

Independent Police Conduct Authority
STATEMENT OF INTENT
2008/09 – 2010/11

Whaia te pono, kia puawai ko te tika
“Seek out the truth, that justice may prevail”



Presented to the House of Representatives

Pursuant to section 1

39 of the Crown Entities Act 2004

June 2008

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The Independent Police Conduct Authority (IPCA) exists to ensure and maintain public confidence in the New Zealand Police (Police). The IPCA does this by considering and, if it deems it necessary, investigating public complaints against police of alleged misconduct or neglect of duty and assessing police compliance with relevant policies, procedures and practices in these instances. The IPCA also receives from the Commissioner of Police notification of all incidents involving police where death or serious bodily harm has occurred. The IPCA has the discretion to investigate these incidents if it wishes.

The Independent Police Conduct Authority evolved from the Police Complaints Authority (PCA) which was established in 1988. The Independent Police Conduct Authority Act 2007 marked a major shift in the direction of the Authority starting with its name change and the change in the body of the Authority from an individual to a Board of up to five members comprising both legal experts and lay people.

These two changes provided the foundation for the IPCA to make a significant paradigm shift. From 1988 the Authority operated largely reactively. It had power to conduct formal hearings under oath but exercised that power only rarely. It investigated police incidents involving death or serious bodily harm. But when it came to public complaints against the police, insufficient resourcing caused it to be limited for the most part to reviewing complaint investigations conducted by police. However, since late 2007, the Authority has begun the process of enlarging its capability to independently investigate complaints and serious incidents involving police.

This shift has been in direct response to the Gallen Review in 2000 of the Police Complaints Authority, and the report of the Commission of Inquiry into Police Conduct (COIPC) delivered in March 2007 in which recommendations were made for the improvement of the Authority's effectiveness. It also reflects the expectations of public and Government that the Authority become more proactive and

demonstrably more independent in its functions and coincides with current Police reforms of their internal professional standards.

This Statement of Intent (SOI) focuses heavily on the IPCA's response to the COIPC's recommendations and details the IPCA's outlook for the future.

The IPCA is pleased to receive the support of the Minister and the Government through a significant increase in our baseline funding to enable the Authority to face the challenges ahead.

The Government has made public its intention to enhance the role of the Authority of which extending its powers are a part. However, those legislative changes are still being developed. This SOI reflects the current legislative framework in which we must work.

There is both a political will and public expectation that the Authority will act swiftly on the recommendations of the COIPC and be able to ensure public confidence in its ability to provide for the independent oversight of police conduct. We look forward to meeting those challenges effectively.



Justice Lowell Goddard

Chairperson

INDEPENDENT POLICE CONDUCT AUTHORITY



PART I: 3 Year Outlook

Introduction

The next three years will see the Independent Police Conduct Authority take action to:

- a) Eliminate its backlog of old complaint files; and
- b) Implement initiatives which will ensure more effective and more visibly independent treatment of public complaints against police in the future.

Impetus for this strategic direction originated from the Commission of Inquiry into Police Conduct (COIPC) which was formed to address concerns with the Police but gave rise to an opportunity for the COIPC (in its 2007 Report) to make recommendations encouraging the IPCA to be more effective in its complaint management, more independent in its investigations and more accessible to the public. The COIPC also recommended legislative changes to give effect to the IPCA becoming more independent of police support.

The coming year sees the establishment of a governing Board in place of the individual Authority as provided for in the Independent Police Conduct Authority Act 2007. This change will enable governing responsibilities to be shared among Board members, and enable the introduction of non-legal members onto the Board.

Other steps that have been taken to increase the IPCA's efficiency and effectiveness include the appointments of a Chief Executive and Communications Manager.

A strong emphasis will be given to eliminating the existing complaints backlog and with recent increases in its resources the Authority will put in place initiatives which will enable speedier and more effective treatment of complaints.

Emphasis will also be placed on increasing public confidence in the independence of the Authority by strengthening its own investigative capacity (as opposed to the past practice of relying heavily on police-led investigations into complaints and reviewing their files afterwards).

These initiatives will be supported through a proactive communications strategy, and specific strategies for raising public awareness of the work of the Authority.

The IPCA is committed to:

- completing its restructuring to meet its evolving obligations;
- implementing internal performance indicators to ensure high productivity and quality control;
- resolving the backlog issue and preventing future backlogs;
- working with Police in the reformation of their professional standards processes in a manner complementary to the IPCA's Maori conceptual name: *Whaia te pono, kia puawai ko te tika, or Seek out the truth, that justice may prevail;*
- ensuring that the New Zealand public is aware of the presence and work of the Authority; and overall
- demonstrating to the community and to Government that the IPCA is an independent and effective oversight body which contributes significantly to police effectiveness.

NATURE AND SCOPE OF FUNCTIONS

The role of the Independent Police Conduct Authority is defined by the Independent Police Conduct Authority Act 2007. The IPCA exists to ensure and maintain public confidence in the New Zealand Police by considering complaints of alleged misconduct or neglect of duty by any member of Police, and assessing police compliance with relevant policies, procedures and practices in these instances.

The functions of the Authority include:

- 1) Receiving complaints -
 - a) Alleging any misconduct or neglect of duty by any member of the Police or
 - b) Concerning any practice, policy, or procedure of the Police affecting the person or body of persons making the complaint in a personal capacity:

- 2) Undertaking an investigation of its own motion, where it is satisfied that there are reasonable grounds to carry out an investigation in the public interest, any incident involving death or serious bodily harm notified to the Authority by the Commissioner;
- 3) In the course of taking action in respect of any complaint the Authority may investigate any apparent misconduct or neglect of duty by a member of the Police, or any Police practice, policy, or procedure, which appears to the Authority to relate to the complaint, notwithstanding that the complaint itself does not refer to that misconduct, neglect, practice, policy, or procedure.

The IPCA is an Independent Crown entity (Part 3 of Schedule 1, Crown Entities Act 2004); the independence this affords is not intended give rise to conflict between the IPCA and Government priorities and Justice Sector Outcomes.

In fulfilling its role, the IPCA ultimately seeks to support the Government's outcome of '*A safe and just society*' by contributing to the achievement of the following justice sector goals:

- accessible justice services;
- a trusted justice system; and
- effective constitutional arrangements.

The IPCA's role supports the desired Police outcomes of '*Confident, safe and secure communities*', and shared values of integrity and professionalism as outlined in the Police Statement of Intent, through our role as watchdog over police actions.

It is the IPCA's responsibility to promote strong public confidence in the services provided by the Police. As New Zealand's only organisation outside of Police with responsibility for investigating and establishing whether the actions, procedures and policies of the Police are appropriate it is critical that the IPCA's work is, and is seen to be, independent of the functions and influence of the Police.

The additional funding provided in this year's Budget will allow the IPCA to act, and be seen to act, with a greater level of independence. When giving consideration to complaints or serious incidents, the IPCA will have a greater capacity to initiate its own investigations rather than having to rely unduly on the Police for assistance. The IPCA will be fielding two investigation teams instead of only the one currently operating. Both teams will be staffed by veteran investigators with individual field experience ranging from 12 to 25 years in both New Zealand and overseas jurisdictions.

In summary, there are three critical independence factors for the IPCA.

1. Statutory independence

The IPCA already enjoys statutory independence by virtue of its Act and the Crown Entities Act which imbue it with the ability to resist any undue influence from the Government or any other organisation or individual. That statutory independence is a key pre-requisite for its effectiveness.

2. Operational independence

In practical terms operational independence means the IPCA's ability to carry out its own investigations, to independently oversee police investigations and to conduct its own reviews – all without undue reliance on assistance from police.

3. Impartiality

To assist in enhancing the public's understanding of the IPCA's independence the IPCA will strengthen its efforts to raise public awareness of its role and functions and promote publicity which educates the public about its enlarged investigative capacity. The Authority will develop a proactive communications strategy in conjunction with the Police, the Ministry of Justice and other relevant agencies. A Service Centre will be established to assist with the reception of oral complaints, maintaining contact with complainants throughout an investigation and better educating the public on the work of the IPCA.

The fundamental importance of both actual independence and perceived impartiality of the IPCA cannot be over-emphasised.

WORKING
RELATIONSHIP
WITH POLICE

It is necessary for the IPCA to have regard to the internal disciplinary and reform processes being implemented by the Police in conjunction with the introduction of their Code of Conduct in early 2008.

It is both compatible with the principle of independence and in the public interest for the IPCA and the Police to work constructively together to ensure the success of the reforms proposed by the Police. They are intended to achieve both the advantage of early intervention and also an increased responsibility on the part of the Police for the complaint/disciplinary process, as well as the district complaint/conciliation process.

In addition to the statutory jurisdiction of the IPCA, there is already in force a Memorandum of Understanding between the IPCA and the Police, providing for matters of serious misconduct or neglect of duty which are internally reported within the Police to be notified to the IPCA and then to be dealt with by the IPCA as if they were complaints.

The procedures to be followed when both the IPCA's own investigators and the Police are investigating a matter are addressed by a protocol for co-operation entered into between the two organisations. This protocol defines the working relationship between the Police and IPCA investigators. It allows active and independent investigation by the IPCA whilst recognising that the Police have the primary responsibility for the investigation of crime.

STRATEGIC
DIRECTION

Vision Statement

Whaia te pono, kia puawai ko te tika

"Seek out the truth, that justice may prevail"

Mission Statement

The promotion of public confidence in the Police through the investigation of the appropriateness of Police actions, procedures and policies and the making of recommendations

The IPCA proposes to take a phased approach to achieving efficiency and effectiveness gains through this initiative as summarised in the table below:

GUIDING STRATEGIC OUTCOMES FOR IPCA	
Justice Sector	
A trusted justice system, accessible justice services, effective constitutional arrangements	
Police	
Confident, safe and secure communities	
<p>IPCA Ultimate Goal: High level of confidence in the New Zealand Police</p> <p>IPCA Role: Consider complaints of alleged misconduct or neglect of duty by any members of the Police</p> <p>IPCA Functions: Investigate complaints, make recommendations</p>	
PHASE 1 : EFFICIENCY (0 – 2 YEARS)	
Organisational goals:	Intended outcomes:
<ul style="list-style-type: none"> • more efficient use of existing resources • more efficient processing of complaints (including reduction of backlog) • more effective collection of information regarding complaints • greater level of IPCA-led investigations • stronger, more robust organisational planning 	<ul style="list-style-type: none"> • increased timeliness • increased actual and perceived independence • increased public (and complainant) confidence in IPCA procedures
PHASE 2 : EFFECTIVENESS (0 – 5 YEARS)	
Organisational goals:	Intended outcomes:
<ul style="list-style-type: none"> • maintain existing organisational efficiencies • educate public and police as to IPCA role, functions, systems and processes • influence Police policy development 	<ul style="list-style-type: none"> • reduced level of complaints received • increase police compliance with internal protocols • systemic influence on Police policy, procedures and practice • enhanced public confidence in New Zealand Police

Figure 1: Phased approach to implementation of roles and functions

OPERATING INTENTIONS

Outcomes

To provide a modern, robust and independent jurisdiction which meets the public expectation that they can have a high level of confidence in the New Zealand Police, and contribute to a trusted justice system.

The IPCA will contribute to the Justice Sector Outcome of “A Safe and Just Society” through a series of interventions as described in the following chart

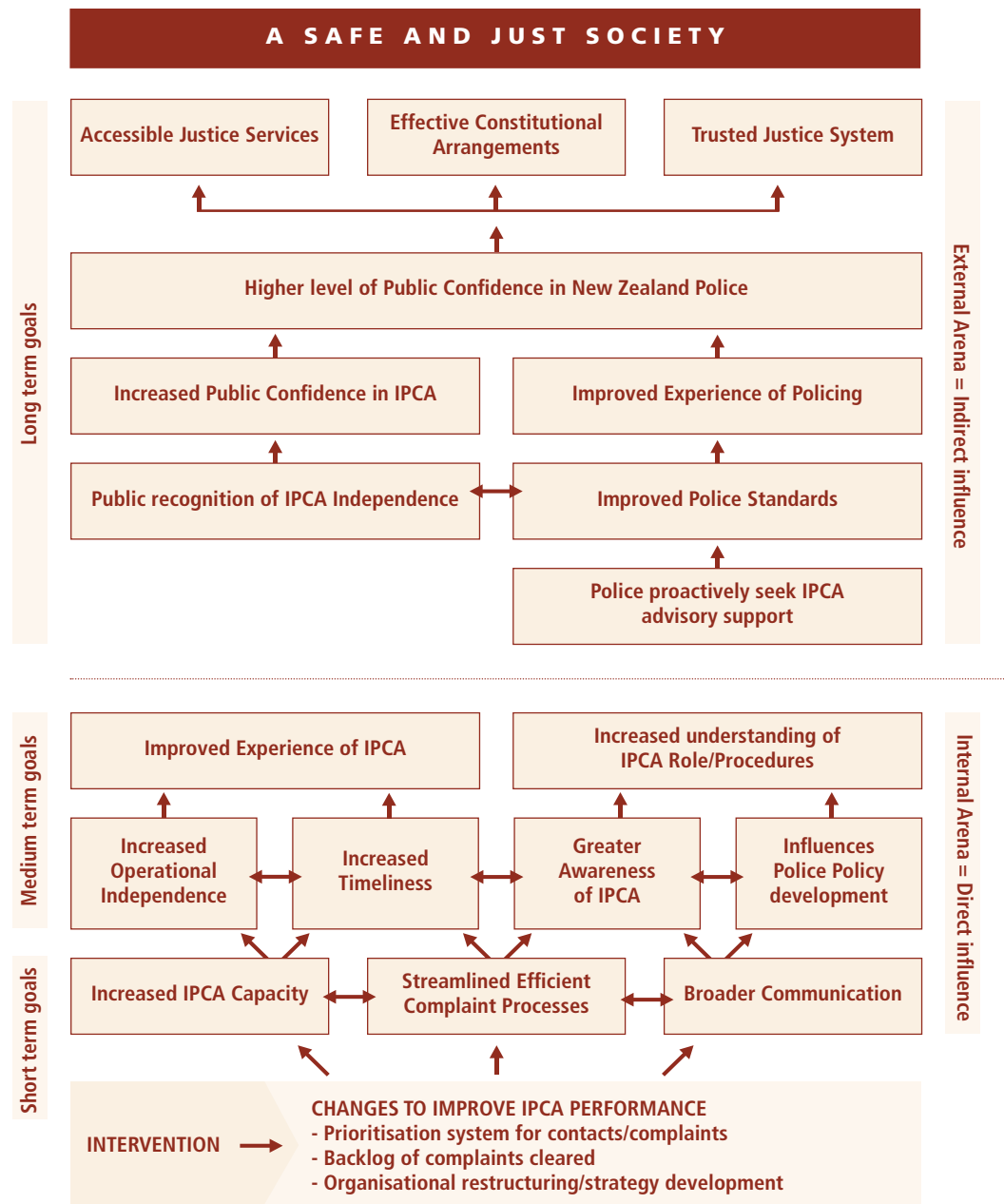


Figure 2: IPCA Operating Intentions

Re-energising the IPCA

The IPCA will focus on serious complaints, and will establish criteria for efficient prioritisation and allocation. It will adopt a more streamlined approach to complaint resolution, including a team-based approach based on active investigation of complaints.

The IPCA will increasingly conduct investigations into 'serious' incidents and complaints entirely independently of police, using its own investigative capability, and will also increasingly oversee police investigations. Matters classified as 'less serious' will be referred to police to be dealt with through the Police performance management and disciplinary systems, or by conciliation.

The IPCA presently does not have an established system of classifying matters as serious or less serious, but is working with Police on determining classification criteria. Between the obviously serious (e.g. where death, serious bodily harm or serious misconduct is involved) and the obviously minor (e.g. where an officer used bad language) there is a range of complaints which will, in essence, require classification decisions on a case by case basis. In a relatively short time, a body of experience will allow us to classify such matters with confidence.

The IPCA will maintain responsibility and guardianship of all complaints, and ensure robust processes continue to be used for less serious complaints through close supervision including auditing, monitoring and random sampling. Sampling will include the IPCA taking the lead in investigating less serious matters from time to time.

MANAGING IN
A CHANGEABLE
OPERATING
ENVIRONMENT

The period ahead will be one of significant change, and the introduction of the new structures and processes will add to the complexity in meeting the expectation of stakeholders. The structures and processes must reflect this changing operating environment, and over time be able to adapt and evolve.

The Independent Police Conduct Authority Act established a new governance structure for capability. The Authority will implement a new organisational structure, as shown below, to achieve the strategic outcomes required.

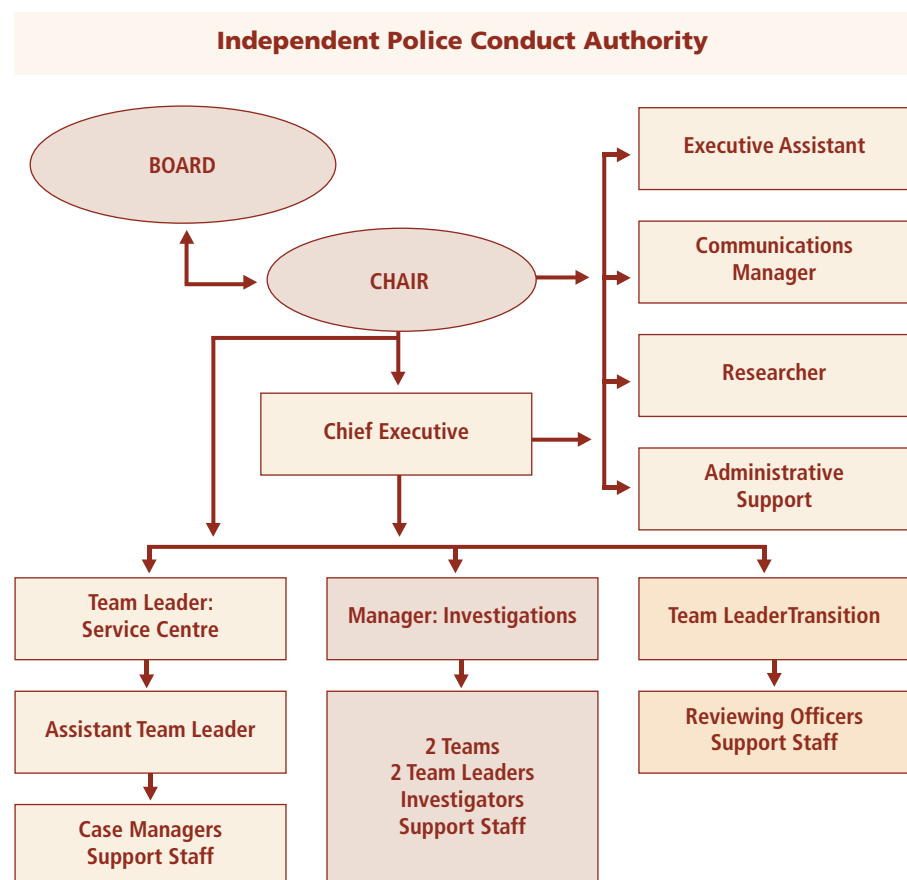


Figure 3: IPCA organisational structure

While the IPCA does not function as a regulatory agency in the strictest sense, its functions bear some resemblance to those undertaken by regulatory agencies. For example, the IPCA is required to:

- investigate alleged instances of 'non-compliance' with Police protocol;
- make recommendations for Police to action;
- remain responsive to actions/motivations of Police.

The regulatory pyramid (pictured below) essentially argues for a hierarchy of sanctions that encourage compliance by placing most emphasis on activities that educate and influence the target group toward voluntarily compliant behaviour (i.e. self regulation). While harsher penalties for non-compliant behaviour exist as the hierarchy extends, the organisational emphasis devoted to enacting these Indicators reduces.

Proponents of the pyramid model¹ argue that this model is effective in promoting voluntary compliance because of its real, but rare and judicious use of serious sanctions.

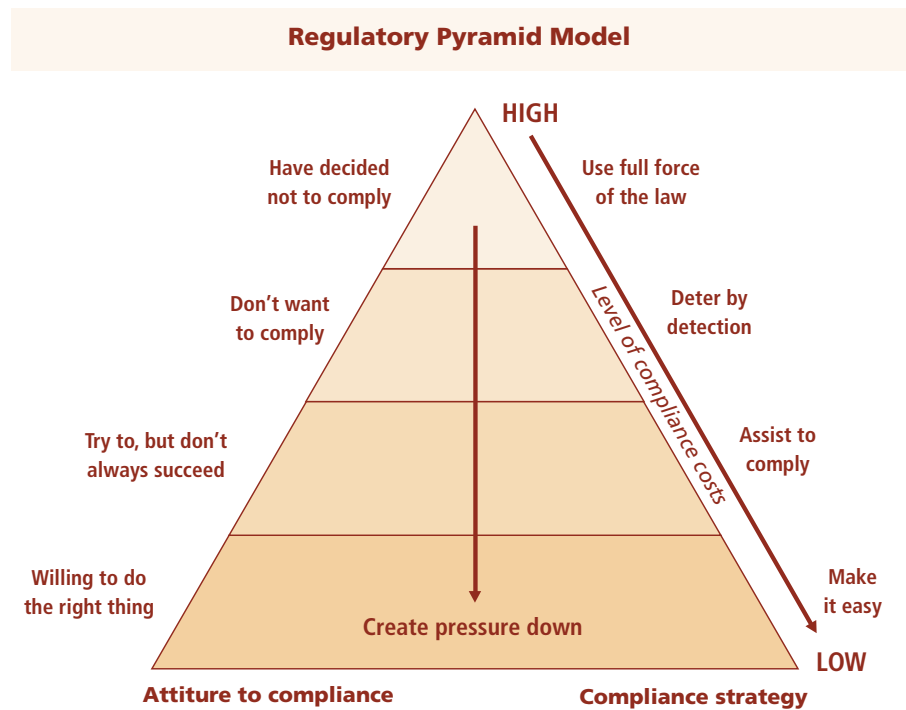


Figure 4: The regulatory pyramid model

Although the IPCA does not regulate the Police, the value of this model lies in the organisational rationale it provides for the use and emphasis of resources, and to adapt to a changing operating environment. In the model, most effort and resources are directed towards education and exerting influence at a 'preventative' level to encourage compliance. The regulatory pyramid and adapted versions of it are currently in use in New Zealand including within the Inland Revenue Department and the Department of Internal Affairs.

1 Ian Ayers and John Braithwaite (1992), *Responsive Regulation: Transcending the Deregulation Debate*. New York, NY: Oxford University Press

In the context of the IPCA, this model would conceptually support greater emphasis and allocation of resources on:

- educating and informing the public and police about the IPCA's functions and processes, with a view to reducing the likelihood of complaints in the long-term; and
- judicious resort to independent investigations for serious and high public interest complaints to draw attention to both police accountability and the IPCA's independence, effectively demonstrating the transparency and impartiality of the investigation process.

ORGANISATIONAL
HEALTH AND
CAPABILITY

The IPCA has received an increase in baseline funding for 2008/09 and out-years. The funding is necessary to meet the recommendations of the 2007 Commission of Inquiry into Police Conduct and to meet the public expectations for independent investigation of complaints into police conduct.

EQUAL
EMPLOYMENT
OPPORTUNITIES

The IPCA has an EEO policy and is an equal opportunities employer in its recruitment and staff development practices. It carries out Good Employer practices in its human resource management. The IPCA has documented human resource policies.

The IPCA has a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment.

The IPCA will prepare a workplace profile and report its representativeness through the production of the Good Employer Report. The IPCA will consult with staff on issues of concern and conduct and review existing policies, practices, documents and systems in all areas of business to ensure equal opportunities in recruitment, appointment, development, promotion and remuneration.



PART II:
Forecast Service
Performance

Our Main Activities

For the year 2008/2009 the IPCA will be undertaking significant restructuring and the Forecast Service Performance reflects that.

Performance indicators specifically reflect an attempt to predict the efficacy of the proposed new structures.

It is expected that in the next financial period 2009-2010 the IPCA will have laid the foundation for an efficient and effective and robustly independent police reviewing agency.

GOVERNANCE

Objective

Introduction of a board governance structure for the IPCA.

Impact

Establish a Governance Board sufficient to provide clear governance and governance accountability of the IPCA by 30 June 2009.

Meet the legislative requirements of the Independent Police Conduct Authority Amendment Act 2007.

Provide management and oversight of functional activities.

Performance Indicators

New Board to be properly constituted before 30 June 2009.

CURRENT COMPLAINT PROCESS

(Until Transition team and Service Centre become operational)

Objective

Maintain efficient workflow under current infrastructure until the Transition Team and Service Centre become operational.

Impact

Complaints and notifications from the Police as to incidents involving death and serious bodily harm will be received in the normal way and allocated to investigators.

Police investigations into complaints will be received for review.

Performance Indicators

- Ensure that all complaints and incidents are assigned to a reviewing officer or investigator and acknowledge receipt of them within five working days.
- Monitor all investigations undertaken by the Police in which the IPCA is interested to ensure timely completion and ensure that 90% of files relating to investigations completed by the Police are disposed of within 90 days of receipt of those files by the Authority.
- Ensure that 80% of all complaint files, including complaint files referred to the Police for investigation and which are resolved by the Police without further reference to the IPCA, are closed by 30 June 2009.

The foregoing performance indicators will augment the performance indicators listed under the Service Centre when that section becomes operational. At the conclusion of the 2008/2009 year only the Service Centre performance Indicators will be reported on, but they will be augmented by the results under these indicators.

SERVICE CENTRE

(Scheduled to become operational 1 November 2008)

Objective

Prompt triage of incoming complaints so that, where possible effect is give to early closure, or assessed and allocated to appropriate action (IPCA investigation or police investigation). Staff appointed to the Service Centre will be highly experienced in complaint management.

The Service Centre is currently in the planning stage. It is expected that it will be staffed by a team of six members including a Team Leader and an Assistant Team Leader. Recruiting, accommodation and training arrangements for the new unit are expected to be completed by 30 October 2008. The unit will become operational by 1 November 2008.

Impact

- New complaints will be received by case managers so that early consideration can be achieved and early appropriate action decided including speedy resolution.
- Serious matters will be immediately assigned to IPCA investigations.
- Less serious matters, but which require investigation, will be referred promptly to police within five working days for resolution. In these particular cases, no further reference to the IPCA will be necessary where resolution is reached to the satisfaction of the complainant. Where the complainant is dissatisfied with the outcome of the police investigation, the Service Centre will review the police file.
- The Service Centre will maintain efficient information systems to enable immediate tracking of complaints, timely notifications required by operating policy or legislation, and efficient statistical record of complaint resolution.

Performance Indicators

(to take effect from when the Service Centre becomes operational)

- Enquiries to the Authority will be responded to within one working day (95% of all cases).
- Facilitate the receipt of oral complaints if desired by the complainant (100%).
- Serious matters to be assigned to the IPCA investigation group within 24 hours (95% of all cases).
- Complaints deemed appropriate for investigation or resolution by the Police to be referred to the Police within five days of receipt or where attempted speedy resolution has failed (95% of all cases).
- Police complaint investigation files which are referred to the IPCA for review will be reviewed and completed by the Service Centre within 60 days of receipt from the Police (75% of all cases).

COMPLAINTS
BACKLOG:
TRANSITION TEAM

Objective

Clearance of the backlog of complaints including unresolved files opened in the period up to 30 June 2008.

Impact

Reduce complaints backlog through the establishment of a separate team dedicated to clearing the backlog and taking the backlog away from other staff allowing them to implement the new complaints management system.

This team will be known as the Transition Team and will become operational by 1 November 2008.

The backlog comprises old complaints identified as being greater than 12 months old and not subject to Court processes as at 30 June 2008.

Performance Indicators

- By 30 June 2009 backlog of old complaints (i.e. complaint files 12 months old and older and which are not subject to court processes and those file opened up to 30 June 2008 remaining unresolved) reduced by 50% from 1 June 2008 total.
- It is anticipated that the remainder of the backlog will be eliminated in the succeeding financial year.

INVESTIGATIONS

Objective

Increased investigation capability leading to enhanced public perception of the strength of the IPCA's independence.

Impact

The Investigation Group will:

- carry out thorough, professional and independent investigations;
- implement policies and practices to meet the recommendations of the COIPC;
- establish two investigation teams with independent investigation capability across both teams;

- make recommendations to the Authority in respect of Police policy, procedures and practices;
- maintain efficient information systems to enable immediate tracking of complaints, timely notifications required by operating policy or legislation, and efficient statistical record of complaint resolution.

Performance Indicators

- Investigators will make contact with victims, next of kin and complainants within five working days upon receipt of the file from the Service Centre (90% of all cases).
- Investigators will maintain contact with victims, next of kin and complainants and keep them apprised of progress at least once per month unless it is unnecessary or inappropriate to do so (90% of all cases).
- In the course of independent IPCA investigations, investigators will keep the Commissioner advised of progress on a monthly basis (100% of such cases).
- Investigators will, except in circumstances which are beyond the control of the IPCA, complete 90% of all investigations within 12 months.
- Investigators will recommend to the Authority that the Attorney General be notified in any case where the Police fail to implement the recommendations of the Authority (100% of all cases).

COMMUNICATIONS

Objectives

- Improved awareness of IPCA roles and responsibilities.
- Broader communication with complainants during the course of investigations.
- Production of public reports of investigations including recommendations for further action.

Impact

- Establishment of a dedicated communications specialist position.

- Raise understanding of Police as to the public and Government expectations of the IPCA.
- Raise public awareness of roles and function of the IPCA through information pamphlets, public addresses, public seminars, improved IPCA website.
- Improve readability of IPCA published reports so that they are easily comprehended by the general public.
- Apply communications skills to the IPCA's presentations through the print, audio and electronic visual media to improve public understanding of the issues raised by the IPCA.
- Adopt a proactive approach to alerting and educating the public as to topical issues being addressed by the IPCA.

Performance Indicators

- Develop a communications strategy to enhance quality of IPCA releases of information and public understanding of IPCA information (by 31 July 2008).
- By 30 September 2008, prepare for public distribution a pamphlet (to be included on IPCA website) explaining:
 - IPCA functions and structure;
 - how to make a complaint; and
 - what process follows after a complaint has been made.
- Update the IPCA website to facilitate the reception of complaints and to better inform the public of the work of the Authority (by 30 November 2008).
- Undertake at least five Police area visits by 30 June 2009.
- Undertake a survey of complainants' satisfaction with IPCA processes to a standard of satisfactory or better.

OPTIONAL
PROTOCOL TO
THE CONVENTION
AGAINST TORTURE
(OPCAT)

Objective

To meet the United Nations reporting requirements provided in the Optional Protocol to the Convention Against Torture (OPCAT)

Impact

The IPCA will:

- provide high visibility to observing detention conditions;
- develop assessment criteria for observing detention conditions;
- take appropriate and swift action to report upon and commence activities for addressing serious abuses of detained persons;
- The IPCA will work with the Central National Preventive Mechanism (the Human Rights Commission) to ensure that New Zealand's responsibilities under OPCAT are met.

Performance Indicators

- Inspect 30 detention facilities before 30 June 2009.
- Prepare a report to 30 June 2009 on its observations, conclusions and recommendations with regard to detention facilities, to be submitted to Parliament and to the public.



PART III: Forecast Financial Statements

INDEPENDENT POLICE CONDUCT AUTHORITY
 FORECAST STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 30 JUNE 2009

INCOME	
Government Grant	3,863,000
Interest	48,000
	3,911,000
LESS EXPENDITURE	
Audit Fee	17,000
Communication	40,800
Depreciation	144,000
Personnel	3,098,868
Printing & Stationery	86,000
Professional Fees	31,900
Rent	269,000
Services & Supplies	99,900
Subscriptions	12,000
Travel & Accommodation	101,000
Total Expenditure	3,900,468
Net Surplus	\$10,532

INDEPENDENT POLICE CONDUCT AUTHORITY
 FORECAST STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2009

CURRENT ASSETS	
Cash at Bank	49,275
Call Account and Term Deposits	588,416
GST	13,200
	650,891
FIXED ASSETS	
	113,582
TOTAL ASSETS	764,473
Less:	
CURRENT LIABILITIES	
Accounts Payable	97,163
NET ASSETS	\$667,310
STATEMENT OF MOVEMENTS IN EQUITY	
CROWN EQUITY	
Opening equity	656,778
Surplus (Deficit) for Year	10,532
	\$667,310

INDEPENDENT POLICE CONDUCT AUTHORITY
 FORECAST STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash was provided from:	
Government Grants & Other Sources	3,863,000
Interest	48,000
	3,911,000
Cash was applied to:	
Payments to Suppliers and Employees	(3,749,720)
Net Cash flows from Operating Activities	161,280
CASH FLOWS FROM INVESTMENT ACTIVITIES	
Cash was provided from:	
Sale of Fixed Assets	-
Cash was applied to:	
Purchase of Fixed Assets	-
Net Cash flows from Investing Activities	0
Net Increase (Decrease) in Cash Held	161,280
Add Opening Cash Brought Forward	476,411
Ending Cash Carried Forward	637,691
Cash Balances in the Balance Sheet	
Cash at Bank	49,275
Call Accounts and Term Deposits	588,416
	637,691

RECONCILIATION OF CASH FLOW WITH REPORTED OPERATING SURPLUS

Surplus	\$10,532
Add non cash items	
Depreciation	144,000
Loss on Fixed Assets Written Off	0
Add(less) movements in other working Capital Items	
(Increase) Decrease in Receivables/GST	6,748
Increase(Decrease) in Accounts payable	0
Net cash flows from operating activities	161,280

INDEPENDENT POLICE CONDUCT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

1. STATEMENT
OF ACCOUNTING
POLICIES

Reporting Entity

The Financial Statements presented here for the reporting entity, the Independent Police Conduct Authority, are prepared pursuant to the Crown Entities Act 2004. The primary function of the Authority is to assess complaints made by members of the public against the Police.

The Authority is an independent Crown entity under the Crown Entities Act 2004.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the Authority.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial position have been applied:

a) Accounts Receivable

Accounts Receivable are stated at their estimated net realisable value.

b) Depreciation

The Authority has three classes of fixed assets as follows:
Office Equipment – 25% of diminishing value
Furniture & Fittings – 25% of diminishing value
Leasehold Improvements – 25% of diminishing value.

All fixed assets are initially recorded at historical cost.

Depreciation is provided on a diminishing value basis on all tangible fixed assets at rates calculated to allocate the assets' cost over their estimated useful lives.

c) Investments

Investments are stated at the lower of cost and net realisable value.

d) Goods and Services Tax (GST)

The Financial Statements are prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated with GST included.

e) Employee Entitlements

Provision is made in respect of the Authority's liability for annual leave at balance date. Annual Leave has been calculated on an actual entitlement basis at current rates of pay.

f) Operating Leases

Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the periods in which they are incurred.

g) Financial Instruments

There are no financial instruments that expose the Authority to foreign exchange risk or off balance sheet risks.

All financial instruments including bank accounts, short term investments, accounts receivable and accounts payable are disclosed at their fair value. The fair value of short term investments is the lower of cost or market value. Revenue and expenses in relation to the financial instruments are recognised in the Statement of Financial Performance.

h) Income Tax

The Authority is exempt from income tax as it is classified as a public authority in terms of the Income Tax Act 2007.

i) Cost of Service Statements

As the Authority has only one output, a cost of service statement is not required.

j) Budget Figures

The budget figures are those approved by the Authority at the beginning of the financial year.

The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Authority for the preparation of the Financial Statements.

Changes In Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

2. FIXED ASSETS AND DEPRECIATION	
Office Equipment – at cost	312,370
Less accumulated depreciation	253,053
Book Value	59,317
Furniture & Fittings – at cost	302,310
Less accumulated depreciation	268,945
Book Value	33,365
Leasehold Improvements – at cost	160,800
Less accumulated depreciation	139,900
Book Value	20,900
Total Fixed Assets	\$ 113,582
Depreciation – Office Equipment	72,000
– Furniture & Fittings	40,000
Leasehold Improvements	32,000
	\$ 144,000
3. ACCOUNTS PAYABLE	
Trade Creditors	40,000
Employee Entitlements	57,163
	\$97,163



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