

Annual Report

Office of the Children's Commissioner

2015 - 2016



Annual Report

For the year ended 30 June 2016

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

CONTENTS

FOREWORD TO THE MINISTER OF SOCIAL DEVELOPMENT	2
FOREWORD FROM THE CHILDREN'S COMMISSIONER	3
Highlights 2016	5
PART 1: THE YEAR IN REVIEW	6
Priority Outcome 1: Ensuring that children and young people in the care of Child, Youth and Family are receiving quality services that improve their outcomes and wellbeing	8
Priority Outcome 2: Advocating for the needs of vulnerable children to ensure they get the services, supports and resources they need to be kept safe and thrive	10
Other Priority Outcome Achievements	11
What our Stakeholders told us	12
PART 2: ORGANISATIONAL HEALTH AND CAPABILITY	15
PART 3: STATEMENT OF PERFORMANCE	18
Monitoring and Investigations	19
Individual and Systemic Advocacy	22
PART 4: STATEMENT OF RESPONSIBILITY	26
FINANCIAL STATEMENTS	27
Notes to the financial statements	31
Independent Auditor's Report	47

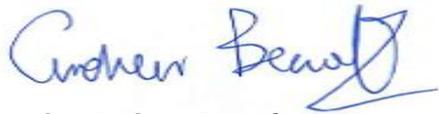
ISSN: 2350-305X (Print)
ISSN: 2350-3068 (online)



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>

FOREWORD TO THE MINISTER OF SOCIAL DEVELOPMENT

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 2015 to 30 June 2016. 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 2016

FOREWORD FROM THE CHILDREN'S COMMISSIONER

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

It is an enormous privilege to represent the 1.1 million people under the age of 18 in Aotearoa and a challenge I'm absolutely committed to.



After four months as Children's Commissioner, I have grown to fully appreciate what a massive task and responsibility is on my shoulders and those of my small, but expert team. What could be more important than advocating for, and protecting the rights, interests and well-being of our youngest citizens?

Prior to taking on the role as from 1 July 2016, I was aware of the great work of my predecessor, Dr Russell Wills and admired his strong and courageous advocacy for the nation's children. This Annual Report

is a summary of his final year in the position of Children's Commissioner, and the work of his Office.

The final piece of work published before Dr Will's departure was the second annual *State of Care* report. This report is a summary of the Office's monitoring of Child, Youth and Family (CYF) and outlines how well children and young people in care are receiving services. It was written while a major reform of the child protection and youth justice systems was in the wings – and with the knowledge that child-centredness would be a priority for the new entity. The *State of Care* report focused on what it means to be child-centred and how CYF could start to embed these practices into its work, even in the context of a dramatically changing environment.

The vision of this reform – to be transformational, world-leading and truly place children at the centre – was one welcomed by my predecessor. I also believe the vision for this new organisation recently named, Oranga Tamariki, is one that we should embrace. The challenge will be to keep that vision front and centre as the legislation is developed and resources allocated. I have a legislative mandate to oversee and be consulted on this work and will be keeping a close eye on progress during my time as Commissioner. I feel a great deal of responsibility to the children and young people of today and the future, to ensure the vision encapsulated in the Ministers Expert Advisory panel is delivered.

Other work during the financial year has also contributed to the Office's kaupapa of keeping children and their voices front and centre. The Office established the *Children and Young People's Voices* project to provide a means of collecting children and young people views and using their voice in our work. We have agreements with a number of schools to survey their students on issues that impact on them. Our aim is to have 100 schools of various deciles signed up so we have a good representation of children and young people in New Zealand.

During the year the Office identified that government and non-government agencies were also interested in engaging with children, but were unsure where to start. We created the *Listening2Kids* section on our website to provide practical guidance for these organisations.

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

I was fortunate to attend the United Nation's 5th periodic review of New Zealand's record and the country's compliance with the *United Nations Convention on the Rights of the Child (UNCROC)*, the most signed convention in history, in Geneva this September. Much preparation for this hearing was undertaken by the Office during the financial year covered by this report.

My predecessor made some very clear and significant comments, some of which were adopted by the UNCROC Committee in its final report after the review process. This was particularly in respect of the growing disparities in outcomes and achievements between Māori (and to a lesser extent Pasifika) children and other New Zealand children.

This Annual Report clearly demonstrates the value of this organisation and the strength and talent of the people that work here. I have inherited a great team of smart, committed and highly dedicated and professional people. I thank them for welcoming me so warmly and for making the transition so seamless for me.

I have set out three priorities I will be focusing on during the start of my term:

1. Constructive input into the 'Investing in Children' work and the re-design of the prevention, intervention and care system for our most vulnerable children;
2. Influencing the decision to include 17 year-olds in the youth justice system;
3. Achieving better outcomes for tamariki Māori by promoting better engagement and partnership with whānau, hapū and iwi.

I would like to acknowledge the contributions and achievements of my predecessor and New Zealand's sixth Children's Commissioner, Dr Russell Wills during his five year term from 2011-2016, and the Deputy Commissioner, Dr Justine Cornwall, for their tireless and principled work for the children of New Zealand. I hope to continue their legacy.

Finally, I would like to thank all the children and young people who have shared their stories with us and told us how things are for them. We will continue to listen, will endeavor to make sure they are heard so that the wellbeing of all our children is improved and all New Zealand children can prosper and thrive.



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

Highlights 2016

Completed two **thematic reviews** to highlight opportunities for practice and systems changes across **nine** CYF sites

Made **13** child-focussed policy submissions



Ensured the **voices of more than 60 children and young people** were at the heart of our monitoring and directly informing our findings and recommendations

92% of our stakeholders were satisfied with our advice, submissions and reports

Gathered the views of **1300** children and young people via our *Voices Project*

Facilitated the Minister of Social Development's **Youth Advisory Panel** with **eight** care-experienced young people

Produced the **State of Care 2016** report

100% acceptance of our monitoring recommendations by CYF

Developed *Listening2Kids* resources on our website to share good practice on **engaging with children**

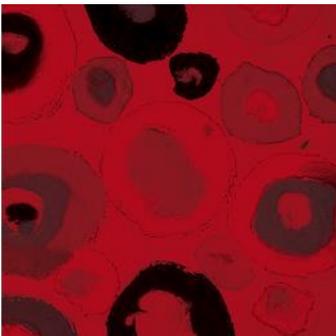
Released the third annual **Child Poverty Monitor**



Achieved **all** our performance measures

Responded to **514** callers on the Child Rights Advice Line

PART 1: THE YEAR IN REVIEW



The Children's Commissioner is an Independent Crown entity with a primary role to advocate for the 1.1 million New Zealand children defined as under the age of 18 years

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. Children often have limited power or influence.

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 wellbeing, and to raise awareness of issues where children are not getting a fair go.

OUR VISION

New Zealand is a place where all children thrive.

FUNCTIONS

Our main statutory functions include:

- > monitoring and assessing the actions of CYF and other services (including residential services) provided under the Children, Young Persons, and their Families Act 1989 (CYP&F Act)
- > monitoring CYF residences through announced and unannounced visits as a National Preventive Mechanism (NPM) in respect of the Optional Protocol to the United Nations Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT)
- > systemic advocacy and investigation of issues compromising the interests, rights and wellbeing of children and young people
- > raising awareness and understanding of the United Nations Convention on the Rights of the Child (UNCROC) and advancing and monitoring the application of UNCROC by the State.

- > Providing a means to consult with children and to collate and document their voices to influence policy and inform public debate.

Our priorities this year have been on:

- > ensuring that children and young people in the care of CYF are receiving quality services that improve their outcomes and wellbeing
- > advocating for the needs of vulnerable children at risk of poor outcomes to ensure they get the services, supports and resources they need to be kept safe and thrive.

WHAT WE DO

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

We review the strategies, policies and practices of CYF, the New Zealand Government's statutory child protection agency. We review samples of cases, visit CYF sites and residences and talk to children, young people, their families and whānau and other stakeholders. This results in feedback to CYF on areas of good practice and areas for improvement.

We advocate for better child wellbeing in New Zealand as independent experts on the wellbeing 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 and improve their services in and to children & young people.

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

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	Aotearoa/New Zealand is a place where all children thrive	
Outcomes	Children and young people in the care of Child, Youth & Family (CYF) 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	Individual and Systemic Advocacy
Our Impacts	Our recommendations for improving CYF systems and services are agreed and implemented	Advice is valued and sought by stakeholders and is used to shape policy and legislation for vulnerable children
Our Outputs	CYF sites and residences are visited and assessed and quality reports with robust findings and recommendations are provided to CYF for action	Provision of child-focused policy advice or submissions to select committees, Government departments and Ministers Child Poverty Monitor produced Children’s voices are collected and shared
What We Do	Monitor the quality of services provided to children under the CYP&F Act	Advocate for and advise on the rights and wellbeing of vulnerable children
Our Priorities	Children and Young People receiving statutory care services	Vulnerable children at risk of poor outcomes

Priority Outcome 1: Ensuring that children and young people in the care of Child, Youth and Family are receiving quality services that improve their outcomes and wellbeing

We are concerned about the safety and wellbeing of children, and want to support government and community responses that will reduce abuse, violence and neglect, and help build stronger families so that parents do better for their children

MONITORING OF CYF

The aim of our monitoring of CYF is to ensure that children and young people involved with statutory services, particularly children in state care, are receiving quality services that improve their outcomes and wellbeing.

During the past year we visited 6 of the 9 residences, four Youth Justice (YJ) and two Care and Protection (CP), monitoring the safety and quality of their services for the young people in their care.

We completed two thematic reviews where we visited 5 of the 60 CYF care and protection service delivery sites and 4 of the 22 youth justice sites.

The first thematic review was to evaluate the quality of CYF CP sites' case management and care services for children and young people, aged from 8-15 years who were in the custody of the Chief Executive and being cared for by non-kin caregivers. A key element of the review was to engage with children and young people in care so that we could understand from their perspective what is working well for them and what is not.

The second thematic review evaluated the quality of CYF YJ sites' case management for young people who have both YJ and CP status and who, over the past 6 months, had been in a YJ residence (either on remand or a supervision with residence order) for a period of at least 14 days.

These two reviews built on the thematic review we undertook in the previous financial year which examined the quality of CYF's case management services for young people in Youth Services Strategy Placements. Together, these three reviews gave us an evidenced picture of the overall quality of site-based case management services for vulnerable children and young people.

At the heart of our assessment was the question: how "child centred" is the case management practice these children and young people are receiving? The answer, as reported in our *State of Care 2016* Report, was that most CYF practice for children in care was 'not very child centred' and generally inadequate in meeting their needs.

RESIDENCE MONITORING UNDER OUR OPCAT MANDATE

The Children's Commissioner is designated by the United Nations as a National Preventive Mechanism in accordance with New Zealand's international obligations under OPCAT.

Given that all young people detained in CYF residences are vulnerable, whether they are placed in a CP residence for their own safety or in a YJ residence as a result of offending behaviour, all monitoring visits to CYF residences in the past year included an assessment of compliance against the OPCAT domains: Treatment, Protection System, Material Conditions, Activities and Contact with others, Medical Services and Care, Personnel.

The most important aspect of our OPCAT monitoring is to speak with young people detained in residences and find out whether they feel safe, are well treated, regularly have contact with their families and whānau and feel supported to make positive change.

Their observations and experiences inform the inquiries we make with residence staff and stakeholders and help shape our recommendations for ongoing service improvement.

BETTER OUTCOMES

As part of our monitoring cycle we follow-up on the actions taken by CYF in response to all our recommendations. We meet with

residence and site managers, as well as senior regional and national managers, often several times after recommendations are accepted, to hear about the changes that have been made to address the identified areas for development.

For local CYF service delivery sites involved in thematic reviews, we connect regional operations managers into the monitoring loop, ensuring they are aware of site based findings and can continue working with local site managers in support of change.

For residences, the national CP and YJ operations managers see all reports and recommendations and have responsibility to support residence managers with whatever performance improvements may be required.

Assessing and providing feedback to CYF senior managers on implementation of significant new projects and policies is integral to the design of effective independent monitoring. For example, on each site or residence visit during the past year, we inquired with children and young people, their families and whānau, CYF managers, staff and external stakeholders, about the extent to which they had observed culturally responsive practice and how this impacted for the effectiveness of service delivery outcomes for tamariki Māori and their whānau.

We asked about the implementation of CYF's Indigenous and Bi-Cultural Principled Framework, Te Toka Tumoana, and sought to understand the degree to which it was being implemented across the country. Generally, we found that staff had a significant desire to learn about and apply the principles of the framework to their work with mokopuna Māori and whānau. However, without a well-resourced national training programme and ready access to ongoing cultural supervision, sites and residences have been unable to embed Te Toka Tumoana into their practice in a consistent and sustained way. We have highlighted the need to invest in developing culturally responsive practice throughout the year.

Our monitoring reports have included recommendations encouraging the improvement of cultural knowledge and skill levels and our 2016 State of Care report also highlighted this as a key issue for service improvement. Our findings in this regard have been made available to the Investing in Children Team who is currently working on the service design for Oranga Tamariki, the new Ministry for Vulnerable Children.

STATE OF CARE REPORT

We produced and released our annual public report on our monitoring of CYF, the *State of Care 2016* in June 2016.

In the *State of Care 2015* we focused our aggregated monitoring on the quality of CYF's case management for two vulnerable groups of children and young people, and on the situation for children and young people in CYF residences. We therefore focused this second *State of Care 2016* report on what it means to be child-centred. We provided some clarity about what it means to be child-centred and offered practical suggestions for how CYF could start to embed child-centred practices now, even in the context of a dramatically changing environment.

Priority Outcome 2: Advocating for the needs of vulnerable children to ensure they get the services, supports and resources they need to be kept safe and thrive

While the majority of New Zealand children enjoy a high quality of life and experience good outcomes, a significant proportion of our children need extra support and services to enable them to thrive

We want to help vulnerable children get the extra support they need. We focused on the issues that make the biggest difference for these children, including their safety and access to adequate resources.

This has been an effective platform for sharing basic measures, and has been widely quoted by media and others, and used as a proxy for an official measure.

VULNERABLE CHILDREN ARE KEPT SAFE

To support more children being safe from abuse, violence and neglect, we provided input and advice to the secretariat of the Expert Advisory Panel (EAP) on a range of issues related to care and protection and youth justice.

We convened and facilitated the Youth Advisory Panel (YAP) on behalf of the Minister of Social Development, so that the views and voices of care-experienced young people informed the work of the EAP and the Minister's decisions on the modernisation of CYF.

VULNERABLE CHILDREN HAVE ACCESS TO ADEQUATE RESOURCES

The outgoing Commissioner had made addressing child poverty a priority for his term. We produced a document, *Are we there yet? Five years on the road to addressing child poverty*, reflecting on the Commissioner's work over the past five years, including what had been achieved and key issues remaining. The Commissioner presented this at a final address on the topic on 31 May.

We released our third annual *Child Poverty Monitor* in December 2015, and this initiative will continue through to 2017. The Child Poverty Monitor is a partnership with the JR McKenzie Trust and Otago University to provide a suite of consistent, robust and easily accessible measures of child poverty. The information is web-based with infographics and key messages with a full technical report supporting the data.

Other Priority Outcome Achievements

We also focus on measuring our achievements in respect of other statutory functions to support improved wellbeing of children

CONSULTING WITH CHILDREN

Engaging with children and young people is an important kaupapa of this Office, and an area in which we have considerable expertise and experience.

We established our *Children and Young People's Voices* project to provide a means of collecting children and young people's views and using their voice in our work. This involves agreements with a number of schools to survey their students on issues that impact on them. We completed surveys on the flag referendum, student's views on national languages, what makes them happy, types of activities they do out-of-school, what ages they believe young people are capable of doing different things, such as living independently from an adult. We also ran focus groups with children on issues related to the Education Act update and their views on belonging and their culture. Results of the surveys are published on the [What children tell us](#) page on our website.

During the year the Office identified that government and non-government agencies were also interested in engaging with children but unsure where to start. To provide some practical guidance, we created the [Listening2Kids](#) section on our website. The information provides advice and tools to help organisations consult with children in a meaningful way and demonstrates how to include the results in their decisions and policies.

WORKING WITH OTHER AGENCIES

As a small agency, much of our impact can be achieved when we work in collaboration with other agencies and organisations. The Office continues to support policy priorities of Government to improve outcomes for children.

We published *Being Child-Centred* in October on what it means to consider children in legislation, policy, programmes and services. It has since become a key focus of the Office and we have developed presentations to educate a variety of government agencies on what it means to be child-centred and how it can be practically applied. This child-centred lens is the basis for assessing policies and legislation, including in the thirteen formal submissions made over the year.

CHILDREN'S RIGHTS

We have a statutory responsibility to support the progressive implementation of UNCROC. We also facilitate an UNCROC Monitoring Group (UMG) comprised of representatives from civil society organisations and support them to engage with agencies leading the government work programme.

This has been a busy time for our UNCROC work leading up to the UN 5th periodic review of New Zealand in September 2016. We made submission to the UN Committee's pre-sessional working group in November 2015; the Commissioner video-conferenced with the working group in February 2016; and, we have been supporting positive relations between the UMG and government agencies throughout the year. We were pleased that formal terms of engagement between the UMG and the Social Sector Board was agreed in April.

As a voice for children and child rights, we are a legislated member of the Minister of Health's Advisory Committee on Assisted Reproductive Technologies (ACART). As part of our commitment to ACART, our staff representative has been ensuring that children's interests are represented in ACART's development of guidelines for those procedures that require ethical review (such as surrogacy involving donated gametes, and human reproductive research).

What our Stakeholders told us

Our work is achieving impact to improve the wellbeing of children

The Children’s Commissioner annually reports on how well we achieve our goals. To measure this and find out how we could improve, we conducted a stakeholder survey for each of the Monitoring and Advocacy teams.

Advocacy team survey

To be accountable, we need to demonstrate that our work is achieving impact and in May 2016 we received 83 responses to questions on this and other topics we asked in the Advocacy Team stakeholder survey.

Most people say we are contributing to improving the wellbeing of children

> 92% of respondents agreed that the Office’s advocacy activities contribute to improving the wellbeing of children.

- > 71% of respondents agreed that the resources and/or information provided by the Office are useful to their work.
- > 96% of respondents agreed that engagements with the Office are constructive.

Most people see us demonstrating our values

The Office has agreed on key cultural values that we aim to demonstrate in everything we do. These include Maturanga (knowledge-based), Tika (professional and effective), Pono (honesty and integrity) and Aroha (compassion and respect for children). We also asked about our timeliness.

Between 99-100% of people said we are very good or good at demonstrating these values, while 96% said we were very good or good at being prompt in replies to requests.

What did people attribute to our work?

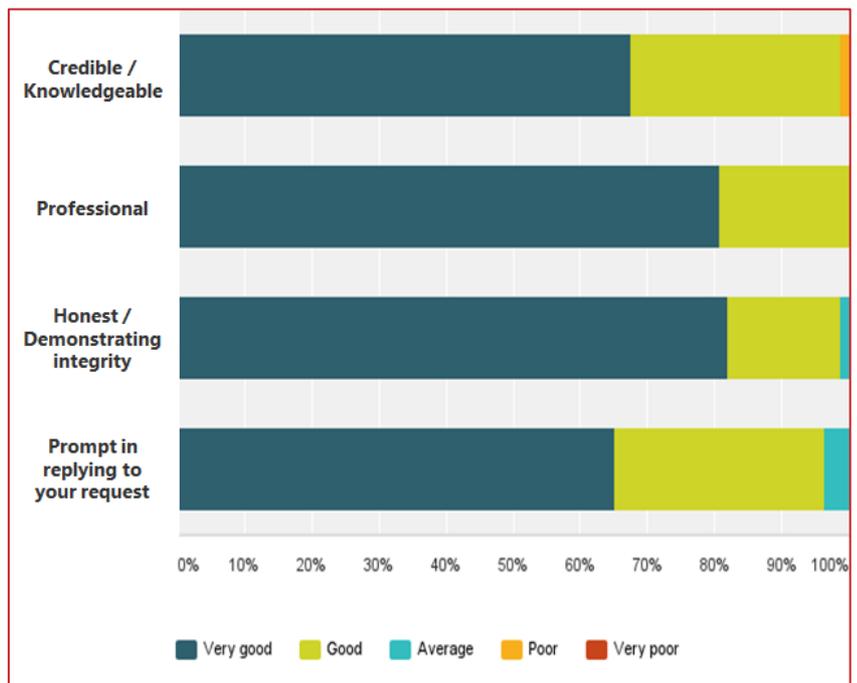
Impacts attributed to our advocacy work included:

- > children’s voices being heard
- > increased public awareness of issues impacting children
- > importance of children’s interests and rights being taken into account
- > supporting others to progress action on child poverty.

“I think we are very fortunate to have a Children’s Commissioner in NZ and people of such calibre as Commissioners and staff in the Office.”

Survey respondent

92% of respondents agreed that the Office’s advocacy activities contribute to improving the wellbeing of children.



Monitoring and Investigations team survey

The Monitoring and Investigations team surveyed stakeholders in May 2016 to find out

"In my experience, the OCC goes above and beyond to ensure healthy relationships between different agencies and stakeholders."

Survey respondent

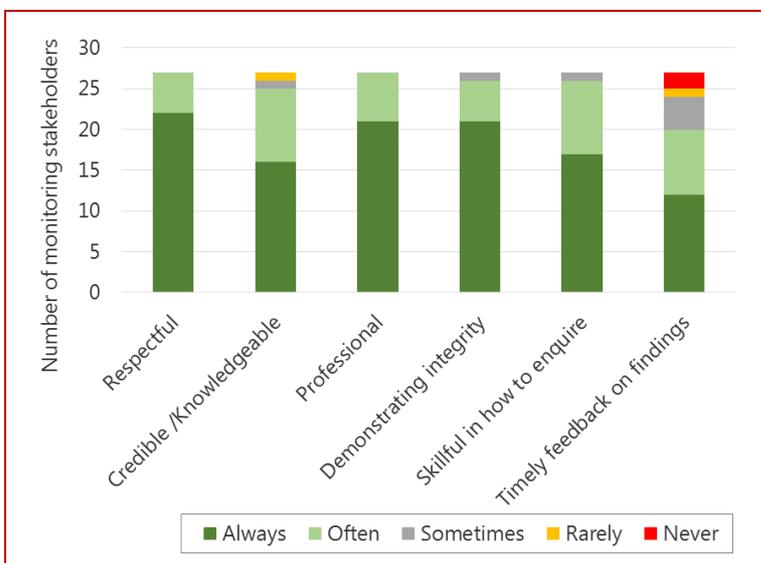
how well they were undertaking their monitoring and reporting on CYF's care of children.

They received 28 responses.

We asked Monitoring stakeholders how we

demonstrate a range of characteristics and 27 people answered this question. Between 93%-100% of respondents reported they always or often found staff to demonstrate OCC's core competencies: integrity, professionalism, and knowledge and other characteristics such as respect and skill in making enquiries. We also asked about timeliness, and 74% said monitoring staff always or often provide timely feedback on the monitoring findings, while 11% said they rarely or never do.

Monitoring team members often or always show core values:



The process for providing a final report is complex and iterative, and this process may cause a sense of delay or frustration among stakeholders in receiving a final report. However, wherever possible initial feedback findings are provided to site and residence managers immediately at the end of our visits, so they can straight away work with their staff to implement improvements identified by the

monitoring team that will have a direct effect on the safety, care and wellbeing of children, young people, their families and whānau.

The survey also asked about before, during and after monitoring visits. All the questions asked how well the team achieved items on a scale of "very well, fairly well, neutral, fairly poorly or very poorly". Then we asked what aspects of our work were particularly helpful. The quotes on this page reflect those answers.

"I find their published reports very informative, easy to engage with and insightful."

Survey respondent

Before monitoring visits

Over 90% of respondents said that the monitoring team achieved pre-visit preparation very well or fairly well. This preparation included:

- > Clearly explaining the role and mandate to monitor CYF
- > Clearly explaining the monitoring framework
- > Clearly explaining the purpose and focus of the visit
- > Planning in consultation (where appropriate)
- > Explaining how the visit would be conducted

During monitoring visits

While all respondents said they felt they were listened to, one didn't feel their views had been understood. Most (95%) felt the team's evaluative questions helped them reflect on their effectiveness, and in this process they felt respected.

After monitoring visits

The survey measured post-visit issues such as:

- > Verbal feedback was useful
- > The team listened to, and understood feedback on the draft report
- > The report was clear and understandable

- > The recommendations reflected conversations with the service providers (CYF)
- > The written findings helped them understand what to improve
- > The overall rating fairly reflected the team's findings

At least 80% of respondents on each issue above said the team was achieving these very well or fairly well, and at least 88% of respondents reflected that the team demonstrated the key cultural values of the Office always or often.

What difference did we make?

We asked what the staff or organisations we monitored were doing differently since the monitoring visit, and since receiving reports and recommendations. The responses included:

- > Independent monitoring was necessary to identify 'disguised' issues at a residence
- > Sites were developing comprehensive plans to address areas requiring improvement
- > Staff members were addressing internal relationship issues when managing dual status [care and

protection and youth justice] young people

- > Checking that all caregivers have all required information about a young person to look after them effectively upon placement.

The Monitoring findings appear necessary to ensure CYF is performing the basic requirements necessary to achieve good outcomes for children, including: providing information about children in advance of placements to caregivers, ensuring staff request assistance when they need it, and making sure social workers don't refuse caregivers' requests for meetings and discussions. The survey respondents were very positive about the constructive way in which the Monitoring Team shared the findings with them, even very critical findings, and expressed keenness to improve e.g. "I will find a way to do it" and "we all want placements to work".

"[The] Collaborative approach feels we are now working together to achieve the goal of providing best services for young people."

Survey respondent

PART 2: ORGANISATIONAL HEALTH AND CAPABILITY

The office is located in Wellington with 16 employees (13.8 FTEs) 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.

Good employer practices and Equal Opportunities

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

Organisational design

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.

Training and development

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.

Systems

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.

Code of Conduct

We support and promote the Public Sector Code of Conduct and have our own code of Conduct which rejects discrimination, harassment, bullying or intimidation of religious or ethical beliefs. We also have a policy that addresses these issues and sets out how unacceptable behaviour will be dealt with. We have had no reported instances of harassment or bullying during 2015/16.

Health and safety

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-complaint under section 95 of the Building Act 2004.

Our staff

As at 30 June 2016, we had 16 employees (12 permanent and 4 fixed-term) totaling 13.8 FTEs, not including the Commissioner.

Gender	2015/ 16	%	2014/ 15
Female	13	81%	13
Male	3	19%	2
Ethnicity			
Māori	1	6%	2
Pacific Island	0	0%	0
Asian	0	0%	0
Pakeha/European	15	94%	13
Age profile	Average age is 47 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, and by working with SuPERU to explore efficiencies.

Our *Statement of Intent 2014-18* further refines our strategic outcomes framework focusing on two priorities, and a work plan to support its implementation.

The *Statement of Performance Expectations 2015/16* was completed and published on our website on 30 June, and was tabled in Parliament on 8 July 2016.

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

COMMUNICATIONS

Effective and engaging communications is a key activity for the Office. Social media is becoming an increasingly important communication tool and more effort is being made to engage with this audience. The Children's Commissioner's Facebook page has nearly 4000 'likes' and posts are reaching between 2000 and 150,000 people.

The release of the *State of Care* report was managed with an extensive communications plan to ensure the report was well-received by stakeholders and met the overall objectives. The report received excellent and sustained media coverage and support from a number of stakeholders.

The third annual *Child Poverty Monitor* was released in December with a social media approach and promotional activity predominately on Twitter and Facebook. The intent was to prompt conversations amongst the public about child poverty and its causes. There was an excellent response, with significant interest on Facebook and the campaign's hashtag the top trend on Twitter during the day of release.

The *Listening2Kids* website resource was developed by the Office in-house and

launched in December. It was designed to assist those wanting to engage with children and young people and highlights the engagement work of the Office.

The Commissioner featured in a number of media items related to children and their well-being throughout the year.

There was significant media interest in the Commissioner's submission on the Residential Tenancy Amendment Bill and media coverage of the Financial Review of the Office.

Commissioner Wills conducted a number of in-depth interviews with media in his final weeks as Commissioner. These included TV3's Story, the Dominion Post, RNZ's Focus on Politics and TVNZ's Q and A.



Children's Commissioner Dr Wills filmed by TV3 for the Child Poverty Monitor launch

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.

All staff have been involved in exploration of how we can best uphold the intention of the Treaty in our work. While this is an ongoing process, tangible actions have been identified by each team to enhance both their knowledge and how their work and approach can tangibly reflect the Office's commitment to the Treaty.

Children are sacred beings, they are our Taonga. They are born perfect and innocent. They are shaped by those who care for them. We always act with compassion and empathy, adapting readily to respond to their needs.

We are always about the best possible results for children. We empower others to bring about the best for them. We're independent and always speak out for their interests. We consider the range of needs we have to meet, and make every attempt to get it right.



Children are our reason for being. They are involved, participate and have input into things we do. We act from a place of knowledge. We work from evidence and advise others based on the things we learn.

We believe honesty and integrity are key to doing our job well. We always report things as we see them and never as how others want them to be seen. We stay true to one important thing: we do as we say we will.

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

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 till 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 wellbeing 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 Children, Young Persons, and Their Families Act 1989.

SUMMARY OF EXPENDITURE AGAINST THE APPROPRIATION

	2015/16 Actual \$000	2015/16 Budget \$000	2014/15 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	2,155	2,229	2,125
Net surplus/(deficit)	2	(72)	32

PERFORMANCE AGAINST THE APPROPRIATION

Performance measures and standards	Budget standard	2015/16 Actual	2014/15 Actual	Achievement/ Comments
Key deliverables agreed with the Minister of Social Development in the Children's Commissioner's Statement of Performance Expectations are completed within agreed timeframes	Achieved	Achieved	Not achieved	Achieved
The percentage of government agencies, NGOs and public users of advice that rate their overall satisfaction of the Office of the Children's Commissioner's submissions, reports and advice as 'satisfied' or 'very satisfied' will be no less than	80%	92%	99%	Achieved
The percentage of monitoring report recommendations responded to by CYF by 30 June 2016 will be no less than	90%	100%	100%	Achieved

Monitoring and Investigations

WHAT WE ACHIEVED

Through our monitoring activities we supported CYF to deliver on its vision for a child-centred, high quality statutory social work service.

Taking an organisational development approach, with a strong focus on capturing the voices of children and young people and mobilising systemic change, we achieved the following:

- > performance reviews of six residences assessing how well they are positioned to improve outcomes for children and young people in care
- > two substantial thematic reviews involving nine CYF sites
- > mobilising positive developments in capability and system improvement across CYF residences and sites, through our reports and recommendations, all of which were accepted by CYF
- > a strong focus on gathering and promoting the views and experiences of children and young people in state care
- > reviewing twenty Section 47 reports¹
- > increasing the transparency and systemic impact of our monitoring work through the publication of two annual aggregated public reports.

FINANCIAL PERFORMANCE OF MONITORING

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Budget \$000
1,318	Revenue	1,103	1,329
45	Other Revenue	29	53
1,316	Expense	1,110	1,379
47	Net surplus/(deficit)	22	3

Comment

Revenue is lower than budget due to internal staff changes between the teams, a staff member's resignation, staff secondment to support the YAP and filling vacant positions in the second half of the financial year.

Expenditure was under budget due to the vacancies, decreased operating expenses and combined visits leading to less travel undertaken.

¹ 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	2015/16 Actual	2014/15 Actual	Achievement/Comments
The number of monitoring visits to CYF residences	6	6	6	Achieved
Findings from all monitoring visits will be reported to CYF within 3 months	100%	100%	65%	Achieved
The number of monitoring visits to CYF single sites and associated reports will be at least	0	0	1	Achieved Shifted focus from single site visits in favour of thematic reviews
The number of thematic reviews that lead to reports that compare practice across 4-5 CYF sites (or residences) and provide examples of best practice will be no fewer than	2	2	1	Achieved
The percentage of the OCC monitoring of CYF and subsequent reporting that complies with agreed standards and processes established by the Memorandum of Understanding between OCC and CYF will be no less than	100%	100%	100%	Achieved
Produce a thematic aggregate public report	31 August 2016	22 June 2016	31 August 2015	Achieved
The percentage of monitoring report recommendations responded to by CYF by 30 June 2016 will be no less than	90%	100%	100%	Achieved

OTHER DELIVERABLES ACHIEVED

Deliverable	2015/16 Actual
S47 Reports reviewed and responded to	20
Monitoring of Corrections Mother & Babies Units	1 (Arohata)

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 CYF 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.

CYF have the responsibility to monitor and report on outcomes for children in care and young people in youth justice residences. We work with them on how they intend to measure what is being achieved for these children through the implementation of their new Tuituia Framework and the Gateway assessment process. With the current independent review of CYF we will continue to advocate for the agency to improve their collection and reporting of outcomes they are achieving for children in care.

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

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

Outcomes Result 1: Improved process for assessing monitoring outcome

We were very encouraged to see the degree of progress that has taken place at the Te Puna Wai o Tuhinupo Youth Justice residence over the past year. Our June 2016 visit had a tight focus on reviewing progress against the key elements of the action plan we endorsed in our 2015 recommendations, particularly the OPCAT Treatment domain which had received a rating of developing with detrimental elements during our 2015 visit. We interviewed 10 young people and asked them for their views on whether they felt safe and how well they were treated. This comment, made by one of these young people, reflects the theme that emerged during these conversations:

'I like to live in the moment and take life as it comes. I don't want to come back here but they make it too homely. You get to know all staff and if you're here for a really long time you get to know them properly and then you split and your bond is gone and then when you come back you're like...yaaahhh'.

The residence now has strong capable leadership, a clear vision for what it wants to achieve for young people, a well communicated and implemented plan for improving performance, improved staff capability and morale and a caring focus on meeting the needs of young people in ways they are noticing and responding to. We particularly noted improvements evident within the OPCAT Treatment domain. While there are still issues of variable staff practice skill and performance to be addressed, there is a comprehensive plan in place to support staff development and a determination to achieve the residence-wide consistency of practice that the young people need.

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

At 30 June 2016 the published youth crime rate has decreased by 33% since June 2011.²

² <http://www.justice.govt.nz/justice-sector-policy/about-the-justice-sector/better-public-services/>

Individual and Systemic Advocacy

WHAT WE ACHIEVED

We aimed to improve child wellbeing and outcomes of vulnerable children by influencing others. To have impact, our advice must be seen as credible and be valued by our stakeholders.

Activities we had undertaken include:

- > providing advice to agencies on policy, legislation and services for vulnerable children
- > influencing others to take action or to advocate for children based on our advice
- > raising awareness of issues and needs of vulnerable children
- > producing an annual Child Poverty Monitor
- > providing advice and support to callers on our Child Rights Line (CRL)
- > promoting progressive implementation by the State of UNCROC obligations.

FINANCIAL PERFORMANCE OF ADVOCACY

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Budget \$000
839	Revenue	1,053	828
145	Other Revenue	123	73
864	Expense	1,109	904
120	Net surplus/(deficit)	67	(3)

Comment

Revenue is higher than budget due to internal staff changes between the teams, a new appointment and the extension of a fixed-term staff member. Additional other revenue received was to establish and manage the Youth Advisory Panel (YAP) for the Minister of Social Development, more donations received as well as salary recovered for a staff member attending ACART.

Expenditure was over budget due to staff changes and appointments, increased operating expenses, managing YAP and implementing the Voices Project.

PERFORMANCE MEASURES

Performance measures and standards	Budget standard	2015/16 Actual	2014/15 Actual	Achievement/ Comments
Child-focused policy advice or submissions to Select Committees, Government departments and Ministers by 30 June 2016	6	13	15	Achieved
Child Poverty Monitor released by 31 December 2015	Achieved	Achieved	Achieved	Achieved
Submissions, reports and advice produced within required timeframes where information is clear, accurate and accessible will be no less than	100%	100%	100%	Achieved
The percentage of government agencies, NGOs, and stakeholders receiving our advice that rate their overall satisfaction of the OCCs submissions, reports and advice as 'satisfied' or 'very satisfied' will be no less than	80%	92%	99%	Achieved
Examples of impact achieved by advocacy activities by 30 June 2016	2	2	3	Achieved See examples below.

Example 1: Encouraging more action on addressing child poverty

Our work to promote solutions to child poverty has continued to have impact. The 2015 Child Poverty Monitor generated significant attention and support, and media and social media was sustained through opinion pieces and a wider debate of the issues, centred on our #itsnotchoice theme. Other organisations (including the Morgan Foundation and the New Zealand Institute) are now undertaking further investigation on solutions. Philanthropic and faith-based organisations have re-focused their strategic priorities using our work as evidence. This includes Foundation North and NEXT prioritising 0-3 year olds for investment, and the Anglican Church in Auckland stating they are focusing on child poverty as one of their main priorities.

Example 2: Expertise in consulting with children

One of our core functions is to support children having a voice in matters that impact them. We are seen as experts in consulting with children and incorporating their views in decision-making. We produced an online resource, Listening2Kids, to guide organizations engaging with children and young people, and have had positive feedback from users of these materials. We coordinated the Youth Advisory Panel to ensure the voices of children are included in the review into CYF. The Minister of Social Development acknowledged the importance of this work and has requested that the Office run further consultation with young people during the transformation phase. We continue to run our Voices project where we hold focus groups and survey children, and use their voice in our work, and we have been approached proactively by schools asking to be involved.

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 more significant players.

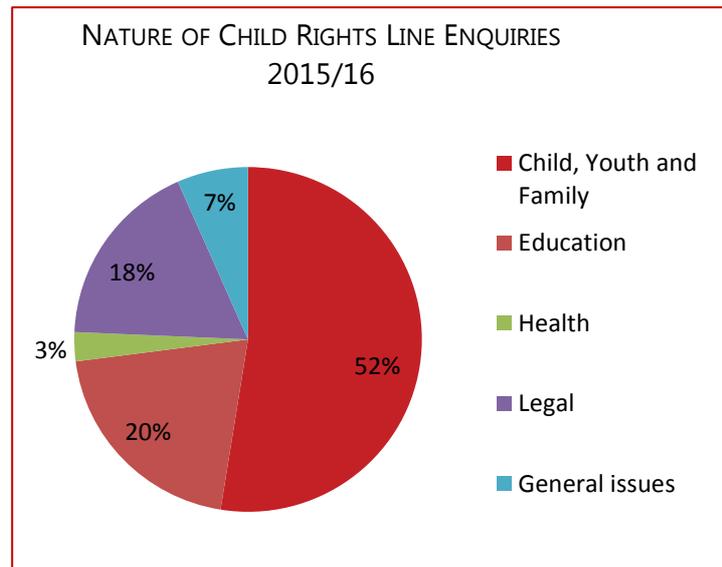
Outcomes	2015/16 Actual	2014/15 Actual
Rate and number of NZ children living in income poverty	305,000, or 29% of all children, are living in income poverty ³	260,000, or 24% of all children, are living in income poverty
Rate and number of NZ children experiencing material hardship	148,000, or 14% of children, are living in material hardship	180,000, or 17% of children, are living in material hardship

³ <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 514 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 she 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 2015/16 related to statutory care and protection matters, specifically CYF. 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 18% 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	2015/16	2014/15	2013/14	2012/13
Child, Youth and Family	270	231	249	256
Education	105	114	87	111
Health	14	30	25	20
Legal	91	145	93	60
General Issues	34	106	121	151
Total	514	626	575	598

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 2016.



Judge Andrew Becroft
Children's Commissioner

31 October 2016

FINANCIAL STATEMENTS

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2016

	Notes	2015/16 Actual \$000	2015/16 Budget \$000	2014/15 Actual \$000
REVENUE				
Revenue from the Crown	2	2,157	2157	2,157
Interest		42	30	40
Other revenue	2	110	97	150
Total revenue		2,309	2,284	2,347
EXPENSES				
Personnel	3	1,752	1,797	1,766
Operating	4	389	414	288
Projects	5	70	69	121
Depreciation and amortisation expense	9	9	4	5
Total expenses		2,220	2,284	2,180
Surplus/(deficit)		89	0	167
Other comprehensive revenue and expense		0	0	0
Total comprehensive revenue and expense		89	0	167

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 2016

	Notes	2015/16 Actual \$000	2015/16 Budget \$000	2014/15 Actual \$000
ASSETS				
Current assets				
Cash and cash equivalents	6	405	311	460
Receivables	7	11	0	9
Investments	8	700	500	500
Prepayments		19	0	4
GST Receivable		32	19	19
<i>Total current assets</i>		1,167	830	992
Non-current assets				
Property, plant and equipment	9	24	4	33
<i>Total non-current assets</i>		24	4	33
Total assets		1,191	834	1,025
LIABILITIES				
Current liabilities				
Payables	10	203	151	185
Employee entitlements	11	89	54	94
Revenue received in Advance		93	0	25
Lease Inducement		20	0	24
<i>Total current liabilities</i>		405	205	328
Non-current liabilities				
Employee entitlements	11	8	0	8
<i>Total non-current liabilities</i>		8	0	8
Total liabilities		413	0	336
Tax Payers Equity		778	629	689

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 2016

	2015/16 Actual \$000	2015/16 Budget \$000	2014/15 Actual \$000
Balance as at 1 July	689	629	522
Surplus/(deficit)	89	0	167
Balance as at 30 June	778	629	689

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 2016

	Notes	2015/16 Actual \$000	2015/16 Budget \$000	2014/15 Actual \$000
Cash flows from operating activities				
Receipts from the Crown		2,157	2,157	2,157
Interest received		42	30	40
Other income received		175	96	168
Goods and services tax (net)		(13)	3	12
Payments to suppliers		(459)	(490)	(299)
Payments to employees		(1,757)	(1,797)	(1,745)
Net cash flows from operating activities		145	(1)	333
Cash flows from investing activities				
Receipts from sale of property, plant and equipment		0	0	0
Receipts from maturity of investments		0	0	0
Purchase of property, plant and equipment		0	0	(28)
Acquisition of investments		(200)	0	(300)
Net cash flows from investing activities		(200)	0	(328)
Net increase/(decrease) in cash & cash equivalents		(55)	(1)	5
Cash & cash equivalents at the beginning of the year		460	310	455
Cash & cash equivalents at the end of the year	6	405	309	460

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

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

The accompanying notes form part of these financial statements.

Notes to the financial statements

1 STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The Children's Commissioner is a 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 financial reporting purposes.

The financial statements for the Children's Commissioner are for the year ended 30 June 2016 and were approved by the Children's Commissioner on 31 October 2016.

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 accounting standards with reduced disclosing requirements, as appropriate for public benefit entities of the size of the Children's Commissioner.

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 identified in an economically feasible manner with a specific output.

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 accounting estimates and assumptions

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

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

2 REVENUE

Accounting policy

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.

Interest revenue

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

Breakdown of other revenue and further information

	2015/16 Actual \$000	2014/15 Actual \$000
Philanthropy New Zealand	-	11
JR McKenzie Trust*	24	26
MoE PLINFO	-	25
Youth Advisory Panel (YAP)**	65	5
Other revenue (donated equipment)	-	27
Other donations***	14	7
Salary recovered****	7	49
Total other revenue	110	150

* 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 of Social Development, to support the EAP on their review of CYF

***The Children's Commissioner, Dr Russell Wills, donated his salary increase back to the Office

****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

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

Breakdown of personnel costs and further information

	2015/16 Actual \$000	2014/15 Actual \$000
Salaries and wages	1,639	1,684
Other personnel costs	77	19
Defined contribution plan employer contributions	41	43
Increase/(decrease) in employee entitlements	(5)	20
Total personnel costs	1,752	1,766

Employer contributions to defined contribution plans include contributions to KiwiSaver and the State Sector Retirement Savings Scheme.

Employee remuneration

	2015/16 Actual	2014/15 Actual
Total remuneration paid or payable:		
\$100,000 – 109,999	1	0
\$110,000 – 119,999	0	1
\$120,000 – 129,999	0	2
\$130,000 – 139,999	2	1
\$140,000 – 149,999	2	1
\$150,000 – 159,999	1	0
\$160,000 – 169,999	0	0
\$170,000 – 179,999	1	1
Total employees	7	6

During the year ended 30 June 2016, no (2015 1) employees received compensation and other benefits in relation to cessation (2015 \$15,706).

4 OPERATING COSTS

Accounting policy

Leases

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

	2015/16 Actual \$000	2014/15 Actual \$000
Accountancy fees	20	22
Accounting software fees	1	1
Fees to auditor		
- fees to Audit NZ for audit of financial statements	23	23
Consumables & other expenses	67	46
Consultant fees	38	2
Information Systems	56	48
Power & Heating	3	3
Printing & Stationery	1	2
Publication expenses	20	5
Rent, rates and insurance	79	90
Telecommunication expenses	13	10
Travel and accommodation	57	28
Website expenses	11	8
Total operating costs	389	288

Breakdown of operating commitments and further information

	2015/16 Actual \$000	2014/15 Actual \$000
Operating lease commitments		
Not later than one year	77	77
Later than one year and not later than five years	306	306
Later than five years	108	185
Total	491	568

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

	2015/16 Actual \$000	2014/15 Actual \$000
Advocacy	-	8
Monitoring and Investigations	-	41
Parent Legal Information Line (PLINFO)	-	28
Poverty Measures Partnership	29	17
Taranaki Profile	-	10
Voices Project	6	-
Young People's Advisory Group	-	17
Youth Advice on Care Systems (YACS)	5	-
Youth Advisory Panel (YAP)	30	-
Total project costs	70	121

6 CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents

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

	2015/16 Actual \$000	2014/15 Actual \$000
Cash at bank and on hand		
> Current Account	31	40
> Ready Access	374	420
Total cash and cash equivalents	405	460

7 RECEIVABLES

Accounting policy

Receivables

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

A receivable is considered impaired 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

	2015/16 Actual \$000	2014/15 Actual \$000
Debtors and other receivables	2	4
Accruals	9	5
Total receivables	11	9

The carrying amount of receivables reflects their fair value. No impairment was expensed in the reporting period (2015: Nil).

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

	2015/16 Actual \$000	2014/15 Actual \$000
Current portion		
Term deposits	700	500
<i>Total current portion</i>	700	500
Non-current portion		
Term deposits	0	0
Equity investments	0	0
Total investments	700	500

9 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant, and equipment

Property, plant, and equipment consist of the following asset classes: leasehold improvements, furniture and office equipment, and computer equipment.

All classes are measured 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.

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 general funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Children's Commissioner and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

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:

Furniture, office equipment and leasehold improvements	5-10 years	10-20%
Computer equipment	3 years	33%

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

	Furniture, office equipment and leasehold improvements \$000	Computer equipment \$000	2015/16 Total \$000
Cost or Valuation			
Balance at 1 July 2014	28	0	28
Additions	28	0	28
Disposals	0	0	0
Balance at 30 June 2015	56	0	56
Balance at 1 July 2015	56	0	56
Additions	0	0	0
Disposals	0	0	0
Balance at 30 June 2016	56	0	56
Accumulated Depreciation and Impairment Losses			
Balance at 1 July 2014	18	0	18
Depreciation Expense	5	0	5
Eliminate on disposal	0	0	0
Balance at 30 June 2015	23	0	23
Balance at 1 July 2015	23	0	23
Depreciation Expense	9	0	9
Eliminate on Disposal	0	0	0
Balance at 30 June 2016	32	0	32
Carrying Amounts			
At 1 July 2014	10	0	10
At 1 July 2015	33	0	33
Balance at 30 June 2016	24	0	24

There are no restrictions over the title of the Children's Commissioner property, plant and equipment assets, nor any property, plant and equipment assets pledged as security for liabilities.

10 PAYABLES

Accounting policy

Payables

Short-term payables are recorded at their face value.

Breakdown of payables and further information

	2015/16 Actual \$000	2014/15 Actual \$000
Creditors	142	149
Credit Card	7	2
Accrued expenses	54	34
Total payables	203	185

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates fair value.

11 EMPLOYEE ENTITLEMENTS

Accounting policy

Employee entitlements

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

	2015/16 Actual \$000	2014/15 Actual \$000
Current portion		
Annual leave	69	81
Long service leave	0	0
Accrued salaries	20	13
<i>Total current portion</i>	89	94
Non-current portion		
Long service leave	8	8
<i>Total non-current portion</i>	8	8
Total employee entitlements	97	102

Accrued salaries include salaries and wages accrued up to balance date.

12 CONTINGENCIES

There were no contingent liabilities or assets as at 30 June 2016. (2015 Nil)

13 RELATED PARTY TRANSACTIONS

Accounting policy

The Children's Commissioner is a wholly owned entity of 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

	2015/16 Actual	2014/15 Actual
Remuneration	\$749,318	\$695,372
Full-time equivalent members	4.4	4.4
Total key management personnel remuneration	\$749,318	\$695,372
Total full-time equivalent personnel	4.4	4.4

Actual and reasonable costs of \$25,215 have been paid and are not part of the Commissioner's remuneration (2015 \$23,000).

14 FINANCIAL INSTRUMENTS

	2015/16 Actual \$000	2014/15 Actual \$000
Loans and receivables		
Cash and cash equivalents	405	460
Receivables	11	28
Investments - term deposits	700	500
Total loans and receivables	1,116	988
Financial liabilities measured at amortised cost		
Payables (excluding income in advance)	203	185
Total financial liabilities measured at amortised cost	203	185

15 EVENTS AFTER THE BALANCE DATE

There have been 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

Interest and Other Revenue

Interest was more than budgeted by \$12,000 due to higher term investments which earned more interest. Other revenue was more than budgeted by \$13,000 due to the Commissioner donating back his salary increase and salary recovered from a staff member attending ACART.

Personnel expenditure

Personnel expenses were less than budgeted by \$45,000 due to the secondment of a staff member to support the Youth Advisory Panel and only being able to fill vacant positions in the second half of the financial year.

Operating expenditure and Depreciation

Operating expenses were less than budgeted by \$25,000 due to less travel undertaken. Depreciation was more than budgeted by \$5,000 due to the donated furniture now being depreciated.

Statement of financial position

Assets

Total assets were more than budgeted due less expenses and a surplus of \$89,000 this year, as well as investing the surplus from last year. Also received \$93,000 in advance to set-up and manage YACS on behalf of the Minister of Social Development.

Payables

Payables were more than budgeted for payables due to the Ministry of Social Development for IT services and other contracted services progressed.

Employee entitlements

Employee entitlements were more than budgeted by \$35,000 due to less leave being taken, but is usually taken in December each year and will then reduce the liability.

Statement of cash flows

More income was received and expenses were less than budgeted.

Independent Auditor's Report

To the readers of the Office of the Children's Commissioner's financial statements and performance information for the year ended 30 June 2016

The Auditor-General is the auditor of the Office of the Children's Commissioner (the Office). The Auditor-General has appointed me, Ajay Sharma, 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 her behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the Office on pages 27 to 46, that comprise the statement of financial position as at 30 June 2016, 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 that include accounting policies and other explanatory information; and
- the performance information of the Office on pages 8 to 10 and 18 to 25.

In our opinion:

- the financial statements of the Office:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2016; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- the performance information:
 - presents fairly, in all material respects, the Office's performance for the year ended 30 June 2016, including:
 - for each class of reportable outputs:

-
- . its standards of performance achieved as compared with forecasts included in the statement of performance expectations for the financial year;
 - . its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
 - . 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 2016. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

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

An audit also involves evaluating:

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

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

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

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

Responsibilities of the Commissioner

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

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

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

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

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

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

A handwritten signature in black ink that reads "Ajay Sharma". The signature is written in a cursive style with a horizontal line underneath the name.

Ajay Sharma
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](#)