

**Independent Police Conduct Authority**

# **STATEMENT OF INTENT**

**2012/13 – 2014/15**

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## PREAMBLE

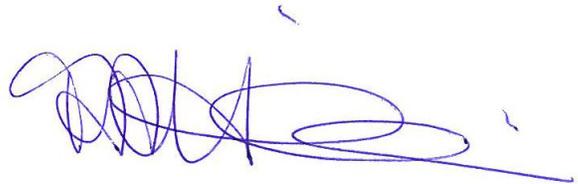
This Statement of Intent has been prepared in accordance with the requirements of Sections 141 and 142 of the Crown Entities Act 2004.

It describes the vision and approach of the Independent Police Conduct Authority (the Authority) to our work over a three year period, i.e. 2012/13 to 2014/15.

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



Judge Sir David Carruthers, KNZM  
Chair  
Independent Police Conduct Authority



Angela Hauk-Willis  
Member  
Independent Police Conduct Authority



Dianne Macaskill  
Member  
Independent Police Conduct Authority



Richard Woods  
Member  
Independent Police Conduct Authority

## INTRODUCTION FROM THE BOARD CHAIR

All New Zealanders should expect to live in a safe and just society. Such a society requires an accessible and trusted justice system and effective constitutional arrangements. The expectation of the Government, the public, and the Authority's Board, is that we will contribute toward the achievement of such objectives.

Our particular contribution toward achieving these objectives is to ensure there is trust and confidence that when a complaint is made about the Police it will be fairly, impartially, and thoroughly considered and those recommendations made for improvement will be implemented and will result in improved Police conduct. Put another way – if we are able to assist in improving Police conduct there will be improved levels of public trust in Police.

To achieve such results the Authority should be appropriately visible and accessible to the public, Police and complainants. These stakeholders must be aware of the Authority and understand it is an avenue through which complaints about the Police can be made and investigated.

In managing its work the Authority will provide timely responses and be respectful and sensitive to the needs of complainants and Police personnel.

The Authority must also be independent and credible. In this regard the Authority will continue to develop the requisite governance, management, investigative and analytical capabilities to make its own judgements based on the evidence derived from its work and apply these to the relevant law.

The Authority intends to focus its efforts during the next three years on gathering information to understand the relative levels of trust and confidence in our services and awareness of our functions. In addition, it is also important that the Authority continues to consider the nature and content of its engagement with Police, particularly with decision-makers. The Authority sees the quality of its engagement and relationships with Police as crucial to maximising Police's commitment to change and improvements in conduct, practices, policies and procedures.

In a resource constrained environment it is important that we continue to derive greater efficiencies in our approach to managing service demand. This includes improved filtering and prioritising of incoming complaint volumes to allow staff greater time and flexibility to communicate effectively with the public, complainants and the Police.

We envisage our operating environment continuing to evolve – with greater complexity an enduring feature. In such a context we need flexible decision-making systems and a resource model that identifies and adapts to changes in our operating environment. We will continue to assess and improve our ability to deliver services more effectively.



Judge Sir David Carruthers, KNZM  
Chair  
Independent Police Conduct Authority

## OUR PURPOSE, FUNCTIONS AND SERVICES

### OUR PURPOSE

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

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

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

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

"Seek out the truth, that justice may prevail", (*Whaia te pono, kia puawai ko te tika*)

We are committed to:

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

### NATURE AND SCOPE OF FUNCTIONS

#### Legislative mandate

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

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

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

## Independent oversight

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

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

We identify three factors critical to our independence:

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

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

## Working relationship with Police

The Authority needs to maintain a professionally cooperative relationship with the Commissioner of Police, the Police executive, senior commanders, professional standards staff, and investigators.

In addition to the statutory jurisdiction of the Authority, a Memorandum of Understanding with the Police provides for matters of serious misconduct or neglect of duty internally report within the Police to be notified to the Authority, and for the Authority to with them in the same manner as if they were externally reported complaints.

When the Authority and Police investigators are both investigating a serious complaint or incident, procedures to be followed have been agreed in a protocol for cooperation. In broad terms this protocol defines the respective responsibilities of the two organizations when running 'parallel' investigations.

## OUR SERVICES

The Authority provides a range of inter-linked services, including:

### Receive, manage, and ensure resolution of complaints

Complaints management involves the receipt, assessment, categorisation, allocation, and monitoring of the majority of complaints received by the Authority. Our approach to complaints management emphasises a timely and appropriate response for users of the service. This may require direct contact with complainants and Police to gather information on how a complaint should be handled. We are also a conduit through which complainants may express their dissatisfaction with the way in which their complaint is being or has been handled. The most serious complaints are independently investigated by the Authority and those of a less serious nature are referred for appropriate Police action/investigation. The actions taken on complaints referred to Police are then monitored and, if required, reviewed by our complaints management officers.

### Carry out Independent Investigations into Police conduct and report on these as required

We have the ability to investigate using our own resources which enables investigations to be completed expeditiously and without having to await the completion of Police inquiries. For some significant cases a timely and independent investigation may also warrant a public report. Where it is in the public interest the Authority's investigators independently investigate deaths and instances of serious bodily harm caused or appearing to have been caused by Police employees. Our investigators will also investigate or directly oversee the most serious complaints against Police.

### Monitor and report on Police places of detention

Separate from but allied to the IPCA's role in public complaints against the Police, is our role as a National Preventive Mechanism under the OPCAT. The Authority visits Police detention facilities (cells and police vehicles for holding and transporting police prisoners) throughout the country to ensure they are safe and humane environments that meet international standards and that ill-treatment of prisoners is not occurring. We report to Police Districts and Police National Headquarters following OPCAT site visits and work with Police representatives to ensure implementation of recommendations arising from our inspections.

### Make recommendations for improved Police conduct, practices, policies and procedures, based on the results of investigations, and monitoring implementation of those recommendations

The Authority can make recommendations for improved Police conduct, practices, policies and procedures including those for disciplinary or criminal proceedings. The Authority will make recommendations to Police within 12 months of notification of an incident or complaint, except in circumstances beyond our control. The Commissioner of Police must notify the Authority of any action taken to implement a recommendation or give reasons if a recommendation is not being implemented.

## THE NEXT THREE YEARS: 2012/13-2014/15

### GOVERNANCE AND MANAGEMENT OF THE AUTHORITY

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

Name	Date of original appointment	Expiry date of present term
Judge Sir David Carruthers, KNZM [Chair]	16 April 2012	15 April 2017
Angela Hauk-Willis*	1 September 2010	31 August 2013
Dianne Macaskill*	1 September 2010	31 August 2013
Richard Woods*	1 September 2010	31 August 2012
*Part-time		

Authority Board members have a range of relevant skills and experience including knowledge of the law and law enforcement, executive-level management, and public sector expertise. In conjunction with the arrival of a new Chair the Board is reviewing its Governance Charter – a document which sets out its role, members’ duties and key Board procedures and relationships – with a view to determining where the Board’s work programme can have the most impact to improve the Authority’s performance.

In regard to the day-to-day management of the Authority, the full-time chair discharges a range of executive functions and is supported by a senior management team with functional responsibility for service delivery areas.

### OUR OPERATING ENVIRONMENT

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

**Police operations:** The growing complexity of Police operations impacts on the nature and content of the complaints we receive and thus forms part of our strategic operating context. Issues as wide ranging and variable as demographic change, the economic downturn, increased costs within the justice system, and rapid technological change all contribute to a changeable environment in which policing must operate.

**Economic pressures:** Global economic pressures continue to impact on New Zealand’s economy. Resources across the public sector remain tight with an ongoing focus on providing value for money in service delivery.

**Demographic pressures:** Demographic trends will impact on the accessibility, relevance, and service delivery of the Authority, e.g. the proportion of the population for whom English is a second language.

**Public services operating environment:** Government priorities and expectations include working more closely with other government agencies, demonstrating improved performance, leveraging technology to improve access to services, quality engagement with and greater responsiveness to stakeholders, and maintaining high standards of integrity and conduct.

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

## **Key features of our response to the operating environment**

The Authority, as a component part of the system for Police complaints, will face challenges over the next three years as our operational environment continues to evolve. This will influence what we do and how we do it. We envisage a need to respond to challenges in such areas as:

### *Meeting service delivery demands: effective and efficient prioritisation*

For the Authority to be more effective we must first be more efficient in our approach to managing service demand. Our drive for greater efficiencies manifests in improved filtering and prioritising of incoming complaint volumes. Such efficiency also allows staff greater time and flexibility to communicate effectively with the public, complainants and the Police. We are also focused on applying an appropriate level of resource to independent and transparent investigation and/or review of serious complaints and incidents and producing quality public reports in a timely manner where appropriate. When operational efficiencies are realized we believe we will better placed to increase the emphasis on activities that provide opportunities to influence Police conduct and policy development over the longer term.

### *Increasing operational complexity requires evolution of our resource model*

To operate effectively in an increasingly complex operating environment we need flexible decision-making systems and a resource model that identifies and adapts to changes in our operating environment. In this regard we continue to assess the utility of how we are organised to deliver services and the capability required to deliver more effectively. In this respect we will make greater use of a multi-disciplinary resource allocation model that brings together investigators, legal advisors, analysts, reviewing officers, complaint assessors and communications staff to focus on those critical incidents or complaints involving complex circumstances and large volumes of information.

### *Managing within available resources in and a constrained funding environment*

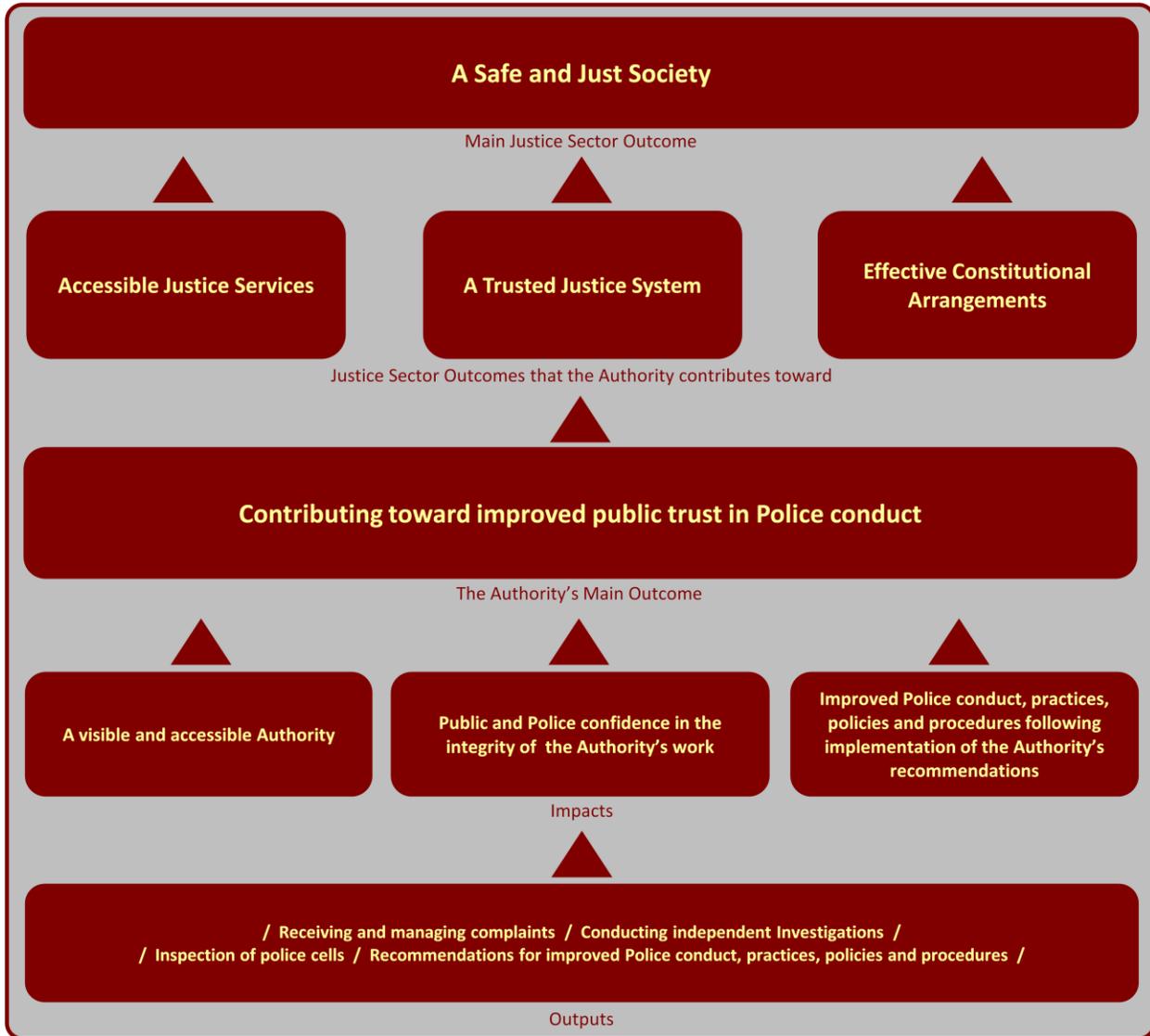
Tight fiscal conditions are anticipated to continue for the foreseeable future. State sector agencies are expected to do more with the same or fewer resources. At the same time, members of the public will also struggle to cope in constrained financial circumstances and will likely call increasingly upon government services and support. The public have high expectations about the level of service they are entitled to receive from their government agencies, and in this environment the Authority must provide practical, relevant and appropriate services.

### *Establishing a baseline for relative levels of trust and confidence in, and awareness of, the Authority*

In an ideal world members of the public would not experience any form of Police misconduct. In the event of this occurring, however, it is important that members of the public, and Police personnel, are aware of the existence of the Authority, understand its role and can trust it to fairly and impartially investigate their concerns. During the term of this Statement of Intent the Authority will be focusing on gathering information to assess how well we are known, how accessible we are, and if we are recognised for our ability to provide trusted, credible complaint management and investigative services when concerns about Police conduct, policies, practices or procedures are raised, and on ensuring that public awareness of our role is increased as appropriate.

## OUR OUTCOMES FRAMEWORK

This section of the document describes the context for our work, our intended outcomes and expected areas of impact. It also sets out how the Authority expects to achieve these impacts and describes how we will know when we are performing effectively. The Authority's Outcomes Framework is summarised in diagrammatic, and text, form below:



**IPCA contributes toward Government priorities for the justice sector**

The justice sector has as an aspirational outcome that all New Zealanders should expect to live in a safe and just society.

To that end the justice system itself should be easily accessed, trusted and underpinned by effective constitutional arrangements. The Authority is part of the justice sector and the justice system so it has a role to play in achieving the outcomes set for the sector.

The particular justice sector priorities that the Authority most contributes toward include: ‘Accessible justice services’, ‘A trusted justice system’, and ‘Effective constitutional arrangements’.

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

**Our Main Outcome is to contribute toward improved public trust in Police conduct**

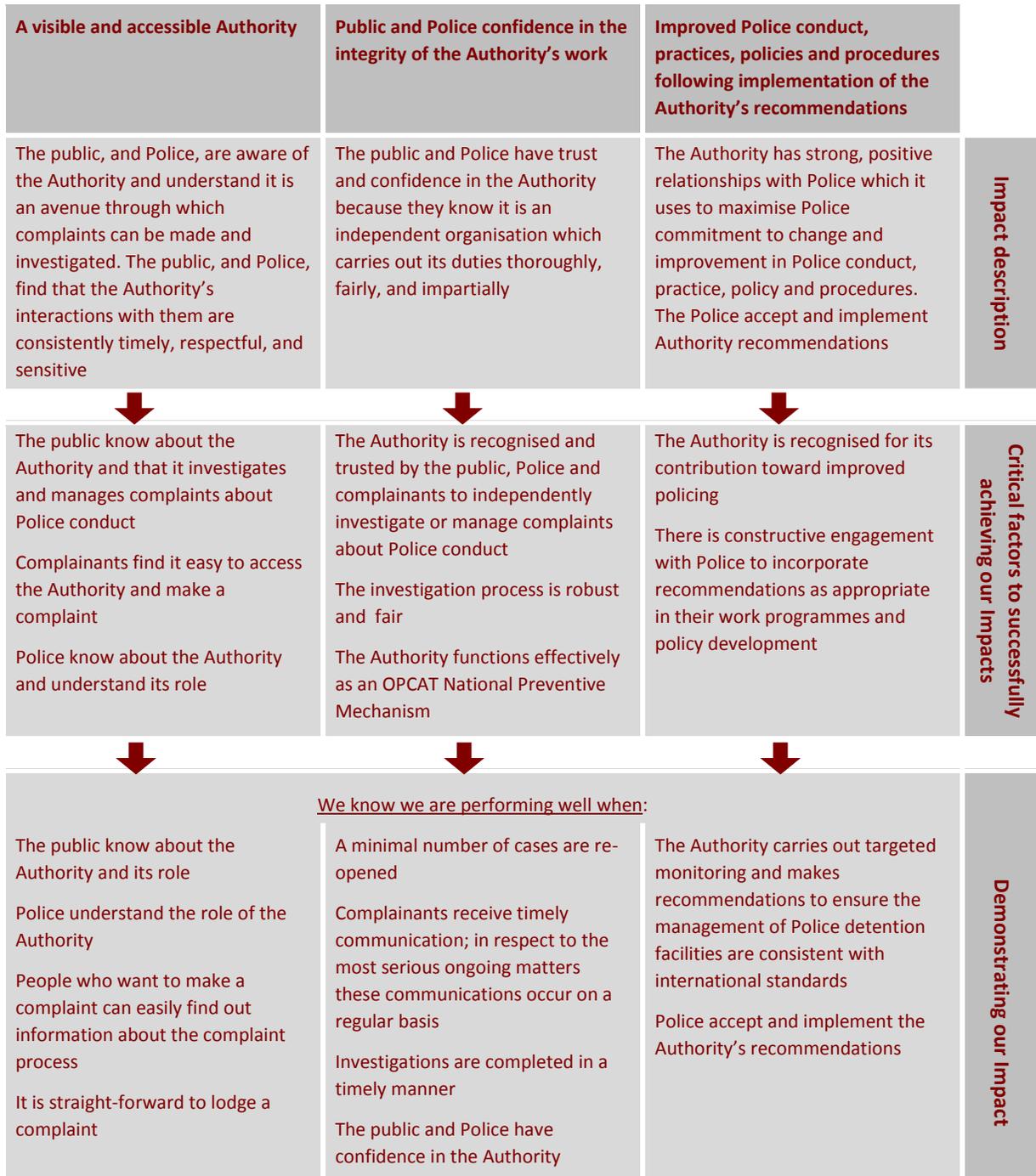
Our Main Outcome goes to the heart of our purpose, i.e. to ensure that people have confidence that complaints about, and incidents involving, Police conduct, and any practice, policy or procedure, will be fairly and impartially investigated or reviewed and any recommendations made and implemented will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

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

Put most simply: the Authority believes that if we are able to assist in improving Police conduct there will be improved levels of public trust in Police.

## Our Impacts, Critical Success Factors, and Demonstrating Impact

The Authority undertakes a range of activities that are aimed at achieving three high level impacts. The Impacts include:



## Key Indicators for our Main Outcome and Impacts

We have developed our Outcomes Framework to include measures of performance at the Main Outcome and Impact levels. These key indicators, and the thinking behind their selection, are presented below.

<b>MAIN OUTCOME: <i>Contributing toward improved public trust in Police conduct</i></b>		
<i>Indicators</i>	<i>Performance target forecast 2012/13-2014/15</i>	<i>How it will be measured</i>
Public trust and confidence in Police conduct is improving	The percentage of people who express full or quite a lot of trust and confidence in Police increases	Police's annual Citizens' Satisfaction Survey
<b>IMPACT: <i>A visible and accessible Authority</i></b>		
<i>Indicators</i>	<i>Performance target forecast 2012/13-2014/15</i>	<i>How it will be measured</i>
The Authority's complaint process is straightforward	Establish baseline in 12/13 year	Independent evaluation
Public trust, confidence and awareness in the Authority to investigate and manage complaints fairly is stable or increasing	Establish baseline in 12/13 year	Baseline Survey of Awareness, Trust, and Confidence in the Authority
The percentage of Police who understand the role of the Authority is increasing	Establish baseline in 12/13 year	Survey method to be determined
People who want to make a complaint can easily find out information about the process	Establish baseline in 12/13 year	Question at first point of contact with the Authority and assessment of referral channels
<b>IMPACT: <i>Public and Police confidence in the integrity of the Authority's work</i></b>		
<i>Indicators</i>	<i>Performance target forecast 2012/13-2014/15</i>	<i>How it will be measured</i>
The percentage of cases reopened at complainants' request does not increase	The amount of cases reopened annually will not rise above 3% of total complaints	The Authority's complaints database
The percentage of complainants who agree the investigation process is fair increases	The percentage of complainants who agree the process is fair will be 50% or higher	The Authority's <i>Complainant Satisfaction Questionnaire</i>
The percentage of Police subject to investigation and/or review by the Authority who agree the Authority's process is fair increases	The percentage of Police subject to investigation and/or review who agree the process is fair will be 50% or higher	The Authority's <i>Police Satisfaction Questionnaire</i>

**'Public and Police confidence in the integrity of the Authority's work', [continued]**

<i>Indicators</i>	<i>Performance target forecast 2012/13-2014/15</i>	<i>How it will be measured</i>
Police strategies take account of the Authority's recommendations	Establish baseline in 12/13 year	The Authority's complaints database and analysis & assessment of Police strategic and corporate documents
Complaints are responded to and managed in a timely way	The Authority's annual timeliness complaint management output targets are met or exceeded	The Authority's complaints database

**IMPACT: Improved Police conduct, practices, policies and procedures following implementation of the Authority's recommendations**

<i>Indicators</i>	<i>Performance target forecast 2012/13-2014/15</i>	<i>How it will be measured</i>
Following investigations, Police accept the Authority's recommendations and implement them	Police have initiated the implementation process for 95% of recommendations that are more than six months old	The Authority's complaints database

## ORGANISATIONAL HEALTH AND CAPABILITY

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

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

### Enhanced Productivity and Performance Improvement

During the period of this Statement of Intent we will build on the approaches already begun to enhance our productivity and performance. We are focused on six key productivity drivers to enhance our performance and build our capability. The planned actions in each of the six areas for 2012/13 and beyond include:

Productivity driver	Actions for 2012/13 and beyond
Investing in our people capability	Continue to examine and assess our capability mix to ensure it is fit-for-purpose Ensure we maintain a relevant and appropriate retention and reward programme for high performing staff Continue to train and develop staff in appropriate skill areas and in line with emerging technologies and methodologies relevant to the work of the Authority
Leadership and management capability	We will identify appropriate leadership and management development programme(s) to build individual and collective leadership and management capability Maintain an annual Board performance evaluation programme
Relationships	Actively work with Police and other counterpart agencies in the justice sector as appropriate in support of our Main Outcome
Leveraging technology and Systems development	Continue to grow our capability to offer web-based services (e.g. on-line customer survey tool) Implement an improved records management system for more efficient information storage and retrieval and to meet government compliance requirements

### Good Employer

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

## STRATEGIC RISKS

The Authority has recently completed an update of its Risk Management and Compliance Framework. The aim of this work is to have a better understanding within our organisation of the underlying approach to risk, risk management and compliance. As part of this work we have refreshed our strategic risks to ensure they are aligned with the achievement of our strategic direction and that a risk management approach is embedded in our ongoing approach to service delivery. Our strategic risks take into account the environment in which the Authority operates. Our identified strategic risks and responses to those risks include:

Risk area	Response
<p><b>Invisibility</b></p> <p>If people are unaware of our services, functions, and roles they will not make use of our services.</p>	<p>We are focused on enhancing the accessibility of information about the Authority, its services, and role.</p> <p>We raise awareness of our services through the supply of information in appropriate locations (e.g. custodial facilities, Community Law Centres).</p>
<p><b>Lack of accessibility</b></p> <p>If our interactions with the public and Police are not timely, respectful, and sensitive, those people will be discouraged from accessing our services.</p>	<p>Speakers of languages other than English can access the services of Language Line to make a complaint or enquiry to the Authority. Complainants can easily access the Authority via an 0800 phone number or an online complaint form, and are also able to make an oral complaint if necessary.</p> <p>We will always treat complainants and their families, and Police, with respect and sensitivity at all times. This includes providing Police personnel with a reasonable opportunity to consider and challenge our findings.</p> <p>We will engage with relevant stakeholders to identify groups and individuals requiring a greater awareness of our role.</p>
<p><b>Loss of reputation</b></p> <p>Our concerns here would revolve around a loss of independence or credibility, or challenges to our impartiality or integrity, and the attendant reputational risks that would flow from such issues.</p>	<p>We ensure that the positions we take, and judgements made, are evidence-based and developed through the use of reliable information and robust practices and procedures. We seek to confirm our reputation and satisfaction with our services through a ‘customer’ satisfaction questionnaire. Ethical and integrity obligations are articulated via a staff Code of Conduct, and in our position descriptions, and reaffirmed in the performance management and development process.</p>
<p><b>Financial viability</b></p> <p>Fiscal risks might include an inability to attract funding to provide more resources or capability to manage increasing complexities in our operating environment. The failure to match available funding to current and future operating requirements would have a deleterious impact on the ability to deliver our services.</p>	<p>All State Sector agencies currently face a constrained funding environment. It is crucial in this context that our financial performance and requirements are realistically presented to Government on a regular basis. We will continue to emphasise financial sustainability, efficiency and cost-effectiveness as a critical part of determining how we will meet organisational priorities and goals.</p>
<p><b>Insufficient organisational capability</b></p> <p>There is a risk that our human resources capabilities (at all levels) may not exist in sufficient quantities (capacity) or levels of capability (quality) to meet our and our stakeholders’ expectations.</p>	<p>We will regularly update our capability strategies against our strategic direction to ensure our organisational structure and people remain relevant to service delivery requirements. A key part of this process is to ensure that our staff are supported with appropriate professional development, training and performance management</p>

## **OVERVIEW OF SERVICES FOR 2012/13**

### **GOVERNMENT FUNDING**

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

During the 2012/13 financial year the Authority's revenue will be \$3.811 million (GST exclusive) through Vote Justice. All figures in this document are GST exclusive.

### **SCOPE OF APPROPRIATION**

The scope of the Authority's appropriation, as detailed in the Estimates of Appropriations, is to investigate incidents and investigate and resolve complaints against the Police, and to uphold the rights of persons in Police detention.

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

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

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

### **FINANCIAL STRATEGY**

#### **Managing in a tight fiscal environment**

Financial strategy is a key part of the Authority's overall organisational strategy. Our financial strategies include an emphasis on financial sustainability as a critical part of determining how we will meet organisational priorities and goals. The Authority will continue to operate in a tight fiscal environment in 2012/13. The forecast financial statements provided below have been prepared on the assumption that the Authority will not receive additional government funding in 2012/13, or indeed in the short-to-medium term (i.e. the term of this Statement of Intent).

We will prioritise expenditure toward key services and Outputs. In this regard our allocation of resources emphasises expenditure on managing complaints and undertaking investigations. We have reduced expenditure in the OPCAT Output to align with the actual funding provided by Government for delivering OPCAT services (i.e. \$55,000 GST inclusive).

The Authority has forecast operating surpluses throughout the forecast period. The intent of this approach is to strengthen our balance sheet and build financial reserves as a means of managing in a tight fiscal environment and to live within our allocated resource levels. The forecast strengthening of the balance sheet will also provide some flexibility to fund operational contingencies as they arise and to meet our planning

priorities. The Authority will utilise a conservative investment strategy for term investments with established financial institutions.

We have, and will continue to, set tight but realistic budgets that we are able to operate within. The Authority's financial performance is reviewed by the Board on a monthly basis. In addition, the Board receives regular advice on options and priorities for budget re-forecasting and rephasing during the financial year.

Given that our people are our greatest single area of investment and cost we will continue to set realistic pay and employment conditions while also being mindful of retention risks. We will continue to review how our services can be delivered better and more cost-effectively.

### Capital expenditure intentions

The Authority is not a capital intensive agency but where appropriate employs a robust capital expenditure management framework that includes integrated planning, budgeting, reporting, appraisal and monitoring processes. The Authority expects to spend up to \$30,000 per annum on capital items over the forecast period. The most significant component of the capital expenditure programme relates to maintaining our computer hardware and supporting software. The Authority is involved in a justice sector shared accommodation and services project which may have an impact on our capital requirements in the latter part of the forecast period of this Statement of Intent.

### SUMMARY OF OUTPUTS & OUTPUT EXPENSES FOR 2012/13

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

<b>Forecast output expenditure:</b>	
OUTPUT: Receive, manage, and ensure resolution of complaints	\$1,433,827
OUTPUT: Carry out Independent investigations into Police conduct and report on these as required	\$2,017,223
OUTPUT: Monitor and report on Police places of detention	\$52,883
OUTPUT: Make recommendations for improved Police conduct, practices, policies and procedures, based on the results of investigations, and monitor their implementation	\$197,949
<b>TOTAL: Forecast output expenditure</b>	<b>\$3,701,882</b>
<b>Forecast revenue:</b>	
Forecast Crown revenue	\$3,811,000
Forecast interest revenue	\$49,307
<b>TOTAL: Forecast revenue</b>	<b>\$3,860,307</b>

## 2012/13 FORECAST SERVICE PERFORMANCE

### Receive, manage, and ensure resolution of complaints

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

Result/Measure	Performance target forecast		How it will be measured
	2012/13	2011/12	
<u>Quantity measures</u>			
All complaints are received and processed	100%	100%	The Authority's complaints database [NB: our activity volume forecast is to receive around 2000 complaints per annum]
<u>Quality measures</u>			
The percentage of complainants who agree complaint management processes are satisfactory or better increases	The % of complainants who agree processes are satisfactory or better will be 50% or higher	Satisfactory or better	The Authority's complaints database
Percentage of complaint & review files re-opened, on an annual basis, after closure due to expressions of dissatisfaction	3% or less	5 % or less	The Authority's complaints database
<u>Timeliness measures</u>			
All new complaints received are responded to within five working days	95% of all cases	95% of all cases	The Authority's complaints database
Except in circumstances that are beyond the control of the Authority, Police complaint investigation files reviewed by the Authority will have that review completed within 60 days of receipt of the file	85% of all reviews	85% of all reviews	The Authority's complaints database
Percentage of open complaint files 12 months or older against the annual total of files (performance may be subject to circumstances beyond the control of the Authority)	5%	New measure	The Authority's complaints database

## Carry out Independent Investigations into Police conduct and report on these as required

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

Result/Measure	Performance target forecast		How it will be measured
	2012/13	2011/12	
<u>Quantity measures</u>			
Where it is in the public interest, the IPCA will independently investigate incidents where a Police employee acting in the execution of his or her duty causes, or appears to have caused, death or serious bodily harm	100% of incidents	100% of incidents	The Authority's complaints database
Independently investigate, or oversee the investigation of, complaints against the Police alleging serious criminal offending, serious misconduct, neglect of duty, or corruption that are likely to cause the greatest level of public concern, or having serious implications for the reputation of the Police	100% of incidents	100% of incidents	The Authority's complaints database
<u>Quality measures</u>			
The percentage of complainants and subject officers who agree that the IPCA's management of investigations are satisfactory or better increases	The % of complainants and subject officers who agree processes are satisfactory or better will be 50% or higher	Satisfactory or better	The Authority's complaints database
<u>Timeliness measures</u>			
Except in circumstances that are beyond the control of the IPCA, investigations will be completed within 12 months of notification	85% of investigations	85% of investigations	The Authority's complaints database
Notes on Measures:			
1. There are a number of internal quality assurance systems and management mechanisms sitting behind our "management of independent investigations", performance against which is recorded on the Authority's database.			

## Monitor and report on Police places of detention

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

Result/Measure	Performance target forecast		How it will be measured
	2012/13	2011/12	
<u>Quantity measures</u>			
Inspect 15 detention facilities in the year to 30 June 2013	100%	100%	The Authority's complaints database
Report on annual basis to Parliament and the Human Rights Commission pursuant to sections 27(c)(ii) and 27(d) of the Crimes of Torture Act 1989	Annual Report to be provided	Annual Report to be provided	The Authority's complaints database
<u>Quality measures</u>			
Conduct inspections of Police detention facilities and detention records and documentation in accordance with the IPCA's OPCAT indicator checklist <sup>1</sup>	100% of inspections	100% of inspections	The Authority's complaints database
<u>Timeliness measures</u>			
Provide a preliminary report on site visits to Police Districts and Police National Headquarters within 20 working days of these visits, and plan timeframes for reporting fully on all finding and recommendations arising from the site visits	100% of visits	100% of visits	The authority's complaints database
Notes on Measures:			
1. The OPCAT indicator checklist specifies that where possible and appropriate at least one detainee is interviewed during each IPCA site visit and that these interviews are conducted in private, and, Police staff who have responsibility for the detention and treatment of persons in custody are interviewed during each Authority site visit.			

**Make recommendations for improved Police conduct, practices, policies and procedures, based on the results of investigations, and monitoring implementation of those recommendations**

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

Result/Measure	Performance target forecast		How it will be measured
	2012/13	2011/12	
<u>Quantity &amp; Quality measure</u>			
The % of recommendations for improved Police conduct, practices, policies and procedures arising from Authority reports that are agreed to by Police for implementation	95% of recommendations <sup>1</sup>	90% of recommendations	The Authority's complaints database
<u>Timeliness measures</u>			
Recommendations are made to Police within 12 months of notification of the incident or complaint except in circumstances beyond the control of the IPCA	85% of investigations where recommendations are made	85% of investigations where recommendations are made	The Authority's complaints database
Notes on Measures:			
1. Annual performance in regard to the % of recommendations that are implemented indicates how well we doing in the short-term as well as feeding in to the longer-term performance picture. As we cannot reliably estimate how many recommendations we could make, 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.			

## FORECAST FINANCIAL STATEMENTS

[NB: all figures included in the below statements are GST exclusive]

<b>Forecast Statement of Comprehensive Income for the year ended 30 June</b>				
	<b>Forecast 2011/12</b>	<b>Forecast 2012/13</b>	<b>Forecast 2013/14</b>	<b>Forecast 2014/15</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>				
Revenue from Crown	3,811,000	3,811,000	3,811,000	3,811,000
Interest income	49,748	49,307	58,774	68,400
<b>Total revenue</b>	<b>3,860,748</b>	<b>3,860,307</b>	<b>3,869,774</b>	<b>3,879,400</b>
<b>Expenditure</b>				
Remuneration to auditors	21,000	21,000	21,000	21,000
Amortisation	31,881	24,939	18,704	14,028
Communication charges	56,701	46,000	47,380	48,801
Depreciation	104,759	91,596	76,197	64,648
Personnel	2,722,726	2,726,347	2,766,347	2,806,347
Printing and stationary	57,313	45,000	46,350	47,740
Professional fees	125,346	115,000	98,500	101,455
Rent	311,063	307,000	303,000	299,000
Services and supplies	231,400	205,000	195,000	200,850
Subscriptions	29,286	15,000	12,500	10,000
Travel and accommodation	92,095	105,000	95,000	90,000
<b>Total expenditure</b>	<b>3,783,570</b>	<b>3,701,882</b>	<b>3,679,978</b>	<b>3,703,869</b>
<b>Net comprehensive income for the year</b>	<b>77,178</b>	<b>158,425</b>	<b>189,796</b>	<b>175,531</b>

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

	Forecast 2011/12 \$	Forecast 2012/13 \$	Forecast 2013/14 \$	Forecast 2014/15 \$
<b>Current assets</b>				
Cash & cash equivalents	253,902	485,489	508,807	530,420
Term deposits	600,000	500,000	728,910	931,896
Debtors	9,292	-	-	-
GST receivable	43,303	22,225	21,219	21,221
<b>Total current assets</b>	<b>906,497</b>	<b>1,007,714</b>	<b>1,258,936</b>	<b>1,483,537</b>
<b>Non-current assets</b>				
Property, plant and equipment	350,135	288,539	242,342	207,694
Intangible assets	99,754	74,816	56,112	42,084
<b>Total non-current assets</b>	<b>449,889</b>	<b>363,355</b>	<b>298,454</b>	<b>249,778</b>
<b>Total assets</b>	<b>1,356,386</b>	<b>1,371,069</b>	<b>1,557,390</b>	<b>1,733,315</b>
<b>Current liabilities</b>				
Creditors and other payables	199,517	55,775	52,300	52,694
Employee entitlements	116,767	116,767	116,767	116,767
<b>Total current liabilities</b>	<b>316,284</b>	<b>172,542</b>	<b>169,067</b>	<b>169,461</b>
<b>Net assets</b>	<b>1,040,102</b>	<b>1,198,527</b>	<b>1,388,323</b>	<b>1,563,854</b>
<b>Total public equity</b>	<b>1,040,102</b>	<b>1,198,527</b>	<b>1,388,323</b>	<b>1,563,854</b>

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

	Forecast 2011/12 \$	Forecast 2012/13 \$	Forecast 2013/14 \$	Forecast 2014/15 \$
<b>Crown equity</b>				
Opening equity	962,924	1,040,102	1,198,527	1,388,323
Net comprehensive income for the year	77,178	158,425	189,796	175,531
<b>Closing equity</b>	<b>1,040,102</b>	<b>1,198,527</b>	<b>1,388,323</b>	<b>1,563,854</b>

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

	Forecast 2011/12 \$	Forecast 2012/13 \$	Forecast 2013/14 \$	Forecast 2014/15 \$
<b>Cash flows from operating activities</b>				
Cash will be provided from:				
Revenue from Crown	3,811,000	3,811,000	3,811,000	3,811,000
Interest income	49,748	49,307	58,774	68,400
Net GST received	(6,325)	2,329	554	49
Cash will be applied to:				
Payments to suppliers and employees	(3,594,508)	(3,701,049)	(3,588,100)	(3,624,850)
<b>Net cash flows from operating activities</b>	<b>259,915</b>	<b>161,587</b>	<b>282,228</b>	<b>254,599</b>
<b>Cash flows from investing activities</b>				
Cash will be provided from:				
Proceeds from term deposits	-	100,000	-	-
Cash will be applied to:				
Purchases of property, plant and equipment	(46,462)	(30,000)	(30,000)	(30,000)
Purchases of intangible assets	(5,861)	-	-	-
Investment in term deposits	(100,000)	-	(228,910)	(202,986)
<b>Net cash flows from investing activities</b>	<b>(152,323)</b>	<b>70,000</b>	<b>(258,910)</b>	<b>(232,986)</b>
<b>Net increase/(decrease) in cash held</b>	<b>107,592</b>	<b>231,587</b>	<b>23,318</b>	<b>21,613</b>
Plus cash at the start of the year	146,310	253,902	485,489	508,807
<b>Cash held at the end of the year</b>	<b>253,902</b>	<b>485,489</b>	<b>508,807</b>	<b>530,420</b>
Represented by:				
Cash & cash equivalents	253,902	485,489	508,807	530,420
	<b>253,902</b>	<b>485,489</b>	<b>508,807</b>	<b>530,420</b>

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

	Forecast 2011/12 \$	Forecast 2012/13 \$	Forecast 2013/14 \$	Forecast 2014/15 \$
Net comprehensive income for the year	77,178	158,425	189,796	175,531
Add: non-cash items				
Amortisation	31,881	24,939	18,704	14,028
Depreciation	104,759	91,596	76,197	64,648
Add/(less) movement in other working capital items				
(Increase)/decrease in GST receivable	(18,051)	21,078	1,007	(4)
Increase/(decrease) in creditors and other payables	51,815	(143,743)	(3,476)	396
(Increase)/decrease in debtors	12,333	9,292	-	-
<b>Net cash flows from operating activities</b>	<b>259,915</b>	<b>161,587</b>	<b>282,228</b>	<b>254,599</b>

## Notes to and forming part of the financial statements

### Statement of Underlying Assumptions

#### Significant Assumption

The opening position of the forecasted statements is based on un-audited results for 2011/2012.

#### Nature of Forecasted Financial Statements

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

#### Reporting Entity

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

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

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

#### Basis for Preparation

#### *Statement of compliance*

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

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

#### *Measurement base*

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

#### *Functional and presentation currency*

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

## **Specific Accounting Policies**

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

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

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

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

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

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

#### ***Interest***

Interest revenue is recognised using the effective interest method.

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

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

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

### ***c) Debtors and other receivables***

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

### ***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.

*Additions*

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

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

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

*Disposals*

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

*Subsequent costs*

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

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

*Depreciation*

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

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

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

## *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 Authorities website are recognised as an expense when incurred.

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

### *Amortisation*

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

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

Software	25.0% DV
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## *h) Impairment*

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

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

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

## *i) Financial liabilities*

### *Creditors and other payables*

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

## *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, 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.

#### *k) Superannuation schemes*

##### *Defined contribution schemes*

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

#### *l) Goods and Services Tax (GST)*

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

#### *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 and includes at call borrowings such as bank overdrafts, used by the entity as part of its day to day cash management.

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

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

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

### **Critical Judgements in Applying the Authority's Accounting Policies**

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

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

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



IPCA  
Level 8  
342 Lambton Quay  
PO Box 5025  
Wellington 6145  
Aotearoa New Zealand

0800 503 728  
P +64 4 499 2050  
F +64 4 499 2053  
[www.ipca.govt.nz](http://www.ipca.govt.nz)