



Independent Police Conduct Authority

# ANNUAL REPORT 2007 – 2008



**IPCA**

Independent Police Conduct Authority  
Whaia te pono, kia puawai ko te tika

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 2007 to 30 June 2008.



The Hon. Justice Goddard

CHAIR, INDEPENDENT POLICE CONDUCT AUTHORITY

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November 2008

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# Contents

02:	FOREWORD
04:	ABOUT THE AUTHORITY
09:	A YEAR OF CHANGE
14:	COMPLAINTS
19:	INVESTIGATIONS

23

## FINANCIAL STATEMENTS

24:	STATEMENTS OF SERVICE PERFORMANCE
34:	STATEMENT OF FINANCIAL PERFORMANCE
35:	STATEMENT OF FINANCIAL POSITION
36:	STATEMENT OF CHANGES IN EQUITY
37:	CASH FLOWS STATEMENT
38:	STATEMENT OF ACCOUNTING POLICIES
47:	NOTES TO THE FINANCIAL STATEMENTS
63:	STATEMENT OF RESPONSIBILITY
64:	AUDIT REPORT

# Foreword

Independent oversight of Police is part of the lifeblood of any just system of law enforcement.

It protects citizens against abuse of Police power. It exposes misconduct and poor practice or policy. It provides public accountability. And it is crucial for Police themselves. It encourages internal discipline, and it builds public trust and confidence in the nation's system of law enforcement.

An oversight body must be independent in law and in the way it operates. It must also be perceived, by the public at large, to be independent. In other words, the public must have faith in the oversight system, because that system contributes to faith in Police.

For the Independent Police Conduct Authority, the 2007/08 year has been one of rapid progress towards these goals.

We have taken steps to increase our capacity for independent investigation, and to prioritise our resources and efforts towards the most serious cases.

We have resolved complaints more promptly than in the past, achieving a dramatic reduction – 87 percent – in the number of complaints that have been with us for 12 months or more.

We have increased transparency and accountability by increasing the number of public reports on investigations.

We have also worked towards changes in structure and operational approach which will see further progress in future.

Legislative amendments have allowed us to focus our efforts on the most serious complaints and incidents. And our name has changed from Police Complaints Authority to Independent Police Conduct Authority.

New Zealand's system of oversight of Police was born in 1988, when the Police Complaints Authority Act received Royal Assent. This year marks its 20<sup>th</sup> anniversary. It is fitting, therefore, that it has been a year of very substantial progress.

I look forward to building on this progress in future, so that the Authority can play its proper role in enhancing trust and confidence in New Zealand's system of law and justice.

A handwritten signature in black ink, appearing to read 'S. T. Goddard', with a stylized flourish at the end.

**The Hon. Justice Goddard**

CHAIR, INDEPENDENT POLICE CONDUCT AUTHORITY

# About the Authority



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## LEGISLATION

The Independent Police Conduct Authority is established under the Independent Police Conduct Authority Act 1988.

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## ROLE AND POWERS

### **Independent Police Conduct Authority Act 1988**

Under the Act, the Authority's functions are to:

- receive and consider complaints (i) alleging misconduct or neglect of duty by any member of Police or (ii) concerning any Police practice, policy or procedure affecting the complainant; or
- investigate incidents in which a member of Police (acting in the execution of his or her duty) causes or appears to have caused death or serious bodily harm.

When it receives a complaint, the Authority has a range of options open to it including: conducting an independent investigation; overseeing a Police investigation; referring the complaint to Police; reviewing a Police investigation; deferring action (for example, while police complete a criminal or disciplinary investigation); and taking no action.

When an investigation is completed, the Authority informs Police of its findings and recommendations, which can include recommending criminal or disciplinary action. The Authority can also issue public reports.

## Crimes of Torture Amendment Act 2006

Under the Crimes of Torture Amendment Act 2006, the Authority has responsibility for examining and reporting on the conditions of detention and treatment of detainees in Police cells.

This function is part of New Zealand's commitment to monitor conditions in places of detention in order to comply with the Optional Protocol to the UN Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT).

The Authority is one of several 'national preventive mechanisms' designated under the Act. The Human Rights Commission has overall responsibility for coordinating New Zealand's programme of monitoring and reporting on places of detention in compliance with the protocol.

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## STRUCTURE

### Legal structure

The Authority is an independent Crown entity under the Crown Entities Act 2004. It is funded through Vote: Justice. The responsible minister is Associate Minister of Justice the Honourable Rick Barker. As a Crown entity, it is independently governed and operated.

The Authority contributes to the overall justice sector outcome '*a safe and just society*' and to the following three sub-outcomes:

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

### Operational structure

The Authority is chaired by Justice Lowell Goddard, a Judge of the High Court of New Zealand. Justice Goddard took up this position in February 2007. The Authority Chair is appointed by the Governor-General.

From April 2007 to 4 July 2008, Judge Michael Lance held the position of Deputy Chair of the Authority.

The Authority Chair is supported by a Chief Executive, investigators, reviewing officers, and administrative and communications staff.

The Authority's investigators carry out inquiries into serious complaints and incidents such as those in which Police actions have caused or appear to have caused death or serious injury, and allegations of corruption or other serious misconduct. Investigators may also oversee Police inquiries.

All of the Authority's investigators are former senior police officers from New Zealand or other Commonwealth nations, chosen for their experience and expertise in criminal investigation, and for their integrity.

The Authority's reviewing officers review and report on Authority investigations, and on Police investigations conducted on the Authority's behalf.

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STRATEGIC  
DIRECTION

### Vision and mission

The Authority's vision is: *Trusted and Trustworthy Police*. Its mission is: *to promote public confidence in the Police through the investigation of the appropriateness of Police actions, procedures and policies and the making of recommendations*.

During 2007/08, the Authority adopted a new Maori conceptual name: *Whaia te pono, kia puawai ko te tika – Seek out the truth, that justice may prevail*.

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WORKING  
RELATIONSHIP  
WITH POLICE

While the Authority provides independent oversight of Police conduct, it is also essential for Police to have effective internal disciplinary systems.

Police introduced a Code of Conduct early in 2008 and have been reforming their disciplinary systems. As part of this process, Police are taking on more responsibility for the complaints/disciplinary process and for early intervention to resolve complaints.

Under a memorandum of understanding between the Authority and Police, internal reports of serious misconduct or neglect of duty within Police are referred to the Authority for independent consideration as if they were complaints.



A protocol between the Authority and Police sets out procedures to be followed when both organisations are conducting parallel investigations into the same complaint or incident. The protocol provides for the Authority to actively investigate, while recognising that Police have primary responsibility for investigating crimes.

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## SECURING INDEPENDENCE

Under the Independent Police Conduct Authority Act 1988, the Authority is required to be independent. 'Independence' means the Authority makes its own judgements based on the evidence and the law.

There are three aspects to the Authority's independence:

- legislative independence – this is guaranteed by the Independent Police Conduct Authority Act 1988 and the Crown Entities Act 2004;
- operational independence – this refers to the Authority's ability to conduct its own investigations, and oversee and review Police investigations, without undue reliance on Police; and
- the perception of independence – alongside operational and legislative independence, it is important that the public recognises and has trust in the Authority's independence.

Both actual and perceived independence are of fundamental importance to the Authority's work. As explained in the section on legislative and structural change, significant progress has been made during 2007/08 in enhancing both actual and perceived independence.

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## EMPLOYMENT POLICIES

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

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

In its 2008/09 Annual Report, the Authority will prepare a workplace profile and report its representativeness through the production of the Good Employer Report.

The Authority will consult with staff on issues of concern and conduct and review existing policies, practices, documents and systems in all areas of business to ensure equal opportunities in recruitment, appointment, development, promotion and remuneration.



# A Year of Change

The 2007 Commission of Inquiry into Police Conduct highlighted three significant challenges for the Authority:

- enhancing actual and perceived independence from Police;
- dealing with complaints in a more timely manner; and
- improving communication with complainants.

Significant progress has been made during 2007/08 to address each of these challenges.

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## IPCA AMENDMENT ACT 2007

In November 2007, the Independent Police Conduct Authority Amendment Act 2007 came into effect. This amendment established the Independent Police Conduct Authority, replacing the former Police Complaints Authority.

It also enacted law changes making Police more accountable to the Authority, and making the Authority more accountable to the community. Specifically:

- Police were required to notify the Authority within five working days of receiving a complaint;
- the Authority was changed from a single person to a board of up to five people, to include at least one non-lawyer;
- the Act clarified that the Authority can hear complaints about historic incidents dating back to before its establishment in 1989;

- the Authority was required to inform the Attorney-General and Minister of Police if Police fail to take 'adequate and appropriate' action on the Authority's recommendations;
- the Authority was given power to refer complaints to Police for investigation, and to take no action on minor complaints for which there is another remedy; and
- the Authority was given the same powers as Commissions of Inquiry in relation to conduct of inquiries (including powers to receive evidence, examine documents, and summon witnesses).

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FURTHER  
LEGISLATIVE  
CHANGE

In December 2007, Cabinet agreed in principle to another round of legislative change to increase the Authority's powers and enhance Police accountability.

The announced changes would, if enacted:

- clarify that the Authority will have responsibility for conducting investigations into serious matters (rather than relying on Police investigations);
- allow the Authority to initiate investigations into serious incidents or incidents of significant public interest without first receiving a complaint;
- allow information gathered during Authority investigations to be used in subsequent court proceedings;
- give Authority investigators the necessary powers to carry out an enhanced investigation role;
- enable the Authority to decide whether there is sufficient evidence to warrant a criminal prosecution; and
- allow the Official Information Act to apply, in part, to the Authority.

## Complaints and investigations

During 2007/08, the Authority made significant progress towards a new structure and a new approach to managing its caseload. These changes will allow the Authority to place greater priority on independent investigation of the most serious complaints and incidents, improve communication with complainants, and allow complaints to be dealt with more promptly.

The new structure, to be fully implemented during 2008/09, involves:

- establishment of a Service Centre to assess complaints and allocate them for investigation by the Authority, or for investigation by Police under the Authority's oversight, and to maintain contact with complainants;
- establishment of investigating teams comprising investigation team leaders, investigators, and analysts; and
- an increase in the number of investigators employed by the Authority – from five to nine.

The new structure will support a system in which the Authority conducts its own fully independent investigations into the most serious complaints and incidents, and other complaints and incidents are referred back to Police, under the Authority's oversight, for investigation or conciliation.

This new system will allow for:

- more timely response to complaints, by ensuring that complaints are handled in the most appropriate way – independent investigation of serious cases and Police investigation or conciliation of less serious cases;
- better communication with complainants through the Service Centre; and
- enhanced independence and perceived independence by prioritising the Authority's resources towards the most serious complaints.

The establishment of two appropriately resourced investigating teams enhances both the quality and impartiality of the Authority's investigations. Authority investigators will be accountable to their Team Leader, the Manager Investigations, and ultimately to the Authority Chair and Board.

### **Establishment of Board**

Progress was made during the year towards establishment of a Board, as recommended by the 2007 Commission of Inquiry into Police Conduct and provided for under the 2007 amendments to the Independent Police Conduct Authority Act 2008.

### **Appointment of Chief Executive**

In February 2008, Fuimaono Les McCarthy was appointed Chief Executive of the Authority. Mr McCarthy spent nine years as Chief Executive of the Ministry of Pacific Island Affairs. He has also practised as a lawyer and, for 25 years, served as a member of New Zealand Police as a detective, prosecutor, and national head of Professional Standards (formerly known as Internal Affairs). He holds the degrees of Master of Laws (with Honours) and Master of Business Administration, and is a Fellow of the New Zealand Institute of Management.

### **Communications**

The Authority took several steps during the year to enhance communication with complainants and potential complainants, Police, and the wider public, including appointment of a communications manager and enhanced public reporting on investigations.

The Authority Chair visited nine Police districts (Auckland; Waitemata; Counties-Manukau; Eastern; Bay of Plenty; Wellington; Tasman; Canterbury; and Southern) and gave presentations about the Authority's changing role to audiences in New Zealand and internationally.

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COMMISSION OF  
INQUIRY INTO  
POLICE CONDUCT

The 2007 Commission of Inquiry into Police Conduct made 12 recommendations relating to the Independent Police Conduct Authority, aimed at enhancing independence, improving timeliness of the Authority's case management and communication with complainants. Five of those recommendations related to legislative change and the other seven to operational change. All have either been implemented or progress has been made towards their implementation.

# Complaints

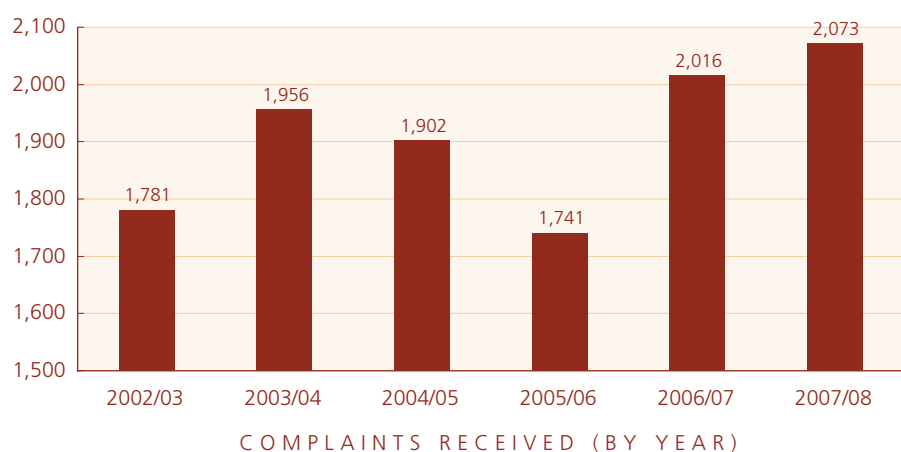
While the Authority received more complaints during 2007/08 than in previous years, considerable progress was made in dealing with complaints in a more timely manner.

This was achieved through a new approach to case management and through referral of some minor complaints to Police where they could be more appropriately dealt with.

## NUMBER OF COMPLAINTS

### Complaint files

During the year, the Authority received 2073 complaints and accepted 1690 for investigation<sup>1</sup> (either by the Authority or by Police under the Authority's oversight).



<sup>1</sup> Under section 18 of the Independent Police Conduct Authority Act 1988, the Authority can decline to take action on a complaint for a variety of reasons including: that the Authority has no jurisdiction; the complaint is frivolous or vexatious; that another remedy is available; and that the person alleged to be aggrieved does not want any action taken.



Of the 1690 complaints accepted, 383 were closed during the year. Another 1448 complaints outstanding from previous years were also closed, leaving 1307 complaints open at 30 June 2008.

The number of complaints received is believed to be the highest in the Authority's 20-year history.

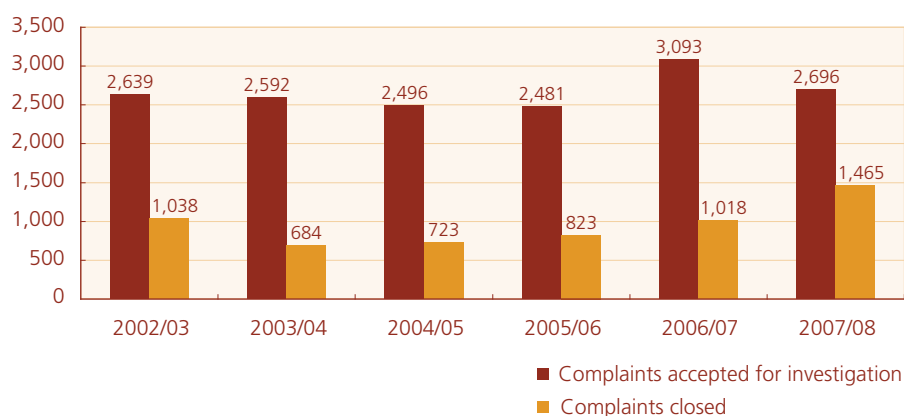
### Heads of complaint<sup>2</sup>

'Heads of complaint' are separate allegations made within each complaint. For example, a single complaint might cover allegations of unlawful arrest, use of force and other matters.

In 2006/07, 3526 'heads of complaint' were received and 3093 'heads of complaint' were accepted for investigation by the Authority or by Police under the Authority's oversight. In 2007/08, the number of 'heads of complaint' increased to 3778 (from 2073 complainants). Of those, the Authority accepted 2696 (from 1690 complainants) for investigation. This was consistent with the Authority's approach of prioritising its resources towards more serious complaints and incidents.

Of the 2696 'heads of complaint' accepted for investigation during 2007/08, 1465 were closed during the year.

### Heads of complaint accepted and closed (by year)



2 The Authority has traditionally reported its caseload using 'heads of complaint'. From 2007/08, it will move towards reporting based on total numbers of complaints received as distinct from 'heads of complaint'.

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## AGE OF COMPLAINTS

The Authority made dramatic progress during the year in reducing its 'backlog' (i.e. the number of complaints that have been with the Authority for more than 12 months).

At the end of 2006/07, the Authority had 1611 complaint files which were older than 12 months; by the end of 2007/08, this had been reduced to 211 – a reduction of 87%.

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## 'HEADS OF COMPLAINT' BY CATEGORY

The Authority classifies its complaints into 35 categories. The most common 'heads of complaint' were:

- neglect of duty: failure (other) – this category includes heads of complaint that are not covered by other 'neglect of duty' categories; complaints included in this category may include inadequate investigation, failure to provide medical assistance, and failure to provide food and water;
- Police practices and procedures affecting the complainant;
- bad attitude or language;
- use of force – physical; and
- neglect of duty: failure to investigate.

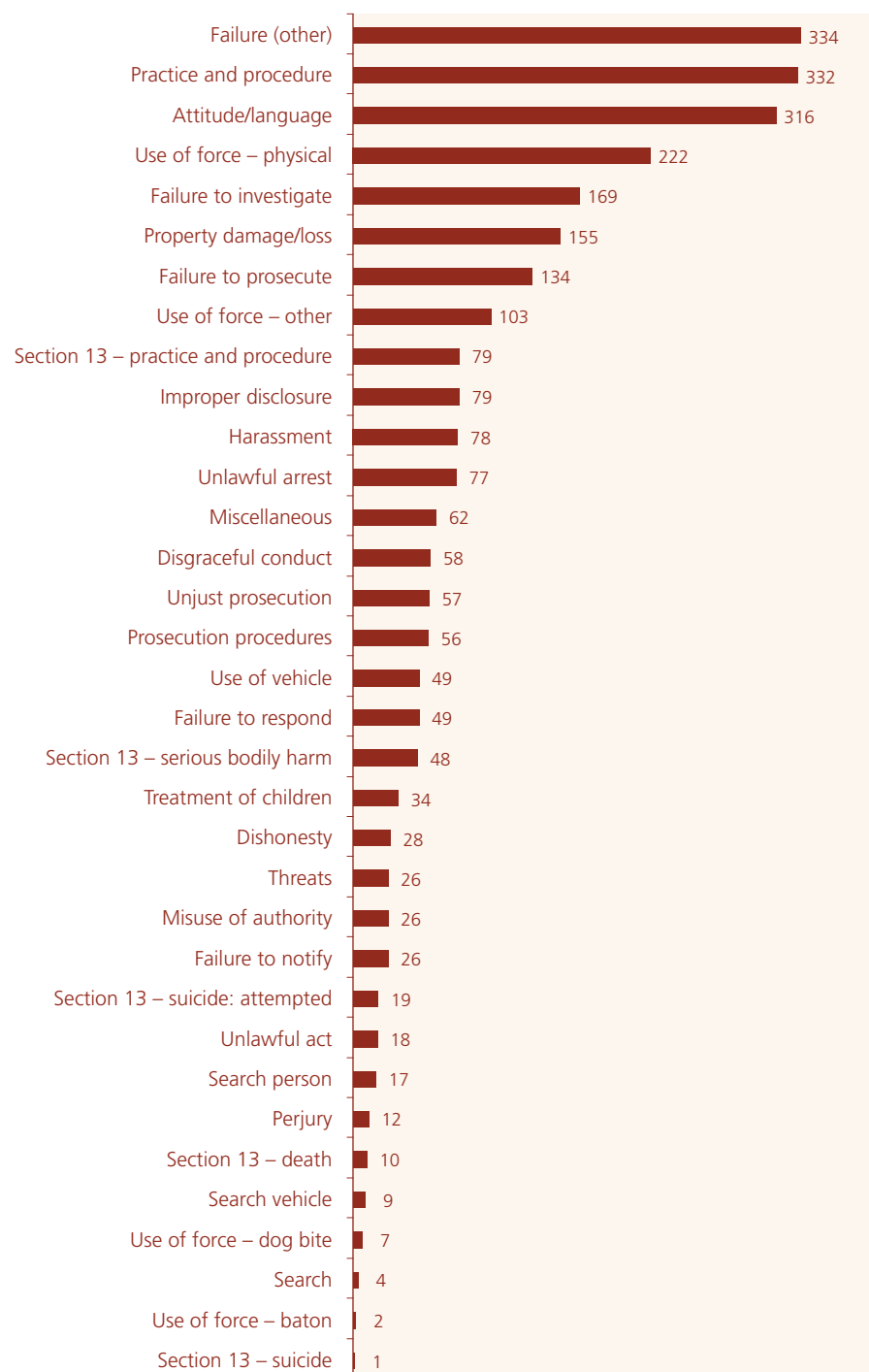
### **Death and serious injury**

Under section 13 of the Independent Police Conduct Authority Act 1988, Police notify the Authority of incidents of death and serious bodily harm associated with Police actions (for example, deaths in Police cells and deaths or injuries following Police pursuits).

During 2007/08, under section 13 the Authority received 11 reports of deaths (one suicide and 10 others) and 48 of serious bodily harm.

Each section 13 notification of a death or serious injury may raise one or more matters of Police practice, policy and procedure. These are represented in the 'section 13 – practice and procedure' category.

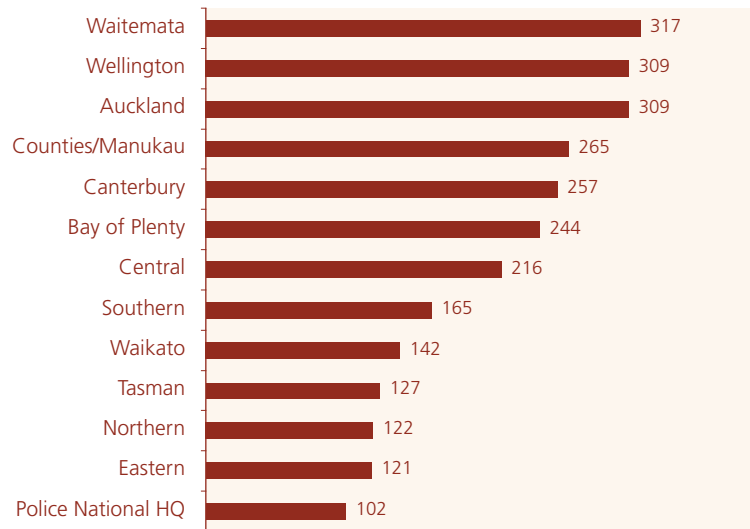
### 'Heads of complaint' accepted (by category) 2007/08



'HEADS OF COMPLAINT' BY DISTRICT

The Police have 13 districts, plus Police National Headquarters. During the year, complaints were received from all districts, the highest numbers being from Waitemata, Wellington, Auckland<sup>3</sup> and Counties-Manukau.

'Heads of complaint' accepted (by district) 2007/08



3 Auckland includes Auckland City and Auckland Met Crimes & Operational Support. Of the Auckland heads of complaint recorded during 2007/08, four were from Auckland Met Crimes & Operational Support, and the remainder from Auckland City.

# Investigations

## NUMBER OF INVESTIGATIONS

During 2007/08, the Authority's investigators were involved in a total of 350 investigations. Of those, 251 were open at the beginning of the year and 99 were started during the year.

At 30 June 2008, 147 investigations remained active.

INVESTIGATIONS 2007/08	
Opened in prior years and closed in 2007/08	158
Opened in prior years and still open at 30 June 2008	93
Opened and closed in 2007/08	45
Opened in 2007/08 and still open at 30 June 2008	54
<b>Investigations open at 30 June 2008</b>	<b>147</b>

The investigations covered a wide range of serious complaints and incidents, including:

- Police actions that appear to have contributed to death and serious bodily harm – for example, deaths in Police cells, and deaths and serious injuries arising from Police pursuits;
- complaints alleging corruption or flaws with Police investigations;
- complaints of excessive force or other misconduct by Police officers; and
- complaints of sexual assault by Police officers.

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**PUBLIC REPORTS**

During the year, the Authority issued five public reports on investigations. This is an increase from previous years, reflecting the Authority's commitment to increasing transparency over its work (subject to maintaining complainant confidentiality). All of the reports reflected detailed and thorough investigations on matters of public interest.

The public reports were:

- **Death of Lance Duff and two other teenagers** – the Authority found no evidence of misconduct in a Police pursuit which ended in the deaths of three Auckland teenagers.
- **Shooting of Graeme Burton** – the Authority found that Police were justified in shooting convicted murderer Graeme Burton in January 2007, but had not done enough to return Burton to prison after warrants were issued for his arrest late the previous year.
- **Review of Operation Austin** – the Authority praised Operation Austin, the Police investigation into allegations of sexual offending which resulted in charges being laid against then Assistant Commissioner Clint Rickards and other serving or former Police officers.
- **Prime Ministerial Motorcade** – the Authority found that Police were justified in laying charges against officers for the speeding motorcade in July 2004, and also supported changes to Police policies relating to diplomatic protection and urgent duty driving.
- **Protests during a 1999 state visit by Chinese President Jiang Zemin** – the Authority found that the rights of lawful protestors had been breached during the state visit.

A further increase in the number of public reports is expected in 2008/09.

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**OTHER  
INVESTIGATIONS**

The Authority also commenced or made progress on several other significant investigations during the year, including:

- an investigation into 'Operation 8' – the 15 October 2007 Police raids in the Ruatoki Valley and elsewhere around New Zealand;
- an investigation into the shooting of Christchurch man Stephen Bellingham in September 2007;
- an investigation over use of force against Rawiri Falwasser in Whakatane police cells on Labour Day 2006;
- an investigation into the complaint of ACC beneficiary Bruce Van Essen over a search of his home in 2006;
- an investigation into Police actions relating to the Edgeware Road tragedy in Christchurch in 2007;
- a review of Police pursuits;
- an investigation into the shooting of Steven Wallace in April 2000; and
- an investigation into the Police inquiry over the murders of Ben Smart and Olivia Hope.





# Financial Statements

# Statements of Service Performance

**OUTPUT CLASS 1: COMPLAINTS** The Authority receives and considers complaints (i) alleging misconduct or neglect of duty by any member of Police or (ii) concerning any Police practice, policy or procedure affecting the complainant. The Authority also investigates incidents in which a member of Police (acting in the execution of his or her duty) causes or appears to have caused death or serious bodily harm.

In addition, under a memorandum of understanding, Police notify the Authority of any incident of serious misconduct or neglect of duty and the Authority considers these matters as if they were complaints.

## Quantity

	Projected	Actual
Number of files opened	1750–1900	2073
Number of files resolved which have been open for 12 months or less	900	1465

## Quality

Review and update internal standards for processing complaints in line with Commission of Inquiry into Police Conduct recommendations and the new business environment once the IPCA Bill is enacted.

### Achievement

#### Achieved.

The Commission made four recommendations in relation to internal standards for processing complaints:

*The Authority should facilitate receipt of oral complaints.* This has been achieved. The Authority has put in place a procedure to allow complainants to make oral statements to reviewing officers. The statements are then sent to the complainant for confirmation and signature.

*The Authority should ensure it has more regular communication with complainants.* This has been achieved. The Authority has focused effort on maintaining regular communication with complainants.

*The Authority should develop strategies for addressing its backlog of complaints.* This has been achieved. As explained in Output Class 1, Sub-output 1, the operations backlog (i.e. the number of files outstanding for 12 months or more) has been reduced by 87 percent from 1611 files to 211.

*The Authority should exercise its discretion in favour of accepting historic sexual complaints.* This has been achieved. The Independent Police Conduct Authority Act 1988 was amended in November 2007 to clarify the Authority's ability to accept historic complaints.

In addition, the Authority has made considerable progress on recommendations from the Commission in relation to raising its profile among complainants, and gathering feedback from complainants. These recommendations are specifically addressed in the Authority's 2008/09 Statement of Intent.

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	Achievement
Ensure all reports, recommendations and dispositive correspondence is signed by the Authority or Deputy Authority.	<p><b>Achieved.</b></p> <p>All reports, recommendations and dispositive correspondence were signed by the Authority or Deputy Authority.</p>
Tasks will be tracked and controlled through the use of the IPCA's new database as appropriate.	<p><b>Achieved.</b></p> <p>All complaints and incidents before the Authority were tracked through the Authority's database.</p>

### Timeliness

	Achievement
Acknowledge receipt of complaints and notification of incidents within three working days of receipt.	<p><b>Not achieved.</b></p> <p>Most complaints were acknowledged within three working days of receipt. However, in some cases acknowledgement took longer, either due to workloads or in circumstances where there was doubt about whether the complaint should be accepted. Acknowledgment very rarely took longer than five working days.</p>
Ensure all complaints and incidents are assigned to a reviewing officer or investigator within three working days of their receipt or notification.	<p><b>Not achieved.</b></p> <p>This measure was achieved in the vast majority of cases. In rare cases, complaints may not be assigned within three working days for a variety of reasons – for example, if it is not clear that the matter is going to proceed to formal complaint.</p>
Monitor all investigations undertaken by the Police and in which the IPCA is interested to ensure timely completion and ensure that 90 percent of files relating to investigations completed by Police are disposed of within 120 days of receipt of those files by the Authority.	<p><b>Not measured.</b></p> <p>This measure applies to investigations conducted by Police and reviewed by the Authority. Of files received from Police during 2007/08, 95 percent were closed within 180 days of receipt.</p> <p>The Authority did not collect data for closure of files within 120 days. The Authority has traditionally measured closure of files within 180 days of receipt and has its database set to measure that period.</p>

### Cost of output

	Revenue Crown	Revenue other	Expenses	Surplus/ (deficit)
<b>Budget</b>	\$1,338,000	\$31,000	\$1,267,000	\$102,000
<b>Actual</b>	\$1,338,000	\$20,603	\$1,803,858	(\$445,255)

Note on variance: the Authority used surplus funds from a prior year to hire additional reviewing officers in order to reduce the backlog.

#### OUTPUT CLASS 1, SUB-OUTPUT 1: REDUCTION OF COMPLAINTS BACKLOG

### Quantity

	Achievement
Reduce backlog by 65 percent	<p><b>Achieved.</b></p> <p>The 'backlog' refers to the number of files open for more than 12 months. During 2007/08, the backlog was reduced by 87 percent - from 1611 files to 211.</p>

### Quality

Quality measures for this sub-output are the same as for the main output, and include standards for handling and tracking of complaints, and correspondence. All were achieved. See Output Class 1: Complaints on page 24 for details.

### Timeliness

	Achievement
The backlog reduction is to be measured from the beginning to the end of the 2007/2008 year and specifically reported four monthly to the Minister.	<p><b>Achieved.</b></p> <p>The 87 percent reduction in backlog was measured from the beginning to the end of the 2007/08 financial year, and reported to the Hon. Rick Barker, the Associate Minister of Justice with responsibility for the Authority, in four-monthly reports.</p>

**OUTPUT CLASS 2:  
INDEPENDENT  
INVESTIGATIVE  
CAPABILITY/  
INVESTIGATIONS**

The Authority’s investigators conduct independent investigations into serious complaints and incidents, such as incidents in which Police actions have caused or appear to have caused death or serious bodily harm.

**Quantity**

	<b>Projected</b>	<b>Actual</b>
Number of investigations involving death or serious bodily harm arising as a result of Police actions undertaken.	250–300	As noted in the Investigations section on pages 19–21 of this report, the Authority’s investigators were involved in 350 investigations during 2007/08. This included 99 investigations commenced during 2007/08 and 251 investigations commenced in prior years.  The Authority does not collect information on the number of those investigations involving death or serious bodily harm. However, as noted on page 16 of this report, during 2007/08 the Authority received 11 notifications of deaths (one suicide and 10 others) and 48 notifications involving serious bodily harm.
Number of investigations involving death or serious bodily harm arising as a result of Police actions completed and closed.	230–260	As noted in the Investigations section on pages 19–21 of this report, the Authority’s investigators closed 203 investigations during 2007/08.

## Quality

	Achievement
The Authority will report four-monthly to the Ministry of Justice on the progress and development of its independent investigative capability.	<p><b>Achieved.</b></p> <p>The Authority provided four-monthly reports to the Ministry of Justice on the progress and development of its independent investigative capability.</p>
<p>Investigations will be undertaken to internal quality standards:</p> <ul style="list-style-type: none"> <li>quality control is exercised at regular peer group case assessments, through scrutiny of the group's work by the manager, and by the reviewing officer assigned to the case; and</li> <li>investigative knowledge is tested and developed through interactions with police investigators and independent forensic experts, at all times maintaining confidentiality of information relating to individual investigations.</li> </ul>	<p><b>Achieved.</b></p> <p>Investigators' work was peer-reviewed as appropriate, and scrutinised by the Manager Investigations and by the assigned reviewing officer.</p> <p>During the year, the Authority made progress towards formal establishment of two investigating teams, each comprising four investigators and an analyst. Under this system, investigators' work is scrutinised by the Team Leader and Manager Investigations.</p> <p>The Authority's investigators interacted with Police investigators and with independent forensic experts as appropriate for each investigation.</p>
Tasks will be tracked and controlled through the use of the IPCA's new database as appropriate.	<p><b>Achieved.</b></p> <p>The database became operational in November 2007. Since that time, all tasks and incidents have been tracked through the database.</p>

## Timeliness

	Achievement
<p>Depending on the nature and seriousness of the incident, either:</p> <ul style="list-style-type: none"> <li>• within three working days of notification of a major incident involving death or serious bodily harm, such as a shooting by police or a police pursuit – view the scene of the incident; liaise with the police investigating team; and visit or make contact with the victim or next of kin; or</li> <li>• as soon as practicable after being notified of an incident or complaint of a serious nature, but which does not require an immediate response – visit the police district in which the incident or matter resulting in the complaint took place; view the scene if appropriate; liaise with the police investigator; and visit or make contact with the complainant or victim.</li> </ul>	<p><b>Achieved.</b></p> <p>In all major incidents that required immediate response, IPCA investigators viewed the scene, liaised with Police and visited or made contact with next of kin within three working days of notification.</p> <p>For serious incidents or complaints that did not require an immediate response, IPCA investigators visited the Police district, viewed the scene where appropriate, liaised with the Police investigator, and visited or made contact with the complainant or victim.</p>
<p>Closely monitor investigations undertaken by Police and contemporaneously carry out such additional investigation as is required for IPCA purposes. On completion of the Police investigation and receipt of the Police file, complete the IPCA investigation and refer for review within 30 days.</p>	<p><b>Achieved.</b></p> <p>For all IPCA investigations, the Police investigation was monitored and IPCA investigators contemporaneously carried out additional investigation as necessary.</p> <p>The system of reviewing investigations conducted or overseen by the IPCA was changed during the year. Instead of sending files for review upon completion, an IPCA reviewing officer or analyst now reviews IPCA investigations as they progress.</p>



### Cost of output

	Revenue Crown	Revenue other	Expenses	Surplus/ (deficit)
<b>Budget</b>	\$1,144,000	\$26,500	\$1,084,000	\$86,500
<b>Actual</b>	\$1,144,000	\$17,616	\$1,493,495	(\$331,880)

Variance: as explained in the Investigations and A Year of Change sections of this report, the Authority has increased its focus on active, independent investigation of serious complaints and incidents. The additional expenses in this output class reflect an increasingly active investigation programme.

#### OUTPUT 3: NATIONAL PREVENTIVE MECHANISM

The Authority examines and reports on conditions of detention and treatment of detainees in Police cells, in accordance with the Crimes of Torture Amendment Act 2006 and New Zealand's obligations under the Optional Protocol to the UN Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT).

#### Quantity

	Achievement
The IPCA will examine up to 30 Police cells throughout New Zealand during the 2007/2008 year to ascertain existing standards and conditions.	<p><b>Achieved.</b></p> <p>The Authority examined 25 Police detention sites during 2007/08. Each site comprised several cells. While the Authority does not have an exact record, the number of cells visited during the year exceeded 50.</p> <p>In future, the Authority will report on the number of detention sites visited, rather than the number of cells.</p>
The IPCA will collect and collate data in relation to all complaints received by it from persons in Police custody that might be categorised as incidents of torture or cruel, inhuman or degrading treatment or punishment.	<p><b>Achieved.</b></p> <p>The Authority collected and collated data on complaints from persons in Police custody that might fall into this category. Six such complaints were received.</p>

### Quality

	Achievement
Once the IPCA has ascertained existing custodial standards and conditions in New Zealand it will assess those against international expectations <sup>4</sup> in order to establish relevant preventive monitoring measures and a visiting and reporting mechanism that can be consistently applied.	<p><b>Achieved.</b></p> <p>The cell visits carried out during 2007/08 allowed the Authority to gain understanding of the environment and operational protocols affecting Police cells and custody areas.</p> <p>Detailed monitoring standards were drafted, as were templates for conducting inspections and preparing inspection reports.</p>
The IPCA will work with the Central National Preventive Mechanism (the Human Rights Commission) to establish a collective approach in the development of these standards.	<p><b>Achieved.</b></p> <p>The Authority worked closely with the Human Rights Commission to develop the draft monitoring standards.</p>

### Timeliness

	Achievement
The initial examination of Police cells throughout New Zealand to ascertain existing standards and conditions in those cells will be completed during the 2007/2008 year.	<p><b>Achieved.</b></p> <p>As noted above, 25 detention sites and in excess of 50 cells were examined.</p>
Preventive monitoring measures will then be developed and established in conjunction with other NPMs under the chairmanship of the Human Rights Commissioner.	<p><b>Achieved.</b></p> <p>As noted above, the Authority has worked closely with the Human Rights Commission to draft monitoring standards.</p>

4 See the Advisory Council of Jurists, Reference on Torture, at [www.asiapacificforum.net/acj/references/acj-referencetorture/downloads/reference-on-torture/acj-torture-report.pdf](http://www.asiapacificforum.net/acj/references/acj-referencetorture/downloads/reference-on-torture/acj-torture-report.pdf)

**Cost of output**

	Revenue Crown	Revenue other	Expenses	Surplus/ (deficit)
<b>Budget</b>	\$104,000	\$2500	\$98,000	\$8500
<b>Actual</b>	\$104,000	\$1601	\$112,301	(\$6699)

Explanation of variance: This was the first year of the Authority's role as National Preventive Mechanism. As such, the Authority had no basis in past practice for determining its budget for this output class. As explained above, significant effort was made to visit places of detention and develop monitoring standards.

STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual \$		Notes	2008 Actual \$	2008 Budget \$
<b>REVENUE</b>				
2,537,000	Revenue from Crown	1	2,586,000	2,586,000
44,137	Interest Received		39,820	60,000
<b>2,581,137</b>	<b>Total Revenue</b>		<b>2,625,820</b>	<b>2,646,000</b>
<b>EXPENSES</b>				
12,825	Audit fees	2	25,550	15,000
3,188	Amortisation	6	11,805	-
33,745	Communication charges		42,612	45,000
73,242	Depreciation	5	65,565	80,000
1,302,672	Personnel	3	2,168,489	1,687,780
25,173	Printing & stationery		67,054	30,000
96,925	Professional fees		332,418	145,000
206,778	Rent		207,353	202,000
101,489	Services & supplies		164,807	140,000
3,096	Subscriptions		11,558	4,500
43,293	Travel & accommodation		297,614	100,000
70,590	Austin investigation		14,829	-
6,581	Loss on fixed assets written off		-	-
<b>1,979,597</b>	<b>Total Expenses</b>		<b>3,409,654</b>	<b>2,449,280</b>
<b>601,540</b>	<b>Net Surplus / (deficit) for the year</b>		<b>(783,834)</b>	<b>196,720</b>

Explanations of significant variances against budget are detailed in note 19.

The statement of accounting policies and notes to the financial statements form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2008

2007 Actual \$		Notes	2008 Actual \$	2008 Budget \$
<b>CURRENT ASSETS</b>				
900,209	Cash and cash equivalents	4	224,839	679,809
23,560	GST receivable		37,652	14,200
<b>923,769</b>	<b>Total Current Assets</b>		<b>262,491</b>	<b>694,009</b>
<b>NON-CURRENT ASSETS</b>				
247,007	Property, Plant & equipment	5	217,966	241,556
31,472	Intangible assets	6	43,284	-
278,479	Total Non-Current Assets		261,250	241,556
<b>1,202,248</b>	<b>TOTAL ASSETS</b>		<b>523,741</b>	<b>935,565</b>
<b>CURRENT LIABILITIES</b>				
89,550	Creditors and other payables	7	136,734	44,543
63,544	Employee entitlements	8	121,687	66,500
<b>153,094</b>	<b>Total Current Liabilities</b>		<b>258,421</b>	<b>111,043</b>
<b>1,049,154</b>	<b>NET ASSETS</b>		<b>265,320</b>	<b>824,522</b>
<b>CROWN EQUITY</b>				
1,049,154	Total Investment by the crown		265,320	824,522
<b>1,049,154</b>	<b>Total Crown Equity</b>		<b>265,320</b>	<b>824,522</b>

The statement of accounting policies and notes to the financial statements form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual \$	Notes	2008 Actual \$	2008 Budget \$
447,614	Total Crown Equity at beginning of year	1,049,154	627,802
<b>RECOGNISED INCOME AND EXPENSES</b>			
601,540	Surplus (deficit) after taxation	(783,834)	196,720
601,540	Total recognised income and expenses	(783,834)	196,720
<b>1,049,154</b>	<b>Total Crown Equity at end of year</b>	<b>265,320</b>	<b>824,522</b>

The statement of accounting policies and notes to the financial statements form an integral part of these financial statements.

CASH FLOWS STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual \$	Notes	2008 Actual \$	2008 Budget \$
<b>CASH FLOWS FROM OPERATING ACTIVITY</b>			
	<i>Cash was provided from (applied to)</i>		
2,537,000	Receipts from crown revenue	2,586,000	2,586,000
44,137	Interest received	39,820	60,000
(1,917,405)	Payments to suppliers and employees	(3,241,049)	(2,367,740)
<b>663,732</b>	<b>Net cash flow from operating activities</b>	<b>(615,229)</b>	<b>278,260</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	<i>Cash was provided from (applied to)</i>		
(33,571)	Purchase of property, plant & equipment	(36,524)	(50,000)
(23,477)	Purchase of intangible assets	(23,617)	-
<b>(57,048)</b>	<b>Net cash flows from investing activities</b>	<b>(60,141)</b>	<b>(50,000)</b>
<b>606,684</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(675,370)</b>	<b>228,260</b>
<b>293,525</b>	<b>Cash and cash equivalents at beginning of year</b>	<b>900,209</b>	<b>451,549</b>
<b>900,209</b>	<b>Cash and cash equivalents at end of year</b>	<b>224,839</b>	<b>679,809</b>
	<i>Represented by:</i>		
<b>900,209</b>	<b>Cash &amp; cash equivalents</b>	<b>224,839</b>	<b>679,809</b>

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.

The statement of accounting policies and notes to the financial statements form an integral part of these financial statements.

# Statement of Accounting Policies

FOR THE YEAR ENDED 30 JUNE 2008

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**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.

During the financial year, the Independent Police Conduct Authority Amendment Act came into force resulting in a name change from the Police Complaints Authority to the Independent Police Conduct Authority. This change became effective on 29 November 2007.

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

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

The financial statements for the Independent Police Conduct Authority are for the year ended 30 June 2008, and were approved by the Board on 31 October 2008.



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**BASIS FOR  
PREPARATION****Statement of compliance**

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

**First year of preparation under NZ IFRS**

This is the first set of financial statements prepared using NZ IFRS, and comparatives for the year ended 30 June 2007 have been restated to NZ IFRS accordingly. Reconciliations of equity and surplus/(deficit) for the year ended 30 June 2007 under NZ IFRS to the balances reported in the 30 June 2007 financial statements are detailed in note 20.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS statement of financial position as at 1 July 2006 for the purposes of the transition to NZ IFRS.

**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.

**Functional and presentation currency**

The 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.

STANDARDS,  
AMENDMENTS AND  
INTERPRETATIONS  
ISSUED THAT  
ARE NOT YET  
EFFECTIVE AND  
HAVE NOT BEEN  
EARLY ADOPTED

NZ IAS 1 Presentation of Financial Statements (revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with the Crown in its capacity as "owner". The revised standard gives the Independent Police Conduct Authority the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). The Independent Police Conduct Authority intends to adopt this standard for the year ending 30 June 2010, and is yet to decide whether it will prepare a single statement of comprehensive income or a separate income statement followed by a statement of comprehensive income.

SPECIFIC  
ACCOUNTING  
POLICIES

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

**a) Revenue recognition**

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

*Revenue from the Crown*

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

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

*Interest*

Interest revenue is recognised using the effective interest method.

**b) Operating leases**

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

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

**c) Cash and cash equivalents**

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

**d) Property, plant and equipment**

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

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

*Additions*

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

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

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

### *Disposals*

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

### *Subsequent costs*

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

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

### *Depreciation*

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

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

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

## **e) Intangible assets**

### *Software acquisition*

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

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

Costs associated with the development and maintenance of the Independent Police Conduct 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 rates are used in the calculation of amortisation:

Software	25.0% DV
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#### **f) Impairment**

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

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

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

#### **g) Financial liabilities**

##### *Creditors and other payables*

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

## **h) Employee entitlements**

### *Short-term employee entitlements*

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

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

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

## **i) Superannuation schemes**

### *Defined contribution schemes*

Obligations for contributions to Kiwisaver are accounted for as defined contribution superannuation scheme and are recognised as an expense in the statement of financial performance as incurred.

## **j) Goods and Service Tax (GST)**

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

The net amount of GST recoverable from, or payable to, the Inland Revenue is included as part of current assets or current liabilities in the Statement of Financial Position.

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

Commitments and contingencies are disclosed exclusive of GST.

**k) Income tax**

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

**l) Cash flow statement**

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

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

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

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

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

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

**m) Budget figures**

The budget figures are those that form part of the Independent Police Conduct Authority 2007/08 Statement of Intent.

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.

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CRITICAL  
JUDGEMENTS  
IN APPLYING  
THE ENTITY'S  
ACCOUNTING  
POLICIES

In the application of NZ IFRS, 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 judgements. Actual results may differ from these estimates.

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

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



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2008

## 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. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to government funding (2007: \$Nil).

## 2. REMUNERATION TO AUDITORS

	2008 Actual \$	2007 Actual \$
Audit of the financial statements	18,050	12,825
Audit for NZ IFRS translation	7,500	-
	<b>25,550</b>	<b>12,825</b>

## 3. PERSONNEL EXPENSES

	Notes	2008 Actual \$	2007 Actual \$
Salaries and wages		2,110,346	1,289,852
Employer contributions to defined benefit plans		-	-
Increase/(decrease) in employee entitlements	8	58,143	12,820
<b>Total Personnel Expenses</b>		<b>2,168,489</b>	<b>1,302,672</b>

#### 4. CASH AND CASH EQUIVALENTS

	<b>2008 Actual \$</b>	<b>2007 Actual \$</b>
Cash at bank	45,452	34,741
Call account	85,440	778,063
Term deposit	93,947	87,405
<b>Total Cash and Cash Equivalents</b>	<b>224,839</b>	<b>900,209</b>

Term deposits classed as cash and cash equivalents have an original maturity of three months or less.

#### 5. PROPERTY, PLANT AND EQUIPMENT

	<b>Office equipment \$</b>	<b>Furniture &amp; fittings \$</b>	<b>Leasehold improvements \$</b>	<b>Total \$</b>
<b>COST</b>				
<b>Balance at 1 July 2006</b>	<b>171,303</b>	<b>298,826</b>	<b>160,779</b>	<b>630,908</b>
Additions	33,572	-	-	33,572
Sales/transfers	(8,594)	(4,213)	-	(12,807)
<b>Balance at 30 June 2007</b>	<b>196,281</b>	<b>294,613</b>	<b>160,779</b>	<b>651,673</b>
<b>Balance at 1 July 2007</b>	<b>196,281</b>	<b>294,613</b>	<b>160,779</b>	<b>651,673</b>
Additions	31,256	5,268	-	36,524
Sales/transfers	-	-	-	-
<b>Balance at 30 June 2008</b>	<b>227,537</b>	<b>299,881</b>	<b>160,779</b>	<b>688,197</b>
<b>ACCUMULATED DEPRECIATION</b>				
<b>Balance at 1 July 2006</b>	<b>93,657</b>	<b>177,268</b>	<b>66,724</b>	<b>337,649</b>
Depreciation expense	19,955	29,771	23,516	73,242
Sales/transfers	(4,487)	(1,738)	-	(6,225)
<b>Balance at 30 June 2007</b>	<b>109,125</b>	<b>205,301</b>	<b>90,240</b>	<b>404,666</b>

continued over...

	Office equipment \$	Furniture & fittings \$	Leasehold improvements \$	Total \$
<b>Balance at 1 July 2007</b>	109,125	205,301	90,240	404,666
Depreciation expense	24,999	22,933	17,633	65,565
Sales/transfers	-	-	-	-
<b>Balance at 30 June 2008</b>	134,124	228,234	107,873	470,231
<b>NET CARRYING AMOUNTS</b>				
<b>At 1 July 2006</b>	77,646	121,558	94,055	293,259
<b>At 30 June 2007 &amp; 1 July 2007</b>	87,156	89,312	70,539	247,007
<b>At 30 June 2008</b>	93,413	71,647	52,906	217,966

## 6. INTANGIBLE ASSETS

	Total \$
<b>COST</b>	
<b>Balance at 1 July 2006</b>	43,467
Additions	23,477
Sales/transfers	-
<b>Balance at 30 June 2007</b>	66,944
<b>Balance at 1 July 2007</b>	66,944
Additions	23,617
Sales/transfers	-
<b>Balance at 30 June 2008</b>	90,561
<b>ACCUMULATED AMORTISATION</b>	
<b>Balance at 1 July 2006</b>	32,284
Amortisation expense	3,188
Disposals	-
<b>Balance at 30 June 2007</b>	35,472

continued over...

	<b>Total \$</b>
<b>Balance at 1 July 2007</b>	<b>35,472</b>
Amortisation expense	11,805
Disposals	-
<b>Balance at 30 June 2008</b>	<b>47,277</b>
<b>NET CARRYING AMOUNT</b>	
<b>At 1 July 2006</b>	<b>11,183</b>
<b>At 30 June 2007 &amp; 1 July 2007</b>	<b>31,472</b>
<b>At 30 June 2008</b>	<b>43,284</b>

## 7. CREDITORS AND OTHER PAYABLES

	<b>2008 Actual \$</b>	<b>2007 Actual \$</b>
<b>CREDITORS AND OTHER PAYABLES</b>		
Trade creditors	101,634	89,550
Accrued expenses	35,100	-
<b>Total creditors and other payables</b>	<b>136,734</b>	<b>89,550</b>

The average credit period on purchases is 30 days. For the majority of trade payables no interest is charged. The Independent Police Conduct Authority has a financial risk management policy in place to ensure that all payables are paid within the credit timeframe.

## 8. EMPLOYEE ENTITLEMENTS

	<b>2008 Actual \$</b>	<b>2007 Actual \$</b>
<b>EMPLOYEE ENTITLEMENTS</b>		
Accrued salaries and wages	50,788	22,881
Annual leave	70,899	40,663
<b>Total Employee Entitlements</b>	<b>121,687</b>	<b>63,544</b>

## 9. FINANCIAL INSTRUMENTS

### Categories of financial assets and liabilities

The carrying amounts of financial assets and liabilities in each of the NZ IAS 39 categories are as follows:

	<b>2008 Actual \$</b>	<b>2007 Actual \$</b>
<b>LOANS AND RECEIVABLES</b>		
Cash and cash equivalents	224,839	900,209
GST receivable	37,652	23,560
<b>Total loans and receivables</b>	<b>262,491</b>	<b>923,769</b>
<b>FINANCIAL LIABILITIES</b>		
Creditors and other payables	136,734	89,550
<b>Total financial liabilities</b>	<b>136,734</b>	<b>89,550</b>

### Financial risk management objectives

The Independent Police Conduct Authority does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of derivatives is governed by the Independent Police Conduct Authority's policies approved by the Board, which provide written principles on the use of financial derivatives. The Independent Police Conduct Authority's activities expose it primarily to the financial risks of changes in interest rates.

#### *Interest rate risk*

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Cash flow interest rate risk is the risk that cash flows from a financial instrument will fluctuate because of changes in market interest rates.

The Independent Police Conduct Authority is exposed to fair value and cash flow interest rate risk as it has cash on call at floating interest rates. The Independent Police Conduct Authority manages its interest risk by investing in on-call and short-term deposits with high credit-rated financial institutions.

The following table details the Independent Police Conduct Authority's exposure to interest rate risk as at 30 June 2008.

	Weighted average effective interest rate %	Variable interest rate bearing \$	Non interest bearing \$	Total \$
<b>FINANCIAL ASSETS:</b>				
<b>Cash and cash equivalents</b>				
– Cash at bank	0.25	45,452	-	45,452
– Call account	3.85	85,440	-	85,440
– Term deposit	8.20	93,947	-	93,947
<b>GST receivable</b>	-	-	<b>37,652</b>	<b>37,652</b>
<b>Total financial assets</b>		<b>224,839</b>	<b>37,652</b>	<b>262,491</b>
<b>FINANCIAL LIABILITIES:</b>				
Creditors and other payables	-	-	136,734	136,734
<b>Total financial liabilities</b>		<b>-</b>	<b>136,734</b>	<b>136,734</b>

The following table details the Independent Police Conduct Authority's exposure to interest rate risk as at 30 June 2007.

	Weighted average effective interest rate %	Variable interest rate bearing \$	Non interest bearing \$	Total \$
<b>FINANCIAL ASSETS:</b>				
<b>Cash and cash equivalents</b>				
– Cash at bank	0.25	34,741	-	34,741
– Call account	5.35	778,063	-	778,063
– Term deposit	6.25	87,405	-	87,405
<b>GST receivable</b>	-	-	<b>23,560</b>	<b>23,560</b>
<b>Total financial assets</b>		<b>900,209</b>	<b>23,560</b>	<b>923,769</b>
<b>FINANCIAL LIABILITIES:</b>				
Creditors and other payables	-	-	89,550	89,550
<b>Total financial liabilities</b>		<b>-</b>	<b>89,550</b>	<b>89,550</b>

### *Sensitivity analysis*

At 30 June 2008, if the interest rates earned on cash and cash equivalents had been 5% higher or lower, with all other variables held constant, the surplus/deficit for the year would have been \$52,000 higher / \$36,000 lower (2007: \$48,000 higher / \$40,000 lower). The sensitivity is similar to 2007.

### *Credit risk management*

Credit risk is the risk that a third party will default on its obligation to the Independent Police Conduct Authority, causing the Independent Police Conduct Authority to incur a loss.

Financial instruments which potentially subject the entity to credit risk principally consist of bank balances. The Independent Police Conduct Authority does not extend credit and places its cash with high credit quality financial institutions.

Maximum exposures to credit risk at reporting date are:

	<b>2008 Actual \$</b>	<b>2007 Actual \$</b>
<b>Cash and cash equivalents</b>	<b>224,839</b>	<b>900,209</b>

No collateral is held on the above amounts. There is no maturity date on the cash at bank and call accounts as these represent cash held in transactional and cash management accounts. The term deposit has a rolling maturity of 30 days.

### *Fair value of financial instruments*

The Authority considers that the carrying amount of assets and financial liabilities recorded in the financial statements approximates their fair values.

### *Liquidity risk*

Liquidity risk is the risk that the Independent Police Conduct Authority will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Independent Police Conduct Authority aims to maintain flexibility in funding by keeping committed credit lines available.

All of the Independent Police Conduct Authority's commitments owing at balance date, comprising trade and other payables, have a contractual maturity of less than six months (2007: maturity also less than six months). The Independent Police Conduct Authority has sufficient cash on hand to meet these commitments as they fall due.

### *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Independent Police Conduct Authority is not subject to currency risk as it does not participate in any such financial instruments.

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## 10. CAPITAL MANAGEMENT

The Independent Police Conduct Authority's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets.

The Independent Police Conduct Authority is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

The Independent Police Conduct Authority manages its equity as a by-product of prudently managing income, expenses, assets, liabilities, investments, and general financial dealings to ensure the Independent Police Conduct Authority effectively achieves its objectives and purpose, whilst remaining a going concern.



11. RECONCILIATION  
OF NET SURPLUS/  
(DEFICIT) TO  
NET CASH FROM  
OPERATING  
ACTIVITIES

	Notes	2008 Actual \$	2007 Actual \$
<b>Net surplus/(deficit) for the year</b>		<b>(783,834)</b>	<b>601,540</b>
<b>NON CASH ITEMS:</b>			
Amortisation	6	11,805	3,188
Depreciation	5	65,565	73,242
Loss on fixed assets written off		-	6,581
		<b>77,370</b>	<b>83,011</b>
<b>MOVEMENTS IN WORKING CAPITAL:</b>			
(Increase)/decrease in GST		(14,092)	(3,900)
(Decrease)/increase in creditors and other payables		47,184	(29,739)
(Decrease)/increase in employee entitlements		58,143	12,820
		<b>91,235</b>	<b>(20,819)</b>
<b>Net cash inflow from operating activities</b>		<b>(615,229)</b>	<b>663,732</b>

12. EMPLOYEE  
REMUNERATION

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

	2008 Actual	2007 Actual
\$110,000 – \$119,999	1	0
\$120,000 – \$129,999	0	1
\$130,000 – \$139,999	0	0
\$140,000 – \$149,999	1	0

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.

The Independent Police Conduct Authority has entered into a number of transactions with government departments, Crown agencies, and state-owned entities on an arm's length basis and in the course of their normal dealings.

Where those parties are acting in the course of their normal dealings with the Independent Police Conduct Authority, and the transaction are at arms length, related party disclosures have not been made for transactions of this nature.

During the period, the Independent Police Conduct Authority received \$2,586,000 (2007: \$2,537,000) of funding from the Crown. There was no balance outstanding as at 30 June 2008 (2007: \$Nil).

There are close family members of key management personnel employed by the Independent Police Conduct Authority. The terms and conditions of those arrangements are no more favourable than the Independent Police Conduct Authority would have adopted if there were no relationship to key management personnel.

#### 14. KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation of the Authority and Deputy Authority and Chief Executive Office, being the key management personnel of the Independent Police Conduct Authority, is set out below:

	<b>2008 Actual \$</b>	<b>2007 Actual \$</b>
Short-term employee benefits	646,108	200,350
Post-employment benefits	-	-
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
<b>Total Compensation</b>	<b>646,108</b>	<b>200,350</b>

#### 15. COMMITMENTS (i) Capital commitments

There are no capital commitments at reporting date (2007: \$21,000 for database design).

#### (ii) Operating lease commitments

Operating leases relate to the lease with the National Property Trust for the building accommodation at 342 Lambton Quay, Wellington.

The lease term is for a period of six years, with two rights of renewals at both 18 February 2009, and 18 February 2015, at the same or lesser price. The Independent Police Conduct Authority does not have the option to purchase the leased asset at the expiry of the lease period.

	<b>2008 Actual \$</b>	<b>2007 Actual \$</b>
Less than one year	133,865	203,138
Between one and two years	-	127,379
Between two and five years	-	-
Later than five years	-	-
<b>Total operating lease commitments</b>	<b>133,865</b>	<b>330,517</b>

#### 16. CONTINGENT LIABILITIES

There are no contingent liabilities at reporting date (2007: \$Nil).

#### 17. 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 2008 (2007: Nil).

#### 18. ACCOUNTING ESTIMATES AND JUDGEMENTS

There are no accounting policy and estimates in these financial statements that have had a significant effect on the amounts recognised in the financial statements.

#### 19. MAJOR BUDGET VARIANCES

##### **Travel expenditure**

The increase in travel expenditure is as a result of the recommendations of the Commission of Inquiry into Police Conduct that the Independent Police conduct Authority demonstrate its independence from the police more effectively. We therefore increased our investigation team to enable us to undertake our own investigations. The need for investigators to travel to all parts of New Zealand has therefore impacted on our travel expenditure. There were two overseas trips undertaken by Independent Police Conduct Authority senior management staff.

### Personnel

The appointment of a Deputy Authority, four contract reviewers to assist with the reduction of the backlog of files and an increase in support staff to support the Chair and the investigation teams has resulted in a significant increase in our personnel expenditure.

### Professional fees

The Independent Police Conduct Authority appointed Martin Jenkins to undertake an internal review of the organisation; we hired a part-time Practice Manager to assist with policy development until a full-time Chief Executive Officer was appointed, and we appointed a media and communications manager and report writers to assist with the increased number of public reports we intended to issue during the year.

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## 20. EXPLANATION OF TRANSITION TO NZ IFRS

The Independent Police Conduct Authority changed its accounting policies on 1 July 2007 to comply with NZ IFRS. The transition to NZ IFRS is accounted for in accordance with NZ IFRS-1: First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards, with 1 July 2006 as the date of transition.

An explanation of how the transition from previous NZ GAAP to NZ IFRS has affected the Authority's balance sheet and income statement is set out in the following tables and the notes that accompany the tables.

### Reconciliation of equity as at 1 July 2006

	Notes	Previous NZ GAAP \$	Effect of transition to NZ IFRS \$	NZ IFRS \$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		293,525	-	293,525
GST receivable		19,660	-	19,660
<b>Total Current Assets</b>		<b>313,185</b>	<b>-</b>	<b>313,185</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant & equipment	a), b)	313,906	(20,647)	293,259
Intangible assets	a)	-	11,183	11,183
<b>Total Non-Current Assets</b>		<b>313,906</b>	<b>(9,464)</b>	<b>304,442</b>
<b>TOTAL ASSETS</b>		<b>627,091</b>	<b>(9,464)</b>	<b>617,627</b>
<b>CURRENT LIABILITIES</b>				
Creditors and other payables		119,289	-	119,289
Employee entitlements		50,724	-	50,724
<b>Total Current Liabilities</b>		<b>170,013</b>	<b>-</b>	<b>170,013</b>
<b>NET ASSETS</b>		<b>457,078</b>	<b>(9,464)</b>	<b>447,614</b>
<b>CROWN EQUITY</b>				
Total Investment by the crown		457,078	(9,464)	447,614
<b>Total Crown Equity</b>		<b>457,078</b>	<b>(9,464)</b>	<b>447,614</b>

### Reconciliation of equity as at 30 June 2007

	Notes	Previous NZ GAAP \$	Effect of transition to NZ IFRS \$	NZ IFRS \$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		900,209	-	900,209
GST receivable		23,560	-	23,560
<b>Total Current Assets</b>		<b>923,769</b>	<b>-</b>	<b>923,769</b>
<b>NON-CURRENT ASSETS</b>				
Property, Plant & equipment	a), b)	285,576	(38,569)	247,007
Intangible assets	a)	-	31,472	31,472
<b>Total Non-Current Assets</b>		<b>285,576</b>	<b>(7,097)</b>	<b>278,479</b>
<b>TOTAL ASSETS</b>		<b>1,209,345</b>	<b>(7,097)</b>	<b>1,202,248</b>
<b>CURRENT LIABILITIES</b>				
Creditors and other payables		89,550	-	89,550
Employee entitlements		63,544	-	63,544
<b>Total Current Liabilities</b>		<b>153,094</b>	<b>-</b>	<b>153,094</b>
<b>NET ASSETS</b>		<b>1,056,251</b>	<b>(7,097)</b>	<b>1,049,154</b>
<b>CROWN EQUITY</b>				
Total Investment by the crown		1,056,251	(7,097)	1,049,154
<b>Total Crown Equity</b>		<b>1,056,251</b>	<b>(7,097)</b>	<b>1,049,154</b>

### Reconciliation of profit for the year ended 30 June 2007

	Notes	Previous NZ GAAP \$	Effect of transition to NZ IFRS \$	NZ IFRS \$
<b>REVENUE</b>				
Government Grants		2,537,000	-	2,537,000
Interest Received		44,137	-	44,137
<b>Total Revenue</b>		<b>2,581,137</b>	<b>-</b>	<b>2,581,137</b>
<b>EXPENSES</b>				
Audit fees		12,825	-	12,825
Amortisation	a)	-	3,188	3,188
Communication charges		33,745	-	33,745
Depreciation	a), b)	78,797	(5,555)	73,242
Personnel		1,302,672	-	1,302,672
Printing & stationery		25,173	-	25,173
Professional fees		96,925	-	96,925
Rent		206,778	-	206,778
Services & supplies		101,489	-	101,489
Subscriptions		3,096	-	3,096
Travel & accommodation		43,293	-	43,293
Austin investigation		70,590	-	70,590
Loss on fixed assets written off		6,581	-	6,581
<b>Total Expenses</b>		<b>1,981,964</b>	<b>(2,367)</b>	<b>1,979,597</b>
<b>Surplus / (deficit) for the year</b>		<b>599,173</b>	<b>2,367</b>	<b>601,540</b>

## Notes to the reconciliations of income and equity

### *Intangible assets – software and database development*

Under previous NZ GAAP, software and database development was recognised as part of property, plant & equipment. NZ IFRS requires software and database development to be recognised as an intangible asset. The effect of this change is to increase intangibles and decrease property, plant & equipment. Depreciation on software and database design is now shown as amortisation. There is no resulting effect on net surplus.

### *Website costs*

During the transition to NZ IFRS website costs that had previously been capitalised under previous NZ GAAP have now been expensed in the period which they occurred. The effect of this change is a reduction of net surplus.

### **Effect of NZ IFRS on the cash flow statement**

On transition to NZ IFRS the cash flow statement presents software and database design as intangible assets. Under previous NZ GAAP these items were presented as property, plant and equipment.

The reclassification of these items has impacted the cash flow statement for the year ended 30 June 2008 as follows:

- Purchase of property, plant and equipment decreased by \$14,058.
- Purchase of intangible assets increased by \$14,058.

There have been no other material adjustments to the cash flows statement for the year ended 30 June 2007.



# Statement of Responsibility

In the financial year ended on 30 June 2008, the management of the Independent Police Conduct Authority was responsible for:

- the preparation of the annual financial statements, the statement of service performance and for the judgements used therein;
- establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the Authority's financial reporting.

In the opinion of the management of the Independent Police Conduct Authority, the financial statements and the statement of service performance for the financial year fairly reflect the financial position and operations of the Authority.



**The Hon. Justice Goddard**

CHAIR  
INDEPENDENT POLICE  
CONDUCT AUTHORITY

31 OCTOBER 2008



**Allan Galbraith**

BOARD MEMBER  
INDEPENDENT POLICE  
CONDUCT AUTHORITY

31 OCTOBER 2008

# Audit Report

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

*TO THE READERS OF THE  
INDEPENDENT POLICE  
CONDUCT AUTHORITY'S  
FINANCIAL STATEMENTS  
AND STATEMENT OF  
SERVICE PERFORMANCE  
FOR THE YEAR ENDED  
30 JUNE 2008.*

The Auditor-General is the auditor of the Independent Police Conduct Authority (the Authority). The Auditor-General has appointed me, Clare Helm, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf. The audit covers the financial statements and statement of service performance included in the annual report for the Authority for the year ended 30 June 2008.

## **Unqualified opinion**

In our opinion:

- The financial statements of the Authority on pages 34 to 62:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - » the Authority's financial position as at 30 June 2008; and
    - » the results of its operations and cash flows for the year ended on that date.
- The statement of service performance of the Authority on pages 24 to 33:
  - complies with generally accepted accounting practice in New Zealand; and

- fairly reflects for each class of outputs:
  - » its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
  - » its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 31 October 2008, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and the Auditor, and explain our independence.

### **Basis of opinion**

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts or disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Board;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

### **Responsibilities of the Board and Auditor**


The Board is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Authority as at 30 June 2008 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the Authority's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Board's responsibilities arise from the Crown Entities Act 2004.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

### Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than audit, we have no relationship with or interests in the Authority.



Clare Helm

AUDIT NEW ZEALAND

ON BEHALF OF THE AUDITOR-GENERAL  
WELLINGTON, NEW ZEALAND

### Matters relating to the electronic presentation of the audited financial statements and statement of service performance

This audit report relates to the financial statements and statement of service performance of the Independent Police Conduct Authority for the year ended 30 June 2008 included on the Independent Police Conduct Authority's website. The Independent Police Conduct Authority's Board is responsible for the maintenance and integrity of the Independent Police Conduct Authority's website. We have not been engaged to report on the integrity of the Independent Police Conduct Authority's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and related audit report dated 31 October 2008 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.





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