



Independent Police Conduct Authority

ANNUAL REPORT 2011 – 2012



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 2011 to 30 June 2012.



Judge Sir David Carruthers

CHAIR, INDEPENDENT POLICE CONDUCT AUTHORITY

November 2012

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1. 2011/12 KEY RESULTS AND YEAR AT A GLANCE

The Authority's key organisational outcome is to contribute toward improved public trust and confidence in the Police. In doing this we need to be able to demonstrate that when a complaint is made about the Police it will be fairly, impartially, and thoroughly considered and that our findings will be balanced and appropriate to the circumstances. Our work should also be of sufficient quality and credibility that when we make findings and recommendation to Police there is an expectation these will be implemented and result in improved Police conduct, policies, practices and procedures. In order to be able to demonstrate that we are contributing to such an aspirational outcome we are focused on tangible and illustrative examples that indicate our work is having the desired impact.

2011/12 key result areas for determining whether our work is having the desired impact:

Being appropriately **visible and accessible** to the public, Police and complainants.

- Almost three-quarters of complaints were received through readily available 'open source' electronic channels, i.e. via the Authority's website or email address.
- 15 Police detention facilities were inspected in locations throughout New Zealand and feedback provided to Police on our findings from these inspections.

Demonstrating that we take an **independent approach** to our work.

- 47 investigation files were opened during the year on the most serious matters and 14 public reports were released during the year as a result of independent Authority investigations.
- 74 recommendations were made for improved Police conduct, policies, practices and procedures during the year; 32 were accepted and the remainder were under consideration at year end. Nearly half of our recommendations made in 2011/12 occurred within the last three months of the year making implementation by Police within the year unlikely.

Providing **timely responses** to matters under our action and ensuring those responses are respectful and sensitive to the needs of those we engage with.

- 324 out of a possible 365 complaints involving reviews of Police investigations were completed within 60 days of receipt (i.e. 89%).
- Except where the circumstances were beyond our control all incoming investigations were completed within 12 months of initiation.

Relative levels of **trust, confidence and satisfaction** in our management of processes are stable or improving.

- Relative levels of complainant satisfaction levels with our management of processes improved.
- Less than one percent (i.e. seven of 1852) of complaint and investigation files were reopened due to expressions of dissatisfaction during the year.

Continuing to derive **greater efficiencies and effectiveness** in the way we seek to manage service demand.

- Over 2000 files were closed during the year.
- Open complaint file holdings were reduced from 584 at 1 July 2011 to 301 at 30 June 2012.
- During the year we trialled a new short-format for public reports of investigations where there are no adverse findings, and in the interests of timely reporting for Police staff and the complainant or next of kin. The summary reports were first released in early March 2012 in relation to three fatal pursuits.

Contributing toward improved public trust and confidence in the Police

Comments by the Commissioner of Police

The Commissioner of Police, Peter Marshall, recently acknowledged the Authority's scrutiny has impacted positively on the trust and confidence ratings for the Police.

"A professional, ethical and accountable police service underpins a stable, corruption-free country and we can hold our heads high when we note New Zealand's consistently high ranking among corruption-free nations. The IPCA plays a vital part ... We have 12,000 members and we're not all saints. If we've erred we'll acknowledge it - whether or not the IPCA is involved - rectify the problem and move on ... The IPCA's scrutiny is a factor in our high public trust and confidence ratings. Long may it continue."

(Police's *TenOne* magazine, August 2012)

Independent assurance of the Authority's role and contribution

The latest progress report on changes resulting from the Commission of Inquiry into Police Conduct has provided high-level assurance from PricewaterhouseCoopers about the role of the Authority.

"Police has an oversight mechanism in the Independent Police Complaints [sic] Authority (IPCA). While care has been taken not to undermine the actions of the Police Commissioner to exert discipline within the organisation, the IPCA does provide a check against the type of leadership failures that have been evident in some overseas Police agencies."

(PricewaterhouseCoopers, "Change Management Programme Progress Report, Fourth Phase of Review, 2011/12)

Police's survey of citizen satisfaction, public trust, and confidence

As referred to by Commissioner Marshall, overall trust and confidence in the Police remained at a high level during 2011/12.

Police's 2011/12 *Citizens' Satisfaction Survey* shows a 77% level of those surveyed having 'Full' trust and confidence, or, 'Quite a lot of' trust and confidence in the Police. When viewed over a four-year period, i.e. from 2008/09 to 2011/12, there has been a 5% increase in the 'Full Trust and Confidence' rating for the Police.

(New Zealand Police Citizens' Satisfaction Survey, Final Report for 2011/12 Fiscal Year)

2. GOVERNANCE

2.1. Chair's Foreword

One of the central legislative principles of policing in New Zealand is that it “relies on a wide measure of public support and confidence” to be effective.¹ The responsibility for ensuring public confidence in Police falls to many individuals and agencies, not least within the Police force itself. Every new constable takes an oath swearing to perform their duties according to law. Police managers, Area and District Commanders, the Police Executive and ultimately the Commissioner are expected to ensure systems are in place to support high standards of professionalism, ethics and integrity.

This year marked the fifth anniversary of the Commission of Inquiry into Police Conduct. Dame Margaret Bazley's report continues to serve as a reminder of the risks to reputation and effectiveness where systems and people fail to perform as required. Dame Margaret stated, and the Authority agrees, that the public can have confidence in the Police. Yet she warned Police could not rest on their laurels and the impetus for change and improvement must be sustained.

The Independent Police Conduct Authority contributes toward this drive for on-going improvement. It reinforces internal Police scrutiny with external oversight of conduct, practices, policies and procedures. The Commissioner of Police, Peter Marshall, recently acknowledged the Authority's scrutiny has a positive impact on the trust and confidence ratings for the Police. In addition, the latest progress report on changes resulting from Dame Margaret's Commission of Inquiry has provided high-level assurance about the role of the Authority.

I was appointed as Chair near the end of this reporting period. I want to give credit to my predecessor, the Honourable Justice Lowell Goddard, for the Authority's achievements over her five-year term.

In particular I wish to acknowledge the work she initiated on the major review of Deaths in Custody, which was released soon after I took office. The Deaths in Custody review is commented on later in this Annual Report and was one of many investigations and reviews carried out by Authority staff during 2011/12, which led to 74 recommendations for improvements to Police conduct, practices, policies and procedures.

Another important legacy of Justice Goddard's tenure was the Authority's investigation of Police responses to child abuse complaints. The final report of the Authority's Child Abuse Inquiry was issued in early 2011. During 2011/12 a new team of four senior officers was established at Police National Headquarters to oversee and work with Police around the country who investigate child abuse and adult sexual assault. This team oversees the Police response to the Child Abuse Inquiry and has consulted closely with the Authority. Police report that 30 of the Authority's 34 recommendations are now embedded in Police practice with the remainder being worked on.

While the release date fell outside of the 2011/12 reporting period, much of the work for our comprehensive review of Police custody and detention issues affecting young people was undertaken during the year. This thematic review was a joint effort with a number of other Crown agencies, in particular the Office of the Children's Commissioner, the Human Rights Commission, and Child Youth and Family.

Another important investigation which the Authority has continued to progress during the 2011/12 year is in relation to Police policy, practice and procedure concerning aspects of the Police termination of 'Operation Eight'. The ongoing legal proceedings, and the fair trial rights of the accused, have continued to influence

¹ (Section 8(b), Policing Act 2008).

the timing of finalisation and publication of the Authority's report into this case. The Authority is currently at a deliberative stage and engaged in a natural justice process, and will release its report when all appropriate processes have been completed.

I would also like to highlight the service and contribution of Allan Galbraith who retired as a full-time member of the Board in December 2011. Allan made a significant governance contribution and played a critical and successful role in developing the independent investigative capability the Authority has today.

I aim to continue to build on the types of achievements discussed above and to meet the range of challenges that we face at the present time. These challenges include the continuing struggle to achieve both actual and perceived independence. There is also the challenge of organisational profile. The Authority must be a visible and accessible organisation that gives the public, complainants, and Police confidence that when a complaint is made it will be managed in a timely, fair and impartial way and that our findings will be thorough and balanced.

To meet these challenges I will be considering how the Authority's organisational health and capability can be further enhanced. It is already clear to me that professional development and capacity-building will be central to realising our goals and to being an effective organisation that can demonstrate how we are contributing toward improved public trust and confidence in the Police.

I would like to note that Police face an increasingly difficult task in today's environment. However, there will always be a need for a strong and independent authority overseeing their actions and exposing any practices or abuse that can affect public confidence. For, in the end, an effective Police force depends on that.

A handwritten signature in black ink, appearing to read 'D. Carruthers', with a long horizontal line extending from the end of the signature.

Judge Sir David Carruthers
Chair
INDEPENDENT POLICE CONDUCT AUTHORITY

2.2. Board membership

The Authority's Board has a full-time Chair and three part-time members.

The Board may comprise up to five people.

The current **Chair, Judge Sir David Carruthers**, was appointed in April 2012. He succeeded **Justice Lowell Goddard** at the conclusion of her five year term (2007-2012).

Allan Galbraith retired as a full-time member of the Board in December 2011. Mr Galbraith had been a member of the Board since September 2008.

The three additional part-time Board members appointed in 2010, **Angela Hauk-Willis**, **Dianne Macaskill**, and **Richard Woods**, have contributed a range of specialist expertise and governance skills to the Board's work.

2.3. Governance approach

Role of the Board

The Authority is governed by a Board that is accountable to Parliament and reports to a Responsible Minister within the Government – currently the Minister of Justice.

The Board is focused on two key issues in regard to its governance functions: **performance** (assessing the effectiveness of the Authority's delivery of services), and **conformance** (the extent to which the requirements of relevant legislation and public expectations are met).

Within the above focus the Board is also responsible for ensuring that the Authority is appropriately resourced and staffed to provide our services.

Accountability

The Board meets monthly throughout the year, and additionally as required. Meetings are intended as a means for the Board to monitor progress toward its strategic objectives and to ensure that the Authority's work and activities are aligned with the Board's direction.

The Board also undertakes an annual review of its performance in order to evaluate specific areas of importance and priority such as setting strategic direction, relationship management and effective communication, monitoring performance and compliance, organisational culture, and Board member skills and experience.

Conflicts of interest

The Board maintains a register of interests and ensures members are aware of their obligation to declare interests as specified under the Crown Entities Act section 151(1).

Risk management

The Board is ultimately responsible for the management of risk to the Authority. Risks are monitored on a regular basis and as part of the Board's strategic planning process to ensure risk management issues are actively considered when the Board sets the Authority's strategic direction.

Legislative compliance

The Board is committed to carrying out its legislative duties as outlined in the Crown Entities Act.

The Board oversees the Authority's legislative compliance programme and during the year approved an updated framework document that outlines the approach taken to identifying compliance issues.

Furthermore, the Board aims to be a good employer as defined in the State Sector Act. Activities undertaken relating to the Authority's 'Good Employer' obligations are outlined in a specific section later in this report.

3. ORGANISATION

3.1. Our role and purpose

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

Issues for Police or for members of the public in their interaction with Police will be independently examined and constructively reported on. Reassurance around this is in the best interests of Police and the public. In endeavouring to achieve these goals the Authority works to utilise its modest resources to best advantage.

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

3.2. Our legislative mandate and independence

Legislative functions

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

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

Separate, but allied to the management of complaints against the Police, we have **responsibilities under the Crimes of Torture Act 1989 for monitoring places of Police detention**.

Discharging our responsibilities in this area involves inspection of Police detention facilities to ensure they are safe and humane and that they meet international standards. We will make recommendations for improvement based on our findings.

The function also requires that we report annually to the Human Rights Commission (as the central coordination agency in New Zealand for work in this area).

Independent oversight

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

We can utilise our own resources and undertake investigations into serious matters and will publicly report on these when it is deemed to be in the public interest.

We actively monitor less serious complaints that are referred to Police for their attention.

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

We are also operationally independent and can utilise our resources to carry out investigations, to independently oversee Police investigations, to conduct our own reviews of those investigations, and to monitor Police performance – without undue reliance on Police.

It is also critical that we are impartial in all aspects of our work. The Authority's investigators have extensive policing experience either in New Zealand or in other Commonwealth countries. No serving member of any Police service is employed in the Authority, and it has policies and procedures to identify and manage possible conflicts of interest. The investigators work with lawyers and analysts and are accountable to the Authority Chair and Board.

3.3. Our organisation

The Authority is structured into an Operations Group and a Corporate Services Group. The Operations Group includes investigators, complaints reviewers and assessors, legal advisors, and analysts.

Support for the Authority's operational activities is provided by a small Corporate Services Group providing strategic planning, communications, administrative, human resources, finance, and ICT services.

The Authority employed 25.40 full-time equivalent staff at 30 June 2012.

3.4. Working relationship with Police

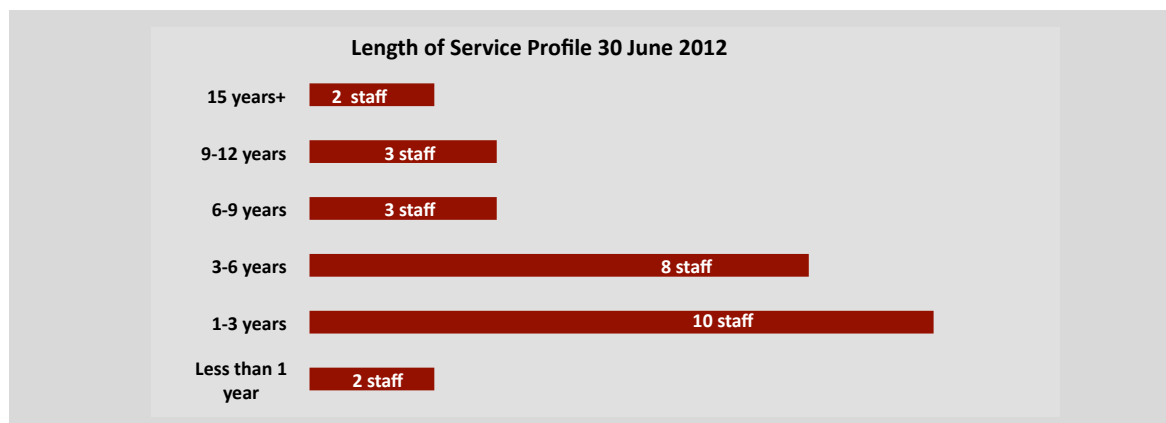
The Authority maintains a professionally co-operative relationship with the Commissioner of Police, the Police executive, senior commanders, staff from the Professional Standards Group, and investigators. In addition to the statutory jurisdiction of the Authority, a Memorandum of Understanding with Police provides for matters of serious misconduct or neglect of duty internally reported within the Police to be notified to the Authority, and for the Authority to deal with them as if they were complaints.

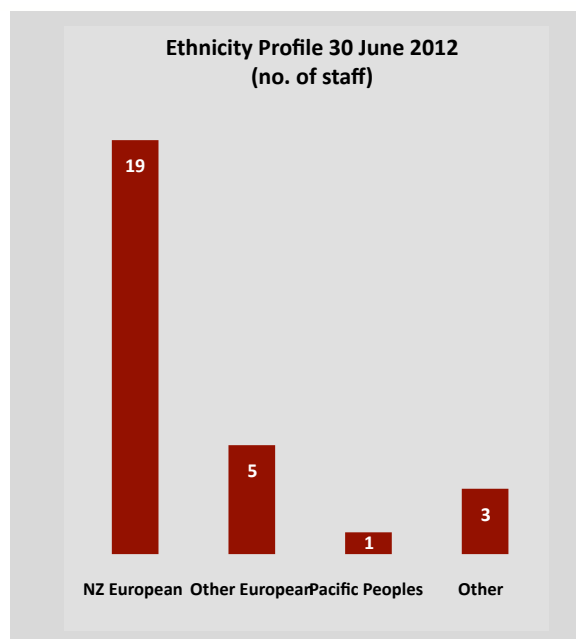
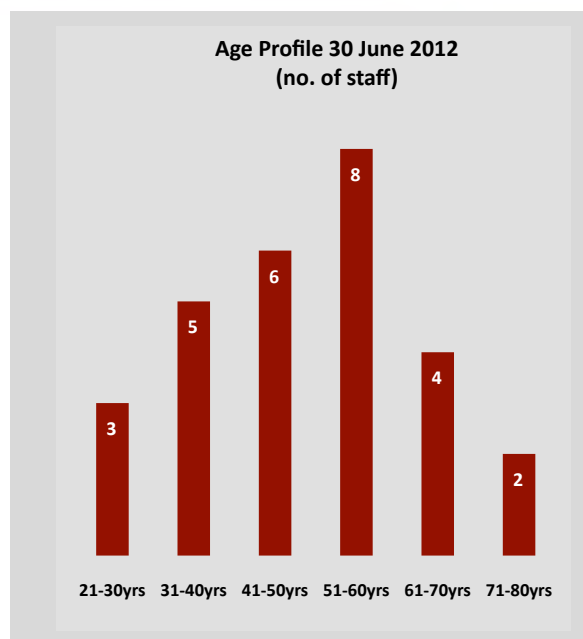
3.5. Workplace profile and good employer practices

Workplace profile

Key aspects of the Authority's workplace profile at the end of 2011/12 were as follows:

- 28 individual staff (25.40 full-time equivalents).
- Two vacancies were being carried.
- No Authority staff members declared a physical, sensory or other type of disability.
- Overall staff numbers reduced slightly due to unfilled vacancies in legal advice and administrative roles.
- Six staff left the organisation. Three were permanent staff (one retired and two took other jobs) and three were fixed-term contractors.





'Good Employer' elements

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

Leadership, accountability and culture	An updated Capability Framework will be implemented during 2012/13 and will include policies and criteria for identifying and developing high potential staff. An Equal Employment Opportunities (EEO) Framework is in place, including an EEO policy and a number of supporting systems and processes.
Recruitment, selection and induction	The Authority's recruitment, selection, and appointment processes are modelled on good practice public service policies.
Employee development, promotion and exit	Performance and development plans are in place for all staff. The Authority also has policies in regard to training, coaching, mentoring, promotion, and performance management.
Flexibility and work design	Flexible work arrangements are in place as required and appropriate and the Authority continues to evaluate requests for flexible working arrangements on a case-by-case basis.
Remuneration, recognition and conditions	The Authority operates a remuneration policy that is closely linked to performance. External pay relativities are monitored and assist to inform annual performance and remuneration discussions.
Harassment and bullying prevention	Expected standards of behaviour, integrity and conduct are outlined in the Authority's Code of Conduct. In addition, the Authority is committed to taking all necessary steps required to ensure a productive, safe and positive working environment exists within the organisation.
Safe and healthy environment	A staff representative for health and safety is in place and receives on-going training and development as needed.

4. 2011/12 REVIEW OF ACTIVITIES

4.1. Complaint management and resolution

Within this service area the Authority received, assessed, categorised, allocated and monitored over 1874 complaints during 2011/12.

The most serious complaints received were investigated while those of a serious nature were generally referred for appropriate Police action. The action taken on complaints referred to Police was to monitor their progress, if required these complaints would be further reviewed by Complaints Team staff.

As part of our complaint management & resolution function we played a crucial role as a conduit through which complainants expressed dissatisfaction with the way in which their complaint was handled by Police.



Process improvement and a focus on 'aged' complaint files

The Authority was focused during the year on improving its processes for managing files and on dealing with 'aged' files (i.e. complaints that had been with the Authority for more than 12 months).

Our approach sought to emphasise timely and appropriately balanced, or proportional, responses to complainants:

- Open file holdings were reduced from 584 at 1 July 2011 to 301 at 30 June 2012.
- 99% of all new incoming complaints received a response within five working days.
- 89% of complaint investigation reviews were completed within 60 days of receipt.
- Just 0.37% (7 of 1852) of complaint and investigation review files were re-opened due to expressions of dissatisfaction.

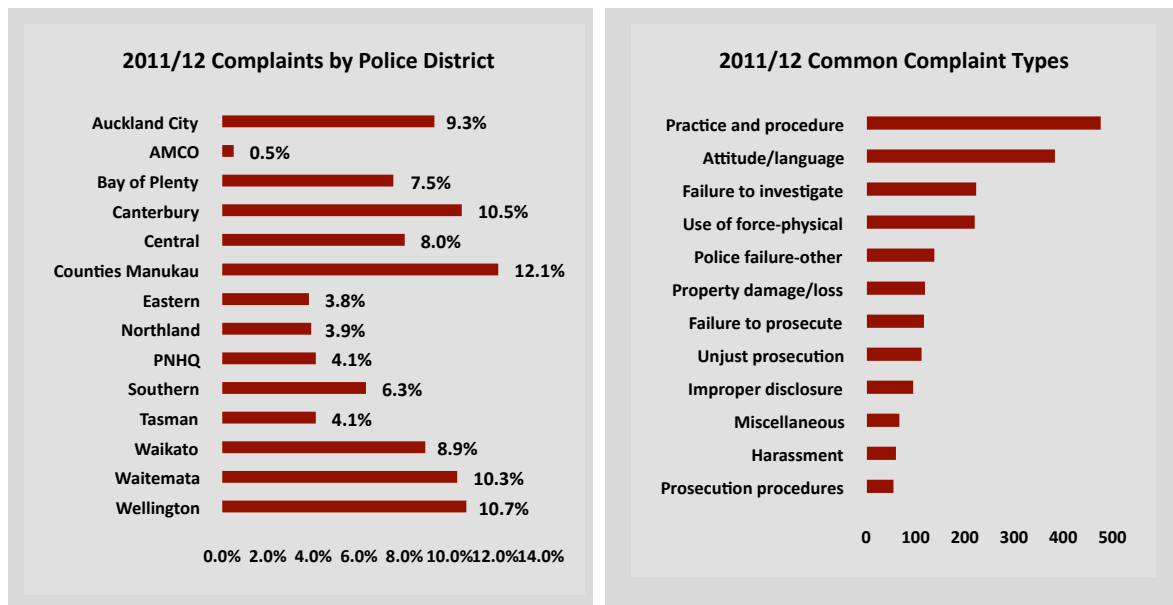
Nature & source of complaints

Of the 1874 complaints received, almost three-quarters (1340 or 72%) were received electronically via the IPCA website and through email, as complaints from the public or referrals from Police. Just over one-quarter (528 or 28%) arrived by way of letter. A very small amount (six or 0.3%) of complaints received were oral.

The Police Districts responsible for the highest number of files (cases) accepted by the Authority were the major metropolitan centres where there are also high numbers of Police employees: Counties Manukau; Wellington; Canterbury; Waitemata; and Auckland City.

Within each individual complaint there may also be several separate Heads of Complaint. For example, *failure to investigate* and *attitude/language* complaints may arise from the same incident.

The most common types of complaint were about: Police *practice and procedure* (475); Police *attitude and/or language* (382); Police *failure to investigate* (222); and, Police *use of force-physical* (219).



Highlighting the complaint management function: A significant investigation review

“Red Stamps”

Two separate complaints were received by the Authority regarding the processes used by Police to apply a ‘*red stamp*’ to vetting processes for employment applications.

Where Police possess information about a person’s violent or sexual behaviour, they may recommend to a prospective employer that the person does not have unsupervised contact with children, young people, or people deemed vulnerable, irrespective of whether that person’s behaviour has resulted in Court action or if that person has in fact been acquitted.

An Authority Reviewing Officer raised serious concerns over the robustness of the Police decisions to apply the *red stamp* in two instances. There was insufficient evidence of process or reasoning to support the contention that the alleged offending was ‘substantiated’ (as required by Police vetting policy). Both complaints were, therefore, upheld by the Authority.

Police have advised the Authority they agree with the findings and that subsequently, Police Licensing and Vetting Services’ guidelines have been the subject of a complete review. New guidelines have resulted.

4.2. Conducting independent investigations and reporting on their outcome

Improving resolution and completion of complex investigations

During the year the Investigations Team focused on improving resolution and completion rates for those complex investigations in to the most serious matters.

The ability to investigate with our own resources has enabled investigations to be completed expeditiously and without necessarily having to await the completion of Police inquiries.

- At 1 July 2011 there were 65 open investigation files. By 30 June 2012 there were 44 open investigation files.
- 47 files were opened during the year on the most serious complaints or via referrals by Police.
- 22 of the 44 open investigations files at 30 June 2012 were aged 12 months or older. Of the 22, however, all involved circumstances that meant progression within the 12 month period was beyond the Authority's control (e.g. they were awaiting court processes or Police action).

Update on the 'Operation Eight' complaints investigation

During the 2011/12 year the Authority has continued to progress its investigation in relation to Police policy, practice, and procedure concerning aspects of the Police termination of 'Operation Eight'.

The ongoing legal proceedings, and the fair trial rights of the accused, have continued to influence the timing of finalisation and publication of the Authority's report into this case.

The Authority is currently at a deliberative stage and engaged in a natural justice process, and will release its report when all appropriate processes have been completed.

Nature & type of investigations undertaken

The nature and type of investigative work undertaken by the Authority was diverse and required a multi-disciplinary capability. The diversity of the investigative work programme can be described as follows:

- Fatal and non-fatal shootings. Four Police shootings, one of them fatal, were referred to the Authority during 2011/12.
- Category 1 complaints. During the year we classified 87 complaints as Category 1. Those complaints were of the most serious type and required independent investigation or oversight by the Authority. They included allegations of serious assaults by Police officers, failures by Police to adequately investigate serious matters, and deaths or injuries following Police pursuits.
[NB: The Authority's method for categorising complaints, referrals, and investigations by level of seriousness is outlined in Appendix 1.]
- Death and serious injury (notifications under Section 13 of the IPCA Act). Under Section 13 of the IPCA Act, the Commissioner of Police must notify the Authority of incidents "where a Police employee acting in the execution of his or her duty causes, or appears to have caused, death or serious bodily harm". During the year we received 60 notifications under Section 13. 21 notifications did not meet the criteria for investigation or review. Of the 39 notifications accepted for investigation or review, 17 related to deaths or injuries resulting from Police pursuits.
- Memorandum of Understanding (Police referrals). During the year we received 16 MoU notifications classified as Category 1 and 40 classified as Category 2 requiring investigation by the Authority. Some examples of the types of notifications received include inappropriate behaviour; alleged corruption; and assaults.

Highlighting our investigations work: Public reports released as a result of investigations

In some significant cases a timely and independent investigation warranted a public report. 14 such reports were released publicly during the year and these are described below.

The overriding criterion for determining whether or not a public report will be issued is that it is in the public interest to do so. The Authority is less concerned with the aggregate *number* of public reports than it is with ensuring the effective *impact* of its work through improved Police conduct, practices, policies and procedures.

- **Deaths in Police custody – a ten year review (30 June 12):** The Authority made 20 recommendations to Police after it identified a number of recurring issues during a thematic review of 27 deaths in custody over a ten year period.
- **Fatal pursuit of Api Kao Aue (22 June 2012):** The investigation of a fatal pursuit in Auckland in December 2010 found the speed of 150kph reached for a short time by a Police officer in an unmarked car was unjustified in the 60kph zone.
- **Shooting of Halatau Naitoko (3 April 2012):** Seven recommendations for improvements to Police procedure were made following an investigation into the fatal shooting of Auckland courier driver Halatau Ki'anamanu Naitoko in January 2009.
- **Fatal pursuit of Timoti Mohi (15 March 2012):** An investigation found Police complied with the law and with policy during the pursuit of a fifteen year old driver who died when he crashed a stolen car on a central Auckland motorway in January 2011.
- **Investigation of fatal Taranaki crash following collision with Police car. 08 March 2012 -** The investigation of a fatal crash in Taranaki in October 2011 found the driver may have collided deliberately with a parked Police car shortly before the crash, to attract Police attention.
- **Death of Sina Naraghizadeh while fleeing Police. 08 March 2012 -** An investigation of the circumstances surrounding the death of 19 year old Sina Naraghizadeh while fleeing Police in West Auckland in September 2011 concluded that Police complied with legislation and with policy.
- **Death of Caine Burgess after Police pursuit near Pukekohe. 08 March 2012 -** The Police pursuit of a 20 year old driver in a stolen car near Pukekohe was conducted according to law and policy. The pursuit in July 2011 was abandoned approximately 30 seconds before he collided with another vehicle and died instantly.
- **Two Reports into fatal and serious injury Police pursuits. 22 November 2011 -** Two experienced Police officers were found to have breached policy during separate pursuits of fleeing drivers. The pursuits resulted in the death of Jason Luke Downes near Palmerston North in May 2010; and in serious head injuries to Benjamin Eden in Lower Hutt in November 2010.
- **Two Reports into fatal pursuits in Blenheim and Onehunga resulting in three deaths. 07 September 2011 -** Investigations of fatal pursuits in Blenheim in March 2010 and Onehunga in September 2010 found the Police officers complied with policy and acted lawfully in both cases. Three people were killed by the fleeing drivers, who both survived the crashes.
- **Fatal pursuit of Troy MacKay in Christchurch. 05 August 2011 -** The investigation of a fatal Police pursuit in Christchurch in June 2010 concluded officers were justified in commencing it and largely complied with policy throughout.
- **Death of Rawiri Wilson at Ohaeawai, Northland. 11 July 2011 –** A Police vehicle struck two 16 year old youths in Northland in July 2009, killing Rawiri Wilson and seriously injuring his cousin. The Authority's investigation concluded the officer's actions were not unlawful. However his use of his mobile phone while driving and his failure to have his headlights on high beam were unreasonable and undesirable.
- **Death in Police custody amounted to a breach of the duty of care. 01 July 2011 -** The death of Whakatane man Francisco Javier de Larratea Soler in police cells in December 2008 was marked by omissions and failures by Police officers and Police management and amounted to a breach of their duty of care.

The public reports identified above are available in full on the Authority's website.

4.3. Monitoring and reporting on Police places of detention

During the year we continued to discharge our responsibilities for monitoring and reporting on Police places of detention.

Visits to Police detention facilities and engaging with Police on our findings

Police custodial environments present unique challenges both for Police and for our site visit teams. There are close to 400 Police Stations and more than 60 District Courts in New Zealand. The Police sites cover rural and urban centres and are geographically dispersed.

Team members working in this area are also responsible for delivering other investigative or complaint management tasks.

Despite the relatively small level of resource available for this area we were able to:

- Conduct 15 site visits (including custody facilities in Police Districts not previously inspected).
- Provide feedback to Police District staff following our site visit.
- Continue to progress two major pieces of research relating to young persons in Police detention and a review of deaths in Police custody.

Highlighting our work on monitoring & reporting on Police places of detention: Research and engagement activities

Research on Young Persons in Police Detention

The Joint Thematic Review of Young Persons in Police Detention was first launched in December 2010 with the Office of the Children's Commissioner and the Human Rights Commission.

The review, the first of its kind in New Zealand, has involved an examination of issues relating to the conditions and treatment of young persons in Police detention, as well as issues of policy, practice, and procedure and inter-agency engagement.

The review process involved meetings with key stakeholders, site visits, and a review of submissions received from staff and members of the public (including feedback from young people). The reviewing agencies have also received comments from an independent advisory group comprising lawyers, members of the judiciary, practitioners, advocates, and academics.

While outside of the 2011/12 reporting period the report was released publicly during October 2012.

International engagement

In February 2012, a member of the Authority's team working in this area was invited to present a keynote address at a conference at Monash University entitled *Implementing Human Rights in Closed Environments*.

The Monash University Faculty of Law (Castan Center for Human Rights Law) *Applying Human Rights in Closed Environments* project is a three-year collaborative project led and jointly funded by the Australian Research Council, Linkage Project 2008, Monash University, and six partner organisations.

The February 2012 conference enabled the Authority to explain the New Zealand approach to monitoring Police places of detention and our key achievements to date.

4.4. Making recommendations for improved Police conduct, practices, policies and procedures

During the 2011/12 year the Authority made a total of 74 recommendations. 32 of these were accepted and a further 42 were under consideration by Police at 30 June 2012. Up to 50% (i.e. 36 of 74) of these recommendations were made during the final three months of the year. Such timings limited the practical ability of Police to accept and implement the recommendations within 2011/12. We will continue to monitor and assess outstanding recommendations to ascertain the practical reasons as to why they have not as yet been implemented and to also improve our processes for future years.

Our recommendations related to both high-profile and more routine investigations. Consequently the effect of the Authority's recommendations was felt across day-to-day Police conduct, practices, policy and procedures.

Highlighting our work on making recommendations: Police action taken as a result of recommendations

Deaths in Custody

In June 2012 the Authority published the results of a review of 27 deaths of people detained in Police custody over a ten year period. The recurring issues that emerged were:

- the affect of alcohol and drugs on detainees;
- the mental health of the detainees;
- Police methods of restraint and the danger of restraint asphyxia;
- problems with the searching, risk assessment and monitoring of detainees;
- the provision of medical treatment to detainees;
- handover procedures and the safety of Police cells; and
- the need for more extensive training of custody staff.

The review made 20 recommendations. The Assistant Commissioner of Police Nick Perry responded to the review by noting that 13 recommendations had been actioned, while the remaining seven required further work or consideration:

"Since 2000, we have made a series of improvements to our policies, procedures and facilities, with those efforts resulting in fewer deaths and better care of people in custody. This means the majority of the Authority's recommendations have actually already been implemented, but we welcome their focus on lessons we can learn to make further improvements to ensure the safety of those people in our care."

(NZ Police media statement, *Report acknowledges improved safety of people in custody*, 30 June 2012)

Child Abuse Inquiry – next steps

The Authority concluded the Child Abuse Inquiry during the 2010/11 year, however, Police acceptance and implementation of our recommendations continued into 2011/12.

During the year a new team was established at Police National Headquarters to oversee and work with Police around the country who investigate child abuse and adult sexual assault.

The National Sexual Violence and Child Protection Team of four senior officers has taken over the role and responsibilities once assigned to a single Detective Senior Sergeant.

The team works collaboratively with Police across all Districts to implement and embed the Authority's recommendations. Police have consulted closely with the Authority on this task, and report that 30 of the 34 recommendations from the Child Abuse Inquiry are now embedded in Police practice. The four remaining recommendations are also being worked on by Police.

Police have also advised that there are 233 Police staff across the country with a focus on child protection work. Every District except the smallest, Tasman, has a dedicated child protection investigator and progress is expected there shortly. The work of child protection staff is audited bi-monthly, not just for compliance with case management protocols, but for the quality of their investigations. The Police Executive is updated regularly.

The team is also responsible for ensuring the recommendations of the 2007 Commission of Inquiry into Police Conduct are embedded in Police practice. It aims to ensure adult victims of sexual assault receive high quality and nationally consistent service from Police.

5. 2011/12 PERFORMANCE REPORTING

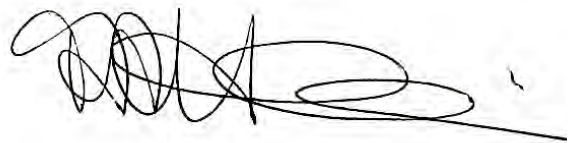
5.1. Statement of Responsibility For the year ended 30 June 2012

Requirements under the Crown Entities Act section 155:

- The Board and management of the Independent Police Conduct Authority accept responsibility for the preparation of financial statements and statement of service performance and for the judgements made in them.
- The Board and management are responsible for establishing and maintaining systems of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.
- In the opinion of the Board and management of the Independent Police Conduct Authority, the annual financial statements and statement of service performance for the financial year ended 30 June 2012 fairly reflect the financial position and operations of the Authority.



Judge Sir David Carruthers
Chair
INDEPENDENT POLICE CONDUCT AUTHORITY
31 October 2012



Angela Hauk-Willis
Board Member
INDEPENDENT POLICE CONDUCT AUTHORITY
31 October 2012

5.2. Independent Auditor's Report



To the readers of the Independent Police Conduct Authority's financial statements and statement of service performance for the year ended 30 June 2012

The Auditor-General is the auditor of Independent Police Conduct Authority (the Authority). The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Authority on her behalf.

We have audited:

- the financial statements of the Authority on pages 20-42, that comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and cash flows statement for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Authority on pages 43-46.

Opinion

In our opinion:

- the financial statements of the Authority on pages 20-42:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Authority's:
 - financial position as at 30 June 2012; and
 - financial performance and cash flows for the year ended on that date.
- the statement of service performance of the Authority on pages 43-46:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects, for each class of outputs for the year ended 30 June 2012, the Authority's:
 - service performance compared with the forecasts in the statement of forecast service performance for the financial year; and
 - actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 31 October 2012. This 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 Authority and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and 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.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Authority's financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Authority;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Authority

The Authority is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Authority's financial position, financial performance and cash flows; and

- fairly reflect its service performance.

The Authority is also responsible for such internal control as is determined necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

The Authority's responsibilities arise from the Crown Entities Act 2004.

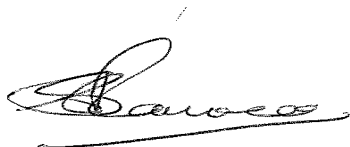
Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our 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 New Zealand Institute of Chartered Accountants.

The Auditor-General, as an Officer of Parliament, is constitutionally and operationally independent of the Government, and of public entities such as the Independent Police Conduct Authority. Prior to commencing her role as Auditor-General on 5 October 2009 the Auditor-General, Lyn Provost, was Deputy Commissioner of the New Zealand Police. Thus the Deputy Auditor-General deals with all matters relating to the New Zealand Police and the Independent Police Conduct Authority. Other than this matter, the Auditor-General has no relationship with or interests in the Independent Police Conduct Authority.



Clint Ramoo
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 of the Independent Police Conduct Authority (the Authority) for the year ended 30 June 2012 included on the Authority's website. The Authority's Board is responsible for the maintenance and integrity of the Authority's website. We have not been engaged to report on the integrity of the Authority's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. 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 as well as the related audit report dated 31 October 2010 to confirm the information included in the audited financial statements presented on this website.

5.3. 2011/12 Performance Reporting: Financial Statements & Notes

**Independent Police Conduct Authority
Statement of Comprehensive Income
For the year ended 30 June 2012**

2011 Actual \$		Notes	2012 Actual \$	2012 Budget \$
Revenue				
3,786,000	Revenue from Crown	1	3,811,000	3,811,000
47,612	Interest received		56,182	28,790
34,085	Defined contribution plan employer contributions		34,039	-
<u>3,867,697</u>	Total Revenue		<u>3,901,221</u>	<u>3,839,790</u>
Expenses				
21,039	Audit fees	2	23,040	21,000
39,073	Amortisation	7	32,271	29,846
53,567	Communication charges		53,058	57,780
130,615	Depreciation	6	104,938	100,877
4,920	Loss on sale of fixed assets		-	-
2,934,193	Personnel and Board Fees	3	2,799,540	2,767,541
52,561	Printing & stationery		43,447	60,000
384,351	Professional fees and contract services		111,320	102,800
382,391	Rent		306,614	303,000
230,205	Services & supplies		222,248	230,000
15,342	Subscriptions		22,740	20,000
130,011	Travel & accommodation		75,452	142,500
27,795	OPCAT		-	-
<u>4,406,063</u>	Total Expenses		<u>3,794,668</u>	<u>3,835,344</u>
<u>(538,366)</u>	Total Comprehensive Income		<u>106,553</u>	<u>4,446</u>

'OPCAT' (i.e. Monitoring and reporting on Police places of detention) expenses are included within the relevant budget items and not as a separate item in the Statement of Comprehensive Income for 2011/12. Overall OPCAT output expenses are included in the section summarising output expenditure located at page 40 of the Annual Report.

Explanations of significant variances against budget are detailed in note 20.

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

**Independent Police Conduct Authority
Statement of Financial Position
as at 30 June 2012**

2011 Actual \$		Notes	2012 Actual \$	2012 Budget \$
	CURRENT ASSETS			
146,310	Cash and cash equivalents	4	204,567	628,239
500,000	Investments		700,000	-
46,879	Debtors and other receivables	5	56,389	33,165
-	Prepayments		18,871	-
<u>693,189</u>	Total Current Assets		<u>979,827</u>	<u>661,404</u>
	NON-CURRENT ASSETS			
408,432	Property, plant & equipment	6	363,270	331,886
125,773	Intangible assets	7	118,374	92,070
<u>534,205</u>	Total Non-Current Assets		<u>481,644</u>	<u>423,956</u>
<u>1,227,394</u>	TOTAL ASSETS		<u>1,461,471</u>	<u>1,085,360</u>
	CURRENT LIABILITIES			
109,621	Creditors and other payables	8	239,271	61,916
154,849	Employee entitlements	9	152,723	139,844
<u>264,470</u>	Total Current Liabilities		<u>391,994</u>	<u>201,760</u>
<u>962,924</u>	NET ASSETS		<u>1,069,477</u>	<u>883,600</u>
	CROWN EQUITY			
962,924	Total investment by the Crown		1,069,477	883,600
<u>962,924</u>	Total Crown Equity		<u>1,069,477</u>	<u>883,600</u>

Explanations of significant variances against budget are detailed in note 20.

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

**Independent Police Conduct Authority
Statement of Changes in Equity
for the year ended 30 June 2012**

2011 Actual \$	Notes	2012 Actual \$	2012 Budget \$
1,501,290	Total Crown Equity at beginning of year	962,924	879,154
(538,366)	Total Comprehensive Income	106,553	4,446
<u>962,924</u>	Total Crown Equity at end of year	<u>1,069,477</u>	<u>883,600</u>

Explanations of significant variances against budget are detailed in note 20.

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

Independent Police Conduct Authority
Cash flows statement
for the year ended 30 June 2012

2011 Actual \$		Notes	2012 Actual \$	2012 Budget \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from/(applied to)				
3,786,000	Receipts from Crown revenue		3,811,000	3,811,000
40,505	Interest received		57,109	28,790
34,085	Defined contribution plan employer contributions		34,039	-
(79,973)	Net GST received/(paid)		(20,109)	3,955
(4,419,739)	Payments to suppliers and employees		(3,539,134)	(3,781,487)
(639,122)	Net cash flow from operating activities	12	342,905	62,258
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was provided from/(applied to)				
1,652	Sale of property, plant & equipment		-	-
(42,626)	Purchase of property, plant & equipment		(59,776)	(7,000)
(14,244)	Purchase of intangible assets		(24,872)	(5,000)
(500,000)	Acquisition of investments		(200,000)	-
(555,218)	Net cash flows from investing activities		(284,648)	(12,000)
(1,194,340)	Net increase/(decrease) in cash and cash equivalents		58,257	50,258
1,340,650	Cash and cash equivalents at beginning of year		146,310	577,981
146,310	Cash and cash equivalents at end of year		204,567	628,239
146,310	Represented by:		204,567	628,239
	Cash & cash equivalents			

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

Explanations of significant variances against budget are detailed in note 20.

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

Independent Police Conduct Authority Statement of Accounting Policies for the year ended 30 June 2012

Reporting Entity

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

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

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

The financial statements for the Independent Police Conduct Authority are for the year ended 30 June 2012, and were approved by the Board on 31 October 2012.

Basis for Preparation

Statement of compliance

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

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

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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 and interpretations effective in the current period

The Independent Police Conduct Authority has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

Amendments to NZ IAS 1 Presentation of Financial Statements. The amendments introduce a requirement to present, either in the statement of changes in equity or the notes, for each component of equity, an analysis of other comprehensive income by item. The Independent Police Conduct Authority has decided to present this analysis in the statement of changes in equity.

Independent Police Conduct Authority Statement of Accounting Policies for the year ended 30 June 2012

Standards or interpretations not yet effective

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Independent Police Conduct Authority, are:

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Independent Police Conduct Authority will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Independent Police Conduct Authority expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Independent Police Conduct Authority is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Significant 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.

**Independent Police Conduct Authority
Statement of Accounting Policies
for the year ended 30 June 2012**

a) Revenue recognition (cont.)

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 comprehensive income as an expense, in equal instalments over the lease term when the leased items are in use.

c) Debtors and other receivables

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

Impairment of a receivable is established when there is objective evidence that the Independent Police Conduct Authority will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the debt is impaired. The amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

d) 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.

e) 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.

f) 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.

**Independent Police Conduct Authority
Statement of Accounting Policies
for the year ended 30 June 2012**

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 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 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

g) 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.

**Independent Police Conduct Authority
Statement of Accounting Policies
for the year ended 30 June 2012**

Amortisation

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

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

Software	25% DV
----------	--------

h) Impairment of property, plant and equipment and intangible assets

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 and the reversal of impairment loss is recognised in the statement of comprehensive income.

i) Financial liabilities

Creditors and other payables

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

j) 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.

**Independent Police Conduct Authority
Statement of Accounting Policies
for the year ended 30 June 2012**

k) 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 comprehensive income as incurred.

l) Good 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.

m) 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.

n) 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, 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.

o) Budget figures

The budget figures are those that form part of the Independent Police Conduct Authority 2011/12 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.

**Independent Police Conduct Authority
Statement of Accounting Policies
for the year ended 30 June 2012**

Critical Judgements in Applying the Entity's Accounting Policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2012:

Finance lease

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

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

Independent Police Conduct Authority
Notes to the Financial Statements
for the year ended 30 June 2012

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 (2011: \$nil).

	2012 Actual \$	2011 Actual \$
2. Remuneration to Auditors		
Audit of the financial statements	23,040	21,039
	<u>23,040</u>	<u>21,039</u>
3. Personnel Expenses and Board Fees		
Salaries and wages	2,357,045	2,411,270
Defined contribution plan employer contributions	34,039	34,085
Increase/(decrease) in employee entitlements	9 (2,126)	(68,438)
Board fees	16 410,582	557,276
	<u>2,799,540</u>	<u>2,934,193</u>
Total Personnel Expenses		

One former employee of the Independent Police Conduct Authority received compensation of \$15,834 after taking redundancy in the 2012 financial year (2011: \$12,273).

Employer contributions to defined contribution plans include contributions to Kiwisaver.

4. Cash and Cash Equivalents

Cash at bank	1,095	7,647
Call account	203,472	138,663
Total Cash and Cash Equivalents	<u>204,567</u>	<u>146,310</u>

5. Debtors and other receivables

Accrued interest	7,130	8,057
Sundry receivables	3,898	13,570
GST receivable	45,361	25,252
	<u>56,389</u>	<u>46,879</u>
Total Debtors and other receivables		

The carrying value of debtors and other receivables approximate their fair value.

No receivables are past 30 days overdue.

Independent Police Conduct Authority
Notes to the Financial Statements
for the year ended 30 June 2012

6. Property, Plant and Equipment

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

	Office equipment \$	Furniture & fittings \$	Leasehold improvements \$	Total \$
Cost				
Balance at 1 July 2010	501,403	429,830	274,529	1,205,762
Additions	42,626	-	-	42,626
Sales/transfers	(12,806)	-	-	(12,806)
Balance at 30 June 2011	531,223	429,830	274,529	1,235,582
Balance at 1 July 2011	531,223	429,830	274,529	1,235,582
Additions	59,776	-	-	59,776
Sales/transfers	-	-	-	-
Balance at 30 June 2012	590,999	429,830	274,529	1,295,358
Accumulated depreciation				
Balance at 1 July 2010	257,167	286,794	158,808	702,769
Depreciation expense	65,925	35,760	28,930	130,615
Sales/transfers	(6,234)	-	-	(6,234)
Balance at 30 June 2011	316,858	322,554	187,738	827,150
Balance at 1 July 2011	316,858	322,554	187,738	827,150
Depreciation expense	56,422	26,820	21,696	104,938
Sales/transfers	-	-	-	-
Balance at 30 June 2012	373,280	349,374	209,434	932,088
Net carrying amounts				
At 1 July 2010	244,236	143,036	115,721	502,993
At 30 June 2011 & 1 July 2011	214,365	107,276	86,791	408,432
At 30 June 2012	217,719	80,456	65,095	363,270

Independent Police Conduct Authority
Notes to the Financial Statements
for the year ended 30 June 2012

7. Intangible assets

	Total \$
Cost	
Balance at 1 July 2010	243,408
Additions	14,244
Sales/transfers	-
Balance at 30 June 2011	<u>257,652</u>
Balance at 1 July 2011	257,652
Additions	24,872
Sales/transfers	-
Balance at 30 June 2012	<u>282,524</u>
Accumulated amortisation	
Balance at 1 July 2010	92,806
Amortisation expense	39,073
Disposals	-
Balance at 30 June 2011	<u>131,879</u>
Balance at 1 July 2011	131,879
Amortisation expense	32,271
Disposals	-
Balance at 30 June 2012	<u>164,150</u>
Net carrying amount	
At 1 July 2010	150,602
At 30 June 2011 & 1 July 2011	125,773
At 30 June 2012	118,374

	2012 Actual \$	2011 Actual \$
8. Creditors and other payables		
Trade creditors	160,990	14,007
Accrued expenses	78,281	95,614
Total creditors and other payables	<u>239,271</u>	<u>109,621</u>

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

Independent Police Conduct Authority
Notes to the Financial Statements
for the year ended 30 June 2012

	2012 Actual \$	2011 Actual \$
9. Employee Entitlements		
Accrued salaries and wages	21,840	-
Annual leave	130,883	154,849
Total Employee Entitlements	152,723	154,849

10. 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:

Loans and receivables

Cash and cash equivalents	204,567	146,310
Investments – term deposits	700,000	500,000
Debtors and other receivables	56,389	46,879
Total loans and receivables	960,956	693,189

Financial liabilities measured at amortised cost

Creditors and other payables	239,271	109,621
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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.

Independent Police Conduct Authority
Notes to the Financial Statements
for the year ended 30 June 2012

10. Financial Instruments (cont.)

The following table details the Independent Police Conduct Authority's exposure to interest rate risk as at 30 June 2012.

	Weighted average effective interest rate %	Variable interest rate bearing \$	Non interest bearing \$	Total \$
Financial assets:				
Cash and cash equivalents				
- Cash at bank	0.25	1,095	-	1,095
- Call account	3.00	203,472	-	203,472
- Investments - term deposits	4.36	700,000	-	700,000
Debtors and other receivables	-	-	56,389	56,389
Total financial assets		904,567	56,389	960,956
Financial liabilities:				
Creditors and other payables	-	-	239,271	239,271
Total financial liabilities		-	239,271	239,271

The following table details the Independent Police Conduct Authority's exposure to interest rate risk as at 30 June 2011.

	Weighted average effective interest rate %	Variable interest rate bearing \$	Non interest bearing \$	Total \$
Financial assets:				
Cash and cash equivalents				
- Cash at bank	0.25	7,647	-	7,647
- Call account	3.00	138,663	-	138,663
- Investments - term deposits	5.08	500,000	-	500,000
Debtors and other receivables	-	-	46,879	46,879
Total financial assets		646,310	46,879	693,189
Financial liabilities:				
Creditors and other payables	-	-	109,621	109,621
Total financial liabilities		-	109,621	109,621

Independent Police Conduct Authority
Notes to the Financial Statements
for the year ended 30 June 2012

10. Financial Instruments (cont.)

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:

	2012 Actual \$	2011 Actual \$
Cash and cash equivalents	204,567	146,310
Investments – term deposits	700,000	500,000
Debtors and other receivables	56,389	46,879
	<u>960,956</u>	<u>693,189</u>

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 Independent Police Conduct Authority only holds term deposits with registered banks and has experienced no default of interest or principal payments for these term deposits.

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 (2011: maturity also less than six months). The Independent Police Conduct Authority has sufficient cash on hand to meet these commitments as they fall due.

Independent Police Conduct Authority
Notes to the Financial Statements
for the year ended 30 June 2012

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.

11. 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.

12. Reconciliation of net surplus/(deficit) to net cash flow from operating activities

		2012 Actual \$	2011 Actual \$
Net surplus/(deficit) for the year		106,553	(538,366)
Add/(less) Non cash items:			
Amortisation	7	32,271	39,073
Depreciation	6	104,938	130,615
Loss on sale of fixed assets		-	4,920
Total non cash items		<u>137,209</u>	<u>174,608</u>
Add/(less) movements in statement of financial position items:			
(Increase)/decrease in GST Receivable		(20,109)	(64,996)
(Increase)/decrease in debtors and other receivables		9,672	(6,605)
(Increase)/decrease in prepayments		(18,871)	-
(Increase)/decrease in accrued interest		927	(7,107)
(Decrease)/increase in creditors and other payables		129,650	(128,218)
(Decrease)/increase in employee entitlements		(2,126)	(68,438)
Net movement in working capital items		<u>99,143</u>	<u>(275,364)</u>
Net cash flow from operating activities		<u>342,905</u>	<u>(639,122)</u>

Independent Police Conduct Authority
Notes to the Financial Statements
for the year ended 30 June 2012

13. Employee Remuneration

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

	2012 Actual	2011 Actual
\$100,000 - \$109,999	5	6
\$110,000 - \$119,999	0	1
\$120,000 - \$129,999	1	1
\$130,000 - \$139,999	1	0
\$140,000 - \$149,999	0	2
\$150,000 - \$159,999	1	0
\$160,000 - \$169,999	1	0
\$180,000 - \$189,999	1	0
\$220,000 - \$229,999	1	0
\$230,000 - \$239,999	0	1

14. Related Party Transactions

All related party transactions have been entered into on an arm's length basis.

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.

During the period, the Independent Police Conduct Authority received \$3,811,000 (2011: \$3,786,000) of funding from the Crown.

In conducting its activities, the Independent Police Conduct Authority is required to pay various taxes and levies (such as GST, FBT, PAYE, and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. The Independent Police Conduct Authority is exempt from paying income tax.

The Independent Police Conduct Authority also purchases good and services from entities controlled, significantly influenced, or jointly controlled by the crown. Purchases from these government related entities for the year ended 30 June 2012 totalled \$356,404 (2011: \$411,162). These purchases included the purchase of electricity from Genesis, expenditure on audit work with Audit New Zealand, and payments to the Ministry of Justice for the Independent Police Conduct Authority's portion of the Chair's remuneration.

There were no transactions with close family members of key management personnel employed by the Independent Police Conduct Authority in 2012 (2011: \$nil).

Independent Police Conduct Authority
Notes to the Financial Statements
for the year ended 30 June 2012

15. Key Management Personnel Compensation

The compensation of the Authority (Chair and four board members), the Group Manager, Corporate, and the Group Manager of Operations being the key management personnel of the Independent Police Conduct Authority, is set out below:

	2012 Actual \$	2011 Actual \$
Short-term employee benefits	726,122	827,153
Total compensation	726,122	827,153

There were no post-employment benefits, other long-term employee benefits, termination benefits paid to key management personnel during the year (2011: \$nil)

16. Board member remuneration

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

	2012 Actual \$	2011 Actual \$
Justice L.P. Goddard	225,026	285,400
Allan Galbraith	132,692	238,846
Judge Sir David J Carruthers	18,594	-
Angela Hauk-Willis	14,028	15,300
Dianne Macaskill	9,231	8,730
Richard Woods	11,011	9,000
Total Board member remuneration	410,582	557,276

There have been no payments made to committee members appointed by the Board who are not Board members during the financial year. No Board members received compensation or other benefits in relation to cessation (2011: \$nil).

17. Commitments

(i) Capital commitments

There are no capital commitments at reporting date (2011: \$nil).

(ii) Operating lease commitments

Operating lease commitments relate to the lease with 342 Lambton Quay Limited for the building accommodation at 342 Lambton Quay, Wellington.

The lease term with 342 Lambton Quay Limited is for a period of six years commencing 18 February 2009, with rights of renewal at 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.

**Independent Police Conduct Authority
Notes to the Financial Statements
for the year ended 30 June 2012**

(ii) Operating lease commitments (cont.)

	2012 Actual \$	2011 Actual \$
Less than one year	302,316	302,316
Between one and two years	302,316	302,316
Between two and five years	201,544	503,860
Later than five years	-	-
Total operating lease commitments	806,176	1,108,492

18. Contingent Liabilities

There are no contingent liabilities at reporting date (2011: \$nil).

19. 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 2012 (2011: Nil).

20. Major Budget Variances

(i) Statement of Comprehensive Income

1. Interest Received

Actual - \$56,182; Budget - \$28,790

Interest received was higher than budgeted because it was originally assumed that all money would be placed in the Call Account. However, there were large amounts invested in term deposits throughout the year so the higher interest rate on these term deposits has resulted in higher interest revenue.

2. Personnel and Board Fees

Actual - \$2,799,540; Budget - \$2,767,541

Personnel and Board Fees were higher than budgeted due to one employee taking voluntary redundancy during the year and additional costs related to temporary staff for specific project work that was not budgeted for.

3. Travel & Accommodation

Actual - \$75,452; Budget - \$142,500

- Expenditure in the travel budget is largely driven by operational demands. Travel and accommodation was lower than budgeted because the nature and type of matters under management during the year meant that the call upon this budget line was somewhat less than anticipated.
- Efficiencies were also achieved in the investigations travel program during the year.

**Independent Police Conduct Authority
Notes to the Financial Statements
for the year ended 30 June 2012**

(ii) Statement of Financial Position

1. Cash and Cash Equivalents

Actual - \$204,567; Budget - \$628,239

Cash in hand was lower than budgeted because \$700,000 that the Authority originally planned to keep in the Call Account was placed in term deposits.

2. Investments

Actual - \$700,000; Budget - \$0

Investments were higher than budgeted as \$700,000 was available for placing into term deposits.

3. Creditors and Other Payables

Actual - \$239,271; Budget - \$61,916

Creditors and other payables were higher than budgeted, due to total expenditure in the month of June 2012 being higher than was originally expected.

(iii) Statement of Cash Flows

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

5.4. Summary of 2011/12 Output Expenditure

Output expenditure levels against forecasted levels

Actual expenditure for each of the Authority's outputs, against budget, is provided below:

Output	2011/12 Actual	2011/12 Budget
Receive, manage, and ensure resolution of complaints	\$1,293,982	\$1,193,792
Carry out Independent investigations into Police conduct and report on these as required	\$2,098,451	\$2,009,376
Monitor and report on Police places of detention	\$155,581	\$349,039
Make recommendations for improved Police conduct, practices, policies and procedures, based on the results of investigations, and monitoring implementation of those recommendations	\$246,653	\$283,137
Total:	\$3,794,668	\$3,835,344

Commenting on actual output expenditure levels

The Authority's output costs include those direct and indirect costs associated with delivering services in each output area. As our services are primarily delivered by our people the key output cost driver is the estimate of staff time spent on output related activities. These costs are also placed alongside any direct operational expenses that can be specifically attributed to an output activity.

As noted in the preceding section covering the Authority's financial statements, overall expenditure was below budgeted levels during 2011/12 and this is reflected in the output expenditure levels. It is important to highlight, however, that we prioritised the allocation of resources toward our most critical service delivery areas. In this regard our allocation of resources emphasised the need to manage complaints and undertake investigations.

5.5. 2011/12 Performance Reporting: Statement of Service Performance

Output: Receive, Manage and Ensure Resolution of Complaints

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

	Performance: July 2011-June 2012		Notes
	Target	Actual	
Quantity measures			
All complaints are received and processed	100%	100%	Achieved. Complaints are received through our website; by email; by mail; phone; fax and also at the public counter. All complaint enquiries are processed and recorded as either a complaint file or as a miscellaneous enquiry.
Quality measures			
Feedback received from complainants rates the IPCA’s management of complaints to be at a standard of satisfactory or better	Satisfactory or better*	54%	Achieved. Surveys were sent to 68 complainants whose files were assessed as Category 2. Seven of the 13 respondents were satisfied or very satisfied with the overall service they received. We are currently reviewing our approach to satisfaction surveys and the benchmark target of 50% will likely be subject to review when an updated survey process is adopted.
[*The % of complainants & Police who agree the management of processes are satisfactory or better will be 50% or higher.]			
Percentage of complaint & review files re-opened, on an annual basis, after closure due to expressions of dissatisfaction	5% or less	0.37%	Achieved. 1852 files were opened and categorised during the year. Seven files were re-opened.
Timeliness measures			
All new complaints received are responded to within five working days	95% of all cases	99%	Achieved. 99% of all new complaints were responded to within five working days.
Except in circumstances that are beyond the control of the Authority, Police complaint investigation files reviewed by the Authority will have that review completed within 60 days of receipt of the file	85% of all reviews	89%	Achieved. 89% were completed within the timeframe, i.e. 365 Category 1-3 files were reviewed and 324 of these were reviewed within 60 days.
Percentage of complaint files 12 months or older (performance may be subject to circumstances beyond the control of the Authority)	5% or less	24%	Not achieved. There were 257 current files at the end of July 2012. We had held 62 of these files for over 12 months. However, only 8 of the 62 aged files are with the Authority, the remainder are with Police for further action.

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

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

	Performance: July 2011-June 2012		Notes
	Target	Actual	
Quantity measures			
Where it is in the public interest, the IPCA will independently investigate incidents where a Police employee acting in the execution of his or her duty causes, or appears to have caused, death or serious bodily harm	100% of incidents	100%	Achieved. This measure records files received under Section 13 of IPCA Act – a total of 43 for the year. Of these 21 were independently investigated, we provided oversight of the Police investigation for one, and following a review of the circumstances we determined that no investigation was necessary for the remaining 21.
Independently investigate or oversee the investigation of complaints against the Police alleging serious criminal offending, serious misconduct, neglect of duty, or corruption that are likely to cause the greatest level of public concern, or having serious implications for the reputation of the Police.	100% of incidents	100%	Achieved. This measure records files received via a complaint or under the MoU with Police – a total of 25 for the year. Of these 14 were independently investigated (10 from complaints and four by notification under the MoU). In addition, we provided oversight of the Police investigation for a further nine (all received by notification under the MoU). Finally, following a review of the circumstances we determined that no further action was necessary for the remaining two files (also received by notification under the MoU).
Quality measures			
Feedback received from complainants and subject officers rates the IPCA’s management of independent investigations processes to be at a standard of satisfactory or better.	Satisfactory or better*	57% (complainants) 42% (Police)	Achieved (Complainants); Not achieved (Police). Surveys were sent to 25 complainants whose files were assessed as Category 1 with seven responses. Of those, four were satisfied or very satisfied with the overall service they received. Surveys were sent to 87 Police officers or staff involved in Category 1 investigations with 43 responses. Of those, 18 were satisfied or very satisfied with the overall service they received. We are currently reviewing our approach to satisfaction surveys and the benchmark target of 50% will likely be subject to review when an updated survey process is adopted.
[* The % of complainants & Police who agree the management of processes are satisfactory or better will be 50% or higher.]			
Timeliness measures			
Except in circumstances that are beyond the control of the IPCA, investigations will be completed within 12 months of notification	85% of investigations	100%	Achieved. There were 44 investigation files open. The 22 files that had been with the Authority for over 12 months involved circumstances beyond our control, e.g. awaiting court or criminal processes, awaiting inquest material, awaiting Police action or material, or difficulty with availability of interviewees.

[* The % of complainants & Police who agree the management of processes are satisfactory or better will be 50% or higher.]

Output: Monitor and Report on Police Places of Detention

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

	Performance: July 2011 – June 2012		Notes
	Target	Actual	
Quantity measures			
Inspect 15 detention facilities in the year to 30 June 2012	100% (15 facilities)	100%	Achieved. 15 detention facilities were inspected, in Police stations and at District Courts.
Report on annual basis to Parliament and the Human Rights Commission pursuant to sections 27(c)(ii) and 27(d) of the Crimes of Torture Act 1989	Annual Report to be provided	100%	Achieved. The Authority’s Annual Report for 2010/2011 was tabled on 17 November 2011. The report for the current year will be prepared after 30 June 2012. The Human Rights Commission 2010/2011 report <i>Places of Detention</i> was tabled on 12 April 2012.
Quality measures			
Conduct inspections of Police detention facilities and detention records and documentation in accordance with the IPCA’s OPCAT indicator checklist.	100% of inspections	100%	Achieved. The OPCAT indicator checklist specifies that where possible and appropriate at least one detainee is interviewed during each IPCA site visit and that the interviews are conducted in private. Police staff who have responsibility for the detention and treatment of persons in custody are interviewed during each Authority site visit.
Timeliness measures			
Provide a preliminary report on site visits to Police Districts and Police National Headquarters within 20 working days of these visits, and plan timeframes for reporting fully on all finding and recommendations arising from the site visits	100% of visits	100%	Achieved. Feedback provided to Police District staff and National Headquarters following the completion of all custodial inspections.

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

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

	Performance: July 2011 – June 2012		Notes
	Forecast	Actual	
Quantity measures			
The % of recommendations for improved Police conduct, practices, policies and procedures arising from Authority reports that are agreed to by Police for implementation	90% of recommendations*	43%	Not achieved. The total number of recommendations made was 74. Of these 32 were accepted by Police and 42 were awaiting a response from Police. Up to 50% (36 of 74) of recommendations were made during the final three months of the year, making implementation by Police highly unlikely within 2011/12.

[* Annual performance in regard to the % of recommendations that are implemented indicates how well we are doing in the short-term as well as feeding in to the longer-term performance picture. As we cannot reliably estimate how many recommendations we could make, and as we do not know how many reports will be undertaken or the nature of those reports, we have included Quantity and Quality together in this measure area.]

Timeliness measures

Recommendations are made to Police within 12 months of notification of the incident or complaint except in circumstances beyond the control of the IPCA	85% of investigations where recommendations are made	30%	Not achieved. The total number of recommendations made was 74. Of these 22 were made within 12 months and 52 were made outside of 12 months.
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APPENDIX 1: HOW WE CATEGORISE OUR WORK

In order to allocate resources most effectively, the Authority categorises complaints, referrals and investigations by level of seriousness. Categories range from the most serious, Category 1, to minor matters, Category 5.

- **Category 1:** IPCA investigation or oversight. This category covers all instances of death or serious bodily harm associated with Police actions, such as a fatal pursuit or fatal shooting, and serious complaints with high public interest. These are mandatorily notified to the Authority under the IPCA Act. The category also covers serious criminal offending notified to the Authority under its MOU with Police or received as a complaint. Matters investigated directly or Police investigations overseen could arise from allegations of serious criminal offending, corrupt practices, sexual offending, and serious misconduct or serious neglect of duty. The Authority's investigators will independently investigate or actively oversee Police investigations in this category.
- **Category 2:** Serious – Police investigation. This covers incidents that may lead to prosecution of Police officers, for example allegations of assault, excessive use of force, misuse of authority, unlawful arrest or detention, and failing to investigate. Criminal matters which do not meet the threshold for Category 1 (e.g. the public interest/damage to police reputation test) are dealt with in Category 2 or 3. The Authority will review Police handling of all Category 2 complaints.
- **Category 3:** Significant complaints of substance. These could include, for example, minor or non-injury assaults, property damage, serious traffic matters, or a failure to report significant matters.
- **Category 4:** Conciliation. Complaints in this category are defined as those most appropriate for conciliation. They include, for example, excessive delay, inappropriate racial comments, serious discourtesy, minor policy breaches and minor traffic matters, and inappropriate use of any Police information system not amounting to corruption.
- **Category 5:** No further action. Complaints are defined as minor, or as older than 12 months at the time of reporting, or complaints that have been declined by the Independent Police Conduct Authority but may still be of interest to the Police. These minor complaints require no action by the Authority, or relate to incidents where the person affected is not known or does not want action taken. Examples include attitude or language complaints, failing to act in good faith, and where the aggrieved person does not make a formal complaint.



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