Property, plant and equipment are shown at historical cost or valuation, less accumulated depreciation and any accumulated impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Children's Commissioner and the cost of the item can be measured reliably. Individual assets or groups of assets are capitalised if their costs are greater than \$1,000 (excluding GST).

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on

disposals are included in the statement of comprehensive income and expense.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Children's Commissioner and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the statement of financial performance as they are incurred.

Depreciation

Depreciation is charged on a straight-line basis on all property, plant and equipment, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Office furniture and equipment	5 years	20%
Computer equipment	3 – 5 years	20 – 33%

The residual value and useful life of an asset is reviewed and adjusted if applicable at each financial year end. It is important to note that the Office leases all of its computer equipment from the Ministry of Social Development.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software is capitalised if its cost is greater than \$2,000 (excluding GST).

Costs that are directly associated with the development of software for internal use by the Children's Commissioner are recognised as an intangible asset. Direct costs include the

software development, employee costs and an appropriate portion of relevant overheads. Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the maintenance of the Children's Commissioner web-site are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Income. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- acquired computer software: 3 years, 33%
- developed computer software: 4 years, 25%

Impairment of non-financial assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Employee entitlements

Short-term employee entitlements

Employee entitlements that the Children's Commissioner expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave and long-service leave earned, but not yet taken at balance date. Long-Service leave is calculated using Treasury actuarial guidelines.

Defined contribution schemes

Obligations for contributions to Kiwisaver, less the Crown employer subsidy, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are recognised as an expense in the statement of comprehensive income as incurred.

Provisions

The Children's Commissioner recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Restructuring

A provision for restructuring is recognised when the Children's Commissioner has approved a detailed formal plan for the restructuring which has either been

announced publicly to those affected, or for which implementation has already commenced.

Goods and services tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

The Children's Commissioner is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

Budget figures

The budget figures are approved by the Children's Commissioner for the beginning of the financial year. The budget figures have been prepared in accordance with PBE accounting standards, using accounting policies that are consistent with those adopted by the Children's Commissioner for the preparation of the financial statements.

Crown Revenue

Crown Revenue is \$3.157 million for the 2019/20 financial year.

STATEMENT OF SIGNIFICANT UNDERLYING ASSUMPTIONS

- (i) Assumptions underlying the forecast financial statements include:
 - that government funding does not change over the period covered by this statement
 - there is a risk that these events and the associated income and expenditure may not occur
- (ii) All figures are GST exclusive
- (iii) Financial year end is 30 June.



Office of the Children's Commissioner
Level 7, 110 Featherston Street
Wellington 6011
Office phone: +64 4 471 1410
Office email: children@occ.org.nz
www.occ.org.nz
PO Box 5610
Lambton Quay
Wellington 6145