



Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions

Financial Report

Six-month period ended 31 December 2019

Executive Director Overview

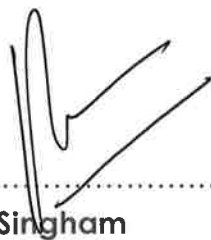
Operating Expenditure

The Commission recorded a total underspend against its year to date forecast of \$0.9M (8%) for the six-month period to 31 December 2019. Excluding capital expenditure, the variance is approximately 7%. The variance in legal assistance costs is mainly due to a difficulty in assessing the timing and number of applications for legal assistance. The Commission is developing a robust methodology for the allocation of funding for counselling, hence the current variance. In the interim counselling is being provided to all survivors who require it.

The second half of the year will see a significant increase in expenditure due to additional public hearings being planned and held, together with new operating systems coming on line and a further increase in FTE numbers. Our current forecast spend for the year ending 30 June 2020 of \$28M (against the 2019/20 appropriation of \$14M) is, however, being actively reviewed and we have an ongoing program to seek efficiencies in our operating model where appropriate.

Capital Expenditure

Forecast and actual capital expenditure to date is predominantly attributable to our new hearing space in Auckland. Cost pressure challenges are being faced regarding the hearing space. The latest forecast does however remain for final costs to be in line with budget and total approved capital funding of \$4.0m. The Commission is actively managing costs to ensure we remain within appropriation, including putting plans for expenditure on our Wellington office on hold.



Mervin Singham

Royal Commission Financials: July 2019 – December 2020

Cost Centre 'Group'	Mth Act	Mth FC	Mth Var	YTD Act	YTD FC	YTD Var	Var %	YTD Variance Comment
	\$k	\$k	\$k	\$k	\$k	\$k		
Capex	40	173	133	368	500	133	27%	Underspend is a timing issue.. Total costs still to be finalised.
Operating	1,789	1,877	88	9,431	9,519	88	1%	n/a
Legal Assistance	0	404	404	0	404	404	100%	Actual numbers received less than forecast, plus coding errors. Correction Journals will be arranged
Counselling Fees	22	50	28	77	479	401	84%	Underspend is driven by a further refinement of the Commissions strategy/plan for Counselling Fees spend
Chair & Commissioners Fees	193	60	-133	659	582	-77	-13%	Overspend driven by a catch up of prior months invoices. Forecast to be refined.
Total	2,044	2,564	520	10,535	11,484	949	8%	

- > Total YTD underspend of \$0.949m to forecast. The underspend is driven by underspends in all Cost Centre Groups except Chair & Commissioners Fees
- > Application to roll over any eventuating full year underspends to budget will be made into funding for the 2020/21 financial year
- > Chair & Commissioners Fees. The YTD overspend is driven by a forecasting inaccuracy which has been corrected in the January forecast
- > Capex. Full Year Forecast Auckland fit out costs to at or close to total appropriation A plan is in flight to minimise all capital costs to ensure there is no overspend, which includes putting all Wellington Capex on hold. The Auckland fit out is scheduled for completion this financial year.

Operations Cost Centres Summary

Controllable Profit & Loss	Mth Act	Mth FC	Mth Var	Mth Var %	YTD Act	YTD Budget	YTD Var	YTD Var %
Total Staff Costs*	792	512	-280	-55%	3906	3626	-280	-8%
Temporary Staff	191	0	-191	0%	870	679	-191	-28%
Contractors	244	449	205	46%	1258	1463	205	14%
Consultants	105	75	-30	-40%	489	459	-30	-6%
Travel	72	118	45	39%	514	560	45	8%
Legal Expenses	161	521	360	69%	1119	1478	360	24%
Equipment & Consumables	19	20	1	6%	292	293	1	0%
Accommodation	59	114	56	49%	407	462	56	12%
Other	146	68	-78	-115%	577	499	-78	-16%
Total Expenses	1,789	1,877	88	5%	9,431	9,519	88	1%

* Total FTEs as at 31 December 40.6 compared to 37 FTEs reported as at 30 June 2019

Travel: Includes international travel of \$6,206 (No material individual trips)

Total Executive Credit Card Spend totalled \$121k (Source: General Ledger)

- > Total YTD spending of \$9.4m is in line with forecast
- > Temporary Staff & Contractors – Variances to forecast nets out across these cost categories.
- > Legal Expenses Underspend – driven by a combination of factors including timing of recruitment and the holiday period. Forecast to be reviewed.
- > Accommodation – Forecast Auckland rental payment not charged (on investigation the Commission negotiated a rental holiday until February which was not reflected in the forecast. Forecast to be updated.
- > Other – overspend driven by Computer Costs and expected to be timing issue (further investigate to occur in the month).

