

Annual Report 2013

ANNUAL REPORT FROM THE CHILDREN'S COMMISSIONER



Annual Report

2013

For the year ended 30 June 2013

Presented to the House of Representatives pursuant to
Section 150(3) of the Crown Entities Act 2004

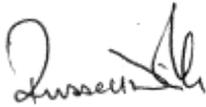
ISSN: 2350-305X (Print)
ISSN: 2350-3068 (online)

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FOREWORD TO THE MINISTER FOR SOCIAL DEVELOPMENT

Pursuant to the provision of Section 150(3) of the Crown Entities Act 2004, I submit my Annual Report, incorporating the Financial Statements. The report covers the period from 1 July 2012 to 30 June 2013. I am satisfied that the Financial Statements fairly reflect the financial position and operations of the Office of the Children's Commissioner for the reporting period.



Dr Russell Wills MB, ChB, Dip Obst, DCH, FRACP, MPH
Children's Commissioner

COMMISSIONER'S FOREWORD

As we reflect on the year, there is much to celebrate. I am particularly pleased to have seen an increased awareness of the impact of child poverty over the last year and a number of positive steps being taken to address this important issue.

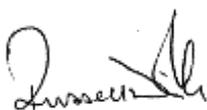
I am proud of the contribution the work of the Expert Advisory Group on Solutions to Child Poverty has made in this area through its identification of a range of pragmatic and evidence-based solutions. It was great to see a number of initiatives included in Budget 2013 that directly or indirectly support the Group's recommendations, and we are continuing to progress other initiatives with a range of stakeholders including government agencies, business and community leaders.

We have also made good progress on our other strategic priorities. In health, our innovative Compass project is allowing District Health Boards (DHBs) to share and learn how to provide the very best health services for children and young people. As a clinician I know the importance of sharing innovative practice, and I have been delighted at the support we have received from DHB chief executives and other senior leaders. In our education work, we have added value through our work on food in schools, the home learning environment and anti-bullying initiatives.

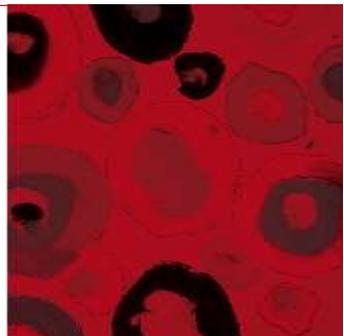
In December 2012, our work to address family violence led to what we believe is a world first, with more than 40 faith organisations signing a national statement that commits their faiths to work to end violence towards women and children. I applaud them all for making this commitment and thank them for the part they are playing in keeping our children safe.

In addition to these priorities, we continue to carry out our core business as usual functions, including our monitoring, review and investigations role. Our monitoring team has visited 15 Child, Youth and Family sites and all nine residences, and these visits have led to a number of improvements in their practice over the year. We are currently exploring changes to our monitoring function with the aim of enabling us to have a greater impact across the child welfare sector. I believe that Government initiatives such as the Children's Action Plan offer the best opportunity to improve the care and protection system since the CYPF Act in 1987, and I am committed to my Office playing a strong part in this.

My thanks to everyone who contributed to our work this year, in particular the members of the YPRG and YPAG, our Compass working groups and the Expert Advisory Group, and all the parents, whānau, children and young people who have shared their experiences and insights with us. Thank you also to the staff in my Office for their continued support and their commitment to enhancing the well-being of tamariki and rangatahi in Aotearoa.



Dr Russell Wills MB, ChB, Dip Obst, DCH, FRACP, MPH
Children's Commissioner



Hei whakariterite te
tau kotahi

Whakatōkia he mara
kai

Hei whakariterite mo
te ngahuru tau

Whakatōkia he rākau

Hei whakariterite mo
nga rau kei tua

Poipoia nga tamariki

*To plan for a year,
plant a garden*

*To plan for a decade,
plant trees*

*To plan for a future,
nurture children*

PART 1: THE YEAR IN REVIEW

The Children's Commissioner is an independent Crown entity established under the Children's Commissioner Act 2003.

OUR VISION

New Zealand is a place where all children thrive.

OUR PURPOSE

The Children's Commissioner is an independent advocate for the interests, rights and well-being of New Zealand's children and young people up to the age of 18 on law, policies, practices and other matters that affect them.

OUR FUNCTIONS

Our main functions include:

- > monitoring and assessing services provided under the Children, Young Persons and their Families Act 1989 (CYPF Act)
- > advocating for the interests, rights and well-being of children
- > 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 Children's Commissioner is also gazetted as a National Preventive Mechanism (NPM) under the Crimes of Torture Amendment Act 2003.

OUR PRIORITIES AND SUPPORTING STRATEGIES

The causes of the poor outcomes experienced by children are complex and multi-systemic. However, when addressing this issue, four areas stand out as being of immediate and fundamental concern – child health, child poverty, education, and child abuse and neglect. These are the four key outcome areas where we are focusing our work. The impacts we are seeking to make are in areas that involve complex social and policy problems. Where we can present evidence of the direct impact of our activity we do so in this report, while also acknowledging that we are making our contribution alongside the work of many others and achieving collective impact.

Our four underpinning strategies ensure we can deliver results in our four outcome areas. These are:

- > advocating for individuals
- > promoting and increasing understanding of UNCROC
- > capturing children's voices
- > child-centred policy advice.

Outcome 1: more children grow up healthy

We are working with key health providers to encourage them to give greater priority to health services for children and young people, and to improve access to and the quality of these services. Over time, this should contribute to a reduction in preventable hospital admissions and improved immunisation rates, both indicators of overall child health.

MEASURING OUR PROGRESS

Actual 2012	Measure	Target 2013	Actual 2013
Impact measure			
New in 2012/13	Percentage of District Health Boards who respond that the scorecard has impacted positively on their decision-making in relation to child health matters	Baseline established	During 2012/13 the work evolved from a 'scorecard' to a collaborative learning process. As a result, the impact measure has also shifted towards assessing participation from all 20 DHBs and targets from 2013-16 have changed to reflect this. For 2012/13, we have measured the participation of DHBs in the Compass project. All twenty DHBs (100%) provided responses to the Compass questionnaire tool.
Outcome indicator			
New in 2012/13	Ambulatory sensitive hospital (ASH) admission rates	Decreasing	64.4 per 1,000 (2010).
New in 2012/13	Sudden Unexpected Death in Infancy	Decreasing	100.9 per 100,000 live births (2008).

Our key activities in 2012/13

WORKING WITH THE HEALTH SECTOR TO IMPROVE CHILD HEALTH SERVICES

In 2012, we launched the Compass project, in partnership with Ko Awatea and the Paediatric Society of New Zealand, with the aim of increasing the priority given to child and youth health, and supporting better and more equitable health outcomes.

By identifying examples of practice, innovation and resources and sharing these between DHBs, we aim to support them to work together to improve services for children and young people.

The Compass model will encourage the DHBs who self-identify as 'leading' to share their skills and experience in the Tuakana role with DHBs who identify themselves as Teina (learners) in an area.

This collaborative learning project has evolved from our original intention to develop a DHB 'scorecard'.

In March 2013, each DHB was sent the Compass questionnaire tool and asked to self-identify as 'leading', 'progressing' or 'emerging' for each of the six Compass themes.

The themes are:

1. Best start to a healthy life
2. Child development and disability
3. Child, youth and whānau-centred care
4. Leadership and governance
5. Primary care
6. Youth health

For each theme, a working group had determined what constituted good practice and how it should be measured for each area, as well as links to evidence and other learning resources.

All DHBs completed the questionnaire. They also endorsed the Compass tool, with 85 percent indicating it is a useful learning tool that will improve child and youth health services within their region. Others commented that they had already benefitted from the self-assessment process and that the information would help their planning for future service improvements.

The next steps involve sharing the questionnaire results and good practice resources with the DHBs.

SUPPORTING DHBs TO IMPLEMENT THE CHILDREN'S ACTION PLAN

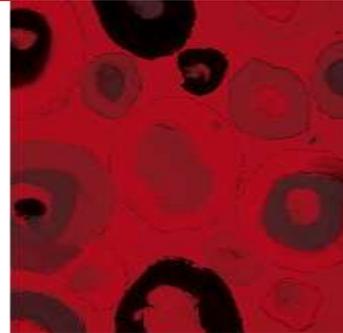
The Commissioner visited the DHBs in the two Children's Action Plan demonstration sites, Whangarei and Rotorua, helping them prepare for the changes resulting from the introduction of the Children's Teams in 2013.

SUBMISSIONS ON HEALTH REVIEWS

We made a submission on the Review of Health and Disability Services Standards, and worked with the Nursing Council to gather the views of young people on the Council's Code of Conduct and Boundaries Review. Examples of policy or legislation changes resulting from submissions we made during 2012/13 can be found on page 12.

SUPPORTING CHILDREN'S ACCESS TO HEALTH SERVICES

We provided advice to callers to our Child Rights Line who had concerns around access to health services for children. For example, a doctor contacted us regarding a young patient who was born in New Zealand whose parent had been unable to access a Child Disability Allowance due to them not having New Zealand residency. As a result of our involvement, it was found that an allowance could be granted.



CHILDREN SUMMER 2012

The summer 2012 edition of our journal *Children* focused on how to make best practice standard practice in child and youth health

Outcome 2: more children grow up with access to adequate resources

Through our work, we're supporting the development of an evidence-based, comprehensive and sustained effort to address child poverty. Over time, this work should contribute to reductions in income poverty and material hardship, key measures of child poverty.

MEASURING OUR PROGRESS

Actual 2012	Measure	Target 2013	Actual 2013
	Impact measure		
New in 2012/13	The Ministerial Committee on Poverty (MCoP) considers advice from Children's Commissioner	Advice considered	The Government formally responded to the EAG report in April 2013. Additionally, the MCoP sought Cabinet agreement to include three EAG recommendations to address child poverty in Budget 2013.
	Outcome indicator		
New in 2012/13	% of children in households with <60% median income, AHC	Decreasing	25% (2012).
New in 2012/13	% of children in households experiencing material hardship or low living standards	Decreasing	17% (2012).

Our key activities in 2012/13

FINDING SOLUTIONS TO CHILD POVERTY

The Expert Advisory Group on Solutions to Child Poverty (EAG) was established by the Commissioner and tasked with identifying long and short-term solutions to child poverty that were pragmatic, realistic, and evidence-based.

In August 2012, the EAG published an 'issues and options' paper outlining its initial thinking. We then undertook innovative public consultation on these options, with seminars, hui and community events around New Zealand attended by an estimated 1,200 people, alongside website, email and social media efforts. This work resulted in 230 submissions and 100 survey responses. We

also met with nearly 300 children and young people to ensure their voices were included.

A summary of the feedback was published in *Solutions to child poverty: what you told us* and the views of the children and young people were summarised in *Our views matter: Children and young people talk about solutions to poverty*.

The EAG published 24 working papers and two consultation reports. These papers provide a foundation of research and evidence that will continue to be used to inform Government, academic and community action in the future.

The EAG released its final report *Solutions to Child Poverty in New Zealand: Evidence for Action* in December 2012. The report included 78 recommendations across a range of factors

to make a difference for children growing up in poverty. The report attracted extensive media coverage and mobilised community responses.

Following the publication of the final report, our focus moved to working with key stakeholders to progress and implement the recommendations. This included:

- > working with government agencies to progress the recommendations around a 'warrant of fitness' for housing
- > hosting a meeting of senior government officials and experts on microfinancing to raise awareness and understanding of this recommendation
- > publishing a working paper, *A Framework for Food in Schools Programmes in New Zealand*, to add rigor to the public debate, by summarising the health and educational evidence and identifying elements of good practice for food in schools programmes.

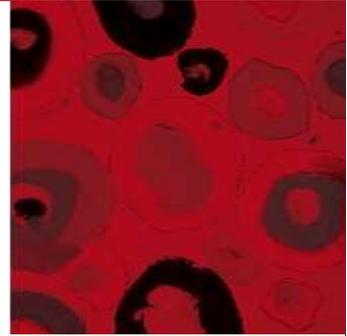
The Ministerial Committee on Poverty considered the EAG's report and released a formal response in May 2013.

In addition to recommendations already being progressed through individual Ministries, the MCoP sought Cabinet agreement to include three EAG recommendations to address child poverty in Budget 2013:

- > the extension of the Warm Up New Zealand home insulation scheme
- > the expansion of the KickStart breakfast programme for schools
- > a low/no interest microfinance loans scheme.

Budget 2013 included a number of initiatives that directly support the EAG recommendations, including:

- > the development of a warrant of fitness for rental properties (to be trialled initially in Housing New Zealand properties)
- > increasing the number of larger (four and five bedroom) Housing New Zealand properties
- > increased support for budget advice services.



The final report released by the Expert Advisory Group shows there are solutions to child poverty that are pragmatic, robust, well-informed and cost-effective

Outcome 3: more children achieve their education potential

Through our work, we are encouraging Government, the education sector and communities to take a more holistic approach to education and child development, with the aim of contributing to improved educational achievement.

MEASURING OUR PROGRESS

Actual 2012	Measure	Target 2013	Actual 2013
	Impact measure		
New in 2012/13	ECE sector representatives report that our advocacy has impacted positively on their practices	Increasing	95% of attendees at ECE advocacy presentations reported it had provided benefit to them and the other participants.
New in 2012/13	Ministry of Education reports that the Office's research has contributed positively to their ECE participation policy work	Positive contribution reported	The Ministry has reported our work, particularly around the importance of parents, has directly reinforced the approach taken to managing increases in participation and policy work.
	Outcome indicator		
New in 2012/13	The number of Māori and Pasifika children under two that are enrolled and regularly attending early childhood education	Increasing	11,119 (2012). The figure has been stable for the last three years.

Key activities in 2012/13

IMPROVING THE QUALITY OF ECE SERVICES

Early in the year, we focused on advocating to the ECE sector for an improvement in the quality of services. This work included presentations to national conferences, regional meetings and local groups.

We had planned to focus our work for the remainder of the year on research into improving ECE participation. However, a review concluded that significant work was already underway in this area so we shifted our focus to look at the impact of the home environment on learning and to responding to other priority issues within the sector.

THE HOME LEARNING ENVIRONMENT

We have undertaken research into how parents, families and whānau contribute to education success, and how they can be supported to provide a positive home learning environment. Our findings will be published as a working paper in July 2013 to help those designing interventions and policies to promote children's learning, development and educational success.

PARTICIPATING IN CROSS AGENCY WORK

Throughout the year, we engaged in cross-agency work including the Ministry of Education forums on bullying and educational support for children with neuro-biological disorders, and contributing a new section on the home learning environment to the Ministry of Health's revision of its handbook for Well Child Tamariki Ora providers.

SUBMISSIONS AND POSITION PAPERS

In January 2013, we made a submission on the Education Amendment Bill, focusing on including partnership schools kura hourua and what works for Māori, Pasifika and children from low SES backgrounds, and recommending 14 changes. Three of the amendments the Select Committee recommended reflected recommendations and comments in our submission.

We also published a position paper outlining the Commissioner's views on partnership schools kura hourua and on the key elements that could be implemented to support the education success of all New Zealanders.

SUPPORTING CHILDREN'S ACCESS TO EDUCATION SERVICES

Through our Child Rights Line we gave advice to more than 100 callers concerned about a child being stood down, suspended or expelled from school, or about difficulty accessing education support for children with disabilities and other high needs. For example, we had a call about a child with high and complex needs who was about to be excluded - our work with government agencies resulted in the child remaining in school.



CHILDREN WINTER 2012

The winter edition of our journal *Children* looked at early childhood education, in particular how to lift participation of Māori and Pasifika

Outcome 4: more children are free from all forms of abuse and neglect

Through our work, we are supporting government, communities and families to take action to reduce abuse, violence and neglect, and to help keep our children safe. We are also monitoring Child, Youth and Family and identifying areas for practice and policy improvements. Over time, this work should contribute to reduced levels of youth crime and a decrease in the rate of abuse and neglect.

MEASURING OUR PROGRESS

Actual 2012	Measure	Target 2013	Actual 2013
	Impact measure		
100%	The proportion of practice changes made by Child, Youth and Family that are consistent with the Office's recommendations	100%	98% of recommendations were acted on within 2012/13. The remaining actions will be addressed in 2013/14.
	Outcome indicator		
New in 2012/13	Lower rates of youth justice apprehensions	Decreasing	74 per 10,000 (2012).
New in 2012/13	Low substantiated rates of all forms of abuse and neglect	Decreasing	Up to date data on substantiated cases of abuse and neglect for the period is not yet available but indications are that the trend has remained stable for the past four years.

Key activities in 2012/13

MONITORING VISITS

Under legislation, the Commissioner is responsible for monitoring and assessing the policies and practices of Child, Youth and Family and other agencies working under the CYPF Act.

Our aim is for Child, Youth and Family and other agencies to improve their child protection and youth justice systems and practices, and to increase their collaboration. This should lead to a number of outcomes, including fewer children experiencing abuse and neglect, reduced risk of reoffending, better success in education and fewer unmet health needs, and more children experiencing successful placements.

This year we began to report the results of our monitoring work in line with Child, Youth and Family's new self-assessment framework, *Mā Mātou, Mā Tātou*. This has enabled them to place our recommendations alongside the results of their self-assessment to develop a single action plan for each site. We also established a schedule of more regular meetings with key staff to ensure we are regularly briefed on work underway and new practices and policies being developed.

In 2012/13 we visited 15 Child, Youth and Family sites and all nine residences, where we spoke with staff, children and young people and external stakeholders, and sampled case records. We also reviewed Care and Protection Resource Panel annual reports and Grievance Panel quarterly reports, and considered the complaints we received about Child, Youth and Family through our Child Rights Line.

We reported the findings of our monitoring work to the Social Development Minister and to Child, Youth and Family.

Child, Youth and Family responded to each report by developing a quality improvement plan to address the recommendations. As at 30 June 2013, we had made 239 recommendations and Child, Youth and Family had acted on 235 of them within the financial year.

We also completed a thematic review on statutory services in rural and isolated communities.

NATIONAL PREVENTATIVE MECHANISM

Four of the residence visits made by the monitoring team were unannounced visits made under the auspices of the Commissioner's role as a National Preventative Mechanism (NPM) under the Crimes of Torture Act 2006. The findings were reported to the Human Rights Commission and we found no evidence of torture, brutality or inhuman treatment. As at 30 June 2013, we had made 44 recommendations and Child, Youth and Family had acted on all of them.

We also participated in the regular NPM roundtable meetings where all five NPM agencies discussed their work, and in the first joint preventative piece of work undertaken by the group, the *Joint thematic review of young persons in Police detention* released in October 2012.

CONTRIBUTING TO THE IMPLEMENTATION OF THE CHILDREN'S ACTION PLAN

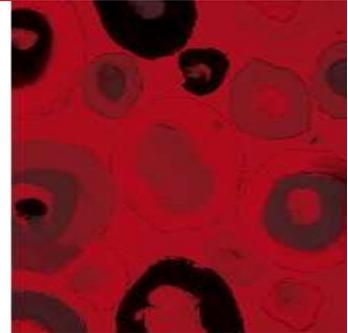
Our involvement in the implementation of the Children's Action Plan offered the opportunity to advocate for improvements to the systems, approaches and practices of agencies that support children in vulnerable circumstances. We have been involved in several areas of work, including the safe and competent workforce, legislative changes and the strategy for children in care.

We also supported the introduction of the Children's Teams in Whangarei and Rotorua, by visiting the Child, Youth and Family offices to review their services and assess their readiness to implement the new way of working.

WORKING WITH OTHERS TO ADDRESS FAMILY VIOLENCE

In December 2012, our work with faith communities resulted in more than 40 signing Faith Communities Against Violence: A National Statement demonstrating their commitment to addressing family violence and keeping children safe. The statement commits the faiths to never tolerate violence towards women and children, and to ensure their staff have the skills and networks to identify and intervene safely in family violence. New Zealand is the first country we know of in which faith leaders have signed such a statement. We are now working with the communities to help them put their commitment into action.

The Commissioner continued to attend the Taskforce for Action on Violence within Families meetings and to be represented on the steering group of the Waitakere Family Violence Taskforce. He was also proud to be made a White Ribbon Ambassador in 2012.



Our monitoring work led to a number of improvements in Child, Youth and Family's practice over the year

Underpinning strategies

We have four underpinning strategies to fulfil our statutory obligations.

MEASURING OUR PROGRESS

Impact at an individual level

Actual 2012	Impact measure	Target 2013	Actual 2013
86% of individuals surveyed said they had acted on the advice given	The proportion of individuals surveyed who call the Child Rights Line that act on the advice provided by the Office	Increasing	63% of individuals surveyed acted on the advice. For many who did not act on the advice, the reasons were beyond the caller's control e.g. they were waiting on another agency's response.

Impact at a systemic level

Actual 2012	Impact measure	Target 2013	Actual 2013
New in 2012/13	Descriptor: examples of policies or legislation changes recommended by OCC and included in legislation or policy this financial year	Descriptor	<p>Our input has been valued and actioned by agencies over the past 12 months, as evidenced by the following examples:</p> <ul style="list-style-type: none"> > The National Science Challenge includes Challenge 2: 'A better start' that is aimed at improving outcomes for children, reflecting our recommendations. > A direction by Select Committee on the Child Support Bill that "Inland Revenue would consult with a body better placed to determine the welfare and needs of children (such as the Children's Commissioner) before setting administrative guidelines", reflecting our recognised expertise. > The Bail Amendment Bill was amended "to align this legislation with New Zealand's international obligation", reflecting our concern that the provisions relating to the removal of the presumption of bail for 17 year olds were inconsistent with UNCROC. > The Family Court Proceedings Reform Bill was amended to provide greater clarity regarding Care of Children provisions, reflecting our recommendations.

PROMOTING AND INCREASING UNDERSTANDING OF UNCROC

The UNCROC Monitoring Group and the Deputy Chief Executive's Social Sector Forum (DCE SSF) met twice this year and agreed the DCE SSF would act as a de facto 'co-ordinating mechanism' to oversee the Government's implementation of UNCROC.

This development partially addresses the UNCROC recommendations regarding the establishment of a high-level co-ordination mechanism to enable a greater degree of UNCROC implementation in New Zealand.

In June, a mid-term report on UNCROC developed by the monitoring group was submitted as an annex to the Human Rights Commission's submissions to the UN Human Rights Council as part of their consideration of New Zealand under the Universal Periodic Review.

We promoted the implementation of UNCROC in legislation through our submissions to Select Committees and worked with others to promote awareness and understanding of UNCROC.

INCLUDING CHILDREN'S VOICES

The Young People's Reference/Advisory Group

The members of the Young People's Reference Group (YPRG) were represented at the 2012 New Zealand Youth Diversity forum, presented to the Expert Advisory Group of Solutions to Child Poverty, contributed to the Compass project and the refresh of our website, and represented young people's views in the media.

The YPRG completed their term in December 2012 and 12 new members were selected for the 2013/14 group from the more than 120 applications. The group was renamed the 'Young People's Advisory Group' (YPAG) to better reflect its role in advising the Commissioner. The number of members was extended from 10 to 12 to include two young people chosen by mana whenua.

The new group has already co-presented at the UNICEF Child Friendly Cities Forum, contributed to our education and health work priorities, and contributed to the Constitutional Conversation Review. They have also each taken responsibility for a project in their community so they can make a broader impact for young people around New Zealand.

Consulting with young people across Aotearoa

Along with JustSpeak, we facilitated a submission on the proposed Youth Crime Action Plan. The submission represented the views of nearly 100 young people from around New Zealand on key aspects of the youth justice system, including prevention, diversion, Family Group Conferences and the Youth Court.

Capturing children's perspectives on child poverty

We undertook two pieces of work to provide the Expert Advisory Group on Solutions to Child Poverty (EAG) with children's perspectives on poverty. The first was a literature review and the second involved meetings with almost 300 children and young people from seven high deprivation areas across New Zealand. This work led to the report *Our Views Matter: Children and Young People talk about solutions to poverty* and resulted in the EAG adding recommendations to address the issues the children and young people raised.

Involving children in our monitoring work

As part of our monitoring of Child, Youth and Family, we met with children and young people to ensure their views and feedback were included.

CHILD-CENTRED POLICY ADVICE

Contributing to Government policy

We produced 13 submissions and appeared before select committees to speak to our submissions on proposed legislation on five occasions.

Over the last year, we also:

- > participated in the Ministry of Health's cross-government reference group for reducing rheumatic fever as part of the Better Public Services targets
- > contributed to Child, Youth and Family's work to develop a complaints process for children and young people
- > met with an ADHB working group regarding the development of guidelines for emergency department admissions of intellectually disabled children and young people with severe behavioural problems
- > contributed to the White Paper for Vulnerable Children
- > worked with the Department of Corrections to improve support for the families of prisoners and the operation of 'mother and babies' units.

Working with local government

Over the last year, our work has included:

- being represented on the advisory groups for the development of the Auckland Council Children and Young People's Strategic Action Plan
- meeting with Auckland Council to discuss the Council partnering with the Office to run the faith communities against family violence forum in Auckland in July 2013
- meetings with councils to discuss children's interests and how they can contribute to improved outcomes for children in their region.

ADVOCATING FOR INDIVIDUALS

The Child Rights Line

Our Child Rights Line provides free, independent advice to parents or other adults concerned about the rights of a child or young person.

In 2012/13, we received 598 enquiries.

Nature of enquiry	2012/13	2011/12
Education	111	159
Health	20	18
Legal	60	4
Child, Youth and Family/child well-being	398	386
Media	9	1
Other*		360
Total	598	928

* Note: The category 'other' is no longer used to classify calls.

Callers were given information and advice, and if necessary we advocated on their behalf to remove barriers and generate action. Some enquiries were referred to Child, Youth and Family as reports of concern. The calls also helped us identify systemic issues and before we made a monitoring visit to a Child, Youth and Family site or residence we gathered call statistics including the number of enquiries from that region and any themes.

PLINFO

In 2012/13 we provided funding to the Wellington Community Law Centre to manage the Parent Legal Information line (PLINFO) which provides legal advice on education issues. The PLINFO line received a total of 375 calls, compared to 403 calls in the previous financial year.

The majority of calls were resolved with the person immediately and the remainder were referred to the PLINFO solicitor. The issues called about included: stand downs and suspensions, bullying, complaints about staff and boards of trustees, special needs, zoning and enrolment.

PART 2: ORGANISATIONAL HEALTH AND CAPABILITY

We are ensuring we have strong policies and practices, skilled staff, and a safe and supportive workplace.

MEASURING OUR ORGANISATIONAL HEALTH AND CAPABILITY

Indicator	Measure	Target 2013	Actual 2013
Performance management processes are embedded and linked to the deliverables expected of the Office	100% of all staff performance development reviews completed within two months of start of financial year	New in 2012/13	All staff development reviews were completed by 31 August.
The Office maintains good systems and controls	External auditors issue an unmodified audit opinion for annual audit of the Office's systems and controls	New in 2012/13	Achieved.

BEING A GOOD EMPLOYER

Staff are our most valuable asset and we work to ensure a positive and supportive organisational culture. We are also committed to providing equal opportunities and the Office is a member of the EEO Trust.

Leadership, accountability and culture

All our work is guided by our tikanga framework: Aroha, Pono, Tika and Matauranga. Through regular communication, we ensure staff are engaged and well informed, and we have office-wide planning sessions to support a multidisciplinary approach to our work.

Recruitment, selection and induction

When a vacancy exists, we focus on ensuring we find the best skilled candidate for the position. We have an induction process to help staff become familiar with our strategies, structure, people, systems, policies and procedures, and to ensure they understand and can meet the requirements of their role.

Employee development, promotion and exit

We have formal annual performance and development agreements with all staff, and support staff development through internal and external training, coaching, mentoring and secondment opportunities. We have also

implemented a new staffing structure, providing more effective management planning and coaching support to staff, and have begun a refresh of our staff competency framework.

Recognition and remuneration

We have a capability and performance system to recognise and support performance and development, and remuneration that is measured against market data.

Flexibility and work design

We offer flexible work arrangements that balance personal obligations with the needs of the Office, and a child friendly work environment. We also support staff needing school holiday care for their children by providing a care subsidy.

Protection against harassment and bullying

We support and promote the Public Sector Code of Conduct and have our own code of Conduct which rejects discrimination, harassment, bullying or intimidation of religious or ethical beliefs. We also have a policy that addresses these issues and sets out how unacceptable behaviour will be dealt with. We have had no reported instances of harassment or bullying during 2012/13.

Health and safety

We provide a safe working environment that supports staff health and well-being. We have a joint health and safety committee with the Families Commission and maintain a hazard register. We have staff trained in first aid, a business continuity plan, emergency food and water, and first aid and civil defence supplies, and are located in a building that is code-complaint under section 95 of the Building Act 2004.

Our staff

As at 30 June 2013, we had 17 staff totalling 15.5 FTE not including the Commissioner. The gender and ethnic workplace profile for the Office was:

Gender	2012-13 (as at 30 June 2013)	2011-12 (as at 30 June 2012)
Female	14	12
Male	3	3

Ethnicity

Māori	2	1
Pacific Island	2	
Asian		
Pakeha/European	13	13

EFFECTIVE GOVERNANCE

We have continued to ensure an efficient and effective operation that delivers value for money by maintaining a small core staff and contracting out specialist functions when required, and by working with the Families Commission to explore efficiencies.

In 2012/13 we developed our Statement of Intent 2013-16, which further refines our strategic outcomes framework focusing on our four priorities, and a work plan to support its implementation. We also improved our measurement and reporting on the uptake of our monitoring and advocacy advice by

introducing the one note tracking system and implementing an integrated work plan.

Our corporate policies and procedures have been reviewed and updated as required.

COMMUNICATIONS

Throughout the year we developed and implemented communications plans for key initiatives such as the launch of the EAG's final report. We reviewed the Office's website with input from stakeholders and are now using the recommendations to redevelop the site.

To reduce print costs and our environmental impact, we are moving all our publications to online only including our journal *Children*. The Journal is now published three times a year and the articles are now peer-reviewed, more academic in nature and focus on a specific topic.

We continued to comment in the media on a range of topics, most notably child poverty and child health, and to present at conferences and other events. We also provided training on children's rights and the media to journalists at Fairfax media.

RELATIONSHIPS

We continued to maintain excellent working relationships with key partners to increase our effectiveness and expand our influence, and to develop new strategic partnerships such as the faith communities work around preventing family violence. Key staff had training on communicating with different audiences, and stakeholder plans were developed and implemented for key initiatives.

COMMITMENT TO THE TREATY OF WAITANGI

We continued our work to embed our tikanga framework in everything we do. In October 2012 we signed a memorandum of understanding with Taranaki Whānui ki Te Upoko Te Ika, the mana whenua of the Wellington area, that sets out our commitments to each other and strengthens our alliance. With their support, we expanded

the YPAG from 10 to 12 members to include two young people selected by mana whenua.

The monitoring team has focused on assessing the quality of services provided to Māori children and young people and met with iwi as part of every site visit. They also met with Child, Youth and Family's Māori Leadership Group and advocated for all Grievance Panels to have a filled tangata whenua representative position.

For our staff, we have run weekly te reo Māori classes and a noho marae, and had a powhiri or mihi whakatau to welcome new staff and a poroake to farewell staff.

RISKS

We monitored the risks identified in our Statement of Intent.

CONSULTATION AND REPORTING TO THE RESPONSIBLE MINISTER

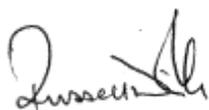
We signed an output agreement with the responsible minister on 30 June. We met regularly with the Minister and provided briefings on issues relating to children, provided quarterly reports, and worked on a 'no surprises' basis.

PART 3: STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY

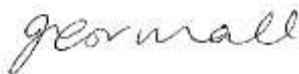
In terms of the Crown Entities Act 2004, Section 155, I Russell Peter Wills, the Children's Commissioner:

- > accept responsibility for the preparation of these financial statements and statement of service performance, and the judgements made in them
- > accept responsibility for the establishment and maintenance of internal controls, designed to provide reasonable assurances as to the integrity and reliability of financial reporting
- > submit that these financial statements and statement of service performance fairly reflects the Office of the Children's Commissioner's financial position, operations and cash flows for the year ended 30 June 2013.



Dr Russell Wills

Children's Commissioner



Dr Justine Cornwall

Deputy Children's Commissioner

8 October 2013

Statement of service performance

VOTE SOCIAL DEVELOPMENT AND EMPLOYMENT

NON-DEPARTMENTAL OUTPUT EXPENSE: CHILDREN'S COMMISSIONER

DESCRIPTION

This non-departmental output expense is provided for services from the Children's Commissioner including the discharge of the Commissioner's duties under the Children, Young Persons and Their Families Act 1989 and the Children's Commissioner Act 2003 in order to contribute to the outcome of:

New Zealand is a place where children thrive

The outcomes and impacts we seek are:

Impacts	Contributing outcomes
> Services to children under the CYPF Act are of high quality.	More children are free from all forms of abuse and neglect
> Services delivered comply with OPCAT	
> Increased focus by DHBs on child health outcomes	More children grow up healthy
> Fewer children grow up in poverty	More children grow up with access to adequate resources
> Reduced impact of poverty on children	
> More Māori and Pasifika children engage in ECE	More children achieve their education potential
> ECE services are of higher quality	

Performance measures and standards have been established to monitor the efficiency and effectiveness of managing the activities within our two output categories of: 'Monitoring and Investigating' and 'Individual and Systemic Advocacy'.

Monitoring and investigating

DESCRIPTION

Through this output the Children’s Commissioner monitored and assessed the policies and practices of Child, Youth and Family and other agencies providing services under the CYPF Act. The Commissioner also acted as a National Preventive Mechanism (NPM) under the Crimes of Torture Act 1989 with specific responsibility for monitoring and assessing the safety and treatment of children in Child, Youth and Family residences.

By generating evidence of the quality of services delivered by Child, Youth and Family and other agencies, this output had an impact on the contributing outcomes – *More children are free from all forms of abuse and neglect.*

PERFORMANCE MEASURES AND GOALS

Impact for children Services delivered under the CYPF Act are of high quality
> Services delivered comply with OPCAT

Scope of work

The scope of the work to support this goal in 2012-13 included routine site and residence visits and performance reports, as well as producing thematic reviews, i.e. reports on a particular theme or issue based on our aggregate experiences and observations across a number of site or residence visits.

Actual 2012	Performance measure	Budget standard	Actual 2013	Comment
QUANTITY				
New measure	Number of thematic reviews undertaken	1	1	Achieved
8	Number of Child, Youth and Family site visits undertaken.	10	15	Achieved
8	Number of performance reports on Child, Youth and Family sites completed and delivered to the Deputy Chief Executive of the Ministry of Social Development responsible for Child, Youth and Family.	10	11	Achieved
10 ¹	Number of Child, Youth and Family residence visits/inspections undertaken ² .	9	9	Achieved

¹ Reported in Annual Report 2012 as 4 CYPF Act general monitoring and 6 NPM visits.

² This is a consolidated figure which includes CYPF Act general monitoring and NPM visits.

Actual 2012	Performance measure	Budget standard	Actual 2013	Comment
9 ³	Number of performance reports on Child, Youth and Family residences completed and delivered to the Deputy Chief Executive of the Ministry of Social Development ⁴ .	9	9	Achieved
New measure	Number of S396 provider ⁵ visits completed	1	0	Not achieved. Resources were reallocated to support the introduction of Children's Teams.
1	A summary compliance report is drafted for inclusion in the Human Rights Commission's Annual Report	1	1	Achieved

TIMELINESS

100%	Proportion of timeframes for visits in line with the monitoring framework and schedule of visits agreed with Child, Youth and Family	100%	100%	Achieved
100%	Summary compliance report drafted for inclusion in the Human Rights Commission's Annual Report	30 June 2013	2 November 2012	Achieved

QUALITY

55%	The Office complies with agreed standards and processes established by the memorandum of understanding between the Office and Child, Youth and Family, reported against in the site and residence reports.	100% ⁶	75%	Not achieved. Timeliness is the element of the quality standard we have not met. 34 out of 44 draft and final reports were delivered within the agreed timeframes.
New measure	Proportion of monitoring reports that are peer reviewed by the General Manager	100%	100%	Achieved

³ Reported in Annual Report 2012 as 4 CYPF Act general monitoring and 5 NPM reports.

⁴ This is a consolidated figure which includes CYPF Act general monitoring and NPM reports.

⁵ S396 providers are non-government agencies contracted by Child, Youth and Family to provide care, services or support.

⁶ Agreed standards are 1). Draft reports are sent to Child, Youth and Family within four weeks of site visit for factual feedback; and 2). The final report, with corrections incorporated, to be sent to the Deputy Chief Executive of Child, Youth and Family and the Minister for Social Development within two weeks of receipt.

Comment

We have improved systems to better ensure that our recommendations are addressed. Child, Youth and Family report back to us with an action plan detailing their response to each recommendation. These plans are checked and monitored until they are formally closed off.

We are working closely with the Office of the Chief Social Worker to align our monitoring and quality assurance functions.

FINANCIAL PERFORMANCE OF MONITORING AND INVESTIGATION

Actual 2012 \$000		Actual 2013 \$000	Budget 2013 \$000
733	Revenue	1,087	726
696	Expense	1,115	787
37	Net surplus/(deficit)	(28)	(61)

Comment

The monitoring and investigating output is now staffed by 2.8 senior advisors who have made 11 site and 9 residence visits. As well, they have received and analysed a range of information received from Child, Youth and Family, contributed to many of the strands of work under the Children's Action Plan and participated in child well-being work across the social sector.

Individual and systemic advocacy

DESCRIPTION

This output gave effect to the general functions of the Commissioner set out in Section 12 of the Children's Commissioner Act 2003, including:

- > investigating decisions or recommendations made in individual cases (including within Child, Youth and Family under Section 13 (1) (a)) and making recommendations
- > advocating for children's interests generally in the policy and legislative work of government departments and Crown agencies.
- > promoting children's interests, rights and well-being, in relation to decisions that affect the lives of children and the participation of children in those decisions
- > undertaking public education activities to raise awareness of children's interests, rights and well-being, and of UNCROC.

This output, through high-quality independent advice and advocacy had an impact on all four contributing outcomes: *More children grow up healthy, More children grow up with access to adequate resources, More children achieve their education potential and More children are free from all forms of abuse and neglect.*

PERFORMANCE MEASURE AND GOALS

Impact for children >

- Increased focus by District Health Boards on child health outcomes
- Ministerial Committee on Poverty considers advice
- Māori and Pasifika children engaged in ECE
- Quality of ECE services delivered to children increases
- Individuals who call the child rights line, act on the advice provided by the Office
- Policy and legislation changes recommended by the Office

Scope of work

The work to support this goal in 2012-13 was a comprehensive advocacy work programme designed to deliver on the impacts above.

Actual 2012	Performance measure	Budget standard	Actual 2013	Comment
QUANTITY AND TIMELINESS				
New measure	District Health Board scorecard report is published by 30 June 2013	1	1	Achieved. The project shifted from a 'scorecard' to a collaborative learning process. The 'Compass Learning Tool and Questionnaire' was released to all DHBs in March 2013. The project scope and timelines have been extended.
New measure	Child Poverty interim report is published by 31 August 2012	1	1	Achieved. 'Issues & options' Report released 28 Aug 2012, accompanied by media launch and consultation process.
New measure	Child Poverty final report is published by 31 December 2012	1	1	Achieved. 'Evidence for Action' released 14 Dec 2012 accompanied by media launch, 24 working papers and 2 consultation reports.
New measure	Research report on participation in ECE is published by 30 June 2013	1	1	Achieved. Initial project scoping revealed significant activity by other agencies. Analysis showed gap in research on the home learning environment, so research topic shifted so we could add value to rather duplicate other ECE work.

Actual 2012	Performance measure	Budget standard	Actual 2013	Comment
New measure	ECE Advocacy presentations delivered to national conferences, regional events and local groups	8	5	Not achieved. The staff member with expertise in this area left OCC in October 2012.
19	Child-focused policy advice or submissions to select committees, government departments and Ministers	10	11	Achieved.
3	Editions of <i>Children</i> journal published by 30 June 2013	3	2	Not Achieved. We moved to an online-only publication and additional time was required to set this up.
4	Number of Young People's Reference Group meetings convened	4	4	Achieved.

Actual 2012	Performance measure	Budget standard	Actual 2013	Comment
QUANTITY				
928	Number of calls responded to via the Child Rights Line.	900-1,100	598	Not achieved. We received 598 calls and inquiries and responded to all of these. Calls are demand-driven based on issues and needs of children and caregivers. We proactively advertise the service.

Actual 2012	Performance measure	Budget standard	Actual 2013	Comment
QUALITY				
New measure	Proportion of Child Rights Line cases that are independently peer reviewed by a Principal Advisor or Manager	100%	100%	Achieved. Peer review ensures that the quality of advice and process followed are robust and meet appropriate standards.
92%	Proportion of speaking event organisers with a level of satisfaction that the information provided and delivery of speech were of benefit to them and their audience	90%	95%	Achieved

Actual 2012	Performance measure	Budget standard	Actual 2013	Comment
93%	Proportion of participants with a level of satisfaction that the workshops and training material provided through advocacy training workshops were of benefit to them	95%	Not measured	Not achieved. No training workshops were provided in 2012/13. The staff member with expertise in this area left OCC in October 2012 and we no longer offer these workshops.
Not required	Proportion of all published reports that are formally peer reviewed by at least one external expert and comments incorporated in the final report where appropriate	100%	100%	Achieved

Comment

The number of calls made to the Child Rights Line has continued to fall, from 928 in 2012 to 598 in 2013. We will promote the Line more prominently on our refreshed website.

FINANCIAL PERFORMANCE OF INDIVIDUAL AND SYSTEMIC ADVOCACY

Actual 2012 \$000		Actual 2013 \$000	Budget 2013 \$000
1,468	Revenue	1,161	1,472
1,497	Expense	1,376	1,758
(29)	Net surplus/(deficit)	(215)	(286)

Comment

Expenditure was over budget primarily due to increased costs for the Office's work on solutions to child poverty.

Financial statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
INCOME				
Revenue from the Crown	2	2,157	2,157	2,157
Other income	3	55	1	2
Interest		36	40	42
Total income		2,248	2,198	2,201
EXPENDITURE				
Personnel costs	4	1,681	1,649	1,400
Operating costs	5	535	625	601
Depreciation and amortisation expense	9,10	10	15	12
Project expenses	6	267	256	180
Total expenditure		2,493	2,545	2,193
Surplus/(deficit)		(245)	(347)	8
Total other comprehensive income		0	0	0
Total comprehensive income/(deficit)		(245)	(347)	8

Explanations of major variances against budget are provided in note 22.

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Notes	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
ASSETS				
Current assets				
Cash and cash equivalents	7	180	530	437
Prepayments		14	5	0
Investments – short term deposit	19	567	200	544
Debtors and other receivables	8	13	10	626
GST Receivable		28	0	0
TOTAL CURRENT ASSETS		802	745	1,607
Non-current assets				
Property, plant and equipment	9	10	20	8
Intangible assets	10	0	0	1
TOTAL NON-CURRENT ASSETS		10	20	9
TOTAL ASSETS		812	765	1,616
LIABILITIES				
Current liabilities				
Creditors and other payables	11	175	180	152
Employee Entitlements	12	66	10	58
Revenue received in Advance		0	0	539
GST payable		0	30	55
TOTAL CURRENT LIABILITIES		241	220	804
Non-current liabilities				
Employee entitlements	12	12	0	8
TOTAL NON-CURRENT LIABILITIES		12	0	8
TOTAL LIABILITIES		253	220	812
Tax Payers Equity		559	545	804
TOTAL FUNDS EMPLOYED		812	765	1,616

Explanations of major variances against budget are provided in note 22.

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Balance as at 1 July	804	892	796
Other comprehensive income	0	0	0
Surplus/(deficit)	(245)	(347)	8
Balance as at 30 June	559	545	804

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Cash flows from operating activities:			
Receipts from the Crown	2,157	2,157	2,157
Other income received	49	1	15
Interest received	35	40	38
Goods and services tax (net)	(3)	0	(24)
Payments to suppliers	(810)	(881)	(872)
Payments to employees	(1,652)	(1,649)	(1,327)
<i>Net cash flows from operating activities</i>	(224)	(332)	(13)
Cash flows from investing activities:			
Receipts from maturity of investments	0	0	0
Receipts from sale of property, plant and equipment	0	0	10
Purchase of property, plant and equipment	(10)	0	0
Acquisition of investments	(23)	0	(20)
<i>Net cash flows from investing activities</i>	(33)	0	(10)
Net increase/(decrease) in cash & cash equivalents and investments – short term deposits	(257)	(332)	(23)
Cash & cash equivalents and short term deposits at the beginning of the year	437	572	460
Cash & cash equivalents and short term deposits at the end of the year	180	240	437

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2013

1 STATEMENT OF ACCOUNTING POLICIES

Reporting entity

The Office of 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 whose 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 well-being 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 New Zealand Equivalents to the International Reporting Standards (NZIFRS).

The financial statements report on the activities of the Children's Commissioner for the year ended 30 June 2013. The financial statements for the Children's Commissioner were approved by the Children's Commissioner on 8 October 2013.

Basis of preparation

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). The financial statements comply with the Framework for Differential Reporting for Public Benefit Entities adopting the NZ equivalents to International Financial Reporting Standards (NZ IFRS) and its interpretations as appropriate to public benefit entities that qualify for and apply differential reporting concessions.

The Children's Commissioner qualifies for Differential Reporting exemptions as it meets the criteria set out in the Framework for Differential Reporting.

Differential reporting exemptions as available under the Framework for Differential Reporting have been applied where applicable and have been consistently applied to all periods presented in these financial statements and include:

NZ IAS1 – Presentation of Financial Statements (1.122 & 1.125)

NZ IFRS 5 – Non-Current Assets Held for Sale & Discontinued Operation (5.41)

NZ IFRS 7 – Financial Disclosures (7.33, 7.34, 7.37, 7.39 & 7.40)

Measurement base

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

Functional and presentation currency

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

Changes in accounting policies

There have been no changes in accounting policies. All accounting policies have been applied consistently with the previous year.

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Children's Commissioner, are:

- > NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. The Children's Commissioner has not yet assessed the effect of the new standard.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards framework the Children's Commissioner is classified as a Tier 2 reporting entity and it will be required to apply the PBE Accounting Standards Reduced Disclosure Regime (PAS RDR). These standards are being developed by the XRB based on current international Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Children's Commissioner expects to transition to the new standards in preparing its 30 June 2015 financial statements and is currently assessing the reporting implications of this new PBE RDR standard.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Significant Accounting Policies

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 set out in the Statement of Intent.

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 Comprehensive Income. The Children's Commissioner leases Office premises 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 face value less any provision for impairment. Impairment of a receivable is established when there is objective evidence that the Children's Commissioner will not be able to collect amounts due according to the original terms of the receivable.

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, less any provision for impairment.

Property, plant and equipment

Property, plant and equipment asset classes consist of office furniture equipment and leasehold improvements and computer equipment. Property, plant and equipment are shown at cost or valuation, less any accumulated depreciation and 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). The value of an individual asset that is less than \$1,000 (excluding GST) and is not part of a group of similar assets is expensed. All are recorded at historical cost.

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.

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 comprehensive income as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis so as to write off the cost of the fixed assets over their useful lives. The depreciation rates of major classes of assets used in the preparation of these statements are:

Office furniture, equipment and leasehold improvements	5 years	20%
Computer equipment	3-5 years	20-33%

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is shorter.

The residual value and useful life of an asset is reviewed and adjusted if applicable at each financial year end.

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.

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 website 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: 5 years, 20%

Impairment of property, plant and equipment and intangible 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 face value.

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 annual leave and long-service leave earned, but not yet taken at balance date.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave have been calculated on an actuarial basis. The calculations are based on:

- > likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- > the present value of the estimated future cash flows.

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 and 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.

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.

Children's Commissioner 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 provision for income tax has been provided for.

Budget figures

The budget figures are derived from the Statement of Intent as approved by the Children's Commissioner at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Children's Commissioner for the preparation of the financial statements.

Statement of cash flows

'Cash' means cash on hand, deposits held at call with domestic banks, other short-term, highly liquid investments with maturities of three months or less and bank overdrafts.

'Operating activities' include cash received from all income sources of the Children's Commissioner and cash payments made for the supply of goods and services.

'Investing activities' are those activities relating to the acquisition and disposal of non-current assets.

2 REVENUE FROM THE CROWN

The Children's Commissioner has been provided with funding from the Crown for specific purposes as set out in the Children's Commissioner Act 2003 and the government appropriations. Apart from these general restrictions, in 2013 there were no unfulfilled conditions or contingencies attached to government funding (2012: \$nil).

3 OTHER REVENUE

	Actual 2013 \$000	Actual 2012 \$000
Expenses recovered – Care Forum*	11	0
Other revenue	2	2
Salary recovered	42	0
Total other revenue	55	2

* In 2011/12 the Office hosted a forum on behalf of the Ministry of Social Development. Travel and catering costs incurred were recovered from the Ministry in 2012/13.

4 PERSONNEL COSTS

	Actual 2013 \$000	Actual 2012 \$000
Salaries and wages	1,644	1,363
Defined contribution plan employer contributions	25	19
Increase/(decrease) in employee entitlements	12	18
Total personnel costs	1,681	1,400

Employer contributions to defined contribution plans include contributions to KiwiSaver.

5 OPERATING COSTS

	Actual 2013 \$000	Actual 2012 \$000
Accountancy fees	40	40
Accounting software fees	1	7
Auditors Remuneration	22	20
Consumables & other expenses	36	57
Contractor fees	1	17
Donations	2	21
Entertainment	1	3
Information Systems	59	51
Power & Heating	3	3
Printing & Stationery	3	12
Publication expenses	134	133
Rent, rates and insurance	139	138
Telecommunication expenses	10	19
Travel and accommodation	52	48
Website development expenses	32	32
Total operating costs	535	601

6 PROJECT COSTS

	Actual 2013 \$000	Actual 2012 \$000
Investigation and monitoring	40	28
Child Poverty	101	0
Child Health	31	0
Education and training	1	6
Parent Legal Information Line	20	20
Young People's Reference Group and consultation	38	46
Advocacy	36	80
Total project costs	267	180

7 CASH AND CASH EQUIVALENTS

	Actual 2013 \$000	Actual 2012 \$000
Cash at bank and on hand		
> Current Account	123	180
> Ready Access	57	257
Total cash and cash equivalents	180	437

8 DEBTORS AND OTHER RECEIVABLES

Debtors and other receivables are as follows:

	Actual 2013 \$000	Actual 2012 \$000
Debtors and other receivables	11	623
Accruals	2	3
Total debtors and other receivables	13	626

The carrying amount of receivables reflects their fair value. No impairment was expensed in the reporting period (2012: nil).

9 PROPERTY, PLANT AND EQUIPMENT

Movements for each class of property, plant and equipment are as follows:

	Office furniture, equipment and leasehold improvements \$000	Computer equipment \$000	Total \$000
Cost or Valuation			
Balance at 1 July 2011	28	104	132
Additions	0	0	0
Disposals	0	(47)	(47)
Balance at 30 June 2012	28	57	85
Balance at 1 July 2012	28	57	85
Additions	11	0	11
Disposals	(11)	(48)	(59)
Balance at 30 June 2013	28	9	37
Accumulated Depreciation and Impairment Losses			
Balance at 1 July 2011	24	79	103
Depreciation Expense	2	9	11
Eliminate on disposal	0	(37)	(37)
Balance at 30 June 2012	26	51	77
Balance at 1 July 2012	26	51	77
Depreciation Expense	3	6	9
Eliminate on Disposal	(11)	(48)	(59)
Balance at 30 June 2013	18	9	27
Carrying Amounts			
At 1 July 2011	4	25	29
At 30 June and 1 July 2012	2	6	8
Balance at 30 June 2013	10	0	10

10 INTANGIBLE ASSETS

Movements for intangible assets are as follows:

	Acquired Software \$000	Total \$000
Cost		
Balance at 1 July 2011	8	8
Additions	0	0
Disposals	0	0
Balance at 30 June 2012	8	8
Balance at 1 July 2012	8	8
Additions	0	0
Disposals	(8)	(8)
Balance at 30 June 2013	0	0
Accumulated Amortisation and Impairment Losses		
Balance at 1 July 2011	6	6
Amortisation Expense	1	1
Eliminate on Disposal	0	0
Balance at 30 June 2012	7	7
Balance at 1 July 2012	7	7
Amortisation Expense	1	1
Eliminate on Disposal	(8)	(8)
Balance at 30 June 2013	0	0
Carrying Amounts		
At 1 July 2011	2	2
At 30 June and 1 July 2012	1	1
At 30 June 2013	0	0

11 CREDITORS AND OTHER PAYABLES

	Actual 2013 \$000	Actual 2012 \$000
Creditors	61	55
Accrued expenses	54	42
Accrued salaries	60	55
Total creditors and other payables	175	152

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates fair value. Accrued salaries include salaries and wages accrued up to balance date.

12 EMPLOYEE ENTITLEMENTS

	Actual 2013 \$000	Actual 2012 \$000
Current portion		
Annual leave	62	55
Long service leave	4	3
<i>Total current portion</i>	66	58
Non-current portion		
Long service leave	12	8
<i>Total non-current portion</i>	12	8
Total employee entitlements	78	66

13 RECONCILIATION OF THE NET SURPLUS/(DEFICIT) TO NET OPERATING CASH FLOW FROM OPERATING ACTIVITIES

	Actual 2013 \$000	Actual 2012 \$000
Net surplus/(deficit)	(245)	8
Add/(less) non-cash items		
Depreciation and amortisation expense	10	12
Add/(less) items classified as investing or financing activities		
(Gains)/losses on investing	0	0
(Gains)/losses on disposal of property, plant and equipment	(1)	0
Add/(less) movements in statement of financial position items		
(Increase)/decrease in debtors and other receivables	613	(609)
(Increase)/decrease in prepayments	(14)	10
Increase/(decrease) in GST	(83)	55
Increase/(decrease) in employee entitlements – long service leave	4	5
Increase (decrease) in employee entitlements – annual leave	8	13
Increase/(decrease) in accruals	12	(11)
Increase/(decrease) in salary accruals	5	55
Increase/(decrease) in creditors and other payables	6	(90)
Increase/(decrease) in revenue invoiced in advance	(539)	539
<i>Net movements in working capital items</i>	12	(33)
Net Cash Flow from Operating Activities	(224)	(13)

14 CONTINGENCIES

There were no contingent liabilities or assets as at 30 June 2013. (2012: Nil)

15 OPERATING COMMITMENTS

	Actual 2013 \$000	Actual 2012 \$000
Operating lease commitments		
Less than one year	105	122
One to two years	39	105
Two to five years	0	39
More than five years	0	0
Total	144	266

The significant portion of the total non-cancellable operating lease expense relates to the lease of half a floor in Wellington sublet from the Families Commission. The lease will expire on 30 November 2014.

The Office also leases Auckland office and car parking space sublet from the Families Commission. The lease expires on 30 December 2013.

There are no other operating leases and no restrictions are placed on the Children's Commissioner by any of its leasing arrangements.

16 RELATED PARTY TRANSACTIONS

All related party transactions have been entered into on an arm's length basis.

The Children's Commissioner is a wholly owned entity of the Crown.

Significant transactions with government-related entities

The Children's Commissioner has been provided with funding from the Crown of \$2.2m (2012 \$2.2m) for specific purposes as set out in its founding legislation and the scope of the relevant government appropriations.

Collectively, but not individually, significant, transactions with government-related entities

In conducting its activities, the Children's Commissioner is required to pay various taxes and levies (such as GST, PAYE and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. The Children's Commissioner is exempt from paying income tax.

The Children's Commissioner also purchases goods and services from entities controlled, significantly influences or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 30 June 2013 totalled \$0.5m (2012 \$0.3m). These purchases included the purchase of IT services from the Ministry of Social Development, rental and associated facility costs through the Families Commission, air travel from Air New Zealand and postal services from New Zealand Post.

The amounts outstanding at year end payable to Government related entities is \$0.027m (2012: \$0.555m) and receivable from Government related entities is \$nil (2012: \$0.6m).

17 KEY MANAGEMENT PERSONNEL COMPENSATION

	Actual 2013 \$000	Actual 2012 \$000
Salaries and other short-term benefits	325	332
Post employment benefits	0	4
Total	325	336

Key management personnel includes the Children's Commissioner, General Manager and Deputy Commissioner.

Employee remuneration

The Children's Commissioner is a Crown Entity, and is required to disclose certain remuneration information in their annual reports. The information reported is the number of employees receiving total remuneration and other benefits in their capacity as employees of \$100,000 or more per annum.

The number of employees whose remuneration was within the specified band is set out in the following table:

Remuneration band	Number of employees	
	2013	2012
\$100,000 – 109,999	1	1
\$110,000 – 119,999	2	1
\$120,000 – 129,999	0	1
\$130,000 – 139,999	1	0

Actual and reasonable costs of \$24,000 have been paid and are not part of the Commissioner's remuneration (2012: \$19,996)

During the year ended 30 June 2013 no employees (2012: no employees) received compensation and other benefits in relation to cessation (2012: \$nil).

18 EVENTS AFTER BALANCE SHEET DATE

There have been no significant events after the Balance Sheet date.

19 FINANCIAL INSTRUMENTS

The carrying amount of financial assets and liabilities in each of the NZ IAS 39 categories are as follows:

	Actual 2013 \$000	Actual 2012 \$000
Loans and receivables		
Cash and cash equivalents	180	437
Debtors and other receivables	41	623
Short term investments – term deposits	567	544
Total loans and receivables	788	1,604
Financial liabilities measured at amortised cost		
Creditors and other payments (excluding income in advance)	175	152
Total financial liabilities measured at amortised cost	175	152

20 FINANCIAL INSTRUMENT RISKS

The Children's Commissioner is a party to financial instruments as part of its normal operations. These financial instruments include bank accounts, bank deposits, receivables and payables. Revenues and expenses are recognised in the statement of comprehensive income. The Children's Commissioner's exposure to off-balance sheet financial instruments is limited to operating commitments (refer to the statement of commitments).

The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Credit risk

The financial instruments that expose the Children's Commissioner to credit risk are principally bank balances, deposits and accounts receivable. Bank balances are held with New Zealand registered banks in accordance with Children's Commissioner policy. No collateral is held by the Children's Commissioner in respect of accounts receivable or bank balance. The Children's Commissioner holds cash with Westpac. Westpac is part of the Crown Retail Deposit Guarantee Scheme and so all deposits up to \$1 million held with Westpac are guaranteed by the Crown. The Children's Commissioner does not have any significant concentrations of credit risk.

The Children's Commissioner has a credit card facility of \$20,000 as at 30 June 2013 (2012: \$20,000).

Interest rate risk

The Children's Commissioner does not have any significant exposure to interest rate risk. Any risk is managed by only investing with New Zealand registered banks and holding funds at call, or on short-term deposit.

Currency risk

The Children's Commissioner does not have any significant exposure to currency risk.

Fair value

The fair value of financial instruments is equivalent to the carrying amount disclosed in the statement of financial position.

21 CAPITAL MANAGEMENT

The Children's Commissioner's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets.

The Children's Commissioner is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings acquisition of securities, issuing guarantees and indemnities and the use of derivatives

The Children's Commissioner manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities and general financial dealings to ensure the Children's Commissioner effectively achieves its objectives and purpose while remaining a going concern.

22 EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variances from the Children's Commissioner's budgeted figures in the statement of intent are as follows:

Statement of comprehensive income

Personnel expenditure

Personnel expenses were higher than budget due to several staffing changes throughout the year, including the appointment of a full-time Deputy Commissioner (previously part-time). Additional staff were contracted for short-term project work or assignments as required.

Operating expenditure

Operating expenses were lower than budget due to the Office's website development project not being as far advanced as had been scheduled; savings in travel expenditure; expenditure on record-keeping consultancy being deferred to wait for findings from the Public Records Act audit; savings in rent and accommodation expenditure

Project expenditure

Project expenses were over budget which can be attributed to increased costs for the Office's work on Solutions to Child poverty and increased Child, Youth and Family Monitoring.

Statement of financial position

The Fixed asset variance results from assets disposed of as at 30 June 2013.

Independent Auditor's Report

To the readers of the Office of the Children's Commissioner's financial statements and non-financial performance information for the year ended 30 June 2013

The Auditor-General is the auditor of the Office of the Children's Commissioner (the Office). The Auditor-General has appointed me, J.R. Smaill, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and non-financial performance information of the Office on her behalf.

We have audited:

- the financial statements of the Office on pages 27 to 46, that comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the non-financial performance information of the Office that comprises the statement of service performance on pages 19 to 26 and the report about outcomes on pages 4 to 11.

Opinion

In our opinion:

- the financial statements of the Office on pages 27 to 46:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Office's:
 - financial position as at 30 June 2013; and
 - financial performance and cash flows for the year ended on that date.
- the non-financial performance information of the Office on pages 19 to 26 and 4 to 11:
 - complies with generally accepted accounting practice in New Zealand; and

-
- fairly reflects the Office's service performance and outcomes for the year ended 30 June 2013, including for each class of outputs:
 - its service performance compared with forecasts in the statement of forecast service performance at the start of the financial year; and
 - its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 8 October 2013. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Commissioner and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and non-financial performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and non-financial performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and non-financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non-financial performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Office's financial statements and non-financial performance information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Commissioner;

-
- the appropriateness of the reported non-financial performance information within the Office's framework for reporting performance;
 - the adequacy of all disclosures in the financial statements and non-financial performance information; and
 - the overall presentation of the financial statements and non-financial performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and non-financial performance information. Also we did not evaluate the security and controls over the electronic publication of the financial statements and non-financial performance information.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Commissioner

The Commissioner is responsible for preparing financial statements and non-financial performance information that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Office's financial position, financial performance and cash flows; and
- fairly reflect its service performance and outcomes.

The Commissioner is also responsible for such internal control as is determined necessary to enable the preparation of financial statements and non-financial performance information that are free from material misstatement, whether due to fraud or error. The Commissioner is also responsible for the publication of the financial statements and non-financial performance information, whether in printed or electronic form.

The Commissioner's responsibilities arise from the Crown Entities Act 2004 and the Children's Commissioner Act 2003.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and non-financial performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Office.



J.R. Smail
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

