

Annual Report

Office of the Children's Commissioner

2016 - 2017



MANAAKITIA A TĀTOU TAMARIKI

Children's
Commissioner

Annual Report

for the year ended 30 June 2017

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



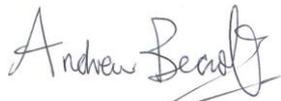
This work is protected by copyright owned by the Children's Commissioner. This copyright material is licensed for re-use under the Creative Commons Attribution 4.0 International License. In essence you are free to copy, distribute and adapt the material, as long as you attribute it to the Children's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

CONTENTS

FOREWORD TO THE MINISTER FOR CHILDREN	2
INTRODUCTION FROM THE CHILDREN'S COMMISSIONER	3
HIGHLIGHTS 2016/17	5
PART 1: THE YEAR IN REVIEW: HOW WE HAVE MADE A DIFFERENCE	7
ABOUT THE CHILDREN'S COMMISSIONER	12
What our Stakeholders told us	14
PART 2: ORGANISATIONAL HEALTH AND CAPABILITY	15
PART 3: STATEMENT OF PERFORMANCE	17
Our Performance Measurement Framework	18
Monitoring and Investigations	19
Individual and Systemic Advocacy	23
PART 4: STATEMENT OF RESPONSIBILITY	27
FINANCIAL STATEMENTS	28
NOTES TO THE FINANCIAL STATEMENTS	33
INDEPENDENT AUDITOR'S REPORT	44

FOREWORD TO THE MINISTER FOR CHILDREN

Pursuant to the provisions of Section 150 and 151(3) of the Crown Entities Act 2004, I submit my Annual Report, incorporating the Financial Statements. The report covers the period from 1 July 2016 to 30 June 2017. I am satisfied that the Financial Statements fairly reflect the financial position and operations of the Children's Commissioner for the reporting period.



Judge Andrew Becroft
Children's Commissioner

31 October 2017

INTRODUCTION FROM THE CHILDREN'S COMMISSIONER

Ko te ahurei o te tamaiti arahia ō tātou mahi
Let the uniqueness of the child guide our work



Tēnā koutou katoa,

When I took up this role in July 2016, I believed, at least in the general sense, that nurturing our children and young people was important for the future of this country. After one year in the role, I am absolutely convinced that nothing is more important.

There are 1.12 million children in Aotearoa New Zealand, almost 25% of our population. They are without a vote and often without a voice or influence. Of those, 70% do really well, both academically and in overall wellbeing; 20% do less well; and 10% are really struggling with issues ranging from abuse and neglect, material deprivation and poor health and educational engagement.

My statutory remit is very wide. However, what it all comes back to is improving the well-being of all children in New Zealand. In this Office, we put children at the centre, and ask: how can we make a difference to their lives? And what do they tell us are the most important issues that they face? In particular, how can we help improve the lower measures of child well-being for our indigenous Māori children relative to New Zealand European children? Improving outcomes for tamariki Māori remains one of our country's biggest challenges.

This report documents some real progress for children on several fronts:

- > 17-year-olds are now included in the youth justice system, following overseas practice. This will offer a much better opportunity for rehabilitation than the adult system and is based on a better understanding of the developmental stages of young people;
- > More agencies are aware of children's right to have a say in matters that affect them and are seeking out and genuinely listening to their views;
- > Oranga Tamariki has been established and we are heavily involved in advising the best way to design and deliver services for children and young people who come into contact with the care and protection and youth justice systems. This is the opportunity of our collective lifetimes to build a truly world-leading state intervention system for children.

We are also seeing a growing awareness among agencies of the rights and entitlements of children under the United Nations Convention on the Rights of the Child (UNCROC). New Zealand has signed up to this Convention, but we still have a way to go to put the principles into practice. In October 2016, the United Nations Committee on the Rights of the Child made 52 challenging and important recommendations in areas where New Zealand could improve. These are part of our work programme, with particular emphasis on the Committee's urgent recommendations.

Too many of our country's children face significant challenges and disadvantage. Repeating all the negative statistics in a report such as this is unnecessary, but a few examples of the issues that need to be addressed will suffice:

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

-
- > New Zealand has the highest rate of youth suicide in the western world, and also a drastically higher rate for Māori aged 15-24 years old (48 per 100,000 in 2012) as opposed to non-Māori (16.9 per 100,000);
 - > low-decile schools have less ability to provide special assessment conditions, meaning that how well children do at school is influenced both by socio-economic factors and ethnicity;
 - > we understand at least 70% of young people remanded in adult police cells are Maori; and
 - > 85,000 children experience significant material disadvantage, meaning that they and their families/whānau lack 9 or more items considered essential for basic living.

A pressing need is the development of an independent and fully resourced complaints system in respect of the services provided by Oranga Tamariki, to make sure that the sad history of abuse in state care is not repeated. We can never tolerate the levels of historic abuse of our children that continue to emerge.

We have set five priorities for the Office this year, which are available on our website. In addition to those issues already mentioned, we have focused on ensuring that all our children are actively and meaningfully engaged and retained in mainstream education.

This role is a great opportunity and privilege. I feel a great responsibility to perform it to the best of our collective abilities in this Office. Our staff, comprising just over 17 full-time equivalents, continues to do an outstanding job, especially given the scale of the work. We have a proud 27-year history of advocating for children and improving conditions for children in care.

I would like to take this opportunity to pay tribute to the platform built, and the legacy left, by the six Commissioners before me. There is now an opportunity, and indeed the necessity, to further strengthen the Office to advance the interests of all New Zealand children and young people.

I am reassured by the level of commitment by parents, caregivers, and government and non-government and community organisations to do the best that we can for our children. I am sure that with our collective effort and will, we can make sure that all New Zealand children can flourish and thrive.

Ngā mihi,



Judge Andrew Becroft
Children's Commissioner
Te Kaikomihana mō ngā Tamariki

Website: www.occ.org.nz



Facebook: [@childrenscommnz](https://www.facebook.com/childrenscommnz)



Twitter: [@OCCNZ](https://twitter.com/OCCNZ)



HIGHLIGHTS 2016 - 2017



PROTECTION



PROVISION

The United Nations Convention on the Rights of the Child underpins all of our work.

100% of monitoring report recommendations accepted by CYF / Oranga Tamariki



of Oranga Tamariki sites and residences experiencing our monitoring services were satisfied or very satisfied

2 thematic reviews conducted across ten Oranga Tamariki care and protection and youth justice sites

78 presentations given by the Commissioner on a range of children's issues

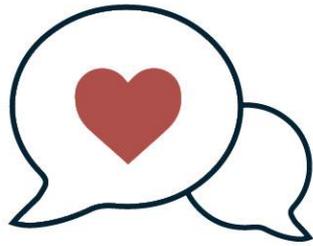
SIX of the nine Oranga Tamariki secure residences visited



Published the 2017 **State of Care** (Residences) report

132 children and young people's voices directly informed our monitoring findings and recommendations

23 presentations given by staff on being child-centred to a range of organisations



PARTICIPATION



PROMOTION

These four themes represent the essence of the Convention.

8 child-focused policy submissions made to Select Committees



Released the



4th
annual

Child Poverty Monitor

5th

Represented NZ children at the 5th periodic review of the UN Convention on the Rights of the Child in Geneva

2360 children and young people's views gathered via our child and youth voices work

4YOUTH

Developed 4YOUTH resources on our website to provide information for children and young people

96%

of our stakeholders agree that the Office's advocacy activities contributed to improving the wellbeing of children

Responded to

511



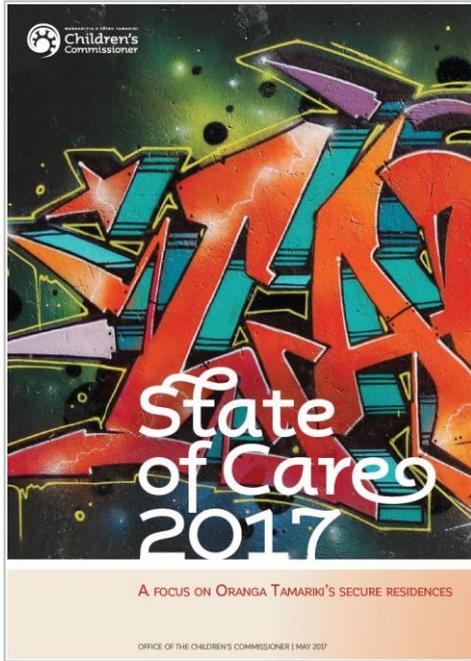
callers on the Child Rights Advice Line

100%

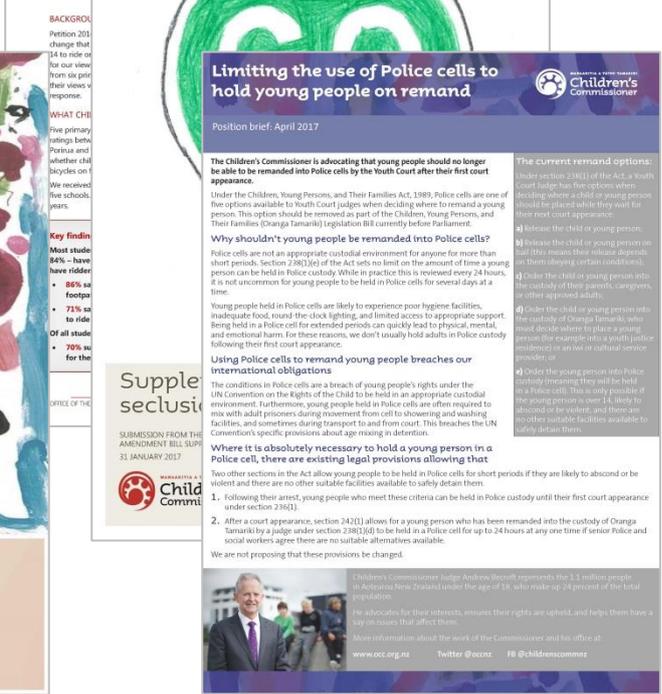
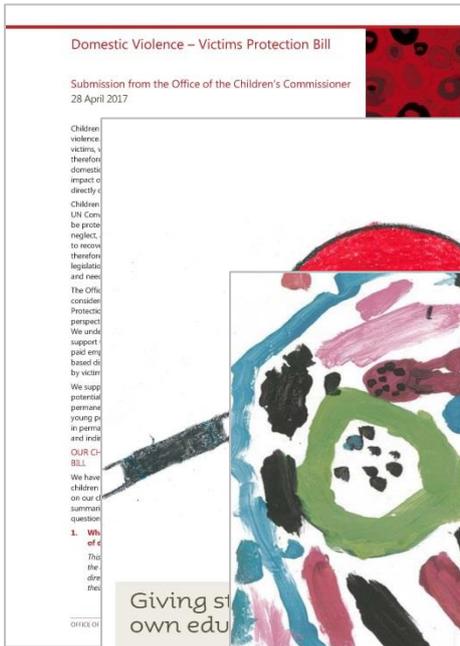
of our performance measures achieved as set out in our Statement of Performance Expectations

Provided formal advice on the Oranga Tamariki transformation process and service design, through formal membership of the Investing in Children Cross-Agency Deputy Chief Executives Working Group and the Tier Three Cross-Agency Advisory Group

Publications



Submissions



PART 1: THE YEAR IN REVIEW: HOW WE HAVE MADE A DIFFERENCE

This year we have upheld and promoted children’s rights, including the right of children to have a say in issues that affect them. By promoting these rights, we have improved the lives of children through the services they receive and the decisions that are made.

WE MONITOR HOW WELL NEW ZEALAND CHILDREN ARE DOING

The Office of the Children’s Commissioner monitors how well all children are doing. We use the following broad categories based on the United Nations Convention on the Rights of the Child (UNCROC) as a framework. These are summarised as follows:

- > **Protection** of children from all forms of cruelty, abuse and neglect;
- > **Provision** of all services and supports for life, survival and development of children;
- > **Participation** in decisions that affect children, and having their voices and views heard;
- > **Promotion** of children’s best interests and well-being, and ensure all rights are upheld.

For children in care and in the youth justice system, we have an added legislative mandate to monitor these same UNCROC elements to greater depth.

We use all our monitoring to identify areas of concern, provide advice to agencies, and advocate for better outcomes for all children.

PROTECTION

Based on our monitoring work, we have called for improved conditions for children and young people in care and protection and youth justice residences with a particular focus on the way they are treated by staff, their contact with family and whānau, the programmes and activities they engage with and their access to the residence complaints system.

We were influential in calling for all schools to end the practice of using locked seclusion rooms, and in negotiating with the Ministry of Education to do so.

We have also campaigned strongly to remove the legislative option for the remand of young people from the Youth Court to adult police cells.

PROVISION

We have contributed to the child-centred design of new services for children in the care and custody of Oranga Tamariki by providing the experiences of children and whānau via what we heard during our monitoring work

and through our own expertise. We continue to work closely with Oranga Tamariki and VOYCE Whakarongo Mai to improve all aspects of children’s experiences while in state care and custody.

We work closely with officials from Health, Education, Social Development, Treasury, Corrections, Police and Justice to improve the services children and young people receive.

PARTICIPATION

We have supported children and young people to have a say in matters that affect them. We engaged with more than 2360 young people through six on-line surveys¹ at schools, surveys at events, focus groups and interviews. We used their views and voices to inform our submissions and advice to agencies.

We supported the Minister for Children to constructively hear the views of care experienced young people by convening and

¹ SurveyMonkey

facilitating her advisory group, Te Whānau Aroha.

We have increased awareness within government, and more widely, of the importance of hearing children and youth voices on issues that are important to them, and involving them meaningfully in decision-making. This includes demonstrating to Oranga Tamariki the importance of listening to what young people in care and protection and youth justice residences have to say and advocating for their views to be actively sought and taken account of. We have included the voices of the 132 children and young people interviewed and surveyed through our monitoring work and ensured their views were given prominence in our reports.

PROMOTION OF WELL-BEING AND BEST INTERESTS

The Commissioner participated in New Zealand's 5th periodic review of progress on the implementation of the Convention on the Rights of the Child in Geneva. Our recommendations influenced the review committee's concluding observations and recommendations.

Through our monitoring of Oranga Tamariki statutory services we have advocated for service development that takes account of the overall well-being of children and young people through mana-enhancing practice at both residence and service delivery site level.

WE HAVE FOCUSED ON PRIORITIES AND MADE A REAL DIFFERENCE

Some of the areas we have made significant contributions to are included below. This is based on our own observations, feedback from agencies, comments in the media and from key stakeholders.

CHILDREN IN STATE CARE OR CUSTODY

We have made a difference for children in state care or custody. We called for improvements to the conditions they live in and the care they receive, as well as strengthening the legislation that covers Oranga Tamariki. In particular, we were influential in ensuring that a preference for placing children with whānau, hapū and iwi was retained, as long as that resulted in a safe environment for the child. Our advice overall is helping to improve the care and protection and youth justice systems during the change process. Some of the examples from our monitoring activities are included here.

Improving care for children in residences

Our 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) monitoring work and the response to our recommendations by Oranga

Tamariki has resulted in some positive shifts in residential practice. They include:

- > the introduction of therapeutic practice models in care and protection residences;
- > improved day-to-day care and treatment of young people;
- > increased training and supervision for care staff.

Improving care for young people on remand

Oranga Tamariki is using the evidenced findings from our review of the quality of community-based remand home care to inform its service design for young people on remand, including the establishment of four community-based specialist remand homes. As a result of our review, Oranga Tamariki is also working with the Ministry of Education to ensure that young people detained in community-based remand homes have access to education.

Improving preparation for Family Group Conferences

We reviewed the impact of enhanced preparation for Family Group Conferences (FGCs) on the engagement and participation of children and young people and their whānau in FGCs and the subsequent quality of decision making.

The review findings shaped Oranga Tamariki's service design to strengthen enablers and reduce barriers to high quality FGC decision making and plans. This means our recommendations for enhanced preparation, particularly hui-a-whānau and whakapapa search should become standard pre-FGC practice across the organisation.

As a result, 21 care and protection sites received funding to embed hui-a-whānau and whakapapa search into mainstream everyday practice. This was developed in relationship with iwi and backed by new policy, practice, system and evaluative learning approaches linked into Oranga Tamariki's new Practice Framework. Further sites will be added to this group as they demonstrate readiness.

Making a kaupapa Māori environment a reality for young people in care and protection.

Culture and identity are important and well evidenced resilience factors for young people in care and custody to develop and improve their well-being and promote healing and change. For this reason we address these elements through every monitoring review we carry out.

As an example of impact, our reports and recommendations over the past two years have supported and encouraged the Oranga Tamariki Care and Protection Residence in South Auckland to realise the opening of Taonga Whetu, the first Kaupapa Māori Unit in a care and protection residence in New Zealand. This could and should serve as a model for other residences.

INCLUSION OF 17-YEAR-OLDS IN THE YOUTH JUSTICE SYSTEM

The Children's Commissioner had made influencing the decision to include 17-year-olds in the youth justice system a priority and our advice and activities also played a role in Cabinet's decision to include them in the youth justice system, as previously they had been subject to the adult system. We worked on different levels to influence the public, key stakeholders and Ministers who ultimately would make this decision. We produced and distributed materials on raising the age of adult criminal responsibility. Judge Becroft met with many stakeholders in the community as well as most Ministers. Cabinet made the decision to include raising the age in the CYF&P Act Bill 2 in December 2016. We received feedback that the work of the Commissioner and the Office had contributed to achieving this result.

CHILDREN'S RIGHTS AND CHILD-CENTRED DECISION MAKING

We have made a difference for all the children of Aotearoa New Zealand by promoting children's rights and encouraging agencies and organisations to be more child-centred.

In September 2016 we contributed to our United Nations Review when the Children's Commissioner attended New Zealand's 5th Period Review on UNCROC in Geneva. Our submissions to the review committee and our involvement in the hearings were used by the UN Committee in issuing their recommendations.

The Commissioner also used the opportunity to raise public awareness of our obligations and what that means for New Zealand children.

Our advice on child-centred decision-making is being used

Being child-centred involves considering the impacts on children, asking children their views and making decisions in the best interests of children and young people. We

produce resources and share these on our website and provide advice on how to be more child-centred and how to engage with children and young people. We have presented to dozens of organisations, forums and conferences, and the Commissioner also speaks on being child-centred and hearing children's views in his presentations.

An increasing number of organisations are asking for advice on being child-centred. This is a real encouragement and demonstrates a clear change of approach by central government bodies.

Organisations that attended our presentations on child-centred decision-making, or used our resources about engaging with children, reported implementing these approaches successfully in their work. For example, the Ministry of Health used our resources to engage with a group of children and young people with disabilities about the future of respite care. Health officials commented:

"Thank you for providing the information on your website about how to engage with children - I used this to plan our engagement and ensure that we did it with purpose [...] Doing this has shown us the benefit of engaging with children and we would be more confident to do this on a bigger scale next time."

We have had significant positive feedback and requests for further advice. For example, we supported the New Zealand and Canterbury Rugby Unions in their development of new, child-centred guidelines for managing issues of player misconduct for under 18-year-old secondary school players.

EXAMPLES ON HOW CHILDREN'S VIEWS HAVE INFLUENCED CHANGE

We were asked by the Transport and Industrial Relations Committee for input into their inquiry into allowing children to ride bicycles on footpaths. We used the views and voices of 171 children aged 8 to 12 as the basis for our

submission. As a result, the Committee has recommended a change to the New Zealand Road Rules to allow children up to 12 years old to cycle on footpaths, reflecting the views of the children.

SOME IMPACT TAKES LONGER TO SEE

Impact from our advice and influence is not always apparent in the same period as provided. For example, we are now seeing great returns from our work on solutions to child poverty, when the bulk of that work was completed in 2012-13.

Over the past 5 years, we have seen a shift in the public awareness and concern about child poverty. Our work continues to be cited as a key contributor, and the Expert Advisory Group (EAG) Solutions to Child Poverty are still relevant. We estimate more than half of the EAG's 78 recommendations have now been partially or fully implemented.

Child poverty and child material hardship is now much better understood and a matter of much clearer public commentary and informed debate.

COMMUNICATIONS

Our public profile this year was a combination of publication releases, media interviews and social media engagement.

The work of the Office

The 4th Annual Child Poverty Monitor was launched at the Auckland City Mission in December 2016, with a focus on the material deprivation data. The Monitor was well received and achieved excellent media coverage. Materials supporting the use of the Child Poverty Monitor were also developed to ensure continued use of the information by other organisations and people.

The launch of the State of Care report in May 2017 was also a major focus of media attention. A case study was published on sharing children's views on the Ōtākaro Avon River.

Other areas of work that have received media attention were raising the youth justice age,

remanded youth in police cells, a discussion on lowering the voting age, and the Commissioner's call for improved screening of neurodevelopmental issues for children starting school.

Media enquiries

The new Commissioner's existing public profile has created significant media interest and the volume of media inquiries has been high in the last 12 months, with the Commissioner commenting on a wide variety of issues related to children and young people.

Topics have included the new Oranga Tamariki legislation and the launch of the new agency, the Families Income Package improving the lives of children and young people, the UNICEF Innocenti report card, calls for a ban on smoking in cars with children, transient students, resourcing for intellectual disability secure care, the 10-year anniversary of anti-smacking legislation, socio-economic

disparity in concussion reporting, adolescent relationship violence, historic state abuse and the Youth Custody Index.

Significant interviews included TV3 The Nation in October 2016, as well as a number of interviews with TVNZ, Radio New Zealand, Newstalk ZB, and RadioLive.

Social media

The Children's Commissioner Facebook page and Twitter profile is seeing a steady increase in followers and engagement on issues related to children and young people. Video content has been particularly popular, on topics including Bullying-Free New Zealand week, Children's Day, a Back-to-School message, and International Stuttering Awareness Day, as well as a live webinar about child-centred policy.

Three issues of an e-newsletter were published.



ABOUT THE CHILDREN'S COMMISSIONER

The Children's Commissioner is an Independent Crown entity with a primary role to advocate for the 1.12 million New Zealand children defined as under the age of 18 years. This group, without a vote and often a voice, constitute nearly 25% of our population.

WHY DO WE HAVE A CHILDREN'S COMMISSIONER?

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

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

OUR VISION

New Zealand is a place where all children thrive.

FUNCTIONS

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) and from 1 April 2017 the Oranga Tamariki Act 1989 and Children's and Young People's Well-being Act 1989;
- > 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 well-being of children and young people;
- > raising awareness and understanding of UNCROC and advancing and monitoring the application of UNCROC by the State;
- > developing mechanisms for hearing and sharing children's voices and perspectives.

The services and activities that fulfill our statutory requirements include:

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

WHAT WE DO

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

We review the strategies, policies and practices of Oranga Tamariki, the New Zealand Government's statutory child protection agency. We review samples of cases, visit Oranga Tamariki sites and residences and talk to children, young people,

their families and whānau and other stakeholders. This results in feedback to Oranga Tamariki on areas of good practice and areas for improvement.

We advocate for better child well-being in New Zealand as independent experts on the well-being of children and young people.

We inform others using our expertise and advice to raise awareness of issues, identify

constructive solutions based on best practice and evidence and influence others to prioritise, invest in and improve their services for and to children and young people.

In addition to our focus on vulnerable children, we respond to calls for submissions, select committee undertakings and stakeholder requests.



What our Stakeholders told us

Our work is achieving impact to improve the well-being of children

We asked a range of stakeholders their views on how our Office was contributing to better outcomes for New Zealand children. 76 stakeholders responded to this general survey².

We also asked a targeted group of stakeholders more specific questions to get detailed feedback on our monitoring activities, with 22 respondents. Both surveys took place in June 2017.

Some comments grouped by topic are provided here as examples:

Improving outcomes for children in State Care:

- > "Submissions on the Oranga Tamariki legislation (particularly about participation/voice) led to revisions in the bill"
- > "The State of Care report raised awareness about kids in care generally"
- > "Support legislative changes for including 17-year-olds in youth jurisdiction"
- > "The way monitoring feedback was given after the review was well done. Feedback was clear and given with great analysis. The areas in which improvement was required was done in a mana enhancing manner."
- > "All the monitoring staff I've worked with have a respectful, approachable and solution focussed approach."
- > "The focus of the monitoring work is always about contributing insights and knowledge that informs the work we [Oranga Tamariki] do."

Promoting being child-centred and child voice

- > "Advocacy for greater role for voice of young people in policy making has ensured our agency is setting up processes to gather this voice."
- > "It [OCC] vindicates and supports our child centred approach when other government officials want us to be asset or process focused instead."

Influencing government budget and policies

- > "The work of OCC made the implementation of increased incomes for the working poor a more viable political reality for the government. This was translated into improved incomes via this year's Budget."
- > "Going back to previous Commissioners, I am sure that the poverty focus was in part responsible for the government's \$25 per week extra for beneficiaries."
- > "Child poverty and the challenges of state care are in our news media and seen widely as issues - to a large extent this is due to the Children's Commissioner and the office I think."

Independent advocate for children

- > "OCC does a great job. Judge Becroft maintains a commendable distance from government which is critical in this watchdog role."

² SurveyMonkey

PART 2: ORGANISATIONAL HEALTH AND CAPABILITY

The Office is in Wellington with 16 employees, 2 secondees from Oranga Tamariki, 1 part-time contractor (17.3FTEs) and the Children's Commissioner

BEING A GOOD EMPLOYER

Staff are our most valuable asset and we work to ensure a positive and supportive organisational culture.

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.

In February 2017, Judge Becroft requested the assistance of Māori staff of the Office to support him in progressing work to improve Te Ao Māori cultural practice of the Office. Te Rōpū was formed in response to this request. Te Rōpū's vision is to support an inclusive office environment, where all staff members feel comfortable participating in Māori practices that adhere to Te Ati Awa tikanga and OCC kawa. Te Rōpū meets regularly to provide advice and support to the office. The OCC aspires to lead by example, and demonstrate to other organisations how they can shape their practice to better respect Tangata Whēnua, and support staff to learn Te Ao Māori practice.

Equal employment opportunities

We are committed to providing equal opportunities and the Office is a member of the EEO Trust.

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 personal development agreements with all staff, and support staff development. We have a very effective management structure to ensure our planning and coaching support to our staff is effective and integrated with our competency framework.

Te Reo classes started in May 2017 and all staff participate in them.

Remuneration, recognition and conditions

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 who need school holiday care for their children by providing a care subsidy.

Harassment and bullying prevention

We support and promote the Public Sector Code of Conduct and have our own Code of Conduct which rejects discrimination, harassment, bullying or intimidation based on 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 2016/17.

Ongoing review/renewal of programmes/policies

Our policies and procedures are reviewed on a yearly basis and policies are adjusted on an ongoing basis in line with revised legislation.

Safe and healthy environment

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

Our staff

As at 30 June 2017, we had 19 employees (14 permanent, 2 fixed-term, 2 secondees and 1 part-time contractor) totaling 17.3 FTEs, not including the Commissioner.

Gender	2017	%	2016
Female	15	79%	13
Male	4	21%	3
Ethnicity			
Māori	4	21%	1
Pacific Island	1	5%	0
Asian	0		0
Pakeha/European	14	74%	15
Age profile	Average age is 48 years		
Disability profile	There are no employees with a disability		

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.

Our *Statement of Intent 2017-2021* further refines our strategic outcomes framework focusing on our priorities, and a work plan to support its implementation.

The *Statement of Performance Expectations 2016/17* was completed and published on our website on 30 June, and was tabled in Parliament on 8 July 2016.

COMMITMENT TO THE TREATY OF WAITANGI

The Treaty of Waitangi continues to be central to the work of the Office and within our tikanga framework. One way this is demonstrated is through our tikanga values which set out how we do our work.

Our commitment has also been demonstrated through the practice of holding powhiri or mihi whakatau to welcome new staff and poroaki to farewell staff.

Our monitoring team has focused on continuously developing and extending their cultural capability, to ensure effective engagement and interaction with mokopuna Māori and whānau, Māori staff within Oranga Tamariki sites and residences, and Iwi and Māori service providers across the communities we visit. A key aspect has been the monitoring team's monthly participation in cultural supervision so we can continuously strengthen our influence for the mokopuna, who make up over 65% of Oranga Tamariki's client group.

RISKS

We monitored the risks identified in our Statement of Intent.

CONSULTATION AND REPORTING TO THE RESPONSIBLE MINISTER

The signing of our new Memorandum of Understanding with the responsible Minister was postponed until after the start date of the new Commissioner to confirm his priorities. 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 PERFORMANCE

The Estimates of Appropriations

The Children's Commissioner is funded through Vote Social Development – Non Departmental Appropriations – non-Departmental Output Expense – Children's Commissioner (M63).

This appropriation is intended to achieve an improvement in the well-being of children through the provision of independent advocacy for the interests of children, and independent monitoring, advice and assurance to the Ministers about the services delivered to children under the Oranga Tamariki Act 1989 and Children's and Young People's Well-being Act 1989.

SUMMARY OF EXPENDITURE AGAINST THE APPROPRIATION

	2016/17 Actual \$000	2016/17 Budget \$000	2015/16 Actual \$000
Total appropriation	2,157	2,157	2,157
Children's Commissioner portion of appropriation (Crown Revenue)	2,157	2,157	2,157
Children's Commissioner expenditure against appropriation	2,215	2,177	2,155
Net surplus/(deficit)	(58)	(20)	2

PERFORMANCE AGAINST THE APPROPRIATION

Performance measures and standards	Budget standard	2016/17 Actual	2015/16 Actual	Achievement/ Comments
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%	Achieved	Achieved
The percentage of specified stakeholders ³ that agree that the Office's advocacy activities contribute to improving the well-being of children will be no less than ⁴	80%	96%	92%	Achieved
Percentage of monitoring report recommendations accepted by Oranga Tamariki as evidenced and in line with Oranga Tamariki policies and practices will be no less than	90%	100%	100%	Achieved

³ 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

⁴ The result is based on SurveyMonkey result

Our Performance Measurement Framework

Our main priorities, the longer-term outcomes we are seeking, and the impacts we aim to make (set within the context of the Government’s broader objective to deliver Better Public Services), are outlined in the diagram below.

Our Vision	New Zealand is a place where all children and young people thrive	
Outcomes	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	
	 WIDE RANGE OF GOVERNMENT ACTIVITIES (including cross Government and Non-government activity on the Better Public Service targets for vulnerable children and the Children’s Action Plan) 	
	Monitoring & Investigations	Strategy, Rights & Advice
Our Impacts	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
Our Outputs	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
What we do	Monitor and investigate the quality of services provided to children and young people under the Oranga Tamariki Act	Advocate for and advise on the rights and well-being of children and young people
How we work	<i>We provide evidence-based, independent advice on the well-being of children and young people</i>	

Monitoring and Investigations

WHAT WE ACHIEVED

Through our monitoring activities we supported Oranga Tamariki to deliver on its vision for a child-centred, high quality 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 ensured that our framework and our monitoring activity supported the transformation process and identified best practice and issues that need to be addressed in order for the changes arising from the EAP Final Report to be implemented effectively. We did this by:

- > undertaking performance reviews of a sample of 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 two thematic reviews across a range of Oranga Tamariki sites and residences
- > reviewing Oranga Tamariki residences under the Optional Protocol to the Convention on Torture;
- > reviewing 16 s47 reports⁵;
- > helping to build capability within CYF/Oranga Tamariki 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;
- > increasing transparency of the monitoring work through publishing an annual aggregated public report on our monitoring activity;
- > providing professional advice and assistance, as requested, to the policy and legislative work to transform CYF/Oranga Tamariki and will continue to provide on-going advice and support on the implementation of the Children's Action Plan.

FINANCIAL PERFORMANCE OF MONITORING AND INVESTIGATIONS

2015/16 Actual \$000		2016/17 Actual \$000	2016/17 Budget \$000
1,103	Revenue	1,215	1,180
29	Other Revenue	160	17
1,110	Expense	1,335	1,203
22	Net surplus/(deficit)	40	(6)

Comment

Revenue was more than budgeted due to internal staff changes between the teams. Other Revenue was more than budgeted due to donated services from Oranga Tamariki for two secondees from October 2016. Expenditure was more than budgeted due to the staff changes and donated secondment costs.

⁵ 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.

PERFORMANCE MEASURES

Performance measures and standards	Budget standard	2016/17 Actual	2015/16 Actual	Achievement/Comments
The number of monitoring visits to Oranga Tamariki residences	6	6	6	Achieved
Findings from all monitoring visits will be reported to Oranga Tamariki within 3 months	100%	100%	100%	Achieved
The number of thematic reviews that lead to reports that compare practice across Oranga Tamariki sites (or residences) and provide examples of best practice will be at least	1	2	2	Achieved
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%	100%	Achieved
Produce a thematic aggregate public report	1	1	1	Achieved
Percentage of monitoring report recommendations to Oranga Tamariki that are followed by actions will be no less than	100%	100%	New	Achieved
Sites and residences experiencing our monitoring services who rate their overall satisfaction with OCC's approach as 'satisfied' or 'very satisfied' will be no less than ⁶	80%	88%	New	Achieved

OTHER DELIVERABLES ACHIEVED

Deliverable	2016/17 Actual
S47 Reports reviewed and responded to	16
Monitoring of Corrections Mother & Babies Units	1

⁶ The result is based on SurveyMonkey result

OUTCOMES

In addition to measuring our own outputs and impacts, we also monitor children's progress toward achieving good outcomes. Our monitoring activity identifies improvements Oranga Tamariki needs to make for children and young people in the care and protection and youth justice systems to break the cycle of abuse and neglect and youth offending.

Oranga Tamariki has the responsibility to monitor and report on outcomes for children in care and young people in youth justice residences. We will continue to advocate for data to be collected that measures what is being achieved for these children through the implementation of the Tuituia Framework and Gateway assessment process.

Through our monitoring activity we support the Government's Better Public Service targets of a 25% reduction in Youth Crime by 2017, as well as reducing rates of substantiated child abuse and we will track these targets.

Monitoring these outcomes is part of our scanning of the wider environment, and helps us identify where additional attention is needed. While we strive to contribute to the Better Public Service outcomes, we are clear that they are dependent on the actions of many other players.

Outcomes Result 1: Improved process for assessing monitoring outcome

Our monitoring reports and recommendations have focused on informing and supporting the Investing in Children's Team, now Oranga Tamariki, service design and service transformation programme. Both our thematic monitoring reviews were co-designed with the IIC and Oranga Tamariki to ensure we were addressing questions that were immediately useful and relevant.

Our first thematic monitoring review focused on reviewing the quality of preparation for Family Group Conferences (FGCs) with a specific focus on the extent to which engagement and participation of children, young people, their families, especially mokopuna and whānau in FGCs and the quality of FGC outcomes, was strengthened by whakapapa search and holding hui-a-whānau pre FGC. This intensive review across five Oranga Tamariki sites evidenced the critical importance of both whakapapa search and hui a whanau as key enablers to achieve the level of family and whānau engagement and participation needed to mobilize a wider range of care and support options for children and young people within their whānau, hapū and kinship networks. Oranga Tamariki accepted our recommendation and is now implementing hui-a-whanau and whakapapa search as mainstream practice approaches across 21 service delivery sites. They are also addressing the structural, systemic and practice enablers and barriers our review identified, as they progress their service and system design change programme.

The second thematic monitoring review focused on the use of community based remand care for young people remanded by the Youth Court into the custody of the Chief Executive of Oranga Tamariki under Section 238(1)(d) of the Oranga Tamariki Act 1989. This review began with a request from IIC that we monitor a range of community based remand placements, both one to one remand foster care placements and remand group homes, to identify the enablers and barriers to high quality child-centred remand care. Our team visited five Auckland Oranga Tamariki service delivery sites and four specialist group homes managed by NGOs on contract to Oranga Tamariki. Our hypothesis was that young people on remand would be better off placed in a community based remand home than in a youth justice residence. However, what we found was that young people are not necessarily better off in group home remand care. The level to which they are better off depends on the quality of care provided, the level of structured support in place, the young people's access to activities

and education and the degree to which there is an individualised approach to meet the needs of young people and their whānau. Our evidenced findings have been shared with the IIC and Oranga Tamariki and are informing current work on the design of youth justice services and care options for young people on remand.

On our visit to Korowai Manaaki in February 2017, prior to the establishment of Oranga Tamariki and before the new youth justice leadership and management structure was put in place, we found the residence to be compliant with OPCAT requirements. There was evidence of strength in the experienced committed leadership. Young people were generally treated well and had positive relationships with staff. However, the residence continued to face significant challenges with staff capacity and capability and this was exacerbated by the high numbers of young people continuously passing through the residence on remand. Since our latest visit, the new Deputy Chief Executive Youth Justice (Oranga Tamariki) has begun the process of establishing a clear strategic vision for the youth justice service and for residences and remand care specifically. We have been encouraged to see a strong focus on workforce development, trauma informed assessment tools and the design of remand care options and resources. We are hopeful that over time, as new community based remand care options come on stream, there will be a significant reduction in the numbers of young people remanded under Section 238(1)(d) who are placed in a secure residence. This in turn will enable Korowai Manaaki to build the capacity and capability needed to achieve the quality of individually tailored care that the residence management and staff want to provide for young people.

Outcomes Result 2: Better Public Service Targets: reducing Youth Crime by 25% by June 2017

For the year ended March 2017 the published youth crime rate has reduced by 31% since June 2011.⁷

⁷ <http://www.ssc.govt.nz/bps-reducing-crime>

Individual and Systemic Advocacy

WHAT WE ACHIEVED

We improved child well-being and outcomes of children by influencing others. The impact was achieved through our advice which was seen as credible and valued by our stakeholders.

Activities we had undertaken included:

- > raising awareness and understanding of UN Convention on the Rights of the Child and advancing and monitoring the application of the Convention by the State;
- > providing child-centred advice to Select Committees, Ministers, government and non-government organisations;
- > ensuring the voices of children and young people are included in our work and directly inform the advice we provide;
- > demonstrating best-practice in listening to children and using their views in decision-making;
- > raising awareness of issues and needs of children among New Zealanders generally;
- > producing an annual Child Poverty Monitor;
- > providing advice and support to callers on our Child Rights Line (CRL).

FINANCIAL PERFORMANCE OF INDIVIDUAL AND SYSTEMIC ADVOCACY

2015/16 Actual \$000		2016/17 Actual \$000	2016/17 Budget \$000
1,053	Revenue	942	977
123	Other Revenue	180	177
1,109	Expense	1,177	1,138
67	Net surplus/(deficit)	(55)	16

Comment

Revenue was less than budgeted due to internal staff changes between the teams. Other revenue was more than budgeted due to salary recovered for a staff member attending ACART.

Expenditure was more than budgeted due to the staff changes outlined above, increased operating expenses and further enhancement of our work to collect and share the voices of children and young people.

PERFORMANCE MEASURES

Performance measures and standards	Budget standard	2016/17 Actual	2015/16 Actual	Achievement/ Comments
Child-focused policy advice or submissions to Select Committees, Government departments and Ministers will be at least	6	8	13	Achieved
Child Poverty Monitor released	Achieved	Achieved	Achieved	Achieved
Submissions, reports and advice produced within required timeframes will be no less than	100%	100%	100%	Achieved
Examples of impact achieved by advocacy activities will be at least	2	2	2	Achieved See examples below.

Example 1: Include 17 year olds in the Youth Justice System

The Children’s Commission had made influencing the decision to include 17-year-olds in the youth justice system a priority. We worked on different levels to influence the public, key stakeholders and Ministers who ultimately would make this decision. We produced and disseminated materials, including clear, key messages on raising the age of adult criminal responsibility. Judge Becroft met with many stakeholders including the Sensible Sentencing Trust and the Auckland Indian Association as well as most Ministers. Ministers Tolley and Adams announced Cabinet’s decision to include raising the age in the CYF&P Act Bill 2 in December 2016. We received feedback that the work of the Commissioner and the Office had contributed to achieving this result.

Example 2: Child-centred decision-making

Organisations that attended our presentations on child-centred decision-making, or accessed our resources about engaging with children, report implementing these approaches successfully in their work. For example, we received the following comment from officials at the Ministry of Health who used our resources to engage with a group of children and young people with disabilities about the future of respite care:

“Thank you for providing the information on your website about how to engage with children - I used this to plan our engagement and ensure that we did it with purpose [...] Doing this has shown us the benefit of engaging with children and we would be more confident to do this on a bigger scale next time.”

OUTCOMES

In addition to measuring our own outputs and impacts, we also monitored the following child poverty measures:

- > Rate and number of NZ children living in income poverty
- > Rate and number of NZ children experiencing material hardship.

Monitoring these outcomes and other government activity associated with the Better Public Service targets for increased participation in Early Childhood Education, immunisation and reduced incidences of rheumatic fever is part of our scanning of the wider environment. This scanning helps us identify where additional attention and advocacy activity is needed to achieve the best outcomes for children at risk of poorer outcomes. Our advocacy activity is focused on these areas and we strive to contribute to these outcomes, but we are aware that they are dependent on the actions of many other players.

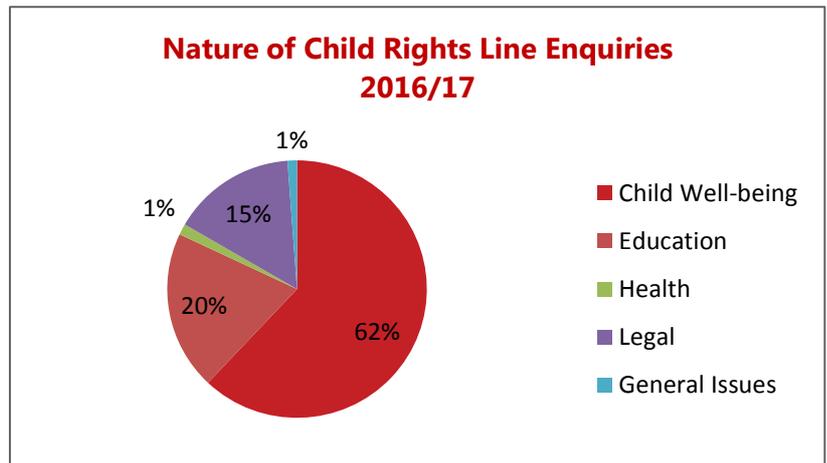
Outcomes	2016/17 Actual	2015/16 Actual
Rate and number of NZ children living in income poverty	295,000 kiwi kids (28% of NZ kids) live in low income households	305,000, or 29% of all children, are living in income poverty ⁸
Rate and number of NZ children experiencing material hardship	155,000 kiwi kids (14% of NZ kids) go without a number of things they need	148,000, or 14% of children, are living in material hardship

⁸ <http://www.childpoverty.co.nz>

INDIVIDUAL ADVOCACY

We offer a free, independent advice service for individuals with queries or concerns about children’s rights in particular situations. Through our *Child’s Rights Advisory Service*, we responded to 511 of these enquiries last year. Most of the time people simply need help to understand what process they need to follow or information about the child’s rights or entitlements. Our Child Rights Advisor typically responds by explaining the relevant complaints process, advising people to report their concerns to the relevant authority, or referring them to other agencies that can provide support. Sometimes the Advisor monitors the response to a complaint by following up with the relevant authority. Some cases require active advocacy with other agencies to help people get their issues addressed.

More than half of the enquiries we received in 2016/17 related to statutory care and protection matters, specifically Oranga Tamariki. Common themes of these calls included concerns about the suitability of a child’s placement, access to family members, level of care provided and support for a child to remain in the care of their wider family/whānau. The next largest area of concern was Education, with 20% of enquiries. A strong theme of these calls was concerns with how Boards of Trustees deal with complaints, including the lack of recourse if children or parents disagree with a Board’s decision. Concerns about adequate special education support, misuse of stand-downs and exclusions, and dissatisfaction with the way bullying incidents were dealt with in schools were also common.



Enquiries related to legal matters accounted for 15% of calls. This included questions on when a child can legally leave home, be left unsupervised, and make their own decision about where to live and who with, as well as questions about access, custody, and family court advice or immigration concerns. We answer simple factual queries of this nature, but we do not offer formal legal advice – when this is required we refer callers to other services.

Below is detailed information on our *Child Rights Advisory Service*.

Nature of enquiry	2016/17	2015/16	2013/14	2012/13
Child Well-being	317	270	231	249
Education	102	105	114	87
Health	7	14	30	25
Legal	79	91	145	93
General Issues	6	34	106	121
Total	511	514	626	575

PART 4: STATEMENT OF RESPONSIBILITY

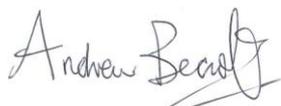
STATEMENT OF RESPONSIBILITY

I am responsible for the preparation of the Children's Commissioner financial statements and statement of performance, and the judgments made in them.

I am responsible for any end-of-year performance information provided by the Children's Commissioner under section 19A of the Public Finance Act 1989.

I have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the Children's Commissioner for the year ended 30 June 2017.



Judge Andrew Becroft
Children's Commissioner

31 October 2017

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000
REVENUE				
Revenue from the Crown		2,157	2,157	2,157
Other revenue	2	340	184	152
Total revenue		2,497	2,341	2,309
EXPENDITURE				
Personnel	3	1,935	1,747	1,752
Operating	4	398	403	389
Projects	5	171	179	70
Depreciation and amortisation expense	9	8	12	9
Total expenditure		2,512	2,341	2,220
Surplus/(deficit)		(15)	0	89
Other comprehensive revenue and expense		0	0	0
Total comprehensive revenue and expense		(15)	0	89

Explanations of major variances against budget are provided in note 16.

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Notes	Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000
ASSETS				
Current assets				
Cash and cash equivalents	6	518	156	405
Receivables	7	8	7	11
Investments	8	500	700	700
Prepayments		20	2	19
GST Receivable		18	15	32
<i>Total current assets</i>		1,064	880	1,167
Non-current assets				
Property, plant, and equipment	9	16	12	24
<i>Total non-current assets</i>		16	12	24
Total assets		1,080	892	1,191
LIABILITIES				
Current liabilities				
Payables	10	93	56	149
Employee entitlements	11	110	76	89
Revenue received in Advance		39	0	93
Payables accruals		48	26	54
Lease Inducement		17	17	20
<i>Total current liabilities</i>		307	175	405
Non-current liabilities				
Employee entitlements	11	10	0	8
<i>Total non-current liabilities</i>		10	0	8
Total liabilities		317	175	413
Net Assets		763	717	778

Explanations of major variances against budget are provided in note 16.

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000
Balance at 1 July	778	717	689
Total comprehensive revenue and expense for the year	(15)	0	89
Balance at 30 June	763	717	778

Explanations of major variances against budget are provided in note 16.

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000
Cash flows from operating activities				
Receipts from the Crown		2,157	2,157	2,157
Interest received		30	20	42
Receipts from other revenue		113	164	175
Payments to suppliers		(631)	(594)	(459)
Payments to employees		(1,769)	(1,747)	(1,757)
GST (net)		13	0	(13)
<i>Net cash flow from operating activities</i>		(87)	0	145
Cash flows from investing activities				
Receipts from sale or maturity of investments		450	0	0
Acquisition of investments		(250)	0	(200)
<i>Net cash flow from investing activities</i>		200	0	(200)
Net (decrease)/increase in cash & cash equivalents		113	0	(55)
Cash & cash equivalents at the beginning of the year		405	488	460
Cash & cash equivalents at the end of the year	6	518	488	405

Explanations of major variances against budget are provided in note 16.

The accompanying notes form part of these financial statements.

Reconciliation of net surplus/(deficit) to net cash flow from operating activities

	Notes	Actual 2017 \$000	Actual 2016 \$000
Net surplus/(deficit)		(15)	89
Add/(less) non-cash items			
Depreciation and amortisation expense		8	9
<i>Net non-cash items</i>		(7)	98
Add/(less) movements in statement of financial position items			
(Increase)/Decrease in Receivables		2	(17)
(Increase)/Decrease in Revenue received in Advance		(54)	68
(Increase)/Decrease in Payables		(63)	(2)
(Increase)/Decrease in Employee Entitlements		23	(5)
(Increase)/Decrease in GST payables		14	(13)
(Increase)/Decrease in accruals		(2)	16
<i>Net movements in working capital items</i>		(80)	47
Net cash flow from operating activities		(87)	145

NOTES TO THE FINANCIAL STATEMENTS

NOTES INDEX

1	Statement of accounting policies	34
2	Revenue.....	35
3	Personnel costs.....	36
4	Operating Costs	37
5	Project Costs.....	38
6	Cash and Cash Equivalents	38
7	Receivables.....	38
8	Investments.....	38
9	Property, Plant and Equipment.....	39
10	Payables	41
11	Employee entitlements.....	41
12	Contingencies	41
13	Related party transactions	42
14	Financial Instruments.....	42
15	Events after the balance date	42
16	Explanation of major variances against budget.....	42

1 STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The Children's Commissioner is an Independent Crown entity as defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand. The relevant legislation governing the Children's Commissioners' operations includes the Crown Entities Act 2004 and the Children's Commissioner Act 2003. The Children's Commissioners' 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 socio-cultural well-being and opportunities to actively participate in matters that affect them.

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

The financial statements for the Children's Commissioner are for the year ended 30 June 2017 and were approved by the Children's Commissioner on 31 October 2017.

BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

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 generally

accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 2 PBE Standards.

These financial statements comply with PBE Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Goods and services tax

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, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the 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 a net 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 provision has been made for income tax.

Budget figures

The budget figures are derived from the statement of performance expectations 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 in preparing these financial statements.

Cost allocation

The Children's Commissioner has determined the cost of outputs using the cost allocation system outlined below.

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be attributed to a specific output in an economically feasible manner.

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity or usage information. Depreciation is charged on the basis of asset utilisation. Personnel costs are charged on the basis of actual time incurred. Property and other premises costs, such as maintenance, are charged on the basis of floor area occupied for the production of each output. Other indirect costs are assigned to outputs based on the proportion of direct staff costs for each output.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, the Children's Commissioner has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- > Useful lives and residual values of property, plant, and equipment – refer to Note 9.
- > Retirement and long service leave – refer to Note 11.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- > Other grants received – refer to Note 2.
- > Grant expenditure – refer to Note 5.
- > Leases classification – refer to Note 4.

2 REVENUE

Accounting policy

The specific accounting policies for significant revenue items are explained below:

Funding from the crown

The Children's Commissioner is primarily funded from the Crown. This funding is restricted in its use for the purpose of the Children's Commissioner meeting the objectives specified in its founding legislation and the scope of the relevant appropriation of the funder.

The Children's Commissioner considers that there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement. This is considered to be the start of the appropriation period to which the funding relates.

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

Other grants received

Grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Donated assets

Where a physical asset is gifted to or acquired by the Children's Commissioner for nil consideration or at a subsidised cost, the asset is recognised at fair value. The difference between the consideration provided and fair value of the asset is recognised as revenue. The fair value of donated assets is determined as follows:

- > For new assets, fair value is usually determined by reference to the retail price of the same or similar assets at the time the asset was received.
- > For used assets, fair value is usually determined by reference to market information for assets of a similar type, condition, and age.

Interest revenue

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

Provision of services

Services provided to third parties on commercial terms are recognised as revenue in proportion to the stage of completion at balance date.

Breakdown of other revenue and further information

	Actual 2017 \$000	Actual 2016 \$000
Interest revenue	30	42
JR McKenzie Trust*	24	24
Youth Advisory Panel (YAP)**	-	65
Youth Advice on Care Systems (YACS)***	140	-
Other donations****	143	14
Salary recovered*****	3	7
Total other revenue	340	152

* Grant Agreement between the Children's Commissioner and the JR McKenzie Trust to produce and disseminate a snapshot with key

facts and messages around child poverty in New Zealand.

** Establishment and management of the YAP on behalf of the Minister for Social Development, to support the EAP on their review of CYF.

***Establishment and Management of YACS, name changed to Te Whānau Aroha Advisory Group, on behalf of the Minister for Social Development to provide feedback and advice into the care system transformations.

****Includes the donated services from Oranga Tamariki for two staff seconded to the Office from 12 October 2016. It also includes the last payment from the previous Children's Commissioner, Dr Russell Wills, donating his salary increase back to the Office (\$1k).

*****Salary recovered from the Ministry of Health for the attendance of a staff member on the ACART Advisory Group.

3 PERSONNEL COSTS

Accounting policy

Superannuation schemes

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Breakdown of personnel costs and further information

	Actual 2017 \$000	Actual 2016 \$000
Salaries and wages	1,843	1,639
Other personnel costs	32	77
Defined contribution plan employer contributions	37	41
Increase/(decrease) in employee entitlements	23	(5)
Total personnel costs	1,935	1,752

Employee remuneration

	Actual 2017	Actual 2016
\$100,000 – 109,999	1	1
\$120,000 – 129,999	1	-
\$130,000 – 139,999	-	1
\$140,000 – 149,999	2	2
\$150,000 – 159,999	1	1
\$170,000 – 179,999	-	1
Total employees	5	6

During the year ended 30 June 2017, no (2016 Nil) employees received compensation and other benefits in relation to cessation (2016 Nil).

Commissioner's total remuneration

	Actual 2017	Actual 2016
Children's Commissioner	262,920	131,460

Judge Becroft is on secondment from the Ministry of Justice (MoJ) and the total remuneration disclosed for 2017 is invoiced by MoJ in terms of the remuneration determination for the Children's Commissioner. The amount disclosed for 2016 was for Dr Russell Wills' 0.5FTE position.

Since the Children's Commissioner is a corporation sole member, there are no other Board or committee members.

No indemnity has been provided to the Children's Commissioner or any employee.

The Office of the Children's Commissioner has Management Liability and Public Indemnity Insurance.

4 OPERATING COSTS

Accounting policy

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease

incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Breakdown of operating costs and further information

	Actual 2017 \$000	Actual 2016 \$000
Accountancy fees	22	20
Accounting software fees	1	1
Fees to auditor		
- fees to Audit NZ for audit of financial statements	23	23
Consumables & other expenses	50	67
Consultant fees	13	38
Information Systems	51	56
Power & Heating	3	3
Printing & Stationery	4	1
Publication expenses	16	20
Rent, rates and insurance	88	79
Telecommunication	10	13
Travel and accommodation	95	57
Website expenses	22	11
Total operating costs	398	389

Breakdown of operating lease commitments and further information

	Actual 2017 \$000	Actual 2016 \$000
Not later than one year	77	77
Later than one year and not later than five years	306	306
Later than five years	31	108
Total	414	491

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

5 PROJECT COSTS

	Actual 2017 \$000	Actual 2016 \$000
Poverty Measures Partnership	24	29
Voices Project	16	6
Youth Advice on Care Systems (YACS)	131	5
Youth Advisory Panel (YAP)	0	30
Total project costs	171	70

6 CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less.

Breakdown of cash and cash equivalents and further information

	Actual 2017 \$000	Actual 2016 \$000
Cash at bank and on hand	518	405
Total cash and cash equivalents	518	405

7 RECEIVABLES

Accounting policy

Short-term receivables are recorded at face value, less any provision for uncollectability.

A receivable is considered uncollectable when there is evidence the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Breakdown of receivables and further information

	Actual 2017 \$000	Actual 2016 \$000
Receivables	1	2
Accruals	7	9
Total receivables	8	11

8 INVESTMENTS

Accounting policy

Bank term deposits

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

Breakdown of investments and further information

	Actual 2017 \$000	Actual 2016 \$000
Current portion		
Term deposits	500	700
Total current portion	500	700
Non-current portion		
Term deposits	0	0
Equity investments	0	0
Total investments	500	700

9 PROPERTY, PLANT, AND EQUIPMENT

Accounting policy

Property, plant, and equipment consist of five asset classes, which are measured as follows:

- > Land, at fair value.
- > Buildings, at fair value less accumulated depreciation.
- > Leasehold improvements, at cost less accumulated depreciation and impairment losses.
- > Furniture and office equipment, at cost less accumulated depreciation and impairment losses.
- > Motor vehicles, at cost less 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.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

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 expensed in the surplus or deficit as they are incurred.

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 reported net in the surplus or

deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to the accumulated surplus/(deficit) within equity.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, 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 property, plant, and equipment have been estimated as follows:

Leasehold improvements	10 years	10%
Furniture and office equipment	5 years	20%
Computer equipment	3 years	33%

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

Impairment of property, plant and equipment

The Children's Commissioner does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Non-cash-generating assets

Property, plant, and equipment assets held at cost 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 service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement

cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the Children's Commissioner, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. The Children's Commissioner minimises the risk of this estimation uncertainty by:

- > physical inspection of assets;
- > asset replacement programs;
- > review of second hand market prices for similar assets; and
- > analysis of prior asset sales.

The Children's Commissioner has not made significant changes to past assumptions concerning useful lives and residual values.

Breakdown of property, plant and equipment and further information

	Total \$000
Cost or Valuation	
Balance at 1 July 2015	56
Additions	0
Disposals	0
Balance at 30 June 2016	56
Balance at 1 July 2016	56
Additions	0
Disposals	0
Balance at 30 June 2017	56
Accumulated Depreciation and Impairment Losses	
Balance at 1 July 2015	23
Depreciation Expense	9
Eliminate on disposal	0
Balance at 30 June 2016	32
Balance at 1 July 2016	32
Depreciation Expense	8
Eliminate on Disposal	0
Balance at 30 June 2017	40
Carrying Amounts	
At 1 July 2015	33
At 1 July 2016	24
Balance at 30 June 2017	16

10 PAYABLES

Accounting policy

Short-term payables are recorded at their face value.

Breakdown of payables and further information

	Actual 2017 \$000	Actual 2016 \$000
Creditors	85	142
Credit Card	8	7
Total payables	93	149

11 EMPLOYEE ENTITLEMENTS

Accounting policy

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

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

- > likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and

- > the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Breakdown of employee entitlements and further information

	Actual 2017 \$000	Actual 2016 \$000
Current portion		
Accrued salaries and wages	30	20
Annual leave	80	69
Long service leave	0	0
<i>Total current portion</i>	110	89
Non-current portion		
Long service leave	10	8
<i>Total non-current portion</i>	10	8
Total employee entitlements	120	97

12 CONTINGENCIES

There were no contingent liabilities or assets as at 30 June 2017. (2016 Nil)

13 RELATED PARTY TRANSACTIONS

Accounting policy

The Children's Commissioner is controlled by the Crown.

Related party disclosures have not been made for transactions with related parties that are:

- > within a normal supplier or client/recipient relationship; and
- > on terms and condition no more or less favourable than those that it is reasonable to expect the Children's Commissioner would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies.

Related party transactions required to be disclosed

The Children's Commissioner didn't enter into transactions with other Crown related entities on non-commercial terms.

Key management personnel compensation

	Actual 2017	Actual 2016
Remuneration	\$822,607	\$749,318
Full-time equivalent members	4.83	4.4
Total key management personnel remuneration	\$822,607	\$749,318
Total full-time equivalent personnel	4.83	4.4

Actual and reasonable costs of \$20,738 have been paid and are not part of the Commissioner's remuneration (2016 \$25,215).

14 FINANCIAL INSTRUMENTS

	Actual 2017 \$000	Actual 2016 \$000
Loans and receivables		
Cash and cash equivalents	518	405
Receivables	8	11
Investments - term deposits	500	700
Total loans and receivables	1,026	1,116
Financial liabilities measured at amortised cost		
Payables (excluding income in advance)	141	203
Total financial liabilities measured at amortised cost	141	203

15 EVENTS AFTER THE BALANCE DATE

There were no significant events after the balance date.

16 EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

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

Statement of comprehensive revenue and expense

Other revenue

Other revenue was more than budgeted by \$156,000 due to more interest earned on investments, the previous Commissioner donating back his salary increase, salary recovered from a staff member attending ACART, and accounting for the donated services of two seconded staff from Oranga Tamariki from 12 October 2016.

Operating Expenditure

Operating expenditure was less than budgeted by \$5,000 due to less travel being undertaken.

Personnel expenditure

Personnel expenditure was more than budgeted by \$188,000 due to the appointment of a fixed-term employee from January 2107, backfill of a part-time employee on parental leave through a full-time (fixed-term) appointment and accounting for the donated services of the two seconded staff from Oranga Tamariki from 12 October 2016.

Statement of financial position

Net Assets

Net assets were more than budgeted by \$46,000 mainly due to unbudgeted \$39,000 revenue received in advance to have two more meetings of the Te Whanau Aroha Advisory Group in July/August 2017 on behalf of the Minister of Social Development. The rest is mainly due to a timing difference and operational activity.

Employee Entitlements

Current Employee entitlements were more than budgeted by \$34,000 due to more staff employed and less leave being taken, and under non-current liabilities were \$10,000 more than budgeted due to a revised calculation of the actuarial cost for long service leave liabilities.

Statement of cash flows

Expenses were more than budgeted due to more staff and associated increased costs.

Independent Auditor's Report

To the readers of the Office of Children's Commissioner's financial statements and performance information for the year ended 30 June 2017

The Auditor-General is the auditor of the Office of Children's Commissioner (the Office). The Auditor-General has appointed me, Jacques Coetzee, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of the Office on his behalf.

Opinion

We have audited:

- the financial statements of the Office on pages 28 to 43, that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Office on pages 17 to 26.

In our opinion:

- the financial statements of the Office on pages 28 to 43:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2017; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- the performance information on pages 17 to 26:
 - presents fairly, in all material respects, the Office's performance for the year ended 30 June 2017, including:
 - for each class of reportable outputs:

-
- . its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - . its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - . what has been achieved with the appropriation; and
 - . the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure.
- o complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Commissioner and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Commissioner for the financial statements and the performance information

The Commissioner is responsible on behalf of the Office for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Commissioner is responsible for such internal control as he determines is necessary to enable him to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Commissioner is responsible on behalf of the Office for assessing the Office's ability to continue as a going concern. The Commissioner is also responsible for disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Office, or there is no realistic alternative but to do so.

The Commissioner's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Office's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner.

-
- We evaluate the appropriateness of the reported performance information within the Office's framework for reporting its performance.
 - We conclude on the appropriateness of the use of the going concern basis of accounting by the Commissioner and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Office to cease to continue as a going concern.
 - We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Commissioner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Commissioner is responsible for the other information. The other information comprises the information included on pages 3 to 16, but does not include the financial statements and the performance information, and our auditor's report thereon.

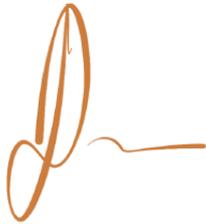
Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Office in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Office.



Jacques Coetzee
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand



MANAAKITIA A TĀTOU TAMARIKI

Children's Commissioner

Office of the Children's Commissioner

Level 7, 110 Featherston Street

Wellington 6011

Find us on Facebook: [Children's Commissioner NZ](#)