



**TRANSPARENCY
INTERNATIONAL**
New Zealand

Annual General Meeting

MONDAY, 30TH OCTOBER 2017

ANZ, 171 FEATHERSTON STREET, WELLINGTON

Conway Powell
(Director, Dunedin)



Josephine Serrallach
(Director,
Palmerston North)



Suzanne Snively
(Chair,
Wellington)



Christine Stevenson
(Treasurer,
Wellington)



Lisa Traill (Member,
Auckland)



Karin Webster
(Member,
Auckland)



Brendon Wilson
(Director,
Wellington)



Election of Directors

CANDIDATE SPEECHES LIMITED TO ONE MINUTE ONLY

2016/17 DIRECTORS WITH TERMS ENDING IN FUTURE

TIM GOODRICK (SOUTH KOREA), CHARLES HETT (WELLINGTON), DAVID MCNEILL (AUCKLAND), MARK SAINSBURY (AUCKLAND/WELLINGTON) GUS VAN DE ROER (WELLINGTON)

RETIRING DIRECTORS: JAMES BROWN (AUCKLAND), BRYCE EDWARDS (WELLINGTON)

2017 AGM Apologies

Aine Kelly-Costello

Alison Smith

Andrew Hampton

Andrew Kibblewhite

Barry Fisk

Daniel King

David Butcher

Diane Edwards

Fletcher Tabuteau

Iona Holsted

James Shaw

Jane Diplock

Jay Daley

John Allen

John Hopkins

Julie Read

Mac Leauanae

Marie Daldry

Michael Morris

Mike Reid

Naomi Ferguson

Peter Adams

Peter Hughes

Scott Pickering

Stephen Walker

Tod Cooper

William Patterson

MOVER: LISA TRAILL

SECONDER: KAREN WEBSTER

2016 AGM Minutes

MOVER: DAVID MCNEILL

SECONDER: BRYCE EDWARDS



Annual Report and Financial Statements

PUBLISHED IN HARD COPY

ELECTRONIC VERSION PROVIDED MEMBERS



Statement From The Chair

- New Zealand's 51st Government stalled in progressing its anti-corruption policy in 2016/17.
- While the Government had shown great leadership in 2015/16 with unanimous ratification of UNCAC and its comprehensive omnibus anti-corruption legislation, Cabinet activities were minimal for the year ended 30 June 2017.
- New Zealand's 51st Government had the opportunity to take a leadership role to progress its 7 commitments to David Cameron's 2016 Anti-Corruption Summit (ACS). TI's comparative table shows that even though these are weak commitments, only one has been achieved with five others still active and one inactive.

Statement From The Chair

Disappointment

COMPLETED	INTERNATIONAL SPORT INTEGRITY PARTNERSHIP: “NZ will work with the international sports bodies to develop a partnership for combating corruption in sport.”
ACTIVE	TRANSPARENCY AND INTEGRITY (Public Procurement): “NZ will continue and intensify efforts to develop procurement capability, including initiatives that safeguard integrity in the procurement process”
	PUBLIC REGISTER (Beneficial Ownership): “NZ commits to exploring the establishment of a public central register of company beneficial ownership information.”
	FINANCIAL ACTION TASK FORCE (Anti-Money Laundering): “NZ will also explore how to appropriately incorporate the FATF standards on preventing money laundering in the non-financial professional services sector into domestic legislation”
	DENIAL OF ENTRY (Denial of Entry): “NZ will also, where appropriate under New Zealand law, deny entry to specific individuals who are identified as being involved in grand scale corruption.”
	ACCESS TO INTERNATIONAL LAW ENFORCEMENT (Beneficial Ownership): “NZ will also continue to implement bilateral arrangements that will ensure law enforcement in one partner country has full and effective access to the beneficial ownership information of companies incorporated in the other partner country.”
INACTIVE	DEBARMENT DATABASE (Public Procurement): “NZ will explore establishing an accessible and central database of companies with final convictions for bribery and corruption offences, and ways of sharing information on corrupt bidders across borders.”

Statement From The Chair

- During 2016/17, a gap emerged where the increasingly knowledgeable approach of public service became increasingly proactive.
- Public servants gained momentum in progressing the practices to prevent corruption, reduce money laundering and strengthen integrity systems.
- There was an investment in people and activities to enhance the effectiveness of anti-money laundering practice



Statement From The Chair

- In June 2016, John Shewan's response to the Panama Papers coordinated work, already underway by public servants, to understand how offshore grand corruption impacted our country. The Shewan Inquiry was a model in terms of setting out clear steps to address the registration of the beneficial owners of foreign trusts.
- The key missing element was a public register of beneficial owners for all foreign entities (companies as well as trusts).
- TINZ also recommended extending the New Zealand Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) Act (2009) to more effectively tackle the broader spectrum of financial crime.



Statement From The Chair

Highlights 2016/2017

- The most important highlight was the decline in foreign trusts registered. In the five years to June 2016, foreign trusts grew from hardly any to over 12,000 at the time of the Shewan Inquiry. By July 2017, only around 3,000 had become registered.
- The Panama Papers gave TINZ's profile a lift.
- Another highlight was the State Services Commission taking a proactive approach to OGP. In August 2016, leadership of the State Services Commission to frame of Open Government Partnership (OGP) commitments with civil society working in co-creation with government agencies.

Statement From The Chair

Highlights 2016/2017

- The inaugural Mayoral Candidate Debates which discussed the prevention of corruption in local government and the opportunities through these activities to demonstrate a good reputation to attract engagement for regional economic development.
- TINZ's continuing partnership with the Office of the Auditor-General (OAG) jointly hosting New Zealand's public-sector CEO's to a series of forums to address specific topics aimed at preventing corruption and building strong public-sector integrity systems. The discussion has deepened collaboration around ideas to more effectively address corruption.
- Thanks to Anne Gilbert, TINZ Project Manager Public Sector, manages these forums and to the OAG's Ann Webster and its team including Catherine Leong and Fleur Baker.
- Thanks to the nearly 30 public sector CEOs who contributed as Chairs, Commentators and Presenters.

Statement from the Chair

Finance Integrity System Assessment (FISA)

- TINZ's Financial Integrity System Assessment (FISA) approach was made available for consultation in November 2016.
- The open consultation process led to Cameron Smith, an expert in fraud surveys designing the comprehensive questionnaire for the FISA survey, on a pro-bono basis. This survey will go out in 2017/18 to all of the (approximately) 1000 New Zealand financial organisations.
- Thank you to Stephen Tindall who was the Master of Ceremonies at the inaugural FISA workshop held on 19 October 2016.
- Thank you to Rebecca Smith and her team at NZTE's New Zealand Story for hosting the FISA Professional Services Workshop on 23 May 2017.

Statement from the Chair

TINZ's vision and mission are:

Vision: A world with trusted integrity systems in which government, politics, business, civil society and the daily lives of people are free of corruption.

Mission: Foster a national culture where transparency, integrity, good governance, ethical standards and practices are core values of all New Zealanders.

Transparency International New Zealand Goals:

1. Authoritative voice – (thought leadership, research)
2. Strong integrity systems with the public and private sector (implementing NIS recommendations)
3. Successful PACCSI (Pacific Program)
4. Strong sustainable chapter – increasing membership, donations and fundraising with partners who provide financial and pro-bono support to TINZ and achieve mutual benefits through working together.

Statement from the Chair

TINZ Board Structure

- TINZ's Board continues to grow to support its thought leadership expertise.
- As well as the 12 elected Directors and working Patron, the TINZ Board has another 23 committed participants who have been designated as 'Board Members with Delegated Authority'.
- Given the Kiwi willingness to generously volunteer expertise, experience and networks, TINZ has been able to grow its capability and capacity year after year. Its output far exceeds the funding resources so generously provided by our members.
- It takes experience, expertise and knowledge to shed light in the dark places where corruption thrives. Board Members connect TINZ with their networks, which opens up the dialogue about ways to achieve greater openness and public accountability.

Statement from the Chair

2016/2017 Board of Directors

Chair Suzanne Snively

Deputy Chair James Brown

Treasurer Christine Stevenson

Directors: Brendon Wilson, Bryce Edwards, Charles Hett, Conway Powell, Gus van de Roer, James Brown, Josephine Serrallach, Mark Sainsbury, Tim Goodrick



Statement from the Chair

Governance Structure

Patron: Sir Don McKinnon

TINZ Patron, Sir Don McKinnon's term as the TINZ Patron is from 1 March 2015 until 28 February 2018.

Administration and Finance Committee

Chaired by TINZ Treasurer, Christine Stevenson, TINZ's Administration and Finance Committee efficiently progresses the Board's operational processes.

Deputy Chair

Aucklander James Brown, TINZ Deputy for 2016/17. Assists with FISA.

Rules, Ethics Committee

The Rules specify that the TINZ Board may elect an Integrity & Compliance Officer from within existing board members. In January 2017, Dr. Karin Lasthuizen, the new Brian Picot Chair in Ethics from Victoria University of Wellington, became the Chair of the Ethics Committee. Elected Director Charles Hett has accountability for the Ethics Committee with Auckland based TINZ Director David McNeill the third member of the committee.

Statement from the Chair

Members with Delegated Authority

Liz Brown

Nichola Hodge

Declan Mordaunt

Ferdinand Balfoort

John Hopkins

Phoebe Myles

James Bushell

Claire Johnstone

Mark Nicholas

Tod Cooper

Daniel King

Luke Qin

Karen Coutts

Karin Lasthuizen

Lisa Traill

David Dunsheath

Michael Macaulay

Fuimaono Tuiasau

Daygan Eager

Sarah Mead

Karen Webster

Louise Gregory

Alexandra Mills
Events



Thank you to those who have supported TINZ this year

Individual members

- Thanks to individual TINZ members. You empower the wider discussion of the identification of corruption that helps ensure that New Zealand maintains strong integrity and through this, gains greater prosperity shared fairly by all citizens.



Thank you to those who have helped fund TINZ in 2016/2017

Public Sector

- TINZ acknowledges the continuing support of Inland Revenue, SSC and participating agencies contributing through SSC and LGNZ as well as other contributors from central and local government since balance date.

ACC

Ministry of Justice

Auckland Council

Ministry of Pacific Island Affairs

Department of the Prime Minister and Cabinet

NZ Customs

Electoral Commission

NZ Police

GCSB

NZ SIS

Inland Revenue

Office of the Auditor General

LGNZ

Office of the Ombudsman

Masterton District Council

School of Government

Ministry of Business, Innovation and Employment

Serious Fraud Office

Ministry of Education

State Services Commission

Ministry of Foreign Affairs and Trade

Te Puni Kokiri

Treasury

Thank you to those who have supported TINZ this year

In-Kind Contributions

- A further major contribution to has been in-kind contributions from many of our members and supporters - venues, coffee/tea and advice. Two outstanding contributors over this past year have been Deloitte (prior to the November 2016 Wellington earthquake which damaged it's building) and Chapman Tripp. They have provided meeting venues, video conferencing and Skype and Wi-Fi facilities so as to enable TINZ Directors and Board members with Delegated Authority based in Auckland, Wellington, Christchurch, Palmerston North, Dunedin, South Korea, Europe, the UK and the US to participate in Board meetings.
- Other supporters who went beyond the call of duty in 2016/17 were the ASB, Bell Gully, Tim Downes and Grant Thornton, and Kensington Swan. The OAG, Victoria University of Wellington Institute of Governance and Policy Studies (IGPS) and Brian Picot Chair of Ethics have generously hosted TINZ panel discussions, assisted with advertising and organised venues.

Thank you to those who have supported TINZ this year

Affiliations

- Thanks to our affiliates and potential affiliates

Affiliates

Institute of Internal Auditors NZ

Institute of Directors

IPANZ

Oxfam

VSA

Potential Affiliates

CAANZ

Crime Stoppers

FinTech NZ



Thank you to those who have supported TINZ this year

TINZ Staff

CEO, Janine McGruddy brought huge courage, vitality and commitment to her role .

Helen Bewley, Finance Officer has kept monthly reporting up to date and led performance reporting in this years Annual Report.

Eva Lu, Board Secretary and Administration Officer has kept the Board routines organised.

George White has grown TINZ social media presence.

Steve Snivey has prepared the new website.



Statement from the Chair

Sustainable Chapter

- The commitment of central and local government to funding resource has supported TINZ plans to develop a long-term consistent strategy for New Zealand. By demonstrating the role of a sustainable TINZ Chapter to work with New Zealand organisations and people to ensure a sustainable and legitimate New Zealand society.
- Having a paid team provides a base to now seek resources from the private as well as the public sector to develop tools to prevent corruption, protect integrity and harvest the gains from our reputation in a manner that generates prosperity.
- While lack of awareness and complacency remain, anti-corruption and transparency issues are now regularly discussed in the media and Government.
- We call on the new Government to make New Zealand both the least corrupt public sector in the world, the world leader in corruption prevention and in motivating our businesses to develop growth strategies based on a reputation of integrity.

Suzanne Snively, ONZM

Chair, Transparency International New Zealand Inc

30 October 2017

Profit and Loss



Statement of Financial Performance Transparency International NZ Incorporated for the year ended 30 June 2017

	Notes	Actual This Year	Budget This Year	Actual Last Year
Revenue				
Donations, fundraising and other similar revenue	1	21,577	118,000	46,937
Fees, subscriptions and other revenue from members	1	25,801	15,181	13,309
Revenue from providing goods or services	1	48,511	52,000	41,000
Public Sector Support: Operational Funding	1	253,913	173,913	-
Grant Revenue and TI-Secretariat Funding or Reimbursement	1	4,868	-	409,541
Interest, dividends and other investment revenue	1	3,886	3,000	2,885
Total Revenue		358,556	362,094	513,672
Expenses				
Expenses related to public fundraising	2	8,204	7,000	30,290
Volunteer and employee related costs	2	213,561	219,880	32,582
Costs related to providing goods or services	2	49,734	102,804	33,964
Grant Spending and Donations made	2	23,888	-	409,843
Other expenses		-	-	-
Total Expenses		295,387	329,684	506,679
Surplus/(Deficit) for the Year		63,169	32,410	6,993

Auditor's Statement



Independent Auditor's Report

To the members of Transparency International New Zealand Incorporated

Report on the financial statements

Opinion

In our opinion, the accompanying financial statements of Transparency International New Zealand Incorporated (the incorporated society) on pages 21 to 28:

- i. present fairly in all material respects the incorporated society's financial position as at 30 June 2017 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with PBE Simple Format Reporting Standard - Accrual (Not For Profit).

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 30 June 2017;
- the statements of financial performance and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the incorporated society in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

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



Other information

The Trustees, on behalf of the incorporated society, are responsible for the other information. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, 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.



Use of this independent auditor's report

This report is made solely to the members as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body for our audit work, this report, or any of the opinions we have formed.



Responsibilities of the Trustees for the financial statements

The Trustees, on behalf of the incorporated society, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being PBE Simple Format Reporting Standard - Accrual (Not For Profit));
- implementing necessary internal control to enable the preparation of a financial statements that is fairly presented and free from material misstatement, whether due to fraud or error;
- identifying outcomes and outputs that are relevant, reliable, comparable and understandable, and quantifying the outputs to the extent applicable, to report in the statement of service performance; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objective is:

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements.

A further description of our responsibilities for the audit of this financial statements is located at the External Reporting Board (XRB) website at:

https://www.xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx.

This description forms part of our independent auditor's report.



KPMG
Wellington
9 October 2017

Approve Annual Report and Financial Statements

MOVED: LUKE QIN

SECONDED: LOUISE GREGORY



New Member Applicants

Moved: Christine Stevenson

Adelaide Healey	Daygan Eagar	John Hopkins (Dr)
Alice Bray	Deborah O'Kane	Julie Harris
Alistair Ford	Gary Grainger	Karen Harris
Allan Dombang	Ian Fraser	Karen Webster
Ann Webster	Jack Flanagan	Karin Lasthuizen
Asma Bashir	James Bushell	Liliane de Paiva Nascimento
Ben Kirley	Jane Diplock	Lisa Bicknell
Carolyn Risk	Janine Maddison	Lisa Traill
Caroline Sawyer	Jo Toon	Louise Gregory
Claire Smollett	John Hall	Luke Qin

Seconded: Brendon Wilson

Marie Daldry	Scott Miller
Mark Nicholas	Shaun McHale
Michael Macaulay	Tod Cooper
Michael Stowers	Jeff Galt
Nichola Hodge	Michael Gibson
Paddy Plunket	Derek Leask
Paul Chapman	Bob Buckle
Peter Adams	Theo Fink
Phil Jones	Salesh Narayan - Delta ABC Services
Sean Conway	



Appointment of Auditor

MOVED: DAVID MCNEILL

SECONDED: CHARLES HETT



**TRANSPARENCY
INTERNATIONAL**
New Zealand

Any Other Business/Questions



**TRANSPARENCY
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Speaker: Rebecca Kitteridge,
CVO CEO, NZSIS

INTRODUCTION: SIR ANAND SATYANAND



**TRANSPARENCY
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Speaker: Rebecca Kitteridge,
CVO CEO, NZSIS



**TRANSPARENCY
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New Zealand

Speaker: Rebecca Kitteridge,
CVO CEO, NZSIS

QUESTIONS FACILITATED SIR DON MCKINNON



**TRANSPARENCY
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New Zealand

Speaker: Rebecca Kitteridge,
CVO CEO, NZSIS

THANK YOU



Networking Time

THANK YOU FOR YOUR SUPPORT OF TINZ / YOU ARE WELCOME TO STAY ON AND NETWORK

THANKS TO ANZ