

Independent Police Conduct Authority  
**STATEMENT OF INTENT**  
2011/12 – 2013/14



PRESENTED TO THE HOUSE OF REPRESENTATIVES

PURSUANT TO SECTION 139

OF THE CROWN ENTITIES ACT 2004

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JUNE 2011

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## PREAMBLE

This Statement of Intent has been prepared in accordance with the requirements of Sections 141 and 142 of the Crown Entities Act 2004.

It describes the vision and approach of the Independent Police Conduct Authority (the Authority) to our work over a three year period, i.e. 2011/12 to 2013/14.

The Authority also agrees a separate output agreement with our Responsible Minister (i.e. the Minister of Justice) which specifies in detail annual outputs to be delivered, funding provided and service performance information targets.



The Hon Justice L.P. Goddard  
Chair  
Independent Police Conduct Authority



Allan Galbraith  
Member  
Independent Police Conduct Authority

## OVERVIEW FROM THE BOARD CHAIR

The Authority's primary role is to ensure public confidence in the Police and increased effectiveness of policing generally, through improvements to Police performance as a consequence of independent oversight.

The Authority receives more than 2000 complaints regarding Police every year. This level of activity is managed with fewer than 30 full time-equivalent staff. To ensure complaints are dealt with appropriately the Authority places an emphasis on a proportionality of response and a prioritisation of caseloads, i.e. more resources are directed toward the more serious complaints.

The short to medium term focus is on efficiency. The Authority seeks to continually enhance its complaints resolution process, in order to enable staff to maximise efficiency in receiving, managing and resolving complaints and in undertaking independent investigations into the most serious matters in the public interest.

In the medium to long term the focus is on effectiveness. In this regard the Authority endeavours to influence Police conduct, policies, practices and procedures for the better. A compelling recent example of the Authority's impact on improving Police practices and procedures is the Police decision to adopt and implement all recommendations in the 2010-2011 *Child Abuse Inquiry* - for the benefit of both Police and child victims.

Three new board members joined the Authority during the 2010-2011 year. The new members are providing crucial oversight and governance support to ensure the Authority continues to operate as an efficient and effective entity.

The Authority is an independent Crown entity, established by the Independent Police Conduct Authority Act 1988. This provides for the Authority to receive complaints alleging misconduct or neglect of duty, or concerning any Police practice, policy or procedure, and to investigate incidents where a member of Police causes or appears to have caused death or serious bodily harm.

The Authority also has international responsibilities under the Crimes of Torture Act 1988. It is part of an international network of National Preventive Mechanisms which monitor places of Police detention, such as cells and vehicles, to ensure they are safe and humane and meet international standards. This is distinct from its role in handling complaints about Police conduct, and has more of an educative and preventive focus. It goes to the heart of effective policing, which involves the protection of human rights.

Government priorities and expectations for Crown entities are ensuring value for money; demonstrating performance; engaging with Ministers and the relevant departments; and maintaining standards of integrity and conduct.

The Authority's operations, impact and accountability are designed to meet these expectations.



The Hon Justice L.P. Goddard  
Chair  
Independent Police Conduct Authority

## **PART 1: THE NEXT THREE YEARS: 2011/12-2013/14**

### **OUR PURPOSE**

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

We describe our **purpose** and **reason for existing** as follows:

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

Our **vision**, operating as a robust oversight body, is to:

“Seek out the truth, that justice may prevail”, (*Whaia te pono, Kia puawai ko te tika*)

We are committed to:

- Demonstrating to the community and to the Government that the Authority is an independent and effective oversight body that contributes significantly to the promotion of public confidence in the Police.
- Providing high levels of productivity, timeliness and quality control in the delivery of services.
- Ensuring that the New Zealand public is aware of the presence and work of the Authority.

### **NATURE AND SCOPE OF FUNCTIONS**

#### **Legislative mandate**

We are an Independent Crown Entity under Part 3 of Schedule 1 of the Crown Entities Act 2004. The Authority was established under the Independent Police Conduct Authority Act 1988 (the IPCA Act) which defines our functions as:

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

Separate, but allied to the management of public complaints against the Police, we also serve as a National Preventive Mechanism under the United Nations Optional Protocol to the Convention Against Torture (OPCAT). This involves inspecting Police detention facilities throughout New Zealand to ensure they are safe and humane and meet international standards.

## Independent oversight

Under the IPCA Act we are required to be independent. 'Independence' means the Authority makes its own judgements based on the evidence and the law. As the government entity with direct responsibility for independent oversight of the conduct, practices, policies and procedures of the Police, it is critical that our work is in fact independent and seen to be independent of the functions and influence of the Police.

The Authority has evolved in recent years, from being largely dependent on Police investigative resources, to now transparently exercising its independence by undertaking its own investigations of serious matters and reporting on them, and actively monitoring those less serious complaints that are referred to the Police.

We identify three factors critical to our independence:

1. *Statutory independence:* We are statutorily independent by virtue of the IPCA Act and the Crown Entities Act 2004. That statutory independence is critical for our effectiveness.
2. *Operational independence:* In practical terms, operational independence means that we have investigative capability and capacity to carry out our own investigations in to the most serious matters, to independently oversee Police investigations, to conduct our own reviews, to monitor Police performance, and to publish reports – without undue reliance on Police.
3. *Impartiality:* We regard it as fundamentally important to act impartially in all our dealings and take great care to do so, and to be seen to do so. The importance of actual and perceived impartiality is constantly reinforced in all our actions.

The Authority ensures that it maintains appropriate investigative expertise as this capability goes to the heart of our performance and perceptions of credibility and ultimately levels of trust and confidence in our work. All current Authority investigators have extensive policing experience either in New Zealand or in other Commonwealth countries. Experience of this nature is required given that the investigations carried out by the Authority require investigative expertise that is obtained from Police training and policing experience. No serving member of any Police service is employed by the Authority. We have policies and procedures to identify and manage possible conflicts of interest. The investigators work with lawyers and analysts and are accountable to the Authority's Board.

## Working relationship with Police

It is a practical requirement that the Authority has a cooperative relationship with the Commissioner of Police, the Police executive, senior commanders, professional standards staff, and investigators.

The Police changed in 2008, from dealing with misconduct and neglect of duty on the part of employees in a strictly disciplinary process, to an employment process, the foundation for which is a Code of Conduct. Since the IPCA Act was framed having regard to the Police disciplinary process at the time, the two organisations are adjusting to their respective roles when dealing with complaints of misconduct or neglect of duty in the new environment.

In addition to the statutory jurisdiction of the Authority, there has been in effect since 1994, a Memorandum of Understanding (MOU) with the Police providing for matters of serious misconduct or neglect of duty internally reported within the Police, to be notified to the Authority and for them to be dealt with by the Authority as if they were complaints. This MOU is being reviewed to take account of the changed environment.

Also, since 2005, the procedures to be followed when Authority and Police investigators are both investigating a serious complaint or incident have been agreed in a protocol for co-operation between the two organisations. In broad terms this protocol defines the respective responsibilities of the two organisations when running 'parallel' investigations.

## OUR SERVICES

We provide a range of inter-linked services, including:

### RECEIVING, MANAGING AND ENSURING RESOLUTION OF COMPLAINTS

Complaints management involves the receipt, assessment, categorisation, allocation, and monitoring of the majority of complaints received by the Authority.

Our approach to complaints management emphasises a timely and appropriate response for users of the service. This may require direct contact with complainants and Police to gather information on how a complaint should be handled. We are also a conduit through which complainants may express their dissatisfaction with the way in which their complaint is being or has been handled.

The most serious complaints are independently investigated by the Authority and those of a less serious nature are referred for appropriate Police action/investigation. The action taken on complaints referred to Police is then monitored and, if required, reviewed by our complaints management officers.

### CARRYING OUT INDEPENDENT INVESTIGATIONS INTO POLICE CONDUCT AND REPORTING ON THESE AS REQUIRED

We have the ability to investigate using our own resources which enables investigations to be completed expeditiously and without having to await the completion of Police inquiries. For some significant cases a timely and independent investigation may also warrant a public report.

Where it is in the public interest the Authority's investigators independently investigate all deaths and instances of serious bodily harm caused or appearing to have been caused by Police employees.

Our investigators will also investigate or directly oversee the most serious complaints against Police.

### MONITORING AND REPORTING ON POLICE PLACES OF DETENTION

Separate from but allied to the IPCA's role in public complaints against the Police, is our role as a National Preventive Mechanism under the Optional Protocol to the Convention Against Torture (OPCAT).

The Authority visits Police detention facilities (such as cells and police vehicles for holding and transporting police prisoners) throughout the country to ensure they are safe and humane environments that meet international standards, and that ill-treatment of prisoners is not occurring.

We report to Police Districts and Police National Headquarters following OPCAT site visits and work with Police representatives to ensure implementation of recommendations arising from our inspections.

### MAKING RECOMMENDATIONS FOR IMPROVED POLICE CONDUCT, PRACTICES, POLICIES AND PROCEDURES, BASED ON THE RESULTS OF INVESTIGATIONS, AND MONITORING IMPLEMENTATION OF RECOMMENDATIONS

The Authority can make recommendations for improved Police conduct, practices, policies and procedures including those for disciplinary or criminal proceedings. The Authority will make recommendations to Police within 12 months of notification of an incident or complaint, except in circumstances beyond our control.

The Commissioner of Police must notify the Authority of any action taken to implement a recommendation or give reasons if a recommendation is not being implemented.

## GOVERNANCE AND MANAGEMENT OF THE AUTHORITY

### The Independent Police Conduct Authority Board

The Authority is governed by a Board that is accountable to Parliament and reports to a Responsible Minister within the Government – currently the Minister of Justice. The Authority’s Board currently has two full-time (including the Chair) and three part-time members. The current Board members are:

Name	Date of original appointment	Expiry date of present term
Hon Justice Lowell Goddard (Chair) <sup>+</sup>	14 February 2007	13 February 2012
Allan Galbraith <sup>+</sup>	29 September 2008	28 September 2011
Angela Hauk-Willis <sup>*</sup>	1 September 2010	31 August 2013
Dianne Macaskill <sup>*</sup>	1 September 2010	31 August 2013
Richard Woods <sup>*</sup>	1 September 2010	31 August 2012
+ Full-time / * Part-time		

Authority Board members have a range of relevant skills and experience including knowledge of the law and law enforcement, executive-level management, and public sector expertise. The Board is guided in its deliberations by a Governance Charter which sets out its role, members’ duties and key Board procedures and relationships. As the full Board is still a relatively new body it is currently considering the form and approach for appraising its performance.

### The Authority’s Management

In regard to the day-to-day management of the Authority, the full-time chair discharges a range of executive functions and is supported by a senior management team with functional responsibility for ‘operations’ (i.e. investigations and complaint management) and corporate support.

## RESPONDING TO OUR OPERATING ENVIRONMENT

### Our Strategic Context for Service Delivery

The Authority, as a small entity in the justice sector, operates within an environment that is shaped by four broad influences as detailed below.

**Police operations:** Police operational drivers are part of our strategic context and include issues such as demographic change, the economic downturn and fiscal constraints, increased costs within the justice system, rapid technological change and the increasing complexity of organised criminal offending and international threats.

**Economic and demographic pressures:** The depth and impact of the recession and the global financial crisis still creates uncertainty for the economic outlook and underpins results in a constrained fiscal environment. Demographic trends will impact on the accessibility, relevance, and service delivery of the Authority, e.g. the proportion of the population for whom English is a second language; ethnic makeup; age; and access to information technology/social media.

**Public service operating environment:** Government priorities and expectations for Crown entities have been explicitly expressed to all entity chairs by the Finance Minister and State Services Minister and include ensuring value for money, demonstrating performance, engaging with Ministers and monitoring departments (especially the ‘no surprises policy’), and maintaining standards of integrity and conduct.

**Justice sector policy imperatives:** Key justice sector policy priorities and themes such as greater accessibility, increased timeliness and simplification of processes are all relevant to the Authority’s operations and inform the way we think about improving our service delivery.

## Our Strategic Direction

To operate to its full potential the Authority needs to be clear about its role and how it will fulfill that role. It also needs an organisation design that is flexible enough to adapt to change in the Authority's operating environment over time. The Authority wants to operate as a robust oversight body that is able to efficiently receive, manage and resolve complaints and undertake independent investigations into serious matters in the public interest. Our strategic operational direction exists at two levels:

- A short-to-medium term focus on efficiency gains in the complaints resolution process.
- A broader effectiveness focus in the medium-to-long term.

Increased efficiency in complaints management and investigations is regarded as a sound basis for becoming a more broadly effective entity that is able to influence (directly and indirectly) Police conduct, policies, practices and procedures over the longer-term.

Our drive for greater efficiencies will manifest, initially, in improving processes to filter and prioritise complaints. Such efficiency will also allow staff greater time and flexibility to communicate effectively with complainants. In the short-to-medium term we are also focused on applying the appropriate levels of resource toward independent and transparent investigation of serious complaints and incidents and producing public reports of the highest quality in a timely manner.

Once (or as) we realise the operational efficiencies in the short-to-medium term the Authority will be better placed to increase operational emphasis on activities that offer opportunity to influence Police conduct and policy development over a longer duration. These activities are more likely to be educative and research based and designed to promote proactive engagement between the Authority and Police.

## OUR CONTRIBUTION TO GOVERNMENT PRIORITIES

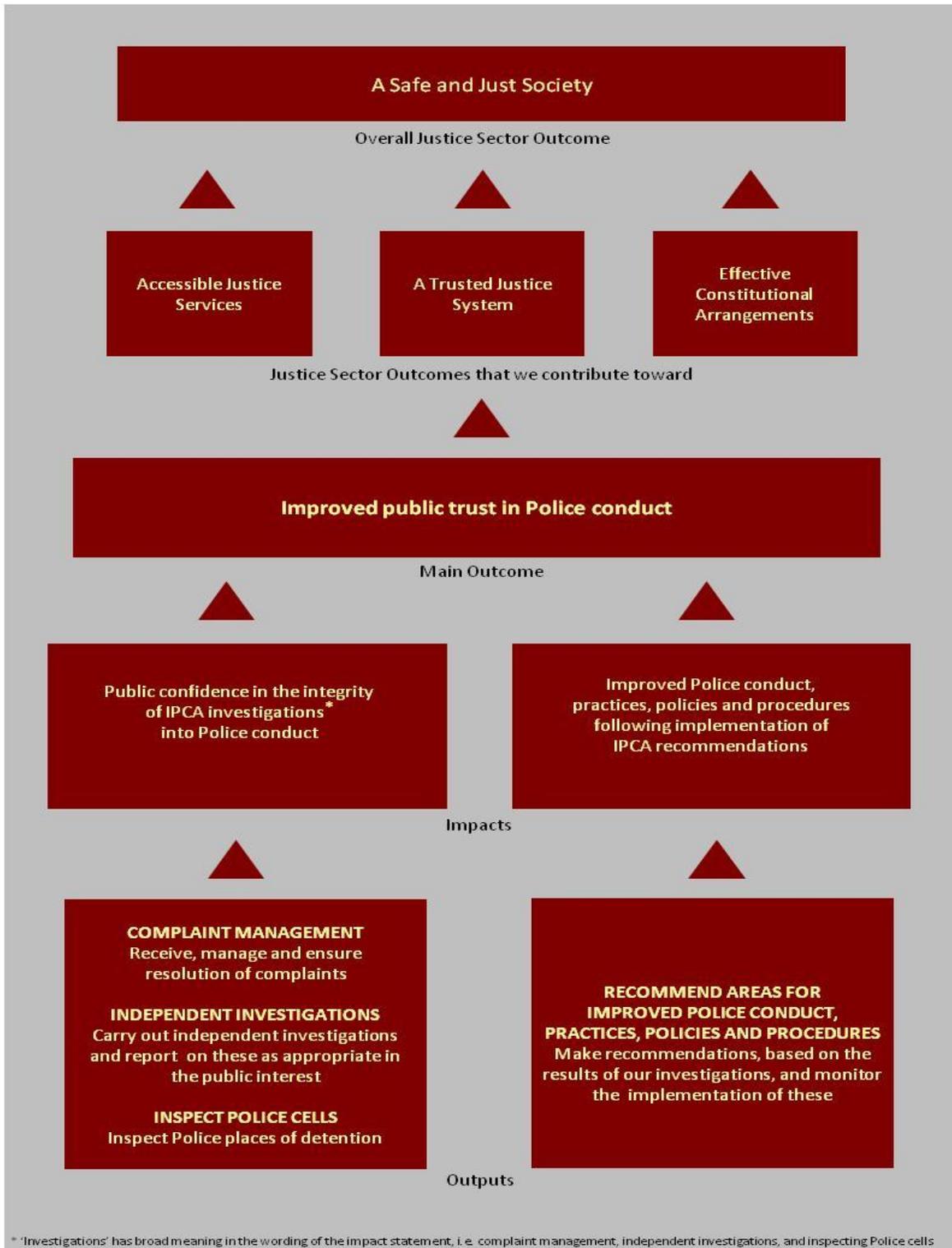
### The Government priorities we contribute toward in the justice sector

The justice sector has as an aspirational outcome that all New Zealanders should expect to live in a safe and just society. To that end the justice system itself should be easily accessed, trusted and underpinned by effective constitutional arrangements. The Authority is part of the justice sector and the justice system so it has a role to play in achieving the outcomes set for the sector. The Authority's particular or main contribution toward these ends is to improve public trust in Police conduct. The particular justice sector priorities that we most contribute toward are identified below:

Accessible justice services	A trusted justice system	Effective constitutional arrangements
The public must be aware of our services and we must meet the needs of users. To do this we should provide accessible information, processes and advice. Our services will also be efficient, effective and timely (from the perspective of users).	How we operate (i.e. the quality and perceived independence of services provided when in direct contact with users) goes to the heart of whether we are seen as trustworthy in approach and credible in our judgements.	The Authority's role is to make Police accountable and to promote public confidence in the accountability of Police.  A fundamental purpose of the Authority is to assist the public in effectively engaging with the Police oversight system. To do this the public must be aware of our role and must have trust and confidence in the Authority to carry out that role.

## The Authority's Outcomes Framework

The framework below summarises our service, the results or impacts they will deliver and how these contribute toward the Government's priorities for the justice sector.



## Measuring and Monitoring Our Performance within our Outcomes Framework: Indicators Matrix

At a high level our indicators matrix helps us to think about areas of emphasis in service delivery, how we are going to monitor our performance in delivering those services, and ensuring we are measuring performance in the areas that matter the most. The matrix provides the basis for our performance measurement in two ways:

- First, a medium to longer-term perspective on our effectiveness with indicators seeking to show the change we are making to, or impact we are having on, the justice sector (i.e. performance measures for our Main Outcome and our Impacts).
- Second, as part of the annual assessment of our performance a focus on those indicators that best show the quantum of our services (“how much did we do”) and the quality of our services (“how well did we do it?”).

### What are the changes we seek?

- *Improved user satisfaction:* Complainants and Police officers are satisfied issues have been dealt with appropriately, expeditiously and fairly.
- *Greater awareness of our services:* All parties involved are fully aware of the process, the progress, and the result of the investigation through cost-effective and accessible delivery of information
- *Increased confidence in the integrity of our processes:* Complainants, victims, next of kin, Police officers, and other parties, recognise the efficacy and credibility of investigations carried out by the Authority.
- *Effectiveness:* The Authority’s investigations result in the Commissioner of Police accepting and implementing recommendations for improvements in policing.

[NB: performance targets and specific measures for each of these ‘change’ indicator areas are included as part of the measures for our Main Outcome, Impacts and in some cases at the Output level also.]

### How much did we do?

Number of:

- Complaints received and processed
- Independent investigations undertaken in the public interest
- Recommendation made for improved Police conduct, practices, policies and procedures
- Police detention facilities inspected and assessed

[NB: see our annual Statement of Service Performance for measure(s) related to these indicator areas]

### How well did we do it?

Percentage of:

- Users (complainants and officers) who found our complaint management processes to be satisfactory or better
- Users who found our management of investigations to be fair, impartial and transparent
- Acceptance of recommendations we make – following our investigations – for improved Police conduct, practices, policies and procedures

[NB: see our annual Statement of Service Performance for measure(s) related to these indicator areas]

## Main Measures and Targets for our Main Outcome and Impacts

We have developed our Outcomes Framework to include measures of performance at the Main Outcome and Impact levels (see below). Measuring the impact of our work on improved levels of public trust in the Police is an area of focus during the term of this Statement of Intent. We will work toward determining a baseline point, or points, from which to gauge our effectiveness although we acknowledge there are a range of issues outside of our control influencing levels of public trust in the Police. Nevertheless, we do recognise that establishing this performance baseline is a key deliverable for 2011/12.

Result/Measure	Performance target forecast 2011/12-2013/14	How it will be measured
<b>MAIN OUTCOME: Improved Public Trust in Police Conduct</b>		
Main Outcome indicator:		
Over time we can identify improved levels of public trust in Police conduct as a result of the Authority's work	Public trust in Police increases	Possible examples include Police's <i>Citizen's Satisfaction Survey</i> ; SSC's <i>Integrity and Conduct Survey</i> ; and, aggregated (3-year) performance data held on the Authority's database
<b>IMPACT: Public Confidence in the Integrity of IPCA Investigations into Police Conduct</b>		
Impact indicators:		
The % of complainants and officers who found our management of complaints and investigations to be satisfactory or better	60% of complainants and officers <sup>1</sup>	Customer satisfaction survey, (including an online survey process)
<b>IMPACT: Improved Police Conduct Following Implementation of IPCA Recommendations</b>		
Impact indicators:		
The % of recommendations arising from inspections or other OPCAT work are agreed to by Police for implementation	90% of recommendations <sup>2</sup>	Implementation data will be held, for monitoring and evidential purposes, on the Authority's database
The % of recommendations for improved Police conduct, practices, policies and procedures, based on the results of our investigations, that are agreed to by Police for implementation	90% of recommendations <sup>3</sup>	Implementation data will be held, for monitoring and evidential purposes, on the Authority's database
Notes on Measures:		
1. Current baseline performance for satisfaction levels is 55% for complainants and 50% for Police officers		
2.& 3. Current baseline performance for the % of recommendations that are agreed to by Police for implementation is approximately 90% and we believe it is realistic approach to assume we can maintain these performance levels over the period of the Statement of Intent.		

## ORGANISATIONAL HEALTH AND CAPABILITY

The key issues underpinning the Authority’s approach to maintaining and enhancing organisational health and capability include the need to:

- Respond to our operating environment and the organisational priorities emerging from this environment – in particular to deliver productivity and performance improvements.
- Meet state sector good employer expectations.

### Enhanced Productivity and Performance Improvement

During the period of this Statement of Intent we will build on the approaches already begun to enhance our productivity and performance. We are focused on six key productivity drivers to enhance our performance and build our capability. The planned actions in each of the six areas for 2011/12 and beyond include:

Productivity driver	Actions for 2011/12 and beyond
Investing in our people capability	<p>Continue to examine and assess our capability mix to ensure it is fit-for-purpose</p> <p>Ensure we maintain a relevant and appropriate retention and reward programme for high performing staff</p> <p>Establish a Capability Strategy that identifies an optimum strategic workforce profile against which prioritisation decisions can be made for recruitment and capability building</p> <p>Continue to train and develop staff in appropriate skill areas and in line with emerging technologies and methodologies relevant to the work of the Authority</p>
Leadership and management capability	<p>Develop a leadership and management development programme to build individual and collective leadership and management capability</p> <p>Develop an annual Board self-assessment and development programme</p>
Relationships	<p>Actively work with counterpart agencies in the justice sector to ensure greater effectiveness of the Police oversight system</p> <p>Continue to participate in international law enforcement, anti-corruption, conduct and human rights fora as appropriate and as funding permits</p>
Organisational design, Organising work efficiently and effectively	<p>Implement an updated organisation design and performance and accountability mechanisms that are better aligned with our strategic operational direction</p> <p>Continue to support flexible work practices</p>

Leveraging technology and Systems development	<p>Continue to grow our capability to offer web-based services (e.g. on-line customer survey tool).</p> <p>Implement an improved records management system for more efficient information storage and retrieval and to meet government compliance requirements.</p>
Risk Management	<p>Develop a more comprehensive approach to risk management through a framework covering such issues as recruitment &amp; retention, physical event/disaster and business continuity, reputation, confidentiality &amp; integrity of information, and operational risk.</p>

### Good Employer

The Authority recognises that a diverse workforce is required to effectively deliver services to the diversity of New Zealanders that will use our services. We aim to provide equal employment opportunities to make the most of the talents of all our people. We assess our status as a good employer against the elements and criteria set out by the Human Rights Commission. Over the next three years we will continue to ensure that all elements are in place and working well.

### STRATEGIC RISKS

We have identified three strategic risks (or risk areas) to achieving the intent outlined in this document. These risk areas take into account the strategic environment in which the Authority operates and take a longer-term view of our operations. Our strategic risks and responses to address those risks include:

Risk area	Response
<p><b>Reputation and credibility.</b> Our concerns here would revolve around, at a high-level, a loss of independence or credibility, or challenges to our impartiality or integrity and the attendant reputational risks that would flow from such issues.</p>	<p>Ensure that the positions we take, and judgements made, on issues are evidence-based and developed through the use of reliable information and robust practices and procedures.</p>
<p><b>Fiscal.</b> Fiscal risks include, for example, a lack of sound financial management in the use of our funding, or an inability to attract funding when it is needed.</p>	<p>Emphasise financial sustainability, efficiency and cost-effectiveness as a critical part of determining how we will meet organisational priorities and goals.</p>
<p><b>Capability.</b> Our capability risks are that key skill capabilities are not available to deliver our services.</p> <p>[NB: our approach to capability development is discussed in greater detail in the following section on Organisational Health and Capability]</p>	<p>Plan for recruitment and retention and ensuring required skills are developed and maintained.</p> <p>Ensure staff are supported with appropriate professional development, training and performance management</p>

## **PART 2: OVERVIEW OF SERVICES FOR 2011/12**

### **GOVERNMENT FUNDING**

The Authority is funded by the Government through the Vote Justice Non-Departmental Output Class, 'Equity Promotion and Protection Services'. The purchase of outputs within this appropriation is solely by the Minister of Justice and is detailed in the Vote Justice Estimates of Appropriations and in the annual output agreement between the Minister and the Authority.

During the 2011/12 financial year the Authority's revenue will be \$3.811 million (GST exclusive) through Vote Justice.

### **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 to uphold the rights of persons in Police detention.

### **CONSULTATION WITH, AND REPORTING TO, OUR RESPONSIBLE MINISTER**

The Authority will consult with the Minister of Justice, our Responsible Minister, on its activities for the purposes of financial accountability and ensuring that our outputs are being delivered. We will also inform the Minister as appropriate on such issues as may result in significant parliamentary, public, or media attention. The Authority will also work constructively with the Ministry of Justice as the Minister's 'Monitoring Department'.

The Authority will provide the Minister with four-monthly performance reports covering key results and performance highlights, any emerging issues, and significant performance variances or risks.

### **FINANCIAL STRATEGY**

The Authority will continue to operate in a tight fiscal environment in 2011/12. The forecast financial statements provided below have been prepared on the assumption that the Authority will not receive additional government funding in 2011/12, or indeed in the short-to-medium term (i.e. the term of this Statement of Intent).

Our financial strategies include an emphasis on financial sustainability as a critical part of determining how we will meet organisational priorities and goals. As a result, the Authority has conservatively forecast a small operating surplus for the 2011/12 financial year. We have, and will continue to, set tight but realistic budgets that we are able to operate within. Given that our people are our greatest single area of investment and cost we will continue to set realistic pay and employment conditions while also being mindful of retention risks. We will continue to review how our services can be delivered better and more cost-effectively.

## SUMMARY OF OUTPUTS & OUTPUT EXPENSES FOR 2011/12

The forecast expenses for each of the Authority's outputs, and the total forecast revenue, are provided below:

<b>Forecast output expenditure:</b>	
OUTPUT: Receive, manage, and ensure resolution of complaints	\$1,193,792
OUTPUT: Carry out Independent investigations into Police conduct and report on these as required	\$2,009,376
OUTPUT: Monitor and report on Police places of detention	\$349,039
OUTPUT: Make recommendations for improved Police conduct, practices, policies and procedures, based on the results of investigations, and monitor their implementation	\$283,137
<b>TOTAL: Forecast output expenditure</b>	<b>\$3,835,344</b>
<b>Forecast revenue:</b>	
Forecast Crown revenue	\$3,811,000
Forecast interest revenue	\$28,790
<b>TOTAL: Forecast revenue</b>	<b>\$3,839,790</b>

## 2011/12 FORECAST SERVICE PERFORMANCE

### Receive, Manage, and Ensure Resolution of Complaints

We will receive, assess, categorise, allocate, and monitor all complaints received. The most serious complaints will be independently investigated and those of a less serious nature referred to Police for appropriate action/investigation. Referrals to Police will be monitored and reviewed if required.

Result/Measure	Performance target forecast		How it will be measured
	2011/12	2010/11	
<u>Quantity measures</u>			
All complaints are received and processed	100%	100%	Performance data will be recorded on the Authority's database
<u>Quality measures</u>			
Feedback received from complainants rates the IPCA's management of complaints to be at a standard of satisfactory or better	Satisfactory or better	Satisfactory or better	Customer satisfaction survey, (including an online survey process)
Percentage of complaint & review files re-opened, on an annual basis, after closure due to expressions of dissatisfaction	5% or less	5 % or less	Performance data will be recorded on the Authority's database
<u>Timeliness measures</u>			
All new complaints received are responded to within five working days	95% of all cases	95% of all cases	Performance data will be recorded on the Authority's database
Except in circumstances that are beyond the control of the Authority, Police complaint investigation files reviewed by the Authority will have that review completed within 60 days of receipt of the file	85% of all reviews	New measure	Performance data will be recorded on the Authority's database
Percentage of complaint files 12 months or older (performance may be subject to circumstances beyond the control of the Authority)	5%	15%	Performance data will be recorded on the Authority's database

## Carry out Independent Investigations into Police Conduct and Report on these as Required

We will independently investigate, when it is in the public interest, deaths and serious bodily harm caused or appearing to have been caused by Police employees.

Result/Measure	Performance target forecast		How it will be measured
	2011/12	2010/11	
<u>Quantity measures</u>			
Where it is in the public interest, the IPCA will independently investigate incidents where a Police employee acting in the execution of his or her duty causes, or appears to have caused, death or serious bodily harm	100% of incidents	100% of incidents	Performance data will be recorded on the Authority's database
Independently investigate, or oversee the investigation of, complaints against the Police alleging serious criminal offending, serious misconduct, neglect of duty, or corruption that are likely to cause the greatest level of public concern, or having serious implications for the reputation of the Police	100% of incidents	95% of incidents	Performance data will be recorded on the Authority's database
<u>Quality measures</u>			
Feedback received from complainants and subject officers' rates the IPCA's management of independent investigations processes to be at a standard of satisfactory or better <sup>1</sup>	Satisfactory or better	Satisfactory or better	Customer satisfaction survey, (including an online survey process hosted within the Authority's website)
<u>Timeliness measures</u>			
Except in circumstances that are beyond the control of the IPCA, investigations will be completed within 12 months of notification	85% of investigations <sup>2</sup>	90% of investigations	Performance data will be recorded on the Authority's database
Notes on Measures:			
1. There are a number of internal quality assurance systems and management mechanisms sitting behind our "management of independent investigations", performance against which is recorded on the Authority's database.			
2. We have decreased the performance target to 85% of investigations completed within 12 months of notification after observing performance during the 2010/11 year and given reduced number of investigator positions that will be carried in the 2011/12 year.			

## Monitor and Report on Police Places of Detention

Inspections of Police detention facilities (cells and other places of detention, including Police vehicles for holding and transporting prisoners), reporting to Police Districts and Police National Headquarters following site visits, working with Police representatives to ensure implementation of recommendations arising from our inspections.

Result/Measure	Performance target forecast		How it will be measured
	2011/12	2010/11	
<u>Quantity measures</u>			
Inspect 15 detention facilities in the year to 30 June 2012	100% (15 facilities) <sup>1</sup>	100% (30 facilities)	Performance data will be recorded on the Authority's database
Report on annual basis to Parliament and the Human Rights Commission pursuant to sections 27(c)(ii) and 27(d) of the Crimes of Torture Act 1989	Annual Report to be provided	Annual Report to be provided	Performance data will be recorded on the Authority's database (entry will note the date the report is presented to Parliament)
<u>Quality measures</u>			
Conduct inspections of Police detention facilities and detention records and documentation in accordance with the IPCA's OPCAT indicator checklist <sup>2</sup>	100% of inspections	New measure	Performance data will be recorded on the Authority's database OPCAT checklist
<u>Timeliness measures</u>			
Provide a preliminary report on site visits to Police Districts and Police National Headquarters within 20 working days of these visits, and plan timeframes for reporting fully on all finding and recommendations arising from the site visits	100% of visits	100% of visits	Performance data will be recorded on the Authority's database
Notes on Measures:			
<ol style="list-style-type: none"> <li>1. The targeted number of detention facility inspections has been reduced given an increased emphasis on working with Police to ensure implementation of recommendations arising from inspections undertaken in previous years.</li> <li>2. The OPCAT indicator checklist specifies that where possible and appropriate at least one detainee is interviewed during each IPCA site visit and that these interviews are conducted in private, and, Police staff who have responsibility for the detention and treatment of persons in custody are interviewed during each Authority site visit.</li> </ol>			

**Make Recommendations for Improved Police Conduct, Practices, Policies and Procedures, based on the results of Investigations, and monitoring implementation of those recommendations**

As a result of our investigations recommendations will be made, as required, to improve Police conduct, practices, policies and procedures. These recommendations may extend to disciplinary or criminal proceedings. We will monitor the implementation of recommendations over time.

Result/Measure	Performance target forecast		How it will be measured
	2011/12	2010/11	
<u>Quantity &amp; Quality measure</u>			
The % of recommendations for improved Police conduct, practices, policies and procedures arising from Authority reports that are agreed to by Police for implementation	90% of recommendations <sup>1</sup>	New measure	Performance data will be held on the Authority's database
<u>Timeliness measures</u>			
Recommendations are made to Police within 12 months of notification of the incident or complaint except in circumstances beyond the control of the IPCA	85% of investigations where recommendations are made	New measure	Performance data will be held on the Authority's database
Notes on Measures:			
1. Annual performance in regard to the % of recommendations that are implemented indicates how well we doing in the short-term as well as feeding in to the longer-term performance picture. As we cannot reliably estimate how many recommendations we could make, and as we do not know how many reports will be undertaken or the nature of those reports, we have included Quantity and Quality together in this measure area.			

## PART 3: FORECAST FINANCIAL STATEMENTS

<b>Forecast Statement of Comprehensive Income for the year ended 30 June</b>			
	<b>Forecast 2011/12 \$</b>	<b>Forecast 2012/13 \$</b>	<b>Forecast 2013/14 \$</b>
<b>Revenue</b>			
Revenue from Crown	3,811,000	3,811,000	3,811,000
Interest income	28,790	31,420	33,135
<b>Total revenue</b>	<b>3,839,790</b>	<b>3,842,420</b>	<b>3,844,135</b>
<b>Expenditure</b>			
Remuneration to auditors	21,000	21,000	21,000
Amortisation	29,846	23,634	18,976
Communication charges	57,780	55,000	52,000
Depreciation	100,877	77,408	59,806
Personnel	2,767,541	2,822,000	2,878,000
Printing and stationery	60,000	60,000	60,000
Professional fees	102,800	90,000	85,000
Rent	303,000	303,000	303,000
Services and supplies	230,000	225,000	220,000
Subscriptions	20,000	15,000	15,000
Travel and accommodation	142,500	146,000	149,000
<b>Total expenditure</b>	<b>3,835,344</b>	<b>3,838,042</b>	<b>3,861,782</b>
<b>Net Comprehensive income for the year</b>	<b>4,446</b>	<b>4,378</b>	<b>(17,647)</b>

### Forecast Statement of Financial Position for the year ended 30 June

	Forecast 2011/12 \$	Forecast 2012/13 \$	Forecast 2013/14 \$
<b>Current assets</b>			
Cash & cash equivalents	628,239	720,095	768,522
Debtors	9,438	9,438	9,438
GST receivable	23,727	23,175	22,925
	<b>661,404</b>	<b>752,708</b>	<b>800,885</b>
<b>Non-current assets</b>			
Property, plant and equipment	331,886	261,478	208,672
Intangible assets	92,070	73,436	59,460
<b>Total expenditure</b>	<b>423,956</b>	<b>334,914</b>	<b>268,132</b>
<b>Total assets</b>	<b>1,085,360</b>	<b>1,087,622</b>	<b>1,069,017</b>
<b>Current liabilities</b>			
Creditors and other payables	61,916	59,800	58,842
Employee entitlements	139,844	139,844	139,844
	<b>201,760</b>	<b>199,644</b>	<b>198,686</b>
<b>Net assets</b>	<b>883,600</b>	<b>887,978</b>	<b>870,331</b>
<b>Total public equity</b>	<b>883,600</b>	<b>887,978</b>	<b>870,331</b>

### Forecast Statement of Movements in Equity for the year ended 30 June

	Forecast 2011/12 \$	Forecast 2012/13 \$	Forecast 2013/14 \$
<b>Crown equity</b>			
Opening equity	879,154	883,600	887,978
Surplus/(deficit) for the year	4,446	4,378	(17,647)
Closing equity	883,600	887,978	870,331

## Forecast Statement of Cash Flows for the year ended 30 June

	Forecast 2011/12 \$	Forecast 2012/13 \$	Forecast 2013/14 \$
<b>Cash flows from operating activities</b>			
Cash will be provided from:			
Receipts from Crown revenue	3,811,000	3,811,000	3,811,000
Interest received	28,790	31,420	33,135
Net GST received	3,955	276	125
	<b>3,843,745</b>	<b>3,842,696</b>	<b>3,844,260</b>
Cash will be applied to:			
Payments to suppliers and employees	(3,781,487)	(3,738,840)	(3,783,833)
<b>Net cash flows from operating activities</b>	<b>62,258</b>	<b>103,856</b>	<b>60,427</b>
<b>Cash flows from investing activities</b>			
Cash will be applied to:			
Purchases of property, plant and equipment	(7,000)	(7,000)	(7,000)
Purchases of intangible assets	(5,000)	(5,000)	(5,000)
<b>Net cash flows from investing activities</b>	<b>(12,000)</b>	<b>(12,000)</b>	<b>(12,000)</b>
<b>Net increase/(decrease) in cash held</b>	<b>50,258</b>	<b>91,856</b>	<b>48,427</b>
Plus cash at the start of the year	577,981	628,239	720,095
<b>Cash held at the end of the year</b>	<b>628,239</b>	<b>720,095</b>	<b>768,522</b>
Represented by:			
Cash & cash equivalents	628,239	720,095	768,522
	<b>628,239</b>	<b>720,095</b>	<b>768,522</b>

## Reconciliation of cash flow with reported operating surplus for the year ended 30 June

	Forecast 2011/12 \$	Forecast 2012/13 \$	Forecast 2013/14 \$
Net comprehensive income for the year	4,446	4,378	(17,647)
Add: non-cash items			
Amortisation	29,846	23,634	18,976
Depreciation	100,877	77,408	59,806
Add/(less) movement in other working capital items			
(increase)/decrease in GST receivable	15,485	552	250
Increase/(decrease) in creditors and other payables	(88,396)	(2,116)	(958)
(Increase)/decrease in debtors			
<b>Net cash flows from operating activities</b>	<b>62,258</b>	<b>103,856</b>	<b>60,427</b>

## Notes to and forming part of the financial statements

### Statement of Underlying Assumptions

#### Significant Assumption

The opening position of the forecasted statements is based on un-audited results for 2010/2011.

#### Nature of Forecasted Financial Statements

The forecasted 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 covered 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 Independent Police Conduct Authority's ultimate parent is the New Zealand Crown.

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

Accordingly, the Independent Police Conduct Authority has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS").

#### Basis for Preparation

#### *Statement of compliance*

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

The forecast financial statements comply with the NZ IFRS and other applicable financial reporting standards as appropriate for public benefit entities.

#### *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 Independent Police Conduct Authority is New Zealand dollars.

## **Specific Accounting Policies**

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

### ***a) Revenue recognition***

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

#### ***Revenue from the Crown***

The Independent Police Conduct Authority is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of the Independent Police Conduct 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 recognised using the effective interest method.

### ***b) Operating leases***

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the forecast statement of financial performance 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, the operating lease payments will be treated as a prepayment until the items are being used to derive income. These prepayments are released to the forecast statement of financial performance on a straight line basis over the period of the remaining operating lease term.

### ***c) 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.

### ***d) 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 Independent Police Conduct 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 financial performance.

### *Subsequent costs*

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

The costs of day-to-day servicing of property, plant and equipment are recognised in the forecast statement of financial performance 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% DV
Furniture & fittings	25.0% DV
Leasehold improvements	25.0% DV

## *e) Intangible assets*

### *Software acquisition*

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

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

Costs associated with the development and maintenance of the Independent Police Conduct Authorities 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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*f) 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 financial performance.

*g) Financial liabilities*

*Creditors and other payables*

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

*h) 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, annual leave earned, but not yet taken at balance date.

The Independent Police Conduct 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.

*i) 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.

*j) 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.

*k) 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.

*l) Cash flow statement*

The Cash Flow Statement is prepared exclusive of GST, which is consistent with the method used in the Statement of Financial Performance.

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.

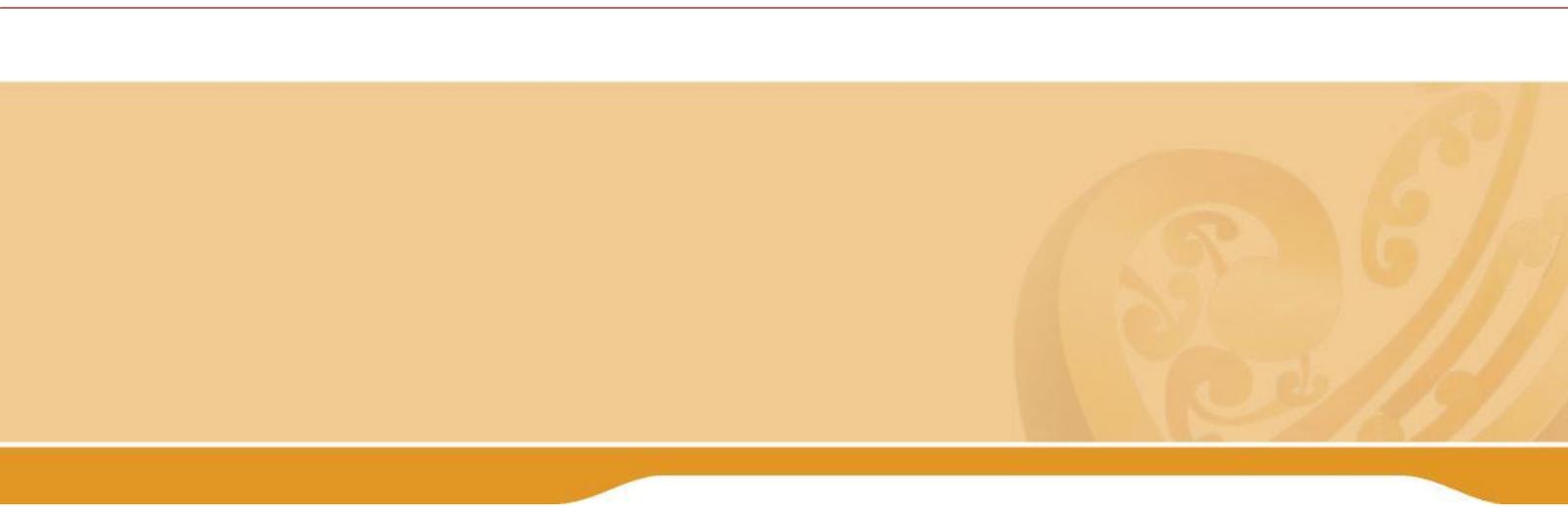
“Operating activities” include all transactions and other events that are not investing or financing activities.

**Critical Judgements in Applying the Authority’s Accounting Policies**

In the application of New Zealand International Financial Reporting Standards (NZ IFRIS), 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 NZ IFRS 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.





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