



IPCA

Independent Police
Conduct Authority

Mana Whanonga Pirihimana Motuhake



Statement of Performance Expectations 2021/22

Mana Whanonga Pirihimana Motuhake

Copyright ©

This copyright work is licensed under the Creative Commons Attribution 3.0 licence. In essence you are free to copy, distribute and adapt the work, as long as you attribute the work to the Independent Police Conduct Authority (the Authority) and abide by the other licence terms.

To view a copy of this licence, visit

<http://creativecommons.org/licenses/by.3.0/nz>. Please note that this licence does not apply to any logos, emblems and/or trademarks that may be placed on the Authority's website or to the Authority's website design elements. Those specific items may not be reused without express permission.

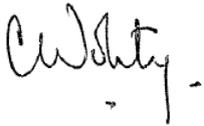
Contents

Preamble.....	4
Our vision and purpose.....	5
Our strategy to achieve this vision	6
Outcomes framework.....	9
Overview of services for 2021/22.....	10
Key measures for our outputs	11
Financial strategy.....	12
Summary of outputs & output expenses for 2021/22	13
Annex 1: Forecast financial statements 2021/22 – 2023/24.....	18
Annex 2: Notes to and forming part of the financial statements	21
Annex 3: Critical judgments in applying the Authority’s accounting policies	27
Appendix - Category definitions	28

Preamble

This Statement of Performance Expectations has been prepared in accordance with the requirements of sections 141 and 142 of the Crown Entities Act 2004.

It aligns to and should be read in conjunction with the Independent Police Conduct Authority's Statement of Intent 2020/21 to 2023/24 and describes the Authority's performance measures and annual forecast financial statements for the 2021/22 year.



Judge Colin Doherty

Chair



Liz Sinclair

Member



Simon Murdoch

Member

Our vision and purpose

Our vision is to:

Be a world class oversight body that, by contributing toward improved trust in Police conduct, contributes to a safe and just society.

The Authority works to achieve this vision by maintaining an effective oversight system that ensures that complaints about, and incidents involving, Police conduct, and any practice, policy, or procedure, are fairly and impartially investigated or reviewed; that grievances and issues are identified and resolved in a timely fashion; and that any recommendations made and implemented, result in improved Police performance.

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

We are therefore committed to:

- demonstrating to the community and to the Government that the Authority is an independent and effective oversight body that contributes significantly to the promotion of public trust and confidence in New Zealand Police;
- providing high levels of productivity, timeliness and quality control in the delivery of services;
- ensuring that our findings and recommendations are well grounded and feed into Police training and development;
- ensuring that the New Zealand public, particularly vulnerable sectors of our communities, is aware of the presence and work of the Authority; and
- observing the principles of Te Tiriti o Waitangi and recognising the diverse culture of modern New Zealand.

Our strategy to achieve this vision

We are focusing on five key areas: improving the efficiency and effectiveness of our service delivery; using our data to develop more targeted services; increasing the emphasis on our preventive role; enhancing our engagement with communities; and working with Police to ensure a greater focus on good custodial practice that meets international standards.

MAXIMISING EFFICIENCY & EFFECTIVENESS

The Authority is confronting a continuing increase in demand for our services and ongoing constrained resources. We commissioned an external review of our business processes (the Review) which was completed in September 2020. This identified an organisation that performs its core functions well. Overall, the Review did not find any fundamental changes that need to be made to improve the Authority's effectiveness and efficiency.

Specifically, the Review found:

- The Authority is independent and generally achieves its core purposes.
- The ability of the Authority to provide an efficient and effective service is heavily reliant upon its relationship with Police.
- Workload continues to increase and caseloads are high.
- Authority systems and processes generally function well.
- In some instances, there is a lack of timeliness and some inequity of access.

The Review made the following recommendations:

1. Find more areas of shared agreement with Police to reduce time spent on renegotiating with them the Authority's mandate.
2. Review some existing roles with the intention of creating a clearer division of labour and span of control and affecting some of the efficiencies contemplated by the Review.
3. Introduce additional functions, including some specialist senior roles, to reflect the maturity of the Authority, and make some additional appointments to existing roles to accommodate the current and future increases in volume.
4. Improve the effectiveness and efficiency of a range of processes and the core complaints management system.

In 2020 the Authority received some additional funding which has enabled us to commence a staged implementation plan to undertake the changes outlined in the Review which can be achieved within our current resourcing. These changes are designed to ensure that we have the best processes in place for handling the increasing volume of complaints using the resources available to us.

The Review also recommended a funding scenario which would see an uplift to the Authority's baseline in order to develop the Authority's core capabilities and levels of staffing to manage the increase in demand for our services. This will form the basis of a future budget bid to ensure we have the necessary resources to undertake our functions.

USING DATA INSIGHTS TO DEVELOP TARGETED SERVICES

Specific work is being undertaken to ensure that we fully utilise and get the most value out of the technology that supports and enables our operational activities. Our new Case Management System, which went live in October 2019, is instrumental in allowing us to better track our business and collect better data about the work we do.

The Review made a number of specific recommendations as to how an enhanced analysis and insights function would benefit the Authority, by:

- Automation of higher global level reporting on broader trends, complaint volumes, complaint completion rates, and delays.
- Connecting the Authority's data to other sources of evidence like crime rate statistics.
- Checking for equity of access – in particular whether any ethnicities or communities (such as rural communities) and any Police districts are under-represented in the complaints received.
- Measuring and reporting against wider trend information and longer-term targets to tell the performance story about the impact the Authority is seeking to achieve and show progress in achieving its outcomes and impacts over a longer period of time.

A project is underway to address these matters and develop the ability to analyse and use our data more effectively.

CONTINUING TO STRENGTHEN OUR WORKING RELATIONSHIP WITH POLICE AND FOCUS ON PREVENTION

We consider our relationship with Police critical to the effectiveness of our work. The Authority is more likely to be successful in achieving its core purpose of maintaining and enhancing public trust and confidence in Police if its work not only holds Police to account for misconduct or neglect of duty, but also prevents similar problems from recurring.

Our focus is on prevention where possible, and we see merit in working with Police to review policies, practices and procedures where we identify issues that need to be addressed. The strength of our working relationship with Police is the lynchpin for this. We intend to continue focusing on early communication to Police of issues we identify and discussing how Police are best able to address these. We make recommendations on policy, practice or procedure issues following investigations and monitor Police's acceptance and implementation of these.

In addition, our relationships with Police are an important part of our thematic work. Where we observe patterns arising across more than one case, we undertake thematic reviews and where appropriate

make recommendations for changes to Police systems and processes. We believe that such reviews are an efficient application of the Authority's resources and, when used in appropriate cases, produce effective outcomes and impact.

We are interested in making good use of any other Police mechanisms which may allow the lessons learned from our work, or emerging themes, to be applied more broadly into policing work at a practical level. We have worked with Police and established a channel to enable us to report appropriate issues through to Police and be involved with identifying ways for these to inform prevention work by Police.

ENHANCING ENGAGEMENT WITH STAKEHOLDERS AND WITHIN OUR COMMUNITIES

It is the Authority's intention to ensure that there is greater public recognition of the Authority, and more widespread understanding of the Authority's role and function and how it can be accessed (especially amongst those groups identified as being vulnerable and disadvantaged).

The most important objective of community engagement is to ensure that, when people have need of our services, they know we are here, can access us and have trust that we will deal with them fairly and impartially. "Name recognition" on its own does not necessarily achieve that. We must strengthen our engagement with the "hard-to-reach" sectors of the community who are over-represented amongst those who interact with the Police. These include Māori, Pasifika, and young people.

We therefore need to find alternative forms of engagement that are culturally specific and effective. Enhanced engagement means not only disseminating our own information but listening to the views and ideas of those with whom we engage.

We have budgeted to develop and implement a long-term strategy for enhancing our communications and our community engagement. This is a priority for the forthcoming year and will result in changes to our Impact Measures recorded in our Statement of Intent. This programme will assist us to identify targeted service delivery models that give better representation and access to our services, especially those sectors most likely to be involved with Police, such as youth, Māori and Pasifika.

WORKING WITH POLICE TO ENSURE A GREATER FOCUS ON GOOD CUSTODIAL PRACTICE

The Authority's work in monitoring Police custodial facilities is undertaken not only through our routine audits and inspections but also our follow-up work (including detailed investigations where necessary) when there are complaints or incidents of self-harm arising from custodial practice.

As a result of a number of incidents investigated by the Authority, we have concluded that this is an area that has not received sufficient focus or investment from Police. We are encouraged that Police have started a specific project focusing on custodial management and we are involved in monitoring the work being undertaken and influencing the scope of the project.

We have also begun a collaborative initiative between the Authority and the Office of the Ombudsman to ensure consistency of oversight and monitoring across all Court cells and will expand our monitoring of Court cells as part of that initiative.

Outcomes framework

The Outcomes Framework below, detailed in the Authority’s Statement of Intent, demonstrates the links between its outputs and the broader targets of the Justice Sector.



Overview of services for 2021/22

FUNDING

The Authority is funded by the Crown through the 'Services from the Independent Police Conduct Authority' appropriation. The purchase of outputs within this appropriation is solely by the Minister of Justice and is detailed in the Estimates of Appropriations for Vote Justice and the Authority's Statement of Intent 2020/21 to 2023/24.

During the 2021/22 financial year, the Authority's Vote Justice revenue will be \$5.747 million (GST exclusive). All figures in this document are GST exclusive.

SCOPE OF APPROPRIATION

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

CONSULTATION WITH, AND REPORTING TO, OUR RESPONSIBLE MINISTER

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

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

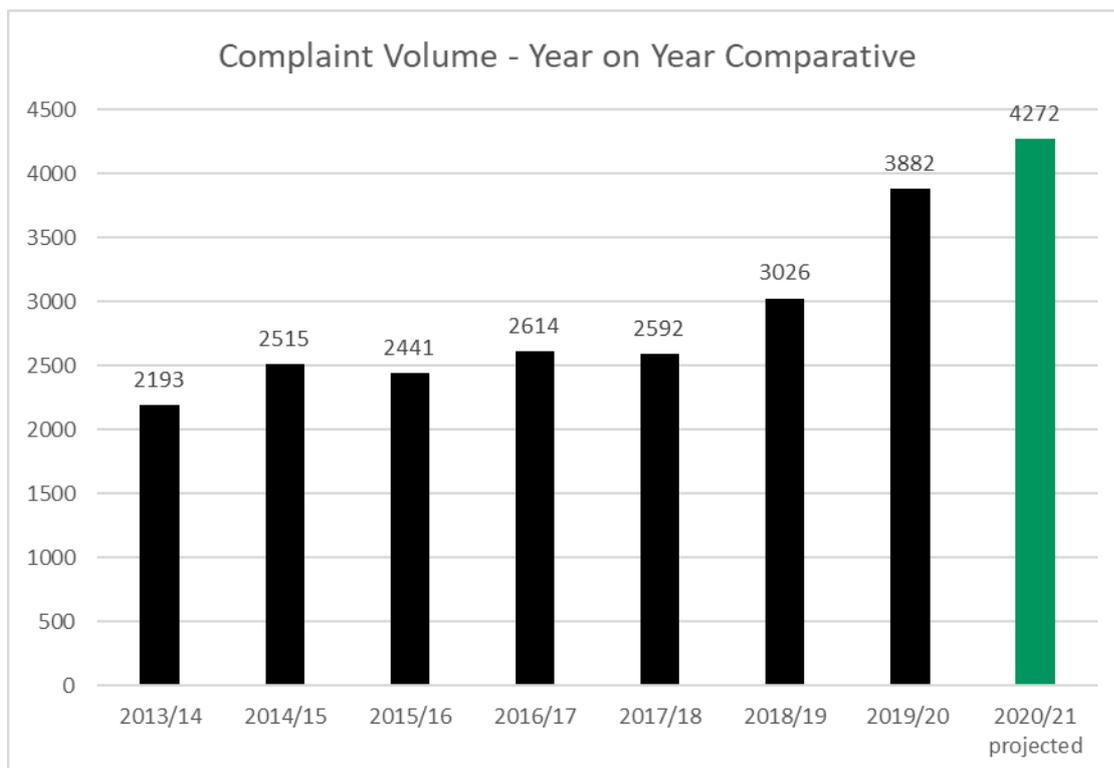
Key measures for our outputs

The Authority expects to receive in excess of 4,200 complaints (including notifiable incidents) in 2020/21. This is a further increase on the position reported to the Minister in our most recent Four Monthly report to 28 February 2021.

The overall increase in complaint numbers continues to impact upon the Authority's ability to meet some of its performance targets. However, our ability to manage the increasing volume of complaints has stabilised following the appointment of additional staff and continued emphasis on improving internal processes as well as our interactions with Police.

Some targets have been updated to take account of the continuing increase in volume and complexity of cases we have received. Where applicable the changes are explained in a footnote to the specific measure.

The caseload over the 2020/21 year, and previous years is shown in the figure below.



The resulting performance targets identified on page 14 are in the Authority's view fair and realistic.

Financial strategy

The Authority's financial management processes are designed to support the delivery of outcomes aligned to the government's wellness objectives of a just and safe New Zealand.

There has continued to be a sustained increase in the number of complaints (including notifiable incidents) in 2020/21. The projected volume represents a further 10% increase in demand for service from last year's figures and over 40% increase from the 2018-19 complaint numbers. The continuing demand for our services exceeds the volumes outlined in the detailed resourcing models utilised during the recent Martin Jenkins Efficiency & Effectiveness Review. That Review recommended a funding scenario which would see an uplift to the Authority's baseline of between \$0.844 and \$1.331M, in order to develop the Authority's core capabilities and levels of staffing to manage the increase in demand for our services. The analysis undertaken as part of the Review is expected to provide the basis for further work to develop proposals for Budget 22.

The Authority has taken on board the recommendations from the Review and continually seeks to improve the efficiency with which it delivers its services in order to maximise the effectiveness of its work with the resource available to it. While the Authority cannot fully implement all of the recommendations of the Review due to the current baseline funding appropriation, we have appointed additional staff and changed the organisational structure to create new senior positions.

Specific work is being undertaken to ensure that we fully utilise and get the most value out of the technology that supports and enables our operational activities. Our new Case Management System, which went live in October 2019, is instrumental in allowing us to better track our business and collect better data about the work we do. We plan to ensure this system is used to its full potential and some upgrades and enhancements are scheduled to occur in the 2021/22 financial year.

Personnel expenditure will always represent the greatest area of investment and cost for the Authority. The Authority's strategy is to set remuneration and employment conditions so as to attract and retain the best possible employees but recognises that employment costs must remain sustainable within our appropriation. We are also mindful of the need to develop capability and capacity in support of our longer-term strategic direction and work programme as outlined in our updated Statement of Intent 2020/21 – 2023/24.

Our major capital investment over the last 12 months has been on office renovations to accommodate increased staff numbers and develop a dedicated area for interviewing, meetings and in-house training.

The Authority's financial performance is reviewed by the Board on a quarterly basis. Additionally, the budget is reviewed and adjusted as required during the financial year, taking into account expenditure trends and needs.

Summary of outputs & output expenses for 2021/22

The forecast expenses for the Authority’s sole output class, and the total forecast revenue, are provided below:

Forecast output class expenditure:
OUTPUT CLASS: Investigate incidents and resolve complaints against Police, and uphold the rights of persons in Police detention

- Output 1: Receive, manage, and ensure resolution of complaints.
- Output 2: Carry out independent and timely investigations into Police conduct and report on these as required.
- Output 3: Make recommendations for improved Police conduct, practices, policies and procedures, based on the results of investigations, and monitor their implementation.
- Output 4: Monitor and report on places where persons are held in Police detention.

TOTAL: Forecast output expenditure	\$6,085,167
---	--------------------

Forecast revenue:	
Forecast Revenue Crown	\$5,747,000
Forecast interest revenue	\$11,839
Forecast other revenue	
TOTAL: Forecast revenue	\$5,758,839

In order to allocate resources most effectively, the Authority categorises cases by assessing them across a range of factors, including the level of seriousness and the most appropriate means of resolving the matter. Generally speaking, we independently investigate the most serious complaints and incidents, while other matters are referred to Police for investigation or resolution under the Authority’s oversight. There are also cases that for a variety of reasons do not require further action.

There is therefore a detailed and rigorous triaging process, which results in the allocation of cases into four categories. These are set out and explained in more detail in the [Appendix](#).

OUTPUT MEASURES

Output Measure 1: Receive and manage complaints and incident

<i>Measures</i>	<i>2020/2021 Estimated Actuals</i>	<i>Performance target forecast 2021/22</i>	<i>How it will be measured</i>
All notifications of new complaints and incidents are acknowledged within seven days	99%	95%	The Authority's database
All new complaints and incidents able to be assessed without the need for additional information are categorised and decisions made about the appropriate actions within 28 days	65%	75%	The Authority's database
All new complaints and incidents requiring additional information to be supplied by Police or any other person are categorised and decisions made about the appropriate actions within 56 days	50%	80%	The Authority's database
Where a decision is made to take no action upon a complaint, the letters to Police and the complainant are issued within 14 days of making that decision ¹	99%	95%	The Authority's database
Where the Authority identifies a reasonable grievance that it believes can be resolved without a detailed investigation, the Authority and Police agree on the actions that are appropriate to resolve that grievance and the agreed actions are undertaken ²	95%	95%	The Authority's database
Where the Authority receives an 'Expression of Dissatisfaction' ³ on any complaint, the final outcome of the Authority's review will be communicated to the	80%	85%	The Authority's database

¹ A change in internal processes has allowed this target to be reduced to 14 days from the previous timeframe of 28 days.

² The wording of this measure has been amended to better reflect the practice that is occurring. The target of 95% remains unchanged.

³ An 'Expression of Dissatisfaction' is recorded when the complainant provides the Authority with new evidence in support of their complaint or has a compelling argument that the existing evidence should be reconsidered.

complainant within 35 days of the expression of dissatisfaction being received			
--	--	--	--

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

<i>Measures</i>	<i>2020/21 Estimated Actuals</i>	<i>Performance target forecast</i> <i>2021/22</i>	<i>How it will be monitored</i>
Reviews of Category B cases will be completed by the Authority within 28 days of receiving the file or Final Report from Police ⁴	70%	85%	The Authority's database
Independent investigations carried out by the Authority will be concluded as soon as practicable ⁵	50% 90%	80% within 12 months 95% within 24 months	The Authority's database
For each Category A case that proceeds to a full investigation, an investigation plan, milestones and a completion date will be set and monitored	100%	100% of investigations	The Authority's spreadsheet and project plans
Reports as a result of Category A investigations are clear, consistent and well structured and have well-argued conclusions ⁶	100%	100% of reports meet required standard	Five randomly selected reports are independently reviewed by an external reviewer.

⁴ The 28-day period excludes any period during which the IPCA is awaiting further information requested from Police or a draft final report or letter is awaiting submission from Police.

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

⁶ The Authority produces approximately 44 public reports annually, the independent reviewer selects 10% of these across a range of incidents for review.

Output measure 3: Make recommendations for improved Police conduct, policies, practices and procedures, and monitor implementation of those recommendations

<i>Measures</i>	<i>2020/21 Estimated Actuals</i>	<i>Performance target forecast</i> <i>2021/22</i>	<i>How it will be measured</i>
All systemic issues ⁷ identified by the Authority 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	100%	100%	The Authority's database

Output measure 4: Monitor places of Police detention

<i>Measures</i>	<i>2020/21 Estimated Actuals</i>	<i>Performance target forecast</i> <i>2021/22</i>	<i>How it will be measured</i>
All systemic custodial management issues in Category A, Category B and Category C cases are raised and discussed with the Police prior to the completion of the relevant review or independent investigation ⁸	100%	100%	The Authority's database
Reviews of the Police audits of District Custodial Management files, being conducted bi-monthly according to a programme agreed with Police, are completed with 60 days	100%	100%	The Authority's spreadsheet
A programme of announced and unannounced visits to custody units will be undertaken ⁹	New measure introduced 2021/22	30 - 40 visits	The Authority's spreadsheet

⁷ This excludes OPCAT issues, which are addressed under Output measure 4.

⁸ This measure has been amended to also refer to Category C cases as these can also contain such issues.

⁹ This is a new measure to reflect the additional programme of work now being undertaken.

A report to District (with recommendations and outcomes) for each visit to a custody unit will be provided within 60 days of each visit ¹⁰	New measure introduced 2021/22	100%	The Authority's spreadsheet
---	--------------------------------	------	-----------------------------

The Authority's Impact Measures are recorded in the Authority's Statement of Intent 2020/21 to 2023/24. We intend to review some of our targets concerning those Impact Measures in the 2022/2023 financial year. In particular we are:

- Developing a Community and Stakeholder Engagement Strategy and programme as outlined above.
- Contracting an external specialist provider to conduct satisfaction surveys based on a quantitative and qualitative survey methodology. This is optimising the size and breadth of representation of complainants and Police included in the survey. We will have six months' data to report on in the 2020/2021 financial year which will allow us to develop meaningful measures and targets.
- Working with Police to more formally regularise the process for monitoring the acceptance and implementation of our recommendations.
- Developing a process for us to identify appropriate learning opportunities for Police arising from the full breadth of matters reported to us and feeding these into the Police Lessons Learnt work programme.

¹⁰ This is a new measure to reflect the additional programme of work now being undertaken.

Annex 1: Forecast financial statements 2021/22 – 2023/24

Forecast Statement of Comprehensive Income for the year ended 30 June				
	Estimated Actuals 2020/21 \$	Forecast 2021/22 \$	Forecast 2022/23 \$	Forecast 2023/24 \$
Revenue from Crown	5,700,000	5,747,000	5,747,000	5,747,000
Other Income	-	-	-	-
Interest income	16,743	11,839	8,696	9,908
Total revenue	5,716,743	5,758,839	5,755,696	5,756,908
Expenditure				
Remuneration to auditors	38,083	38,083	38,083	38,083
Amortisation	34,230	27,686	20,765	20,765
Communication charges	32,529	35,206	35,206	35,206
Depreciation	101,055	105,788	83,051	78,051
Personnel	4,371,667	4,859,087	4,861,283	4,861,283
Printing and stationery	14,783	16,494	16,494	16,494
Professional fees	363,716	250,000	180,000	180,000
Rent	406,640	412,884	412,884	412,884
Services and supplies	233,655	225,172	225,172	225,840
Subscriptions	5,547	9,767	9,767	9,767
Training	3,394	15,000	15,000	15,000
Travel and accommodation	90,000	90,000	90,000	90,000
Total expenditure	5,695,299	6,085,167	5,987,705	5,983,373
Net comprehensive income for the year	21,444	(326,328)	(232,009)	(226,465)

Forecast Statement of Financial Position for the year ended 30 June

	Estimated Actuals 2020/21 \$	Forecast 2021/22 \$	Forecast 2022/23 \$	Forecast 2023/24 \$
Current assets				
Cash & cash equivalents	122,098	366,009	539,525	338,969
Term Deposits	1,200,000	700,000	350,000	350,000
Accrued Interest	11,646	11,646	11,646	11,646
GST receivable	36,435	29,184	27,434	35,790
Total current assets	1,370,179	1,106,839	928,603	796,795
Non-current assets				
Property, plant and equipment	351,175	275,387	222,336	160,285
Intangible assets	110,745	83,058	62,294	41,529
Total non-current assets	461,920	358,446	284,630	201,814
Total assets	1,832,099	1,465,285	1,213,233	998,609
Current liabilities				
Capital Contribution (Current)	22,222	22,222	22,222	22,222
Creditors and other payables	107,397	80,243	73,534	98,708
Employee entitlements	179,079	179,079	179,079	179,079
Total current liabilities	308,698	281,544	274,835	300,009
Non-Current Liabilities	71,667	58,335	45,001	31,668
Net assets	1,451,734	1,125,406	893,397	666,932
Total public equity	1,451,734	1,125,406	893,397	666,932

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

	Estimated Actuals 2020/21 \$	Forecast 2021/22 \$	Forecast 2022/23 \$	Forecast 2023/24 \$
Crown equity				
Opening equity	1,430,290	1,451,734	1,125,406	893,397
Net comprehensive income for the year	21,444	(326,328)	(232,009)	(226,465)
Closing equity	1,451,734	1,125,406	893,397	666,932

Forecast Statement of Cash Flows for the year ended 30 June

	Estimated Actuals 2020/21 \$	Forecast 2021/22 \$	Forecast 2022/23 \$	Forecast 2023/24 \$
Cash flows from operating activities				
Cash will be provided from:				
Receipts from Crown revenue	5,700,000	5,747,000	5,700,000	5,700,000
Interest received	21,947	11,839	8,696	9,908
Other Income	-	-	-	-
Net GST received	1,840	3,709	875	1,075
Cash will be applied to:				
Payments to suppliers and employees	(5,553,355)	(5,993,638)	(5,908,055)	(5,826,149)
Net cash flows from operating activities	170,432	(231,090)	151,486	(115,166)
Cash will be provided from:				
Proceeds from term deposits	2,659,913	2,200,000	350,000	-
Cash will be applied to:				
Purchases of property, plant and equipment	(25,000)	(25,000)	(25,000)	(25,000)
Purchases of intangible assets	-	-	-	-
Acquisition of term deposits	(3,200,000)	(1,700,000)	-	-
Net cash flows from investing activities	(565,088)	(475,000)	325,000	(25,000)
Net increase/(decrease) in cash held	(394,656)	243,910	173,516	(140,166)
Plus cash at the start of the year	516,754	122,098	366,009	539,525
Cash held at the end of the year	122,098	366,009	539,525	399,359
Represented by:				
Cash & cash equivalents	122,098	366,009	539,525	399,359

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

STATEMENT OF UNDERLYING ASSUMPTIONS

Significant assumption

The opening position of the forecast statements is based on audited results for 2019/20, the known 2020/21 expenditure to 28 February 2021 and the anticipated out-turn as at 30 June 2021.

Nature of forecast financial statements

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

Reporting entity

The reporting entity is the Independent Police Conduct Authority, a Crown entity as defined by the Crown Entities Act 2004, and is domiciled in New Zealand. As such, the Independent Police Conduct Authority's ultimate parent is the New Zealand Crown.

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

Accordingly, the Independent Police Conduct Authority has designated itself as a public benefit entity.

Basis for preparation

Statement of compliance

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

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

Measurement base

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

Functional and presentation currency

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

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue recognition

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

Revenue from the Crown

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

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

Interest

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

Operating leases

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

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

Debtors and other receivables

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

Cash and cash equivalents

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

Investments

Investments 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 deposits, 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. Significant financial difficulties of the bank, probability that the bank will enter into receivership or liquidation, and default in payments are considered indicators that the deposit is impaired.

Property, plant and equipment

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

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

Additions

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

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

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

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the forecast statement of comprehensive income.

Subsequent costs

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

The costs of day-to-day servicing of property, plant and equipment are recognised in the forecast statement of comprehensive income as they are incurred.

Depreciation

Depreciation is calculated on a diminishing value basis on property, plant and equipment once in the location and condition necessary for its intended use so as to write off the cost or valuation of the property, plant and equipment over their expected useful life to its estimated residual value.

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

Office equipment	25.0% DV
Furniture & fittings	25.0% DV
Leasehold improvements	25.0% DV

Intangible assets

Software acquisition

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

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

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

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

Amortisation

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

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

Software	25.0% DV
----------	----------

Impairment

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

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The impairment loss is recognised in the forecast statement of comprehensive income.

Financial liabilities

Creditors and other payables

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

Employee entitlements

Short-term employee entitlements

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

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

The Independent Police Conduct Authority recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver are accounted for as a defined contribution superannuation scheme and are recognised as an expense in the forecast statement of comprehensive income as incurred.

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Income tax

The Independent Police Conduct Authority is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

Cash flow statement

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

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

“Cash” includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash and includes at call borrowings such as bank overdrafts, used by the entity as part of its day-to-day cash management.

“Investing activities” are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.

“Financing activities” are those activities relating to changes in equity of the entity.

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

Annex 3: Critical judgments in applying the Authority's accounting policies

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

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

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

These forecast financial statements are based on IPCA 2021 results and have been prepared on the basis of assumptions as to future events that the Authority expects to reasonably occur, associated with the actions it reasonably expects to take.

The main assumptions are as follows:

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

There are no significant events or changes that would have a material impact on IPCA's 2021 forecast.

Appendix - Category definitions

Category A – IPCA independent investigation

Principle

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

Guidelines

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

- a) cases involving death or serious injury caused or appearing to be caused by Police actions;
- b) cases containing elements of corruption or serious criminal misconduct;
- c) other cases of deliberate wrongdoing or other serious misconduct that would significantly impact on public trust and confidence in Police.

A case that meets one of the above criteria will not necessarily be independently investigated if the Authority is satisfied that it has been or is being responded to robustly and expeditiously by Police (e.g. by investigation with a view to possible criminal prosecution or disciplinary proceedings against one or more officers). Conversely, a case that does not meet one of the above criteria may be deemed suitable for a Category A investigation if:

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

Category B – Police investigation with active IPCA oversight

Principle

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

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

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

Category C – Facilitated Case Resolution

Principle

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

Guidelines

This category of complaints has the following characteristics:

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

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

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

Category D – No further action

Principle

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

Guidelines

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

- a) matters which the Authority considers as minor, frivolous or vexatious;
- b) matters where there is no support from the person centrally aggrieved;
- c) matters which have been, are about to be or are able to be decided by another tribunal or by the Court;
- d) matters which disclose no issue requiring investigation;
- e) matters which relate to an incident of which the complainant has had knowledge for over one year;
- f) a conflict in the evidence about the issues complained of that is unlikely to be resolved by further investigation.



P O Box 25221, Wellington 6140

Freephone 0800 503 728

www.ipca.govt.nz