



Independent Police Conduct Authority

Annual Report 2017–2018

TO: THE HONOURABLE MINISTER OF JUSTICE

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

The report covers the period 1 July 2017 to 30 June 2018.



Judge Colin Doherty

Chair

INDEPENDENT POLICE CONDUCT AUTHORITY



Simon Murdoch

Member

INDEPENDENT POLICE CONDUCT AUTHORITY



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Introduction

The Authority makes a significant contribution to improved public trust and confidence in the New Zealand Police. We do so by facilitating the provision of redress to complainants who have a reasonable grievance against the Police; independently undertaking or overseeing complaints in a fair and impartial manner; and reviewing and where necessary recommending changes to Police policy, practice or procedure. We are confident that our work not only ensures that Police are held to account when things go wrong but also improves overall policing practice.

THE YEAR IN BRIEF

During the year the Authority:

- received 2592 complaints, a decrease of 22 files (0.01%) over the previous year;
- conducted 72 independent investigations;
- faced a continuing increase in the complexity of those investigations;
- released 22 public reports, all of which were published on the Authority's website;
- reviewed 200 Police investigations of complaints, 174 of which were completed within 28 days of receipt of the Police file;
- resolved 694 cases by facilitating a resolution of the complaint between the complainant and the Police;
- made three recommendations for changes to Police policy, practice or procedure, all of which were accepted by year end;
- commenced quarterly audits of District electronic custody records;
- identified and addressed custodial management issues that came with the jurisdiction of the Authority as a National Preventive Mechanism under the Crimes of Torture Act 1989;
- had in excess of 85,000 visits to the Authority's website – an increase of 36% over last year.

Foreword by the Chair

The first two months of the 2017/18 year covered by this Report fell within the five-year term of my predecessor, Judge Sir David Carruthers, as Chair of the Authority and to the extent it is relevant, I report on his behalf.

The statistics and details of the achievements set out in this Annual Report demonstrate that it has been a challenging year for the Authority. Until the last quarter, the recent history of an increasing volume of complaints continued. Unexpectedly, the numbers of complaints for the final quarter fell below those of the previous three, so that the total number of complaints for the year remained similar to last year. However, the announced increase in Police numbers means we are budgeting for the upward trend in complaint numbers to resume in 2018/19. Despite the pressure of numbers and the increasing complexity of complaints, the Authority continues to attain a high standard of output.

I am proud of the high quality of the 22 reports we published this year, many of which attracted high media interest. In similar vein, there has been media interest in our thematic work, particularly the fleeing driver review being jointly conducted with Police.

The new method of dealing with complaints to speed up the resolution of complaints identified in the 2016/17 report (identifying issues at an early stage, prioritising cases and facilitating resolutions in appropriate cases without the need for intensive and lengthy investigations), was largely implemented this year. We continued to refine and improve this new operational methodology.

As foreshadowed in our last report, our changed operational practices exposed the need for a review of some of our performance measures relating to timeliness. Another year's experience has shown that a number of them are no longer applicable to our altogether different new processes. Changes have been implemented by the Board for the next year. Those measures not in that category were largely attained.

The Authority has managed its money well and in accordance with expectations. The Authority notes the increased appropriation from Budget 2018 will assist us to manage the projected increase in the volume and complexity of complaints.

In this reporting year, the Authority received notification of 12 Police shootings, one of them resulting in a fatality. Media interest in such events remains high.

The Authority continues to develop its capacity to move into larger pieces of research and analysis based on its fundamental investigative work. The fleeing driver review mentioned above is an example. A significant amount of field work in relation to the Policing in Small Communities project was completed in the reported year. It is the Authority's view that the ultimate recommendations derived from such work will do much to assist in maintaining public trust and confidence in New Zealand Police.

The re-design of our website has resulted in far greater access to the community we serve. There has been a 36% increase in the numbers of visits to the website by comparison with the previous financial year. We continue to develop our digital interface and in particular the use of social media.

The Authority and Police continue to foster excellent and professional working relationships. I remain of the view that professional co-operation between us is fundamental to the effective and efficient oversight of policing and to achieving appropriate changes in Police practice and policy.

I thank the members of the Authority for their excellent governance skills, their support for the Authority and their personal support to me as Chair. I also pay tribute to the Authority's employees and others who work with us. The nature of our work means constant contact with stressed and vulnerable people. That stress and vulnerability can often manifest itself in challenging behaviour which our staff meet with patience, empathy and professionalism. I thank them for their continued commitment to the maintenance of high standards and the production of work of such high quality.

A handwritten signature in black ink, appearing to read 'Colin Doherty', with a small dash at the end.

Judge Colin Doherty

Chair

INDEPENDENT POLICE CONDUCT AUTHORITY

About Us

OUR PURPOSE

The Authority exists so that people have trust that complaints about, and incidents involving, Police conduct will be fairly and impartially investigated or reviewed; that reasonable grievances are appropriately addressed; that any practice, policy or procedure issues will be identified and addressed by appropriate recommendations; and that these will result in improved Police performance.

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

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

OUR LEGISLATIVE FUNCTION

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

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

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

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

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

Under section 17 of the IPCA Act, when the Authority receives a complaint we can investigate the complaint ourselves, refer it to the Police for investigation under our active oversight, facilitate a resolution between the Police and the complainant that addresses the complainant's grievance, or take no action.

Optional Protocol to the Convention Against Torture (OPCAT)

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

Our independence

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

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

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

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

Unless Police actions have resulted in death or serious bodily injury or we receive a referral from the Police under the MoU, we cannot instigate investigations without a complaint. Nor are we able to prosecute or take disciplinary action against a member of Police. Instead we may make recommendations to Police, including that disciplinary or criminal proceedings be considered or instituted.

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

The Authority's investigations are undertaken by teams of staff with a variety of experience. These include some staff with extensive policing experience, either in New Zealand or in other Commonwealth countries, and others with significant legal, investigative or complaints management experience. Investigations are subject to management oversight and review and any report issued publicly is reviewed and signed by the Chair of the Authority. The Chair, who must be a Judge or a retired Judge, is ultimately responsible for all findings and recommendations.

Although impartiality is critical, it is both appropriate and a practical necessity that the Authority maintains a professional, cooperative and constructive working relationship with the Commissioner of Police, the Police executive, senior officers, staff from the Police Professional Conduct Group, and Police investigators.

Unless Police actions have resulted in death or serious bodily injury or the Authority receives a referral from the Police under the MoU, it cannot instigate investigations without a complaint.

Our People

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

The current Board members are Judge Colin Doherty (Chair), Dianne Macaskill and Simon Murdoch. Judge Doherty replaced Judge Sir David Carruthers on 31 August 2017; Judge Carruthers was therefore the Chair of the Authority for the first two months of the financial year covered by this report.

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

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

There are two teams in the operations area. The Case Resolution Team has a manager and 11 staff, and the Investigations Team has a manager and 13 staff. They are supported by a Corporate Manager and two staff.

Our Achievements 2017/18

The key features of our work over the past 12 months are as follows:

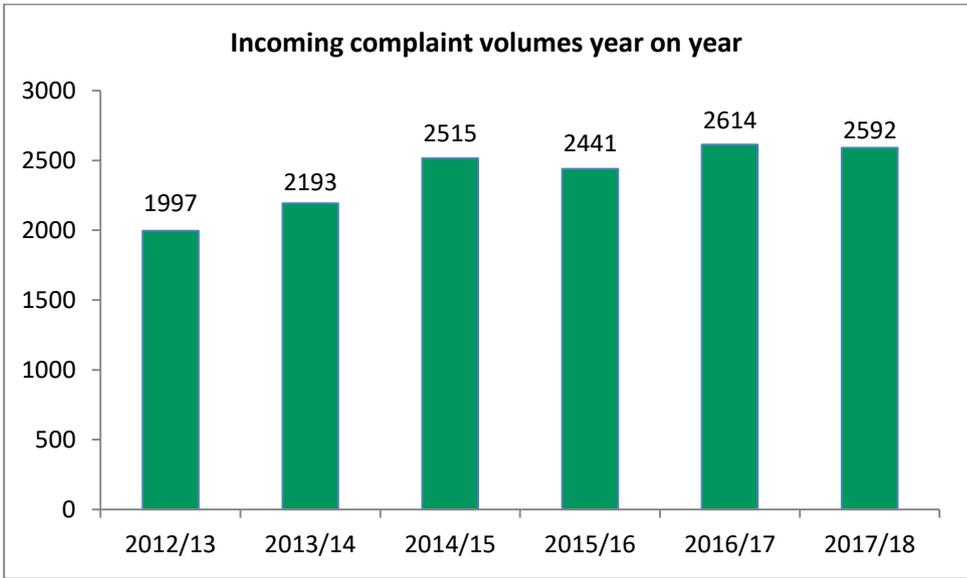
VOLUME OF COMPLAINTS, REFERRALS AND TRENDS

The Authority operates a triage system to allocate complaints and referrals we receive to either the Investigations Team or the Case Resolution Team. The categories to which cases are allocated are:

- **Category 1** – Independent investigation by the Authority.
- **Category 2** – Referral to Police for investigation with active oversight by the Authority and a full review of the file, by the Authority, at the conclusion of the investigation.
- **Category 4** – Facilitated resolution of a complaint through appropriate action by the Police to address the complainant’s grievance.
- **Category 5** – Complaint declined by the Authority.

Cases previously allocated to Category 3 were those that were referred to Police for investigation with a full review of the file by the Authority at its conclusion. This category is no longer in use, but a small number previously designated as Category 3 cases have not yet been concluded and appear in the table below.

Incoming complaint volumes



Until 2013/14 the Authority’s caseload had been relatively stable at around 2000 cases per annum. In the following three years, this remained stable at a slightly higher level reaching 2614 in 2016/17 and 2592 this year. The projected further increase in our complaint numbers during this year did not materialise.

This was entirely due to a sudden and unforeseen drop in numbers in the last three months of the year. The number of complaints during January, February and March was 282, 200 and 232 respectively, while the number in April, May and June was 178, 182 and 152 respectively. The reasons for this are not immediately clear. A small contributor was the fact that a number of complaints received before year end were not able to be entered into our case management system before year end because of staff absences at the time. But that does not explain the large and unexpected drops in the last quarter.

However, it is expected that the upward trend in complaint numbers will resume in 2018/19, especially as the increase in Police numbers begins to have an effect.

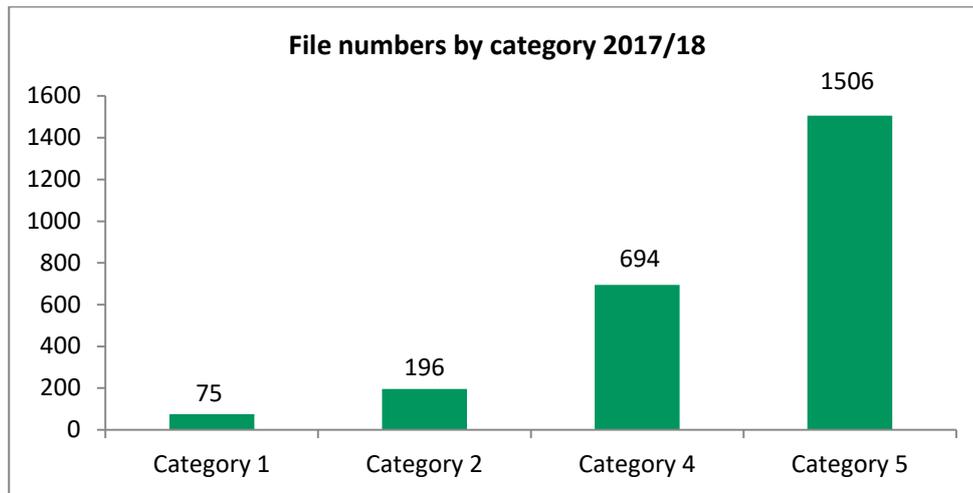
The reduction in complaint volume towards the end of the year enabled the Authority to attend to triaging and resolution issues in a more timely manner, resulting in a reduction in open files awaiting categorisation, and also in the number of Categories 4 and 5 cases awaiting resolution or closure.

The table below shows the number of complaints and incidents referred to the Authority in 2017/18 and the number of cases that remain open in each category and that have been closed during the reporting period by comparison with the previous year.

Comparison of volume of complaints and referrals by the Authority

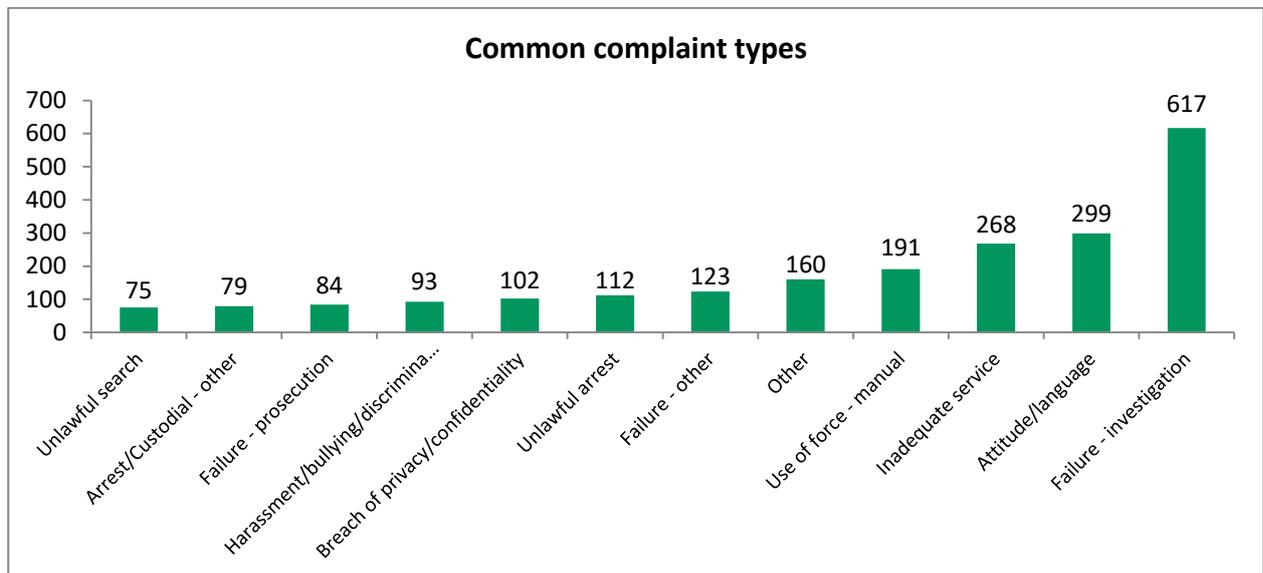
Action	2017/18	2016/17
New complaints received during the period	2592	2614
Total number of files closed during the period	2925	2192
Public reports released (during the period)	22	33
Current open Category 1 files	79	61
Current open Category 2 files	185	185
Current open Category 3 files	6	21
Current open Category 4 files	68	(Not reported)
Current open Category 5 files	20	(Not reported)

Breakdown of complaints allocated to the Authority's 4 categories¹



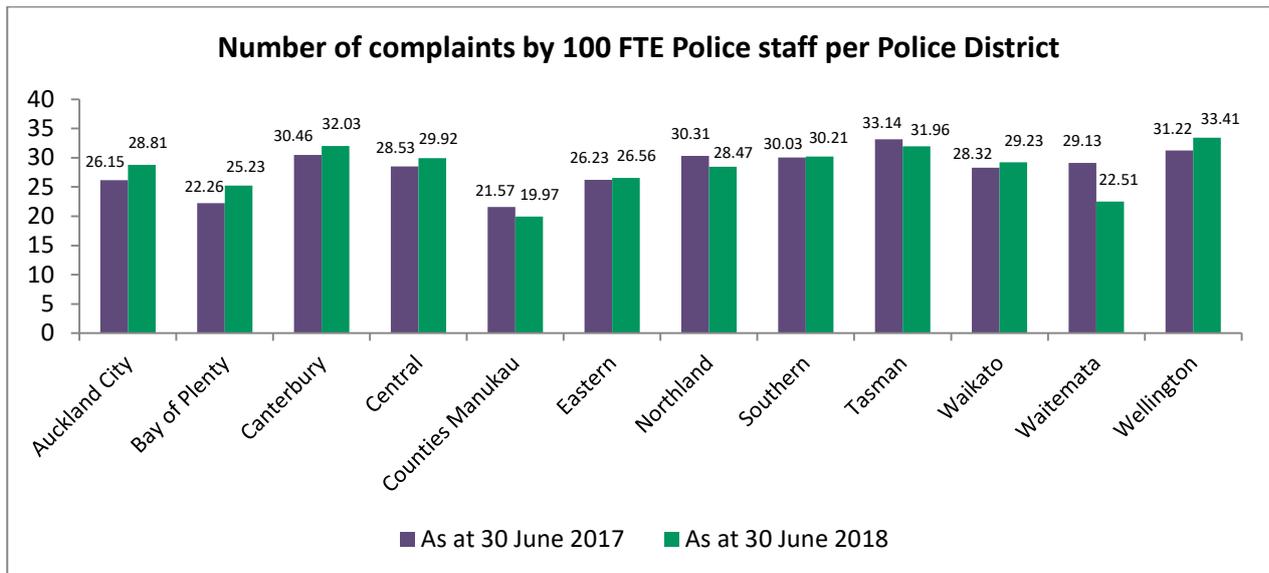
An individual complaint may include more than one 'complaint issue'. For example, *failure to investigate* and *attitude/language* complaints may arise from the same incident.

The most common types of complaint were about: failure in an investigation, an officer's attitude or use of language, inadequate service and the use of force without a weapon. These four complaint types feature regularly each year as among the most common recorded by the Authority.



¹ The total number of files shown here is 2471. The Authority recorded a total of 2592 files for the year. The difference of 121 files relates to those cases that were awaiting further information and had not been categorised as at 30 June 2018.

Complaints by Police District



INDEPENDENT AND TRANSPARENT INVESTIGATIONS

The Authority continues to maintain a stable caseload of independent investigations. We completed 72 independent investigations during the year and had 79 ongoing, open investigations at 30 June 2018. These investigations continued to increase in complexity: 85% of cases were of high or medium complexity in 2017/18, compared with only 63% in 2016/17.

Despite this, the Authority has been successful in developing a more timely response to serious incidents and complaints and has largely met timeliness measures (outlined on pages 25-27).

In the last three years we have focused on increasing our visibility and public recognition of the role we play. The Authority's primary methods of communicating with the public and media are through our public reports and our website www.ipca.govt.nz.

The reports provide transparency about the Authority's work, and accountability for the Authority and Police. They are generally accompanied by media releases in order to draw the public's attention to issues we report on.

The website has become the principal means by which members of the public obtain information about our work and as the means to lay complaints with us. It was redesigned in 2017/18 so that it is easier to navigate. We are also placing much more information on the website, including summaries of Categories 1 and 2 cases that we do not prepare full reports on. As a result we have seen a 36% increase in the numbers of visits to the website by comparison with the previous financial year.

During the year the Authority completed 72 independent investigations and released 22 public reports detailing findings from our investigations.

High profile reports released during 2017/18 include:

- A report issued in September 2017 on the fatal shooting of Michael Taylor at Paeroa on 10 June 2016 found that the officer who shot Mr Taylor was justifiably acting in self-defence after Mr Taylor advanced on him armed with a machete.
- A report issued in September 2017 over an incident at the Hamilton District Court where an officer used a Taser on a prisoner found that the use of this level of force was unjustified and that other restraint options should have been used on the prisoner, who was non-compliant and actively resistant.
- A report issued in September 2017 on a Police pursuit found that the first pursuit of the vehicle driven by Alaric Eccleston was correctly abandoned but the second pursuit, which ultimately resulted in the man's death, should not have been commenced.
- A report issued in October 2017 on the non-fatal Police shooting of a man in Christchurch on 5 February 2017 found that the officer was justifiably acting in self-defence when he shot a man who had presented a firearm at him. The man received minor injuries to the head.
- A report issued in October 2017 found that officers should have made further enquiries into the background and behaviour of a mentally disturbed man found to be in possession of a knife in Auckland after they stopped him for acting suspiciously on 6 January 2016. They let him go with a warning, and the man later went on to murder a woman jogger in an apparently random attack.
- A report issued by the Authority in November 2017 found that Police had unlawfully arrested and used unjustified force on a man at Lower Hutt in December 2015 when serving a trespass notice.
- A report issued in December 2017 about an officer's use of a 'carotid' hold while arresting a man at Tawa found that the officer's actions were disproportionate to the level of resistance being offered and that the hold amounted to excessive use of force.
- A report issued in December 2017 on the fatal shooting of Savey Sous at Whanganui on 6 January 2017 found that the officer's action in firing three shots at Mr Sous was lawful and proportionate. Mr Sous had presented a sawn-off shotgun at officers attending an incident at his address and did not respond to commands from the Armed Offenders' Squad to disarm himself, when they arrived.
- A report issued in January 2018 found that police use of a Taser, Police dog and pepper spray to effect the arrest of a man in Christchurch on 6 March 2017 was justified, as the man was actively resisting his arrest.
- A report issued in February 2018, in respect of the fatal shooting of Christopher Brown in February 2017, found that the officer involved was justified in taking action to defend himself. Mr Brown had advanced on officers brandishing a machete and was shot when he ignored instructions to put the weapon down.
- In March 2018 the Authority released its report on its investigation into the actions of Police where they had used their powers under the Land Transport Act 1998 to stop drivers at a vehicle

checkpoint, targeting people who had attended an “Exit International” meeting in Lower Hutt in October 2016 in order to identify them. They then later visited these people at their home address. The Authority found that Police actions in setting up the checkpoint and stopping drivers were not justified and were an illegitimate use of their powers. However, their actions in visiting people were not in breach of the Privacy Act and were based on concerns for their welfare.

- In May 2018 the Authority released its report on an incident where an officer had used his Taser on a man attempting to flee on foot from being arrested. After the man was tasered in the back, he fell forward and suffered facial injury as he was knocked unconscious. The Authority found that the officer was justified in arresting the man but was not justified in his use of the Taser.

Police shooting cases

The Authority independently investigates all incidents where Police discharge firearms in the line of duty and cause injury or death to a person. The Authority has investigated one fatal and 11 non-fatal Police shooting incidents during this reporting year. One report was investigated and completed by way of a public report; one has been investigated but is on hold pending criminal proceedings; two were designated a Category 2 and referred to the Police for investigation; and the remainder are still under investigation. There were five Police shooting incidents in the previous reporting year and the Authority has concluded all of those investigations.

STRATEGIC INITIATIVES

The Authority’s strategic objectives, in accordance with its Statement of Intent 2017/18-2020/21, include embedding our facilitated resolution processes; increasing the emphasis on prevention; enhancing our engagement with the community; and enhancing our ability to report on our own performance and on broader policing trends. We have made significant progress in the last 12 months in achieving these objectives.

Facilitated resolution of complaints

The new processes that we trialled in 2016 and rolled out nationally in January 2017 are designed to ensure that, where appropriate remedies to address a complaint can be readily identified, these are implemented in a timely way without time-consuming and unnecessary investigations. These processes represent a major sea-change in the way in which we carry out our statutory functions. While our investigations and accompanying public reports remain an important part of our business, they are no longer our predominant focus. Our broader involvement in resolving justified grievances is equally important.

The pressure of work in the first nine months of the year stretched our capacity to implement these processes in an optimal way. However, the reduction in our workload in the last quarter has enabled us to ensure that our new processes are now fully embedded into our operations. We continue to build on this transformative work and refine our processes to ensure that we provide the best service to complainants and the community that our available resources permit.

Increasing the emphasis on prevention

We recognise that the value of our work is greatly enhanced when lessons that may be learned from individual complaints are taken on board by the Police and used to modify policing practice. To that end, in our reports on individual cases we make recommendations to the Police for changes to Police policy, procedure or practice where we believe that this is required to prevent similar occurrences in the future. Those recommendations are separately recorded on a schedule and followed up with Police until their response is received. We also work actively to identify training needs and to draw these to the attention of Police, and highlight particular case examples for this purpose.

Just as importantly, where we identify patterns that are arising from a group of complaints and incidents, we undertake broader “thematic reviews” so that we can identify systemic issues and make recommendations for change to address them.

In some cases, these are addressed through discussion with the Police. The outcome of the Authority’s work is then a revised policy, or the development of additional Police training.

Notable examples of our preventive work in the financial year include:

- Work with Police to address ongoing issues with the way in which seized property is handled and disposed of by staff – an issue that we flagged as a concern in last year’s Annual Report and has still not been resolved.
- The continuation of our review, jointly with the Police, of fleeing driver incidents in order to determine whether any changes to policy or practice are required.
- A review of the issues and challenges relating to the policing of small and isolated communities, which is well advanced and will be completed well before the end of the next financial year.
- The commencement of a review of the administration and enforcement of controls on the availability and use of firearms in the community – including the extent to which any legislative issues impede the ability of the Police to work effectively in this area, and the adequacy of licensing administration processes.

Enhancing our engagement with the community

As a first step in our plans to increase our engagement with all sectors of the community, including those groups identified as being vulnerable and disadvantaged, we have reconfigured our website to enhance the visibility of our work, improve the accessibility of our services and incorporate multilingual features. As well as continuing the publication of our Category 1 reports, we are now including summaries on the website of the vast majority of our Category 2 reviews and a sample of our Category 4 facilitated resolutions, so that there is a more balanced public picture of the nature and extent of our work.

We have also begun to expand our use of social media by the creation of a Facebook page which is being actively monitored.

As part of our project on the policing of small communities, we intend to talk to a number of those communities about their understanding of the role of the Authority and how they think our visibility and accessibility might be improved.

Enhancing our reporting ability

In order to enhance our ability to report on our performance and on policing trends, we need to replace our ageing case management system that lacks a number of important functionalities and is overdue for replacement. During the year, we scoped the requirements of a new system with the assistance of external consultants, and prepared a Request for Proposals (RFP) with detailed specifications. That RFP is shortly to be put to the market to seek tenders, and we expect to have a new system operational by 1 July 2019.

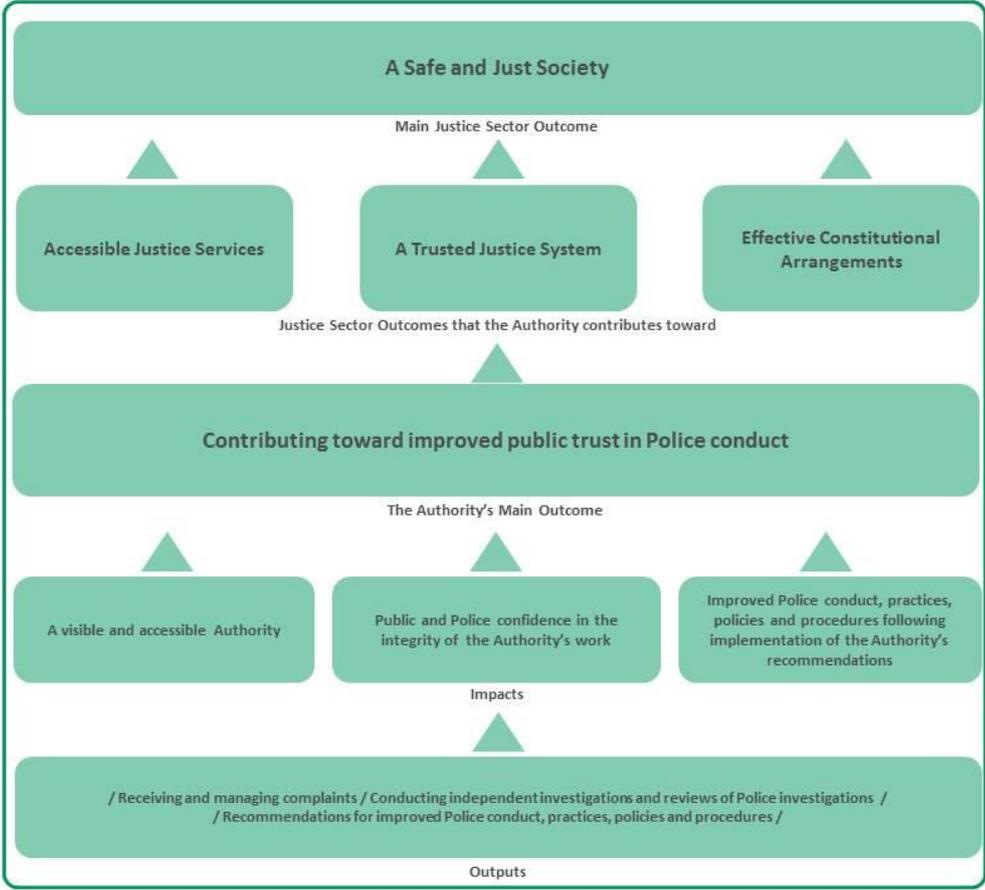
MONITORING AND REPORTING ON PLACES OF POLICE DETENTION

The Authority's programme of audits of District electronic custody records is now fully underway. We have completed audits of Christchurch, Auckland and Eastern District custody units. We have met with the Canterbury and Auckland District Commanders and custody staff following the audits to discuss the results and to identify areas for improvement, and we will shortly be doing the same in Eastern.

We are also continuing to follow up on systemic custody issues that are identified as a result of individual complaints and referrals and to make recommendations for improvements as required. All such cases, and the Authority's recommendations and subsequent Police actions, have been recorded. The performance measure, that this occurs in 100% of cases, has therefore been met.

The Authority continues to have concerns over the housing of remandees in police cells for significant periods, often because of transportation issues. These concerns have been exacerbated by the plan for Corrections to use a significant number of Police cells to cater for overflow when their own cells are full. There is insufficient available information about the extent to which Police cells are being used for remandees; the reasons for this; the length of time for which they are detained; and the maximum numbers (or "safe limits) and maximum periods of detention that should be regarded as appropriate for each cell block. The Police and the Ministry of Justice have provided funding for a special project to enable a concentrated programme of visits to Police cells to be undertaken over a six month period during 2018/19, so that this gap in knowledge can be filled. The fieldwork for the project is expected to get underway in October 2018.

Progress against our Outcomes Framework



MAIN OUTCOME: CONTRIBUTING TOWARD IMPROVED PUBLIC TRUST IN POLICE CONDUCT

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

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

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

Impact Measure 1: A Visible and Accessible Authority

Performance July 2017 – June 2018

<i>Measures²</i>	<i>How measured</i>	<i>Met / Not Met</i>
A 'Community Engagement Plan' will be developed aimed at improving community awareness of the Authority's work and accessibility to its services.	The Plan will be written and adopted by 31 July 2017.	Not met
	Identified action items will be completed within the stipulated time frames.	Not met
The Plan will also include re-development of the Authority's website which will be expanded to make more information and multilingual services available.	A revised website will be operational by 31 December 2017.	Not met
The Plan will also develop the expanded use of social media.		Met

Because a new Chair was appointed to take up the position from 3 September 2017, it was decided that a new Community Engagement Plan in place of the existing one would not be developed until he had been in the position to determine the form that the Authority's engagement with the community should take in the future. The adoption of a new plan therefore did not formally occur until March 2018. However, elements of it were being worked on during the year including redevelopment of the Authority's website which commenced in August 2017.

² These were new measures introduced in the 2017/18 year.

The Plan was acted on after adoption and the action points implemented. Although largely completed by December 2017, the revised website did not become operational until February 2018. The new website was designed to be simpler to use in both content and format and began a process of making more information about the Authority’s business systematically available through that medium. It also included information in multiple languages about how to access and use our services.

Work on developing a presence on social media was also begun, with a view to making social media and the website our major platform for public communication. The Authority’s Facebook page was launched in June 2018. Other elements of community engagement were deferred in the meantime.

Impact Measure 2: Improved satisfaction relating to the work of the Authority

We measure by way of a telephone survey, the level of satisfaction of complainants, and Police officers complained of, with our work performance. A target of 75% satisfaction level has been set.

Unless it is inappropriate to do so, following the closure of the case we attempt to survey Police officers complainants, and victims or next of kin involved in Category 1 and Category 2 files providing they have had significant³ contact with our staff. However not all parties are able to be contacted or agree to participate once they are spoken to. As part of the survey, participants who do agree to participate are asked to comment on their level of satisfaction relating to their contact with our staff and our investigation and review processes.

Similarly, we also attempt to survey a random selection of one in ten complainants involved in the Category 4 ‘facilitated resolution processes’⁴.

<i>Measures</i>	<i>Performance July 2017 – June 2018</i>			<i>Comparative Performance</i>
	<i>Forecast</i>	<i>Actual</i>	<i>Met / Not Met</i>	<i>July 2016 – June 2017</i>
Participants in surveys are satisfied with their contact with Authority staff	75% are satisfied	84%	Met	98%
Participants in surveys are satisfied with the Authority’s investigation processes	75% are satisfied	74%	Not Met	88%
Participants in surveys are satisfied with the Authority’s review processes	75% are satisfied	75%	Met	50%
Participants in surveys are satisfied with the	75% are	64%	Not Met	New

³ Significant contact is determined as two or more substantial, interactions involving direct contact.

⁴ One in ten complainants is selected for survey; of 90 complainants identified, 37 (41%) were either unable to be contacted or declined to participate in the survey.

Authority's facilitated resolution processes

satisfied

Measure

Satisfaction levels have been somewhat mixed during the year, by comparison with the previous financial year. The proportion of respondents satisfied with the Authority's investigation processes and the proportion satisfied with the review processes have both improved since the last reporting period, but two areas did not meet the annual targets, one albeit only marginally.

Impact Measure 3: Make recommendations for improved Police conduct, policies, practices and procedures and monitoring during the course of investigations, and monitoring implementation of those recommendations.

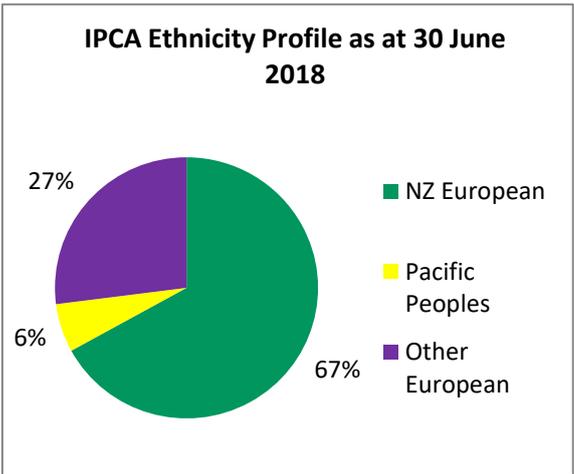
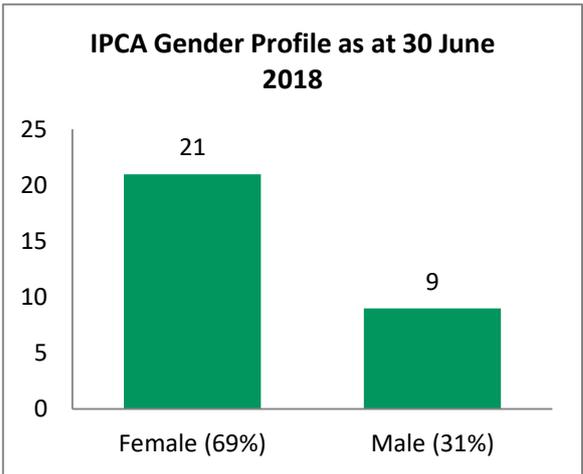
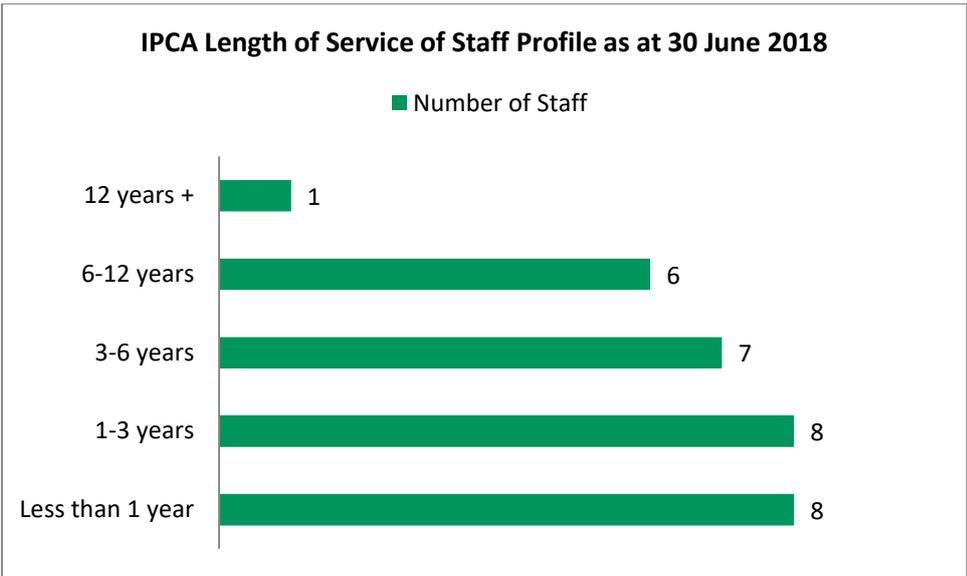
<i>Measures</i>	<i>Performance July 2017 – June 2018</i>			<i>Comparative Performance</i>
	<i>Forecast</i>	<i>Actual</i>	<i>Met / Not Met</i>	<i>July 2016 – June 2017</i>
All recommendations for improved Police policies, practices and procedures are accepted by Police	90%	100%	Met	91%

The Authority made 3 recommendations during the year, all of which were formally accepted.

Good Employer Elements

The Authority is committed to being a good employer. We conduct annual performance reviews with all staff and advertise vacancies within the organisation as well as externally. We encourage staff development and assist in this process where appropriate.

WORKPLACE PROFILE AND GOOD EMPLOYER PRACTICES



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

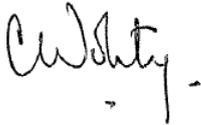
<i>Leadership, accountability and culture</i>	The Authority continues to identify and provide opportunities for its high potential staff within its agreed framework. An Equal Employment Opportunities (EEO) Framework is in place, including an EEO policy and a number of supporting systems and processes.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

Annual Accountability Statements

STATEMENT OF RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE 2018

- We are responsible for the preparation of Independent Police Conduct Authority's financial statements and statements of performance, and for the judgements made in them.
- We are responsible for any end-of-year performance information provided by Independent Police Conduct Authority under section 19A of the Public Finance Act 1989.
- We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the Independent Police Conduct Authority for the year ended 30 June 2018.

Signed on behalf of the Board



Judge Colin Doherty
Chair
INDEPENDENT POLICE CONDUCT AUTHORITY
31 October 2018



Simon Murdoch
Member
INDEPENDENT POLICE CONDUCT AUTHORITY
31 October 2018

2017/18 Performance Reporting: Statement of Service Performance

In the Statement of Performance Expectations for this reporting year we revised our performance measures to ensure they adequately measure our effectiveness in achieving our objectives. The revised measures broadly fall into the following four categories:

- 1) receive, manage and ensure resolution of complaints;
- 2) carry out independent and timely investigations into Police conduct and report on these as required;
- 3) make recommendations for improved Police conduct, policies, practices and procedures, based on the results of investigations and monitor their implementation;
- 4) monitor and report on places of Police detention.

OUTPUT MEASURE 1: REVIEW, MANAGE AND ENSURE RESOLUTION OF COMPLAINTS

<i>Measures</i>	<i>Performance July 2017 – June 2018</i>			<i>Comparative Performance</i>
	<i>Forecast</i>	<i>Actual</i>	<i>Met / Not Met</i>	<i>July 2016 – June 2017</i>
All notifications of new complaints and incidents are acknowledged within seven days	95%	99%	Met	95%
All new complaints and incidents are categorised and decisions made about the appropriate actions are taken within 56 days	90%	66%	Not Met	74%
Where a decision is made to take no action upon a complaint, the letters to Police and the complainant are issued within 21 days of making that decision	95%	91%	Not Met	New Measure
Where a complaint discloses a reasonable grievance, the Authority and Police agree on the actions that are appropriate to	95%	100%	Met	New Measure

resolve that grievance and the agreed actions are undertaken

Where an 'Expression of Dissatisfaction' has been lodged in respect of the Authority's decision on any complaint, the final outcome of the Authority's review will be communicated to the complainant within 35 days of the expression of dissatisfaction being received	85%	65%	Not Met	New Measure
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Some targets have not been met. The aim of categorising a complaint in 56 days was only achieved in 66% of cases, well below the target of 90%. This is partly a result of the Authority changing its triaging processes during the year in order to having increased engagement with complainants and Police at the outset, so that specific issues requiring investigation or immediate resolution can be identified and agreed upon before any categorisation decision is made (see p 16 above). It can also partly be attributed to the significant and steady increase in complaint volumes in the first 9 months of the year. We have recruited extra staff to improve our performance in this area, and we have also adjusted the performance measure in the 2018/19 Statement of Performance Expectations to better reflect the fact that a small proportion of cases require prolonged dialogue with the Police before an appropriate resolution is agreed to and the case categorised.

We fell well below our performance measure for dealing with "Expressions of Dissatisfaction". That is largely because in the first part of the year we were classifying all adverse contact following a dispositive letter in this way, even when no new information was provided. This was time-consuming and rarely affected the outcome. In the 2018/19 Statement of Performance Expectations, we have provided a narrower definition of an expression of dissatisfaction that should ensure that only cases raising a genuine issue are reviewed. This should ensure that such reviews are undertaken in a timely way and within the 35 day target.

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

<i>Measures</i>	<i>Performance July 2017 – June 2018</i>			<i>Comparative Performance</i>
	<i>Forecast</i>	<i>Actual</i>	<i>Met / Not Met</i>	<i>July 2016 – June 2017</i> <i>Actual</i>
Reviews of Police investigations for Category 2 cases will be completed by the Authority within 28 days of receiving the file or Final Report from Police ⁵	90%	87%	Not Met	95%
Independent investigations carried out by the IPCA will be concluded as soon as practicable ⁵	90% within 12 months	84%	Not Met	69%
	99% within 24 months	100%	Met	99%
For each Category 1 case that proceeds to a full investigation, an investigation plan, milestones and a completion date will be set and monitored ⁶	100% of investigations	100%	Met	100%
Reports as a result of Category 1 investigations are clear, consistent and well-structured and have well-argued conclusions	100% of reports meet required standard	100%	Met	100%

The fact that we were able to complete Category 1 investigations within 12 months in only 84% of cases can be attributed to the increasing complexity of those investigations (see above, p 14). However, the differences between the target and the result in relation to both Category 1 investigations and Category 2 reviews are relatively small, and we expect that with the increase in resources available to us in 2018/19 we will be able to fully meet these targets in the future.

In order to ensure our public reports are clear, consistent and well-structured and have well-argued conclusions, five reports were independently peer-reviewed. The results reflect the very high standard of our work in this area.

⁵ This measure is included in the Services from the Independent Police Conduct Authority non-departmental appropriation for Vote Justice for 2017/18.

⁶ This measure is calculated on the basis of investigation files closed during the 2017/18 year.

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

<i>Measures</i>	<i>Performance July 2017 – June 2018</i>			<i>Comparative Performance July 2016 – June 2017</i>	
	<i>Forecast</i>	<i>Actual</i>	<i>Met / Not Met</i>	<i>Actual</i>	
All systemic issues identified by the IPCA relating to Police practices, policies and procedures are raised and discussed with Police and appropriate recommendations made where required, before the closure of the case ⁷	100%	100%	Met	100%	

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

OUTPUT MEASURE 4: MONITOR PLACES OF POLICE DETENTION

<i>Measures</i>	<i>Performance July 2017 – June 2018</i>			<i>Comparative Performance July 2016 – June 2017</i>		
	<i>Forecast</i>	<i>Actual</i>	<i>Met / Not Met</i>	<i>Forecast</i>	<i>Actual</i>	<i>Met / Not Met</i>
All systemic custodial management issues are raised and discussed with the Police prior to the completion of the relevant review or independent investigation ⁸	100%	100%	Met	100%	100%	Met
Audits of District custodial management files are completed on a quarterly basis according	Achieved	Achieved	Met	Achieved	Not Achieved	Not met

⁷ This measure is included in the Services from the Independent Police Conduct Authority non-departmental appropriation for Vote Justice for 2017/18

⁸ This measure is included in the Services from the Independent Police Conduct Authority non-departmental appropriation for Vote Justice for 2017/18

to a programme agreed
with Police.⁹

Our programme of quarterly audits of Police custodial facilities became fully operational in this financial year. Audits of Christchurch, Hastings, Auckland and Counties Manukau were undertaken as agreed.

⁹ This measure is included in the Services from the Independent Police Conduct Authority non-departmental appropriation for Vote Justice for 2017/18

Statement of Accounting Policies

Reporting Entity

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

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

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

The financial statements for the Independent Police Conduct Authority are for the year ended 30 June 2018, and were approved by the Board on 16 October 2018.

Basis for Preparation

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

Statement of compliance

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

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

Measurement base

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

Presentation currency

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

Summary of Significant Accounting Policies

Revenue

Revenue Funding from the Crown

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

Interest revenue

Interest revenue is recognised using the effective interest method.

Leases

Operating leases

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

Receivables

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

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

Cash and cash equivalents

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

Investments

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

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

Property, Plant and Equipment

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

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

Additions

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

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

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

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

Disposals

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

Subsequent costs

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

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

Depreciation

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

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

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

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

Intangible assets

Software acquisition

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

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

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

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

Amortisation

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

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

- Software 25.0% DV

Impairment of property, plant and equipment and intangible assets

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

Property, plant and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset’s fair value less costs to sell and value in use.

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

If an asset’s carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

Financial liabilities

Creditors and other payables

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

Employee entitlements

Short-term employee entitlements

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

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

Superannuation schemes

Defined contribution schemes

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

Provisions

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

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

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Income tax

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

Cash flow statement

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

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

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

Budget figures

The budget figures are those that form part of the Independent Police Conduct Authority 2017/18 Statement of Performance Expectations as approved by the board at the beginning of the year.

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

Critical Judgements in Applying the Entity’s Accounting Policies

In preparing these financial statements Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2018:

Lease Classification

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the Independent Police Conduct Authority. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas with an operating lease no such asset is recognised.

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

2017/18 Financial Statements and Supporting Information

INDEPENDENT POLICE CONDUCT AUTHORITY STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE FOR THE YEAR ENDED 30 JUNE 2018

2017 Actual \$		Notes	2018 Actual \$	2018 Budget \$
	Revenue			
4,111,000	Funding from the Crown	1	4,111,000	4,111,000
26,067	Interest revenue		30,960	46,242
-	OPCAT Project Revenue		160,000	-
<u>16,651</u>	Other Revenue		<u>16,174</u>	<u>16,000</u>
<u>4,153,718</u>	Total Revenue		<u>4,318,134</u>	<u>4,173,242</u>
	Expenditure			
34,803	Audit fees	2	35,847	33,133
13,288	Amortisation	8	10,312	7,936
30,094	Communication charges		27,414	30,000
88,673	Depreciation	7	73,979	58,326
2,946,688	Personnel costs and Board Fees	3	3,232,881	3,279,817
18,459	Printing & stationery		13,478	25,000
123,143	Professional fees and contract services		192,221	155,300
379,789	Rent		389,877	393,262
212,969	Services & supplies		203,739	210,000
12,974	Subscriptions		11,438	15,150
<u>80,977</u>	Travel & accommodation		<u>115,167</u>	<u>124,230</u>
<u>3,941,857</u>	Total Expenditure		<u>4,306,353</u>	<u>4,332,154</u>
<u>211,861</u>	Surplus/(Deficit)		<u>11,781</u>	<u>(158,912)</u>
	Other Comprehensive Revenue and Expense			
<u>211,861</u>	Total Comprehensive Revenue/(Deficit)		<u>11,781</u>	<u>(158,912)</u>

Explanations of major variances against budget are detailed in note 21.

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

INDEPENDENT POLICE CONDUCT AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

2017 Actual \$	Assets	Notes	2018 Actual \$	2018 Budget \$
	Current assets			
-	Case Management System / Work in Progress		-	150,000
432,259	Cash and cash equivalents	4	462,125	135,817
600,000	Investments	5	400,000	404,147
31,245	Debtors and other receivables	6	209,979	33,740
<u>1,063,504</u>	Total Current Assets		<u>1,072,104</u>	<u>723,704</u>
	Non-current assets			
296,509	Property, plant & equipment	7	243,565	238,332
39,864	Intangible assets	8	37,848	32,667
<u>336,373</u>	Total Non-Current Assets		<u>281,413</u>	<u>270,999</u>
<u>1,399,877</u>	Total assets		<u>1,353,517</u>	<u>994,703</u>
	Liabilities			
	Current liabilities			
88,683	Creditors and other payables	9	127,006	111,334
284,852	Employee entitlements	11	183,720	199,316
-	Revenue in Advance		8,000	-
<u>373,535</u>	Total Current Liabilities		<u>318,726</u>	<u>310,650</u>
	Non-current liabilities			
28,333	Make-good Provision	18	38,333	-
68,889	Leasehold Fit-out capital contribution	19	55,556	55,556
<u>97,222</u>	Total Non-Current Liabilities		<u>93,889</u>	<u>55,556</u>
<u>470,757</u>	Total Liabilities		<u>412,615</u>	<u>366,206</u>
<u>929,120</u>	Net assets		<u>940,902</u>	<u>628,497</u>
	Crown equity			
929,120	Total investment by the Crown		940,902	628,497
<u>929,120</u>	Total Crown Equity		<u>940,902</u>	<u>628,497</u>

Explanations of major variances against budget are detailed in note 21.

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

INDEPENDENT POLICE CONDUCT AUTHORITY
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2018

2017 Actual \$		Notes	2018 Actual \$	2018 Budget \$
717,259	Total Crown Equity at beginning of year		929,120	787,409
211,861	Total Comprehensive Revenue		11,781	(158,912)
<u>929,120</u>	Total Crown Equity at end of year		<u>940,902</u>	<u>628,497</u>

Explanations of significant variances against budget are detailed in note 21.

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

INDEPENDENT POLICE CONDUCT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

2017 Actual \$	Notes	2018 Actual \$	2018 Budget \$
	CASH FLOWS FROM OPERATING ACTIVITIES		
	Cash was provided from/(applied to)		
4,111,000	Receipts from the Crown	4,111,000	4,111,000
16,651	Receipts from Other Income	8,174	16,000
20,703	Interest received	32,520	46,242
4,958	Net GST received/(paid)	(7,319)	(4,165)
<u>(3,756,795)</u>	Payments to suppliers and employees	<u>(4,285,177)</u>	<u>(4,261,971)</u>
396,517	Net cash flow from operating activities	(140,802)	(92,894)
	CASH FLOWS FROM INVESTING ACTIVITIES		
	Cash was provided from/(applied to)		
(44,805)	Purchase of property, plant & equipment	(21,035)	-
-	Purchase of intangible assets	(8,295)	(150,000)
<u>(600,000)</u>	Sale / (Acquisition) of investments	<u>199,999</u>	<u>195,853</u>
(644,805)	Net cash flow from investing activities	170,669	45,853
	CASH FLOWS FROM FINANCING ACTIVITIES		
<u>(13,333)</u>	Repayment of Leasehold fit out	-	-
(13,333)	Net cash flow from financing activities	-	-
(261,621)	Net increase/(decrease) in cash and cash equivalents	29,867	(47,041)
693,878	Cash and cash equivalents at beginning of year	432,258	182,858
432,257	Cash and cash equivalents at end of year	<u>462,125</u>	<u>135,817</u>
432,257	Represented by: Cash & cash equivalents	<u>462,125</u>	<u>135,817</u>

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

Explanations of major variances against budget are detailed in note 21.

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018

1. Revenue from Crown

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

2. Remuneration to Auditors

	2018 Actual \$	2017 Actual \$
Audit of the financial statements	35,847	34,803
	<u>35,847</u>	<u>34,803</u>

3. Personnel Expenses and Board Fees

		2018 Actual \$	2017 Actual \$
Salaries and wages		2,725,919	2,421,105
Defined contribution plan employer contributions		76,854	67,179
Increase/(decrease) in employee entitlements	11	(101,132)	74,020
Board fees	15	531,240	384,384
Total Personnel Expenses		<u>3,232,881</u>	<u>2,946,688</u>

Employer contributions to defined contribution plans include contributions to Kiwisaver.

4. Cash and Cash Equivalents

	2018 Actual \$	2017 Actual \$
Cash at bank	45,477	45,125
Call account	416,648	387,134
Total Cash and Cash Equivalents	<u>462,125</u>	<u>432,259</u>

5. Investments

	2018 Actual \$	2017 Actual \$
Term Deposits – Current	400,000	600,000
Term Deposits – Non Current	-	-
Total Investments	<u>400,000</u>	<u>600,000</u>

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2018

6. Debtors and other receivables	2018 Actual \$	2017 Actual \$
Accrued interest	3,804	5,364
Sundry receivables	193,286	-
GST receivable	12,889	25,881
Total Debtors and other receivables	209,979	31,245
 Total Comprises:		
Receivables from exchange transactions	197,090	5,364
GST receivable (non-exchange transaction)	12,889	25,881

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

No receivables are past 30 days overdue.

7. Property, Plant and Equipment

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

Cost	Office equipment \$	Furniture & fittings \$	Leasehold improvements \$	Total \$
Balance at 1 July 2016	218,428	63,824	249,179	531,431
Additions	27,683	-	17,121	44,804
Sales/transfers	-	-	-	-
Balance at 30 June 2017	246,111	63,824	266,300	576,235
Balance at 1 July 2017	246,111	63,824	266,300	576,235
Additions	21,036	-	-	21,036
Sales/transfers	-	-	-	-
Balance at 30 June 2018	267,147	63,824	266,300	597,271

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2018

7. Property, Plant and Equipment (cont.)

Accumulated depreciation	Office equipment	Furniture & fittings	Leasehold improvements	Total
	\$	\$	\$	\$
Balance at 1 July 2016	107,366	33,428	50,259	191,053
Depreciation expense	53,390	7,599	27,684	88,673
Sales/transfers	-	-	-	-
Balance at 30 June 2017	160,756	41,027	77,943	279,726
Balance at 1 July 2017	160,756	41,027	77,943	279,726
Depreciation expense	38,884	5,699	29,397	73,979
Sales/transfers	-	-	-	-
Balance at 30 June 2018	199,640	46,726	107,340	353,705
Book Value				
At 1 July 2016	111,062	30,396	198,920	340,378
At 30 June 2016 & 1 July 2017	85,355	22,797	188,357	296,509
At 30 June 2018	67,507	17,098	158,960	243,565

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

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2018

8. Intangible assets

	Total \$
Cost	
Balance at 1 July 2016	287,739
Additions	-
Disposals	-
Balance at 30 June 2017	<u>287,739</u>
Balance at 1 July 2017	287,739
Additions	8,294
Disposals	-
Balance at 30 June 2018	<u>296,033</u>
Accumulated amortisation	
Balance at 1 July 2016	234,587
Amortisation expense	13,288
Disposals	-
Balance at 30 June 2017	<u>247,875</u>
Balance at 1 July 2017	247,873
Amortisation expense	10,312
Disposals	-
Balance at 30 June 2018	<u>258,185</u>
Net carrying amount	
At 1 July 2016	53,152
At 30 June 2016 & 1 July 2017	39,864
At 30 June 2018	37,848

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

INDEPENDENT POLICE CONDUCT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018

	2018 Actual \$	2017 Actual \$
9. Creditors and Other Payables		
Payables under exchange transactions		
Trade creditors	95,683	57,547
Leasehold Fit-out capital contribution (current portion)	13,333	13,333
Accrued expenses	17,990	17,803
	<u>127,006</u>	<u>88,683</u>
Total creditor and other payables under exchange transactions	<u>127,006</u>	<u>88,683</u>

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

10. Financial Instruments

The following table details the Independent Police Conduct Authority's exposure to interest rate risk as at 30 June 2017.

	Weighted average effective interest rate %	Variable interest rate bearing \$	Non-interest bearing \$	Total \$
Financial assets:				
Cash and cash equivalents				
- Cash at bank	0.25	44,903	222	45,125
- Call account	2.75	387,134	-	387,134
Investments	3.10	600,000	-	600,000
Debtors and other receivables	-	-	31,245	31,245
		<u>1,032,037</u>	<u>31,467</u>	<u>1,063,504</u>
Total financial assets		<u>1,032,037</u>	<u>31,467</u>	<u>1,063,504</u>
Financial liabilities:				
Creditors and other payables	-	-	88,683	88,683
		<u>-</u>	<u>88,683</u>	<u>88,683</u>
Total financial liabilities		<u>-</u>	<u>88,683</u>	<u>88,683</u>

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2018

10. Financial Instruments (cont.)

The following table details the Independent Police Conduct Authority's exposure to interest rate risk as at 30 June 2018

	Weighted average effective interest rate %	Variable interest rate bearing \$	Non-interest bearing \$	Total \$
Financial assets:				
Cash and cash equivalents				
- Cash at bank	-	45,255	222	45,477
- Call account	0.10	416,648	-	416,648
- term deposits	3.37	400,000	-	400,000
Debtors and other receivables	-	-	209,979	209,979
Total financial assets		<u>861,903</u>	<u>210,201</u>	<u>1,072,104</u>
Financial liabilities:				
Creditors and other payables	-	-	127,007	127,007
Total financial liabilities		<u>-</u>	<u>127,007</u>	<u>127,007</u>

11. Employee Entitlements

	2018 Actual \$	2017 Actual \$
Accrued salaries and wages	54,615	80,993
Annual leave	<u>129,105</u>	<u>203,859</u>
Total Employee Entitlements	<u>183,720</u>	<u>284,852</u>

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2018

12. Employee Remuneration

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

	2018 Actual	2017 Actual
\$100,000 - \$109,999	3	1
\$110,000 - \$119,999	2	1
\$120,000 - \$129,999	0	1
\$130,000 - \$139,999	1	0
\$140,000 - \$149,999	0	1
\$150,000 - \$159,999	2	0
\$160,000 - \$169,999	0	1
\$170,000 - \$179,999	0	0
\$180,000 - \$189,999	0	0
\$190,000 - \$199,999	0	0
\$200,000 - \$219,999	0	0
\$220,000 - \$239,999	0	0
\$240,000 - \$259,999	1	1
	9	6

13. Related Party Transactions

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

There were no transactions with close family members of key management personnel employed by the Independent Police Conduct Authority in 2018 (2017: \$nil).

INDEPENDENT POLICE CONDUCT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2018

14. Key Management Personnel Compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	531,240	384,384
Full time equivalents	1.2	1.2
<i>Leadership Team</i>		
Remuneration	702,049	680,649
Full time equivalents	3.8	3.8
Total key management personnel remuneration	1,233,289	1,064,493
Total full time equivalent personnel	5.0	5.0

There were no post-employment benefits, other long-term employee benefits, termination benefits paid to key management personnel during the year (2017: \$nil).

15. Board member remuneration

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

	2018 Actual \$	2017 Actual \$
Judge Colin Doherty	375,427	-
Judge Sir David J Carruthers	129,253	361,414
Dianne Macaskill	10,440	12,200
Simon Murdoch	16,120	10,770
Total Board member remuneration	531,240	384,384

Ministry of Justice are paying for Judge Colin Doherty's salary and invoicing Independent Police Conduct Authority for his services.

There have been no payments made to committee members appointed by the Board who are not Board members during the financial year. No Board members received compensation or other benefits in relation to cessation (2017: \$nil).

16. Commitments

(i) Capital commitments

There are no capital commitments at reporting date (2017: \$nil).

INDEPENDENT POLICE CONDUCT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018

16. Commitments (cont.)

(ii) Operating lease commitments (cont.)

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

(ii) Operating lease commitments

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

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

	2018 Actual \$	2017 Actual \$
Less than one year	303,182	303,182
Between one and five years	1,212,728	1,212,728
Later than five years	50,530	353,712
Total operating lease commitments	1,566,440	1,869,622

17. Contingency

There are no contingent liabilities or assets at reporting date (2017: \$nil).

18. Make Good Provision

A provision for an expected make-good payment has been accrued in the accounts relating to the Grey Street Property. This final payment has been estimated at \$90,000 based on prior make-good payments that the Authority has paid and adjusted for inflation, and it is expected to be settled in 2023. Due to the nine-year lease of the property, this accounts for an annual provision of \$10,000 per year. As at balance date, forty-six months of this figure have been accrued, based on the lease commencement date. The estimate for 2018 is: \$38,333. This is classified as a non-current liability, as it is expected to be settled in 2023.

19. Leasehold Fit-out Contribution

DNZ property Fund Limited contributed \$120,000 towards the fit-out for the Grey Street premises during the 2016 financial year. This leasehold fit-out was capitalised and will be depreciated on a straight line basis over 9 years as detailed in the Accounting policies. A liability was recognised for the \$120,000 contribution payment received from DNZ which will be released over the term of the lease, being nine years. As at balance date the current portion of the liability is \$13,333 and the non-current portion is \$55,556.

INDEPENDENT POLICE CONDUCT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018

20. Subsequent Events

There are no events subsequent to reporting date, that the Authority is aware of, that would have a material impact on the financial statements for the period ended 30 June 2018 (2017: nil).

21. Major Budget Variances

Statement of Comprehensive Revenue & Expense

1. Interest Revenue

Actual - \$30,960; Budget - \$46,242

Interest revenue was lower than originally forecast due to the interest rates on term deposits invested in being lower than anticipated.

2. Project Revenue

Actual - \$160,000; Budget - \$0

Additional funding was received towards an additional project of work that will start in the 2018/19 year.

3. Depreciation

Actual - \$73,979; Budget - \$58,326

Depreciation was higher than originally forecast due to the purchase of some additional computers and workstations in October and December. The budget for the 2018 year had already been completed prior to these purchases.

4. Professional Fees and Contract Services

Actual - \$192,221; Budget - \$155,300

Professional fees and contract services were higher than originally forecasted as there was an increase in the pressure of work in the first 9 months of the 2018 year. This resulted in more short-term contractors being engaged than anticipated to cover the increased workload.

Statement of Financial Position

1. Cash and Cash Equivalents

Actual - \$462,125; Budget - \$135,817

The cash and cash equivalents balance at year end was higher than forecast for two reasons. Firstly, the surplus was higher because of under-spends in personnel and travel. Secondly, there was less expenditure on developing the cash management system than originally anticipated (\$137k).

Statement of Cash Flows

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

INDEPENDENT POLICE CONDUCT AUTHORITY APPROPRIATION REPORTING FOR THE YEAR ENDED 30 JUNE 2018

Summary of income and expenditure on outputs

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

<i>Output Financials</i>	<i>2017/18 Actual</i>	<i>2017/18 Budget</i>	<i>2017/18 Variance</i>	<i>2016/17 Actual</i>
Crown Funding *	4,111,000	4,111,000	-	4,111,000
Interest & Other Revenue	207,134	62,242	144,892	42,718
Total Revenue	4,318,134	4,173,242	144,892	4,153,718
Expenses	4,306,353	4,332,154	25,801	3,941,857
<i>Net Surplus/(Deficit)</i>	<i>11,781</i>	<i>(158,912)</i>	<i>170,693</i>	<i>211,861</i>

*The Crown revenue received by the Independent Police Conduct Authority is equal to the actual appropriation provided to the Authority under the Vote Justice output class 'Justice Advocacy, Advice and Promotion Services'.

Independent Auditor's Report

To the readers of the Independent Police Conduct Authority's financial statements and performance information for the year ended 30 June 2018

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

Opinion

We have audited:

- the financial statements of the Authority on pages 31 to 52, that comprise the statement of financial position as at 30 June 2018, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Authority on pages 20 to 22, 26 to 30 and 52.

In our opinion:

- the financial statements of the Authority on pages 31 to 52:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2018; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and

- the performance information on pages 20 to 22, 26 to 30 and 52:
 - presents fairly, in all material respects, the Authority’s performance for the year ended 30 June 2018, including:
 - for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

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

Responsibilities of the Board for the financial statements and the performance information

The Board is responsible on behalf of the Authority for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of the Authority for assessing the Authority's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Authority, or there is no realistic alternative but to do so.

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

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Authority's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the Authority's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 4 to 19, 23 and 24, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Authority in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Authority.

A handwritten signature in black ink that reads "Andrew Clark". The signature is written in a cursive style and is tilted slightly to the right.

Andrew Clark
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand



Whaia te pono, kia puawai ko te tika

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