



ANNUAL REPORT 2016/2017



Independent Māori
Statutory Board



MISSION STATEMENT

Te Tōnuitanga i ngā pānga
Māori i Tāmaki Makaurau
Advancing the interests of
Māori in Tāmaki Makaurau



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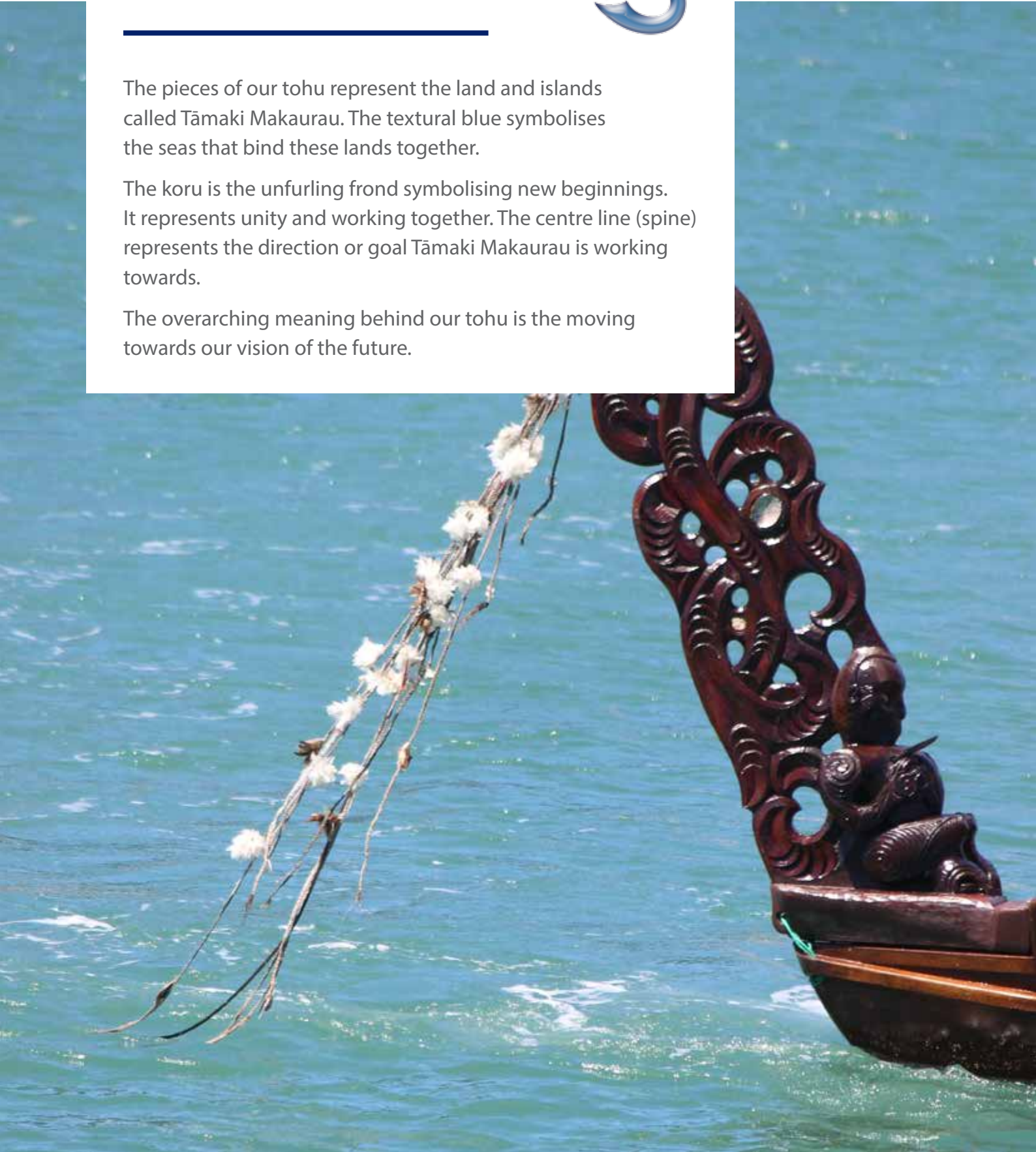
MEANING BEHIND OUR TOHU



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. It represents unity and working together. The centre line (spine) represents the direction or goal Tāmaki Makaurau is working towards.

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



CHAIRMAN'S MESSAGE



E mihi ana ki a koutou mā

The appointment of a new board in November 2016 brought an opportunity to reflect on the work we do at the Independent Māori Statutory Board and our strategic direction for the future.

Quality, affordable housing, the Unitary Plan, the launch of the Māori Report and the Māori Economy have been the key priorities.

Affordable housing was a major focus for us, along with many others in Tāmaki Makaurau looking to address housing challenges. We are seeing a decline in home ownership for all Aucklanders, and for Māori most of all.

We have been clear in our expectation that solutions must come from increased investment and a coordinated public sector strategy.

Our current housing predicament is a complex issue requiring action on multiple fronts, from multiple agencies, and the Board has directed our energies into contributing solutions where we can have an influence, such as our advocacy to the council to help fund the Housing First Collective project.

The Unitary Plan has been another priority for the Board, and a topic of robust discussion. There are many opinions about what is important in the future planning of our region. The Board will continue to work with Mana Whenua and the council on the sites of value and cultural landscapes.

A key success was the launch of the Māori Report in October 2016.

The purpose of the Māori Report was to show progress towards the goals set out in the Board's Māori Plan, drawing data from many different

data sets. It has given us insight into performance across the well-being areas – social, economic, environment and cultural – and where to focus in the future. We were very fortunate to have an expert panel of research and data specialists leading this important mahi, producing a document that will inform our work for years to come.

The Board also remained steadfast this year in our commitment to building better futures for Māori in Tāmaki Makaurau, by focusing on the Māori economy. Through our work with economists at NZIER, we have identified a clear goal to get Māori 'to middle income by middle age'. This is also linked to our rangatahi programme. A quarter of the Māori population resides here and if we are to transform outcomes then we must prioritise investment in rangatahi today. Because Māori are disproportionately young, with half under 25 years old, investment in this group will pay significant future dividends.

Cultural heritage remained a priority, and we were very pleased with the productive engagement with the council and progress in this area. Through our regular meetings with the council heritage team, we have been able to track a refining of their approach, and solid delivery of a programme of scheduling sites of significance. Additional council staff have been appointed to work in the Māori cultural heritage area. Mana whenua and council staff look set to continue the work programme to identify new sites for inclusion in the Unitary Plan schedule.

In the area of Māori responsiveness, it has been pleasing to see the increasing number of council departments and CCOs producing Māori responsiveness plans. Guiding statutes – the Local Government Act and Resource Management Act – are clear on the obligations of Treaty partners, and the Board will continue to focus on these instruments to maximise those outcomes for Māori. In all our work we will continue to build capacity, compile the relevant evidence and put in place measures to track progress.

As we look back on the year, it is full of achievement and progress that I'm proud of. I take this opportunity to thank the new Board members serving with me in the interests of all Māori in Tāmaki Makaurau, and the hardworking Board secretariat supporting us, never losing sight of the issues that matter to Mana Whenua and Mātāwaka in the governance of this region.

Nāku noa

A handwritten signature in black ink, appearing to read 'DP', with a stylized flourish extending to the right.

David Taipari
Chairman

TĀ TE HEMANA



E mihi ana ki a koutou mā

Nā te kopoutanga o tētahi poari hou i te Whiringa-ā-rangi 2016 i whai wāhi ai mātou ki te whai whakaaro ki ngā mahi e oti nei i a mātou i te ohu Independent Māori Statutory Board, otirā, ki tā mātou aronga rautaki ki anamata.

Ko ngā whāinga matua ko ngā whare kounga, otirā, he utu ngāwari, ko te Mahere Matua, ko te whakarewanga o te Pūrongo Māori, ā, ko te Ōhanga Māori anō hoki.

Ko ngā whare utu ngāwari he aronga matua mā mātou, otirā, mā ētahi tini tāngata kē atu i Tāmaki Makaurau e whai ana ki te whakamāmā i ngā raru whai whare. E iti haere ana te hunga o Tāmaki Makaurau, mātua rā, te Māori, e hoko whare ana.

Kua mārama tā mātou e whai nei, arā, kia kitea he oranga i te whakapiki i ngā mahi whakangao pūtea, ā, me tētahi rautaki reretahi nō te rāngai tūmatanui.

Ko ngā raru whare o nāianei he take matatini me aro-rau e ētahi whakahaere rau, me te aha, kua whakapau kaha te Poari ki te whakarite rongoā e rangona whānuitia ana, pēnei i tā mātou kōkiri kaupapa ki te kaunihera kia tukuna ai he pūtea tautoko ki te kaupapa Housing First Collective.

Ko te Mahere Matua tētahi aronga matua anō mā te Poari, otirā, kua kaha wānangahia. He tini ngā whakaaro ki ngā mea mātuatua e pā ana ki ngā whakamāherehere anamata mō tō tātou rohe. Ka mahi tahi tonu te Poari ki ngā Mana Whenua me te kaunihera e pā ana ki ngā wāhi whai mana me ngā taiao ahurea.

Tērā anō tētahi aronga nui a te Poari, otrā, he tutukihanga nui hoki, arā, ko te whakarewanga o te Pūrongo Māori i te Whiringa-ā-nuku.

Ko te ngako o te Pūrongo Māori he whakaatu i ngā kokenga e hāngai ana ki ngā whāinga i whakatakotoria ki te Mahere Māori a te Poari, he mea tō raraunga mai i ētahi tini kohinga raraunga rerekē. Nā konei i whai tirohanga ai mātou ki te āhua o ngā mahi i ngā rāngai oranga – ā-pāpori, ā-ōhanga, ā-ahurea anō – ā, kua kitea hoki ngā wāhi e tika ana hei aro mā mātou ā anamata. I waimarie nui mātou i tētahi kāhui pūkenga ki te rangahau me te mahi raraunga hei ārahi i tēnei mahi whai take nui, ā, kua hua i a rātou he tuhinga hei whakamārama i ā mātou mahi, haere nei ngā tau.

I ū kaha hoki te Poari ki tāna e whakamomori nei i tēnei tau, kia waihangatia ai he anamata pai ake mā te Māori i Tāmaki Makaurau, mā te aro hāngai ki te ōhanga Maori. Nā tā mātou mahi tahi ki ngā pūkenga ōhanga i NZIER, kua tohua e mātou he whāinga matua, kia eke ai te Māori ki te 'taumata utu o waenga ka tae ana ki te pakeketanga o waenga'. E hono anō ana tēnei ki tā mātou hōtaka rangatahi. He kotahi hauwhā o te iwi Māori kei konei e noho ana, ā, e panonitia ai ngā hua, me noho mātuatua te whakangao pūtea ki ā tātou rangatahi i tēnei rā tonu. Nā te nui mārīka o te Māori e rangatahi tonu ana, arā, he haurua he tamariki ake i te 25 tau, ka whai hua anamata nui te whakangao ki tēnei kāhui ināianei.

I noho tonu te hītori ā-ahurea hei aronga matua, ā, i koa katoa mātou i ngā wānanga me ngā kokenga whai take kua hua ake i tēnei rāngai. Nā ā mātou

hui auau ki te kähui hītori o te kaunihera, kua āhei te whaiwhai i te whakapainga ake o tā rātou aronga, otirā, i te whakatutukihanga o tētahi hōtaka rangatira hei tohu i ngā wāhi whai mana. Kua kopoua he kaimahi kaunihera atu anō hei kaimahi ki te rāngai hītori ahurea Māori hoki. Te hanga nei ka rere tonu te hōtaka mahi a ngā Mana whenua me ngā kaimahi kaunihera hei tohu i ētahi wāhi hou ka whai wāhi ki te rārangī o te Mahere Matua.

Mō te taha ki ngā aronga ki te Māori, he koanga ngākau te kite i te nui haere o ngā tari kaunihera me ngā ohu āpiti ki te kaunihera e whakarite mahere aronga Māori ana. Ko ngā ture ārahi – te Ture Mana-ā-Rohe me te Ture Whakahaere Rawa – e mārāma ana e pā ana ki ngā here o ngā hoa Tiriti, ā, ka aro tonu te Poari ki ēnei ture e nui ake ai ngā hua pai ki te Māori. I ā mātou mahi katoa ka whai tonu mātou ki te whakapiki pūkenga, ki te whakaemi i ngā taunakitanga e tika ana, otirā, ki te whakarite he pūnaha ine e māmā ai te whaiwhai i ngā kokenga.

I te tau kua hori nei e whakaarohia ana, ka whakahīhi au i ngā whakatutukitanga me ngā kokenga i oti mai. E mihi nei au i tēnei wā ki ngā mema Poari hou e mahi tahi mai ana ki a au hei painga mō te iwi Māori whānui i Tāmaki Makaurau. E mihi anō ana ki te kähui kaimahi hāpai a te Poari e tautoko tonu nei i a mātou, e ū tonu nei ki ngā kaupapa matua ki te Mana Whenua me te Mātāwaka i ngā mahi whakahaere i tēnei takiwā.

Nāku noa



David Taipari
Heamana

BOARD MEMBERS

From November 2016



David Taipari



Glenn Wilcox



Hon. Tau Henare



Liane Ngamane



Tony Kake



James Brown



Renata Blair



Dennis Kirkwood



Terrence Hohneck

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.

In 2015/16, the Board members were:

David Taipari
Glenn Wilcox
John Tamihere
Josie Smith
Karen Wilson
Kris McDonald
Liane Ngamane
Precious Clark.

The Board members remained in place until November 2016, with appointments 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

In November 2016 new Board members were appointed as follows:

David Taipari
Glenn Wilcox
Hon. Tau Henare
Liane Ngamane
Tony Kake
James Brown
Renata Blair
Dennis Kirkwood
Terrence Hohneck.

Appointments were made to the following council committees;

- Finance and Performance Committee
- Planning Committee
- Environment and Community Committee
- Community Development Committee
- Audit and Risk Committee
- Regulatory Committee
- Civil Defence and Emergency Management Committee
- Auckland Domain Committee.

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



MŌ MĀTOU ABOUT US

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 that improve outcomes for Māori
- promoting cultural, economic, environmental and social issues of significance to Māori.

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 the council on issues affecting Māori to help improve responsiveness to Māori communities.

To find out more visit:

www.imsb.māori.nz

KEY ACHIEVEMENTS FOR 2016/2017

AUCKLAND COUNCIL TREATY AUDIT RESPONSE WORK PROGRAMME

The Treaty Audit Response Work Programme gained real momentum in 2016-17.

Put in place in 2015, the programme is an effective tool providing a process for Auckland Council and Council Controlled Organisations (CCOs) to meet their Treaty of Waitangi obligations, with clear guidance on what is required, and how to achieve those requirements.

In this period, Pricewaterhouse Cooper completed a mini audit on council's monitoring of the programme, and made recommendations to fine-tune it. As a result, the terms of reference of the Waharoa Group – the council group responsible for monitoring the delivery of the programme – were improved. The group includes staff from the council's Te Waka Angamua (Māori team), the Head of Internal Audit and the Independent Māori Statutory Board secretariat.

The report also recommended greater involvement and ownership of action owners, and reporting to the council's Executive Leadership Group, Te Toa Takitini, for a more integrated and embedded approach.

There was real progress, with 7 of the 24 actions closed as at end June 2017. This included the completion of the Māori Employment Strategy, and the release of the Māori Responsiveness toolkit, now being used by council action groups to guide their work in their respective departments.

MĀORI RESPONSIVENESS

Auckland Council established an executive leadership group to lead and co-ordinate contributions to Māori outcomes and benefits to Māori. It ensures the council embeds Māori responsiveness into its operations to give effect to its Treaty obligations.

The Board has strongly advocated to the council for a strategic shift towards a 'top down' approach on Māori outcomes. Two Executive Leadership Group workshops to encourage the shift were held to make the programme more strategic. A brief was developed for a review focusing on CCOs.

One of the priorities for the Board is to ensure the council's budgeted expenditure allocated to Māori outcomes is monitored across key activity areas. Under-expenditure in this and the previous year led to the Board developing a brief for a review of council's expenditure on Māori outcomes to be conducted by an independent auditor.

Another Board priority was to address a gap in housing for Māori, and to increase capability in marae and papakāinga development. This concern led to the Māori Housing Programme being established, as well as a team that works across a number of specific policy areas including project support to coordinate and streamline the consenting process, as this relates to Māori, and engagement in planning provisions and Unitary Plan issues.

Te Toa Takitini was also a forum for discussion on affordable housing on council land, and another avenue for the Board to advocate unlocking land for Māori housing development, through Panuku.



THE MĀORI REPORT

The Board achieved a major milestone with the release of the Māori Report in October 2016. The document is the first 'progress report' against the 21 headline indicators of the Māori Plan.

The Plan sets out a 30-year vision for healthy and prosperous Māori in Tāmaki Makaurau.

The Board's intention was to find data that could inform the current status of Māori across these outcomes, and establish a firm baseline to understand our position today, socially, economically, culturally and environmentally, and to measure progress in future years.

Quantitative data was collected from sources such as census data, the Te Kupenga survey, Statistics New Zealand surveys, Ministry of Education surveys and Auckland Council's administrative data.

The aim was to align data according to the five Māori values from the Māori plan which are: whanaungatanga (vibrant communities), rangatiratanga (leadership and participation), manaakitanga (quality of life), kaitiakitanga (sustainable futures) and wairuatanga (distinct identity).

In the course of the project, it became apparent that conventional data sets have a way to go to capture Māori data. In many cases data is based on individuals, but often Māori vitality is focused in a collective such as whānau, marae and kura.

There were also gaps in availability of strengths-based potential perspective data, which has led to ongoing discussions with key providers of data.

The data was reviewed by the Board's independent Data Strategy Expert Panel, which also produced the reporting framework for the Māori Plan.

AUCKLAND UNITARY PLAN

The Board undertook significant work on submissions to the Unitary Plan and has received positive feedback about our involvement in the hearing process.

The Board opposed council's decision to delete sites of value and the cultural landscapes provisions in the Unitary Plan. The Board is building on its evidence and research to develop advice on the use of the Māori-focused provisions in the Unitary Plan, their implementation and monitoring.

The Board has expressed its views to the council that it requires specialist planners who are expert in Māori world view and resource management issues. The Board will continue to advocate for this.

A report on cultural landscapes commissioned from Mitchell Daysh was completed. The Board plans to work further with the council on cultural landscapes.

THE MĀORI ECONOMY AND RANGATAHI

Due to a lack of comprehensive information about the Māori economy in this region, the Board commissioned NZIER in 2015 to produce the report: "Auckland's Māori Economy: Size, Issues and Opportunities."

While the report shows Māori are gradually catching up, for example, in tertiary education participation, there still remains a wide gap with the rest of the community across the whole of life. Auckland Māori economic engagement and performance is lower than others. If Māori mirrored the European ethnicity income distribution in Auckland, incomes of Māori in Tāmaki Makaurau would increase by about \$1 billion per year in total.

Addressing current gaps in participation and achievement of rangatahi in education and training will remain an ongoing priority for the Board, with a goal to reduce the cumulative impact on lifetime work and income prospects.

MĀORI URBAN DESIGN

The Board continues to advocate for expression of Māori Urban Design and public art in the development of Auckland and its infrastructure.

A visible Māori identity is also recognised in the Auckland Plan as our point of difference in the world. Using Te Aranga design principles, included in the council's Auckland Design Manual, and engaging Mana Whenua in the development process are both considered best practice for Māori design.



The appointment of a Māori Design Lead in the Auckland Design Office will help to ensure there is a strong champion for better Māori outcomes.

There were also signs of growing expression of Māori design during the year, with the Ōtāhuhu Railway Station being considered as an exemplar of good practice. The new Highbury Library and the ongoing Capital Properties development in QEII are also examples of good Māori urban design.

SIGNATURE MĀORI EVENT

The Tāmaki Herenga Waka Festival is one of the transformational projects of Te Toa Takitini. It has been held twice and is considered by the Board as having significant potential to promote Māori identity as a point of difference in the world. From a tourism perspective there is a strong opportunity to align it with the branding of Auckland as a unique and desirable destination.

From a domestic point of view the festival is a key way to actively promote Māori language and culture.



The Tāmaki Herenga Waka Festival 2017, held over Auckland Anniversary Weekend was attended by 30,189 visitors – a 232 per cent increase from the previous year.

The Board is confident there is potential for the event to be developed as a key international attraction in the future.

COUNCIL TE REO POLICY

The Board's advocacy was instrumental in the development of the Māori Language Policy and Implementation Plan, endorsed at the Planning Committee in September 2016. There was also agreement that this project become part of the Te Toa Takitini Portfolio. The plan provides guidance to integrate te reo Māori into council activities using many platforms including bi-lingual signage.

MARAE DEVELOPMENT

Previously the council's Chief Financial Officer and Director of Governance made decisions on allocation of grants to marae from their OPEX budget. A new process for the Māori Cultural Initiatives Fund has opened the way for an improvement on this approach, enabling funds to be released through the year. This is seen as an improvement on the previous practice of releasing funds in the final months of the financial year, which meant there could be long periods of no progress for those marae needing grants. There is also a new fund coordinator role in the council's Māori Responsiveness Hub to administer the fund and develop and implement an action plan.

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 meetings during the financial year.

2016 meetings

Date	Time	Committee	Venue
1 August	10am	IMSB Ordinary	Ground Floor, 16 Viaduct Harbour Ave Auckland City
1 November	10am	IMSB Special	Ground Floor, 16 Viaduct Harbour Ave Auckland City
7 November	10am	IMSB Ordinary	Ground Floor, 16 Viaduct Harbour Ave Auckland City
5 December	10am	IMSB Ordinary	Ground Floor, 16 Viaduct Harbour Ave Auckland City

2017 meetings

Date	Time	Committee	Venue
13 February	10am	IMSB Ordinary	Ground Floor, 16 Viaduct Harbour Ave Auckland City
3 April	10am	IMSB Ordinary	Ground Floor, 16 Viaduct Harbour Ave Auckland City
1 May	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 2017

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INDEPENDENT MĀORI STATUTORY BOARD

STATEMENT OF RESPONSIBILITY

30 June 2017

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 2017.

For and on behalf of the Board.



David Taipari
Chairperson



Glenn Wilcox
Deputy Chairperson

INDEPENDENT MĀORI STATUTORY BOARD

AUDITOR'S REPORT

30 June 2017

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of The Independent Maori Statutory Board's financial statements for the year ended 30 June 2017

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 his behalf.

Opinion

We have audited the financial statements of the Board on pages 20 to 28, that comprise the statement of financial position as at 30 June 2017, 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 2017; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity standards with reduced disclosure requirements.

Our audit was completed on 23 November 2017. This is the date at which our opinion is expressed.

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

Basis for opinion

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

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

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

Responsibilities of the Board

The Board is responsible for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board are responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for assessing its ability to continue as a going concern. The Board are also responsible for disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless the Board intend to wind up the Trust or to cease operations, or have no realistic alternative but to do so.

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

- We identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 2 to 17, but does not include the financial statements, and our auditor's report thereon.

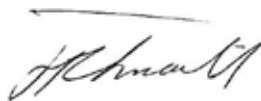
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

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



J R Smoill
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 2017

		2017 Actual	2017 Budget	2016 Actual
	Note	\$	\$	\$
REVENUE	2	3,155,119	3,366,891	2,919,032
EXPENDITURE				
Governance				
Board remuneration	8	(692,746)	(728,000)	(646,451)
Expense reimbursement		(41,238)	(68,000)	(42,474)
Board support costs		(6,521)	(36,000)	-
Total Governance Expenses		(740,505)	(832,000)	(688,925)
Board Secretariat				
Staffing expenses	9	(1,274,133)	(1,321,000)	(1,241,537)
Support services provided by Auckland Council		(326,535)	(463,891)	(346,367)
Other expenses		(137,830)	(119,000)	(112,739)
Total Board Secretariat Expenses		(1,738,498)	(1,903,891)	(1,700,643)
Professional advice		(185,698)	(130,000)	(71,996)
Engaging and reporting		(177,604)	(141,000)	(141,281)
Treaty audit		(28,000)	(30,000)	(25,000)
Māori wellbeing outcomes		(108,865)	(105,000)	(70,500)
Māori specialist expertise for council projects		(69,900)	(125,000)	(95,687)
Monitoring & informing council's Māori Economic Development Strategy		(106,050)	(100,000)	(125,000)
Total expenditure		(3,155,119)	(3,366,891)	(2,919,032)
Net surplus				
Other comprehensive revenue and expenditure		-	-	-
Total comprehensive revenue and expenditure		-	-	-

Explanations of significant variations 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 2017

		2017 Actual	2016 Actual
	Note	\$	\$
ASSETS			
Current assets			
Receivables	4	562,247	398,335
Total current assets		562,247	398,335
Total assets		562,247	398,335
LIABILITIES			
Current liabilities			
Payables	5	479,970	299,088
Employee entitlements		82,277	99,247
Total current liabilities		562,247	398,335
Total liabilities		562,247	398,335
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 2017

	2017 Actual	2017 Budget	2016 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	-	-	-

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 CASHFLOW

For the year ended 30 June 2017

	2017 Actual	2017 Budget	2016 Actual
	\$	\$	\$
Cashflow from operating activities			
Receipts from funding from Auckland Council	3,155,119	-	2,919,032
Payments to suppliers and employees	(3,153,738)	-	(2,852,602)
Net GST	(1,381)		(66,430)
Net cash 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	-	-	-

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

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 mātāwaka 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.

The Board is a body corporate created by legislation and is independent of the Auckland Council. Board members are selected by an iwi selection body made up of representatives from mana whenua groups of Tāmaki Makaurau.

During the 2016-2017 financial year, from 1 July 2016 – 31 October 2016, the Board comprised eight members, seven mana whenua representatives and one mātāwaka representative. From the start of the new three-year term of the Board, 1 November 2016, the Board comprised seven mana whenua and two mātāwaka representatives.

The financial statements of the Board are for the year ended 30 June 2017, and were approved by the Board on 23 November 2017. At the time of signing, the Board has a full complement of nine members.

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 principles (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 IMSB. The Auckland Council are required to fund the IMSB 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 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 \$326,535 (30 June 2016: \$346,367). 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

	2017 Actual	2017 Budget	2016 Actual
	\$	\$	\$
Non-exchange Revenue			
Direct funding from Auckland Council	2,828,584	2,903,000	2,572,665
Support services funded by Auckland Council and paid on behalf	326,535	463,891	346,367
Total	3,155,119	3,366,891	2,919,032

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:

	2017 Actual	2017 Budget	2016 Actual
	\$	\$	\$
Audit fees	14,200	14,152	13,700

4 Receivables

	2017 Actual	2016 Actual
	\$	\$
Receivables from non-exchange transactions		
GST receivable	17,073	15,692
Receivable from Auckland Council	545,174	382,643
Total	562,247	398,335

5 Payables

	2017 Actual	2016 Actual
	\$	\$
Accrued expenditure (excl. salaries accrual)	462,897	283,396
Advance from Auckland Council	17,073	15,692
Total	479,970	299,088

6 Explanation of major variances against budget

The Board's funding agreement with the Council was approved by both parties on 12 July 2017. The total expenditure for the year was under budget by \$211,772 and is explained as follows:

- The budget set by Auckland Council for Support services provided via the Service Level Agreement signed 10 August 2016, was over estimated.
- The under spend in Board remuneration is a result of the Court of Appeal decision in 2016 – the Board have operated with only 8 members for four months of this financial year
- The under spend in Board support costs is due to support and training expenses being less than budget.
- The under spend in secretariat expenses is due to the percentage of the annual increase of salaries being less than budgeted and maternity leave.
- Professional services expenses were higher than forecast due to costs associated with an operational review, and the necessity for contractors to cover staff vacancies in essential roles.

The variances shown are a result of under-utilisation in some budget areas, enabling controlled over spend in others.

7 Board member transactions

There have been no transactions with Board members other than Board remuneration and support expenses during the year (30 June 2016: 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:

	2017 Actual	2016 Actual
	\$	\$
<i>Board:</i>		
Remuneration	692,746	646,451
Full time equivalent members	9	8
<i>Senior management team:</i>		
Remuneration	445,481	435,077
Full time equivalent members	3	3
Total	1,138,227	1,081,528

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

9 Staffing expenses

	2017 Actual	2016 Actual
	\$	\$
Salaries and wages	1,238,347	1,199,208
Contributions to defined contribution scheme	28,524	30,969
Other	7,261	11,360
Total	1,274,133	1,241,537

10 Contingencies

As at 30 June 2017 the Board had no contingent liabilities or assets (30 June 2016: nil).

11 Indemnity insurance

As at 30 June 2017 the Board has \$6,730 indemnity insurance (30 June 2016: \$6,730).

12 Lease commitments

As at 30 June 2017 the Board had no lease commitments (30 June 2016: 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.





Independent Māori Statutory Board

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David Taipari

Chief Executive Officer

Brandi Hudson

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