



IPCA

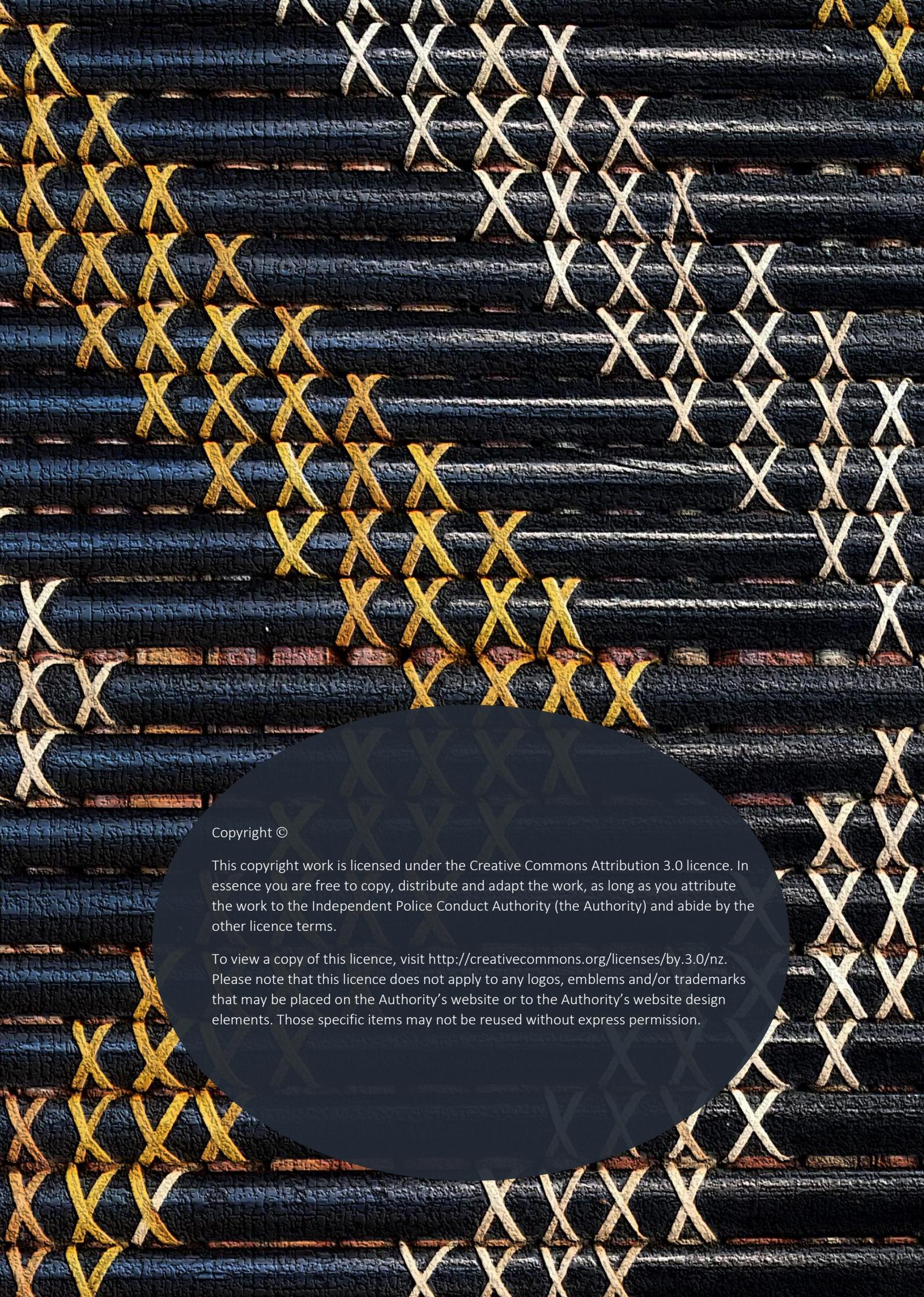
Independent Police
Conduct Authority

Mana Whanonga Pūhīmana Motuhiri

STATEMENT OF PERFORMANCE EXPECTATIONS

Te Tauākī Koronga mō ngā Mahi kia Tutuki

2023/24



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This Statement of Performance Expectations has been prepared in accordance with the requirements of Part 4 subpart 2 of the Crown Entities Act 2004.

It aligns to and should be read in conjunction with the Independent Police Conduct Authority's *Statement of Intent 2023/24 to 2026/27* and describes the Authority's performance measures and annual forecast financial statements for the 2023/24 year. It also outlines our response to the specific entity directives contained within our responsible Minister's Letter of Expectations 2023/24.

30 June 2023



Judge Kenneth Johnston KC
CHAIR



Liz Sinclair
MEMBER



Simon Murdoch
MEMBER

01 OVERVIEW OF SERVICES 2023/24

FUNDING

The Authority is funded by the Crown through the 'Services from the Independent Police Conduct Authority' appropriation. The purchase of outputs within this appropriation is solely by the Minister of Justice and is detailed in the Estimates of Appropriations for Vote Justice and the Authority's **Statement of Intent 2023/24 to 2027/28**.

During the 2023/24 financial year, the Authority's Vote Justice baseline revenue will be

\$6.74 million

SCOPE OF APPROPRIATION

The scope of the Authority's appropriation, as detailed in the Estimates of Appropriations, is to investigate incidents and investigate and resolve complaints against the Police and uphold the rights of people in Police detention. The appropriation is intended to ensure the fair, effective and timely provision of those services.

Our 2023/24 Statement of Expectations outlines how we tell our performance story in the context of the commitments and initiatives we take to strengthen our organisational health and resilience.

Our performance demonstrates our good governance and strategy, and that we do what is needed to ensure our outputs are delivered efficiently and effectively. Risk management and risk awareness guide our decision making and we do our work to achieve the best possible outcome with the resources we have.

Our performance objectives are simple – to preserve and sustainably build our operational capability and capacity so we can continue to play our vital part in delivering the overall justice sector goal of facilitating, 'A safe and just New Zealand'.

PERFORMANCE REPORTING

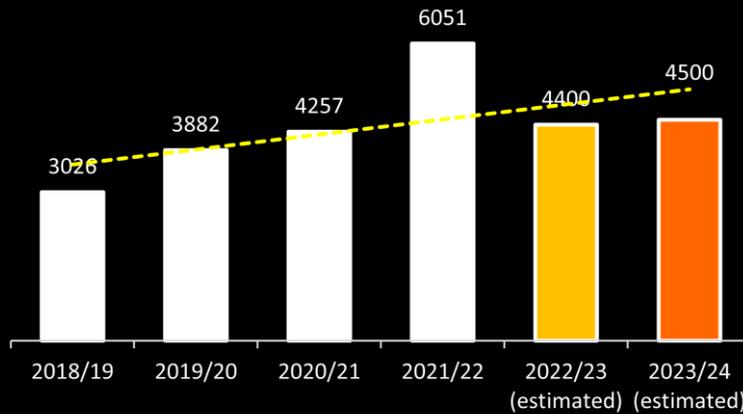
The Authority consults with the **Minister of Justice**, our Responsible Minister, on our activities for the purposes of financial accountability and to provide transparency as to how our outputs are being delivered.

We inform the Minister on issues that may result in significant media, public, or parliamentary attention. The Authority works constructively with the Ministry of Justice as the Minister's monitoring department.

The Authority provides the Minister with quarterly performance reports covering key results and performance highlights, any emerging issues, and significant performance variances or risks.

SERVICES SUPPLIED

INVESTIGATIONS & COMPLAINTS RESOLUTION



The Authority anticipates it will **receive** around

4500

complaints in the 2023/24 period.

The increase in complaint numbers has continued despite two COVID-impacted years. We anticipate growth in the volume of our work to resume a five percent year-on-year growth trend.

In 2023/24, we anticipate the following levels of output.

We will **commence** approximately

90

new **independent investigations**

We will **oversee** approximately

180

new **Police investigations**

We will **facilitate** in excess of

1350

complaint resolutions

Our team of 46 FTEs will assess, triage and manage these complaints. We will undertake thematic reviews and lead or contribute to joint agency investigations, subject to resourcing.

All cases undergo detailed and rigorous triaging, which results in cases being sorted into four categories. Our triage process is set out in Appendix 4. We generally independently investigate the most serious complaints and incidents, while other matters are referred to Police for investigation or resolution under the Authority's oversight. There are also some cases that do not require further action.

To allocate resources most effectively, the Authority also conducts thematic reviews where a systemic issue, or critical theme emerges across multiple cases.

Levels of outputs are based on our categorisation trends in previous financial years. Approximately two percent of complaints received are independently investigated, four percent are investigated by Police with our active oversight, and 30 percent are managed through our facilitated resolution processes.

SERVICES SUPPLIED

OPCAT INSPECTIONS

The Authority inspects Police custodial facilities as a National Preventative Mechanism (NPM) under the Crimes of Torture Act 1989. We make recommendations to strengthen the protection, improve the treatment and conditions, and prevent the torture or ill-treatment of people held in places of Police detention.

In March 2023, the Authority appointed two dedicated OPCAT Inspectors, and redesignated one of our investigator roles to create a Principal Advisor OPCAT to lead this work. This will allow us to deliver a programme of announced and unannounced inspections across 4 Police Districts each year.

Announced visits focus on overnight custody units and any holding facilities where our risk-assessments identify a need. These inspections are followed up with **unannounced visits**, to assess the progress that has been made with the implementation of our recommendations.

We will also undertake ad hoc unannounced inspections based on information we receive through our complaints and from police that identify particular risk issues.

This programme of inspections, plus follow up activities, means the Authority meets the international standard as a NPM. This has been achieved as part of our development of a sustainable operating model that allows us to deliver our core legislative services, while also supporting an incremental shift toward a more preventative focus.



02 | GOALS AND PERFORMANCE

We are open and transparent about the challenges and constraints we face and how we respond to them.

We publicly report on our work, findings and recommendations from investigations, and on the outcomes of those.

We report on our output performance measures in our quarterly reporting to the Minister and our Annual Report. This includes broad contextual information, including progress on our organisational health and workplace capability, and information about non-reportable outputs, such as our prevention focused participation in joint agency and thematic review work. The Minister's specific expectations for 2023/24 relate directly to the overall organisational health of the Authority and its alignment to the new PBE FRS 48 reporting standards.

The Authority's participation in broader Justice sector initiatives is equally important. Our thematic reviews and Optional Protocol to the Convention Against Torture (OPCAT) work are integral to this. Inevitably, though, work has an impact on our core complaints work.

The 2020 Martin Jenkins Efficiency and Effectiveness Review confirmed the Authority performs its core functions well but noted the weight placed on an organisation of our size, and therefore on its operating model by the growing demand for our services and additional functions.

The Authority is now at a key stage. We remain a small organisation, delivering against growing demand, limited by constrained resourcing

levels. Our operating environment is competitive, complex, and highly specialised. An additional challenge is the symbiotic relationship we have with Police, whereby changes in that organisation must be reflected in ours.

If we are to meet evolving expectations, we must have a strategy that is innovative, long-term, and resilient.

To address all these matters, we have identified **six key improvement priorities** under our Statement of Intent.

1. Maintaining the effectiveness of our core functions and associated services, and the expansion of organisational size envisaged by the 2020 Martin Jenkins Efficiency and Effectiveness Review.
2. Using our **data and technology expertise** to enhance our overall operational capability, by giving us the information needed to drive insight and innovation in our work.
3. Making changes to our organisation to ensure the Authority is seen as an **employer of choice** for the people with the skills we need.
4. Increasing the **emphasis on our preventative role**, and continuing to work with Police to maintain a cooperative working relationship.
5. Engaging with people and communities, to increase understanding of the Authority's role and how to access our services.
6. Working with Police to ensure a greater focus on **good custodial practice** that meets international standards.

03 | ADDRESSING MINISTERIAL EXPECTATIONS 2023/24

The Minister of Justice has expressed **four specific expectations** for the Authority during the 2023/24 year.

1. Development of a **long-term strategy and corresponding operating model** that best delivers trust and confidence in investigation and resolution of complaints.
2. Identification of actions and strategies that can be implemented to mitigate **staff retention and recruitment** issues and support internal talent development.
3. Identification and implementation of measures to **minimise the backlog of complaints and improve timeliness**.
4. Examine how the provisions of the Independent Police Conduct Act 1988 can be **most effectively used to deliver outcomes** to New Zealanders.

These expectations focus on our core functions, and they align with the six strategic areas we will focus on over the next four years. They also support our overarching strategic objective of improving the organisational health of the Authority and sustainably developing our capacity and capability.

Developing a long-term strategy and operating model to deliver trust and confidence

Since the 2020 review the Authority has been reviewing its long-term strategic aims and rethinking its operating model. Devising our optimal operating model has involved listening to the communities we serve and using a people-centric design approach to deliver our services.

In doing so we have been guided by the general expectation of public services that are more responsive in terms of equity, culture and diversity, and which design service delivery

accordingly. We have also recognised that as a small organisation we can be flexible and adaptable in our processes and practices.

The timeliness and quality of our independent investigations and resolution activities are critical to maintaining and building trust and confidence. Doing things quickly without compromising quality is at the centre of our operational strategy. This is only possible if we can attract and retain the skilled staff we need, and are able to deploy them in flexible ways.

For certain critical incidents we need to assemble cross-functional teams internally and use innovation and technology to maintain our performance standards. Our organisational agility and responsiveness were demonstrated during the Parliament Protest Review. This was delivered alongside other large pieces of thematic review work as well as our core services. We foresee that whatever adaptations we make to our operating model, there will also be non-core issues arising that require us to have access to some non-core, on-call resources.

This is because we are often called on to react quickly including more frequent requests to participate in joint agency work. Recent examples of this are:

- the coordinated Review of the Management of the Lynn Mall Supermarket Attacker. This was conducted jointly with the Office of the Inspectorate for the Department of Corrections and the Inspector-General of Intelligence and Security.
- Police photographing people in public places. This was conducted jointly with the Office of Privacy Commissioner.

While the Authority has the mandate and the expertise to carry out this type of work

(alongside planned thematic reviews) we cannot continue properly to resource this work from within our current budget without this having a negative impact to other areas of our work.

The development of our operating model will need carefully to consider how we can continue to participate in this critical work.

Activities we will undertake in 2023/24 to meet expectations

Meeting the expectations is achievable by implementing the initiatives developed under all six strategic focus areas.

In 2023/24, our primary focus will be on activities that support the two human resource areas.

- Achieving the **increase in capability and capacity** envisaged by the 2020 Martin Jenkins Efficiency and Effectiveness Review.
- Ensuring the Authority is seen as an **employer of choice** in the employment markets we target.

Doing this involves the Authority both continuing work on enhancing its programme of recruitment activities, and starting work on professional development and training programmes for all staff, most particularly to address the churn factors for trained staff and team leaders. Maintaining our staff numbers and delivering professional development programmes were both disrupted by the sudden bulge in the Authority's work due to the Parliament Protest Review. Our response to that involved quickly recruiting significant numbers of suitable people and achieving the turnaround in that work that was needed to meet expectations. This was achieved alongside continuing to deliver our usual complaint resolution and investigations work without any significant degradation in performance.

The effect, though, was that our resourcing levels were disrupted and this is still being felt today.

Building and maintaining the appropriate level of staff capacity and capability necessary to perform our work is an integral part of a responsive and sustainable operating model.

The 2023/24 budget includes provision for increased expenditure on personnel. This includes unspent budget from the 2022/23 year, reflecting the disrupted staffing environment that year. The planned expenditure on personnel costs will support the Authority's ability to address the ongoing impact of those disruptions, by allowing us temporarily to retain some fixed term resource from 2022/23, to support new staff during their onboarding phase, and to develop the skills and capability of our people.

Mitigating staff retention and recruitment issues and developing an internal pipeline of talent development

The Authority is reviewing all our people and workplace strategies to ensure the best possible outcomes for our work and our staff.

This involves internal review as well as external benchmarking so we can be sure we are at least as good as other employers who have a similar workforce to ours.

Activities we will undertake in 2023/24 to meet this expectation

During 2023/24, to gauge what matters most to our staff, the Authority will convene a series of in-house workshops, undertake engagement surveys involving management and staff, run All-Staff forums, and review professional development pathways (such as the establishment of our Assistant Investigator internal secondment role).

The work that we do can be tough – caseloads are high and dealing with complaints every day brings its own challenges. Our staff do a great job, and we want to ensure that they have the support they need. We monitor staff welfare closely, and, while we have provided standard support services for many years, we have allocated more resources to support staff in other ways, such as individualised post-incident support, regular professional supervision, resilience training, and in-house wellness programmes. We have also retained a level of specialist HR capability to help us develop a more strategic approach to supporting staff needs. We are investigating more ways we can improve and enhance the wellness of all staff.

In recent years, our ability successfully to recruit and retain staff has been constrained by our remuneration banding and public sector pay restraint. While our current resources do not allow us fully to address this, we have completed an initial adjustment to our remuneration banding following the 2023 Te Kawa Mataaho pay guidance, and we will implement a second corrective adjustment in 2023/24 to align with the market. Making these changes has allowed us to address the most acute market disparities and organisational risks from further loss of critical staff, and to advertise vacancies at competitive market salaries.

Remuneration is just one element of our recruitment and retention strategy. That is why our response also involves building a strong, resilient organisation through the development of a diverse and inclusive organisational culture that attracts and retains a wide array of people, skills and experiences.

Training opportunities we offer include technical skills, but also encompass development in Te Reo Māori, Tikanga Māori, inclusive leadership, and mentoring and coaching.

Successfully implementing our strategy depends on both the correct level of investment and a rate of training and skill development that is sustainable.

Minimising any backlog of complaints and improving timeliness

The Authority continues to explore resourcing and technology options that will allow us to improve timeliness.

Currently, despite ongoing resourcing challenges, the Authority does not have a structural backlog of complaints. However, we still face complaint timeliness hurdles, particularly in situations requiring independent investigation or responses from external parties (including NZ Police).

To improve the information flow between the Authority and Police, the best solutions are still productive professional relationships, good use of existing technology, and the efficient transfer of data and documents.

At our end the single most important factor is having highly trained and experienced staff working in a flexible operating model that allows cross-functional teams to form and deploy quickly and smoothly.

The last two years have been a particularly difficult period for attracting and retaining highly trained and experienced staff, and this has had a significant impact on timeliness.

The particular tension faced by the Authority in this area involves ensuring we are operating as efficiently and quickly as possible without degrading the quality of our work. When, in recent years, volume pressures have forced the point, we have opted to compromise timeliness rather than quality, meaning that in our timeliness measures we must report underperformance. Until we can regain higher a higher degree of stability in our workforce it is only realistic for us to aim at minimising further deterioration in timeframes, maintaining our position or achieving modest improvements, while our staff consolidate in their experience and competence.

Using current provisions of the IPCA Act to most effectively deliver outcomes

The Authority is continuing its work on possible legislative reform, which came out of its 2022/23 review of our legislation. This review work is being done with arms-length advisory support from the Ministry of Justice's Electoral and Constitutional Policy team.

The work concentrates on the following aspects of the Authority's current legislative powers:

- sections 17 – 20 of the Act. These cover the Authority's ability to direct Police to take specific actions concerning an investigation and the obligation (if any) on Police to act on those directions; and
- the Authority acquiring jurisdiction to initiate its own motion investigations to align better with our thematic review work, and improve the impact of our work as a proactive regulatory body.

This has become necessary simply because of the evolving operational and legal environment since 1988, including the Authority's maturing working relationship with Police. This evolution has meant that now, 35 years on, some levers in the Act are no longer the most appropriate, effective or practical.

Any legislative change must recognise this changed environment, as well as the justice sector's shift toward prevention.

We recognise any legislative reform needs to be considered and far-sighted, and the Authority continues to consider how the current provisions within the Act can be used to best effect.

Other activities we will undertake in 2023/24 towards our strategic goals

Achieving the increase in capability and capacity envisaged by the 2020 Martin Jenkins Efficiency and Effectiveness Review.

External disruptions – COVID, then the Parliament Protest Review Project – affected 2021/22 and 2022/23, meaning resources had to be reprioritised. This year, the Authority would like to be able to resume the longer-term recruitment programme (part of the strategic improvement of the organisation envisaged by Martin Jenkins) which had to be put to one side temporarily.

Using our data and technology expertise to enhance our overall operational capability, by giving us the information needed to drive insight and innovation in our work.

The Authority's software development vendor is working on progressing our data analysis and insight capabilities. This is being carried out in stages, with the current stage involving the creation of detailed reporting and analysis dashboards for internal use. Subsequent work will produce dashboards which will be helpful for comparative trend/data analysis with Police statistics, as well for external use via our website.

Working with Police to ensure a greater focus on good custodial practice that meets international standards.

Another major piece of work being finalised in 2023/24 is the integration of inspections of Police custodial facilities – OPCAT work – into the Authority's case management system (CMS).

When done, this will mean all the Authority's core business activities are recorded and managed in a single technology platform, providing consistent and comprehensive information management, analysis, and reporting.

Increasing our dedicated capacity and capability to perform this specialised work is a

key part of achieving the flexibility we seek in other parts of our planned operating model.

04 MEASURING OUR PERFORMANCE

TE INE I Ā MĀTOU MAHI - OUR OUTCOMES FRAMEWORK

IPCA's Outcomes Framework is summarised below and detailed in the Authority's *Statement of Intent*. It demonstrates linkages between the Authority's outputs and broader justice sector targets.



OUTPUT MEASURES 2023/24

Our Impact Measures are detailed in the Authority's *Statement of Intent 2023/24 to 2026/27*.

The Authority has reviewed targets for our Impact Measures and our Outputs in the 2023/24 financial year, with a view to developing new targets and replacing redundant measures. Our focus is on providing better measures of our performance in the following areas:

- developing a Stakeholder Engagement Strategy and programme, and a set of new measures for this work;
- Impact Measures that align to the growing thematic focus and direction of our work;
- expanding our monitoring of equity of access to the Authority's services by developing new measures to provide alignment and comparison across the justice sector; and
- working with Police to standardise the process for monitoring how they accept and implement our recommendations.

PROPOSED REVIEW OF THE AUTHORITY'S STATEMENT OF INTENT DURING 2023/24

In May 2023, the Authority welcomed a new Chair, Judge Kenneth Johnston KC. Judge Johnston's arrival at the Authority coincided with the presentation of draft accountability documentation. We recognise the change of Chair as an appropriate opportunity to review the Authority's strategic goals. As a result, the Board will undertake this review in late 2023/24, and we may update our Statement of Intent ahead of time.

The Authority's current strategic plans and goals are presented in the *IPCA Statement of Intent - Tauāki Whakamaunga Atu 2023/24 – 2026/27*, the partner document to this document, *IPCA Statement of Expectations - Te Tauāki Koronga mō ngā Mahi kia Tutuki 2023/24*.

MEASURING OUR OUTPUTS 2023/24

Output Measure 1: Receive, manage and ensure resolution of complaints

What we measure	Target 2023/24	Benchmark ¹	What we use to measure
All notifications of new complaints and incidents are acknowledged within seven days	99%	98%	IPCA complaints database
All new complaints and incidents that can be assessed without additional information are categorised and decisions made about appropriate actions within 28 days	75%	67%	IPCA complaints database
All new complaints and incidents that need additional information from Police or any other party are categorised and decisions made about the appropriate actions within 56 days	70%	54%	IPCA complaints database
Where a decision is made to take no action, the letters to Police and the complainant are issued within 14 days of that decision	95%	98%	IPCA complaints database
Where the Authority identifies a reasonable grievance it believes can be resolved without a detailed investigation, the Authority and Police agree on appropriate resolutions actions and these are undertaken	95%	100%	IPCA complaints database
Final outcomes of the Authority's review of Expressions of Dissatisfaction ² on complaints are communicated to complainants within 30 days of the Expression of Dissatisfaction being received.	85%	Not measured in 22-23	IPCA complaints database

¹ Based on the result as reported in the Authority's 2021/22 Annual Report.

² An Expression of Dissatisfaction is recorded when the complainant provides the Authority with new evidence in support of their complaint or has a compelling argument that the existing evidence should be reconsidered.

Output Measure 2: Independent, high quality and timely investigations and reviews

What we measure	Target 2023/24	Benchmark ³	What we use to measure
Authority reviews of Category B cases are completed within 28 days of receiving the file or Final Report from Police ⁴	85%	78%	IPCA complaints database
Independent investigations carried out by the Authority are concluded as soon as practicable ⁵	80% within 12 months	67%	IPCA complaints database
	95% within 24 months	84%	
An investigation plan, milestones and a completion date are set and monitored for all Category A cases that proceed to full investigation, an investigation plan	100%	100%	IPCA complaints database
Reports from Category A investigations are clear, consistent, well structured, and have well-argued conclusions ⁶	100%	100%	Independent review

³ Based on the result as reported in the Authority's 2021/22 Annual Report.

⁴ Excludes any period during which the IPCA is awaiting further information from Police.

⁵ The 12-month and 24-month periods exclude any period during which a draft final report or letter is awaiting submissions from Police.

⁶ Of the approximately 50 public reports the Authority produces annually, the independent reviewer selects 10% for review. The number of reports being independently reviewed therefore varies slightly each year.

Output Measure 3: **Make recommendations for improved Police conduct, practices, policies and procedures, based on the results of investigations, and monitor their implementation**

What we measure	Target 2023/24	Benchmark⁷	What we use to measure
All systemic issues ⁸ identified by the Authority relating to Police practices, policies and procedures, are raised and discussed with Police and appropriate recommendations made as required, before the closure of the case	100%	100%	IPCA complaints database; Police 'Sentient' reporting

Proposed addition of increased reporting on our monitoring activities

The recommendations the Authority makes are the main way we influence Police policy, practice and procedures.

We are currently identifying appropriate quantitative and qualitative performance information to be added to our performance reporting that will outline the monitoring we do after our recommendations are implemented.

By tracking subsequent complaints on issues on we have made recommendations on, the genuine impact of our recommendations can be gauged.

This ongoing monitoring and data analysis will provide a better understanding of the factors that can impact, delay, or prevent recommendations being implemented or being effective.

⁷ Based on the result as reported in the Authority's 2021/22 Annual Report.

⁸ This excludes OPCAT issues, which are addressed under Output measure 4.

Output Measure 4: Monitor places of Police detention

What we measure	Target 2023/24	Benchmark ⁹	What we use to measure
All systemic custodial management issues in Category A, Category B and Category C cases are raised and discussed with the Police before being review or independently investigated ¹⁰	100%	100%	IPCA complaints database
Inspection visits of all overnight Police custodial facilities and selected holding cells in four Police districts are conducted each year ¹¹	Annual inspection of all overnight custodial facilities in four Police districts are conducted	New measure in 2023/24	IPCA OPCAT Database
Produce an inspection report within 60 days of completing the last site visit in a district ¹²	Complete 4 District Reports per year	New measure in 2023/24	IPCA OPCAT database
Engage with Police and other relevant agencies on recommendations made as a National Preventive Mechanism within 30 days of reporting	100%	New measure in 2023/24	Qualitative reporting
Conduct a programme of announced and unannounced follow up visits to assess the implementation recommendations	100%	New measure in 2023/24	Qualitative reporting

⁹ Based on the result as reported in the Authority's 2021/22 Annual Report.

¹⁰ This measure has been amended to also refer to Category C cases as these can also contain such issues.

¹¹ All new measures replace the previous measure, which was "A programme of announced and unannounced visits to custody units will be undertaken, and a report to District (with recommendations and outcomes) for each visit to a custody unit will be provided within 60 days of each visit."

SUMMARY OF OUTPUT EXPENSES 2023/24

Our Outputs are forecast to cost \$8,553,035 in the coming financial year. Our revenue, plus reserves carried forward from the 2022/23 financial period, is forecast to be \$9,342,300.

Total Forecast output expenditure

\$8,553,035

Total forecast revenue + forecast operating reserves 2023/24

\$6,802,000 + \$2,540,300

FINANCIAL SUSTAINABILITY

The Authority is entering the 2023/24 financial year with substantial operating reserves. This is because of two main responses to the disruptions of the last two years: deferred utilisation, and the reprioritisation of some baseline appropriation, particularly in the spend on personnel.

The anomalous influence of two COVID impacted years and the resulting labour market volatility has led the Authority to meet some of its staffing needs through fixed-term or contract roles, resulting in a smaller spend on personnel.

The 2023/24 financial period looks to be one of consolidation and resumption of the deferred recruitment and capacity building that we originally scheduled for 2021/22-2022/23.

Part of this will be a further adjustment to some roles' remuneration to bring them into line with the market. This is a necessary part of the Authority's attraction and retention strategy.

As catch-up recruitment is carried out during the year, there will be some additional short-term support to ensure new staff are successfully onboarded and trained. This will taper off by the end of the period.

All these factors will mean that budgeted personnel expenditure for 2023/24 will be significantly above last year's.

Overall, though, in the long term, the Authority's personnel expenditure is not forecast to exceed what was identified as necessary to achieve the level of capacity and capability recommended in the 2020 Martin Jenkins Efficiency and Effectiveness Review. Our work on developing the best operational model to deliver our services will obviously include reforecasting of operational budgets when any changed resourcing levels are confirmed.

The Authority maintains a fiscally prudent approach to resourcing, and accepts that resourcing constraints and specific financial risk mitigation steps may mean that we need to reprioritise in the future, or retain higher levels of operating reserves.



FINANCIAL STATEMENTS

05 Appendix 1: Forecast Financial Statements

	Estimated Actuals 2022/23 \$	Forecast 2023/24 \$
Revenue from Crown	6,742,000	6,742,000
Revenue from Crown for review	2,750,000	-
Other Income	194	-
Interest income	135,000	60,000
Total revenue	9,627,194	6,802,000
Remuneration to auditors	52,711	59,575
Amortisation	20,387	15,290
Communication charges	63,745	50,000
Depreciation	118,522	110,472
Personnel	4,937,150	7,074,969
Printing and stationery	10,941	16,494
Professional fees	178,801	315,000
Rent	442,474	454,296
Services and supplies	350,493	225,172
Subscriptions	5,478	9,767
Training	89,945	87,000
Travel and accommodation	120,076	135,000
Review Expenditure	2,673,491	-
Total expenditure	9,070,214	8,553,035
Net comprehensive income for the year	556,980	(1,751,035)

	Estimated Actuals	Forecast
	2022/23	2023/24
	\$	\$
Cash & cash equivalents	1,980,597	727,630
Term Deposits	700,000	250,000
Accrued Interest	17,165	13,000
GST receivable	60,021	71,000
Total current assets	2,757,783	1,061,630
Property, plant and equipment	267,670	257,198
Intangible assets	61,161	45,871
Total non-current assets	328,831	303,069
Total assets	3,086,614	1,364,699
Leasehold fit-out capital contribution	2,222	-
Creditors and other payables	215,224	224,899
Employee entitlements	240,535	260,535
Total current liabilities	457,981	485,434
Non-current liabilities	88,333	90,000
Total liabilities	546,314	575,435
Net assets	2,540,300	789,265
Total public equity	2,540,300	789,265

	Estimated Actuals	Forecast
	2022/23	2023/24
	\$	\$
Opening equity	1,983,320	2,540,300
Net comprehensive income for the year	556,980	(1,751,035)
Closing equity	2,540,300	789,265

	Estimated Actuals 2022/23 \$	Forecast 2023/24 \$
Receipts from Crown revenue	9,492,000	6,742,000
Interest received	121,044	64,165
Other Income	194	-
Net GST received/(paid)	9,345	(10,486)
Cash will be applied to:		
Payments to suppliers and employees	(8,907,728)	(8,398,646)
Net cash flows from/(used in) operating activities	714,855	(1,602,967)
Cash will be provided from:		
Proceeds from term deposits:	50,000	450,000
Cash will be applied to:		
Purchases of property, plant and equipment	(60,798)	(100,000)
Net cash flows (used in)/from investing activities	(10,798)	350,000
Net increase/(decrease) in cash held	704,057	(1,252,967)
Plus, cash at the start of the year	1,276,540	1,980,597
Cash held at the end of the year	1,980,597	727,630
Represented by:		
Cash & cash equivalents	1,980,597	727,630

Appendix 2: Notes to and forming part of the financial statements

Statement of underlying assumptions

Significant assumption

The opening position of the forecast statements is based on audited results for 2012/22, the known 2022/23 expenditure to 31 May 2023 and the anticipated out-turn as at 30 June 2023.

Nature of forecast financial statements

The forecast financial statements have been prepared as a best-efforts indication of the Independent Police Conduct Authority's future financial performance. Actual financial results achieved for the period are likely to vary from the information presented, potentially in a material manner.

Reporting entity

The reporting entity is the Independent Police Conduct Authority, a Crown entity as defined by the Crown Entities Act 2004 and is domiciled in New Zealand. As such, the 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 Authority has designated itself as a public benefit entity.

Basis for preparation

Statement of compliance

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

The forecast financial statements have been prepared in accordance with New Zealand Public Benefit Entity (NZ PBE) International Public Sector Accounting Standards (IPSAS). These prospective financial statements are compliant with Public Benefit Entity Financial Reporting Standard 42 Prospective Financial Statements (PBE FRS-42).

Measurement base

The forecast 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.

Functional and presentation currency

The forecast financial statements are presented in New Zealand dollars, rounded to the nearest one dollar. The functional currency of the Authority is New Zealand dollars.

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the forecast financial statements:

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable.

Revenue from the Crown

The Authority is primarily funded by revenue received from the Crown, which is restricted in its use for the purpose of the Authority meeting its objectives as specified in the Statement of Intent.

Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

Interest

Interest revenue is calculated based on the net cash flow received throughout the year.

Operating leases

Operating lease payments, where the lessors effectively retain substantially all risks and benefits of ownership of the leased items, are included in the forecast statement of comprehensive income as an expense, in equal instalments over the lease term when the leased items are in use.

Where the leased items are not in use, operating lease payments are treated as prepayment until the items are used to derive income. These prepayments are released to the forecast statement of comprehensive income on a straight-line basis over the period of the remaining operating lease term.

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less any provision for impairment.

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 overdrafts.

Investments

Investments are 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 deposits, impairment is established when there is objective evidence that the Authority will not be able to collect amounts due according to the original terms of the deposit. Significant financial difficulties of the bank, probability that the bank will enter into receivership or liquidation, and default in payments are considered indicators that the deposit is impaired.

Property, plant and equipment

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

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 Authority and the cost of the item can be measured reliably.

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.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

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 included in the forecast statement of comprehensive income.

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 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 forecast statement of comprehensive income as they are incurred.

Depreciation

Depreciation is calculated on a diminishing value basis on property, plant and equipment once in the 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	25.0% DV

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 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

Amortisation is charged on a diminishing value basis over the estimated useful life of the intangible asset.

The following amortisation rate is used in the calculation of amortisation:

Software	25.0% DV
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Impairment

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

Value in use is 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 amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The impairment loss is recognised in the forecast statement of comprehensive income.

Financial liabilities

Creditors and other payables

Creditors and other payables, comprising trade creditors and other accounts payable, are recognised when the Authority becomes obliged to make future payments resulting from the purchase of goods and services.

Employee entitlements

Short-term employee entitlements

Provisions made in respect of employee benefits expected to be settled within 12 months of reporting date, are measured at the best estimate of the consideration required to settle the obligation using the current remuneration rate expected.

These include salaries and wages accrued up to balance date, and annual leave earned but not yet taken at balance date.

The Authority recognises a liability and an expense for bonuses 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 forecast statement of comprehensive income as incurred.

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 an 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 and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

Cash flow statement

The Cash Flow Statement is prepared exclusive of GST, which is consistent with the method used in the statement of comprehensive income.

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 and includes at-call borrowings such as bank overdrafts, 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.

Appendix 3: Critical judgements in applying the Authority's accounting policies

In the application of New Zealand Public Benefit Entity (NZ PBE) International Public Sector Accounting Standards (IPSAS), management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IPSAS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

These forecast financial statements are based on IPCA 2021/22 audited results, the unaudited anticipated out-turn as at 30 June 2023 and have been prepared on the basis of assumptions as to future events that the Authority expects to reasonably occur, associated with the actions it reasonably expects to take.

The main assumptions are as follows:

- Operating costs are based on historical experience. The general historical pattern is expected to continue.
- The Authority's activities will remain substantially the same as the previous year.

There are no significant events or changes that would have a material impact on IPCA's 2023/24 forecast.

Appendix 4 - Category definitions

Category A – IPCA independent investigation

Principle

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

Guidelines

Some cases that are so serious that they will typically lead to a Category A investigation. These include:

- a) cases involving death or serious injury caused 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 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 Police (e.g., by investigation with a view to possible criminal prosecution or disciplinary proceedings against one or more officers). A case that does not meet one of the above criteria may still be suitable for a Category A investigation if:

- a) it raises one or more significant systemic issues;
- b) it shows a pattern of significant misconduct by an individual officer;
- c) it raises integrity issues in relation to a senior officer or an area, District, or Police generally;
- d) a Police investigation on its own is unlikely, in the view of the Authority, to be perceived as having sufficient robustness for public credibility; or
- e) Police have indicated, or the Authority determines, that for public interest reasons it is preferable for the Authority rather than Police to investigate.

Category B –Police investigation with active IPCA oversight

Principle

Where a case requires investigation before the appropriate resolution can be determined, but does not meet the criteria for independent investigation, it will be referred to the Police for investigation with active IPCA oversight.

This may sometimes comprise a limited factual inquiry by the Police (e.g., a phone call to the complainant or a witness to clarify a factual matter) so that it can be determined whether the case is suitable for alternative resolution.

Once concluded, the Police investigation is subject to a full, independent review to confirm that all complaint issues have been addressed and that the outcomes are in accordance with the weight of evidence. The Authority makes its own findings and reports these to the Commissioner and, where applicable, the complainant.

Category C – Facilitated Complaint Resolution

Principle

Where the complainant has a reasonable grievance to be addressed and the issues are clear, the case should be resolved by appropriate action and redress as soon as practicable.

Guidelines

This category of complaints has the following characteristics:

- a) the issues raised by the complaint are clear;
- b) there does not need to be a substantial investigation to determine the facts;
- c) there is no need for a criminal or employment investigation into the actions of the officers complained about;
- d) some redress or other action to resolve the issues raised by the complaint is practicable.

Complaints in this category can range from the serious to the relatively minor. Their distinguishing feature is that they can be resolved quickly, efficiently, and effectively. This means that complainants can receive timely redress, and that appropriate lessons can be learned by individual officers or Police as an organisation soon after the event.

Before a case with these characteristics is categorised, there will be a discussion with the District Professional Conduct Manager (and, if necessary, Police Professional Conduct at Police National Headquarters) to discuss and agree on the appropriate actions and a timeframe within which they are to be undertaken. If no such agreement is reached, the case will not be considered as Category C.

Category D – No further action

Principle

It is in the interests of both the complainant and Police that matters of no real substance are identified and concluded at the earliest possible opportunity. This decision will only be made after appropriate research, collation and analysis of available information relating to the complaint has been undertaken.

Guidelines

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

- a) the complaint is considered by the Authority to be minor, frivolous or vexatious;
- b) there is no support from the person centrally aggrieved;
- c) the complaint covers matters that have been, are about to be or can be decided by another tribunal or by the Court;
- d) there is no issue requiring investigation;
- e) the complaint relates to an incident the complainant has known about for longer than one year;
- f) there is a conflict in the evidence about the issues complained of that is unlikely to be resolved by further investigation.

Intentionally Blank



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