

# Statement of Performance Expectations

E65

FOR THE FINANCIAL YEAR  
ENDING 30 JUNE 2018



MANAAKITIA A TĀTOU TAMARIKI

Children's  
Commissioner

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

For the financial year ending 30 June 2018

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 ..... 3
  - Reportable class of outputs..... 3
  - Our Purpose..... 4
- Appropriation Assessment of Performance ..... 5
- Output One: Monitoring & Investigations ..... 6
  - What is intended to be achieved? ..... 6
  - Expected revenue and forecast expenses..... 7
  - Outputs ..... 7
  - Impacts..... 8
  - Outcomes..... 8
- Output Two: Strategy, Rights and Advice..... 9
  - What is intended to be achieved? ..... 9
  - Expected revenue and forecast expenses..... 9
  - Outputs ..... 10
  - Impacts..... 10
- Forecast financial statements..... 11
  - Statement of forecast comprehensive revenue and expense for the year ending 30 June 2018..... 11
  - Statement of forecast financial position for the year ending 30 June 2018 ..... 12
  - Statement of forecast changes in equity for the year ending 30 June 2018..... 13
  - Statement of forecast cash flows for the year ending 30 June 2018..... 13
  - Statement of accounting policies for the year ending 30 June 2018 ..... 14
  - Statement of significant underlying assumptions..... 18

# Statement of Responsibility

*The Children's Commissioner is an Independent Crown entity established under the Children's Commissioner Act 2003 and operating pursuant to the Crown Entities Act 2004. The Children's Commissioner is also gazetted as a National Preventative Mechanism (NPM) under the Crimes of Torture Amendment Act 2003.*

Our primary responsibilities are to monitor and assess services provided under the Children, Young Persons and their Families Act 1989, advocate for the interests, rights and wellbeing of children and young people, to raise awareness and understanding of the United Nations Convention on the Rights of the Child (UNCROC), and to advance and monitor the application of UNCROC by the State.

This Statement of Performance Expectations (SPE) is complemented by our Statement of Intent 2017-2021 (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 the SPE, which details our annual performance measures and prospective financial statements, including the assumptions on which the financial statements are based, and information on the reportable class of outputs I intend to supply in the 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 \$30m (in fact \$2.657m), under PBE IPSAS we will look to apply the reduced disclosure requirements for reporting. I do not intend to update and republish the prospective financial statements.

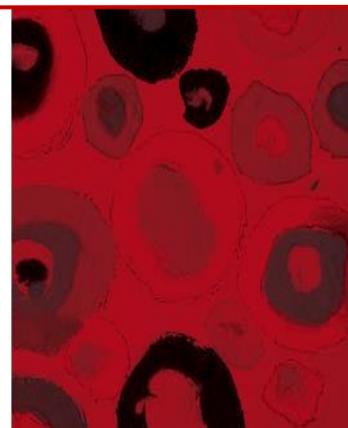
The prospective financial statements have been prepared for the purpose of presenting our intentions in Parliament, and should not be relied upon by any other party for any alternative purpose without my express written permission. I am of the opinion that these financial statements fairly reflect the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

I have authorised the issue of the Statement of Performance Expectations on this day, 30 June 2017.



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

---

## 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) Monitoring and Investigations,
- 2) Strategy, Rights and Advice.

The Children's Commissioner activities are primarily funded by the Crown through Vote Social Development, non-departmental output expense – Children's Commissioner. Minor funding is received from interest earned on investments. On occasion, one-off funding is received from other agencies for a specific project. Deficits will be funded through prior year surpluses.

Our main functions include:

- monitoring and investigating the actions of Oranga Tamariki and other agencies providing care services under the provisions of the Children, Young Persons and their Families Act 1989 (CYP&F Act)
- monitoring Oranga Tamariki residences 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 (UNCROC) and advancing and monitoring the application of UNCROC by the State.

The Office has a range of core services and activities that fulfil our statutory requirements. These core services provide a foundation for our strategic work aimed at improving the wellbeing of children. They include:

- ensuring the voices of children and young people are included in our work and inform our monitoring findings and the advice we provide
- providing child-centred advice to Select Committees, Ministers, government and non-government organisations
- maintaining a 'Child Rights and Advice' telephone line
- raising awareness of children's interests among New Zealanders generally.

## OUR PURPOSE

<b>Our Vision</b>	<b>New Zealand is a place where all children and young people thrive</b>	
<b>Outcomes</b>	Children and young people in the care of Oranga Tamariki and those vulnerable to poor outcomes get the services, supports and resources they need to be kept safe and thrive	
		
	<b>WIDE RANGE OF GOVERNMENT ACTIVITIES</b> <i>(including cross Government and Non-government activity on the Better Public Service targets for vulnerable children and the Children's Action Plan)</i>	
		
	<b>Monitoring &amp; Investigations</b>	<b>Strategy, Rights &amp; Advice</b>
<b>Our Impacts</b>	Our recommendations for improving Oranga Tamariki systems and other Oranga Tamariki contracted agencies providing care services are agreed and implemented	Advice is valued and sought by stakeholders and is used to shape policy and legislation for children and young people
<b>Our Outputs</b>	Oranga Tamariki sites and residences and a sample of non-government care provider services are visited and assessed and quality reports with robust findings and recommendations are provided to Oranga Tamariki and non-government providers for action	Provision of child-focused policy advice or submissions to select committees, Government departments and Ministers  Children's views and voice shared Child Poverty Monitor produced
<b>What we do</b>	<b>Monitor and investigate</b> the quality of services provided to children and young people under the CYP&F Act	<b>Advocate</b> for and <b>advise</b> on the rights and wellbeing of children and young people
<b>How we work</b>	<i>We provide evidence-based, independent advice on the wellbeing of children and young people</i>	

## Appropriation Assessment of Performance

Assessment of Performance	2016/17		2017/18
	Budgeted Standard	Estimated Actual Standard	Budget Standard
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	85%	100%	85%

# Output One: Monitoring & Investigations

---

## 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 of children and young people. Over this year we will ensure that our framework and our monitoring activity support the transformation process and identify best practice and issues that need to be addressed in order for the changes arising from the establishment of Oranga Tamariki to be implemented effectively. We will do this by:

- undertaking performance reviews of all Oranga Tamariki residences to assess how well they are positioned to implement the changes and improve the outcomes for children and young people in care
- undertaking at least two thematic reviews across a range of Oranga Tamariki sites and/or contracted care provider services. The topics of the reviews will be determined after an assessment on what area of focus would result in the best strategic opportunity to support and improve outcomes for children and young people in the care of Oranga Tamariki or another approved care provider
- reviewing Oranga Tamariki residences under the Optional Protocol to the Convention on Torture
- investigating the quality of Oranga Tamariki's case management of individual cases brought to the notice of the Commissioner
- reviewing s47 reports<sup>1</sup>
- helping to build capability within Oranga Tamariki and/or contracted care providers to deliver excellent services for children and young people in care by highlighting areas that their services can improve
- robustly and systematically obtaining the views of children and young people in care or custody or involved with other Oranga Tamariki services
- increasing transparency of the monitoring work through publishing an aggregated public report on our monitoring activity annually.

We will also provide professional advice and assistance, as requested, to the policy and legislative work to transform Oranga Tamariki.

---

<sup>1</sup> Under section 47 of the CYP&F 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.

## EXPECTED REVENUE AND FORECAST EXPENSES

Output 1: Monitoring and Investigations	2017/18 \$000
Crown Revenue	1,600
Other Revenue	12
Expense	1,820
<b>Surplus/(deficit)<sup>2</sup></b>	<b>(208)</b>

## OUTPUTS

Performance measures and standards	2016/17	2017/18
The number of monitoring visits to Oranga Tamariki residences	6	18
Findings from all monitoring visits will be reported to Oranga Tamariki within 3 months	100%	100%
The number of thematic reviews across a minimum of four Oranga Tamariki service delivery sites, supervised group homes and/or contracted care provider services will be at least	1	2
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%
Produce a thematic aggregated public report	1	1

<sup>2</sup> Deficits funded by retained equity

## IMPACTS

We will achieve impact when Oranga Tamariki acts on our advice and recommendations. They will act on our advice if it is seen as credible and outlines practical ways to improve outcomes for children within their operational constraints.

Our recommendations for improving Oranga Tamariki systems and services are responded to	2016/17	2017/18
Percentage of monitoring report recommendations accepted by Oranga Tamariki and/or contracted care providers as evidenced and in line with the provisions of the CYP& F Act and Oranga Tamariki policies and practices will be no less than <sup>3</sup>	90%	90% <sup>4</sup>
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%
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%

## OUTCOMES

In addition to measuring our own outputs and impacts, we will also monitor children's progress toward achieving good outcomes. Our monitoring activity identifies required improvements in the 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 assist Oranga Tamariki and other contracted care providers to improve so that they are more effective at supporting these children and break the cycle of abuse and neglect and youth offending.

<sup>3</sup> Appropriations Performance Measure

<sup>4</sup> 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

## 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 vulnerable 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 United Nations Convention on the Rights of the Child (UNCROC) obligations.

### EXPECTED REVENUE AND FORECAST EXPENSES

Output 2: Strategy, Rights and Advice	2017/18 \$000
Crown Revenue	1,057
Other Revenue	76
Expense	1,244
<b>Surplus/(deficit)<sup>5</sup></b>	<b>(111)</b>

<sup>5</sup> Deficits funded by retained equity

## OUTPUTS

Performance measures and standards	2016/17	2017/18
Child-focused policy advice or submissions to Select Committees, Government departments and Ministers will be at least	6	6
Child Poverty Monitor released	Achieved	Achieved
Submissions, reports and advice 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.

Advice is valued and sought by stakeholders and is used to shape policy and legislation for children and young people	2016/17	2017/18
The percentage of specified stakeholders <sup>6</sup> that agree that the Office's advocacy activities contribute to improving the wellbeing of children and young people will be no less than <sup>7</sup>	80%	80% <sup>8</sup>
Examples of impact achieved by advocacy activities will be at least	2	2

<sup>6</sup> 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

<sup>7</sup> Appropriations Performance Measure

<sup>8</sup> 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 2018

	2016/17 Budget \$000	2016/17 Est. Actual \$000	2017/18 Budget \$000
<b>REVENUE</b>			
Revenue from the Crown	2,157	2,157	2,657
Other revenue	164 <sup>9</sup>	163	68
Interest	20	30	20
<b>Total revenue</b>	<b>2,341</b>	<b>2,350</b>	<b>2,745</b>
<b>EXPENSES</b>			
Personnel	1,747	1,786	2,505
Operating	403	415	468
Projects	179	164	83
Depreciation	12	9	8
<b>Total expenses</b>	<b>2,341</b>	<b>2,374</b>	<b>3,064</b>
<b>Surplus/(deficit)</b>	<b>0</b>	<b>(24)</b>	<b>(319)</b>
Other comprehensive revenue and expense	0	0	0
<b>Total comprehensive revenue and expense</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>9</sup> Includes one-off funding from MSD to manage the Youth Advice on Care Systems Group on behalf of the Minister (Expense shown under Projects)

STATEMENT OF FORECAST FINANCIAL POSITION FOR THE YEAR ENDING  
30 JUNE 2018

	2016/17 Budget \$000	2016/17 Est. Actual \$000	2017/18 Budget \$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	156	521	157
Receivables	7	3	3
Investments	700	500	500
Prepayments	2	21	21
GST receivable	15	22	12
<i>Total current assets</i>	880	1,067	693
<b>Non-current assets</b>			
Property, plant and equipment	12	16	8
<i>Total non-current assets</i>	12	16	8
<b>Total assets</b>	<b>892</b>	<b>1,083</b>	<b>701</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	56	115	52
Employee entitlements	76	128	128
Revenue received in Advance	0	40	40
Accruals	26	30	30
Lease Inducement	17	16	16
<i>Total current liabilities</i>	175	329	266
<b>Non-current liabilities</b>			
Employee entitlements	-	-	-
<i>Total non-current liabilities</i>	-	-	-
<b>Total liabilities</b>	<b>175</b>	<b>329</b>	<b>266</b>
<b>Working Capital</b>	<b>705</b>	<b>738</b>	<b>427</b>
<b>Net Assets</b>	<b>717</b>	<b>754</b>	<b>435</b>

## STATEMENT OF FORECAST CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE 2018

	2016/17 Budget \$000	2016/17 Est. Actual \$000	2017/18 Budget \$000
Balance as at 1 July	717	778	754
Surplus/(deficit)	0	(24)	(319)
<b>Balance as at 30 June</b>	<b>717</b>	<b>754</b>	<b>435</b>

## STATEMENT OF FORECAST CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2018

	2016/17 Budget \$000	2016/17 Est. Actual \$000	2017/18 Budget \$000
<b>Cash flows from operating activities</b>			
Receipts from the Crown	2,157	2,157	2,657
Other income received	164	163	68
Interest received	20	30	20
Goods and services tax (net)	0	(18)	2
Payments to suppliers	(594)	(430)	(606)
Payments to employees	(1,747)	(1,786)	(2,505)
<b>Net cash flows from operating activities</b>	<b>0</b>	<b>116</b>	<b>(364)</b>
<b>Cash flows from investing activities</b>			
Receipts from sale of property, plant and equipment	0	0	0
Receipts from maturity of investments	0	0	0
Purchase of property, plant and equipment	0	0	0
Acquisition of investments	0	0	0
<b>Net cash flows from investing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>0</b>	<b>116</b>	<b>(364)</b>
Cash and cash equivalents at the beginning of the year	488	405	521
<b>Cash and cash equivalents at the end of the year</b>	<b>488</b>	<b>521</b>	<b>157</b>

# STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDING 30 JUNE 2018

## 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, 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 ended 30 June 2018 and approved in June 2017.

## 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 \$2.657 million for the 2017/18 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.



**Published June 2017**

**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](mailto:children@occ.org.nz)  
[www.occ.org.nz](http://www.occ.org.nz)  
PO Box 5610  
Lambton Quay  
Wellington 6145

