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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 2024/25 to 2027/28* and describes the Authority's performance measures and annual forecast financial statements for the 2025/26 year.

This SPE also sets out forecasted financial information for the yar 1 July 2025 to 30 June 2026. The financial information has not been audited and should not be relied on for any other purposes.

We have also given due regard to the directives contained within our responsible Minister's Letter of Expectations 2025/26.

30 June 2025

Out luci

MM

MB ...

Judge Kenneth Johnston KC
CHAIR

Liz Sinclair MEMBER Andrew Coleman

MEMBER

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 2024/25 to 2027/28.

During the 2025/26 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.

PERFORMANCE REPORTING

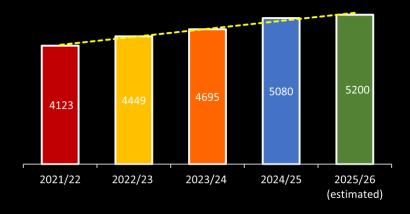
The Authority consults with the Minister of Justice on our activities for the purposes of financial accountability and to provide transparency as to how our outputs are being delivered.

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

5,200

complaints in the 2025/26 period.

The increase in complaint numbers has continued over recent years and we anticipate growth in the volume of our work to arrive at a minimum 5-7% year on year growth trend.

In 2025/26, we anticipate the following levels of output:

We will **commence** approximately

80

new independent investigations

We will **oversee** approximately

180

new Police investigations

We will facilitate in excess of

1,050

complaint resolutions

Our team of 43 FTEs will assess, triage and manage these complaints. Subject to resourcing, we may also undertake thematic reviews and lead or contribute to joint agency investigations.

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.

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.

Our OPCAT team currently consists of a Principal Advisor, and two Inspectors. Their work is to undertake a programme of announced and unannounced inspections across four 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.



2 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 Authority's participation in broader Justice sector initiatives is equally important. Our thematic reviews and Optional Protocol to the Convention Against Torture (OPCAT) work have been integral to this. Inevitably, though, this work has an impact on our core complaints work. In recent times resource constraints have impacted our ability to undertake thematic review work, in particular. We see this as likely to continue for the coming year or two, given financial expectations. This is especially unfortunate as see thematic reviews having a real value in supporting more impactful outcomes.

New operating model

A major organisational change was initiated when the Authority commenced work on a new operating model during the previous year. The focus of the new model was the creation of an 'Assurance' team, a component of which will have management of all Category B files. Category B files are those investigations that are undertaken by Police and actively overseen by the Authority.

Our oversight of the management of these files was dispersed across teams, and the new model will provide for a greater consistency and focus on, and efficient management of, Category B investigations. It is expected that the Authority will extract more value from this process which can then be leveraged to inform future thematic work and influence Police.

Creating a dedicated Cat B team also means that there will now be a dedicated Category A (Independent Investigation) team. This will help provide the necessary focus to meet our own and ministerial expectations that improves the timely resolution of independent investigations.

Emphasis on monitoring of recommendations

This transition also supports a more focused the monitoring of approach to implementation of the Authority's recommendations. The Authority sees considerable value in its recommendations process and has introduced new performance goals aimed at maximising the value of those recommendations. We intend to monitor closely the implementation recommendations made as a result of both investigation work, and custodial visits. We believe that recommendations are a strong contributor to improving Police policy, practice and procedures overall, and results in more impactful outcomes for the community.

Further detail of these performance measures is provided later in this report.

Operating challenges

The Authority continues to operate within very tight constraints. We remain a small organisation, delivering against growing

demand (year on year increases in complaint numbers, as well as increased complexity of investigations), 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 will often have consequences for ours.

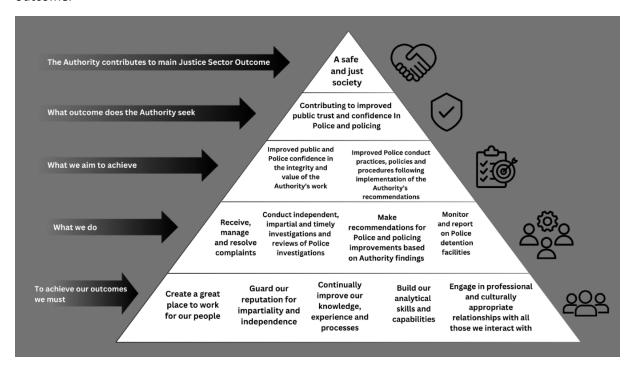
In order to focus on evolving expectations, we continue to operate to a strategy that is simple, agile, focuses on impact, and is resilient.

03

MEASURING OUR PERFORMANCE

TE INE I Ā MĀTOU MAHI - OUR OUTCOMES FRAMEWORK

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



Last year the Authority was tasked with developing an outcome-based performance measurement framework. The Authority responded by developing and adopting the framework above in its SOI as a simple yet effective model of the outcomes and impacts we are seeking.

The Authority also transitioned to a new operating model (discussed above at page 7) to ensure the most effective and efficient allocation of resources to support these objectives.

Additionally, the Authority undertook a fulsome review of its performance measurements. We critically assessed our metrics against those being applied by other similar compliance and enforcement bodies, both in New Zealand and internationally. This review led us to the adoption of a smaller, tighter suite of metrics, all proposed with the aim of measuring the *impact* of the Authority's work.

A particular nuance of the Authority's work is that there can be some length of time to witness and measure the impact of its work. This is due to the longer timeframes necessary to implement recommendations for changes in Police practices and behaviour and measuring any consequent impact. We have taken account of these factors in setting the metrics, some of which will be measured in terms exceeding 12 months.

Given the challenges with measurement of impact, we also propose to provide more regular reports to the Minister about our effectiveness, in particular commentary on 'real world' impacts, complementary to the statistical measures themselves. We consider such an approach provides a fuller, more rounded account of the Authority's work and impacts.

In summary, the following performance measures seek to:

- Focus on the timely resolution of complaints
- Focus on the timely completion of independent investigations
- Focus on the acceptance of recommendations by Police, and the implementation of those recommendations, in respect of both investigations, and custodial facilities and practices
- Seek to measure the medium to longer-term impact of those implementations, through active monitoring of complaint and investigation data

MEASURING OUR OUTPUTS 2025/26

Output Measure 1: Management and resolution of complaints

Measure	Expectation	Expectation	Previous Year	How it will be
	2025-26	2024-25	2023-24	measured
1.1 Complete	90% completed	New measure	N/A	Measurement is
90% of core				obtained through
complaints*				the IPCA case
within 6 months				management
of receipt				database

^{*}Core complaints are those categorised as 'Category D' complaints (representing 74% of all complaints in 2023/24 year).

Timeliness of complaint management is a key element of increasing public and Police trust and confidence in the work of the Authority. Notwithstanding increasing complaint volumes each year, we are acutely aware of the expectation of complainants that their complaint will be administered both robustly, and in a timely manner.

The majority of complaints to the Authority are categorised as Category D cases, meaning no further action is taken (please see Appendix 4 for a fuller description of categories). While that is the outcome, there may still be a significant amount of work that is undertaken per case before that conclusion can be made. We have therefore introduced a new measure, aimed at reporting the timeliness of those majority of cases.

Within this workstream we will also implement a more regular system of advising complainants of the progress and status of their complaint, such that there is increased communication with complainants and greater transparency of the Authority's case management practice.

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

Measure	Expectation 2025-26	Expectation 2024-25	Previous Year 2023-24	How it will be measured
2.1 Independent investigations are concluded in a timely manner	60-75% within 12 months	60-75% within 12 months	41%	Measurement is obtained through the IPCA case management database
2.2 Independent investigations are concluded in a timely manner	90% within 24 months	90% within 24 months	86%	Measurement is obtained through the IPCA case management database
2.3 Reports from Category A investigations are clear, consistent, and well- structured, and have well-argued conclusions	100% of reports meet the standard	100%	100%	Reports are independently reviewed by an external writing specialist

This activity covers the critical function of undertaking independent investigations. To assess this performance, we use a combination of quantitative and qualitative measures.

Historically the targets associated with independent investigations have proven difficult to attain. These results are a combination of several factors, including the increasing number of investigations (managed by a static workforce), and the increased complexity of the investigations.

The timeframe taken is measured at the conclusion of the investigation, following any adjustment for time taken by issues or matters outside the Authority's control, such as employment proceedings or court action.

Reports of independent investigations are published on the Authority's website. As an important communication tool that focuses on the Authority's role, processes, and decision-making, the Authority seeks to ensure that these reports are accessible and well written. An independent writing specialist reviews a sample of published reports and provides an objective assessment of the standard of the written reports.

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

Measure	Expectation	Expectation	Previous Year	How it will be
	2025-26	2024-25	2023-24	measured
3.1 The IPCA make recommendations for improved police conduct, policies, practices and procedures (including the optional protocol to the convention against torture) and monitor acceptance of those recommendations	95-100% of recommendations are accepted by Police	95-100% of recommendations are accepted by Police	100%	Measurement is obtained through the IPCA case management database, and cross-referenced against the Police 'Sentient' database
3.2 The Authority monitors the Police implementation of recommendations	75% implemented within 12 months	New measure	N/A	As above
3.3 The Authority monitors the Police implementation of recommendations	95% implemented within 18 months	New measure	N/A	As above
3.4 Following implementation of recommendations, the number of complaints specific to those recommendations reduces over time	Measured at 12, 24, and 36 month intervals	New measure	N/A	As above

Our recommendations work affords an opportunity to promote improvement actions and effective practices. Recommendations are made at the end of an investigation, following discussions with Police.

This measure focuses on the implementation of recommendations by Police. The Authority will follow up on agreed timeframes to ensure that work is undertaken to implement improved practices and policies.

The Authority is also seeking to assess its impact over time by introducing a new measure that monitors the impact of recommendations over a longer 36-month timeframe, recognising that change and the impact of change often requires a medium-term timeframe within which to assess impact.

Output Measure 4: Monitor places of Police detention

Measure	Expectation 2025-26	Expectation 2024-25	Previous Year 2023-24	How it will be measured
4.1 Police accept no less than 85% of recommendations made post-visit	No less than 85%	New measure	N/A	Measurement is obtained through the IPCA case management database, and cross-referenced against the Police 'Sentient' database
4.2 The Authority monitors the Police implementation of recommendations	75% implemented within 12 months	New measure	N/A	As above
4.3 The Authority monitors the Police implementation of recommendations	95% implemented within 24 months	New measure	N/A	As above

The Authority has a programme of visits scheduled to each Police district, during which inspections of custodial facilities and practices/procedures will be viewed and discussed. These visits are shared with Police in advance. At the conclusion of the inspections there are discussions around the need for any immediate remedial actions, followed by any recommendations made by the Authority. Follow-up unannounced visits may then take place at a later date to monitor progress of recommendations and improvements.

Similar to our planned focus on the implementation of recommendations in regard to investigations, we will adopt a similar focus with respect to custodial facilities and practices.

SUMMARY OF OUTPUT EXPENSES 2025/26

Our outputs are forecast to cost \$6,903,727 in the coming financial year. Our revenue, plus reserves carried forward from 2024/25 financial period is forecast to be \$8,187,490.

Total Forecast output expenditure

\$6,903,727

Total forecast revenue + forecast operating reserves 2025/26

\$8,187,490

FINANCIAL SUSTAINABILITY

The Authority's financial management processes support the delivery of outcomes aligned to the Government's objective of a safe and just society.

The Authority continues to seek further efficiencies in its operations to ensure that services delivered can be maximised with available resources. Financially prudent decision-making is essential to meet the significant demand placed on the Authority within its constraints.

Personnel expenditure remains as the Authority's greatest asset and represents the majority of its costs. While recruitment and personnel expenditure are not planned to increase, the Authority's strategy remains to set remuneration and employment conditions which will attract and retain high quality employees while keeping costs sustainable within our appropriation.

The level of operating reserves held by the Authority has allowed it to weather a challenging financial period. These reserves ensure that the Authority will be able to meet the demand placed upon it, despite expecting a minor operating loss over the next twelve months as the Authority continues realigning to its new operating model.

The Authority's financial performance is reviewed by the Board on a quarterly basis and receives continuous external review throughout the year. Budgets and forecasts are reviewed and adjusted as required during the financial year, both internally and externally, taking into account expenditure trends and needs.



O5 Appendix 1: Forecast Financial Statements

Statement of forecast comprehensive revenue and expense

	Estimated Actuals 2024/25 \$	Forecast 2025/26 \$
Revenue		
Funding from the Crown	6,742,000	6,742,000
Other revenue	-	-
Interest revenue	121,266	122,852
Total revenue	6,863,266	6,864,852
Expenditure		
Audit fees	66,724	70,567
Amortisation	18,286	28,464
Communication charges	14,467	24,549
Depreciation	57,442	89,645
Personnel costs and Board fees	5,329,455	5,288,790
Printing and stationery	9,343	8,993
Professional fees and contract services	263,193	264,161
Rent	543,433	563,012
Services and supplies	382,897	363,216
Subscriptions	10,469	11,542
Training	71,398	65,000
Travel and accommodation	117,241	125,787
Total expenditure	6,884,348	6,903,727
<u>Deficit</u>	(21,082)	(38,875)
Other comprehensive revenue and expense		
Total comprehensive deficit	(21,082)	(38,875)

Statement of forecast financial position

	Estimated Actuals 2024/25 \$	Forecast 2025/26 \$
Assets		
Current assets		
Cash and cash equivalents	1,464,894	1,459,439
GST receivable	96,950	106,645
Total current assets	1,561,844	1,566,084
Non-current assets		
Property, plant and equipment	212,827	219,181
Intangible assets	88,858	90,393
Total non-current assets	301,684	309,574
Total assets	1,863,528	1,875,658
Liabilities		
Current liabilities		
Creditors and other payables	218,238	240,062
Employee entitlements	216,819	238,501
Total current liabilities	435,057	478,563
Non-current liabilities		
Make-good provision	105,833	113,333
Non-current liabilities	105,833	113,333
Total liabilities	540,890	591,896
Net assets	1,322,638	1,283,763
Crown equity		
Total investment by the Crown	1,322,638	1,283,763
Total Crown equity	1,322,638	1,283,763

Statement of forecast changes in equity

	Estimated Actuals	Forecast
	2024/25	2025/26
	\$	\$
Total Crown equity at beginning of year	1,343,720	1,322,638
Total comprehensive deficit	(21,082)	(38,875)
Total Crown equity at end of year	1,322,638	1,283,763

Statement of forecasted cash flows

	Estimated Actuals	Forecast
	2024/25 \$	2025/26 \$
Cash flows from operating activities		
Cash will be provided from/(applied to)		
Receipts from the Crown	6,742,000	6,742,000
Interest received	121,266	122,852
Other revenue received	-	-
Net GST paid	(44,455)	(6,848)
Payments to suppliers and employees	(6,871,379)	(6,737,458)
Net cash flows to operating activities	(52,568)	120,545
Cash flows from investing activities		
Cash will be provided from/(applied to)		
Proceeds from term deposits:	-	-
Purchase of property, plant and equipment	(66,129)	(96,000)
Purchase of intangible assets	(34,000)	(30,000)
Net cash flows from investing activities	(100,129)	(126,000)
Net increase/(decrease) in cash and cash equivalents	(152,697)	(5,455)
Cash and cash equivalents at beginning of the year	1,617,591	1,464,894
Cash and cash equivalents at end of year	1,464,894	1,459,439
Represented by:		
Cash & cash equivalents	1,464,894	1,459,439

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 2023/24, the known unaudited 2024/25 expenditure to 30 May 2025 and the anticipated out-turn as at 30 June 2025.

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 - 67.0% DV

Furniture & fittings 25.0% DV

Leasehold improvements 10.0 - 11.1% 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

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 judgments in applying the Authority's accounting policies

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 2023/24 audited results, the unaudited anticipated out-turn as at 30 June 2025 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 2025/26 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.

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