



Annual Report 2015–2016

Independent Police Conduct Authority

TO: THE HONOURABLE MINISTER OF JUSTICE

I have the honour to present to Parliament the Annual Report of the Independent Police Conduct Authority, pursuant to the provisions of the Crown Entities Act 2004.

The report covers the period 1 July 2015 to 30 June 2016.



Judge Sir David Carruthers

Chair

INDEPENDENT POLICE CONDUCT AUTHORITY



Dianne Macaskill

Member

INDEPENDENT POLICE CONDUCT AUTHORITY



Simon Murdoch

Member

INDEPENDENT POLICE CONDUCT AUTHORITY



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Introduction

The Authority contributes towards improved public trust and confidence in the New Zealand Police. We do this by managing complaints in a fair, impartial and considered manner and by producing findings that are balanced and appropriate to the circumstances. When we make findings and recommendations to Police we expect that these will be implemented and will result in improved Police conduct, policies, practices and procedures.

DID YOU KNOW?

- The Authority received 2441 complaints last year.
- We conducted 75 independent investigations.
- 21 public reports were released and published on the Authority's website.
- 207 reviews of Police investigations of complaints were undertaken and 169 of these were completed within 28 days of receipt of the Police file.
- As a result of independent investigations and reviews by the Authority 25 recommendations for changes to Police policy, practice or procedure were made to Police.
- There were over 56,200 visits to the Authority's website.

Chair's Foreword

It has become traditional at the end of these forewords, after summarising the efforts of the year, to record my appreciation to members of the IPCA staff and to Board members for their hard, diligent, professional work throughout the year.

This time, more than in any other year, that is again true, but I wish to begin this foreword by doing this first; thanking staff members and Board members and others who work with us for their sterling efforts over an exceptionally busy time. Never before have staff of the IPCA been under such pressure and yet continued to produce such work of exceptional quality and standard. Their efforts do a great deal to ensure public confidence in the performance and integrity of New Zealand Police.

The statistics and details of the Authority's achievements set out in the pages of this Annual Report will give all the information necessary to show what a busy and productive year it has been. But they only tell part of the story.

The other part of the story is a continuing one. It is about the Authority's drive for continuing excellence, its search for new ways of exercising robust and independent oversight within limited operational resources, and its efforts to show its effectiveness and relevance in a rapidly changing world.

During the last year we published 21 independent reports. That compares to 37 public reports issued by the Authority in the previous year. This does not represent a decline in our output, but is the result of a considered decision not to publish reports when there is no public interest in having the findings aired in the public arena and the issues arising from an investigation are better addressed in another way.

The Authority has been very successful in developing a more timely response to serious incidents and complaints. Although the performance measures relating to timeliness were ambitious, I am proud of the fact that they have for the most part been achieved. All investigations have a project plan with milestones and projected completion dates. In short, the work of the Authority is closely supervised and controlled and is completed without undue delay.

With the assistance of the Government Centre for Dispute Resolution at the Ministry of Business Innovation and Employment, the Authority and Police developed a new method of dealing with complaints which is being trialled in three Police Districts starting from 7 March 2016. The objective of this project is to obtain speedier resolution of complaints by establishing clear time frames, keeping the parties informed and making decisions on a consultative basis.

It is pleasing to be able to report that the overarching objective of the pilot is being achieved. The initial results are very satisfactory and encouraging. It has been agreed with Police that similar changes need to be rolled out to all Police Districts early next year, adapted as necessary, in the light of experience in the pilot Districts.

We continue to ensure that we prioritise cases carefully to ensure that, where cases can be resolved quickly, these are identified and acted on before the investment of significant investigative resources. I am very proud of the way in which the Authority has managed its money and continued to meet high standards and produce high quality work in the interests of all New Zealanders. But we continue to be

committed to looking for further ways to improve our effectiveness and efficiency and to that end will be making some changes to our structure and processes in the coming year.

The recent number of Police shootings has been a concern to the Authority and reports into those aspects of Police activities are just beginning to emerge. They are, of course, at the highest level of concern for any Police oversight organisation and we are keen to play our part in ensuring that the use of force operates within well understood limits and in the case of ultimate force is always the final tactical option and never the first.

Once again I want to acknowledge my appreciation for the excellent working relationship we maintain with Police, which requires both organisations to work hard together but with the common good in mind. It is the key to effective and efficient policing and to achieving changes in Police practice and policy where necessary.

A handwritten signature in black ink, appearing to read 'David Carruthers', written in a cursive style.

Judge Sir David Carruthers

Chair

Independent Police Conduct Authority

About The Independent Police Conduct Authority (IPCA)

OUR PURPOSE

At the heart of our work is the belief that public confidence in an independent Police oversight system will lead to greater trust in Police and policing as a whole and that, in turn, will contribute toward increasing the Police's overall effectiveness in achieving government outcomes.

The Authority exists so that people have trust that complaints about, and incidents involving, Police conduct, and any practice, policy or procedure, will be fairly and impartially investigated or reviewed and any recommendations made and implemented will result in improved Police performance.

The Authority also provides reassurance for the public and Parliament that policing standards are of the highest calibre, through impartial and independent oversight.

OUR LEGISLATIVE FUNCTION

We are an independent Crown Entity under Part 3 of Schedule 1 of the Crown Entities Act 2004.

We are established under the Independent Police Conduct Authority Act 1988.

Our function is defined under the IPCA Act 1988 as follows:

- Receiving and taking action on complaints alleging misconduct or neglect of duty by any employee of the Police, or concerning any practice, policy or procedure of the Police.
- Investigating incidents involving death or serious bodily harm caused or appearing to have been caused by an employee of the Police acting in the execution of their duty, where we are satisfied there are reasonable grounds in the public interest to do so.

The Authority also has a Memorandum of Understanding (MoU) with the Police. This covers instances which may present reputational risk to the Police, including serious offending by a Police officer or Police actions that may have an element of corruption. Under the MoU, cases are referred by Police to the Authority even though there may not be a complaint from a member of the public, or there may not have been a death or serious bodily harm.

Under section 17 of the IPCA Act, when the Authority receives a complaint it can investigate the complaint itself; refer it to the Police for investigation under the Authority's oversight (which may include direction of the Police investigation, proactive oversight, or review/audit upon completion of the Police investigation); defer action; or take no action.

Optional Protocol to the Convention Against Torture (OPCAT)

Separate, but allied to, the management of public complaints against the Police, the Authority also serves as a National Preventive Mechanism under the Crimes of Torture Act 1989, which implements the United Nations Optional Protocol to the Convention Against Torture (OPCAT). This involves inspecting and auditing reports on Police detention facilities throughout New Zealand to ensure they are safe and humane and that they meet international standards.

We are independent of the Police

We make our own judgements about the facts, based on evidence available and the applicable law. We are an independent organisation.

We utilise our own resources to undertake investigations into serious matters and publicly report on the outcome unless there is an overriding private interest in maintaining confidentiality.

We also actively monitor and review the outcome of Police investigations of less serious complaints.

We are statutorily independent by virtue of our Act and the Crown Entities Act. Statutory independence is critical for our effectiveness.

The Authority does not have the power to generate own motion investigations or to prosecute or take disciplinary action against Police. Instead the Authority makes recommendations to Police which may include that disciplinary or criminal proceedings be considered or instituted.

If the Authority is not satisfied with the Police response to its recommendations, the Authority must inform the Attorney-General and the Minister of Police. If it considers it appropriate the Authority may also transmit a copy of its report to the Attorney-General for tabling in Parliament, and the Attorney-General must do so (section 29 of the IPCA Act).

The Authority's investigators have extensive policing experience either in New Zealand or in other Commonwealth countries and work as a team with lawyers and analysts. The Authority Chair and the Board are ultimately responsible for all findings and recommendations.

It is critical that we are impartial in all aspects of our work. It is also both appropriate and a practical necessity that the Authority maintains a professionally cooperative and constructive working relationship with the Commissioner of Police, the Police executive, senior officers, staff from the Professional Conduct Group, and investigators.

The Authority cannot generate own motion investigations or prosecute or take disciplinary action against the Police.

Who We Are

IPCA GOVERNANCE

The Authority is governed by a Board that is accountable to Parliament and reports to a Responsible Minister within Government – currently the Minister of Justice. Authority Board members have a range of relevant skills and experience, including knowledge of the law and law enforcement, executive-level management expertise, and public sector experience.

The current Board members are Judge Sir David Carruthers (Chair,) Dianne Macaskill and Simon Murdoch. Until September 2015 Angela Hauk-Willis was also a member of the Board, at which time her term expired. The Authority thanks her for her services and acknowledges the wisdom and experience she brought to the Board during her tenure.

The Board meets monthly and focuses on four key issues in regard to its governance functions: ensuring prudent financial management; setting strategic direction and high level policy; assessing the effectiveness of the Authority's delivery of services against its strategic objectives; and monitoring the extent to which the requirements of relevant legislation and public expectations are met.

In regard to the day-to-day management of the Authority, the full-time chair discharges a range of executive functions and is supported by a General Manager and an organisational structure that prioritises available resources toward the efficient and effective delivery of operational services.

2015/16 Achievements

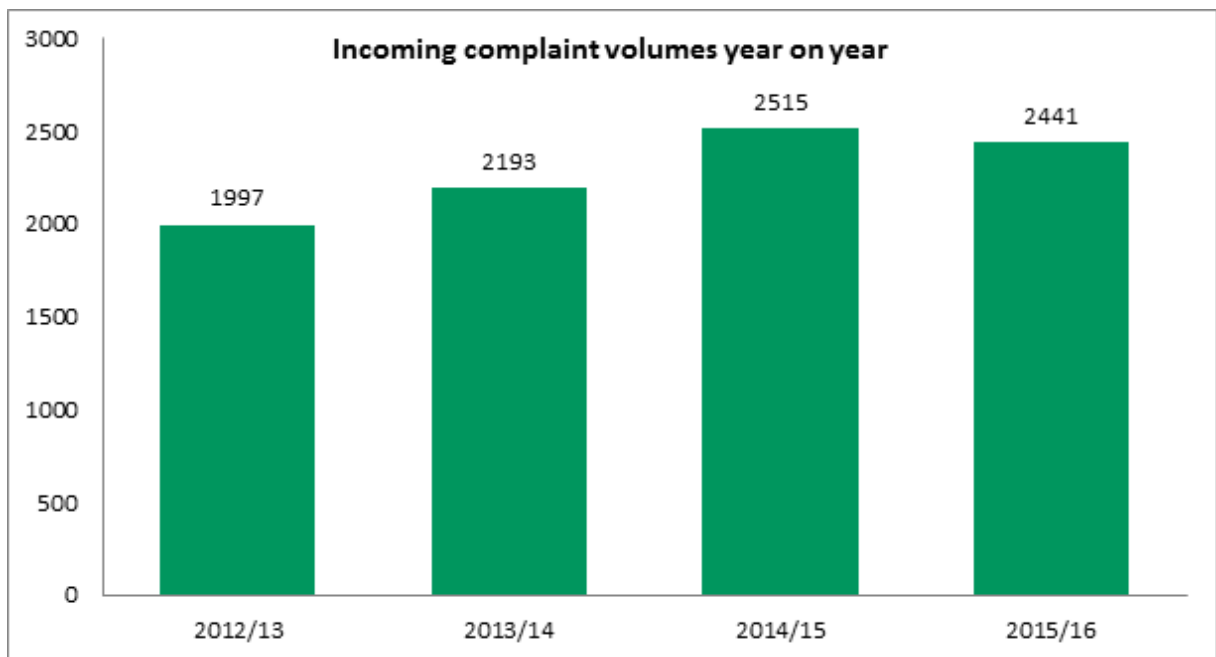
The Authority is focusing on achieving greater effectiveness and efficiency in its work. The key features of our work over the past 12 months are as follows:

VOLUME OF COMPLAINTS, REFERRALS AND TRENDS

The Authority independently investigates the most serious complaints, while those of a less serious nature are generally referred to Police for investigation under the Authority's oversight. As outlined above the Authority may investigate a complaint from a member of the public, or act on a referral from the Police.

During the 12 month period to 30 June 2016, 2441 complaints and referrals were received, compared to the 2515 complaints and referrals received in the previous year.

Incoming complaint volumes



The Authority operates a triage system to allocate complaints and referrals it receives to the relevant business area, for example, the investigations and review team or the complaints management team.

Details of the categories to which cases are allocated are set out in Appendix One of this report. In brief the categories are:

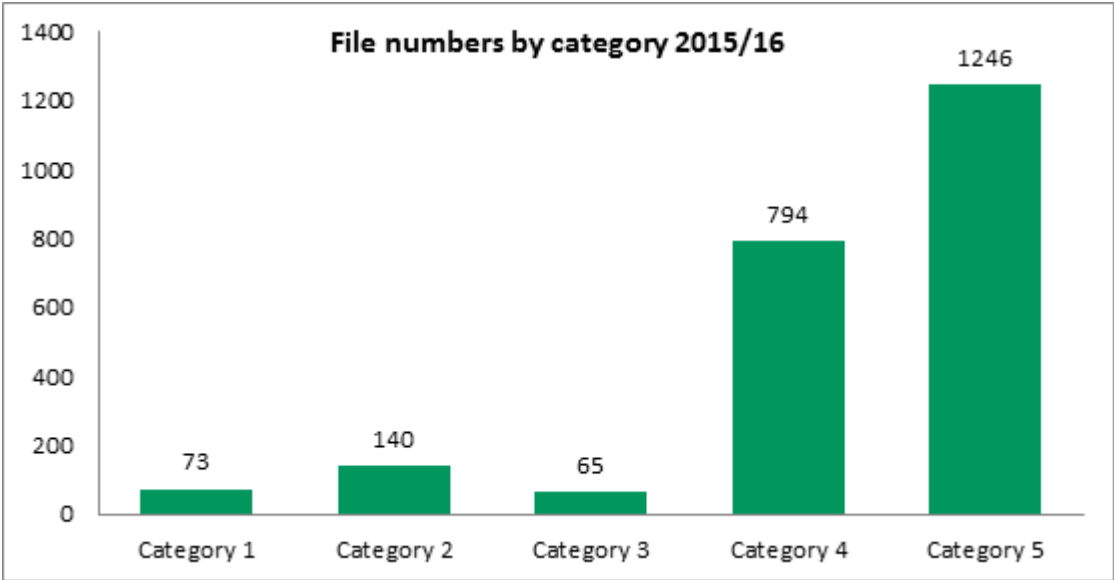
- **Category 1** – Independent investigation by the Authority.
- **Category 2** – Referral to Police for investigation with active oversight by the Authority and a full review of the file, by the Authority, at the conclusion of the investigation.
- **Category 3** – Referral to Police for investigation with a full review of the file by the Authority at its conclusion.
- **Category 4** – Referral to Police for resolution by mutual agreement with the complainant.
- **Category 5** – Complaint declined by the Authority.

The table below shows the number of complaints and incidents referred to the Authority in 2015/16 and the number of cases that remain open in each category and that have been closed during the reporting period by comparison with the previous year.

Comparison of volume of complaints and referrals by the Authority

Action	2014/15	2015/16
New complaints received during the period	2515	2441
Total number of files closed during the period	2543	2369
Public reports released (during the period)	37	21
Current open Category 1 files	57	62
Current open Category 2 files	80	97
Current open Category 3 files	73	45

Breakdown of complaints allocated to the Authority’s 5 categories¹

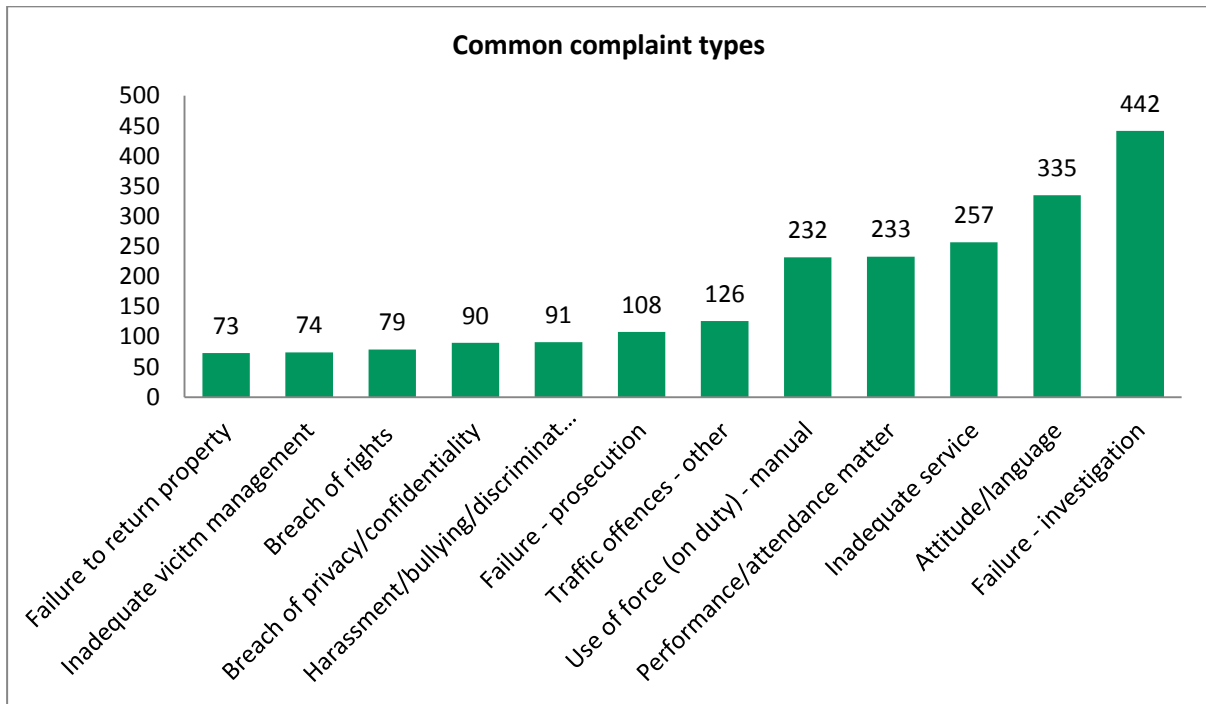


¹ The total number of files shown here is 2318. The Authority recorded a total of 2441 files for the year. The difference of 123 files relates to those that had not been categorised as at 30 June 2016 and are awaiting further information.

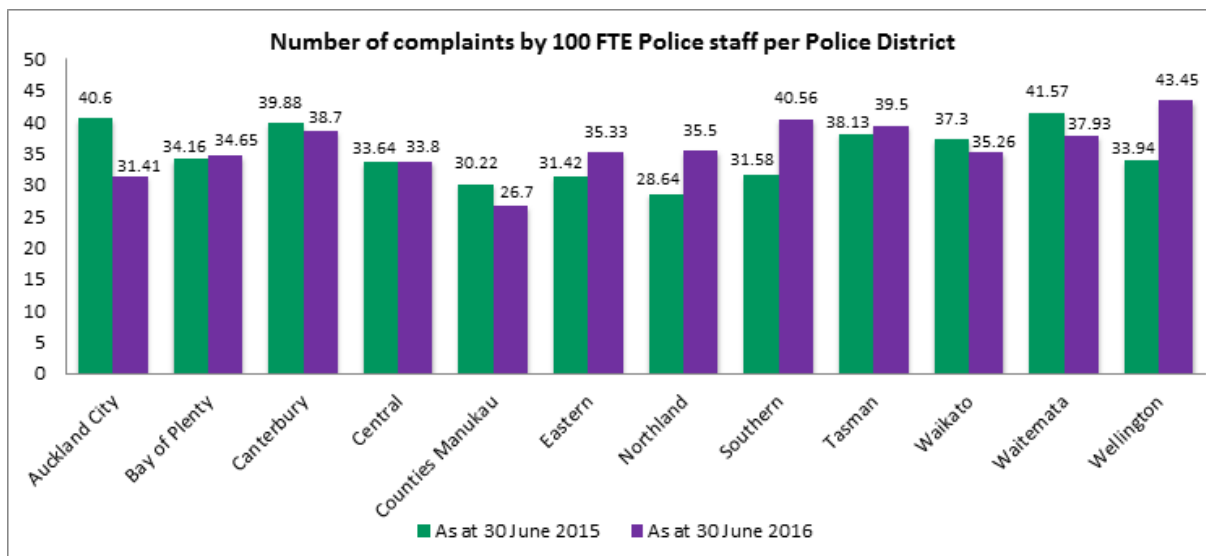
The Authority received 2441 complaints and referrals during 2015/16.

An individual complaint may fall into more than one category. For example, *failure to investigate* and *attitude/language* complaints may arise from the same incident.

The most common types of complaint were about: attitude/language; performance/attendance; practice and procedure; and failure to investigate.



Complaints by Police district



HIGH VISIBILITY AND INDEPENDENT REPORTS RELEASED

The level of complaints and referrals received by the Authority in the last two years can be attributed in part to the efforts that have been made to increase the visibility and public recognition of the role we play. It may also reflect increasing public confidence in the effectiveness of our work.

The Authority's primary methods of communicating with the public and media are through its public reports and its website www.ipca.govt.nz. They provide transparency about the Authority's work, and accountability for the Authority and Police.

During 2015/16 the Authority released 21 public reports.

The Authority also actively issues media releases in order to draw the public's attention to issues it reports on.

During the year the Authority released 21 public reports detailing findings from our investigations.

High profile reports released during 2015/16 include:

- Report on allegation of perjury by Police officer in judicial review proceedings brought by Kim Dotcom published on 6 August 2015
- Report on complaint of excessive force following arrest in Auckland published on 20 August 2015
- Report on initial Police investigation into Nathan Booker's death published on 21 December 2015
- Report on complaint of excessive force on a 15 year old boy in Taupo published on 21 January 2016
- Report on death of Callum Meyer following Police pursuit in Whanganui published on 10 March 2016
- Report on death in custody of Dwayne Walters published on 17 March 2016
- Report on Police response to missing person report regarding Nicholas Stevens published on 25 May 2016
- Report on unlicensed Maori drivers published on 16 June 2016
- Report on the complaint regarding an arrest in Upper Hutt published on 23 June 2016

ENSURING TIMELINESS

The Authority continues to maintain a stable caseload of independent investigations in the face of increasing numbers of complaints and incidents. We completed 75 independent investigations during the year and had 62 ongoing open investigations at 30 June 2016.

The Authority has been successful in developing a more timely response to serious incidents and complaints and has largely met our timeliness measures (outlined on pages 24-26).

In relation to cases in Categories 2, 3 and 4, primary responsibility for disposing of the case rests with the Police. The Authority has been continuing to work closely with the Police to reduce the backlog in some of the investigations being undertaken by Police. As a result, open files for Categories 2 and 3 have remained stable, and historical files have been substantially reduced.

As noted in more detail below, since 7 March 2016 we have also been trialling new processes in three Police Districts that involves discussion between the Police and the Authority at the outset about the appropriate way of dealing with the complaint, and agreement as to timelines and outcomes. Although the evaluation of the trial has yet to be concluded, it is already clear that it is resulting in much greater involvement by the Authority in Categories, 2, 3 and 4 cases and their more effective and timely disposition.

POLICE SHOOTING CASES

The Authority independently investigates all incidents where Police discharge firearms in the line of duty and cause injury or death to a person. There have been six Police shooting incidents during the financial year; three fatal and three non-fatal. There were three Police shooting incidents in the previous financial year and the Authority has concluded those investigations.

In some situations the Authority is unable to promptly release its report publicly at the conclusion of the investigation, most notably if there are ongoing criminal proceedings resulting from the incident. This has meant the Authority did not publish any reports in relation to its independent investigations of Police shooting incidents in the 2015/2016 financial year.

STRATEGIC INITIATIVES

The Authority's strategic objectives, in accordance with its Statement of Intent 2014/15 – 2017/18, include placing greater emphasis on prevention and more timely resolution of complaints. The Authority has made significant progress in the last 12 months in achieving these objectives.

Early resolution of complaints

During 2015-2016, the Authority has worked with the Police and the Government Centre for Dispute Resolution to develop a new approach to dealing with complaints. This is designed to ensure that there is early identification of issues raised by a complaint; a timely and appropriate response when a complaint can be addressed without a protracted investigation; and a focused investigation according to agreed timeframes when this is required. In essence, there is a change in focus so that the Authority and the

Police do not simply ask whether there is evidence of Police wrongdoing, but consider whether there is a reasonable grievance that needs to be addressed.

The new approach has been trialled in the Canterbury, Counties-Manukau and Eastern Police Districts since 7 March 2016, and is being systematically evaluated. Incremental changes to the new approach are being made in the light of experience in the trial, and further changes will no doubt be made following the findings of the formal evaluation. However, it is already clear that the new processes are more effective, and produce more timely outcomes in a more efficient way. There is greater co-operation between the Authority and the Police in identifying the issues that require a response and much greater Police commitment to addressing legitimate grievances as soon as they are identified. It has therefore been agreed with the Police that these processes should be rolled out to all Police districts incrementally during 2017.

As a consequence of these fundamental changes to the way in which complaints are dealt with, the Police and the Authority have agreed to undertake a joint review of the way in which we each record the outcomes of complaints, so that there is a more uniform, accurate and informative measure of the actions that have been taken in response to them.

Towards the end of the financial year, the Authority also began some restructuring of its operations area in order to ensure that it has the right structure in place, and staff with the appropriate expertise, to support the new processes when they are adopted as the norm.

Prevention

The Authority has continued to raise with Police as soon as possible any issues relating to Police policy, practice or procedure that it identifies as part of an investigation or review. This ensures that issues can be discussed with and addressed by Police as they occur, rather than waiting until a case is concluded. To that end, the Authority is continuing to periodically attend meetings of the Operations Advisory Committee at Police National Headquarters.

In addition, the Authority has been increasingly identifying policy, practice and procedure issues that require broader generic examination. In some cases, these are addressed through discussion with the Police. The outcome of the Authority's work is then a revised policy; the promulgation by Police of messages (eg, through their Lessons Learned database) about how practice ought to change; or the development of additional Police training. In other cases, a more formal report by the Authority, with a range of recommendations, is required.

For example, during the reporting period the Authority continued to work with the Office of the Privacy Commissioner and the Police to review Police employment vetting process. This work was almost concluded by year end, and a report to be jointly published by the two agencies is in the final stages of drafting.

A major review of the pre-charge warning policy and the way in which it is being applied, was also undertaken. This resulted in the publication of a report after the end of the reporting period with a number of recommendations for change that the Police have accepted.

Other generic policy and procedure issues were also examined during the course of the year, many of which remain on the Authority's work programme. These include issues relating to the policing of small and isolated communities; the categorisation and prioritisation of fraud cases; the handling of property and exhibits; and legal and practice issues relating to the issuing and implementation of border alerts.

The Authority regards this as a core part of its role, and envisages that even greater emphasis will be placed on this work in the future.

MONITORING AND REPORTING ON PLACES OF POLICE DETENTION

As noted in the last two Annual Reports, the Authority has been working with Police to develop new National Standards, against which the detention of all people in Police custody can be assessed.

The National Standards have two components: the standard governing the way in which the Police manage and care for detainees in custody; and the standard governing the physical infrastructure of custodial facilities. The first, in the form of the "People in Police Detention Policy", was finalised at the beginning of the financial year and has been in force since November 2015. It is now the standard against which the Authority is assessing all Police practice in Police cells. The second, the Accommodation Code, still requires revision and updating and work on it has stalled because of other Police priorities. The Authority is working with the Police to establish a timeframe for the completion of this work.

The Authority is continuing to work with Police to establish a systematic joint programme of audits with the Police. This programme will have four components:

- The extraction and collation by Police of statistical data from the Electronic Custody Module on a District by District basis at the end of each financial year.
- A joint audit by Police and the Authority of the Electronic Custody Module record in a random sample of individual cases from individual custody units, undertaken quarterly on a rolling District by District basis.
- Periodic inspections by the Authority of Police and Court cells.
- Collation and analysis of issues out of individual complaints and incidents.

The full programme is expected to be operational by 1 January 2017.

During the year under review the Authority investigated, or reviewed the Police response to, 21 cases involving detainees in Police custody where OPCAT issues were raised. Most of these involved attempted suicide in Police or court cells but more general issues of inadequate treatment and care were also raised.

A death in the Papakura court cells during the previous year drew to the Authority's attention the fact that Court cells throughout the country fell well short of acceptable standards and required urgent remediation. The Authority raised its concerns with the Ministry of Justice, which inspected every courthouse with custodial facilities to identify deficiencies. The Authority accompanied the Ministry on some of the visits and discussed the findings with the Ministry. A prioritised programme of work to address the identified deficiencies has now been developed and the Authority is receiving regular briefings on its implementation. It is recognised that, since most of the required changes involve

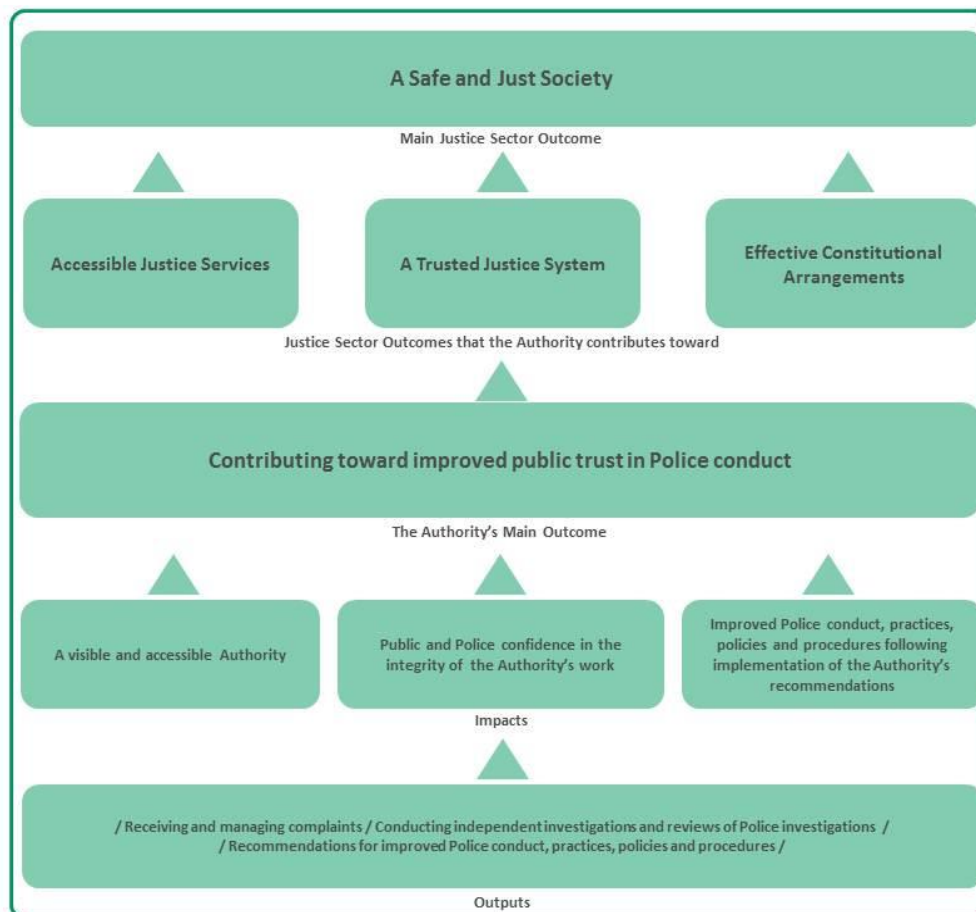
significant capital expenditure, it will take time to complete. The Authority is satisfied that the right priorities have been set, and appreciates the work that is being undertaken by the Ministry.

CORPORATE SERVICES REVIEW

During the previous financial year, the Authority undertook a thorough review of its Corporate Services area to ensure it was providing efficient and effective administrative and financial support. The review resulted in some changes to staffing and structure that took effect in August 2015. This has enabled the Authority to streamline some of its functions and to achieve consequent cost savings.

The Corporate and Communications Manager resigned from the Authority in February 2016. No replacement has yet been appointed and other managers have been providing cover for the corporate area in the meantime. It is expected that a replacement will be appointed in October 2016.

Progress Against Our Outcomes Framework



MAIN OUTCOME: CONTRIBUTING TOWARD IMPROVED PUBLIC TRUST IN POLICE CONDUCT

The Authority's main outcome goes to the heart of our purpose, i.e. to ensure that people have confidence that complaints about, and incidents involving, Police conduct, and any practice, policy or procedure, will be fairly and impartially investigated or reviewed and any recommendations made and implemented will result in improved Police conduct.

The Authority believes that there is a link between improved Police conduct and our work. Improved Police conduct should lead to New Zealanders having increased confidence in Police and policing generally.

In terms of the particular impacts of our work, these are measured by reference to the visibility and accessibility of the Authority; public and Police confidence in the integrity of the Authority's work; and implementation of the Authority's recommendations about Police conduct, practices, policies and procedures.

Impact Measure: A Visible and Accessible Authority

The Authority has not been gathering meaningful information about the extent to which the Authority is visible and accessible to members of the public. However, planning is underway to enhance the Authority's profile, particularly amongst vulnerable and marginalised groups. Measures of performance in this respect have now been included in the 2016-2017 Statement of Performance Expectations and will be reported on next year.

In the meantime, the Authority is working to enhance its website and improve the availability of online information. It also continues to ensure the visibility of its work by actively publicising the results of its investigations and giving media interviews where appropriate.

Impact Measure 1: Improved satisfaction relating to the work of the Authority

Performance July 2015 – June 2016

<i>Measures</i>	<i>Forecast</i>	<i>Actual</i>	<i>Met / Not Met</i>
Participants in surveys are satisfied with their contact with Authority staff	75% are satisfied	90%	Met
Participants in surveys are satisfied with the Authority's investigation processes	75% are satisfied	73%	Not Met
Participants in surveys are satisfied with the Authority's review processes	75% are satisfied	67%	Not met

The Authority measures the level of satisfaction of complainants, and Police officers complained of, by way of a telephone survey. All complainants, victims and next of kin in all Category 1 and Category 2 files who have been in contact with Authority staff are contacted following the closure of the case, as well as 25% of subject officers. A target of 75% satisfaction level has been set. As part of the survey participants are asked to comment on their level of satisfaction relating to their contact with the Authority staff and the Authority’s investigation and review processes.

There was a high level of satisfaction with the Authority’s level of contact and our investigative processes in Category 1 cases, with the Authority achieving or almost achieving its target. The degree of satisfaction with the Authority’s review processes (that relate to Category 2 cases) was somewhat lower at 66.6%, which was below the target. It is expected that this will be remedied by our new approach, which has an explicit requirement that complainants and subject officers are informed of timeframes and that regular contact with them is maintained in all cases.

Impact Measure 2: Make recommendations for improved Police conduct, policies, practices and procedures and monitoring during the course of investigations, and monitoring implementation of those recommendations.

Performance July 2015 – June 2016

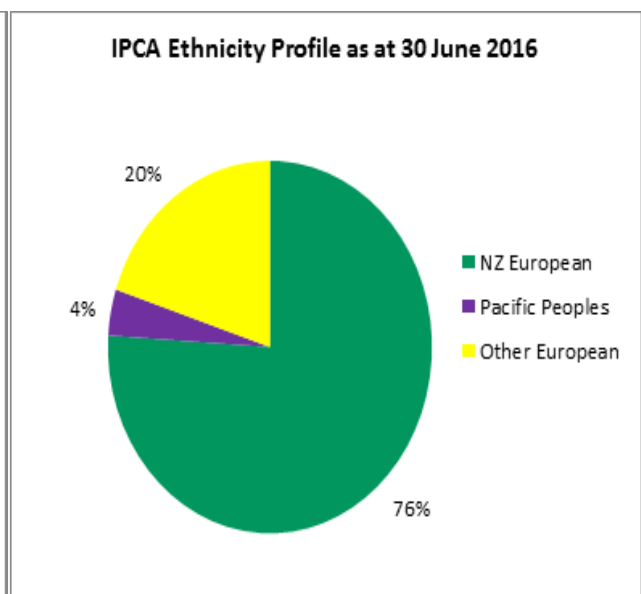
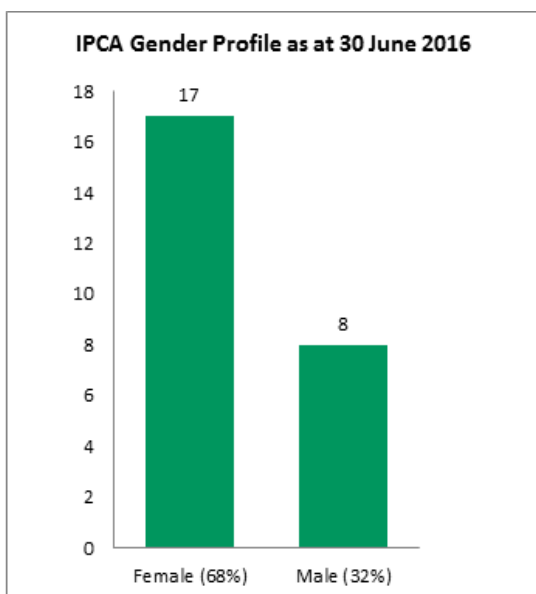
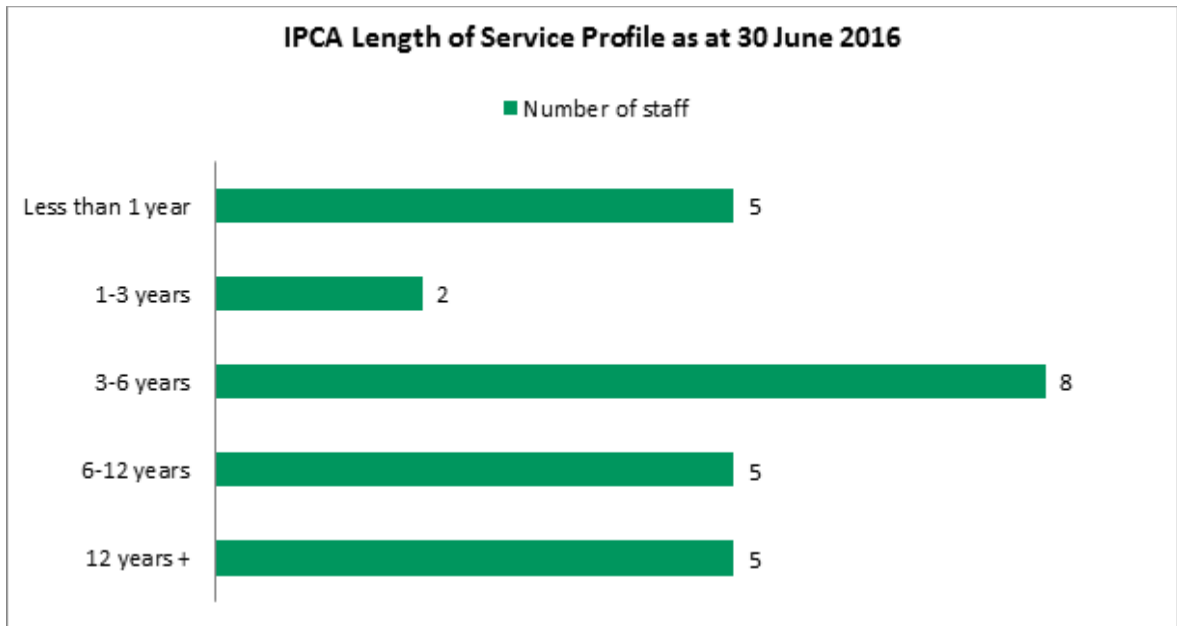
<i>Measures</i>	<i>Forecast</i>	<i>Actual</i>	<i>Met / Not Met</i>
All recommendations for improved Police policies, practices and procedures are accepted by Police	90%	92%	Met

The Authority made two recommendations in its report on the death of Nicholas Stevens that have yet to be formally accepted by Police.

Good Employer Elements

The Authority is committed to being a good employer. It conducts annual performance reviews with all staff and advertises vacancies within the organisation as well as externally. It encourages staff development and assists in this process where appropriate.

WORKPLACE PROFILE AND GOOD EMPLOYER PRACTICES



The Authority’s practices seek to reflect the seven Good Employer elements in the following ways:

<i>Leadership, accountability and culture</i>	The Authority continues to identify and provide opportunities for its high potential staff within its agreed framework. An Equal Employment Opportunities (EEO) Framework is in place, including an EEO policy and a number of supporting systems and processes.
<i>Recruitment, selection and induction</i>	The Authority’s recruitment, selection, and appointment processes are modelled on good practice public sector policies.
<i>Employee development, promotion and exit</i>	Performance and development plans are in place for all staff. The Authority also has policies in regard to training, coaching, mentoring, promotion, and performance management.
<i>Flexibility and work design</i>	Flexible work arrangements are in place as required and appropriate and the Authority continues to evaluate requests for flexible working arrangements on a case-by-case basis.
<i>Remuneration, recognition and conditions</i>	The Authority operates a remuneration policy that is closely linked to performance. External pay relativities are monitored and assist to inform annual performance and remuneration discussions.
<i>Harassment and bullying prevention</i>	Expected standards of behaviour, integrity and conduct are outlined in the Authority’s Code of Conduct. In addition, the Authority is committed to taking all necessary steps required to ensure that a productive, safe and positive working environment exists within the organisation.
<i>Safe and healthy environment</i>	A staff representative for health and safety is in place and receives on-going training and development as needed.

Annual Accountability Statements

STATEMENT OF RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE 2016

- We are responsible for the preparation of Independent Police Conduct Authority's financial statements and statements of performance, and for the judgements made in them.
- We are responsible for any end-of-year performance information provided by Independent Police Conduct Authority under section 19A of the Public Finance Act 1989.
- We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the Independent Police Conduct Authority for the year ended 30 June 2016.

Signed on behalf of the Board



Judge Sir David Carruthers
Chair
INDEPENDENT POLICE CONDUCT AUTHORITY
31 October 2016



Dianne Macaskill
Member
INDEPENDENT POLICE CONDUCT AUTHORITY
31 October 2016



Simon Murdoch
Member
INDEPENDENT POLICE CONDUCT AUTHORITY
31 October 2016

2015/16 Performance Reporting: Statement of Service Performance

In the Statement of Performance Expectations for the current financial year the Authority completely revised our performance measures to ensure they adequately measure the Authority's effectiveness in achieving our objectives. The revised measures broadly fall into the following four categories:

- 1) Receive and manage complaints and incidents
- 2) Independent, high quality and timely investigations and reviews
- 3) Make recommendations for improved Police conduct, policies, practices and procedures, and monitoring implementation of those recommendations
- 4) Monitoring places of Police detention.

OUTPUT MEASURE 1: REVIEW AND MANAGE COMPLAINTS AND INCIDENTS

Performance July 2015 – June 2016

<i>Measures</i>	<i>Forecast</i>	<i>Actual</i>	<i>Met / Not Met</i>
All notifications of new complaints and incidents are acknowledged within seven days	95%	95%	Met
All new complaints and incidents are categorised and decisions made about the appropriate actions are taken within 42 days	95%	91%	Not Met

The timeliness targets for the initial processing of complaints were generally met. However, the proportion of complaints that were categorised within 42 days fell a little short of the 95% performance standard. That was primarily because, in cases where the Authority believes that a case may be suitable for early resolution, it is often engaging in a dialogue with the Police district so that a way of addressing the person's grievance can be found. This is particularly the case in the districts where new processes are being trialled, but it is a practice increasingly being adopted in other districts as well. When this occurs, categorisation may be deferred. As a result, a failure to categorise within the 42 days is in some cases indicative of an effort to ensure early resolution.

OUTPUT MEASURE 2: INDEPENDENT, HIGH QUALITY AND TIMELY INVESTIGATIONS AND REVIEWS

Performance July 2015 – June 2016

<i>Measures</i>	<i>Forecast</i>	<i>Actual</i>	<i>Met / Not Met</i>
Reviews of Police investigations for Category 2 and 3 files will be completed by the Authority within 28 days of receiving the file from Police ²	90%	82%	Not Met
Independent investigations carried out by the IPCA will be concluded as soon as practicable ²	90% within 12 months	90%	Met
	99% within 24 months	99%	Met
For each Category 1 case that proceeds to a full investigation, an investigation plan, milestones and a completion date will be set and monitored	100% of investigations	100%	Met
Reports as a result of Category 1 investigations are clear, consistent and well-structured and have well-argued conclusions	100% of reports meet required standard	100%	Met

Independent investigations in Category 1 cases were almost in line with the target measures. This is a marked improvement on last year's performance, and shows that the Authority has essentially eliminated the large backlog of cases that existed in earlier years. Given that there are a number of investigations that are inevitably delayed for reasons beyond the control of the Authority (such as the need to await the outcome of related Court proceedings or the finalisation of the Police investigation), this is a very pleasing result and reflects the considerable emphasis that the Authority has been putting on the need to achieve timely outcomes.

Unfortunately, the same improvement is not evident in the timeliness measure for the completion of Category 2 and 3 reviews. That is solely due to the fact that Category 3 reviews (ie reviews of investigations undertaken by the Police without Authority oversight) were not always done within the required time frame, because there was a high turnover of staff in the Team responsible for those reviews and the pressure of work meant that priority was given to other things. Management systems have been changed to ensure that this slippage does not recur.

² The measure is included in the Justice Advocacy, Advice and Promotion Services non-departmental appropriation in Vote Justice for 2015/16

In order to ensure its public reports are clear, consistent and well-structured and have well-argued conclusions the Authority organised for five of its reports to be independently peer-reviewed. The results reflect the very high standard of the Authority’s work in this area.

OUTPUT MEASURE 3: MAKE RECOMMENDATIONS FOR IMPROVED POLICE CONDUCT, POLICIES, PRACTICES AND PROCEDURES AND MONITORING IMPLEMENTATION OF THOSE RECOMMENDATIONS

Performance July 2015 – June 2016

<i>Measures</i>	<i>Forecast</i>	<i>Actual</i>	<i>Met / Not Met</i>
All systemic issues identified by the IPCA relating to Police practices, policies and procedures are raised and discussed with Police prior to the completion of the relevant review or independent investigation ³	100%	100%	Met

The Authority has ensured all of the issues identified during an investigation or review are raised with Police as soon as possible, and has achieved this measure.

³ The measure is included in the Justice Advocacy, Advice and Promotion Services non-departmental appropriation in Vote Justice for 201/16

OUTPUT MEASURE 4: MONITOR PLACES OF POLICE DETENTION

Performance July 2015 – June 2016

<i>Measures</i>	<i>Forecast</i>	<i>Actual</i>	<i>Met / Not Met</i>
All complaints and referrals indicating systemic custodial management issues are investigated and required improvements recommended ⁴	100%	100%	Met
All routine audits of compliance with the National Standards are undertaken as agreed ⁴	100%	0%	Not Met
On-going performance audits of compliance with the National Standards are agreed with Police by 30 September 2015	Achieved	Unable to measure (refer below)	Not Met

The National Standards have two components: the standard governing the way in which the Police manage and care for detainees in custody; and the standard governing the physical infrastructure of custodial facilities. The first, in the form of the “People in Police Detention Policy”, has been in force since November 2015, and is the standard against which the Authority is assessing all Police practice in Police cells. The second, the Accommodation Code, still requires revision and updating and work on it has stalled because of other Police priorities. The Authority is working with the Police to establish a timeframe for the completion of this work.

Audits of Police compliance with the People in Police Detention Policy have been undertaken in the context of individual complaints or referrals or as part of routine visits. However, in the absence of an updated Accommodation Code, routine audits of compliance with all aspects of the Standards have not been possible.

The Authority is also still finalising a systematic joint programme of audits with the Police. This work has proved more complicated than expected. That, combined with the pressure of other work, has meant that the programme is not now expected to be operational until 1 January 2017.

⁴ The measure is included in the Justice Advocacy, Advice and Promotion Services non-departmental appropriation in Vote Justice for 2015/16

Statement of Accounting Policies

Reporting Entity

The Independent Police Conduct Authority is an independent Crown entity for legislative purposes, established by the Crown Entities Act 2004. The Authority is domiciled in and operates in New Zealand. The Independent Police Conduct Authority's ultimate parent is the New Zealand Crown.

The principal activity of the Independent Police Conduct Authority is to assess complaints made by members of the public against the Police. The primary objective is to provide public services to the New Zealand public, as opposed to that of making a financial return.

Accordingly, the Independent Police Conduct Authority has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements for the Independent Police Conduct Authority are for the year ended 30 June 2016, and were approved by the Board on 27 October 2016.

Basis for Preparation

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

Statement of compliance

The financial statements of the Independent Police Conduct Authority have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice ('NZ GAAP').

The financial statements have been prepared in accordance with Tier 2 PBE accounting standards. This classification is because the Independent Police Conduct Authority has expenditure under \$30m and is not deemed to be publicly accountable as it does not have shares issued on a public market. Accordingly they comply with PBE accounting standards.

Measurement base

The financial statements have been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets.

Presentation currency

The financial statements are presented in New Zealand dollars, rounded to the nearest one dollar.

Summary of Significant Accounting Policies

Revenue

Revenue Funding from the Crown

The Independent Police Conduct Authority is primarily funded through revenue received from the Crown. This funding is restricted in its use for the purpose of the Independent Police Conduct Authority meeting its objectives as specified in legislation and the scope of the relevant government appropriations. Apart from these general restrictions, the Independent Police Conduct Authority considers there are no unfulfilled conditions or contingencies attached to the funding and it is recognised as revenue at the point of entitlement.

Interest revenue

Interest revenue is recognised using the effective interest method.

Leases

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the Lessee. Lease payments under an operating lease are recognised as an expense on a straight line basis over the period of the lease.

Receivables

Short-term receivables are recorded at their face value, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Independent Police Conduct Authority will not be able to collect amounts due according to the original terms of the receivable. The amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks, other short-term highly liquid investments with original maturities of three months or less, and bank.

Investments

Investments consist of bank deposits with original maturities greater than three months but less than one year.

Investments in bank deposits are initially measured at fair value plus transaction costs. After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment. For bank investments, impairment is established when there is objective evidence that the Independent Police Conduct Authority will not be able to collect amounts due according to the original terms of the deposit.

Property, Plant and Equipment

Property, plant and equipment consist of the following asset classes: office equipment, leasehold improvements and furniture and fittings.

Property, plant and equipment are shown at cost or valuation, less any accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Independent Police Conduct Authority and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

Cost includes consideration given to acquire or create the asset and any directly attributable costs of bringing the asset to working condition for its intended use.

In most instances an item of property, plant and equipment is initially recognised at its cost.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in surplus or deficit.

Subsequent costs

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

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is calculated on a diminishing value basis on office equipment and furniture and fittings. The new Leasehold improvements are depreciated on a straight line basis over the useful life of the improvements. Depreciation is charged once the assets are on location and condition necessary for its intended use so as to write off the cost or valuation of the property, plant and equipment over their expected useful life to its estimated residual value.

The following estimated rates are used in the calculation of depreciation:

- Office equipment 25.0% -50.0% DV
- Furniture & fittings 25.0% DV
- Leasehold improvements 11.11%SL

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Intangible assets

Software acquisition

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of the Independent Police Conduct Authority's website are recognised as an expense when incurred.

Software is a finite life intangible and is recorded at cost less accumulated amortisation and impairment.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a diminishing value basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- Software 25.0% DV

Impairment of property, plant and equipment and intangible assets

The Independent Police Conduct Authority does not hold any cash generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Property, plant and equipment and intangible assets 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 exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on a depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Independent Police Conduct Authority would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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.

Financial liabilities

Creditors and other payables

Short term creditors and other payables are recorded at their face value.

Employee entitlements

Short-term employee entitlements

Employee benefits that are expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured at accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date.

A liability and an expense for bonuses is recognised where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to Kiwisaver are accounted for as a defined contribution superannuation scheme and are recognised as an expense in the surplus or deficit as incurred.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount that reflects the current market assessment of the time value of money and the risks specific to the obligation.

Goods and Services Tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue is included as part of current assets or current liabilities in the statement of financial position.

The net GST paid to, or received from the Inland Revenue, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

The Independent Police Conduct Authority is a public authority in terms of the Income Tax Act 2007 and consequently is exempt from the payment of income tax. Accordingly no provision has been made for income tax.

Cash flow statement

The cash flow statement is prepared exclusive of GST, which is consistent with the method used in the statement of comprehensive revenue & expense.

Definitions of the terms used in the cash flow statement are:

- “Cash” includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash, used by the entity as part of its day to day cash management.
- “Investing activities” are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.
- “Financing activities” are those activities relating to changes in equity of the entity.
- “Operating activities” include all transactions and other events that are not investing or financing activities.

Budget figures

The budget figures are those that form part of the Independent Police Conduct Authority 2015/16 Statement of Performance Expectations as approved by the board at the beginning of the year.

The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Independent Police Conduct Authority for the preparation of the financial statements.

Critical Judgements in Applying the Entity’s Accounting Policies

In preparing these financial statements Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2016:

Lease Classification

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the Independent Police Conduct Authority. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the

statement of financial position as property, plant, and equipment, whereas with an operating lease no such asset is recognised.

The Independent Police Conduct Authority has exercised its judgement on the appropriate classification of building rental leases, and has determined a number of lease arrangements to be operating leases.

2015/16 Financial Statements and Supporting Information

INDEPENDENT POLICE CONDUCT AUTHORITY STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE FOR THE YEAR ENDED 30 JUNE 2016

2015 Actual \$		Notes	2016 Actual \$	2016 Budget \$
	Revenue			
3,811,000	Funding from the Crown	1	3,811,000	3,811,000
39,063	Interest revenue		28,624	35,270
979	Other Revenue		16,000	16,000
<u>3,851,042</u>	Total Revenue		<u>3,855,624</u>	<u>3,862,270</u>
	Expenditure			
32,805	Audit fees	2	32,832	31,920
24,183	Amortisation	7	19,201	20,822
34,593	Communication charges		23,071	36,000
60,682	Depreciation	6	71,045	100,558
2,690,748	Personnel costs and Board Fees	3	2,605,088	2,649,975
103,269	Loss on sale of fixed assets		26,441	-
22,685	Printing & stationery		15,997	26,000
203,013	Professional fees and contract services		124,719	55,000
352,842	Rent		372,484	375,350
243,144	Services & supplies		210,846	195,000
19,589	Subscriptions		18,072	15,000
71,035	Travel & accommodation		102,220	75,000
<u>3,858,588</u>	Total Expenditure		<u>3,622,016</u>	<u>3,580,625</u>
<u>(7,546)</u>	Surplus/(Deficit)		<u>233,608</u>	<u>281,645</u>
-	Other Comprehensive Revenue and Expense			
<u>(7,546)</u>	Total Comprehensive Revenue/(Deficit)		<u>233,608</u>	<u>281,645</u>

Explanations of major variances against budget are detailed in note 22.

The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these Financial Statements.

INDEPENDENT POLICE CONDUCT AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

2015 Actual \$	Assets	Notes	2016 Actual \$	2016 Budget \$
	Current assets			
436,178	Cash and cash equivalents	4	693,878	741,816
28,529	Debtors and other receivables	5	30,951	21,560
5,930	Prepayments		-	
<u>470,637</u>	Total Current Assets		<u>724,829</u>	<u>763,376</u>
	Non-current assets			
347,929	Property, plant & equipment	6	340,378	305,108
76,803	Intangible assets	7	53,152	62,093
<u>424,732</u>	Total Non-Current Assets		<u>393,530</u>	<u>367,201</u>
<u>895,369</u>	Total assets		<u>1,118,359</u>	<u>1,130,577</u>
	Liabilities			
	Current liabilities			
138,224	Creditors and other payables	8	89,713	52,792
169,605	Employee entitlements	9	210,832	189,675
<u>307,829</u>	Total Current Liabilities		<u>300,545</u>	<u>242,467</u>
	Non-current liabilities			
8,333	Make-good Provision	19	18,333	-
95,556	Leasehold Fit-out capital contribution	20	82,222	111,500
<u>103,889</u>	Total Non-Current Liabilities		<u>100,555</u>	<u>111,500</u>
<u>411,718</u>	Total Liabilities		<u>401,100</u>	<u>353,967</u>
<u>483,651</u>	Net assets		<u>717,259</u>	<u>776,610</u>
	Crown equity			
483,651	Total investment by the Crown		717,259	776,610
<u>483,651</u>	Total Crown Equity		<u>717,259</u>	<u>776,610</u>

Explanations of major variances against budget are detailed in note 22.

The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these Financial Statements.

INDEPENDENT POLICE CONDUCT AUTHORITY
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2016

2015 Actual \$		Notes	2016 Actual \$	2016 Budget \$
491,197	Total Crown Equity at beginning of year		483,651	494,964
(7,546)	Total Comprehensive Revenue		233,608	281,645
483,651	Total Crown Equity at end of year		717,259	776,610

Explanations of significant variances against budget are detailed in note 22.

The Statement of Accounting Policies and the Notes to the Financial Statements form an integral part of these Financial Statements.

INDEPENDENT POLICE CONDUCT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

2015 Actual \$		Notes	2016 Actual \$	2016 Budget \$
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Cash was provided from/(applied to)			
3,811,000	Receipts from the Crown		3,811,000	3,811,000
-	Receipts from Other Income		16,000	16,000
39,342	Interest received		28,768	35,270
10,081	Net GST received/(paid)		(19,347)	3,689
(3,728,220)	Payments to suppliers and employees		(3,493,236)	(3,448,417)
132,203	Net cash flow from operating activities	12	343,185	401,542
	CASH FLOWS FROM INVESTING ACTIVITIES			
	Cash was provided from/(applied to)			
(230,778)	Purchase of property, plant & equipment		(85,485)	(80,000)
(5,874)	Purchase of intangible assets		-	(7,200)
252,943	Sale / (Acquisition) of investments		-	
16,291	Net cash flow from investing activities		(85,485)	(87,200)
-	Net cash flow from financing activities		-	(10,000)
148,494	Net increase/(decrease) in cash and cash equivalents		257,700	304,343
287,684	Cash and cash equivalents at beginning of year		436,178	437,474
436,178	Cash and cash equivalents at end of year		693,878	741,816
	Represented by:			
436,178	Cash & cash equivalents		693,878	741,816

The GST (net) component of operating activities reflects the net GST paid and received with Inland Revenue. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Explanations of major variances against budget are detailed in note 22.

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

1. Revenue from Crown

The Independent Police Conduct Authority has been provided with funding from the Crown for the specific purposes of the Independent Police Conduct Authority as set out in its founding legislation and the scope of the relevant government appropriations. Crown funding is recognised as a non-exchange transaction.

	2016 Actual \$	2015 Actual \$
2. Remuneration to Auditors		
Audit of the financial statements	32,832	32,805
	<u>32,832</u>	<u>32,805</u>

3. Personnel Expenses and Board Fees

		2016 Actual \$	2015 Actual \$
Salaries and wages		2,145,194	2,239,762
Defined contribution plan employer contributions		44,293	67,115
Increase/(decrease) in employee entitlements	9	41,227	6,995
Board fees	16	<u>374,374</u>	<u>376,876</u>
Total Personnel Expenses		<u>2,605,088</u>	<u>2,690,748</u>

Employer contributions to defined contribution plans include contributions to Kiwisaver.

		2016 Actual \$	2015 Actual \$
4. Cash and Cash Equivalents			
Cash at bank		935	1,704
Term Deposit (7 July maturity)		-	50,614
Call account		<u>692,943</u>	<u>383,860</u>
Total Cash and Cash Equivalents		<u>693,878</u>	<u>436,178</u>

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2016

5. Debtors and other receivables	2016 Actual \$	2015 Actual \$
Accrued interest	-	144
Sundry receivables	-	6,370
GST receivable	<u>30,951</u>	<u>22,015</u>
Total Debtors and other receivables	<u>30,951</u>	<u>28,529</u>
 Total Comprises:		
Receivables from exchange transactions	-	6,514
GST receivable (non-exchange transaction)	30,951	22,015

Accrued interest and sundry receivables have been classified as exchange transactions while outstanding GST receivable has been classified as non-exchange in line with PBE IPSAS 9 and PBE IPSAS 23. The carrying value of debtors and other receivables approximate their fair value.

No receivables are past 30 days overdue.

6. Property, Plant and Equipment

Movements of each class of plant, property & equipment are as follows:

Cost	Office equipment \$	Furniture & fittings \$	Leasehold improvements \$	Total \$
Balance at 1 July 2014	621,511	281,581	348,114	1,251,206
Additions	5,505	49,679	175,594	230,778
Sales/transfers	<u>(350,653)</u>	<u>(267,436)</u>	<u>(274,529)</u>	<u>(892,618)</u>
Balance at 30 June 2015	276,363	63,824	249,179	589,366
Balance at 1 July 2015	276,363	63,824	249,179	589,366
Additions	85,484	-	-	85,484
Sales/transfers	<u>(143,419)</u>	<u>-</u>	<u>-</u>	<u>(143,419)</u>
Balance at 30 June 2016	218,428	63,824	249,179	531,431

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2016

6. Property, Plant and Equipment (cont.)

Accumulated depreciation	Office equipment	Furniture & fittings	Leasehold improvements	Total
	\$	\$	\$	\$
Balance at 1 July 2014	468,347	263,841	237,915	970,103
Depreciation expense	26,004	12,103	22,575	60,682
Sales/transfers	(298,785)	(252,648)	(237,915)	(789,348)
Balance at 30 June 2015	195,566	23,296	22,575	241,437
Balance at 1 July 2015	195,566	23,296	22,575	241,437
Depreciation expense	33,229	10,132	27,684	71,045
Sales/transfers	(121,429)			(121,429)
Balance at 30 June 2016	107,366	33,428	50,259	191,053
Book Value				
At 1 July 2014	153,164	17,740	110,199	281,103
At 30 June 2015 & 1 July 2015	80,797	40,528	226,604	347,929
At 30 June 2016	111,062	30,396	198,920	340,378

There are no restrictions over the title of the IPCA's property plant and equipment nor are any property, plant and equipment pledged as security for liabilities.

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2016

7. Intangible assets

	Total \$
Cost	
Balance at 1 July 2014	318,262
Additions	5,873
Disposals	-
Balance at 30 June 2015	<u>324,135</u>
Balance at 1 July 2015	324,135
Additions	-
Disposals	(36,396)
Balance at 30 June 2016	<u>287,739</u>
Accumulated amortisation	
Balance at 1 July 2014	223,150
Amortisation expense	24,183
Disposals	-
Balance at 30 June 2015	<u>247,333</u>
Balance at 1 July 2015	247,333
Amortisation expense	19,201
Disposals	(31,947)
Balance at 30 June 2016	<u>234,587</u>
Net carrying amount	
At 1 July 2014	95,112
At 30 June 2015 & 1 July 2015	76,803
At 30 June 2016	53,152

There are no restrictions over the title of the IPCA's intangible assets nor are any intangible assets pledged as security for liabilities.

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2016

	2016 Actual \$	2015 Actual \$
8. Creditors and Other Payables		
Payables under exchange transactions		
Trade creditors	58,410	50,884
Leasehold Fit-out capital contribution (current portion)	13,333	13,333
Accrued expenses	17,970	74,007
Total creditor and other payables under exchange transactions	<u>89,713</u>	<u>138,224</u>

All payables and creditors were classified as exchange transactions as at balance date. Trade creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade creditors and other payables approximate their fair value. The Independent Police Conduct Authority has a financial risk management policy in place to ensure that all payables are paid within the credit timeframe.

	2016 Actual \$	2015 Actual \$
9. Employee Entitlements		
Accrued salaries and wages	47,024	25,363
Annual leave	163,808	144,242
Total Employee Entitlements	<u>210,832</u>	<u>169,605</u>

10. Financial Instruments

Categories of financial assets and liabilities

The carrying amounts of financial assets and liabilities in each of the IPSAS 30 categories are as follows:

	2016 Actual \$	2015 Actual \$
Loans and receivables		
Cash and cash equivalents	693,878	436,178
Debtors and other receivables	30,951	28,529
Total Loans & Receivables	<u>724,829</u>	<u>464,707</u>

INDEPENDENT POLICE CONDUCT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

10. Financial Instruments (cont.)

	2016 Actual \$	2015 Actual \$
Financial Liabilities measured at amortised cost		
Creditors and other payables	89,713	138,224

Financial risk management objectives

The Independent Police Conduct Authority does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of derivatives is governed by the Independent Police Conduct Authority's policies approved by the Board, which provide written principles on the use of financial derivatives. The Independent Police Conduct Authority's activities expose it primarily to the financial risks of changes in interest rates.

Interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Cash flow interest rate risk is the risk that cash flows from a financial instrument will fluctuate because of changes in market interest rates.

The Independent Police Conduct Authority is exposed to fair value and cash flow interest rate risk as it has cash on call at floating interest rates. The Independent Police Conduct Authority manages its interest risk by investing in on-call and short-term deposits with high credit-rated financial institutions.

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2016

10. Financial Instruments (cont.)

The following table details the Independent Police Conduct Authority's exposure to interest rate risk as at 30 June 2016.

	Weighted average effective interest rate %	Variable interest rate bearing \$	Non-interest bearing \$	Total \$
Financial assets:				
Cash and cash equivalents				
- Cash at bank	0.25	713	222	935
- Call account	2.75	692,943	-	692,943
- term deposits	-	-	-	-
Debtors and other receivables	-	-	30,951	30,951
Total financial assets		<u>693,656</u>	<u>31,173</u>	<u>724,829</u>
Financial liabilities:				
Creditors and other payables				
	-	-	89,713	89,713
Total financial liabilities		<u>-</u>	<u>89,713</u>	<u>89,713</u>

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2016

10. Financial Instruments (cont.)

The following table details the Independent Police Conduct Authority's exposure to interest rate risk as at 30 June 2015.

	Weighted average effective interest rate %	Variable interest rate bearing \$	Non interest bearing \$	Total \$
Financial assets:				
Cash and cash equivalents				
- Cash at bank	0.25	1,482	222	1,704
- Call account	2.75	383,860	-	383,860
- Investments - term deposits	3.44	50,614	-	50,614
Debtors and other receivables	-	-	28,529	28,529
Total financial assets		435,956	28,751	464,707
Financial liabilities:				
Creditors and other payables	-	-	138,224	138,224
Total financial liabilities		-	138,224	138,224

Credit risk management

Credit risk is the risk that a third party will default on its obligation to the Independent Police Conduct Authority, causing the Independent Police Conduct Authority to incur a loss.

Financial instruments which potentially subject the entity to credit risk principally consist of bank balances. The Independent Police Conduct Authority does not extend credit and places its cash with high credit quality financial institutions.

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2016

10. Financial Instruments (cont.)

Maximum exposures to credit risk at reporting date are:

	2016 Actual \$	2015 Actual \$
Cash and cash equivalents	693,878	436,178
Debtors and other receivables	<u>30,951</u>	<u>28,529</u>
	724,829	464,707

No collateral is held on the above amounts. There is no maturity date on the cash at bank and call accounts as these represent cash held in transactional and cash management accounts. The Independent Police Conduct Authority only holds term deposits with registered banks and has experienced no default of interest or principal payments for these term deposits.

Fair value of financial instruments

The Authority considers that the carrying amount of assets and financial liabilities recorded in the financial statements approximates their fair values.

Liquidity risk

Liquidity risk is the risk that the Independent Police Conduct Authority will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Independent Police Conduct Authority aims to maintain flexibility in funding by keeping committed credit lines available.

All of the Independent Police Conduct Authority's commitments owing at balance date, comprising trade and other payables, have a contractual maturity of less than six months (2015: maturity also less than six months). The Independent Police Conduct Authority has sufficient cash on hand to meet these commitments as they fall due.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Independent Police Conduct Authority is not subject to currency risk as it does not participate in any such financial instruments.

11. Capital Management

The Independent Police Conduct Authority's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets.

The Independent Police Conduct Authority is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

The Independent Police Conduct Authority manages its equity as a by-product of prudently managing income, expenses, assets, liabilities, investments, and general financial dealings to ensure the Independent Police Conduct Authority effectively achieves its objectives and purpose, whilst remaining a going concern.

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2016

12. Reconciliation of net surplus/(deficit) to net cash flow from operating activities

		2016 Actual \$	2015 Actual \$
Net surplus/(deficit) for the year		233,608	(7,546)
Add/(less) Non-cash items:			
Amortisation	7	19,201	24,183
Depreciation	6	71,045	60,682
Loss on sale of fixed assets		26,441	103,269
Total Non-cash items		<u>116,687</u>	<u>188,134</u>
Add/(less) movements in statement of financial position items:			
(Increase)/decrease in GST Receivable		(8,936)	10,737
(Increase)/decrease in sundry receivables		6,370	1,824
(Increase)/decrease in prepayments		5,930	46,129
(Increase)/decrease in accrued interest		144	278
(Decrease)/increase in creditors and other payables		(51,845)	(114,348)
(Decrease)/increase in employee entitlements		41,227	6,995
Net movement in working capital items		<u>(7,110)</u>	<u>(48,385)</u>
Net cash flow from operating activities		<u>343,185</u>	<u>132,203</u>

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2016

13. Employee Remuneration

Remuneration and other benefits of \$100,000 per annum or more received by employees in their capacity as employees were:

	2016 Actual	2015 Actual
\$100,000 - \$109,999	3	4
\$120,000 - \$129,999	0	2
\$130,000 - \$139,999	1	0
\$140,000 - \$149,999	0	1
\$160,000 - \$169,999	1	0
\$170,000 - \$179,999	0	0
\$180,000 - \$189,999	0	0
\$190,000 - \$199,999	1	0
\$200,000 - \$209,999	0	1
\$210,000 - \$219,999	0	0
\$220,000 - \$229,999	0	0
\$330,000 - \$339,999	0	0
\$340,000 - \$349,999	0	1
\$350,000 - \$359,999	1	0

14. Related Party Transactions

The Independent Police Conduct Authority is a wholly owned entity of the Crown. The Government significantly influences the role of the Independent Police Conduct Authority as well as being its major source of revenue. However, transactions with other government agencies (for example, Government departments and Crown Entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

There were no transactions with close family members of key management personnel employed by the Independent Police Conduct Authority in 2016 (2015: \$nil).

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2016

15. Key Management Personnel Compensation

The compensation of the Authority's Chair, three board members and the Leadership team being the key management personnel of the Independent Police Conduct Authority, is set out below:

	2016 Actual \$	2015 Actual \$
<i>Board Members</i>		
Remuneration	374,374	376,876
Full time equivalents	1.2	1.2
<i>Leadership Team</i>		
Remuneration	696,162	712,185
Full time equivalents	4.3	5
Total key management personnel remuneration	1,070,536	1,089,061
Total full time equivalent personnel	5.5	6.2

There were no post-employment benefits, other long-term employee benefits, termination benefits paid to key management personnel during the year (2015: \$nil)

16. Board member remuneration

The total value of remuneration paid or payable to each Board member during the year was:

	2016 Actual \$	2015 Actual \$
Judge Sir David J Carruthers	355,676	349,612
Angela Hauk-Willis	1,910	16,273
Dianne Macaskill	9,550	10,991
Simon Murdoch	7,238	-
Total Board member remuneration	374,374	376,876

There have been no payments made to committee members appointed by the Board who are not Board members during the financial year. No Board members received compensation or other benefits in relation to cessation (2015: \$nil).

17. Commitments

(i) Capital commitments

There are no capital commitments at reporting date (2015: \$nil).

(ii) Operating lease commitments

Operating lease commitments relate to the lease with DNZ Property Fund for building accommodation at 1 Grey Street, Wellington.

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2016

(ii) Operating lease commitments (cont.)

The lease term with DNZ Property Fund is for a period of nine years commencing 1 September 2014, with rights of renewal for a term of six years after 1 September 2023 at the same or higher price. The Independent Police Conduct Authority does not have the option to purchase the leased asset at the expiry of the lease period.

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	2016 Actual \$	2015 Actual \$
Less than one year	303,182	303,182
Between one and five years	1,212,728	1,212,728
Later than five years	656,894	960,076
Total operating lease commitments	2,172,804	2,475,986

18. Contingency

There are no contingent liabilities or assets at reporting date (2015: \$nil).

19. Make Good Provision

A provision for an expected make-good payment has been accrued in the accounts relating to the Grey Street Property. This final payment has been estimated at \$90,000 based on prior make-good payments that the authority has paid and adjusted for inflation, it is expected to be settled in 2023. Due to the 9 year lease of the property, this accounts for an annual provision of \$10,000 per year. As at balance date 22 months of this figure have been accrued based on the lease commencement date, the estimate for 2016 is: \$18,333. This is classified as non-current liability as it is expected to be settled in 2023.

20. Leasehold Fit-out Contribution

DNZ property Fund Limited contributed \$120,000 towards the fit-out for the Grey Street premises during the 2016 financial year. This leasehold fit-out was capitalised and will be depreciated on straight line basis over 9 years as detailed in the Accounting policies. A liability was recognised for the \$120,000 contribution payment received from DNZ which will be released over the term of the lease, being nine years. As at balance date the current portion of the liability is \$13,333 and the non-current portion is \$82,222.

21. Subsequent Events

There are no events subsequent to reporting date, that the Authority is aware of, that would have a material impact on the financial statements for the period ended 30 June 2016 (2015: nil).

22. Major Budget Variances

Statement of Comprehensive Revenue & Expense

1. *Loss on Disposals*

Actual - \$26,441; Budget - \$0

With the move to Grey Street during the previous year an additional review of the asset register was performed. All of the leasehold improvements associated with the Lambton Quay property were disposed of, along with much of the furniture that was held there and much of the old office equipment. This was not a budgeted expense.

2. *Professional Fees and Contracts*

Actual - \$124,719; Budget - \$55,000

Professional fees and contract services are up on budget for three reasons: a couple of judicial review proceedings brought against the Authority; an employment investigation that required some external expertise; and the fact that financial services were outsourced to Deloitte as from August 2015.

Statement of Financial Position

1. *Property Plant & Equipment*

Actual - \$340,378; Budget - \$305,108

The main reason for this variance was an unbudgeted purchase of some capital items due to some items becoming obsolete.

Statement of Cash Flows

Any variances against budget in the statement of cash flows have been reflected in the notes above.

INDEPENDENT POLICE CONDUCT AUTHORITY
 APPROPRIATION REPORTING
 FOR THE YEAR ENDED 30 JUNE 2016

Summary of income and expenditure on outputs

The Authority has one output class: Investigate and resolve complaints against the police and to uphold the rights of persons in police detention.

<i>Output Financials</i>	<i>2015/16 Actual</i>	<i>2015/16 Budget</i>	<i>2015/16 Variance</i>	<i>2014/15 Actual</i>
Crown Funding *	3,811,000	3,811,000	-	3,811,000
Interest & Other Revenue	44,624	51,270	(6,646)	40,042
Total Revenue	3,855,624	3,862,270	(6,646)	3,851,042
Expenses	3,622,016	3,580,625	41,391	3,858,588
<i>Net Surplus/(Deficit)</i>	<i>233,608</i>	<i>281,645</i>	<i>(48,037)</i>	<i>(\$7,546)</i>

*The Crown revenue received by the Independent Police Conduct Authority is equal to the actual appropriation provided to the Authority under the Vote Justice output class 'Justice Advocacy, Advice and Promotion Services', which is a required disclosure under the Public Finance Act 1989.

Independent Auditor's Report

To the readers of the Independent Police Conduct Authority's financial statements and performance information for the year ended 30 June 2016

The Auditor-General is the auditor of the Independent Police Conduct Authority (the Authority). The Auditor-General has appointed me, Chrissie Murray, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of the Authority on her behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the Authority on pages 27 to 52, that comprise the statement of financial position as at 30 June 2016, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Authority on pages 17 to 19 and 23 to 26 and 53.

In our opinion:

- the financial statements of the Authority:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2016; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Tier 2 Public Benefit Entity Standards Reduced Disclosure Regime.
- the performance information:
 - presents fairly, in all material respects, the Authority's performance for the year ended 30 June 2016, including:
 - for each class of reportable outputs:

- its standards of performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Authority's financial statements and performance information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;

- the appropriateness of the reported performance information within the Authority's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

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

Responsibilities of the Board

The Board is responsible for preparing financial statements and performance information that:

- comply with generally accepted accounting practice in New Zealand;
- present fairly the Authority's financial position, financial performance and cash flows; and
- present fairly the Authority's performance.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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

A handwritten signature in black ink, appearing to read 'C Murray' with the number '16' written below it. The signature is fluid and cursive.

Chrissie Murray
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Appendix One

In order to allocate resources most effectively, the Authority categorises cases by level of seriousness.

There are five categories which are described in more detail below.

CASES REQUIRING INVESTIGATION OR REVIEW

The cases that require investigation or review by the Authority fall into three categories:

Category 1 – IPCA independent investigation

Principle

There is a category of cases which, in the public interest, need to be independently investigated in order to ensure public confidence in the integrity and objectivity of the investigative process and the outcome.

Guidelines

There are a number of cases that are so serious that they will typically lead to a Category 1 investigation. These include:

- a) cases involving death or serious injury causing or appearing to be caused by Police actions;
- b) cases containing elements of corruption or serious criminal misconduct;
- c) other cases of deliberate wrongdoing or other serious misconduct that would significantly impact on public trust and confidence in the Police.

A case that meets one of the above criteria will not necessarily be independently investigated if the Authority is satisfied that it has been or is being responded to robustly and expeditiously by the Police (eg by investigation with a view to possible criminal prosecution or disciplinary proceedings against one or more officers). Conversely, a case that does not meet one of the above criteria may be deemed suitable for a Category 1 investigation if:

- d) it raises significant systemic issues;
- e) it shows a pattern of significant misconduct by an individual officer;
- f) It raises integrity issues in relation to a senior officer or an area, District, or Police generally;
- g) a Police investigation on its own is unlikely, in the view of the Authority, to be perceived as having sufficient robustness to attract public credibility; or

- h) the Police have indicated that for public interest reasons it is preferable for the Authority rather than the Police to investigate.

Category 2 –Police investigation with active IPCA oversight

Principle

Where a case does not meet the criteria for independent investigation, the investigation by the Police should be actively overseen where this is required to assist in ensuring a focus on all relevant issues and a timely outcome.

Guidelines

This category of complaints has one or more of the following characteristics:

- a) some initial investigation by Police is required to determine the issues in the case before a final decision can be taken as to whether further investigation by either the Authority or the Police is required;
- b) the complaint is sufficiently serious or complex that ongoing dialogue between the Authority and the Police is desirable to facilitate a robust investigation;
- c) the significance or public profile of the incident requires active oversight of the investigation by the Authority in order to ensure public confidence in the objectivity and integrity of the outcome;
- d) the case involves a complaint against an officer who has a history of misconduct that does not meet the criteria for a Category 1 investigation but is sufficiently serious that ongoing Authority involvement is required to ensure the maintenance of public confidence in the Police.

Category 3 – Significant complaints of substance – Police investigation

Principle

Police should take primary responsibility for the investigation and resolution of all complaints that require investigation or review but do not meet the criteria for Category 1 or Category 2.

Guidelines

This category of complaints has no prescribed characteristics. It encompasses all matters that do not meet the criteria for disposition without investigation, but do not require either an independent investigation or active ongoing oversight by the Authority.

CASES NOT REQUIRING INVESTIGATION OR REVIEW

There is a substantial volume of complaints that do not require any investigation or review by the Authority. These fall into two categories:

Category 4 – Conciliation

Principle

It is important that there be a process to enable Police to accept responsibility for their actions quickly and with the least possible formality, thus avoiding protracted investigation and consequent delay.

Guidelines

This category of complaints has all the following characteristics:

- a) they appear to the Authority to be capable of resolution by mutual agreement between the Police and complainant;
- b) they do not have significant systemic or organisational issues or other wider ramifications beyond the incident itself;
- c) they indicate the existence of one or more issues underlying the complaint that have been acknowledged by the Police, and can and should be resolved without further investigation; and
- d) the Authority and the Police have agreed that the matter should be resolved in this way.

Complaints in this category often include investigative delays, rude or inappropriate comments, lack of respect, and/or inappropriate behaviour or conduct that is relatively minor.

Category 5 – No further action

Principle

It is in the interests of both the complainant and Police that matters of no real substance are identified and dismissed at the earliest possible opportunity.

Guidelines

This category of complaints has one or more the following characteristics:

- a) they are matters which the Authority considers as minor, frivolous or vexatious;
- b) they are matters where there is no support from the person centrally aggrieved;
- c) they have been, are about to be or are able to be decided by another tribunal or by the Court;

- d) they are matters which disclose no issue requiring investigation;
- e) they are matters which relate to an incident of which the complainant has had knowledge for over one year;
- f) there is a conflict in the evidence about the issues complained of that are unlikely to be resolved by further investigation.



Whaia te pono, kia puawai ko te tika

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