



Office
Of the
Ombudsman

Parliament of the Cook Islands

ANNUAL REPORT

2019 – 2020

Presented to Parliament pursuant to
Section 26 of the Ombudsman Act 1984





OFFICE OF THE OMBUDSMAN

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The Honourable Tai Tura,
Speaker of the House
Parliament of the Cook Islands
RAROTONGA

Dear Mr Speaker,

Pursuant to Section 26 of the Ombudsman Act 1984, I have the honour to present the Annual Report for the Office of the Ombudsman (Te Mato Akamoeau) for the period of 1st July 2019 - 30th June 2020.

I have the honour to be,

Sir,

Your obedient servant

Nooapii Tearea
OMBUDSMAN

The **Hon Vaine Makiroa Mokoroa**, Minister Responsible for Ombudsman.
Mr Carl Hunter, Public Service Commissioner

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1 Acronyms and Abbreviations

APOR	Australasia & Pacific Ombudsman Region
CI	Cook Islands
CINDC	Cook Islands National Disability Council
COVID-19	Corona Virus Disease 2019
DA	Disability Act 2008
FIU	Financial Intelligence Unit
HRC	Human Rights Commission
HRO	Human Rights Office
ICI	Infrastructure Cook Islands
IOI	International Ombudsman Institute
IPCA	Independent Police Conduct Authority
MFAI	Ministry of Foreign Affairs and Immigration
MFEM	Ministry of Finance & Economic Management
MOH	Ministry of Health (Te Marae Ora)
MOJ	Ministry of Justice
MOT	Ministry of Transport
NES	National Environment Services
NON	Non-Jurisdiction
NSDP	National Sustainable Development Plan
NZ	New Zealand
NZOOO	New Zealand Office Of the Ombudsman
NZOOO IDET	New Zealand Office of the Ombudsman International Development and Engagement Team
OA	Ombudsman Act 1984
OIA	Official Information Act 2008
OPM	Office of the Prime Minister
OPSC	Office of the Public Service Commissioner
PA	Police Act 2012
PM	Prime Minister
PNG	Papua New Guinea
PSC	Public Service Commissioner
REDD	Renewable Energy Development Division
RPM	Rethinking Performance Management
TMA	Te Mato Akamoeau (Office of the Ombudsman)
TMO	Te Marae Ora (Ministry of Health)
UN	United Nations
UNCAC	United Nations Convention Against Corruption
UNHRI	United Nations Human Rights Institute

2 Message from the Ombudsman

I am pleased to present the Office of the Ombudsman 2019-2020 Annual Report. It expresses the organisation's overall performance through its achievements and challenges faced during 1st July 2019–30th June 2020.



It also outlines key priorities as mitigation strategies to improve service delivery that my team and I will be focusing on over the coming years.

Ultimately, we expect that improving our service delivery will continue contributing to a fair and transparent public service; whilst improving the quality of life for our people of the Cook Islands.

This enables us to learn from past and existing challenges to drive compliance strategies towards achieving our goal to promote 'fairness for all'.

While we invest a great deal of our time to serve our people with how they are being treated by government services; we are also developing new policies, new regulations relating to Human Rights with international and national co-operations.

I am confident that my talented team in partnership with our key stakeholders will continue to strive towards an open and happy relationship between Government and the people of the Cook Islands.

I would also like to acknowledge those affected by the global pandemic COVID-19, my thoughts and prayers go out to you. May God guide you and be with you and your families during this challenging time.

Kia Orana e Kia Manuia,

Nooapii Tearea
Ombudsman

3 Introduction

I am proud to present my second annual report as the Ombudsman of the Cook Islands.

It is an honour to share with Parliament and the people of the Cook Islands the work that this Office has done over the past year.

I honour the work of my esteemed predecessors—Ombudsmen Tangata Simiona, Henry Keta Brown, Andrew Mata Turua, Janet Maki, Tearoa John Tini and former Deputy Ombudsman Jeannine Daniel. Their contributions have helped shape this Office into what it is today.

Our founding legislation is the Ombudsman Act 1984 (OA), which enables me to investigate the administrative conduct of Government Ministries and Crown Agencies. Our jurisdiction has expanded over the years to encompass complaints under the Official Information Act 2008 (OIA), complaints about unlawful discrimination under the Disability Act 2008, and complaints about Police conduct under the Police Act 2012.

We are also increasingly called on to take up new roles. In 2007, Cabinet directed the Ombudsman to establish a Human Rights Office, but without advancing further in providing any additional resources or legislative mandate. In 2011, Cabinet established an Anti-Corruption Committee, which includes the Ombudsman, after ratifying the United Nations (UN) Convention Against Corruption.

The amount of hard work and tenacity shown by my team during this time is commendable.

Nooapii Tearea
Ombudsman

4 Vision, Mission & Values

I. Our VISION

The Office of the Ombudsman aims to:

To Promote Fairness for All

II. Our MISSION

The Office of the Ombudsman aims to achieve its vision by:

- ❖ Conducting **independent** and **impartial investigations** initiated upon receipt of complaints or acting on its own initiative, with **fair and reasonable results**.
- ❖ Developing a **collaborative** public service culture which upholds **fairness**; fosters **dedication, continuous improvement** and **commitment**; and promotes **transparency** and **accountability**, taking into account our **Cook Islands cultural values**.

III. Our VALUES

Te Mato Akamoeau – Office of the Ombudsman includes the values of the Public Service as well as those specific to its office:

- | | |
|----------------|------------------|
| ❖ Quality | ❖ Collaboration |
| ❖ Integrity | ❖ Transparency |
| ❖ Impartiality | ❖ Accountability |
| ❖ Honesty | ❖ Respect |
| ❖ Innovation | ❖ Independence |

5 National Sustainable Development Plan 2016-2020

The Office of the Ombudsman's functions are aligned with the National Sustainable Development Plan (NSDP) Goal 16 - *Promote a peaceful and just society and practice good governance to promote transparency and accountability*:

- ❖ To conduct efficient and effective investigations of complaints and systemic reviews.
- ❖ To increase awareness amongst government agencies of their rights and responsibilities to minimise public complaints and investigations.
- ❖ To create greater public awareness of the Ombudsman's role and enhance the reputation of the Ombudsman.

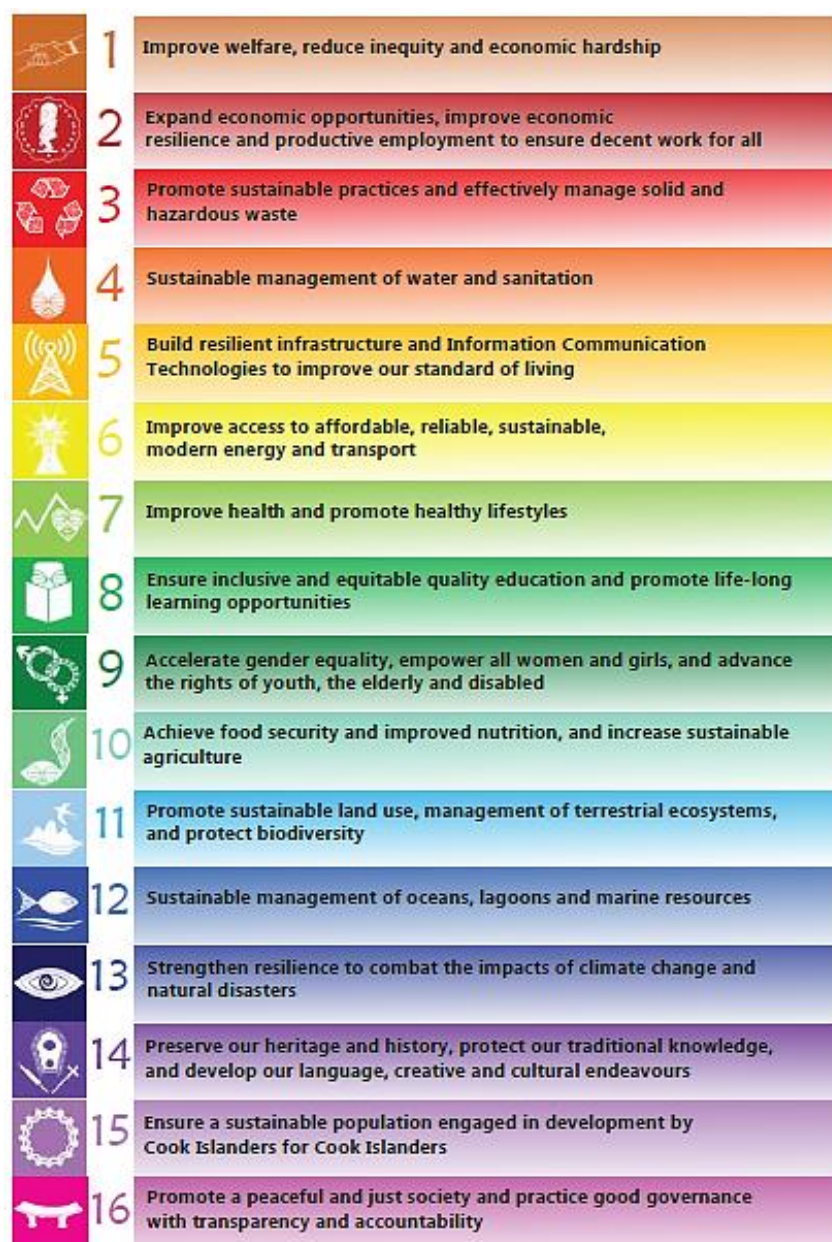


Figure 1: The 16 National Development Goals for 2016 - 2020

6 Mandates

The four pieces of legislation that determine the jurisdiction of the Cook Islands Ombudsman are:

- ❖ The Ombudsman Act 1984 (Ombudsman Act),
- ❖ The Official Information Act 2008 (OIA),
- ❖ The Disability Act 2008 (Disability Act) and
- ❖ The Police Act 2012.

Under the Ombudsman Act, the Ombudsman can investigate complaints about the administrative decisions or recommendations of Government Ministries and Crown Agencies.

Government Ministries and Crown Agencies that fall within the Ombudsman's jurisdiction are listed in Schedules 1 & 2 of the Ombudsman Act 1984 as substituted in 2007. They include:

- ❖ Government Ministries
- ❖ Crown Agencies
- ❖ Island Councils (although, if your complaint is about misconduct by an elected member, you can complaint to the Chief of Staff, Office of the Prime Minister)as
- ❖ Statutory Corporations
- ❖ State-Owned Enterprises

7 Organisational Structure

A new structure was approved on 8 May 2020 by the Public Service Commissioner to assist with the vision of building strong foundations in our transformative journey. Previously the structure included the role of an Assistant Ombudsman and a Corporate Services Manager who both reported directly to the Ombudsman. The next line of reporting was two Senior Investigations Officers and one Legal & Policy Officer with one Investigations Officer reporting to each of the Senior Investigations Officers. The decision to restructure was based on the loss of knowledge and the previously unnecessary bottle-necks created during the approval process. The below new flat line structure for the management team is to encourage cross-skilling and transparency between each function.

Te Mato Akamoeau – Office of the Ombudsman

Structure as at 3 August 2020

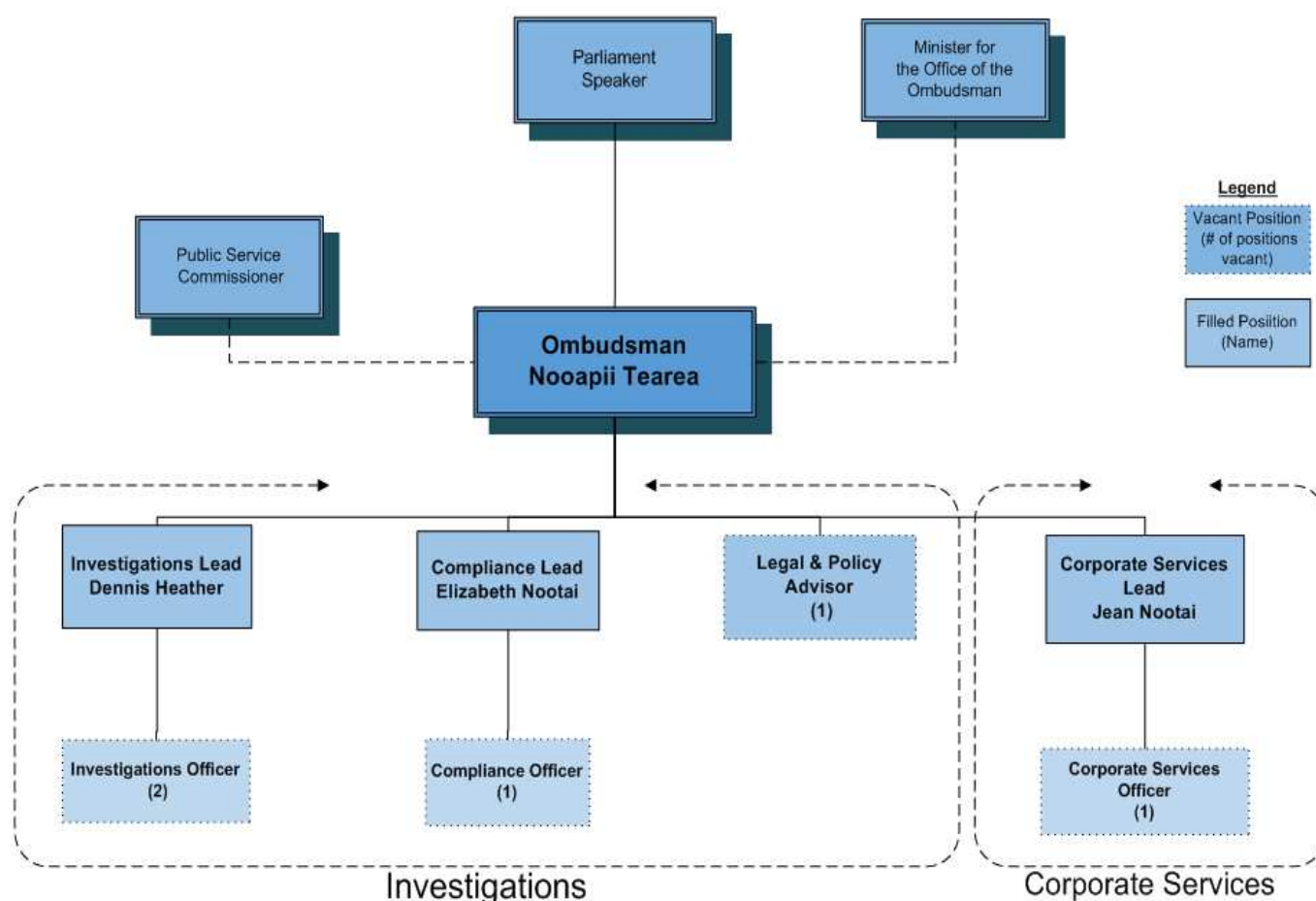


Figure 2: Office of the Ombudsman organisational structure 2020.

8 Our Functions

The Ombudsman has six main functions:

1. Investigating maladministration;
2. Investigating complaints about access to official information;
3. Investigating complaints about unlawful discrimination against disabled people;
4. Investigating complaints about Police conduct;
5. Acting as Human Rights Office of the Cook Islands; and
6. Participating in the Cook Anti-Corruption Committee.

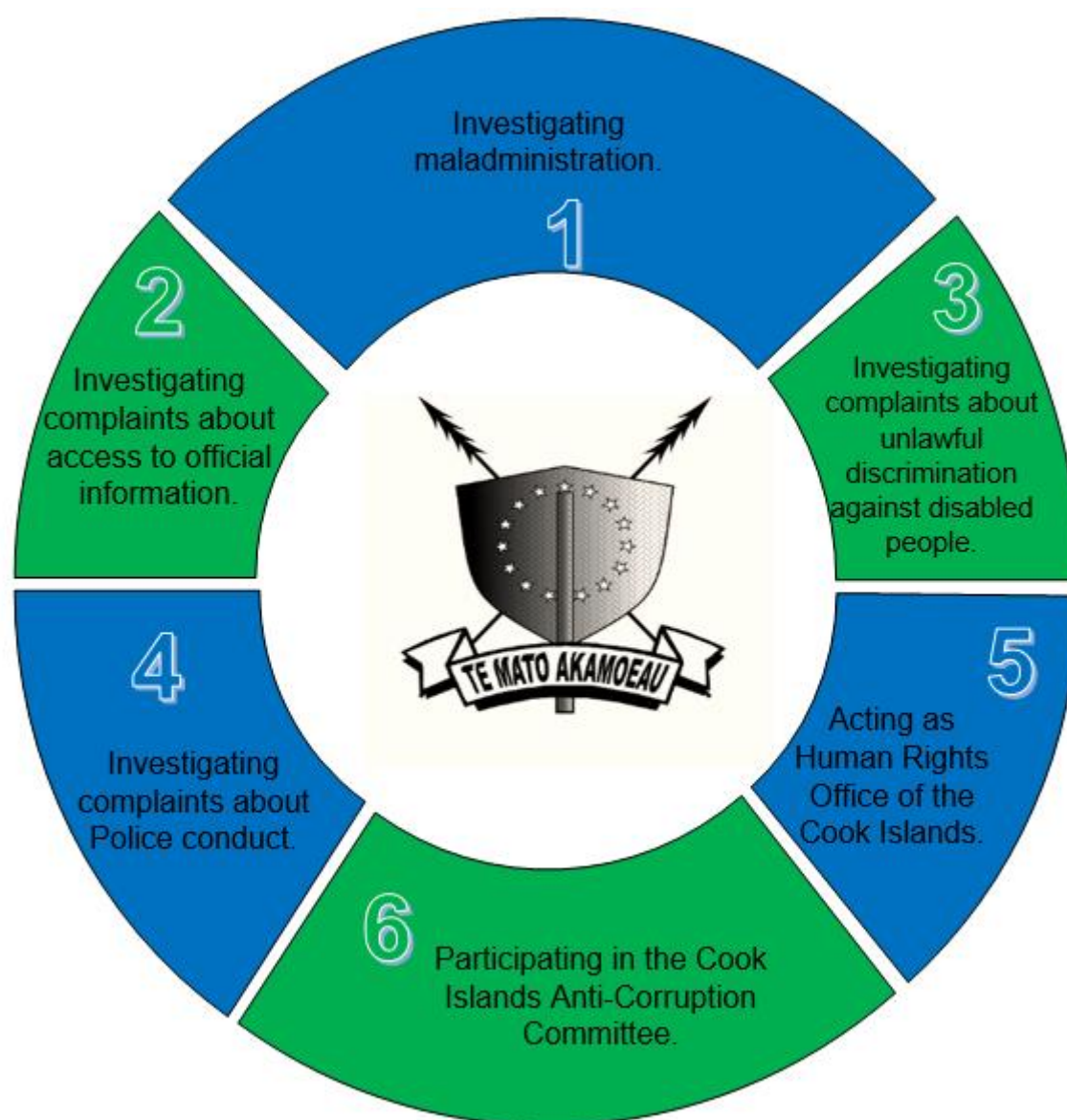


Figure 3: The six main functions of the Office of the Ombudsman

I. Investigating Maladministration

Under the Ombudsman Act 1984 (OA), I investigate 'maladministration'—a broad term that encompasses biased, neglectful, incompetent and unfair administration by Government Ministries and Crown Agencies. This can be on receipt of a complaint, or on my own initiative.

Where complaints cannot be resolved, I form an independent opinion on whether the conduct at issue was wrong, unreasonable or contrary to law. I can make whatever recommendations I think fit in order to remedy maladministration. I can report to Parliament if appropriate action is not taken on my recommendations.

II. Investigating Complaints about Access to Official Information

The Official Information Act 2008 (OIA) allows people to request information held by Ministers, Ministries and Crown Agencies, including their own personal information. Providing timely access to government-held information helps the public to:

- ❖ participate in government decision making;
- ❖ understand why decisions were made; and
- ❖ hold the government to account.

The principle of availability underpins the OIA, which means that information must be made available on request, unless there is a 'good reason' for withholding it. The Act specifies what these 'good reasons' are.

Under the OIA, I investigate complaints about decisions on OIA requests, including delays and refusals. Where complaints cannot be resolved, I form an independent opinion on the agency's decision. I can make whatever recommendations I think fit. My recommendations are binding, unless vetoed by Order in Council, made by the Queen's Representative.

III. Investigating Complaints about Police Conduct

Under the Police Act 2012 (PA), I investigate complaints about:

- ❖ alleged misconduct or neglect of duty by the Police, and
- ❖ Police practices, policies or procedures that have personally affected the complainant.

Complaints must be made to the Police Commissioner first. Complainants can then come to me if their complaint is not investigated or they are dissatisfied with the outcome.

I can also investigate incidents involving death or serious bodily harm caused by or appears to have been caused by a member of Police, which must be notified to me by the Police Commissioner.

I can oversee a Police investigation, or defer action on a complaint until the Police have investigated. Complaints may also be resolved by conciliation.

After investigating (or receiving a report of the Police investigation), I form an independent opinion on the conduct or policy complained about, and make whatever recommendations I think fit. I can report to the Solicitor-General and the Minister of Police if appropriate action is not taken on my recommendations.

IV. Investigating Complaints about Unlawful Discrimination against Disabled People

The Disability Act 2008 (DA) recognises that disabled people are entitled to the same rights and privileges as any other person. It also makes it unlawful to discriminate against someone because of their disability.

People can complain to me if they believe they have been discriminated against because of their disability. People can also complain to me on behalf of those who believe they have been discriminated against because of their disability. I can deal with these complaints under the DA or the OA.

Under the DA, I can help the parties to reach a settlement or make recommendations after investigating a complaint. In contrast to the OA and OIA, it is possible to complain about private entities under the DA.

V. Acting as the Cook Islands Human Rights Office

In 2007, Cabinet appointed the Ombudsman to be in charge of the Cook Islands Human Rights Office. However, the Ombudsman has been given no additional legal powers or resources to meet that task. In practice, this means that I will have regard to international human rights standards, and the fundamental human rights and freedoms guaranteed by Article 64 of the Cook Islands Constitution, where relevant when exercising my powers and functions under the OA, the PA and the DA.

I have been tasked to seek Cabinet's approval to include a human rights mechanism in the Ombudsman Bill which is currently under review. This mechanism would enable the Ombudsman to report proactively on Human Rights issues experienced in the Cook Islands.

VI. Participating in the Cook Islands Anti-Corruption Committee

In 2011, the Government ratified the United Nations Convention Against Corruption (UNCAC) and established an Anti-Corruption Committee. The Committee is tasked with the coordination of anti-corruption initiatives, including reporting on progress in implementing UNCAC.

I am part of the Committee, along with the Solicitor-General, Commissioner of Police, Head of the Financial Intelligence Unit (FIU), Director of the Cook Islands Audit Office, Financial Secretary of the Ministry of Finance and Economic Management (MFEM), Public Service Commissioner, and Chief of Staff of the Office of the Prime Minister (OPM).

The Committee does not operate under statute. It does not exercise any additional powers other than those already provided to its members, through their particular mandates and functions. In practice, this means that I will have regard to UNCAC where relevant in the exercise of my functions under the OA, OIA, PA and DA.

9 Overall Performance

The overall performance emphasises how my office operated in order to achieve our organisational goal/s by delivering results through my functions with support of the mandates and structures that was in place.

The overall performance will cover our key achievements, complaints data, our response to COVID-19, some specific case notes, our key challenges and finally the strategies to address or mitigate those challenges.

I. Key achievements

In this part, I describe our achievements in relation to:

- a) Australasia & Pacific Ombudsman Regional Conference, Taipei, Taiwan
- b) Investigator Training, Nadi, Fiji
- c) Regional Human Rights and Climate Change Conference, Nadi, Fiji
- d) Inaugural Pacific Ombudsman Leadership Forum, Auckland, New Zealand
- e) Working relationship with New Zealand Office of the Ombudsman
- f) Virtual Training with Pacific Ombudsmen and New Zealand Office of the Ombudsman
- g) Ombudsman Bill

a. Australasia & Pacific Ombudsman Regional Conference, Taipei, Taiwan

The Australasia & Pacific Ombudsman Regional Conference is comprised of Taiwan and Hong Kong from Asia and New Zealand, Australia, Solomon Islands, Papua New Guinea, Vanuatu, Tonga, Samoa, Cook Islands from the Pacific and is likely to see more growth in membership.

The Australasia & Pacific Ombudsman Region (APOR) is one of the six regional chapters of the International Ombudsman Institute (IOI). It holds conferences every year, and in September 2019, Taiwan's Control Yuan hosted its 31st Conference over a 3-day period. I attended this with former Deputy Ombudsman Jeannine Daniel.

The main topics covered were:

- ❖ Session One: Practices and Recent Developments of the International Ombudsman Institute.
- ❖ Session Two: The Ombudsman and the Protection of Economically and Socially Disadvantaged People's Human Rights
- ❖ Session Three: The Multifunctional Role of the Ombudsman

b. Investigator Training, Nadi, Fiji

On 31 July 2019 and 1 August 2019, Compliance Lead (then Senior Investigator) Elizabeth (Liz) Nootai and former Senior Investigator Joyce Ingram, attended Investigator's Training hosted by the New Zealand Chief Ombudsman, Peter Boshier. The training was held at the Tanoa International Hotel in Nadi, Fiji.

The main facilitators of the training were from the Office of the Commonwealth Ombudsman – Director of Operations (North), Shirley Tong, Victorian Ombudsman Office – Strategic Advisor, Amanda Wilczynski, Energy and Water Ombudsman of Western Australia – Director of Energy and Water, Marcus Claridge and NZ Office of the Ombudsman – Principal Advisor, Tracey Harlen. They also had presenters from United Nations Human Rights, United Nations Development Programme and Anti-Corruption.

The two-day training took the investigators through a live case from the assessment through to the final opinion. The techniques and advice given by the experts have already proven to be useful within our local office they have been used to on current cases.

The key highlights from this workshop were:

- ❖ The network of people and fellow Ombudsmen officials that our office now has within the Pacific
- ❖ Learning the message to an agency is of collaboration and not to lay blame.

- ❖ Sharing experiences with other investigators – for example our investigative experiences in the Cook Islands are so much different to those in Papua New Guinea.

c. Regional Human Rights and Climate Change Conference, Nadi, Fiji


The Office of the United Nations High Commissioner for Human Rights – Regional Office for the Pacific (OHCHR-ROP) hosted a three-day Regional Human Rights and Climate Change Conference focusing on climate justice, national human rights institutions, and migration in the context of climate change in the Pacific from 5-7 August 2019, in Nadi, Fiji

The conference amongst other things considered the negative impacts caused by climate change in the region. The Conference brought together around 50 participants including Government Officials from Pacific Island countries, representatives of civil society regional organisations, international and regional organisations and national human rights institution officials to share their knowledge and help Pacific countries explore ways to raise the visibility of climate change justice, business and human rights, migration, adaptation and resilience including specific sessions to address individual thematic human rights issues.

The three-day conference included the following thematic sessions:

Climate change in the Pacific – Resilience, adaptation and mitigation

- ❖ Introduction to Human Rights – The international Bill of Human Rights, and the International Human Rights Mechanisms
- ❖ How National Human Rights Institutions (NHRIs) can champion climate change
- ❖ NHRIs and Climate Justice – What roles can they play and how can we build effective partnerships
- ❖ Introduction to UN Guiding Principles and linkages with SDGs
- ❖ Business responsibility for Climate Change
- ❖ Climate induced migration – identifying the issues, developments and key themes
- ❖ Ensuring the dignity, safety, and human rights of migrants are protected in the context of climate change
- ❖ Ensuring access to justice for those affected by climate change



The session facilitated by Roberto Cadiz, Human Rights Commissioner of the Philippines was of particular interest to Compliance Lead Nootai. The office is conscious that climate change migration is an inevitability and will take this into account in its strategic direction.

d. Inaugural Pacific Ombudsman Leadership Forum, Auckland, New Zealand

In February 2020, I attended The Inaugural Pacific Ombudsman Leadership Forum. This was comprised of representatives from the Solomon Islands, Papua New Guinea, Vanuatu, Tonga, Samoa and the Cook Islands. It was established by the Chief Ombudsman of New Zealand, Peter Boshier. Its Inaugural Forum was held in Auckland, New Zealand with the theme “Ombudsman: Trusted Leaders”.

The main topics discussed at the Forum included-

- ❖ What is leadership?
- ❖ Building vision
- ❖ Building values and culture
- ❖ Managing performance
- ❖ Building trust with other leaders
- ❖ Building trust with the public

From this Forum, the idea of having a virtual training on “Rethinking Performance Management (RPM)” as stated above came about primarily due to the inability to convene a physical training for all Pacific Ombudsman as a result of the COVID-19 pandemic.

e. Working relationship with New Zealand Office of the Ombudsman

The New Zealand Office of the Ombudsman is our strongest stakeholder relationship and continues to be one that has been very beneficial for our growth as an Office.

During my aforementioned visit for The Inaugural Pacific Ombudsman Leadership Forum, in collaboration with my office, the NZOOO International Development and Engagement Team (NZOOO IDET) created a 4 Year Support Plan to assist with; developing functions within the office, provide legal counsel support and provide training support for investigations.

Recently as well the NZOOO IDET have connected us with subject matter experts on specific topics to assist with investigations.

We also have an open line of communication and meet virtually on a video conference every month for rundown of the events in the office or if there is anything we require from them.

f. Virtual Training with Pacific Ombudsmen and New Zealand Office of the Ombudsman

As mentioned above, alternative methods of engagement and training were required in order to continue growing and evolving as an office. The Office participated in a six module virtual workshop series designed to stimulate thinking about performance development in our organisations in light of the latest research. These workshops were facilitated by the International Development and Engagement Team from the New Zealand Office of the Ombudsman

Each module was run over a two-week period with week one, comprising of a link to a video presentation or research article on a theme relevant to performance development, together with two questions to reflect on. Week two consisted of a 45-minute video/tele conference with John Penney and other participants from the Pacific to share ideas and reflect on the lessons learnt.

The key learnings from the workshop were:

- ❖ Understand key conclusions from the latest research literature about motivation, performance and personal growth at work
- ❖ Be able to articulate and present core principles for the performance development approach they want to build in their organisation
- ❖ Have opportunity to apply experimentally some of the idea in the workshops and to reflect on the implications for performance development in the future.

g. Ombudsman Bill

This year we have worked hard on the reform of our founding legislation (the OA), to make it fully fit for purpose. However due to recent development the tabling of this Bill before Parliament has been delayed to the next financial year period.

This was the culmination of a partnership with the New Zealand Ombudsman's Office, and the Cook Islands Crown Law Office.

The new Act will remedy the problems which have been identified with the current law, preserving the independence of the Ombudsman from the Government of the day, and reflecting our expanded functions under the OIA, PA and DA.

Some of the key changes include:

- ❖ including the title 'Te Mato Akamoeau',
- ❖ Ombudsman to be an Officer of Parliament, appointed on the recommendation of Parliament, and responsible to Parliament for the exercise of their functions,
- ❖ removing the retirement age for the Ombudsman (72 years),
- ❖ salaries and allowances of the Ombudsman to be determined by the Remuneration Tribunal,
- ❖ appointment and entitlements of Ombudsman staff to be determined by the Ombudsman,
- ❖ ability for the Ombudsman to delegate functions to staff without prior approval of the Prime Minister, reference to the Ombudsman's expanded legislative functions, removing the requirement for complaints to be made in writing,
- ❖ an obligation for witnesses to provide evidence, even if they are under a confidentiality obligation, and
- ❖ updating the schedule to the OA, which lists the Government Ministries and Crown Agencies subject to the Act.

Uncertainties have been identified in some clauses under the current Bill which require clarification to be made. Further, it has considered that the Bill in its current form lacks adequate “teeth” to enforce the new Act. Moreover, the issues on human rights have come

to the fore where it has been considered that a human rights mechanism be included in the Bill before being tabled to Parliament.

II. Complaints

In the Office of the Ombudsman Strategic Plan 2019 – 2020¹; Goal 1 is conduct efficient and effective investigations of complaints and systemic reviews'. My team focuses on always improving and further developing its main service delivery; investigating and dealing with a complaint is one of this organisations key function (s).

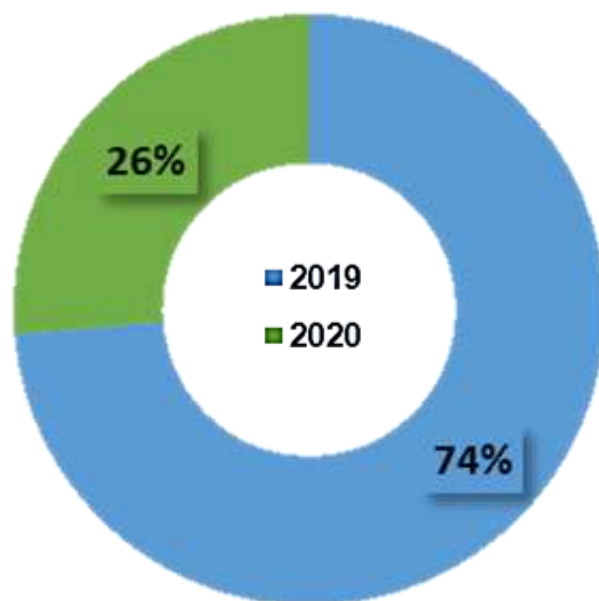


Figure 4: Chart showing the percentage of cases or complaints during the period (year) of 2019 and 2020.

With the COVID-19 crisis; this had an effect on the number of complaints coming to my office. My office used this as an opportunity to complete outstanding complaints and develop new approaches, new strategies in order to adapt to the upcoming 'new norm' of COVID-19. New developments were focused on public engagement and technology. However, it is expected that there may be an increase in the number of complaints and that COVID-19 has only delayed those incoming numbers.

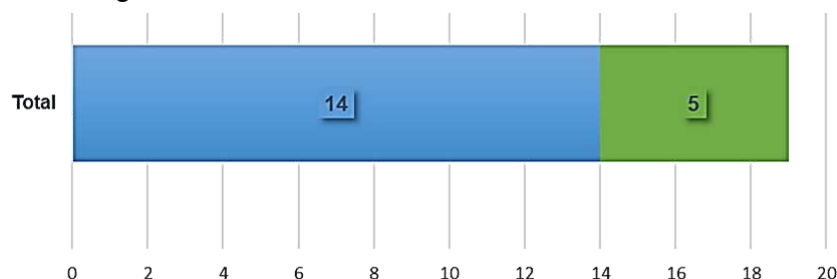


Figure 5: Chart shows the total number (s) of cases/complaints for each period of 2019 & 2020.

¹ See Appendix 3: Office of the Ombudsman Strategic goal 2019 – 2020.

III. Te au tare (the numbers)

My Office completed a total of nineteen (19) complaints and enquiries this year², as follows:

- ❖ 11 Ombudsmen Act (OA) matters;
- ❖ 3 Official Information Act (OIA) matters;
- ❖ 3 Police Act (PA) matters; and
- ❖ 2 matters outside my jurisdiction.

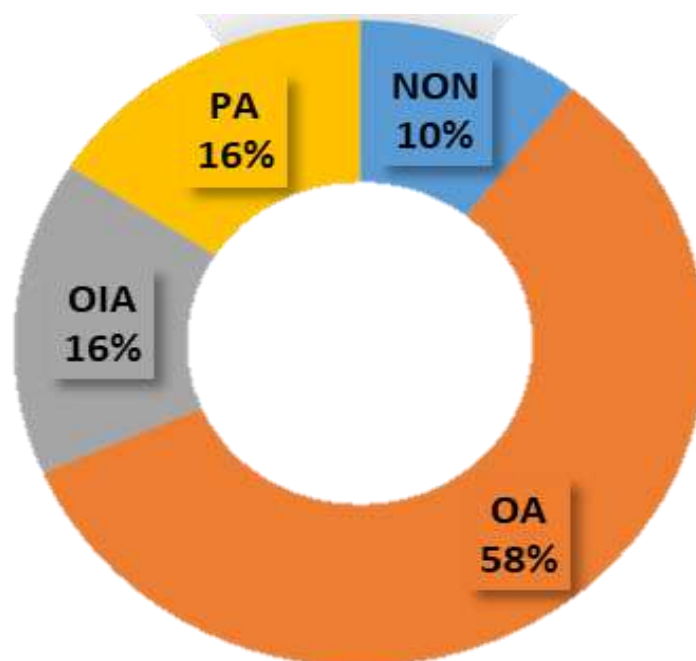


Figure 6: Chart shows the percentage for each complaint/matter under its respected act or legislation.

My Office is currently looking at a further fifteen (15) complaints and enquiries that may be included in the next Annual Report 2020 – 2021.

These numbers compared with previous years shows a decrease in complaints and enquiries received to my office. In light of the Global pandemic crisis; COVID-19 has affected this change with delays that will test the performance of government administrations or praise its public service effort.

² Annual Report 2019 – 2020 period from July 2019 to June 2020.

Period		Legislation				Total
		NON	OA	OIA	PA	
2019	Jul – Sep	0	4	0	0	4
	Oct – Dec	1	4	3	2	10
2020	Jan - Mar	1	3	0	1	5
TOTAL		2	11	3	3	19

Table 1: Data shows number of complaints completed for the 2019 - 2020 period as per quarter and legislation.

Providing a timely service to complainants is something that is important to us. Straightforward matters are usually able to be resolved in a timely manner. While we continue to make progress in reducing the number of complaints carried forward each year, a key focus for me and my team in 2020/21 will be the increase in support of Government Ministries and Crown Agencies to resolve complaints more effectively and efficiently.

My team tries hard to help complainants even if the matters they raise are outside my jurisdiction. They managed to resolve two such complaints, and provided advice in respect of a third.

CASE / STATUS	COMPLETED	OPEN	MINISTRY (s)
Total Number (s)	19	15	6

Table 2: Table shows total number of complaints/cases for the 2019 - 2020 period; also current cases still open/active.

IV. COVID-19 Response

What we could not have foreseen a year ago was a global pandemic that has rapidly transformed the world as we know it today. Amidst this global crisis there was a shift in priorities for all levels of government.

During the initial phases of emergency planning for COVID-19 we were identified as an essential service and we continued to work from the office through Codes Blue and Yellow whilst practicing social distancing.

V. Case Notes

COVID-19 and the decrease of incoming complaints provided my office the ability to focus this financial year on our aged complaints. My staff and I have been reviewing and looking at ways we can move these complaints forward. We have done this by actively engaging with both the complainants and speaking with government ministries and agencies regarding resolutions.

In order for my office to conduct more efficient and effective investigations of complaints and systemic reviews; a lot of our work relies on whether ministries and agencies will respond to our requests to supply additional information as requested and in a timely manner.

Another part of our function is to assist in the improvement³ of public services. If we find that an organisation has not put something right that we found went wrong, we usually make recommendations for remedial action or make a suggestion to improve its way of working. It is mediocre administrative practice to deal with complaints against a government administration as they arise, fail to either learn from or correct the problem. There needs to be an assurance that lessons have been learnt and changes have been made to prevent further cases of maladministration, good practice or poor public service.

Public awareness⁴ and increasing awareness of our office to government agencies and ministries has been difficult this year due to capacity. We had hoped to work on this in the second half of the year but with COVID-19 Preparedness being a priority this reduced the public engagement programmes we had planned. When it was eventually safe to venture out in public we resumed our public engagement plan by hosting a collaboration and cooperation meeting with members of Cook Islands National Disability Council (CINDC). The purpose was to discuss on building mutually beneficial partnerships as well as deepening the understanding of roles and responsibilities between the council and other ministries and agencies. This was critical with new behaviour arising from the pandemic crisis emerging and affecting everything including normal public services.

³ Strategic 19/20 Goal 2: To increase awareness amongst government agencies of their rights and responsibilities to minimise public complaints and investigations.

⁴ Strategic 19/20 Goal 3: To create greater public awareness of the Ombudsman's role and enhance the reputation of the Ombudsman.

Case Note 1 is an example of Non-Response where the complainant came to us because the government would not respond. The complainant had been trying to get someone to listen to her since February 2019 and became disheartened because of the lack of a response hence why the complaint was lodged with us in July 2019.

a. Case Note 1: Non-Response

The Renewable Energy Development Division (REDD) team which sits with the Office of the Prime Minister (OPM) was responsible for a renewable upgrade which occurred in an outer island in January 2019. Damage (digging, dumping and the cutting of trees and the removal of hedges) was done to family land during this upgrade. A complaint was lodged with our office in July 2019 due to the non-response from the REDD team. Informal enquiries between my Office and the REDD team was one-sided and did not field a response from the REDD team. I wrote to the Chief of Staff to address this issue, he quickly liaised with the head of the REDD team and asked that they investigate the complainant's concerns and provide a report to my office. The Director of REDD investigated and confirmed that there had been damage to the family land and swiftly put in place remedial measures to fix the damaged area and compensated the family for the removal of the flora and fauna in the area. I would like to thank the Chief of Staff for coordinating a response from the REDD team and a suitable remedy. My office continues to be plagued by non-responsiveness from Government ministries and agencies and will put in place measures to combat this.

b. Case Note 2: Improvement Opportunities

A requester sought information about shipping/passenger service licences, correspondence and approvals of the number of authorised passengers and ministerial dispensations or exemptions that had been issued between a specified period. The requestor wanted to understand the legislative basis that was used to approve vessels to exceed the terms of their design. The Ministry of Transport refused to release the information citing the following two excerpts of the Official Information Act 2008

Section 8(2)(b)(ii)

Other reasons for withholding official information – (1) Where this section applies, good reasons for withholding official information exists for the purpose of section 5 of this Act unless, in the circumstances of the particular case the withholding of that information is outweighed by other consideration which render it desirable, in the public interest, to make that information available. (2)

Subject to sections 6, 7, 9, and 18 of this Act, this section applies if, and only if, the withholding of the information is necessary to – (a) protect the privacy of natural persons, including that of deceased natural persons; **or (b) protect information where the making available of the information** – (i) would disclose a trade secret; or **(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is the subject of the information**

and Section 8(2)(l)

(l) prevent the disclosure or use of official information for improper gain or improper advantage.

My Office conducted an investigation and was of the view that the decision to withhold information from the requestor pursuant to Section 8(2)(b)(ii) and 8(2)(l) of the Act was unreasonable and in some aspects was contrary to law. Improper practices in relation to variations to shipping licences, record keeping and public safety were discovered.

I wrote to the Ministry addressing the above issues. I would like to confirm that Ministry now have proper record keeping processes in place and have introduced the following:

- Incorporate the draft Maritime (Carriage of Passengers) Rules 2019 has been incorporated into the draft Maritime (Domestic Vessel Safety) Regulations, which is under review at the advice of Maritime New Zealand.
- The Shipping License Ordinances 1963 to be reviewed before the IMO audit in 2022.
- The Minister has approved the Maritime (Standards Training Certificate of Watchkeepers (STCW)) Rules 2020.
- The Ministry no longer authorises the Minister responsible for shipping to grant exemptions or variation to licenses as the practise was not in line with the relevant act

stipulated. The Ministry abides by the safety manning certificate issued by Maritime Cook Islands.

- The Ministry completes a Domestic Vessel Departure Approval form for all domestic vessels for safety and compliance for all voyages departing the Port of Rarotonga for the Pa Enua. Deficiencies are dealt with as a priority prior to departure.

There is a need for accountability for how regulatory agencies perform their functions, including a more robust process for awarding licences and variations. A great deal of importance is needed to ensure that there are robust measures in place to ensure public safety is at the forefront of everything a public agency strives to do. The Ministry has confirmed that the process is in place and is working to have the appropriate review of the legislation before Cabinet in due course. The Ministry states its appreciation of the support and advice provided by my office. Thank you to the Ministry of Transport for cooperating in putting these measures in place.

c. Case Note 3: Failure to respond and enforce.

In August 2019, a verbal complaint was lodged with the National Environment Services (NES) regarding the excavation of earth and rocks from an un-investigated piece of land in Rarotonga. The complainant was concerned that the excavation company was working without a valid permit. The complainant did not receive a response and lodged a complaint with my Office.

On receipt of the complaint, the Ombudsman investigator made preliminary inquiries with NES. The investigator asked a range of questions to NES around the policy and procedures regarding complaints handling, field form visits, offences and Environmental Impact Assessment (EIA) project permits. NES provided a copy of their Advisory and Compliance Manual.

On investigation, it was discovered that NES was negligent in their duty to follow their own internal processes. Complaint forms were not filed, field forms were not documented at the time of the offence and what was most concerning was the retrospective application for an EIA. The application was deferred but the content contained in this application proved that

NES were aware of the breach in the Environment Act 2003 (the Act) and failed to enforce their legislative responsibility to the Act.

The Ombudsman formed the view that NES had acted unreasonably by failing to update and respond to the complainant and failed in their legislative responsibility to enforce the Act. The Ombudsman recommended that NES apologise to the complainant and serve notice on the excavator for breaches in the Act. We are happy to note that NES did serve notice and apologised to the complainant and will endeavour to work diligently to avoid a situation like this in the future.

d. Case Note 4: Failure to comply, non-response and inaction

A complaint was lodged with Infrastructure Cook Islands (ICI) with regard to the Building Control Division. The complaint was for a neighbouring property that had built a housing extension which encroached on to the complainant's boundary. The complainant did not receive a resolution from the Building Control Division so a complaint was laid with my Office.

Our Senior Investigator interviewed the Building Controller and was advised that there were discrepancies with boundary pegs, a shipping container and a building extension.

On investigation, it was discovered that a building permit had not been applied for the housing extension, under the standard regulations of the Cook Islands Building Controls and Standards Act, 1991. The complainant was correct in complaining. The extension was built illegally and had not been officially signed off as compliant.

The Ombudsman recommended ICI to follow up and fix the non-compliant issue and apologise to complainant for their non-response and inaction.

ICI confirmed they are still working with the complainant to fix the issue.

VI. Key challenges

a. Non-contact from Government Ministries and Crown Agencies

Non-responsiveness and delays in responding to requests from Government Ministries and Crown Agencies is a continual problem for the Ombudsman's office and has been since my tenure. It would appear that it was also prevalent in the days of my predecessors. In order for my office to fulfil its mandate and improve public administration we need engagement from our ministries and agencies. For example, the Cook Islands Police Services, Ministry of Foreign Affairs and Immigration as well as the Ministry of Health - Te Marae Ora have used preparation for COVID-19 as the basis for the delay in addressing requests from my office. I continue to acknowledge their commitment around ensuring our island is defended against COVID-19, but at the same time government ministries and agencies need to ensure that their core functions and complaints handling procedures are addressed and dealt with in a timely fashion.

b. Capacity

Currently the Office budget limits our ability to recruit highly qualified/experienced individuals. As a result of this we have had to run three separate recruitment drives in order to fill positions that were vacated between November 2019 and January 2020. These three separate recruitment drives did not prove successful so a review of the office structure was completed and in May 2020 a new organisational structure was approved.

c. Minimal public awareness

One of the main reasons for our office not receiving a multitude of complaints is the fact that most of our community are not aware of the Office's functions. The office has created mitigation strategies, set out below, that among other things address this low public awareness.

VII. Mitigation strategies

To address our key challenges over the last few months the following mitigations strategies were created in order to

- (1) Public Engagement / Public awareness
 - a. Social Media
- (2) Education / Advice and training
- (3) International and regional relations

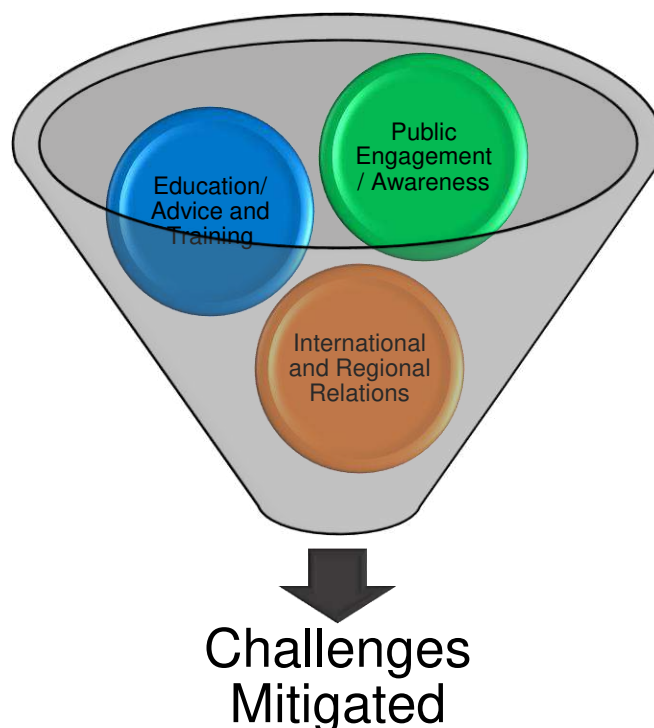


Figure 7: Strategies in place to address and mitigate the key challenges shown in the period 2019 - 2020 period.

a. Public awareness

My Office's Strategic Goal 3 is 'to create greater public awareness of the Ombudsman's role and enhance the reputation of the Ombudsman'. We do this by engaging with the public in multiple ways. We publish pamphlets in English and Cook Islands Māori, including:

- ❖ The role of the Ombudsman
- ❖ Making requests for official information
- ❖ The United Nations Convention on the Rights of Persons with Disabilities.

We have developed a new website, which was launched on November 2019. We are on Facebook, which provides a good way of reaching out to the public and letting them know what we are up to.

b. Advice and training

My Office's Strategic Goal 2 is 'to increase awareness among government agencies of their rights and responsibilities to minimise public complaints and investigations'. My team is able to provide advice and training to Government Ministries and Crown Agencies on request, on the role of the Ombudsman and the OIA.

c. International and regional relations

Having strong relations with other Ombudsmen and Ombudsman-type institutions helps us to learn from their experiences, and improve our practices, and vice versa.

We are members of the International Ombudsman Institute (IOI) and Australasian Pacific Ombudsman Region (APOR) which is the regional arm of the IOI. Being a member allows us to take part in regional and international conferences, access their training programmes and apply for grants to support us in our work.

We have a particularly strong working relationship with the New Zealand Ombudsman. After my visit in April 2019, I have been in constant contact with the team at New Zealand Office of the Ombudsman (NZOOO), in particular the International Development and Engagement Team. In collaboration with my Office, the NZOOO built a 4 Year Support Plan⁵ to assist with; developing functions within the office, provide legal service support, provide training support for investigations and connecting us with subject matter experts on specific topic.

Being an Ombudsman in a small nation means that our jurisdiction is very broad and requires us to be technical specialists in many areas, and therefore I rely on my strong international relationships to provide me with expertise beyond what I am able to find in my own team,

⁵ See 6.I.c. Working Relationship with NZOOO

10 Financial statements



OFFICE OF THE OMBUDSMAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

OFFICE OF THE OMBUDSMAN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORY

Minister

Honourable Vaine (Mac) Mokoroa
Minister of the Office of the Ombudsman

Head of Office / Title

Noopili Tearea
Ombudsman

Business Address

1st Floor TJ's Building
Tupatapuatea
Avarua
Rarotonga

Contact Details

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Postal Address

P O Box 748
Avarua
Rarotonga

Auditor

Cook Islands Audit Office
Level 2
Government Administration Building
Avarua
Rarotonga

Banker

Bank South Pacific (BSP)
Avarua
Rarotonga

Solicitor

Crown Law Office
Avarua
Rarotonga

OFFICE OF THE OMBUDSMAN
STATEMENT OF RESPONSIBILITY

In terms of Section 30 of the Ministry of Finance and Economic Management Act 1995-96, we are responsible for the preparation of the Office of the Ombudsman's financial statements and the judgements made in the process of producing those statements.

We have the responsibility of establishing and maintaining internal controls. We have established and maintained a system of internal control procedures that provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements fairly reflect the financial position and operations of the Office of the Ombudsman for the year ended 30 June 2020.



Noopii Tearea
Ombudsman

21 January 2021
Date



Honourable Vaine (Mac) Mokoroa
Minister of the Office of the Ombudsman

21 January 2021
Date

OFFICE OF THE OMBUDSMAN
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2020

In New Zealand Dollars	Notes	Actual 2020 \$	Budget 2020 \$	Actual 2019 \$
Revenue				
Funding from the Crown	2	330,398	330,398	301,930
Total Revenue		330,398	330,398	301,930
Expenditure				
Personnel Expenses	3	216,882	256,350	220,678
Audit Fees		50	-	-
Depreciation Expenses	9	5,490	5,822	2,258
Other Expenses	4	64,665	68,226	68,581
Total Expenditure		287,152	330,398	291,517
Operating Balance before Gains and Losses (OBEGAL)		43,246	-	10,413
Other Gain / (Losses)		-	-	-
Gain / (Loss) on Disposal of Assets		-	-	(286)
Total Other Gains / (Losses)		-	-	(286)
Net Surplus / (Deficit)		43,246	-	10,127

Explanations of major variances against the budget are provided in Note 15.

The accompanying notes should be read in conjunction with these Financial Statements

OFFICE OF THE OMBUDSMAN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

In New Zealand Dollars	Notes	Actual 2020 \$	Actual 2019 \$
Assets			
Current Assets			
Cash and Equivalents	5	1,462	(1,531)
Debtors and Other Receivables	6	187,773	140,246
Total Current Assets		189,235	138,715
Non-Current Assets			
Property, Plant, and Equipment	9	18,500	23,541
Total Non-Current Assets		18,500	23,541
Total Assets		207,735	162,256
Liabilities			
Current Liabilities			
Creditors and Other Payables	7	172,624	123,558
Employee Entitlements	8	12,459	8,695
Total Liabilities		185,083	132,253
Net Assets		22,652	30,003
Equity			
Contributed Capital		25,698	25,698
Accumulated Surplus / (Deficit)		(3,046)	4,305
Total Equity	10	22,652	30,003

The accompanying accounts should be read in conjunction with these Financial Statements

OFFICE OF THE OMBUDSMAN

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

In New Zealand Dollars	Notes	Actual 2020 \$	Actual 2019 \$
Balance at 1 July		30,003	5,263
Net Surplus / (Deficit) for the year		43,246	10,127
Capital Funding from the Crown		-	20,435
Return of Surplus to the Crown		(44,775)	-
Depreciation Payable to the Crown		(5,822)	(5,822)
Balance as at 30 June	10	22,652	30,003

The accompanying accounts should be read in conjunction with these Financial Statements

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OFFICE OF THE OMBUDSMAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Actual 2020 \$	Actual 2019 \$
In New Zealand Dollars		
Cash Flows From Operating Activities		
Receipt of Crown Appropriation	281,340	296,108
Payments to Employees	(213,117)	(228,563)
Payments to Suppliers	(66,246)	(67,151)
Net Cash Flows from / (used in) Operating Activities	1,912	394
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(450)	(20,821)
Net Cash Flows from / (used in) Investing Activities	(450)	(20,821)
Cash Flows From Financing Activities		
Capital Funding from Crown	-	20,435
Cash Recalled by Crown	1,531	(1,439)
Net Cash Flows from / (used in) Financing Activities	1,531	18,996
Net Increase/(Decrease) in Cash and Equivalents	2,993	(1,431)
Opening Cash Balance	(1,531)	(100)
Closing Cash Balance	1,462	(1,531)

The accompanying accounts should be read in conjunction with these Financial Statements

OFFICE OF THE OMBUDSMAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Actual 2020 \$	Actual 2019 \$
In New Zealand Dollars		
Reconciliation of Net Surplus / (Deficit) to Net Cash Flows from Operating Activities		
Reported Surplus	43,246	10,127
Add / (less) Non-cash Items		
Depreciation Expenses	5,490	2,258
Change in Employee Entitlements	4,069	(8,094)
Change in Cash Recall	1,531	(1,439)
(Gain) / Loss on Sale of Property Plant and Equipment	-	266
Total Non Cash Items	54,336	3,138
Add / (less) movements in Statement of Financial Position Items		
(Increase) / decrease in Crown Receivables	(49,058)	(5,822)
(Increase) / decrease in Cash Recall	(1,531)	1,439
Increase / (decrease) in Payroll Accruals	(305)	209
Increase / (decrease) in Sundry Creditors	(1,531)	1,431
Net movements in Working Capital Items	(52,425)	(2,744)
Net Cash Flows from Operating Activities	1,911	394

The accompanying accounts should be read in conjunction with these Financial Statements

OFFICE OF THE OMBUDSMAN
STATEMENT OF APPROPRIATIONS
FOR THE YEAR ENDED 30 JUNE 2020

In New Zealand Dollars:

		Appropriation	Revenue/ Expenditure	Surplus /
Year Ended 30 June 2020		Voted	Actual	(Deficit)
Output 1:	Investigations and Reviews	194,124	168,715	25,409
Output 2:	Public Awareness and Training	59,589	51,772	7,797
Output 3:	Corporate Services	76,705	66,665	10,040
		330,398	287,152	43,246
Net Surplus				43,246

Year Ended 30 June 2019				
Output 1:	Investigations	82,131	81,481	650
Output 2:	Systemic Reviews	82,191	81,478	713
Output 3:	Corporate Services	53,313	52,379	934
Output 4:	Public Awareness and Training	42,148	37,829	4,319
Output 5:	International and Regional Relations	42,148	38,637	3,511
		301,931	291,804	10,127
Net Surplus				10,127

The accompanying accounts should be read in conjunction with these Financial Statements



OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1: Statement of Accounting Policies

Reporting Entity

These financial statements are for the Office of the Ombudsman, which is considered to be an agency of the Crown. It has therefore designated itself a public entity for financial reporting purposes.

Statement of Compliance

These financial statements have been prepared in accordance with the Ministry of Finance and Economic Management Act 1996-98 and the International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board (IPSASB).

Measurement Base

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

These financial statements have been prepared using the historical cost method to report results, cashflows and the financial position of the Office of the Ombudsman. The financial statements have been prepared under the accrual basis of accounting and are presented in New Zealand dollars rounded to the nearest dollar.

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.

Income Tax

The Office of the Ombudsman, as an agency of the Crown, is exempt from the payment of income tax in terms of the Income Tax Act 1997. Accordingly, no charge for income tax has been provided for.

Foreign Currencies

Foreign currency transactions are recorded at the exchange rates in effect at the date of the transaction. Monetary assets and liabilities arising from trading transactions or overseas borrowings are translated at closing rates. Gains and losses due to currency fluctuations on these items are included in the Statement of Financial Performance.

The accompanying notes should be read in conjunction with these Financial Statements

**OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Note 1: Statement of Accounting Policies (continued)

Commitments

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Statement of Cash Flows

Operating activities include cash received from all income sources of the Office of the Ombudsman and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition, holding and disposal of fixed assets and investments.

Financing activities comprise capital injections by, or repayment of capital to, the Crown.

Value Added Tax (VAT)

All statements of account are inclusive of VAT as the Office is not VAT registered due to the annual trading income being below the threshold.

Budget figures

The budget figures are derived from the Cook Islands Government Budget Estimates 2019/2020 Book 2: Ministry Budget Statements as approved by the Minister of Finance at the beginning of the financial year.

Critical accounting estimates and assumptions

In preparing these financial statements, the Office 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 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 of property, plant and equipment - refer to Note 9

Changes in Accounting Policies

There have been no changes in accounting policies since the date of the last audited Financial Statements

The accompanying notes should be read in conjunction with these Financial Statements

OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 2: Revenue

Accounting Policy

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

Revenue under non-exchange transactions

Funding from the Crown

The Office is primarily funded from the Crown. This funding is restricted in its use for the purpose of the Office meeting the objectives specified in its founding legislation and the scope of the relevant appropriation of the Crown. The Office provides services to the Crown in the form of the production of certain outputs as disclosed in the Statement of Appropriations on page 12.

The funding 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 from the funding arrangements.

Breakdown of Revenue

	Actual 2020 \$	Actual 2019 \$
Revenue under Non-Exchange Transactions		
Funding from the Crown	330,398	301,930
Total Trading Revenue	330,398	301,930

Note 3: Personnel Expenses

Accounting Policy

Superannuation Schemes

The Office contributes to the Cook Islands National Superannuation Fund and Government Fund. Which is accounted for as a defined contribution scheme and are expensed in the surplus or deficit as incurred.

Breakdown of Personnel Expenses

	Actual 2020 \$	Actual 2019 \$
Salaries and Wages	208,428	219,010
Defined Contribution Plan - Employer Contributions	4,688	9,555
Increase / (Decrease) in Employee Entitlements	3,766	(7,886)
Total Personnel Expenses	216,882	220,678

The accompanying accounts should be read in conjunction with these Financial Statements.

OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 4: Other Expenses

Breakdown of Other Expenses

	Actual 2020 \$	Actual 2019 \$
Communication	1,003	8,023
Expensed Assets	858	2,855
Repairs and Maintenance	5,309	6,114
Fuel and Oil	1,667	1,355
Office Supplies / Consumables	6,391	2,465
Electricity	5,894	7,734
Entertainment	5,438	6,661
Professional Services	-	425
Travel	6,419	3,397
Human Resources and Training	555	2,150
Advertising, Marketing, and Promotion	-	828
Rent	22,994	22,995
Subscription	825	723
Other	7,312	2,856
Total Other Expenses	64,665	68,581

Note 5: Cash and Equivalents

Accounting Policy

Cash is considered to be cash balances on hand and current accounts in banks, net of bank overdrafts and trust accounts with original maturities of three months or less.

Breakdown of Cash and Equivalents

	Actual 2020 \$	Actual 2019 \$
Cash at Bank (Bank of South Pacific)	1,632	(1,531)
Undeposited Funds	(170)	-
Total Cash and Equivalents	1,462	(1,531)

The accompanying accounts should be read in conjunction with these Financial Statements

OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 6: Debtors and Other Receivables

Accounting Policy

Short-term receivables are recorded at the amount due, less any provisions for uncollectability.

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

Breakdown of Debtors and Other Receivables and Further Information

	Actual 2020 \$	Actual 2019 \$
Receivables under Non-Exchange Transactions		
Cash Recall	60,718	62,249
VAT (Value Added Tax) Receivable	3,221	3,221
Sundry Receivables	729	729
Crown Receivable	123,105	74,047
Total Debtors and Other Receivables	187,773	140,246

Inter-ministry receivables included above to Crown Agencies

Note 7: Creditors and Other Payables

Accounting Policy

Short-term payables are recorded at the amount payable.

Breakdown of Creditors and Other Payables and Further Information

	Actual 2020 \$	Actual 2019 \$
Payables under Exchange Transactions		
Accrued Expenses	-	1,531
Total Payables under Exchange Transactions	-	1,531
Payables under Non-Exchange Transactions		
Crown Payable		
Depreciation Payable	80,493	74,671
Surplus Payable	92,131	47,356
Total Payables under Non-exchange Transactions	172,624	122,027
Total Creditors and Other Payables	172,624	123,558

The accompanying accounts should be read in conjunction with these Financial Statements



OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 8: Employee Entitlements

Accounting Policy

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

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

Breakdown of Employee Entitlements

	Actual 2020 \$	Actual 2019 \$
Accrued Salaries and Wages	3,998	4,303
Annual Leave	8,461	4,392
Total Employee Entitlements	12,459	8,695

The accompanying accounts should be read in conjunction with these Financial Statements

OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 9: Property, Plant and Equipment

Accounting Policy

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses.

Additions

The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at date of acquisition. An asset acquired below the \$5,000 threshold set by the Cook Islands Government Policy and Procedures Manual is assessed on a case by case basis, and if the asset provides economic benefit for more than one financial year, it will be recognised as an asset.

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

The cost of day to day servicing of property, plant and equipment are expensed in surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the sales proceeds with the carrying amount of the asset.

Depreciation

Depreciation of property, plant and equipment is provided on a straight line basis so as to allocate the cost of assets to their estimated residual value over their estimated useful lives. Typically, the estimated useful lives are:

Computer Equipment	3 - 4 years	25 - 33%
Motor Vehicles	5 years	20%
Furniture and Fittings	4 - 10 years	10 - 25%
Office Equipment	5 years	20%
Buildings	10 years	10%

Impairment of property, plant and equipment

The Office does not hold any cash generating assets. Assets are considered cash generating when their primary objective is to generate a commercial return.

The accompanying notes should be read in conjunction with these Financial Statements



OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED

Note 9: Property, Plant and Equipment (continued)

Non-cash generating assets

Property, plant and equipment 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 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 cost to sell and value in use.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on either a depreciated replacement cost approach, a 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.

The accompanying notes should be read in conjunction with these Financial Statements

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OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 9: Property, Plant and Equipment (continued)

Breakdown of Property, Plant and Equipment and further information

Movement for each class of Property, Plant and Equipment are as follows:

	Computer Equipment \$	Furniture & Fittings \$	Motor Vehicles \$	Plant & Equipment \$	Buildings \$	Total \$
Cost						
Balance as at 1 July 2018	16,384	7,187	24,872	-	-	48,443
Additions	386	-	20,435	-	-	20,821
Disposals	-	286	-	-	-	286
Balance as at 30 June 2019	16,770	6,901	45,307	-	-	68,978
Accumulated Depreciation and Impairment Losses						
Balance as at 1 July 2018	13,300	5,007	24,872	-	-	43,179
Depreciation	1,257	320	681	-	-	2,258
Accumulated Depreciation on Disposals	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-
Balance as at 30 June 2019	14,557	5,327	25,553	-	-	45,437
Carrying Amount						
As at 30 June 2019	2,213	1,574	19,754	-	-	23,541
Cost						
Balance as at 1 July 2019	16,770	6,901	45,307	-	-	68,978
Additions	450	-	-	-	-	450
Disposals	-	-	24,872	-	-	24,872
Balance as at 30 June 2020	17,220	6,901	20,435	-	-	44,556
Accumulated Depreciation and Impairment Losses						
Balance as at 1 July 2019	14,557	5,042	25,553	-	-	45,152
Depreciation	1,369	320	4,087	-	-	5,776
Accumulated Depreciation on Disposals	-	-	24,872	-	-	24,872
Impairment Losses	-	-	-	-	-	-
Balance as at 30 June 2020	15,926	5,362	4,768	-	-	26,056
Carrying Amount						
As at 30 June 2020	1,294	1,539	15,667	-	-	18,500

Capital Commitments

There were no property, plant and equipment commitments at year end (2019:nil).

The accompanying notes should be read in conjunction with these Financial Statements

OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 10: Equity

Accounting Policy

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- > contributed capital
- > accumulated surplus / (deficit)

Depreciation Payable to the Crown

The higher of the actual depreciation or the budgeted depreciation and amortisation for the year will be repaid to the Crown and is recognised directly in the statement of changes in equity.

Return of Surplus to the Crown

The surplus of total liquid assets over total liabilities at the end of each financial year will be repaid back to the Crown if no approval for carry forward has been given and is recognised directly in the statement of changes in equity.

Crown Repayable

Any gains received from the sale of an asset is to be repaid to Crown, excess trading revenue earned and unused capital funds to be repaid to Crown.

Breakdown of Equity

	Actual 2020 \$	Actual 2019 \$
Contributed Capital		
Balance as at 1 July	25,698	5,263
Capital Contribution	-	20,435
Balance as at 30 June	25,698	25,698
Accumulated Surplus / (Deficit)		
Balance as at 1 July	4,305	-
Surplus / (Deficit) for the year	43,246	10,127
Return of Surplus to the Crown	(44,775)	-
Depreciation Payable to the Crown	(5,822)	(5,822)
Balance as at 30 June	(3,046)	4,305
Total Equity	22,652	30,003

The accompanying notes should be read in conjunction with these Financial Statements

OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 11: Related Party Transactions

The Office of the Ombudsman is a wholly owned entity of the Crown, however, the Government protects it through its legislation from undue influence and significant control.

The Crown provides the Office of the Ombudsman with significant funding in the form of an annual appropriation to assist the Office of the Ombudsman in discharging its duties and obligations.

The Office also enters into transactions with other Government ministries, Crown agencies and State Owned Enterprises in an arms-length basis.

The key management personnel are members of the senior management group.

The aggregate remuneration of members of the senior management group and the number of individuals determined on a full time equivalent basis receiving remuneration within this category are:

Key Management Personnel Compensation

	Actual 2020	Actual 2019
Remuneration	\$ 93,907	\$ 102,024
Full-Time Equivalent Members	2	3

Note 12: Financial Instruments

Accounting Policy

Financial Assets

All financial assets are classified as Loans and Receivables. Loans and receivables are measured at fair value plus transaction cost on initial measurement and subsequently at amortised cost. Interest income and interest expense is recognised in the surplus or deficit.

Financial Liabilities

All financial liabilities are classified as Other Liabilities. Other liabilities are measured at fair values less transaction cost on initial measurement and subsequently at amortised cost. Interest income and interest expense is recognised in the surplus or deficit.

The accompanying notes should be read in conjunction with these Financial Statements

OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 12: Financial Instruments (continued)

Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	Actual 2020 \$	Actual 2019 \$
Loans and Receivables		
Cash and Equivalents	1,462	(1,531)
Debtors and Other Receivables	187,773	140,246
Total Loans and Receivables	189,235	138,715
Other Liabilities		
Creditors and Other Payables	172,624	123,558
Employee Entitlements	12,459	8,695
Total Other Liabilities	185,083	132,253

Financial Instrument Risks

The Office's activities exposes it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign currency rates. The Office does not have any foreign currency transactions and therefore there is no currency risk.

Liquidity Risk

Liquidity risk is the risk that the Office will encounter difficulty raising liquid funds to meet commitments as they fall due. The Office manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

Market Risk

Market risk is the risk that changes in market prices (such as foreign exchange rates, interest rates and equity prices) will affect the Office income or value of its financial instruments. The Office has no financial assets or liabilities that are affected by changes in market prices and therefore there is no market risk.

The accompanying notes should be read in conjunction with these Financial Statements

OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 12: Financial Instruments (continued)

Credit Risk

In the normal course of business, the Office of the Ombudsman incurs credit risk from trade debtors and transactions with financial institutions. The Office has a credit policy, which is used to manage this risk. As part of this policy, limits on exposure with counter parties had been set and are monitored on a regular basis.

The Office of the Ombudsman has no significant concentrations of credit risk. It does not require any collateral or security to support financial instruments due to the quality of financial institutions and trade debtors dealt with.

Fair Values

The estimated fair values of the Office of the Ombudsman's financial assets and liabilities are their carrying values.

Note 13: Contingencies

Accounting Policy

Contingent assets and liabilities are disclosed at the point which the contingency is evident.

Contingent Liabilities

The Office has no contingent liabilities at balance date (2019: nil).

Contingent Assets

The Office has no contingent assets at balance date (2019: nil).

Note 14: Events after balance date

There is no significant events after the balance date.

Note 15: Explanation of major variances against the budget

Explanations for major variances from Office of the Ombudsman budgeted figures are as follows:

Statement of Financial Performance

Personnel Expenses

Actual personnel expenses was lower than budgeted by \$39,468 (18%), was mainly due to the unexpected resignation of the three (3) key personnel in the middle of the financial year.

The accompanying notes should be read in conjunction with these Financial Statements

11 Future priorities

I. Establishing UNHRI

With continuous talks about the needs for a human rights monitoring mechanism it was identified that the establishment of a Cook Islands UNHRI is required. Currently a cabinet submission is being prepared to include this in the Bill that is currently under review, the urgency for this has increased over the last few months.

I have been in contact with NZOOO, the Office of the Ombudsman – Samoa and Thomas Hunecke, Deputy Head of the Office of the High Commissioner for Human Rights in the Pacific seeking advice and assistance with implementing a National Human Rights Institute here in the Cook Islands.

II. Staffing, training and succession

The decision to change to our current organisational structure was to create a sound foundation for growth and to remove any unnecessary bottlenecks. The current flat line structure with the three separate leads reporting directly to me is to make it easier for cross-skilling across the board and to increase accountability and transparency. With the introduction of the junior roles it will give us an opportunity to build skills within our office for succession of management roles in the future.

12 Appendices

I. Appendix 1 – Breakdown of Cases

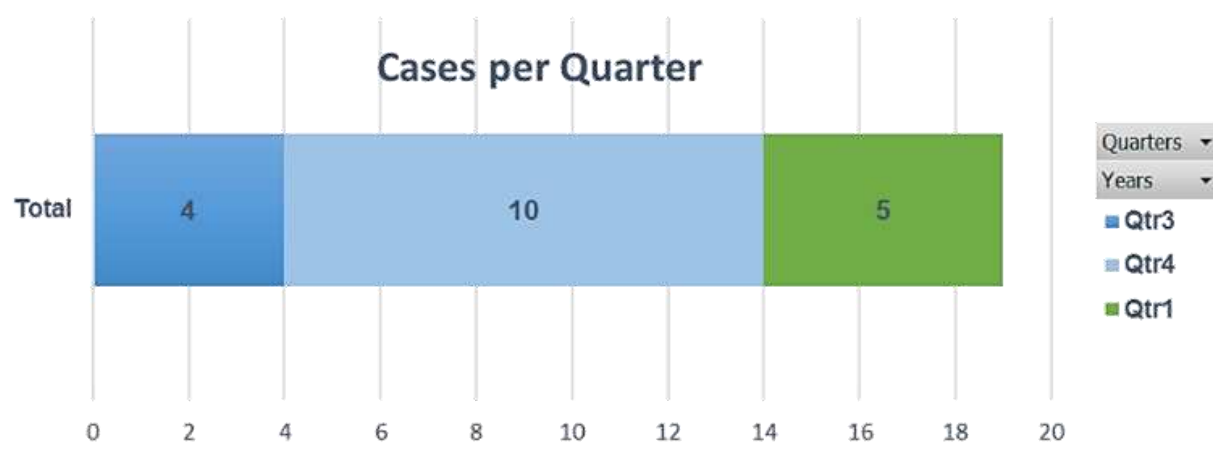


Figure 8: Chart showing the total number of complaints completed for each quarterly period for 2019 - 2020.

Note: QTR2 not included as no cases received in this period

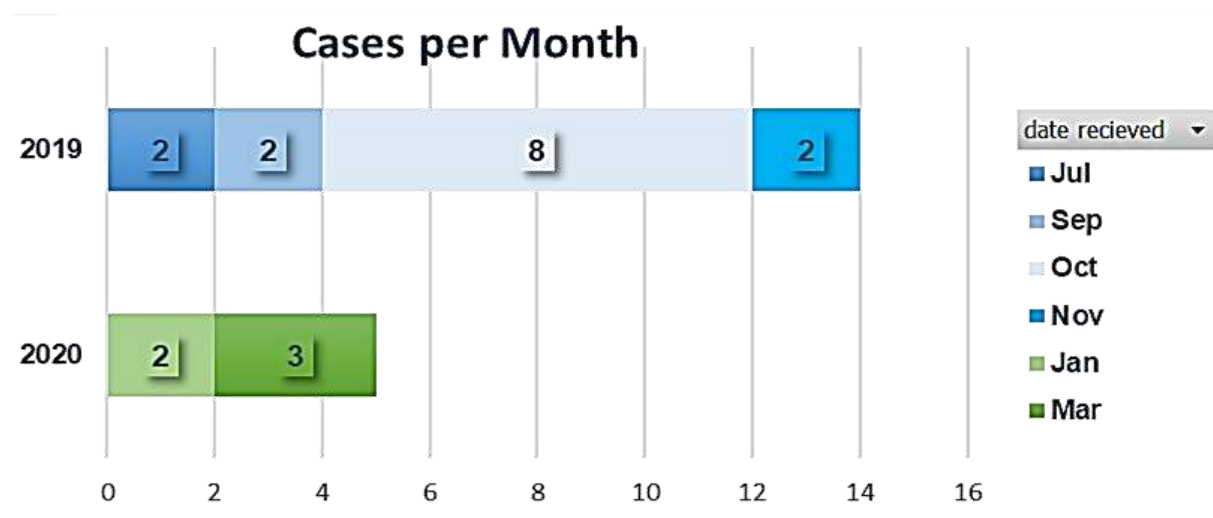


Figure 9: Chart showing the total number of complaints completed for each month for the 2019-2020 period.

CASE	POLICE	MOT	MOJ	MFAI	MFEM	MOH	TOTAL
PENDING	6	2	1	2	1	1	13

Table 3 : Table showing the data for total number of active cases against each ministry carried forward for the 2020 - 2021 period.

STRATEGIC OBJECTIVES

Strategic Goal 1:

To conduct efficient and effective investigations of complaints and systemic reviews

Outputs	Indicators		
	2018-2019	2019-2020	2020-2021
<ul style="list-style-type: none"> Quality customer service Quality investigations Quality systemic reviews 	<ul style="list-style-type: none"> Customer service training undertaken Timely responses to complainant enquiries Confidentiality maintained Introduction of investigations system Performance management system introduced Staffing structure implemented Appropriate resourcing Review of record keeping undertaken Feedback from complainants and agencies Legislative research and data supports investigation outcomes Relevant and consistent investigation outcomes Systemic reviews inform decision making 	<ul style="list-style-type: none"> Increased turn around in completed investigations by 25% Feedback from clients shows 25% improvement in level of service provided Review of investigations system Staff performance management shows increased staff productivity Survey of agencies shows increased service and support Staff training on legislative compliance conducted High level of investigation outcomes Systemic reviews inform decision making 	<ul style="list-style-type: none"> Increased turn around in completed investigations by 25% Feedback from clients shows 25% improvement in level of service provided High level of staff productivity maintained Staffing structure reviewed Survey of public shows increased customer satisfaction Survey of agencies shows continual improvement in level of service and support Staff fully aware of legislative requirements relevant to complaints Consistently high level of investigations and systemic reviews conducted Office recognised as providing quality customer service, investigations and systemic reviews

Table 4: Table outlining the Office of the Ombudsman Strategic Goal 1 2018 – 2021

Strategic Goal 2:

To increase awareness amongst government agencies of their rights and responsibilities to minimise public complaints and investigations

Outputs	Indicators		
	2018-2019	2019-2020	2020-2021
<ul style="list-style-type: none"> Agency meetings and workshops Quarterly newsletters to agencies Presentations to Ministers and HoMs Tracking records Penalty system introduced Good practice recognition 	<ul style="list-style-type: none"> Quarterly newsletters introduced and distributed to all government and civil society agencies At least six agencies are visited by senior staff At least two workshops are conducted for government and civil society agencies At least one presentation made to HoMs At least one presentation made to Ministers Tracking of complaints and investigations initiated Letters of appreciation for compliance sent to agencies Research on penalty system initiated 	<ul style="list-style-type: none"> Quarterly newsletters distributed to all government and civil society agencies At least 8 agencies are visited by senior staff At least three workshops are conducted for government and civil society agencies At least one presentation made to HoMs At least one presentation made to Ministers Tracking of complaints and investigations reviewed and reported Letters of compliance sent to agencies Penalty system for non-compliance introduced 	<ul style="list-style-type: none"> Quarterly newsletters distributed to all government and civil society agencies At least 10 agencies are visited by senior staff At least four workshops are conducted for government and civil society agencies At least one presentation made to HoMs At least one presentation made to Ministers Tracking results of complaints and investigations analysed and used to inform next strategic plan Letters of compliance sent to agencies Penalty system for non-compliance reviewed

Table 5: Table outlining the Office of the Ombudsman Strategic Goal 2 2018 – 2021

Strategic Goal 3:

To create greater public awareness of the Ombudsman's role and enhance the reputation of the Ombudsman

Outputs	Indicators		
	2018-2019	2019-2020	2020-2021
<ul style="list-style-type: none"> Media communication Pa Enua Workshops and Clinics Public Workshops and Clinics Public survey results Public enquiries Report to international and regional partners Actively participate and contribute to International Ombudsman Institute international and regional meetings and engagements 	<ul style="list-style-type: none"> At least two media communication initiatives undertaken At least one public workshop conducted on Rarotonga Three <u>Vaka</u> clinics offered to the public Survey for public feedback developed At least two visits to the Pa Enua – Southern Group to conduct workshops and clinics Level of public enquiries tracked Distribution of at least one newsletter to the public 	<ul style="list-style-type: none"> At least four media communication initiatives undertaken At least two public workshops conducted on Rarotonga Three <u>Vaka</u> clinics offered to the public Survey for public feedback distributed and analysed At least three visits to the Pa Enua – Southern Group to conduct workshops and clinics Level of public enquiries tracked and comparative data shows increased awareness Distribution of at least two newsletters to the public 	<ul style="list-style-type: none"> At least four media communication initiatives undertaken At least two public workshops conducted on Rarotonga Three <u>Vaka</u> clinics offered to the public Results of public feedback used to inform next strategic plan One visit to the Pa Enua – Northern Group to conduct workshops and clinics Visit remaining island in the Southern Group to conduct workshop and clinic Distribution of at least two newsletters to the public

Table 6: Table outlining the Office of the Ombudsman Strategic Goal 3 2018 – 2021

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