



Independent Māori
Statutory Board

Annual Report

2015 / 2016

Mission Statement

Te Tōnuitanga i ngā pānga
Māori i Tāmaki Makaurau

Advancing the interests
of Māori in Tāmaki Makaurau

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Meaning behind our tohu

The pieces of our tohu represent the land and islands called Tāmaki Makaurau. The textural blue symbolises the seas that bind these lands together

The koru is the unfurling frond, symbolising new beginnings. The many koru show how we are working together, forging a new unity. The centre line (spine) represents the direction or goal Tāmaki Makaurau is working towards.

The overarching meaning is the moving towards our vision of the future.

Chairman's message

E mihi ana ki a koutou mā

The predominant issue for the Board in the last year has, again, been the Proposed Auckland Unitary Plan. Throughout the year, the Board has worked closely with iwi, council and the Independent Hearings Panel to build capacity, compile evidence and provide measures to address the issues that matter to Māori in relation to the rules governing this region's built environments.



These rules are of intrinsic importance to Mana Whenua and Maatawaka in Tāmaki Makaurau. They impact the social, economic, cultural and environmental outcomes for Māori and for everyone who lives here. It is in the interests of all Māori in Tāmaki Makaurau to know where they stand in relation to Auckland Council's policy and regulations. That is why the Board worked tirelessly to see the Plan through to its adoption.

Having a Unitary Plan in place, whether we agree with all of the detail of it, means that there is also a process in place to present the interests of Mana Whenua and Maatawaka in the right forums on issues of land use and development.

Cultural heritage and housing issues have been a particular focus of the Board's role with council leadership this past year. The Board has urged council during the year to commit to delivering on funding for the development of papakāinga housing to the level that is budgeted in the Annual Plan. Monitoring of council's commitment to deliver on its annual plan commitments for housing projects will continue this coming year. Also, work began with council on Māori cultural heritage projects this past year and will continue in the coming year, in particular on projects such as the review of wāhi tapu sites, to ensure that council plans meet the needs and resourcing requirements of Mana Whenua. The Board acknowledges council's appointment

of additional staff to work in the Māori cultural heritage space recently.

Most of the public discussion about the Unitary Plan in the past 12 months has been on housing affordability. This is, of course, a real issue for everyone in Tāmaki Makaurau, but it particularly affects Māori in this region. What concerns me, however, is that the driver for this discussion may be less about the well-being of future generations and more about wealth realisation in the short term. It is short-term thinking that has contributed to the property bubble that council and central government, with their eye on three-year electoral cycles, are focused on addressing.

The Board's challenge to council, government and other decision-makers in Auckland is to give equal consideration to some longer-term issues that may well eclipse housing affordability and availability in social and economic impact if they are not urgently addressed. Most critical is the need to address the education and training of young people in this region. The cohort of rangatahi coming through the education system right now need to leave it with NCEA level 2 qualifications at the very least. They need qualifications that are fit for purpose in the 21st century: qualifications in science, technology, engineering and maths; so that they will emerge into the labour market with skills that raise them into middle income by middle age.

Rangatahi are currently over represented in the numbers of young people leaving school without employment, education or training. Recent research commissioned by the Board clearly shows that with just over half of Māori in Tāmaki Makaurau under 25 years of age, they remain a large and important group of interest to the future economic and social interests of this region. Developing and enhancing the skill base of this youthful Māori population is crucial to help future-proof the workforce capability of everyone in Tāmaki Makaurau.

The research and policy work undertaken by the Board in the past 12 months will focus the Board's advocacy with a new Mayor and elected officials in the first half of the incoming financial year. The Board will continue to deliver on its statutory mandate to advocate to council and will also continue to work with the Chief Executive and leadership team, to build the capability of council staff to incorporate the aspirations and interests of Māori, into day-to-day council operations.

My heartfelt thanks to those Board members who have served the interests of Māori in this region over the past three years, participating fully in council committee life through the process of developing and approving policies, by-laws and regulations. I look forward to continuing this work with the incoming Board over the next three years.

Ngā manaakitanga



David Taipari
Chairman

Tā te Heamana

E mihi ana ki a koutou mā

Ko te take matua i te aroaro o te Poari i te tau kua hori, ko taua take tonu rā, arā, ko Te Mahere Matua mō Tāmaki Makaurau kua Marohitia. I te roanga o te tau, kua mahi tahi atu te Poari ki ngā iwi, ki te kaunihera, ki Te Pae Whakawā Motuhake anō, ki te whakapiki pūkenga, ki te whakaemi taunakitanga, ki te whakarite ara anō e anganuitia ai ngā kaupapa e whai take ana ki te Māori, otirā, ērā e hāngai ana ki ngā ture e ārahi nei i ngā taiao hanganga o tēnei rohe.



He mea whai take mārika ēnei ture ki ngā Mana Whenua me ngā mātāwaka ki Tāmaki Makaurau. Ka pākia e ēnei ture ngā hua ā-pāpori, ā-ōhanga, ā-ahurea, ā-taiao anō ki te Māori, otirā, ki te katoa o te hunga e noho mai ana ki konei. He painga nui ki ngā uri Māori katoa ki roto o Tāmaki Makaurau kia mōhio ai ki te pākia o rātou e ngā kaupapa here me ngā waeture a Te Kaunihera o Tāmaki Makaurau. Koirā i whakapau kaha ai te Poari mō te hemo tonu atu kia tatū ai te whakamanatanga o Te Mahere.

Mā te whakamanatia o tētahi Mahere Matua, hāunga te whakaaetia, te kore rānei i whakaaetia o ngā taipitopito katoa kei roto, e mana anō ai tētahi tukanga hei waha i ngā take whai mana ki ngā Mana Whenua me ngā mātāwaka ki ngā pae wānanga e hāngai ana ki ngā take whakamahi, ki ngā take whakawhanake whenua anō hoki.

Ko ngā taonga tuku ā-ahurea me ngā take whare ētahi anō take kua aronuitia e te Poari i āna mahi ki ngā rangatira o te kaunihera i te tau kua hori. Kua ākina te kaunihera e te Poari i te roanga o te tau kia ū ai ki te tukuhanga o ngā pūtea hei whakawhanake i ngā whare papakāinga, e ai ki te tahua kua tohua i te Mahere ā-Tau. Hei te tau e tū mai nei ka haere tonu ngā mahi aroturuki i tā te kaunihera ū ki te whakatutuki i ngā mea i whakarārangiā ai hei mahi māna i te mahere ā-tau mō ngā kaupapa

whare. I tīmata hoki ngā mahi ki te kaunihera i te tau kua hori nei ki ētahi kaupapa taonga tuku ā-ahurea Māori, ā, ka haere tonu hei te tau e tū mai nei, tae pū atu ana ki ngā kaupapa pēnei i te arotakenga o ngā wāhi tapu, kia mātua ū ai ngā mahere kaunihera ki ngā hiahia me ngā here ā-rawa o ngā Mana Whenua. E mihi ana te Poari ki tā te kaunihera kopou i ētahi anō kaimahi ki te whakapau kaha ki ngā mahi ki ngā taonga tuku ā-ahurea Māori inātata nei.

Ko te nuinga o ngā whakawhitinga whakaaro tūmatanui mō Te Mahere Matua i ngā marama 12 kua hori e pā ana ki ngā utu whai whare. E tika mārika ana, he take nui tēnei ki te katoa e noho mai ana ki Tāmaki Makaurau, engari e pākia nuitia ana te Māori i tēnei rohe. Heoi, ko te mea e noho āwangawanga nei au, ko te whakaaro, ehara i te mea ko te oranga o ngā uri whakaheke te take e kōkiritia nei ēnei whakawhitinga whakaaro, engari kē ko te whai rawa i te wā kei te pae tata noa e tau ana. Ko te whakaaroaro e ai noa ki te pae tata kua whai wāhi tonu atu ki te pikinga mārika o ngā utu whai whare, ā, koia tērā e arongia ana e te kaunihera, e te kāwanatanga ā-motu anō, nō rāua hoki e aro ana ki ngā huringa kaupeka pōti e toru tau te roa.

Ko te tono a te Poari ki te Kaunihera, ki te kāwanatanga, ki te hunga kē atu hoki e whakarite whakatau whai mana ana ki Tāmaki Makaurau,



kia taurite hoki te aronga ki ētahi atu take kei te pae tawhiti kē e tau ana, heoi, he take e nui noa atu ai pea te pānga ā-pāpori, ā-ōhanga rānei, tērā i te take mō ngā utu whai whare, ki te kore e totoa te anganuitia. Ko te take nui rawa o ēnei me mātua whakaaro, ko te hiahia nui kia anganuitia te whakaakoranga me te whakangu-ngutanga o te hunga rangatahi i tēnei rohe. Ko ngā rangatahi e pihī ake ana i te pūnaha mātauranga i tēnei wā me mātua puta ngā ihu me ngā tohu NCEA taumata tuarua i tōna itinga. Me whai tohu mātauranga rātou e whai take ana i te rautau 21; he tohu ā-pūtaiao, ā-hangarau, ā-pūkaha, ā-pāngarau anō, kia puta ai rātou ki te māketē kaimahi me ngā pūkenga tika e eke ai rātou ki te pae utunga waenga, nō rātou ka eke ki ngā pakeke waenga.

Ko te hunga rangatahi te hunga e kaha kitea ana i ngā tatauranga mō te hunga taiohi e puta ana i te kura, kāore tonu he tūranga mahi, he akoranga tika, he whakangungutanga rānei e hāngai ana. Nā ētahi rangahau o mohoa nei i tonoa ai e te Poari, he mārama te kitea, he nui ake i te haurua o ngā uri Māori katoa kei Tāmaki Makaurau kei raro iho i te 25 tau, ā, he rōpū rarahi, he rōpū whai wāhi nui hoki tēnei ki ngā take ā-ōhanga, ā-pāpori anō ki tēnei rohe hei ngā rā o anamata. Me mātua whakawhanake, me mātua whakamarohi anō ngā pūkenga o tēnei taupori Māori rangatahi e whai take ai ngā āheinga o te hunga kaimahi whānui ki Tāmaki Makaurau ā anamata nei.

Mā ngā mahi rangahau me ngā mahi kaupapa here i oti i te Poari i ngā marama 12 kua hori nei e hāngai pū ai ngā mahi waha kaupapa a te Poari ki tētahi Koromatua hou, otirā, ki ētahi āpiha hou kua pōtitia, hei te haurua tuatahi o te tau ā-pūtea e haere ake nei. Ka ū tonu te Poari ki tana whai ā-ture kia waha kaupapa ki te Kaunihera, me te aha, ka mahi tahi tonu ki te Tumu Whakarae me te kāhui rangatira, ki te whakawhanake i ngā pūkenga o ngā kaimahi kaunihera, kia whai wāhi ai ngā hiahia me ngā take whai mana ki te Māori, ki ngā mahi ā-kaunihera o ia rā, o ia rā.

E mihi ana te ngākau ki ērā mema o te Poari kua waha i ngā kaupapa whai take ki te Māori i tēnei rohe i ngā tau e toru kua hori nei, otirā, kua kuhu mārika ki ngā mahi hei mema komiti ā-Kaunihera mā roto mai i ngā tukanga whakawhanake, whakamana anō i ngā kaupapa here, i ngā ture ā-rohe, i ngā waeture anō hoki. E aronui ana au kia haere tonu ai ēnei mahi me ngā mema hou o te Poari hei ngā tau e toru e tū mai nei.

Ngā manaakitanga



David Taipari
Heamana

Independent Māori Statutory Board members



David Taipari
2010 to present



Glenn Wilcox
2010 to present



John Tamihere
2010 to present



Josie Smith
2013 to present



Karen Wilson
2013 to present



Kris McDonald
2013 to present



Liane Ngamane
2013 to present



Precious Clark
2013 to present



Auckland Council committee membership

Under legislation the Independent Māori Statutory Board is able to appoint up to two members to the committees of council which deal with the management and stewardship of physical and natural resources.

The Board members were appointed to the following council committees:

- Finance and Performance Committee
- Regional Strategy and Policy Committee
- Auckland Development Committee
- Hearings Committee
- Civil Defence Emergency Management Committee
- Parks, Recreation and Sport Committee
- Infrastructure Committee
- Council Controlled Organisations Governance and Monitoring Committee
- Regulatory and Bylaws Committee
- Economic Development Committee
- Environment, Climate Change and Natural Heritage Committee
- Unitary Plan Committee
- Community Development and Safety Committee
- Arts, Culture and Events Committee

Board members are also appointed to numerous panels and steering groups throughout the year.

About us Mō tātou

The Independent Māori Statutory Board was established in November 2010 under the Local Government (Auckland Council) Act 2009.

Based in central Auckland, our mandate covers the Tāmaki Makaurau (Auckland) region.

We have a nine member board that is supported by a secretariat.

The board is a body corporate separate from, and independent of, Auckland Council and the groups represented on the board.

Our mission is to advance the interests of Māori in Tāmaki Makaurau by:

- helping Auckland Council to make decisions, perform functions and exercise powers – which improve outcomes for Māori
- promoting cultural, economic, environmental and social issues of significance to Māori with the council.

We also ensure that Auckland Council acts in accordance with statutory provisions referring to Te Tiriti o Waitangi.

Board members sit, with voting rights, on each of council's committees that deal with the management and stewardship of natural and physical resources. We also provide direction and guidance to council on issues affecting Māori to help council improve its responsiveness to Māori communities.

Please find out more and view our informational video online at our website www.imsb.maori.nz

Key achievements for 2015/2016

Treaty Audit Response Work Programme

This year represented a significant step forward for the Treaty Audit Response Work Programme. The programme of work required to address the Action Groups identified in the 2015 Te Tiriti o Waitangi Audit of Auckland Council was agreed with council during the year with its implementation well underway as the financial year came to a close.

Good relationships were established with council staff during the year with processes for responding to the audit's Action Groups becoming embedded in council's business as usual operations. A number of significant recommended actions, such as the Māori Responsiveness Toolkit, are nearing closure. Responses to Action Group 8 (process for council's role in Treaty Settlements), Action Group 17 (Good Practice Benchmarking) and Action Group 23 (Effectiveness and Compliance Framework) were completed and closed by the end of the year. A health check on council monitoring of the Treaty Audit by PwC was commissioned by the Board and completed in June.

Te Toa Takitini

Te Toa Takitini is the joint working-group of Board and council leadership established in the 2014/15 financial year to oversee the embedding of Māori responsiveness into the operations of Auckland Council and assist council in its implementation of the 2012 and 2015 Treaty Audit responses.

During this year, the Board advocated to make Te Toa Takitini work programme more strategic. Two Executive Leadership Group workshops were held that led to the reprioritisation of some work programmes and identification of new initiatives for council in the coming year. For example, Board staff worked closely with council on matters relating to the development of councils' Māori housing policy and its implementation. The Board also developed business

cases for the establishment of a Māori Housing Unit within council and the formation of a Te Reo Working Group.



Data Strategy & Expert Panel

The Board released a Data Strategy in May 2016 to ensure the Board's programme of policy and advocacy is underpinned with relevant, quality data and evidence.

As part of the strategy, the Board established their Data Strategy Expert Panel in March 2016, which meets quarterly. The panel produced the Reporting Framework for the Māori Plan, scoping data requirements for the Plan's four wellbeing areas using a strengths-based Māori potential approach.

The Māori Report

The Board entered the data gathering stage of the Māori Report project in 2015/16. The Māori Report, which is due for release in November 2016, will be the first progress report against 21 headline indicators of the Māori Plan. The data gathering phase of the project was a collaboration between the Board, council and an external Māori data specialist. By the end of the year, the project had collected primary data sets for 16 of the 21 indicators. Preliminary analysis, which involved review by the Expert Panel, was completed on the data collected to date.



Auckland Unitary Plan

The financial year ended with the process for adopting the Proposed Auckland Unitary Plan (PAUP) drawing to a close. By the end of June 2016, the hearings process was complete, the Board had coordinated evidence preparation with Mana Whenua and submitted that evidence on key hearing topics, and attended mediation on those hearing topics. During the hearings and in its evidence, the Board sought to provide for Te Ao Māori perspectives, objectives, policies and rules to be included in the PAUP in order to ensure interests in Māori and treaty settlement land and Māori heritage were protected and recognised. Together with Mana Whenua, the Board supported the council with the inclusion of a sites of value overlay and Māori and Treaty settlement land provisions in the PAUP.

The Board provided PAUP hearing support to Mana Whenua which strengthened their evidence presented to the Independent Hearing Panel (IHP) and coordinated an approach to Cultural Impact Assessments with Mana Whenua and the council. The IHP provided positive feedback about the Board's coordinated approach with Mana Whenua.

The Māori Economy

The Board commissioned the New Zealand Institute of Economic Research (NZIER) to produce a report into the Auckland Māori Economy which was launched at the beginning of the financial year. The report provides a snapshot of the current state and key opportunities for growing the Māori economy.

With an asset base of \$23 billion, Auckland's Māori entities and businesses hold over half the asset base of the national Māori economy.



Signature Māori Event

Following advocacy from the Board, ATEED hosted the Tāmaki Herenga Waka Festival, the first City-funded major Māori cultural event for the Auckland region in February 2016.

Confirmation was received from ATEED in June 2016 that there will be continued budget for a signature Māori event, with ATEED seeking to source additional investment from potential partners in the future event. Planning for the 2017 event was underway as the financial year drew to a close.

Tripartite Summit

Following advocacy from the Board, the Tripartite Summit between the cities of Auckland, Guangzhou and Los Angeles hosted in Auckland in May 2016, showcased Māori business and identity in Tāmaki Makaurau for the first time in this forum. The summit included Māori speakers, presenters, business owners, Mana Whenua, Māori art and design, Māori urban design, workshops and attendees. The Board joined with ATEED to commission research to identify and enhance the Auckland Māori Business ecosystem and to link Māori businesses to international business opportunities with these and other international cities.

Bylaw Review Programme

Ongoing monitoring of council amalgamation of legacy bylaws to ensure Māori interests were addressed and consulted on, continued throughout the year. Many Board members participated in these bylaw hearings. Submissions were made to the hearing panel for the Property Maintenance and Nuisance Bylaw in July 2015, and for amendments to the Food Bylaw (which had the potential for impacts on marae, kura and kohanga reo where food is sold for commercial purposes). Advice was provided on set-net controls in September 2015 and on impacts of customary fishing rights in October 2015. Monitoring and follow-up on these by-laws continued throughout mid-2016.

Key opportunities identified include those presented by Treaty settlements, the economic potential of Māori entrepreneurs; investing in Māori youth, investing in fit-for-purpose interventions in South and West Auckland and leveraging Auckland's unique Māori identity to provide a comparative advantage for all businesses.

A key recommendation of the report, however, was a focus on improving Auckland's Māori participation in study, work and entrepreneurship, particularly among young people. During the year the Board commissioned further work by NZIER to develop an action plan for getting young Māori to middle income by middle-age. The outcome of this work is scheduled for release in late 2016.

Council Te Reo Policy

During the year the Board advocated strongly for a council Te Reo policy to be developed and worked closely with council to help prepare this policy for Regional Strategy and Policy Committee approval in early 2016/17. During 2016/17, the Board will continue to work closely with council to help finalise a Te Reo Māori Framework which will provide general guidance on how to integrate te reo Māori into council activities.

Māori Urban Design Protocol

The Board advocated to council to develop Te Aranga design principles which are now included in the council's Urban Design Manual. These principles provide practical guidance to assist council to implement initiatives that promote Māori culture and identity by ensuring Māori design is incorporated into the Auckland environment. As a result of this advocacy, a target relating to Te Aranga Principles was added to the City Centre Masterplan at the February 2016 Auckland Development Committee and a new Kaihautu Takina nga tohu ao Māori (Māori Design Leader) was appointed to the councils' Auckland Design Office.

Governance and Board meetings

Board meetings

The Board must hold at least six meetings each year, and may hold as many meetings as it considers necessary. Below are our board meetings during the financial year.

2015 meetings

Date	Time	Committee	Venue
6 July	10am	IMSB Ordinary	Ground Floor, 16 Viaduct Harbour Ave, Auckland City
3 August	10am	IMSB Ordinary	Ground Floor, 16 Viaduct Harbour Ave, Auckland City
7 September	10am	IMSB Ordinary	Ground Floor, 16 Viaduct Harbour Ave, Auckland City
2 November	10am	IMSB Ordinary	Ground Floor, 16 Viaduct Harbour Ave, Auckland City

2016 meetings

Date	Time	Committee	Venue
7 March	10am	IMSB Ordinary	Ground Floor, 16 Viaduct Harbour Ave, Auckland City
2 May	10am	IMSB Ordinary	Ground Floor, 16 Viaduct Harbour Ave, Auckland City
13 June	10am	IMSB Ordinary	Ground Floor, 16 Viaduct Harbour Ave, Auckland City

Board Financial Statements

Independent Māori Statutory Board

Financial statements

for the year ended 30 June 2016

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Independent Māori Statutory Board

Statement of responsibility

30 June 2016

Statement of responsibility

The Board is responsible for the preparation of the Independent Māori Statutory Board's financial statements, and the judgements made in them.

The Board of the Independent Māori Statutory Board has the responsibility for the establishment, operation and on-going monitoring of systems of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board's opinion, these financial statements fairly reflect the financial position and operations of the Independent Māori Statutory Board for the year ended 30 June 2016.

For and on behalf of the Board.



David Taipari
Chairperson



Glenn Wilcox
Deputy Chairperson

Independent Auditor's report

**To the readers of
The Independent Maori Statutory Board's financial statements
for the year ended 30 June 2016**

The Auditor-General is the auditor of the Independent Maori Statutory Board (the Board). The Auditor-General has appointed me, J R Smaill, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Board on her behalf.

Opinion

We have audited the financial statements of the Board on pages 20 to 28, that comprise of the statement of financial position as at 30 June 2016, the statement of comprehensive revenue and expenditure, 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.

In our opinion, the financial statements of the Board:

- 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 end; and
- comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity standards with reduced disclosure requirements.

Our audit was completed on 7 November 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 Board of Directors and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements 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. 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. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to

the preparation of the Board's financial statements 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 Board'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 Board;
- the adequacy of the disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. Also, we did not evaluate the security and controls over the electronic publication of the financial statements. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

The Board is responsible for the preparation and fair presentation of financial statements for the Board that comply with generally accepted accounting practice in New Zealand.

The Board's responsibilities arise from the Local Government (Auckland Council) Act 2009.

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of 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 Board.

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



J R Smaill
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

Independent Māori Statutory Board

Statement of comprehensive revenue and expenditure

For the year ended 30 June 2016

		2016 Actual	2016 Budget	2015 Actual
	Note	\$	\$	\$
REVENUE	2	2,919,032	3,152,600	3,060,072
EXPENDITURE				
Governance				
Board remuneration	8	(646,451)	(714,000)	(641,521)
Expense reimbursement		(42,474)	(68,000)	(78,583)
Board support costs		-	(36,000)	(10,941)
Board secretariat				
Staffing expenses	9	(1,241,537)	(1,298,000)	(1,211,444)
Support services provided by Auckland Council		(346,367)	(323,100)	(335,586)
Other expenses		(112,739)	(119,000)	(148,411)
Professional advice		(71,996)	(130,000)	(143,753)
Engaging and reporting		(141,281)	(141,000)	(108,871)
Treaty audit		(25,000)	(30,000)	(160,000)
Māori wellbeing outcomes		(70,500)	(70,000)	(71,054)
Māori specialist expertise for council projects		(95,687)	(123,500)	(99,908)
Monitoring & informing council's Māori Economic Development Strategy		(125,000)	(100,000)	-
Educational tools		-	-	(50,000)
Total expenditure		(2,919,032)	(3,152,600)	(3,060,072)
Net surplus				
Other comprehensive revenue and expenditure		-	-	-
Total comprehensive revenue and expenditure		-	-	-

Explanations of significant variances against budget are detailed in note 6 to the financial statements.

The accompanying notes to the financial statements form part of, and are to be read in conjunction with, these financial statements.

Independent Māori Statutory Board

Statement of financial position

As at 30 June 2016

		2016 Actual	2015 Actual
	Note	\$	\$
Assets			
Current assets			
Receivables	4	398,335	331,905
Total current assets		398,335	331,905
Total assets		398,335	331,905
Liabilities			
Current liabilities			
Payables	5	299,088	244,428
Employee entitlements		99,247	87,477
Total current liabilities		398,335	331,905
Total liabilities		398,335	331,905
Net assets		-	-
Equity			
Total equity		-	-

The accompanying notes to the financial statements form part of, and are to be read in conjunction with, these financial statements.

Independent Māori Statutory Board

Statement of changes in equity

For the year ended 30 June 2016

	2016 Actual	2016 Budget	2015 Actual
	\$	\$	\$
Balance at 1 July	-	-	-
Total comprehensive revenue and expenditure	-	-	-
Balance at 30 June	-	-	-
Total comprehensive revenue and expenditure attributed to:	-	-	-
Independent Māori Statutory Board	-	-	-
Total comprehensive revenue and expenditure	-	-	-

Independent Māori Statutory Board

Statement of cashflow

For the year ended 30 June 2016

	2016 Actual	2016 Budget	2015 Actual
	\$	\$	\$
Cashflow from operating activities			
Receipts from funding from Auckland Council	2,919,032	-	3,060,072
Payments to suppliers and employees	(2,852,602)	-	(3,060,685)
Net GST	(66,430)		613
Net cash (outflow)/inflow from operating activities	-	-	-
Net cashflow from investing activities			
Net cash inflow from financing activities	-	-	-
Net increase in cash and cash equivalents	-	-	-
Opening cash and cash equivalents	-	-	-
Closing cash and cash equivalents	-	-	-

Notes to the financial statements

1. Statement of significant accounting policies

General information

The Independent Māori Statutory Board's (the Board) purpose is to assist the Auckland Council to make decisions, perform functions and exercise powers by promoting issues of significance for Mana Whenua and Mataawaka of Tāmaki Makaurau and ensuring that the Auckland Council acts in accordance with statutory provisions referring to the Treaty of Waitangi.

To enable the Board to carry out its purpose, Auckland Council must meet the reasonable costs of the Board's operations, the Board's secretariat and for any committees established by the Board in seeking and obtaining advice. The funding and resourcing of the Board is established through an annual negotiated funding agreement that includes the Board's work plan and the remuneration of Board members.

Reporting entity

The financial statements for the Board are for the Independent Māori Statutory Board as a separate legal entity. The Board is designated as a Public Benefit Entity (PBE) for financial reporting purposes.

During the financial year the Board comprised eight members, all of whom were selected by a group of iwi representing the iwi of the rohe. Seven of the Board members were Mana Whenua representatives and one of the Board members was a Mataawaka representative. The Board is a body corporate created by legislation that is independent of the Auckland Council, the selection body and the Mana Whenua groups represented on the selection body.

The financial statements of the Board are for the year ended 30 June 2016, and were approved by the Board on 7 November 2016. At the time of signing, the Board comprises

nine members. Seven of the Board members are Mana Whenua representatives and two of the Board members are Mataawaka representatives.

Basis of preparation

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

The financial statements have been prepared on a historical cost basis with the exception of certain items identified in specific accounting policies below. They are presented in New Zealand dollars (NZD), which is the functional currency and are rounded to the nearest dollar, unless otherwise stated. All items in the financial statements are stated exclusive of Goods and Services Tax (GST).

Statement of compliance

There is no legal requirement for the Board to prepare financial statements, however it was resolved on 4 July 2011 (minutes of meeting MSB/2011/141) that the Independent Māori Statutory Board's Annual Report will include financial statements in addition to the mandatory requirements set out in the Local Government (Auckland Council) Act 2009 (the Act).

The financial statements of the Board have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with New Zealand Tier 2 PBE standards and disclosure concessions have been applied. The Board has no public accountability and has total expenses of less than \$30 million. These standards are based on International Public Sector Accounting Standards (IPSAS), with amendments for the New Zealand environment.

Budget figures

The budget figures presented are those approved by the Board at the beginning of the year after consultation with Auckland Council as part of the annual planning process. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements.

Summary of significant accounting policies

Revenue

As provided for under schedule 2 of the Local Government (Auckland Council) Act 2009, revenue represents funding from the Auckland Council as agreed through an annual funding agreement between Auckland Council and the Board. The Auckland Council are required to fund the Board for all reasonable costs on an ongoing basis.

The fair value of Revenue has been determined to be equivalent to the funding entitlement.

Expenditure

Expenditure is recognised when it is incurred.

Accounting for support services provided by Auckland Council

The Board has recognised the value of the support services as an expense when incurred. Support services are provided by third parties through Auckland Council to the Independent Māori Statutory Board under a signed Service Level Agreement of \$346,367 (30 June 2015: \$335,586). An equivalent amount is recognised as revenue and is shown separately in Note 2.

Income tax

The Board has received no assessable income. Accordingly, no charge for income tax has been provided for.

Receivables

All receivables are due within a year and are recognised and measured at fair value

Payables

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

Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

2. Revenue

	2016 Actual	2016 Budget	2015 Actual
	\$	\$	\$
Non-exchange Revenue			
Direct funding from Auckland Council	2,572,665	2,829,500	2,724,486
Support services funded by Auckland Council and paid on behalf	346,367	323,100	335,586
Total	2,919,032	3,152,600	3,060,072

Support Services funded by Auckland Council and paid on behalf of the Independent Māori Statutory Board include property costs, lease expenses and furniture and fittings. Auckland Council has provided directly "in kind" support services to the Independent Māori Statutory Board under a signed Service Level Agreement (SLA). The cost of providing these services has not been recognised in the financial statements of the Independent Māori Statutory Board.

3. Audit fees

During the year the following audit fees included under "Other expenses" were paid or payable for services provided by the auditor of the Board, and its related practices:

	2016 Actual	2016 Budget	2015 Actual
	\$	\$	\$
Audit fees	13,700	13,700	13,600

4. Receivables

	2016 Actual	2015 Actual
	\$	\$
Receivables from non-exchange transactions		
GST receivable	15,692	24,860
Receivable from Auckland Council	382,643	307,045
Total	398,335	331,905

5. Payables

	2016 Actual	2015 Actual
	\$	\$
Accrued Expenditure (excl. salaries accrual)	283,396	219,568
Advance from Auckland Council	15,692	24,860
Total	299,088	244,428

6. Explanation of major variances against budget

The Board's funding agreement with the Council was approved by both parties on 3 July 2015. The total expenditure for the year was under budget by \$233,568 and is explained as follows:

- The underspend in Board remuneration is a result of the Court of Appeal decision in 2015 – the Board have operated with only eight members this financial year.
- The underspend in Board support costs is due to support and training expenses being less than budget.
- The underspend in secretariat expenses is due to the percentage of the annual increase of salaries being less than budgeted, and maternity leave.
- The underspend in professional advice is due to the Board's project timelines extending into the next financial year.

7. Board member transactions

There have been no transactions with Board members other than Board remuneration and support expenses during the year (30 June 2015: nil).

8. Related party transactions

The Board's related party transactions were made on an arm's length basis in the current and prior financial years.

Key management personnel compensation:

	2016 Actual	2015 Actual
	\$	\$
<i>Board:</i>		
Remuneration	646,451	641,521
Full time equivalent members	8	8
<i>Senior management team:</i>		
Remuneration	435,077	429,694
Full time equivalent members	3	3
Total	1,081,528	1,060,557

Due to the varied nature and quantum of work undertaken by each member including Board and council committee attendance plus work with constituent hapū and iwi, it has been assumed for the purposes of this disclosure that each member is a full FTE.

9. Staffing expenses

	2016 Actual	2015 Actual
	\$	\$
Salaries and wages	1,199,208	1,153,006
Contributions to defined contribution scheme	30,969	28,003
Other	11,360	30,435
Total	1,241,537	1,211,444

10. Contingencies

As at 30 June 2016 the Board had no contingent liabilities or assets (30 June 2015: nil).

11. Indemnity insurance

As at 30 June 2016 the Board has \$6,730 indemnity insurance (30 June 2015: \$5,744).

12. Lease commitments

As at 30 June 2016 the Board had no lease commitments (30 June 2015: nil).

13. Events after the reporting period

There were no material events after the reporting date that would require adjustment or disclosure for the Board.

14. Adjustments to the comparative year financial statements

The Board has adjusted its comparative year financial statement for the year ended 30 June 2015 to correct a prior period error.

	Notes	Before adjustment \$	Correction of error \$	After adjustment \$
Statement of comprehensive revenue and expenditure				
Revenue				
Funding from Auckland Council for services provided	a	313,844	21,742	335,586
Expenditure				
Support services provided by Auckland Council	a	313,844	21,742	335,586

- a. Some depreciation expense relating to leasehold improvements on the premises occupied by the Board were not recognised in the financial statements. The recognition of this increase in depreciation costs included in the support services provided by the Auckland Council (expense) is offset by the recognition of the support services funded by Auckland Council (revenue). The overall impact to the Receivable from Auckland Council (asset) is nil.





**Independent Māori
Statutory Board**

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