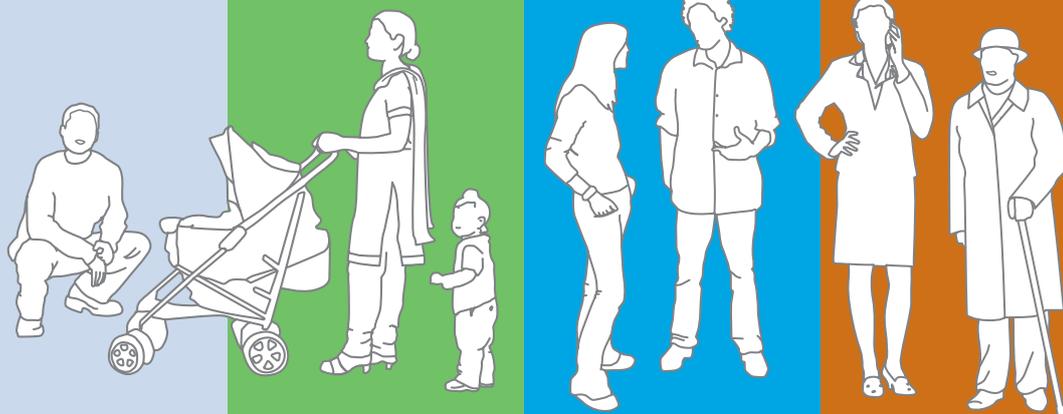


# Annual report and statement of accounts 2009/10

**ipcc**  
independent  
police complaints  
commission



# Independent Police Complaints Commission Annual Report and Statement of Accounts 2009/10

Annual Report presented to Parliament pursuant to Section 11(5) of the Police Reform Act 2002  
Accounts presented to Parliament pursuant to Paragraph 17 of Schedule 2 of the Police Reform Act 2002  
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## Chair's foreword

**This annual report covers the period of my last year as Chair of the Independent Police Complaints Commission (IPCC).**

**I took up my appointment in February 2003 and spent the next year working to prepare the organisation to go live in April 2004. Looking back, it is easy to forget that at that time there were many people who did not think the IPCC would last a year. They believed we would be overwhelmed by the number of complaints, we would break at our first big case and have to go back cap in hand to the police for help, we would be thwarted by a 'police culture' that would seek to obstruct us every step of the way. None of those things happened.**

Although the increase in complaints and appeals significantly outstripped any increase in resources, we have always kept our head above water. We have delivered on some of the key issues that people told me when I first started caused them most concern. Investigators' reports are no longer withheld – they are routinely given to families and published in full or summary form. Officers are no longer allowed to confer following a fatal shooting or death in custody before writing their first accounts. We have transformed the approach to learning following critical incidents.

During the past six years, we have dealt with some of the most difficult incidents involving the police – the deaths of Jean Charles De Menezes and Ian Tomlinson and the conviction of Ali Dizaei, among others. While we have certainly not pleased everyone – and we would be the first to say there is further room for improvement – successive independent public opinion surveys have shown widespread support for and confidence in our work.

There have, of course, been some difficult moments in our relationships with the police service and these sometimes still occur. However, what has been much more striking is the degree of co-operation we received, however difficult that sometimes was for the forces and officers on the receiving end.

This annual report describes how we have taken our work forward over the last year. However, looking to the future we recognise there will be challenging times ahead. Reductions in expenditure will require all public sector organisations to demonstrate that they are using resources effectively. We will need to continue to demonstrate the unique role we play as the government moves ahead to introduce new police accountability arrangements. I believe the IPCC is well placed to meet those challenges. >>



Last year I reported on a major ‘Stock Take’ or review of the complaints system we had undertaken with all our stakeholders. Our proposals included making the system more complainant centred, faster and less bureaucratic. This year we embarked on the process of putting these proposals into effect with the development and publication of our Statutory Guidance. The guidance sets the standards for complaints handling for both the IPCC and across the police service as a whole.

We hope the new Statutory Guidance will lead to further significant improvements in the way complaints are dealt with. However, it will not be enough by itself. Some of what we want to see will require legislative change and we look forward to an early opportunity to progress these measures.

One of my most powerful memories of my time at the IPCC will be the ‘weekly roundup’ meetings I chaired first thing every Monday morning. We use the opportunity to go through the referrals that have come in during the previous week. It is a tragically consistent story.

Nearly every week, we receive a referral following a police pursuit of a teenage driver, often under the influence of drink or drugs, who has crashed and killed themselves, their passenger or another innocent road user.

The deaths of young people in custody or after any other form of contact with the police – however reckless or self-destructive their own behaviour – would cause an outcry. It shocks me still that deaths during police-related pursuit seem somehow more acceptable.

I called last year for a sustained effort to reduce these deaths. I was very pleased therefore that the previous government began a process of codifying the Association of Chief Police Officers’ (ACPO) guidance on police pursuits. It cannot be right that the way pursuits are conducted differs between adjacent forces. It is our view that the codification of the pursuits’ guidance will be a significant step in reducing deaths in these circumstances and I strongly hope that this is a policy the new government will continue.

There has been a consistent fall in deaths in police custody since the IPCC came into existence. I said when I began work that I would rather prevent deaths in custody than investigate them after they had occurred. It is very difficult to show what, if any, impact we have had on that fall. Of course, it is likely to be the work of many people and the consequence of many things – the police themselves and custody staff in particular, the pressure from bereaved families and those that support them, better custody suite design and better medical care. Yet I do not think it is unreasonable to believe that by our focus on this issue we have also made a contribution to the fall. If so, it would be one of the things of which I would be most proud.

I also heard almost every Monday morning of deaths where vulnerable people had died as a result of suicide or violence inflicted by partners or others who should have been identified as a risk. Concerns also arose about whether the police could have done more to protect the victim. >>

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>> 'Failure to protect' has been a major theme of the cases we dealt with in this year and we describe some of them in this report. Of course, we do not say that the police can protect people in every circumstance – many of these deaths raise more concerns for other agencies than they do for the police. Nevertheless, there is a disturbing pattern of avoidable mistakes being repeated and the public not receiving the protection to which they are rightly entitled. I am pleased that the IPCC will continue to give this area the highest priority in the years ahead.

Finally, I want to thank Jane Furniss, the Chief Executive of the IPCC, and her staff, Commissioners and the many organisations that have worked with us in the last year and throughout the existence of the IPCC for their support, commitment and hard work. I think they should be proud of their achievements to date and look forward to the challenges of the future with confidence.



**Nick Hardwick**

Chair

Independent Police Complaints Commission

*(Nick Hardwick left the IPCC in June 2010 to take up his post as HM Chief Inspector of Prisons)*

# About us

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## Establishment and powers

The Independent Police Complaints Commission (IPCC) was established by the Police Reform Act (2002) and began work on 1 April 2004.

The Police Reform Act sets out the statutory powers and responsibilities of the IPCC, chief police officers and police authorities for the complaints system. The Act:

- guarantees the **independence** of the Commission
- outlines the IPCC's role as **guardian** (see below) of the police complaints system
- gives the IPCC a duty to raise **public confidence** in the police complaints system.

The IPCC is independent. By law, none of our Commissioners can have worked for the police service in any capacity. We make our decisions independently of the police, government, and interest groups. This means that:

- all complaints must be dealt with in accordance with legislation and the guidance issued by us and agreed by the Home Secretary
- all complainants who have their complaints dealt with by the police in the first instance have a right of appeal to us
- we will independently investigate the most serious incidents and complaints
- we will report publicly on the outcome of our investigations and make local and national recommendations as appropriate to help to ensure that the same thing does not go wrong again.

## Guardianship

Our guardianship function is about improving the way in which the system as a whole handles and resolves complaints. It has four elements:

- setting, monitoring, inspecting and reviewing **standards** for the operation of the police complaints system
- promoting **confidence** in the police complaints system as a whole amongst the public and the police
- ensuring the **accessibility** of the complaints system
- promoting policing excellence by drawing out and feeding back **learning**.

We carry out our guardianship role alongside key partners so that we are delivering improvements across the system, and focusing on priority areas in order to maximise impact.

## SOCA, HMRC, and UKBA

In April 2006, our remit was extended to include serious complaints made against the staff of the Serious Organised Crime Agency (SOCA) and Her Majesty's Revenue & Customs (HMRC). In February 2008, our jurisdiction was extended further to include serious complaints and conduct matters relating to officers and officials of the UK Border Agency. Pages 38-41 explain more about our work with these organisations during 2009/10.

## Our purpose and aims

At the heart of our work is the belief that public confidence in the police complaints system will lead to greater trust in the police service as a whole, and that, in turn, will contribute to increasing the police's overall effectiveness. Increasing public confidence in the system is our underlying purpose and four aims support the achievement of this purpose:

- **Engagement:** improve awareness, accessibility and engagement in the complaints system.
- **Learning:** enable police to learn from complaints and enhance professional standards.
- **Proportionality:** improve the proportionality of the resolution of complaints and conduct issues.
- **Accountability:** improve the transparency and accountability of the police and the complaints system.

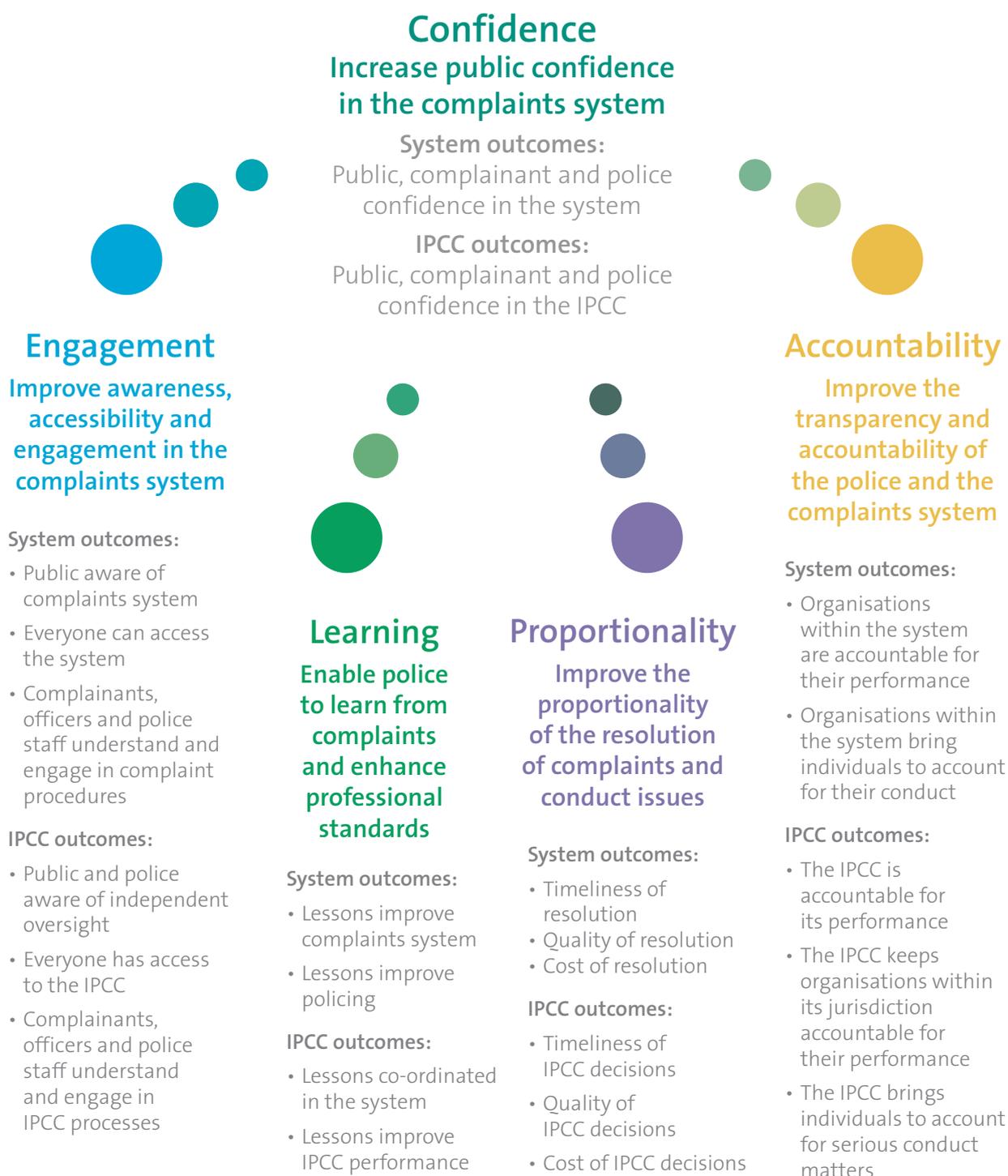
Figure 1.1 sets out our purpose and the four aims that underpin it. For each aim, we have developed, with stakeholders, the key outcomes for both the system as a whole, and for the IPCC in particular. It is against these outcomes that we have developed performance indicators for our performance framework (see page 33). The framework will measure the achievement of our aims, and will be used to help judge the success of the complaints system, both as a whole and in terms of its constituent parts: the IPCC, police authorities, and forces.

In exercising our powers, we are committed to five core beliefs:

- **justice and respect for human rights**
- **independence**
- **valuing diversity**
- **integrity**
- **openness**

These beliefs underpin our plans, service delivery and engagement with the police, community and voluntary groups, and complainants. They are also reflected in the recruitment of our staff and Commissioners, and in the way the organisation is run.

Figure 1.1:  
**Our purpose and aims**



# Chief Executive's summary of the year

**Our sixth operational year since the IPCC went live in April 2004 has seen a continuation of the trend for increasing demand for our services, especially in managing complaints following the G20 demonstrations (see pages 21-22).**

**Nevertheless, we have continued to perform strongly in managing our operational workload, while delivering new work that will improve our own performance and that of the wider complaints systems.**

## Our workload

Demand for our services and statutory duties has once again been very high:

- The volume of referrals has grown by a further 12% in the last year.
- Despite starting the year with a significant number of open independent investigations and demand remaining high throughout the year, it is no small achievement that we have begun to bridge the gap, closing more investigations than we opened.
- While the volume of managed investigations remains high, we have worked to reduce significantly the average duration of a managed investigation by 62 days, compared to the previous year's performance.
- While appeal volumes continue to rise and exceed our current capacity, we have moved to a national allocation system, which ensures a consistent service for all across England and Wales.
- Having previously established our own performance framework, we are now beginning to implement a complaints system-wide performance framework. This will assist us in undertaking our guardianship role and enable forces to understand and manage their own performance.

## Ensuring the quality of our work

Elsewhere, we report on the work we did in 2009 to develop the very comprehensive Statutory Guidance – the map for the police complaints system. Internally, a parallel key project for us was to develop and deliver the Operations Manual. This contains all our policy documents, agreed processes and provides a one stop shop of full guidance to our staff and Commissioners on their specific roles. It is aimed at ensuring quality and consistent standards for work in investigations and casework. The manual is available online to all in the IPCC. Later this year, in keeping with our values of openness and transparency, we will be making it publicly available alongside the Statutory Guidance. >>



## Gender abuse – an important theme in 2009

A growing number of referrals and complaints made to us are in cases where violence against and abuse of women is involved. An equally worrying trend is the number of cases where it is alleged that the police and other statutory agencies failed to protect women or vulnerable people from violence and abuse. Investigations into these cases focus on whether a different course of action by the police could have prevented the tragic outcome. Pages 23-25 provide details of the work we have undertaken this year.

In the autumn we established a Gender Abuse Strategic Support Group (SSG). The group was chaired by myself as the Chief Executive and included Amerdeep Somal, our Commissioner lead on gender abuse, relevant IPCC staff and advisors from key external expert groups including Refuge, the Rape Crisis Federation, Women's Aid, Southall Black Sisters and the Newham Asian Women's Project, as well as the Crown Prosecution Service (CPS) and the National Policing Improvement Agency (NPIA).

The group has been helping to ensure that our analysis of failures and mistakes by the police in such cases lead to sound recommendations to improve police performance and protect women better in the future. The involvement of external members, their experience and perspective has sharpened our approach to this whole area of work and is helping us make a significant step forward. I am grateful to them for the generosity with which they have shared their knowledge and given of their time.

## Improving our effectiveness

Given the ongoing demand pressures on our resources, set against the backdrop of the current economic climate, our strategic change programme is helping us to meet future challenges. The programme started in 2008, focusing on supporting us to review operational experiences. It enabled us to:

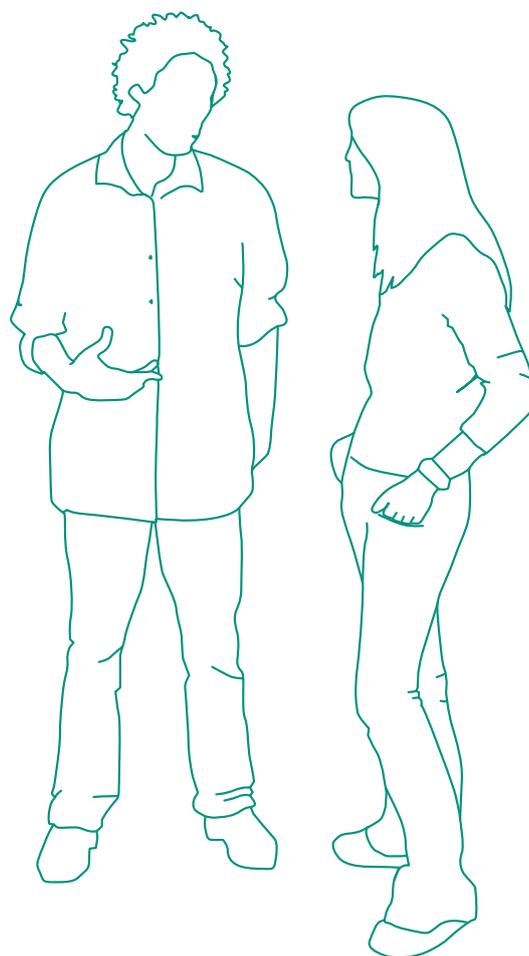
- Improve operational delivery through increased capacity and quicker outcomes.
- Drive value from our back office functions, while preserving or enhancing quality of service.
- Improve the experience of our customers by greater automation, improved information management and more efficient working.
- Re-focus resources on the frontline.
- Enhance the quality of our services through a new Quality and Standards directorate to provide quality assurance.

The programme is already delivering benefits for the organisation. During 2010/11 we completed a restructure moving from a regional to functional management organisation. This move supports more flexible allocation of operational resources across the organisation, enabling more consistent levels of service and performance to all. The functional structure also facilitated a rationalisation of our senior management posts, resulting in reduced management overheads. The released money has already been put to use to support our operational teams. >>

>>The restructure also provided the opportunity for us to create a standalone Quality and Standards directorate which gives greater focus and structure to how we oversee and provide assurance of our operational business.

A major milestone for the programme was the successful re-let of the IT and telephony contract to supplier Steria, which will deliver improved value for money for the organisation. The reduced cost of the service is providing cash savings that we can re-invest into our operational business and an improved technological infrastructure that will increase the efficiency of our systems and enhance information management. It will automate our casework and investigation processes, as well as facilitate home and remote working.

We are also looking at how we physically locate ourselves. With increased flexibility to recruit jobs to all office locations and a move towards remote and home working, we have reduced reliance on our London office, which has reduced our overheads by sub-letting released space.>>



## The future

We start the new financial year with three very big changes impacting on the IPCC – a new government, a massive public deficit requiring profound cuts in public expenditure and the departure of our founding Chair.

It is not yet clear how the first two will impact on us and our work but proposals for legislation to change police accountability arrangements will mean changes for the police complaints system as a whole and for the IPCC specifically. The public expenditure cuts will undoubtedly affect police forces and the IPCC. We have already taken significant steps to reduce our costs and ensure savings are redirected to our frontline activities, but I believe it is likely that we will need to reduce our expenditure much further. This will probably mean sacrificing programmes of work which we have previously regarded as priorities in order to focus on our statutory duties and obligations.

For many people, Nick Hardwick is synonymous with the IPCC. It is his vision and drive which has ensured that the police complaints system is open and transparent – whatever people think about the outcome of our investigations, they can read the reports and come to their own conclusions. This is a powerful way of holding the police to account when things go wrong.

Equally Nick, when merited, has been strong in his defence of the police and the bravery and heroism they often show in the face of extreme challenges. As the first Chair, Nick ensured we were well established and has seen our name become so well known that journalists often simply dub us “the police watchdog”. He has fronted many of the public facing statements, taken responsibility for some of our most difficult decisions and ensured that the tiny IPCC punches well above its weight in a world where most of the key players dwarf us in terms of resources and powers. He can leave the IPCC feeling very proud of his achievements here – we will miss his leadership and vision.



**Jane Furniss**

Chief Executive

Independent Police Complaints Commission

## Our major investigations in 2009/10

Police forces (or HMRC, SOCA or UKBA) deal with the majority of complaints against their officers and staff in the first instance (with the complainant having the right of appeal to us). However, we deal directly with the most serious complaints.

In 2009/10, police forces referred 2,746 cases to us, a 12% increase on 2008/09. After an initial assessment, 2,208 of these referrals were sent back to the forces concerned to be resolved locally<sup>1</sup> or investigated.

Our own investigators began independent investigations into 106 cases during 2009/10. 151 investigations were carried out for police force professional standards departments (PSDs) under our direction (managed investigations), and 207 investigations were carried out by police force PSDs under our supervision (supervised investigations).

1. When a force receives a complaint, it should determine whether it is suitable for Local Resolution. This is a way of dealing with complaints against the police at the local level – for example, through the involvement of an inspector at a police station or a police staff manager. Local Resolution can only be carried out with the agreement of the person making the complaint. Please see our booklet – *Dealing with your Complaint by Local Resolution* – or the IPCC website for more information.

## Box A: how we deal with complaints and referrals

### • Complaints

We have the facility to receive complaints made directly by members of the public.<sup>2</sup> These are then passed to the force involved for a recording decision to be made. Depending on the details, the force may then either deal with the complaint or refer the matter to us.

### • Referrals

The most serious complaints recorded by forces must be referred to us. As well as these serious complaints, certain types of incident must be referred to us by the police, HMRC, SOCA, or UKBA, even where there has been no complaint. For example, when someone has died or been seriously injured following direct or indirect contact with a police officer, police staff member or staff from HMRC, SOCA, or UKBA using enforcement powers.

### Investigations

When we receive a referral, we decide how it should be dealt with. This is referred to as a 'mode of investigation' decision. Our investigators may carry out a formal scene assessment to help make this decision.

Local investigations are carried out entirely by the police. Complainants have a right of appeal to us following a local investigation.

Supervised investigations are carried out by the police or organisation concerned, under their own direction and control. We will set out what the investigation should look at (which is referred to as the investigation's 'terms of reference') and receive the investigation report when it is complete. Complainants have a right of appeal to us following a supervised investigation.

Managed investigations are carried out by police forces under the direction and control of us.

Independent investigations are carried out by our own investigators and overseen by an IPCC Commissioner. In an independent investigation, our investigators have all the powers of the police themselves.

### Appeals

We consider appeals from complainants into:

- the failure of a police force to record a complaint
- the Local Resolution process
- the outcome of a local or supervised investigation

It is possible that an appeal may result in disciplinary action or in the investigation report being sent to the CPS for consideration.



**Visit the IPCC website for more information about appeals.**

2. People can also make a complaint direct to the police service.

## Box B: potential outcomes of our investigations

After examining the evidence, our investigations conclude by deciding whether a complaint is upheld or not upheld.<sup>3</sup> A decision of not upheld would result if an investigation concluded that the treatment received by the individual involved was reasonable. This decision will always be accompanied by a good-quality explanation of what an investigation has found.

### Prosecutions

In managed or independent investigations where a criminal offence may have been committed, we will liaise closely with the CPS throughout. At the end of the investigation, we may refer the case to the CPS. The CPS is responsible for deciding if criminal charges should be brought. Any subsequent verdict and sentence is a matter for the courts.

### Dealing with misconduct

Following a managed or independent investigation, we may believe that an officer or member of police staff has a case to answer for misconduct or gross misconduct, and will make such a recommendation in our final report to the force or police authority (in the case of senior police officers).

The force or police authority will decide whether they agree with this recommendation and if so, how the officer or staff member will be dealt with. This may involve management action or in more serious cases formal misconduct proceedings.

If we disagree with what the force or police authority have decided we can give a direction that an officer or staff member has a case to answer for misconduct or gross misconduct, and can direct what misconduct proceedings should follow. The final outcome of such misconduct proceedings is entirely for those proceedings to determine.

### Sharing learning

In some cases, our investigations may find no evidence of misconduct or criminal behaviour by individuals working for the police, but they may identify organisational learning. In these cases, we make recommendations for changes to systems and processes in order to prevent the same thing happening again. As well as organisational learning, our investigations may also identify examples of poor performance, where personal learning or development opportunities can be used in order to improve an individual's performance in the future.

3. *The IPCC's revised Statutory Guidance, which sets standards for the operation of the complaints system, was published on 1 April 2010 (see pages 28-29). Previously, matters were either 'substantiated' or 'not substantiated' following an investigation and this was the terminology used during the period under review.*

## Cases involving the police

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### ➔ *Examples of cases that led to a criminal conviction*

In February 2010, the trial of Commander Ali Dizaei of the Metropolitan Police Service (MPS) concluded with a jury finding him guilty of misconduct in public office and perverting the course of justice, for which he received a four year prison sentence. The trial took place after we carried out an independent investigation following the referral by the Metropolitan Police Authority (MPA) of a complaint from Mr Waad Al-Baghdadi in September 2008. *Following the verdict we submitted a misconduct report to the MPA, which then initiated disciplinary proceedings. As a result of these, Commander Dizaei was dismissed from the police service in March 2010.* Our intelligence unit is developing the intelligence and data that will provide us with a more accurate assessment of the themes and areas of concern in relation to police corruption.

In September 2009, Malcolm Searles – a former officer with the Metropolitan Police (MPS) – pleaded guilty to causing death by dangerous driving in a road traffic incident in Bromley in which a 61-year-old pedestrian died. *Following disciplinary proceedings, Mr Searles was dismissed from the MPS in April 2009 before the criminal proceedings began. Mr Searles was sentenced to six and a half years in prison for causing death by dangerous driving, sending a clear message about the duty of police officers to drive at speed only for legitimate and urgent reasons – and always with the safety of the public paramount.*

### ➔ *Examples of cases which led to someone working for the police being disciplined*

Charlene Downes was reported missing from her home in Blackpool on 3 November 2003. Iyad Albattikhi was subsequently charged with Charlene's murder and Mohammed Raveshi was charged with assisting an offender in the disposal of a body. Both men faced trial in May 2007, but the jury failed to reach a verdict. Before a retrial began, the prosecution identified a number of issues with the evidence compiled by Lancashire Constabulary. As a result, the CPS formally offered no evidence and the two men were released. We managed an investigation into the reasons behind the trial's collapse, which found a series of failings, particularly in connection with the covert work undertaken by the Force. Our investigation was difficult and complex, particularly because it was considering covert techniques. *It resulted in one officer being placed before a legally represented hearing (pending at the time of going to press), another officer being issued with an action plan (development objectives that must be met and which are closely supervised) and five officers receiving words of advice.*

The Worboys investigation looked at the MPS response to an allegation of a sexual assault carried out by a man who then went on to commit further assaults. John Worboys was convicted of 19 charges, including one count of rape and four sexual assaults on a number of women. Our investigation discovered a series of missed opportunities to prevent further offences being committed. *This resulted in five police officers being disciplined. We also called for changes to the way in which the police deal with victims of sexual offences and highlighted that more needs to be done if public confidence in the police's response to reports of rape and sexual offences is to improve (see section on gender abuse on pages 23-25).*

### ➔ *Examples of cases where we have identified organisational learning*

The findings of our investigation released in December 2009 revealed a number of failings on the part of Greater Manchester Police (GMP), as well as individual officers and staff, in their dealings with Katie Boardman (also known as Summers). Ms Summers was stabbed to death by Brian Taylor on 9 October 2008. There had been a history of domestic abuse in her relationship with Mr Taylor and GMP officers had dealt with a number of incidents involving the couple. *GMP recognised the shortcomings in their dealings with Ms Summers and acted promptly to learn lessons. Their response included additional training for Domestic Violence Unit staff (DVU), a review of logs to ensure that they have been completed correctly, and dip sampling of incidents reviewed by DVU staff* (see section on gender abuse on pages 23-25).

In November 2009, we published the findings of our investigation into an incident in Thames Valley in which a member of police staff was shot in the stomach during a training exercise. PC David Micklethwaite was running a Basic Firearms Awareness training session when he shot Police Enquiry Control Room Operator Mr Keith Tilbury in the stomach, causing serious injury. *Our investigation concluded that there was no justification for having unsecured live ammunition in a classroom situation along with working and operational firearms. It made a series of recommendations to Thames Valley Police, which they accepted at a very early stage and took immediate steps to change their practices. The Health and Safety Executive (HSE) brought charges against both PC Micklethwaite and Thames Valley Police.*

### ➔ *Examples of cases where no wrongdoing was found*

We investigated the arrest of a man in Nottingham which involved the police use of a taser. Part of the arrest was filmed on a mobile phone and brief footage of the incident, showing an officer using a taser several times, was shown on YouTube. Our investigators carried out a thorough investigation, obtaining statements from eye witnesses, relevant police officers, and hospital staff. We also heard from an expert on taser use, examined CCTV and mobile phone footage, and considered force and national policies and guidelines. A violent struggle had ensued during the police officers' attempt to arrest the man for being drunk and disorderly. Police met sustained physical resistance over several minutes, and one officer was bitten. Officers were increasingly concerned for their safety and anxious to make a lawful arrest in a busy night-time city centre. *Our independent investigation concluded that the actions of the police officers in the circumstances were lawful, proportionate and in compliance with training. The investigation found no evidence of any criminal offence being committed by police officers, and no grounds for bringing misconduct or unsatisfactory performance proceedings.*

In April 2009, we released the findings of a managed investigation into the actions of Norfolk Police following the death of Mr Victor Barry Aldred. Mr Aldred, a 71-year-old man from Banham, Norfolk, died on Sunday 7 December 2008. Prior to his death, Mr Aldred had been visited by Norfolk Police after they received a request for a welfare visit from his sister. *The managed investigation determined that Mr Aldred's death was an unfortunate accident and that the officer involved had handled the situation properly.*

## Latest news on G20 complaints and referrals<sup>4</sup>

### Background

On 1 and 2 April 2009, world leaders from the G20 countries met in London. Numerous groups organised protests, most of which were peaceful. However, demonstrators were involved in skirmishes with officers and a large number of complaints were subsequently made, many about police use of force and police tactics, such as containment.

### Complaints and our involvement

83 of the complaints made were referred to us in the months following the G20 protests.

#### Six were independently investigated:

- 1.** An independent investigation into the death of Ian Tomlinson. A file was passed to the CPS in August 2009 – we await a charging decision. Mr Tomlinson collapsed and died after being struck by a police officer on his way home during the G20 protests, in which he had not been involved.
- 2.** An independent investigation following a complaint from Mr Tomlinson's family about the way in which the MPS and the City of London Police handled media in the days after the death of Mr Tomlinson.
- 3.** An independent investigation into allegations of assault in the case of Nicola Fisher. Following the investigation, the CPS brought proceedings against Police Sergeant Smellie for common assault. The officer stood trial at Westminster Magistrates Court, where he was found not guilty of common assault. In the circumstances of his acquittal, the IPCC agreed that no further action should be taken against Sergeant Smellie in relation to misconduct. A report was issued which made recommendations about officer

identification and shift patterns (see [www.ipcc.gov.uk/commissioners\\_report\\_serjeant\\_smellie.pdf](http://www.ipcc.gov.uk/commissioners_report_serjeant_smellie.pdf)).

**4.** An independent investigation into a complaint by a 23-year-old woman that she was assaulted on 1 April. This investigation was completed and a file was submitted to the CPS in August 2009, which concluded that there was insufficient evidence to charge. No further action is being taken against the officer.

**5.** An independent investigation into the case of a woman who alleged she was assaulted while trying to leave the Climate Camp on Bishopsgate on 1 April. That investigation was completed in July 2009 and made several recommendations (see [www.ipcc.gov.uk/news/pr060809\\_bishopsgate.htm](http://www.ipcc.gov.uk/news/pr060809_bishopsgate.htm)).

**6.** An independent investigation into an allegation of excessive force by an officer against a 23-year-old man from London began in April 2009, but was re-determined after the man withdrew his complaint.

#### 62 were supervised investigations

For G20 cases, we decided that we would supervise cases that would not usually meet the threshold for IPCC involvement. This is because of the public confidence issues surrounding the policing of the G20 protests. It was agreed that we would be kept informed of the progress of the investigations at key milestones, which included identifying and interviewing officers, identifying and interviewing witnesses, obtaining medical evidence and, as appropriate, referral to the CPS in a timely manner (noting the statutory time limit of six months for common assault). >>

4. All information about G20 complaints and referrals was correct at the time of going to press.

>> Monthly update meetings took place with each Directorate of Professional Standards involved to ensure close monitoring of each case.

Of the complaints involving a supervised investigation:

- 48 were complaints against officers from the MPS
- Five were complaints against officers from the City of London Police
- Four were complaints against officers from British Transport Police (BTP)
- Three were complaints against an ACPO ranking officer and therefore dealt with by the MPA
- Two were complaints against officers from Sussex Police

### **15 local investigations**

Eight matters were referred back to the appropriate police force to deal with.

In all supervised and local cases, complainants have a right of appeal to us if they do not believe the investigation has been completed appropriately. We have received eight appeals.

### **Responding to the Tomlinson case**

More than 40 IPCC investigators and other members of IPCC staff from across the organisation have been involved in this case (see point 1 on page 21). Our investigators visited more than 190 premises during a CCTV trawl, which led to footage from more than 220 cameras being obtained. In addition, police footage has been reviewed – including that taken from police evidence gatherers and the police helicopter – as well as footage recorded on mobile phones and cameras. Altogether, a team of our investigators reviewed more than 1,200 hours of footage.

During the course of the investigation, statements were taken from 193 members of the public. The investigation also obtained evidence from police officers and staff, and medical experts.

42 people called the dedicated witness phone line, several of whom provided important information which helped the investigation to progress.

As well as its own investigators, we employed the services of a variety of experts, including organisations specialising in computerised scene reconstruction, video enhancement and forensic testing. A specialist team was also brought in to trawl the internet for associated footage and messages were posted on YouTube accounts asking the owners of useful footage to contact us.

## Key themes from our investigations in 2009/10

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### Violence and vulnerability

A growing number of referrals and complaints made to us are in cases where violence against and abuse of women is involved. Gender abuse can include physical, sexual or psychological violence against men or women. It covers violence in the home from a partner or former partner, but extends to rape, stalking, harassment, trafficking by strangers and 'honour-based' violence and forced marriage.

An equally worrying trend is the number of cases where the allegation is that the police and other statutory agencies have failed to protect women or vulnerable people from violence and abuse. Failure to protect covers cases where there has been prior contact with the police, but the allegation or concern is that their actions have not prevented a death, injury or serious offence. Investigations into these cases focus on whether a different course of action by the police could have prevented the tragic outcome.

The cases of John Worboys and Katie Boardman (also known as Summers), which concluded during the year under review and which are described on pages 19 and 20, involved both gender abuse and failure to protect. During the period of time covering the death of Ms Boardman, Greater Manchester Police's response to domestic abuse related incidents was not as good as it could have been. There were failings in the categorisation and coding of incident logs and individual failings by officers who demonstrated, in some cases, a shocking lack of understanding about the nature of domestic abuse.

We also carried out an independent investigation into the way that West Midlands Police responded to contact from Ms Rabina Bibi on the day of her death.

Ms Bibi was murdered at her home in Coventry in 2008 by her ex-partner in front of her seven-year-old daughter. Our investigation found that the force failed Ms Bibi by not despatching police officers to her when she initially called for assistance, contrary to force policy on domestic abuse.

Our investigations have led to changes that should ensure that women in similar situations in the future are given the help, support and protection they deserve.

### Failure to protect

Police failure to protect can also be an issue in cases where the police have not responded to reports of anti-social behaviour. An inquest into the deaths of Fiona Pilkington and her daughter ended in September 2009. The inquest heard that Ms Pilkington and her neighbours had made 33 calls over a seven-year period asking police for help after suffering repeated and continuing abuse and torment from a gang of youths outside her home in Barwell. In October 2007, Ms Pilkington drove to a lay-by near Earl Shilton, Leicestershire and set the car alight with her and her disabled daughter inside the vehicle.

Leicestershire Police referred the matter to us after the inquest and we began an independent investigation. This is a complex inquiry. Our investigators are going back over police contact with Ms Pilkington, her daughter and neighbours over a period of several years. We are assessing information from family members, neighbours, the authorities involved, records of police contact, and the accounts of the relevant police officers. The extensive nature of the investigation means there is still substantial work to do. We are carrying out this rigorous investigation as swiftly as possible and will make our findings public in due course.

## Learning from our investigations

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During the course of our investigation into the police failures in the case of John Worboys, we set up a Community Reference Group (CRG) to seek advice and assistance from people with specialist knowledge in the field of gender abuse. The CRG also advised on the case of Kirk Reid, the findings of which were published in June 2010 and are available on the IPCC website at [www.ipcc.gov.uk/KirkReidCommissionersReport.pdf](http://www.ipcc.gov.uk/KirkReidCommissionersReport.pdf)

As a result of this successful approach, and in response to the continuing increase in cases where gender abuse is an issue, we established a Gender Abuse Strategic Support Group (SSG). The group is chaired by IPCC Chief Executive Jane Furniss. Amerdeep Somal, the IPCC Commissioner who leads on gender abuse, is a member, along with IPCC operational and policy staff. External groups represented include Refuge, the Rape Crisis Federation, Women's Aid, Southall Black Sisters and the Newham Asian Women's Project as well as the CPS and the National Policing Improvement Agency (NPIA).

The group met for the first time in September 2009 when a wide-ranging discussion and some initial scoping took place. The group decided to focus its attention on ensuring that our analysis of failures and mistakes by the police in such cases leads to sound recommendations to improve police performance and protect women better in future. The involvement of the external members, their experience and perspective has sharpened our approach to this whole area of work and is helping us make a significant step forward.

*“ It has been an immense pleasure to work with IPCC staff alongside expert violence against women stakeholders during 2009/10. I have aspired to draw attention to the challenges the specialist support sector faces to ensure appropriate policing of gender-based violence, and hope lessons have been learned when a victim centred approach is neglected. Additionally I would like my input to continue to inform the design and implementation of future policing interventions that address violence against women across all our communities.”*

Dr Aisha Gill, Senior Lecturer in Criminology, Roehampton University

The outcome of this work has been accepted by the Commission. It has already resulted in significant changes and will lead to further developments. We have used the feedback from SSG members to inform the development of our guidance for our investigators and Commissioners on formulating learning recommendations to police and other agencies. In addition, we have developed guidance for investigators and Commissioners to use when determining Terms of Reference for investigations into cases where gender abuse is a factor. We will be piloting this guidance and building in any feedback before making it part of our Operations Manual, which sets out for staff and Commissioners how our work in investigations and appeals should be handled. We have valued and appreciated the expertise of the SSG members and the generosity with which they have given their time and shared their knowledge.

*“Refuge, which has nearly 40 years’ experience of working to support women and children who experience domestic violence, has welcomed working with the IPCC on the issue of gender-based violence. We have been impressed by the IPCC’s approach to seeking expert advice on how to handle reviews of domestic violence cases and the proactive approach they have taken to gathering feedback from organisations which work day-in-day-out with women and girls who experience violence. These are complex cases where expertise is essential.”*

Sandra Horley OBE, Chief Executive of Refuge

In addition, Commissioner Amerdeep Somal has met with a number of organisations working in this area to discuss the role of the IPCC and the work currently being undertaken. She also met with the ACPO lead on domestic abuse, Deputy Chief Constable Carmel Napier. DCC Napier is committed to working with the IPCC to ensure a consistent response to domestic abuse by police forces across England and Wales.

DCC Napier has said that an incident of domestic abuse is reported to UK police every minute of every day. She also said that research suggests that victims suffer 40 incidents on average before they feel the situation is at “crisis point” and first report the abuse to police.

“It is often under-reported because people do try to manage it and hope it will go away. They just want it to stop, and try to live for the good times,” said DCC Napier.

DCC Napier welcomes the Learning the Lessons bulletin as it ensures police forces examine their working practices, identify the gaps and address them. She also shares and supports the direction of the work undertaken by the SSG.

“In the 21st Century in a civilised society, it should not be allowed; this is someone not just having a difference of opinion, this is someone who is being very violent, abusive and extremely controlling – and that is not acceptable,” she said.

Ms Somal also attends the Home Office Domestic Homicide Review Steering Group, and has been interviewed by Radio 4 Woman’s Hour on this subject.

Representatives from the IPCC contributed to a review by Baroness Vivien Stern into the treatment of rape complaints by public authorities. The Stern review report, which makes a number of recommendations about the handling of rape complaints, includes references to our investigations into the cases of John Worboys and Kirk Reid, as well as another case involving South Wales Police from 2005.

Gender abuse will form a key part of our guardianship work for the coming year. This will involve liaising with relevant organisations and stakeholders at the local level. We also plan to carry out some research work to broaden our knowledge of gender abuse issues, and provide specialist training for our operational staff.

*“ It has been a privilege to be a member of the GV SSG. The experience has been a productive and enlightening one; one which has been, and will continue to be, of benefit to my work with the Practice Improvement Unit at the NPIA. Bringing together experts from the voluntary and community sector, the CPS, the police and the IPCC, ensured that the wealth of knowledge and experience around the table produced SMART recommendations to help improve and strengthen future work and partnerships in and around gender violence.”*

Kathryn Lawrence, Professional Practice Developer, NPIA

## How the complaints system can be used to improve police practice

Investigations can gather information that provides valuable lessons for policing policy and practice. The Learning the Lessons Committee exists to help the police service improve by learning from investigations and other operations of the police complaints/conduct system. The Committee produces a bulletin with lessons from investigations, which is circulated to police forces and other bodies with constabulary powers three times a year.

The content of the Bulletin is drawn from reports and information on investigations, which we provide to the Committee on a regular basis. The Committee decides which of these reports are useful to the police service in helping to improve policies and practices. These are then included in the bulletin.

Using the Learning the Lessons Bulletin,<sup>5</sup> we have disseminated important learning about the handling of gender abuse cases so that all forces can learn from cases where something has gone wrong. The Bulletin released in February 2010 covered the handling of calls made to the police in emergencies; in many of the investigations into police failures to protect women and vulnerable people, the handling of these 999 calls has been part of the problem.

This edition pointed out the importance of obtaining and recording the right information and assessing risk correctly – and it described the high value of strong supervision and training for call-handling staff. The way that forces grade calls, assess risk, share information and manage resources are also significant issues. Forces need to understand the limits of their systems and be aware of any incompatibilities with other forces to ensure effective and consistent working with their neighbours. This includes other forces, the ambulance service and partner agencies. We plan to produce a thematic Bulletin covering gender abuse cases in October 2010.

5. Produced in partnership with the multi-agency Learning the Lessons Committee (including the Association of Chief Police Officers, the National Policing Improvement Agency, the Home Office and others).

## Stop and search – stating our position

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We recognise that police powers to stop and search individuals exist and that the police will use them. However, we also believe that the use of stop and search powers is highly intrusive. Where they are not seen to be fair, effective or to carry public confidence, their use may seriously risk undermining individual and community confidence in policing.

In May 2009, we held a ‘round table’ seminar to discuss our position on stop and search, which is based on our experience from cases and guardianship work to date. The purpose of the seminar was to gather expert and representative opinions to help inform our position. Among the attendees were community and police representatives, individuals in the field of policing policy, and two young people with direct experience of being stopped and searched. The seminar was hosted by Lord Carlile<sup>6</sup> and chaired by Nick Hardwick.

A broad consensus supporting our draft position paper emerged among the attendees – all of whom provided helpful recommendations to improve it. Those present also recognised the important role that police authorities have in monitoring their force’s use of stop and search.

Our position is that stop and search must reflect these three principles:

- **fairness:** each officer who exercises the power of stop and search – whether the law requires the stop to be on reasonable grounds – must be able to answer the question “why did you stop me?”
- **effectiveness:** regardless of the purpose for which the stop and search powers are used, the police should be able to demonstrate effectiveness of the powers through regular monitoring.
- **carries public confidence:** local police commanders should engage with their local communities to inform people about the use of powers within their local policing area and demonstrate the effectiveness of their use.

We will handle complaints about stop and search with these principles in mind and our revised Statutory Guidance also reflects this approach.

We have begun work to publicise our position on stop and search with key sections of the community – for example, running sessions in schools for young people. This work will continue over the coming months as we use relevant media outlets to communicate our stance on stop and search.

**i** You can read our full stop and search position statement at: [www.ipcc.gov.uk/index/resources/themes/stop\\_and\\_search.htm](http://www.ipcc.gov.uk/index/resources/themes/stop_and_search.htm)

# Increasing public confidence in the police complaints system

## Providing a map – new Statutory Guidance for the complaints system

A major piece of work during the year under review has been the development and implementation of our revised Statutory Guidance for the police complaints system. The revised Guidance came into effect on 1 April 2010. It provides guidance to the police service and police authorities on the handling of complaints.

We recognised that in revising the Guidance we could make many of the proposals from the 2007 ‘Stock Take’ of the complaints system a reality. It also provided an opportunity to reflect the changes to the police discipline system introduced by the Taylor reforms.<sup>7</sup>

The ‘Stock Take’, which was launched in 2007, was a review of the police complaints system which we conducted in collaboration with our Advisory Group of external stakeholders. The Stock Take aimed to assess the progress made since the Police Reform Act came into effect and we began work in 2004. The Stock Take’s key conclusion was that the primary focus of the complaints system needed to be on the experience of the complainant and on what – if anything – needed to be done to put things right.

7. *The Taylor Review of Police Discipline Arrangements was published in 2005. It led to the development of a new system for dealing with police performance and discipline, with new procedures taking effect from October 2008.*

The revised Statutory Guidance was designed to allow us to move away from a system that focused almost entirely on establishing whether a person serving with the police had committed an act of misconduct, to one that takes a more rounded approach to judging the merits of a complaint and putting things right when they have gone wrong. The Guidance aims to reduce bureaucracy within the complaints system and encourages handling of complaints quickly and simply at a local level. Importantly, it:

- Helps to make the outcome of complaints more meaningful to complainants by introducing a shift from a system in which a complaint can only be ‘substantiated’ if it is shown to have arisen from individual misconduct, to a system where a complaint is ‘upheld’ or ‘not upheld’ based on whether, in all the circumstances, it is found to be justified.
- Encourages police officers and staff to address minor issues and casual expressions of dissatisfaction at an early stage before they progress to becoming formal complaints.
- Supports officers and staff to take a proportionate approach to complaint investigations by setting out minimum expectations and factors to assist them in judging proportionality.
- Encourages police forces and police authorities to make use of a broader range of outcomes from complaints to help improve the services they offer.

In developing the revised Guidance we worked closely with key stakeholders, including representatives from the police service, police authorities and members of the public. We carried out a full consultation on the draft version of the revised Guidance during 2009, and responded to the comments we received as a result.

When the Guidance received sign off from the then Home Secretary, we then began detailed work to prepare police officers, police staff – and our own staff – for the changes that the new Guidance would bring. We arranged a series of workshops across England and Wales where our Chair, Nick Hardwick, and DCC John Feavoyour, ACPO lead on complaints and misconduct, explained the revised Guidance. The workshops included staff from police PSDs, police authorities, staff associations, and the IPCC. Attendees were able to work through scenarios to enable them to put the revised Guidance into context and the workshops were well received. Training sessions and briefings were also held for all our staff to inform them of our organisational responsibilities under the revised Guidance.

The Guidance was published on a dedicated website (<http://statguidance.ipcc.gov.uk>), allowing users to search and scan for the information they need with ease – and allowing quick and easy updating of the content as required. The site features a clean, simple design and useful icons that signpost the viewer through the information.

The changes introduced by the revised Statutory Guidance have been reflected in a new web-based Operations Manual for our staff. The Manual consolidated a wide range of resources, enabling staff to have easy access to operational policy and guidance, templates and documentation.

## What the public say – the results of our public confidence survey

We have a statutory duty to raise public confidence in the police complaints system and are obliged to measure, monitor and, where necessary, seek to improve the existing system.

In 2009, we commissioned the British Market Research Bureau to conduct a study into public confidence in the complaints system for the fourth time.<sup>8</sup> The key findings of the survey include:

- A very high proportion of respondents, 86%, said they believed that the IPCC would treat a complaint against the police fairly.
- For white respondents the figure was 88%, but just 72% for ethnic minority respondents.
- Of the 27% of respondents who had been in contact with the police, 71% were happy or very happy with that contact. It is encouraging that happiness with police contact has increased gradually over the years with 65% in 2004; 67% in 2007; 70% in 2008; and 71% in 2009.
- A total of 59% would be prepared to make a complaint if having just cause, against 60% in 2008. However, just 50% among ethnic minorities were prepared to make a complaint compared to 61% in the white community, though this gap is closing.
- White respondents reported that by far the issue of most concern to them was that nothing might be done about a complaint (48%), followed by 'not sure how to complain' and 'would not be taken seriously' (both 36%).
- Disincentives to complaining reported by ethnic minority respondents included not being taken seriously at 46%, along with a fear that complaining would take up an awful lot of their time (48%), and that possible police harassment might follow it (40%).

- A total of 67% percent of respondents had heard of the IPCC. This indicates a gradual improvement from 62% in 2004; 64% in 2007; and 65% in 2008. Respondents from ethnic minorities and young people were considerably less aware of the IPCC.
- A total of 69% of respondents thought that the IPCC was independent of the police. This result is almost identical to 2007 and 2008 figures. Only 26% thought it was part of the police, rising to 36% among ethnic minorities.
- And 67% of respondents were fairly/very confident that complaints against the police would be handled impartially by the IPCC. This figure is similar to that recorded in 2007 and 2008. The figure for ethnic minorities continues to be lower than that for white respondents (56% and 69% respectively).

We will continue to run our public confidence survey in order to assess progress. In particular, work will continue to try to engage with groups where awareness of and trust in the IPCC are not as high (such as ethnic minorities and young people) and where we want to close the gap. One potential way to increase engagement with these groups involves increased use of social media, which is a key element of our Communications Strategy for 2010-12.



## What our customers say – feedback from people affected by our investigations

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Fulfilling our statutory duty to increase public confidence in policing involves listening and being responsive to people who use our services or come into contact with us during the course of an investigation. We need to draw on their experiences to help us improve performance across the complaints system, collecting feedback from people who have direct experience of the complaints process.

We carried out two pilot studies this year to gather feedback from complainants and police personnel involved in a managed or independent investigation, and complainants who make an appeal to us. We consider three types of appeal:

- failure of the police to record a complaint
- against the outcome of a police investigation
- against the Local Resolution process

We are integrating the feedback into the complaints process, and also gathering ongoing feedback as part of our regular work, which should help to improve satisfaction and confidence in the system. In addition, the launch of our new Operations Manual for IPCC staff (see page 29) and introduction of our revised Statutory Guidance (see pages 28-29) will mean changes to the way that both complaints and appeals are handled, responding to the issues raised by these two surveys.

The survey results will be published on our website later this year.

## Deaths in police custody and following police contact

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Deaths in police custody represent some of the most high-profile cases we handle. We have drawn upon the findings from these cases in a number of ways. For example, our Learning the Lessons bulletin has presented recommendations involving deaths in custody and our investigative work has drawn out recommendations from small clusters of cases.

However, there is very little research evidence in this area to help support developments in policy and practice. We are therefore conducting a study on deaths in police custody. The study examines all deaths in custody from 1998/99 – 2008/09 using completed investigation reports.

The research looks at a number of key issues with regard to deaths in or following police custody, such as: trends and characteristics of the deceased; restraint, positional asphyxia and ‘excited delirium’<sup>9</sup>; mental health, self-harm and suicide, alcohol and drugs; and risk assessment, care of detainees and medical provision.

The objective is to ensure that we can speak with an authoritative voice about this area based on evidence and identify trends and lessons that can be learnt to inform policy and practice.

We hope to publish the findings of this research in late 2010.

The Police Reform Act (2002) gave police forces in England and Wales a statutory duty to refer to the IPCC any incident involving a death that has arisen from police contact. We consider the circumstances of all the cases referred to us and decide whether to investigate the death.

We will publish the figures on deaths during or following police contact between 1 April 2009 and 31 March 2010 on our website in autumn 2010.

9. *Excited delirium is a term used to explain deaths of individuals where a person being arrested or restrained shows some combination of, for example, agitation, violent or bizarre behaviour, insensitivity to pain and/or elevated body temperature.*

## Accountability

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### Police complaints – the numbers

Each financial year we collate and publish figures on police complaints in England and Wales. These figures help to paint a broad picture of the numbers and types of complaint against the police, as well as explaining the reasons why people complain, and how these complaints are dealt with.

Figures for the financial year 2009/10 are currently being compiled and will be published in the autumn, along with other performance framework data (see below).

### Police complaints – improving performance

In the financial year under review we have continued to work hard with forces to establish a performance framework.<sup>10</sup> The framework will reduce the burden of reporting for forces and the data collected will provide consistent information about the way the entire complaints system operates. The IPCC and stakeholders will be able to use the framework to assess the performance of the complaints system, address poor performance where necessary and share best practice across the system.

Phased implementation of the framework began in April 2009 and we hope to produce the first national annual performance report of the complaints system in autumn 2010.

During 2009/10 we have:

- Phased implementation of the performance framework – 37 forces have reported their data at least once.
- Used the data received to produce sample performance reports. These have been sent to forces and we have encouraged them to share them with their police authority.
- Informed all forces about the change to the implementation plan and the reasons for this.

We now plan to send an improved report format to forces over the next few months for their feedback, as well as work with IT providers to write and test the new data export programme. When this new programme is in place we will produce and publish the national performance report for 2009/10 and will consult on the best arrangement to monitor and report on performance for the future.

*10. The performance framework will measure and report on the performance of the IPCC and police forces individually, providing information about the operation of the entire police complaints system. It will measure performance against a range of indicators and will allow forces to compare their performance against that of similar forces.*

## Our work in Wales

### Police complaints – the numbers

During 2009/10, there were a total of 1,714 complaint cases recorded by police forces in Wales – 5 per cent of the 31,747 cases across England and Wales as a whole. In 2009/10, we received 199 referrals from Welsh forces, leading to 11 independent investigations.

In addition, we have dealt with 294 appeals from the public concerning police forces in Wales.

### Improving confidence – guardianship in Wales

The IPCC Commissioner for Wales, Tom Davies, has responsibility for ensuring that we take into account national Welsh issues when delivering our services in Wales. This involves close contact with the Welsh Assembly Government.

The Chair of the IPCC and the Commissioner for Wales, Tom Davies, held routine meetings with the Minister for Social Justice and the Presiding Officer of the National Assembly for Wales to discuss our role and responsibilities. Tom Davies has also held regular meetings with Wales MPs and Assembly Members.

Discussions have taken place with the Assembly Government about how we can liaise with and inform the Assembly Government's scrutiny committee system. Our staff in Wales have also had useful discussions with the Wales Audit Office about its role in inspecting police authorities in Wales and with the Public Sector Ombudsmen for Wales. The Children's Commissioner for Wales had discussions with our staff about various issues concerning young people and the complaints system and we hope to develop these discussions over the coming year.

We worked closely with Association of Police Chiefs in Wales, known as WACPO, to develop learning from cases in Wales and to improve the complaints system within Wales. We are also working with Welsh police authorities to develop a framework to ensure that our performance framework data (see page 33), and the learning the lessons initiative (see page 26), are utilised in a consistent and productive manner that will forge real improvements within the police service in Wales.

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During the year under review, we have continued to liaise with the Welsh Assembly Government on a number of issues. Key examples include the work areas listed in the table below.

### Gender abuse

In Wales we are working with various national bodies – including the Welsh Assembly Government, the Home Office Crime team in Wales and local stakeholders – to look more closely at how Welsh police forces deal with gender abuse cases. This follows a number of high-profile cases in Wales during the summer of 2009 that involved violence against women and police failures to protect them – for instance, the murders of Joanna Michael in the South Wales policing area, Chanelle (Sasha) Jones in Dyfed-Powys, Bobbie Stokoe in Gwent and Karen McGraw in North Wales. Our work has been informed by the advice of our national group on gender abuse (pages 24-25).

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### Mental health and policing

In 2009, at the request of the Minister for Health and Social Services, the Welsh Assembly Government held a Task and Finish Group to consider our report on the use of police custody as a place of safety.<sup>11</sup> A number of the recommendations contained in the report were relevant to the position in Wales. The Group also recommended that awareness of the law in relation to section 136 needs to be improved, with a view to removing the perceived inequity of operation of the legislation across Wales. This Group's report also sought the agreement of the Minister for Health and Social Services to:

- develop guidance relating to the operation of section 136 in Wales
- develop a centralised approach to data collection in relation to the use of section 136
- identify a person at each Local Health Board to lead on the operation of section 136 in their area.

In November 2009, the Minister for Health and Social Services noted the report of the Task and Finish Group and agreed to its recommendations on work being taken forward on section 136.

11. 'Police custody as a place of safety: examining the use of section 136 of the mental health act 1983'. Available at: [www.ipcc.gov.uk/section\\_136.pdf](http://www.ipcc.gov.uk/section_136.pdf)

## Our investigations and cases in Welsh police forces

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- In December 2009, we released the findings of our independent investigation into the way in which South Wales Police investigated an allegation of historic rape and abuse. We found that South Wales Police failed to properly investigate the allegation of rape, and let the victim down by not providing appropriate support. Following this, she raised concerns in the media about the police investigation and her complaint was referred to us in April 2008.

*As a result of our investigation, a South Wales Police detective constable and detective inspector were given written warnings, and a detective sergeant received words of advice.*
- Our investigation upheld a complaint that Gwent Police failed to take appropriate action to manage the movement and conduct of a registered sex offender, endangering the welfare of children living there. Our investigation also found organisational failings with the force's management of sexual offenders. Malcolm Hewitt was found guilty at Newport Crown Court in August 2007 of sexually assaulting a four-year-old girl. While we found that two junior officers had failed in their specific duty, we concluded that those failings were a symptom of more serious organisational failures, which led to the overall poor management of this registered sex offender.

*The two officers received management advice and Gwent Police fully accepted our findings and conclusions and made a series of changes. Her Majesty's Inspectorate of Constabulary has since inspected Gwent Police and found the new policy and procedures to be acceptable.*
- In September 2009, we substantiated two of four complaints against North Wales Police. The complaints involved the police response to an incident at a holiday park where the complainant was arrested despite alleging that he had been the victim of an assault by security staff. He claimed that police officers did not properly investigate the matter and that a member of police staff made racist comments to him. North Wales Police did not record his complaint and the complainant then appealed this decision. We upheld the appeal and began a managed investigation into his complaints.

*The investigation substantiated the complaint of racist comments having been made by a member of police staff. The person responsible was subject to a diversity action plan, but left the force before this could be implemented. The investigation also found that North Wales Police's procedures for dealing with counter-allegations of criminal behaviour were very poor. A police officer was subject to an action plan to ensure that aspects of his knowledge could be checked and, where necessary, improved. At the end of the investigation, our staff met with the complainant, along with an adviser from the Birmingham Racial Attacks Monitoring Unit, to explain the outcome.*

## Welsh Language Act

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We are committed to complying with our duty under the Welsh Language Act 1993 to treat Welsh and English equally when conducting public business in Wales. We have been liaising with the Welsh Language Board to ensure that we meet our statutory obligations, and a number of positive steps have already been taken in this respect. For example, we are working in Wales to implement a Welsh Language Scheme. The region has already reached its target of having seven Welsh-speakers on staff and we are in the process of recruiting more.

Welsh language training is being provided to staff through the Wales Justice Network.<sup>12</sup> We played a full part in the Network in Wales and 12 IPCC staff participated in joint Welsh language training aimed specifically at the justice sector.

We have also set up a Welsh language telephone line to allow members of the public to speak to our staff in their preferred language, and work has continued to translate the content of our website into Welsh, with priority given to the sections about how to make a complaint.

*12. The Network was launched at the National Eisteddfod in Cardiff in 2008 and comprises of all the agencies involved in the justice sector, from both the criminal and civil jurisdictions. Its creation was one of the main recommendations of a major study conducted by a team of language experts commissioned by the North Wales Criminal Justice Board.* 37

# Wider responsibilities – complaints and referrals from other organisations

## HMRC

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Our jurisdiction over HMRC covers:

- All mandatory referrals, which includes serious complaints and incidents such as alleged assaults, discriminatory behaviour, corruption and deaths during or following contact with HMRC staff.
- Voluntary referrals – when HMRC decides it is appropriate to refer other allegations to us.
- Appeals against HMRC non-recording of a mandatory referral.
- Appeals against the outcome of an investigation of a mandatory referral.

When cases are referred to us, we then decide the appropriate mode of investigation. Allegations may be:

- independently investigated by us
- investigated by the police or HMRC under our management or supervision
- investigated locally by HMRC.

### Investigations and appeals

We received 37 referrals from HMRC during 2009/10. Of these referrals, two have been subject to a managed investigation, two investigations were being supervised,<sup>13</sup> 24 were sent back to HMRC for local investigation, and nine were referred back to HMRC to be dealt with as they see fit.

We received three appeals relating to HMRC cases during 2009/10. Two were against the outcome of an investigation, one of these was not upheld and the other was not valid. One appeal against non-recording was received, which was not valid.

### Work this year and future work

- We are continuing to work with HMRC on their new regulations. These have been drafted and final discussions on the revisions are underway.
- In consultation with HMRC we will develop and publish statutory guidance for HMRC over the coming year.

*13. One of these cases was originally referred by HMRC and deemed appropriate for a local investigation. When further information came to light it was re-referred and a supervised investigation began. Due to the transfer of certain customs staff to the UK Border Agency, the supervised investigation was carried out by UK Border Agency investigators. The investigation was carried out under the Revenue and Customs (Complaints and Misconduct) Regulations 2005.*

## UK Border Agency

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On 25 February 2008, our jurisdiction was extended to include complaints and conduct matters relating to UK Border Agency officers and officials of the Secretary of State. From 5 August 2009, our remit was extended further to cover staff who work inland and at the borders detecting the smuggling of illicit goods and prohibited items (including weapons), as well as collecting taxes and duties, who transferred from HMRC to the UK Border Agency.

In addition, in April 2010, we also began to provide oversight of certain contracted staff employed by the UK Border Agency. Casework for any UK Border Agency complaint is carried out by staff based in our Wakefield office.

Our remit over the UK Border Agency is restricted to the most serious complaints in which staff or contractors have used enforcement powers (e.g. powers of search, arrest, detention etc) while undertaking immigration functions. Our oversight of complaints about UK Border Agency's exercising of customs functions does not require that the UK Border Agency staff member exercised enforcement powers. We do not have jurisdiction over immigration detention centres, but we do have jurisdiction in respect of PACE compliant customs custody facilities.

We are also responsible for considering appeals made by members of the public in relation to serious complaints against the UK Border Agency. If the UK Border Agency decides not to record a serious complaint about a member of UK Border Agency staff exercising enforcement powers, the complainant has the right of appeal to us against such non-recording.

The IPCC and the UK Border Agency have begun work to develop Statutory Guidance for the handling of UK Border Agency complaints by the IPCC. We plan to complete and publish this guidance at the end of 2010/11.

### Investigations and appeals

We received eight referrals from the UK Border Agency during the period under review. Five were sent back to the UK Border Agency for local investigation and two were referred back to the UK Border Agency to be dealt with as they see fit. The UK Border Agency's specialist investigation team, the Professional Standards Unit, undertook investigations into those cases referred back by us as well as the local investigations.

We received six appeals relating to UK Border Agency complaints in 2009/10. One was against the outcome of an investigation (not upheld) and five were identified as being outside our jurisdiction because they did not relate to complaints involving staff using enforcement powers while undertaking immigration functions.

## SOCA

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The Serious Organised Crime Agency (SOCA) was set up on 1 April 2006 to combat organised crime. We are responsible for the way that complaints against SOCA are handled.

### Investigations and appeals

During the period 1 April 2009 to 31 March 2010, SOCA referred nine complaints and conduct matters to us. One was being independently investigated by us and eight matters were returned to SOCA for local investigation.

We received eight appeals in relation to SOCA complaints. Three involved investigations (all three were not upheld), four were against the non-recording of a complaint (three were upheld, and a decision on one appeal is pending) and one was against Local Resolution and was not valid.

## Our targets and performance in 2009/10

2009/10 represented another challenging year for us as demand for our services continued to grow, and the complaints arising from the policing of the G20 protests stretched our capacity further.

The period under review saw us deal with over 2,700 referrals from the police. We received more than 5,500 appeals from the public and just over 15,000 complaints were made directly to the IPCC.

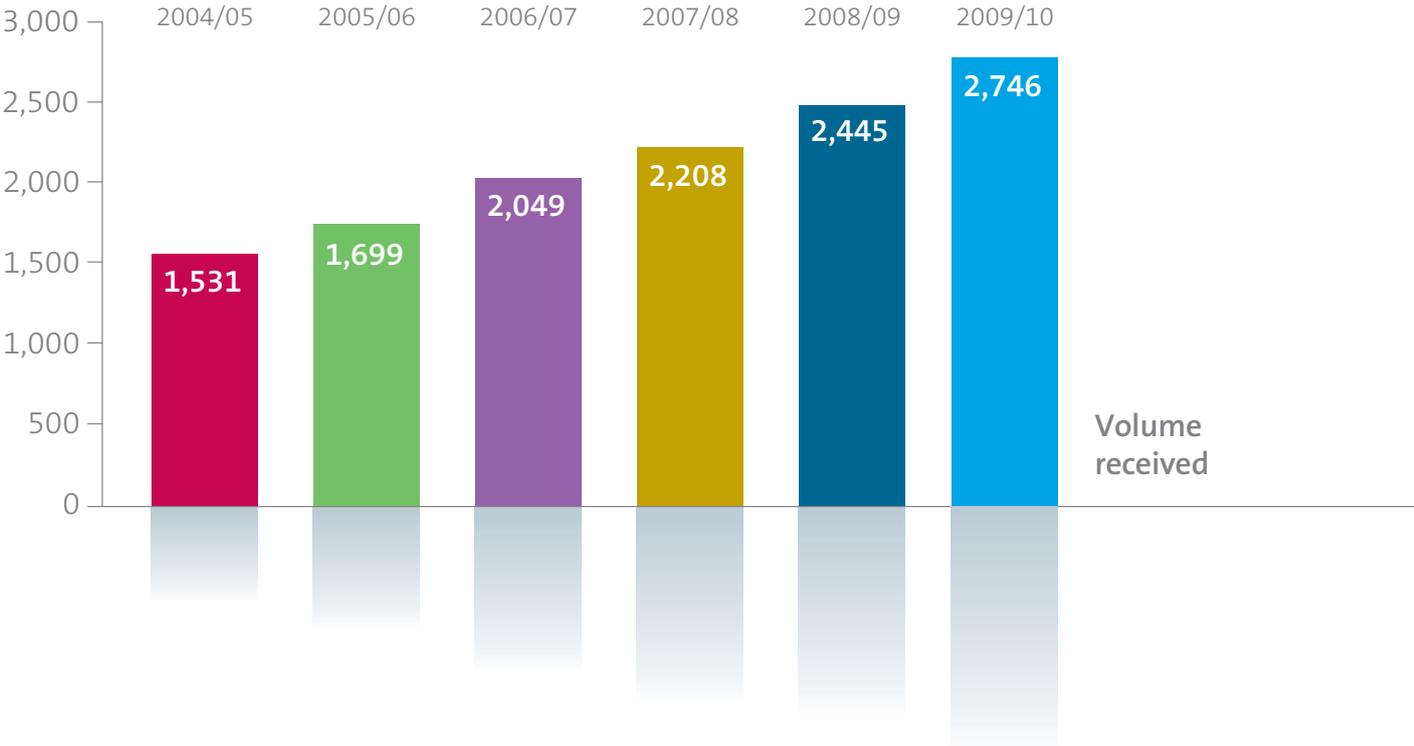
Rising demand and static casework resources meant that we were unable to complete as many cases as we received in the year. Our active caseloads of appeals and direct complaints have again increased and this has continued to impact on our ability to complete this work as quickly as we would like.

We have continued to make timely decisions about how to investigate cases referred to us by the police. We have achieved this through careful prioritisation of our work; ensuring that serious, high-profile and sensitive issues are identified and addressed in a timely way. During 2009/10 we started 106 independent and 151 managed investigations and we closed 101 and 88 respectively.

This section outlines the demand for our services and our performance during 2009/10. It concludes with our plans to improve performance over the coming year.

Figure 2.1:  
**Referrals to us**

The volume of referrals made to the IPCC by year



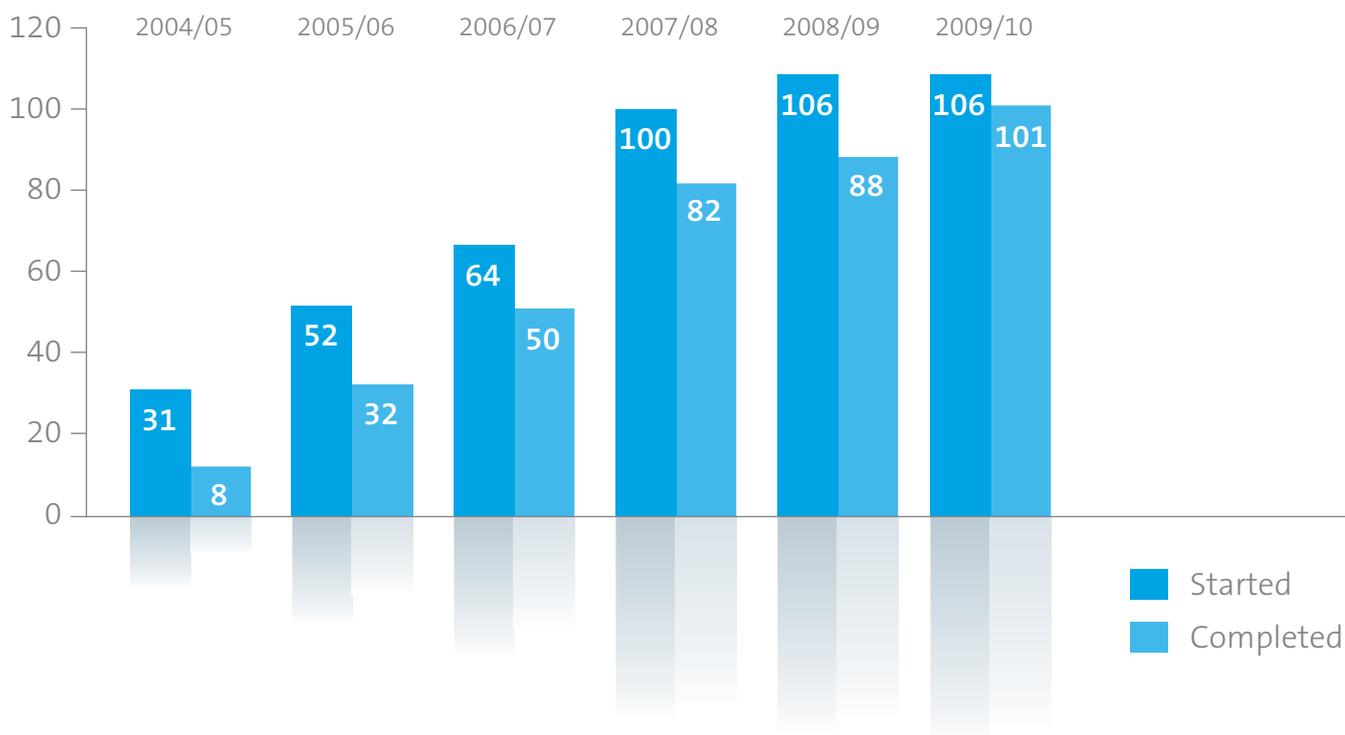
### Referrals

For the fifth consecutive year we saw an increase in the number of complaints and conduct matters referred to us. We dealt with 2,746 such referrals during 2009/10. This is 12% more than during 2008/09 and nearly twice the volume received during our first year of operation (see figure 2.1). We aim to deal with 90% of referrals within two working days and we achieved this standard for 88% of the referrals we received this year.

We have made improvements to the way in which we gather information, and this has helped us to make effective decisions about how to investigate referrals. Where appropriate, we have continued to deploy our investigators to conduct detailed assessments of incidents referred to us. Of the investigations we started during 2009/10, 36% of independent and 35% of managed investigations were subject to an initial scene assessment.

Figure 2.2

## Independent investigations started and completed by year



### Our investigations

We have continued to experience high demand for our independent investigations, although additional resources secured in 2009 have helped us to handle this. During 2009/10 we decided to independently investigate 106 of the most serious matters referred to us using our own investigators. For the first time we have reduced the gap between the number of investigations started and completed in the year (see figure 2.2). This is a significant achievement given the high volume of ongoing independent investigations at the beginning of 2008/09 (see figure 2.3).

The number of cases where we managed investigations increased during 2009/10. We started 151 of these investigations, an increase of 34 on the previous year (see figure 2.4).

On average, we completed independent and managed investigations in just over 200 working days. This represents a considerable improvement for managed investigations, which took an average of 269 days in 2008/09. However, the average time to complete independent investigations increased. This was mainly due to the high number of investigations carried over from the previous year. We expect to improve on this average time in the coming year as our improved performance in completing investigations results in a more manageable open caseload.

Figure 2.3  
**Ongoing independent investigations**

The number of independent investigations ongoing (month-end) April 2004 to March 2010

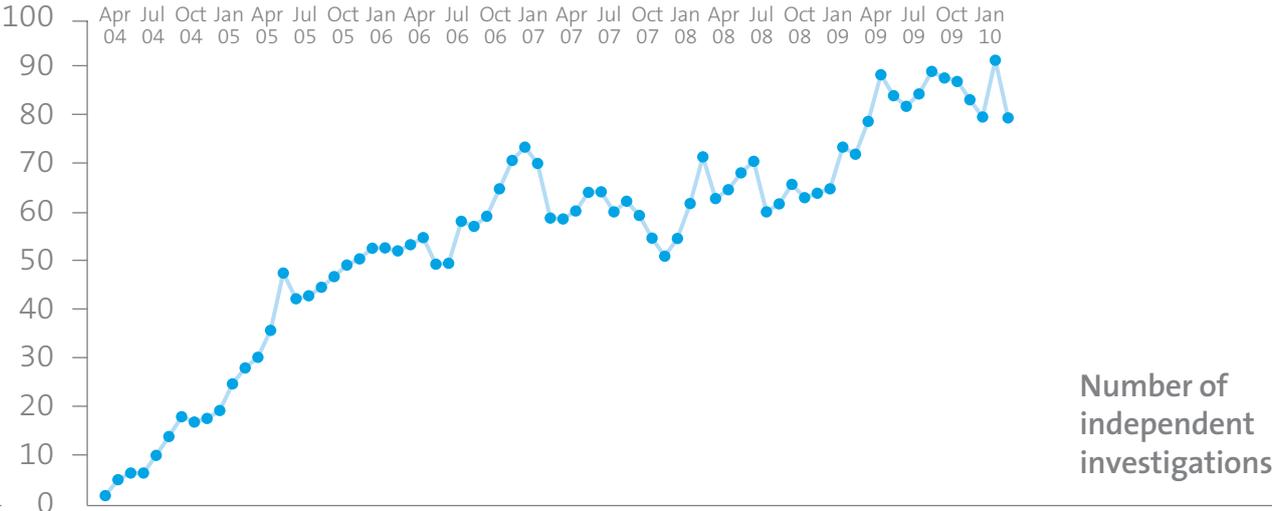


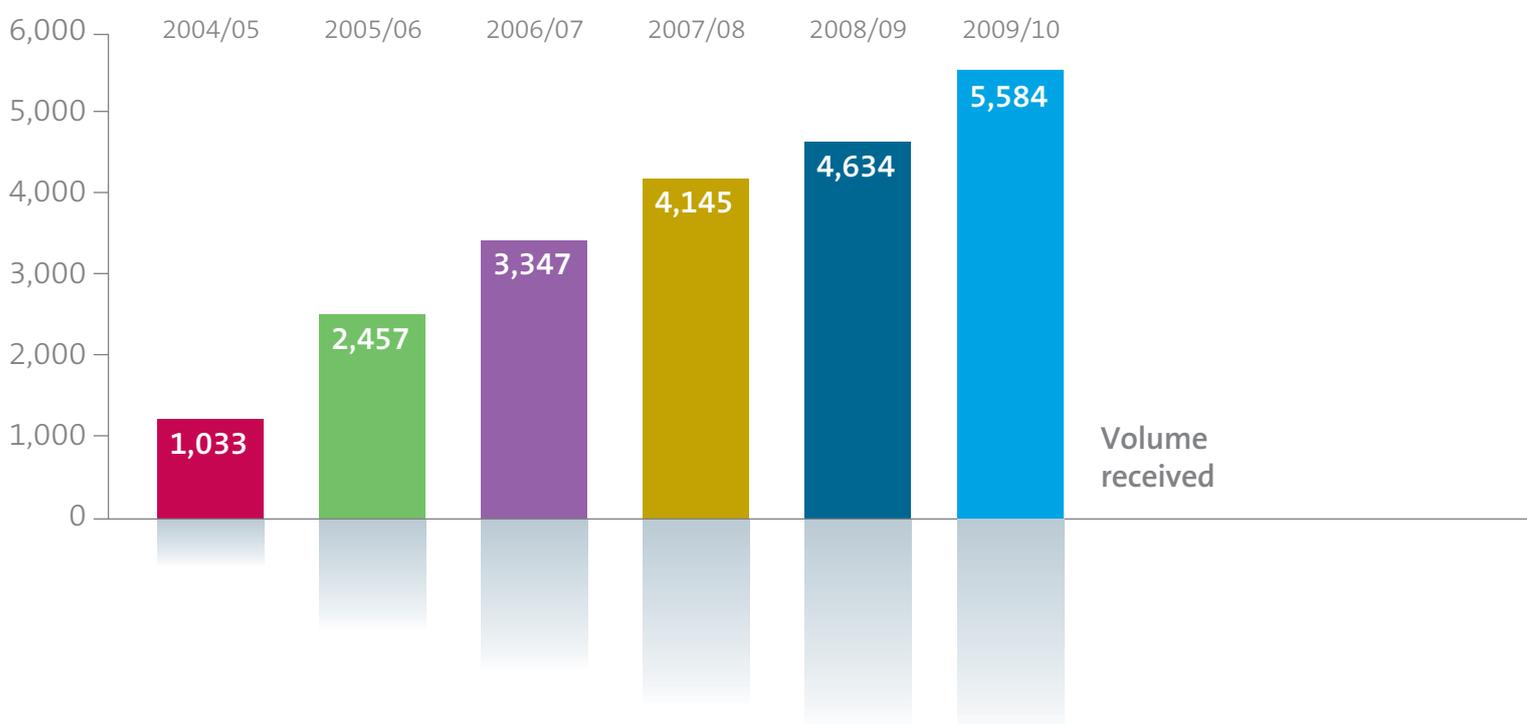
Figure 2.4  
**Managed investigations started and completed**



Figure 2.5

## Appeals received by year

The volume of appeals received by the IPCC by year



## Appeals

We saw further increases in the number of appeals made to us during 2009/10. A total of 5,584 appeals were received, an increase of 21% on the previous year (see figure 2.5).

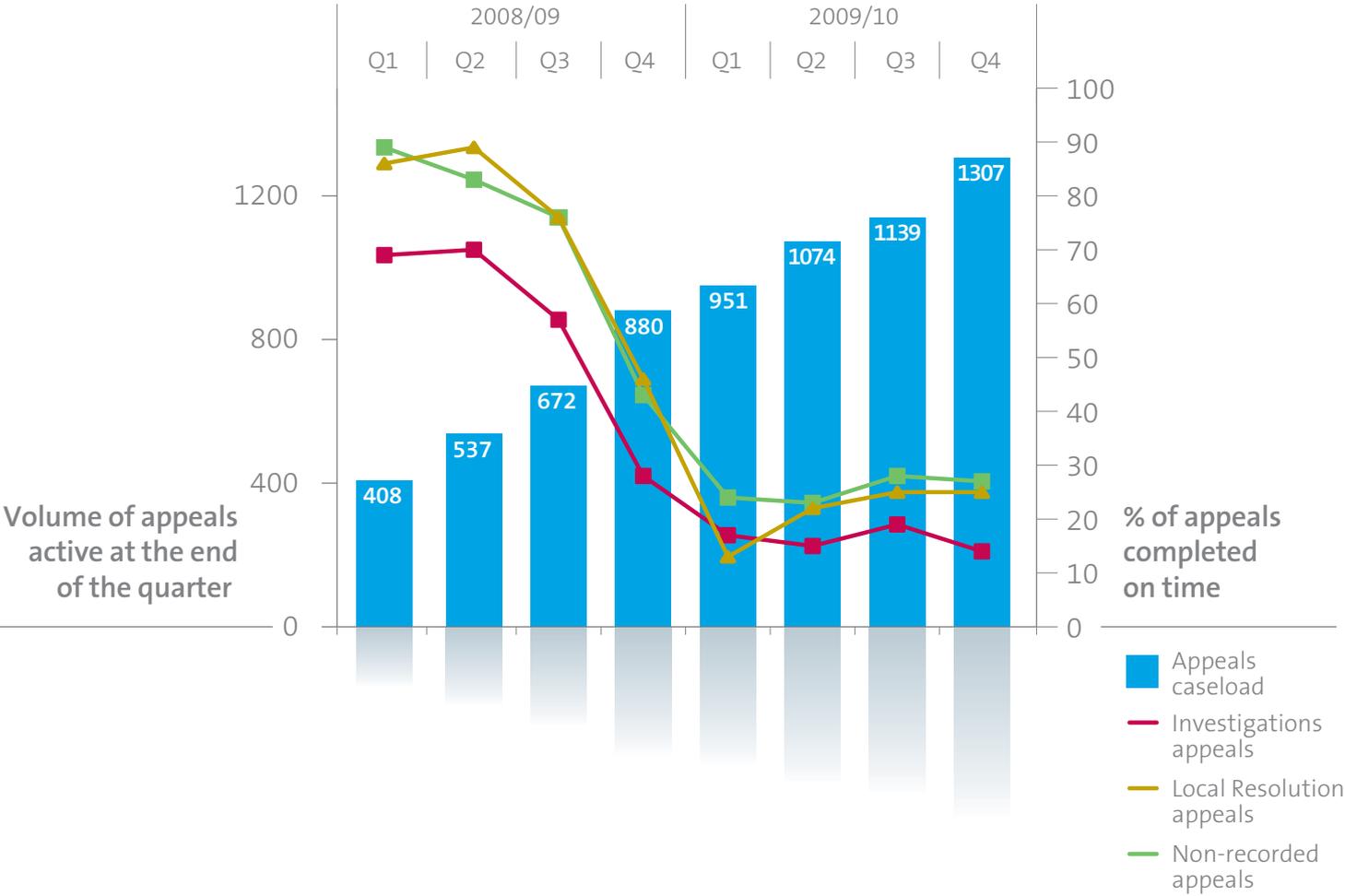
We aim to inform the relevant force that we have received an appeal within one working day for 90% of the appeals that we receive. Despite the growing number of cases we were able to achieve this in 81% of cases.

The level of appeals continues to exceed significantly our capacity to deal with them. This has had an impact on the number of open

cases and on our ability to complete this work in a timely way (see figure 2.6). During 2009/10 26% of appeals against the non-recording of a complaint by a force and 22% of appeals against the process of a locally resolved complaint were completed within 25 working days. Appeals about the investigation of a complaint by a force were completed in 35 working days in 16% of cases.

We upheld 29% of the appeals that we completed during the year, which is a similar level to previous years. In many of these cases we directed the force to take further action.

Figure 2.6  
**Appeals caseloads and timeliness**  
2008/09 - 2009/10

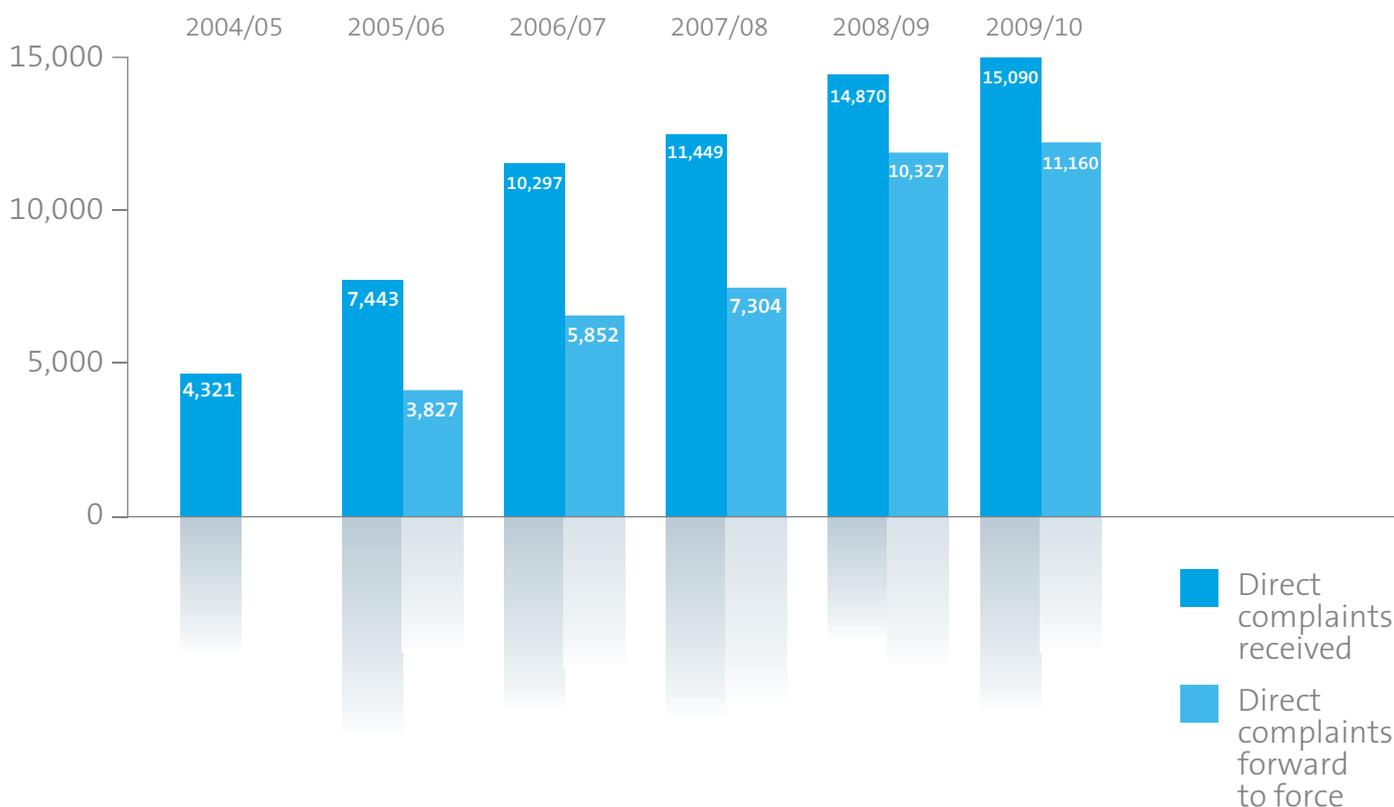


By allocating appeals work on a national basis and in strict date order, we have ensured that a consistent standard of service is offered to all appellants irrespective of their geographical location. Although this has increased the average time taken to complete appeals as we clear the older cases, there is now little variance across our regional offices. Nationally, the average time to complete investigation appeals is 56 working days, with Local Resolution and non-recording appeals taking an average of 40 days to complete.

During the coming year we will utilise additional casework resources to continue to focus on reducing the number of open cases. We will also better manage the expectations of appellants by introducing more realistic timeliness standards for completing this work.

Figure 2.7

## Direct complaints received from the public and forwarded to force



## Handling complaints made directly to us

We have continued to ensure that we quickly identify the most serious of these complaints (priority 1). We were able to respond to the complainant within our target of two working days for 91% of these complaints and 88% were forwarded to the force for recording within the two day target (see figure 2.8).

Given the high level of demand, it has been more difficult for us to deal with the less serious complaints (priority 2) within the five working day target that we aimed for. In 41% of these cases we were able to respond to the complainant within the five working day target.

Over the coming year we will work to increase our understanding of why complainants approach us directly rather than through the relevant force. This will help us to improve access at force level and ensure that the service offered by our Telephone Complaints Centre meets the needs of complainants.

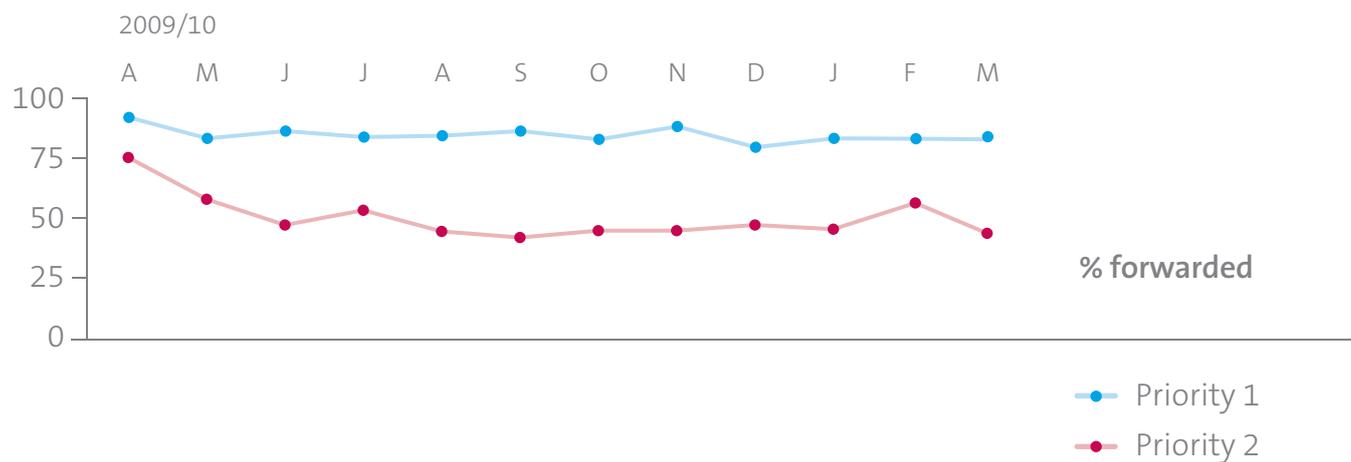
Figure 2.8

### Performance of direct complaints

Direct complaints responded to the complainant on time



Direct complaints forward to force on time



## Other performance information

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We treat complaints against our own staff very seriously. The volume of complaints made against us reduced to 396 in 2009/10 from 435 the previous year. We acknowledged all of these complaints within three working days and exceeded our aim to provide a timely substantive response within 20 working days in 85% of cases. The number of complaints that we found to be justified increased to 54, an increase from the 41 complaints upheld during 2008/09. Upheld complaints continue to focus around service delivery (50%) and delays (33%).

Our staff sickness absence rate was 3% across the year and staff turnover rates reduced to 8% in 2009/10. IPCC absence and turnover are lower than the average rates for similar government services. Appendix 2 contains further data about our workforce.

Due to the nature of our work, we deal with a large amount of correspondence from Members of Parliament and a high level of requests for information under the Freedom of Information (FOI) legislation. This year, we have made changes to the way in which we deal with MPs' correspondence and this has improved both the quality and timeliness. We responded to 94% of correspondence from MPs within ten working days in the last year.

We received 260 FOI requests in 2009/10. A very significant increase in requests followed the publicity around the policing of G20 and the focus on criticism of MPs' expenses which led to scrutiny of expenditure of all public bodies. Our performance in responding to these requests has been difficult to maintain as there has been a rise in the number of requests received while our resources in this area remained static. We were able to respond to 200 requests and in 38% of cases we provided the information within our statutory target of 20 working days. There was also an increase in the number of requests for information made under the Data Protection Act, from 169 requests in 2008/09 to 192 in 2009/10. In the coming year we will work to improve our processes for responding to these requests and will allocate additional resources to this area in order to improve our performance.

## Improving our performance during 2010/11

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We anticipate a sustained demand for our services during the coming year. It will be a key challenge for us to manage this demand, particularly considering the extent of our existing caseloads within our investigations and casework functions. Through the delivery of our strategic change programme we will ensure that we are using our limited resources in the most efficient way.

To manage the expectations of our stakeholders we have introduced realistic targets for the completion of the appeals that we receive. This has been indexed to the forecast volume of appeals during the coming year and the casework resources available to deal with this demand.

Introducing our Investigations National Office will ensure that a consistent approach is applied across the IPCC in decisions about how a complaint will be investigated. We will continue to focus on completing investigations, particularly those where we have exceeded our 157 day timeliness target.

# Annual accounts and notes to the accounts

## Foreword to the accounts

**These accounts have been prepared by the IPCC in accordance with the requirements of the Financial Reporting Manual (FReM) produced by HM Treasury and the Accounts Direction given by the Secretary of State. They have been prepared with the consent of HM Treasury and in accordance with paragraph 17(1) of Schedule 2 to the Police Reform Act 2002.**

## The nature of the IPCC's business and its aims, objectives and activities

The IPCC's primary purpose is to increase public confidence in the police complaints system in England and Wales. This is the IPCC's guardianship role. The IPCC also investigates the most serious complaints and allegations of misconduct against the police in England and Wales, as well as handling appeals from people who are not satisfied with the way police have dealt with their complaint. This involves engaging with 43 police forces across both countries.

## History

The IPCC was created by the Police Reform Act 2002 and was established as an executive non-departmental public body (NDPB) on 1 April 2003. The organisation became operational on 1 April 2004.

On 1 April 2006, the IPCC's jurisdiction was extended to include serious complaints made against the staff of the Serious Organised Crime Agency (SOCA) and Her Majesty's Revenue and Customs (HMRC). On 25 February 2008, the IPCC powers were extended to include serious complaints and conduct matters relating to officers and officials of the UK Border Agency.

The sponsoring department for the IPCC is the Home Office and the sponsoring unit is the Policing Powers and Protection Unit (PPPU) within the Crime and Policing Group.

The IPCC is run by a Chair and 12 Commissioners. Together they make up the Commission, which is the governing board of the IPCC. Commissioners (other than two non-executive Commissioners) have an operational role and also have responsibility for oversight of the organisation as a whole. Commissioners are appointed by the Home Secretary and are independent of the police, interest groups, political parties and Government.

The IPCC's executive is led by a Chief Executive, who is supported by a Management Board based across England and Wales. The Chief Executive is accountable to the Commissioners for the effective running of the organisation. As Accounting Officer for the IPCC, the Chief Executive is responsible for the effective management of grant in aid in accordance with a management statement and financial memorandum drawn up by the Home Office.

## Commissioners

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Commissioners are appointed under Schedule 2 (Section 2) of the Police Reform Act 2002, for a term not exceeding five years.

The structure of the Commission was reviewed in 2008 and the number of Commissioners was reduced from 17 to 13. The Chair of the IPCC, Nick Hardwick, was re-appointed by the Home Secretary for a further five year term in March 2008. The Chair has resigned from the IPCC.

Three new Commissioner appointments were completed in early 2009. Rachel Cerfontyne was appointed as an operational Commissioner and Ruth Evans and Jonathan Tross as non-executive Commissioners.

The Commissioners who served during 2009/10 were as follows:

|                   |  |
|-------------------|--|
| Nick Hardwick     | Chair  |
| Deborah Glass     | Deputy Chair   |
| Len Jackson       | Deputy Chair   |
| Amerdeep Somal    | Commissioner   |
| Gary Garland      | Commissioner<br>(resigned in February 2010)  |
| Mike Franklin     | Commissioner   |
| Naseem Malik      | Commissioner   |
| Nicholas Long     | Commissioner   |
| Rachel Cerfontyne | Commissioner<br>(appointed May 2009 for five years)  |
| Rebecca Marsh     | Commissioner   |
| Tom Davies        | Commissioner   |
| Jonathan Tross    | Non-Executive Commissioner and Chair of the IPCC Audit Committee<br>(appointed May 2009 for three years)         |
| Ruth Evans        | Non-Executive Commissioner and Chair of the IPCC Remuneration Committee<br>(appointed June 2009 for three years) |

Details of Commissioners' remuneration can be found in the remuneration report that follows. Details of other interests are publicly available on our website or may be obtained in writing from the IPCC Commission Secretary at 90 High Holborn, London, WC1V 6BH.

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## Corporate governance and risk management

The IPCC is committed to ensuring a high standard of corporate governance. The Commission is responsible for defining strategy and determining the allocation of resources to ensure the delivery of its objectives. The Commission has established committees to discharge specific functions. Each committee has clear terms of reference.

A risk management framework is embedded within the IPCC, and is overseen by the Audit Committee and the Commission. Significant risks are identified, assessed and then actively managed by a series of mitigation and risk reduction activities.

### Audit Committee

The Audit Committee reports to the Commission. The role of the Audit Committee is to review the adequacy and effectiveness of the internal control systems that underpin delivery of the IPCC's objectives. It is also responsible for overseeing the IPCC's systems and processes for finance, corporate governance, risk management, accountability and complaints against the organisation.

During 2009/10, the Audit Committee comprised:

- Two independent members – the Chair Simon Dow (Group Chief Executive of The Guinness Partnership) and John Holden (formerly the Chief Executive of Companies House and Registrar of Companies) (both until June 2009)

- Two non-executive Commissioners – the Chair Jonathan Tross and Ruth Evans (both from June 2009)
- Commissioner Nicholas Long
- Commissioner Gary Garland (to January 2010)
- Commissioner Amerdeep Somal (to May 2009)
- Commissioner Rachel Cerfontyne (from January 2010)

Representatives from the external auditors, the National Audit Office (NAO), and the internal auditors (the Home Office Audit Assurance Unit (AAU)) attend by invitation. The Chief Executive, the Director of Standards and Quality and the Director of Corporate and Legal Services also attend.

### Quality Committee

The terms of reference for the Quality Committee were agreed by the Commission on 13 January 2010. This allowed the Committee to be formed to ensure continued improvement in the quality and effectiveness of the IPCC services and oversight of the complaints system as a whole. Its creation also responded to recommendations made in the NAO Value for Money review of the IPCC and subsequent House of Commons Committee of Public Accounts (PAC) hearing.

The Quality Committee was established to support the IPCC in its responsibilities for standards and quality assurance and it oversees the IPCC's performance and quality systems.

During 2009/10, the Quality Committee comprised:

- Non-executive Commissioner Jonathan Tross (Chair)
- Non-executive Commissioner Ruth Evans
- Commissioner Nicholas Long
- Commissioner Rachel Cerfontyne

The Chief Executive, the Director of Standards and Quality, the Director of Corporate and Legal Services and the Risk and Audit Manager attend.

### **Diversity Committee / Valuing Diversity Group**

Valuing diversity is a core value of the IPCC. In 2009/10 the IPCC initiated a project to strengthen its work around equality and diversity and to ensure the organisation could respond in a meaningful way to new duties introduced by the Equality Act 2010.

In 2009/10, the board overseeing this project was merged with the IPCC Diversity Committee to create the Valuing Diversity Group. Led by the Chair of the IPCC, the group's remit is to develop and implement a single equalities scheme and an equalities impact assessment tool. It will also offer guidance and support to IPCC staff and monitor internal performance on diversity issues.

### **Employment policies**

The IPCC has put in place policies to create an environment in which all staff can perform to their best ability and can contribute to their own and the organisation's success.

The IPCC aims to allow staff the opportunity to work flexibly. Flexible working options are available to all staff regardless of their employment status or seniority.

During the past year the IPCC has monitored recruitment, training, job satisfaction and staff turnover, providing regular reports on all of these issues to senior managers and Commissioners.

The IPCC involves staff in decisions about health, safety and welfare. The Public and Commercial Services Union negotiates on behalf of staff. In addition, a staff council, which includes both staff and trade union representatives, is in place for the purposes of communication and consultation.

The IPCC gives full and fair consideration to applications for employment from people with disabilities, where the nature of the employment makes this appropriate. The IPCC is similarly committed to enabling any members of staff who may become disabled during their period of employment to continue in their role.

### **Sickness absence**

During 2009/10 IPCC employees incurred an average of 7.13 days sick leave. This compares to an average of 8.17 days in 2008/09. The IPCC is committed to the health and well being of staff and as such has a comprehensive sickness absence policy. The IPCC provides an Occupational Health Service and an Employee Assistance Programme. The IPCC continues to review its sickness absence policy and practice to ensure that sickness absence is managed appropriately.

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## Pension liabilities

The treatment of pension liabilities in the Accounts is described in the remuneration report and in Notes 1 and 3 to the Accounts.

## Health and safety

The IPCC recognises and accepts its legal responsibilities in relation to the health, safety and welfare of its employees and of all people visiting its premises. A Health and Safety Committee, chaired by a Director, oversees health, safety and welfare. This is managed day-to-day by the Health and Safety Officer. The IPCC complies with the Health and Safety at Work Act 1974 and all other legislation as appropriate.

During 2009/10, the IPCC carried out general safety and fire safety audits at all offices. In addition, the majority of IPCC staff have completed a health and safety e-learning programme.

## Environmental policy

The IPCC seeks to reduce the impact of its work on the environment.

It is committed to reducing carbon dioxide emissions from all forms of business-related travel, for example by promoting the use of video and phone conferencing. Where travel is essential, the IPCC encourages the use of public transport. The IPCC strives to work collaboratively with its suppliers, staff and stakeholders to ensure that we are all aware of our commitments, and are proactive in helping the Home Office, the IPCC's sponsor body, meet its targets.

The IPCC is committed to reducing wasted energy and water through improved building and facilities management and smarter information technology. It is also committed to reducing the volume of waste generated; and to reusing and recycling. The IPCC is also fully committed to engaging with the Sustainable Operations on the Government Estate (SOGE) process, working with the Home Office to ensure maximum sustainability.

## Creditor payment policy and performance

The IPCC abides by the British Standard for Achieving Good Payment Performances in Commercial Transactions (BS 7890) and, in particular, aims to pay undisputed invoices in accordance with contract terms. During the year to 31 March 2010, 91% of invoices were paid in accordance with contract terms (the figure was 92% in 2008/09). No interest was paid in respect of the Late Payment of Commercial Debts (Interest) Act 1998.

## Key supplier arrangements

Steria Limited is a key supplier of IT and telephony services to the IPCC. There is no indication that Steria Limited has any operational or financial difficulties that would adversely affect the IPCC's operations.

## Research and development

The IPCC research programme supports the guardianship work of the organisation by drawing out information and learning from the complaints system to support improvements in the police service.

Research undertaken during the year under review includes: studying deaths in police custody; an analysis of complaints made direct to the IPCC; survey work on public confidence; and the development of a framework for assessing how well police forces are handling complaints made by the general public.

### Charitable donations

No donations to charity were made by the IPCC during the year. Where Commissioners and staff receive gifts as a result of their normal duties, these gifts or an equivalent value are donated to either Oxfam or Macmillan Cancer Support. Details are recorded in a register which is published annually on the IPCC website. A hard copy may be obtained in writing by contacting the Commission Secretary at 90 High Holborn, London, WC1V 6BH.

### Going concern

Grant in aid for the IPCC for 2010/11 has been included in the Home Office departmental estimate, which has been approved by Parliament. There is no reason to believe that the Department's future sponsorship and future Parliamentary approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

### Events after the reporting period

On 13 March 2010 the Chair of the IPCC resigned to take up another public appointment. The Secretary of State is still in the process of appointing an interim Chair for the IPCC. The resignation of the Chair and appointment of

an interim Chair may impact on operational activities during 2010/11. However, these events do not have a significant impact on the substance of these accounts.

### Auditors

Arrangements for external audit are provided under paragraph 17 (2) of Schedule 2 to the Police Reform Act 2002. This requires the Comptroller and Auditor General (C&AG) to examine, certify and report on the statement of accounts, and to lay copies of it (together with his report) before each House of Parliament. The National Audit Office (NAO) conducts the audit on behalf of the C&AG. The fees for these services for 2009/10 are £40,000 (the figure was £38,000 in 2008/09). Additionally, the auditors received fees of £5,000 for work to review the IPCC compliance with International Financial Reporting Standards for the restatement of 2008/09 accounts. The NAO did not undertake any non-audit work.

Internal audit services are provided under contract by Home Office Audit Assurance Unit (AAU), which was appointed on 1 April 2009 with the agreement of the sponsor unit.

The Accounting Officer has taken all steps to ensure that she is aware of any relevant audit information, and to ensure that the IPCC auditors are also aware of that information. As far as the Accounting Officer is aware, there is no relevant internal audit information of which the IPCC auditors are unaware.

## Management commentary

### Financial results for the year

The activities of the IPCC are mainly funded by grant in aid from the Home Office. In 2009/10, the IPCC had a resource allocation from the Home Office of £35.406 million. The IPCC also received £1.957 million other income, which included funding for HMRC and UKBA investigations.

During the year, the IPCC resource expenditure was £37.935 million, resulting in a £0.572 million overspend. The Home Office was kept informed of the impact of demand pressures on the IPCC expenditure at all times.

The IPCC also received from the Home Office a capital budget allocation of £0.900 million.

Actual capital expenditure in the year was £1.435 million in respect of property, plant and equipment and intangible assets. The capital overspend was approved by the Home Office.

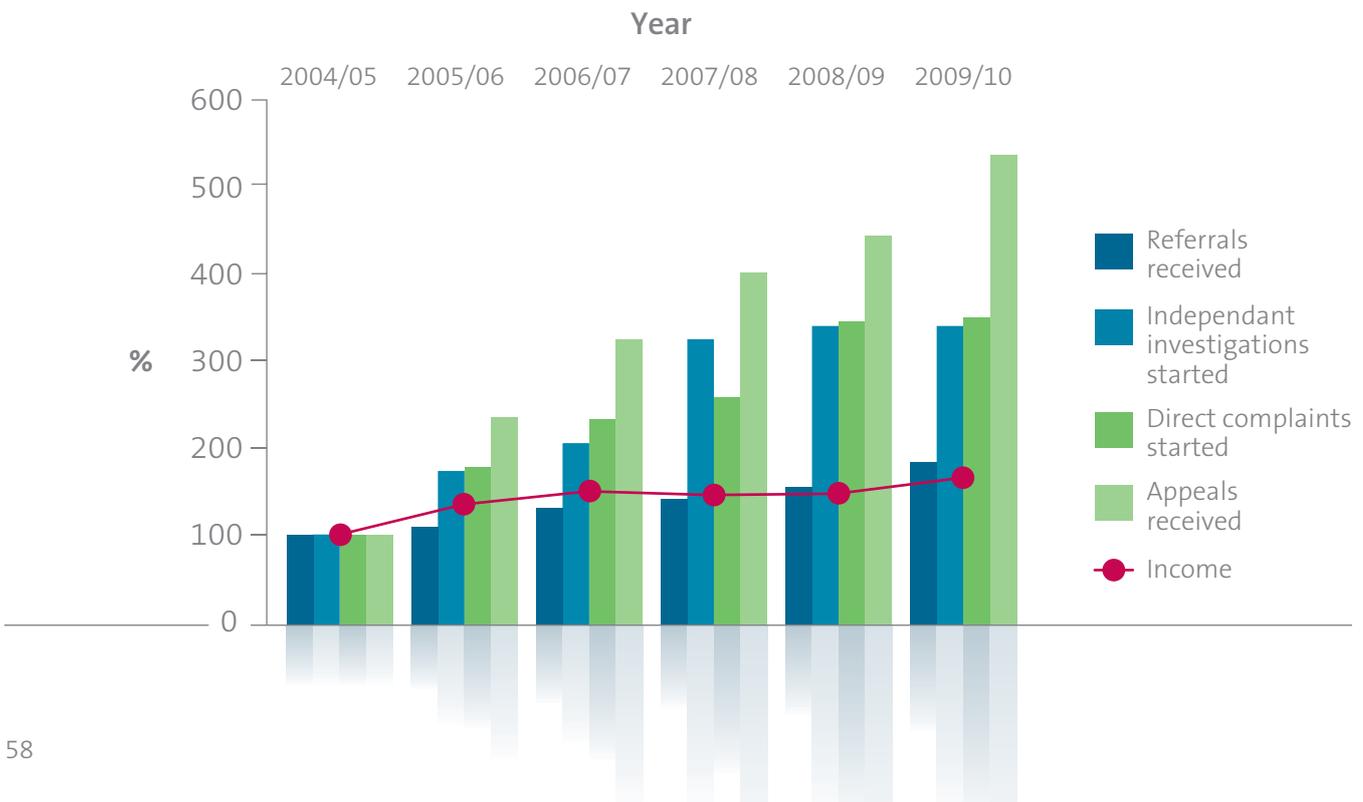
Total funding received from the Home Office in 2009/10 was £35.850 million.

### Financial trends

Since the inception of the IPCC, its workload has grown substantially, putting pressure on its capacity. The chart below shows the upward trend in workload against income and it can be seen, for example, that since 2005/06 both appeals and independent investigations have grown by 100% in volume.

### Annual growth in workload

(using 2004/05 as a base)



Over the same period from 2005/06, its resource funding has grown by 25% to the current level of £37.363 million and expenditure has grown by 26% to the current level of £37.935 million. This is shown in the table below.

| £ millions                | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|---------------------------|---------|---------|---------|---------|---------|
| Income                    | 29.932  | 34.598  | 34.193  | 35.128  | 37.363  |
| Expenditure               | 30.070  | 34.533  | 34.278  | 36.834  | 37.935  |
| Outturn (over)/underspend | (0.138) | 0.065   | (0.085) | (1.706) | (0.572) |

During 2009/10, while experiencing unprecedented levels of demand, the IPCC also undertook a series of very resource intensive investigations into complaints arising from the G20 Summit demonstrations. The IPCC G20 investigations cost over £1.1 million in frontline resources.

Until now the Home Office has been able to provide extra funds above the formal grant to meet demand pressures. The Commission believes the IPCC now needs to prepare for a more constrained financial regime. To reduce costs the IPCC has put in place a number of key changes that will make this achievable, as follows:

- In 2008/09 the IPCC reduced the number of Commissioners and thereby released resources for front line operations.
- In 2009/10 it reduced the number of Directors and moved from a regional structure to a functional one. This not only reduced management costs but will also lead to improved quality, greater resilience and higher productivity.

- In both 2008/09 and 2009/10 it granted a sub lease in its London office to the Security Industry Authority. This reduction of accommodation costs was achieved by reducing individual space standards and by relocating some posts outside of London.

Looking ahead to 2010/11 the IPCC intends to take further measures to improve long term financial performance as follows:

- It will continue to transform its IT capability to improve both front line and back office productivity.
- It will develop its Estates Strategy to achieve best value.
- It will complete a review of back office functions to ensure they are efficient and offer best value.

The Corporate Plan for 2010/13 sets out how the IPCC proposes to manage demand for its services within the limits of its capacity and resources. Given the current financial constraints on the public sector, it intends to review the plan and robustly challenge itself at all times to achieve an effective balance between value for money and delivery of a high-quality, considered decision.

### Business achievements for the year

In last year's management commentary, the IPCC outlined various plans for 2009/10. These are reviewed below:

- The guardianship strategy has been approved and implemented in part. Implementation will continue in 2010/11.
- The revised IPCC Statutory Guidance for the handling of police complaints has received Ministerial approval. Work with police forces to implement this commenced on 1 April 2010.
- The Performance Framework for the complaints system has been implemented in 37 out of 44 police forces. Implementation in the remaining 7 forces has been postponed, pending IT upgrades.
- A Standards & Quality directorate has been established and is developing its work plan. A Quality Committee, chaired by a non-executive commissioner, has been established to oversee its work.
- The Connect programme has reduced the number of commissioners and directors. The IPCC has moved from a regional structure to a functional one, in order to deliver consistent levels of service across England and Wales. Future developments are expected to deliver further benefits.

- The IT contract has been re-let, saving 17% against the cost of the previous contract and receiving a range of new services and equipment.
- The IPCC's progress in responding to the NAO Value for Money report is detailed in the Statement on Internal Control.

Other developments have been to:

- Streamline telephone and written enquires system to save money and improve services.

Further information is contained elsewhere in this report.

### Business focus for the future

The IPCC has developed four aims for the police complaints system that support the achievement of its overarching purpose of increasing public confidence in the complaints system. Each year, its business plan sets out the key developments that it will be working towards over the next year to deliver these aims.

Its key developments planned for next year include major projects to:

- Publish its Operations Manual to bring a consistent approach to operational processes and improve the quality of work delivered by the IPCC.
- Complete its work to implement the PAC recommendation to measure and improve client satisfaction with the way it does its work.
- Complete work to implement the PAC recommendation that the IPCC introduces performance measures that would help to establish its overall impact in improving the performance of the police.

- Implement the Home Office agreed system for monitoring learning recommendations made to police forces.

Further information is contained elsewhere in this report and in the IPCC Corporate Plan for 2010/2013 (available on the IPCC website).

### IPCC operational structure

The IPCC is functionally organised into five directorates for management reporting and control. The costs and staff levels in these operating segments are shown in Note 3 to the Annual Accounts. The role of each directorate is described below.

#### ● Investigations

The investigations directorate investigates the most serious complaints and allegations of misconduct against the police in England and Wales.

It has a clear objective to ensure that IPCC investigations not only apportion responsibility, but provide a platform for both forces and individuals under investigation to learn lessons from inappropriate practices, actions and behaviour.

The directorate carries out independent and managed investigations into serious allegations and incidents involving the police. Examples are cases where there is a death or serious injury, allegations of serious or organised corruption, racism or attempts to pervert the course of justice. More information about some of the cases the IPCC has investigated this year can be found elsewhere in this report.

Part of its investigative process is intelligence gathering, including research and analysis into specific issues within police forces, SOCA, the UK Border Agency and HMRC. More information about its role in relation to SOCA, the UK Border Agency and HMRC is explained elsewhere in this report.

#### ● Casework and customer services

The casework and customer services directorate makes decisions on appeals made by members of the public. They advise on referrals from the police of serious incidents that may merit an independent investigation, and decide on requests from police to stop or not start an investigation into a complaint.

The staff also respond to enquiries and complaints about the police received by phone, post or online, as well as requests for information made under the Freedom of Information Act and the Data Protection Act.

A small number of staff work with community and third sector organisations to improve access to the police complaints system and public confidence in it.

#### ● Standards and quality

The directorate is responsible for maintaining standards across the IPCC. The directorate undertakes operational quality checks, risk management and operational training for casework and investigations. Its work includes the investigation of complaints against IPCC staff and conducting audit reviews of high risk investigations.

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- **Corporate and legal services**

The corporate and legal services directorate is made up of six functions: finance, human resources, procurement, information technology, facilities management and legal services.

The legal service directly supports casework and investigations staff and Commissioners by providing high quality advice in relation to casework decisions and investigations. It also provides representation for the Commission in litigation cases and at inquests.

The other functions provide high quality professional support to the entire organisation on human resources issues, financial planning and management, information technology, procurement and facilities.

During 2009/10, the directorate was responsible for a number of key corporate projects including the re-let of the IT contract, IT transformation, developing the Estates Strategy, reducing accommodation costs in High Holborn, the remote working pilot and information risk assurance. More information about some of these projects can be found in the Chief Executive's summary on pages 12-15.

The directorate also leads on benchmarking back office performance and this, together with the Estates Strategy, will be major projects for 2010/11.

- **Strategy and communications**

The directorate is made up of four functions: corporate communications, news and media, strategy and policy, and research and performance.

The functions deliver some aspects of the IPCC guardianship responsibility such as setting the standards for complaints handling; guidance to complainants and access to the complaints system; drawing out learning for the police to improve public service; and monitoring police performance for the public.

The directorate directly supports the IPCC's casework and investigations functions by assisting with policy development, press and public relations and providing detailed performance data.

The directorate also delivers functions such as the IPCC business planning, internal communications and stakeholder engagement.

- **Commission Secretariat and Chief Executive's Office**

The Commission Secretariat and the Chief Executive's private office support the Chair, Deputy Chairs and Chief Executive in undertaking their roles, and support the Commissioners in their corporate governance role.

In addition to the above directorates the Connect programme comprises a small team working to achieve improvements in operational efficiency and release resources to the frontline.

## Remuneration report

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The IPCC aims to ensure that the remuneration packages it offers are competitive. They are designed to attract, retain and motivate senior executives and other employees. In setting remuneration, the IPCC works within Government policy guidelines for public sector pay. The following sections provide details of the remuneration and pension interests of the Commissioners and the Chief Executive.

### Remuneration policy

The IPCC Chair is appointed by the Crown. The other Commissioners are appointments of the Secretary of State. The Chief Executive is appointed by the Commission with the approval by the Secretary of State. All of these appointments are made in accordance with the Code of Practice for Public Appointments, issued by the Commissioner for Public Appointments.

The Secretary of State reviews the Chair and Commissioners' salaries annually. The Commission has established a Remuneration Committee, which is responsible for considering and making recommendations to the Secretary of State on the base salary and benefits of the Chief Executive. The Remuneration Committee is also responsible for determining the specific remuneration and other employment benefits of the other directors.

The Remuneration Committee comprises non-executive Commissioner Ruth Evans as the Chair, Commissioner Tom Davies and non-executive Commissioner Jonathan Tross. In addition, when the Committee meets to consider directors' remuneration, the Chief Executive also attends.

Subject to annual approval by the Home Office of the IPCC's overall remuneration strategy, the Commission has delegated to the Management Board the determination of the remuneration packages and other employment benefits of all other IPCC employees.

The IPCC has established a job grading structure with salary scales for each grade. Job evaluation is undertaken to ensure that different roles within the IPCC are positioned fairly in the job grading structure, and annual appraisals are conducted with each employee to determine performance and identify areas where additional training is required. The base salary for each employee is determined by taking into account individual performance and the relevant salary scales for the job.

### Service contracts

The IPCC Chair is a Crown appointment for a period of five years, terminable by Her Majesty with no notice period. In March 2008, the Home Secretary announced that Her Majesty had approved the reappointment of Nick Hardwick as Chair of the IPCC for a further period of five years. This would have taken his period of appointment to the maximum allowed (ten years) but he resigned to take up another public appointment in June 2010.

Commissioners are usually appointed for a fixed period of five years.

The Chief Executive, Jane Furniss, was appointed by the Commission on 4 December 2006 in accordance with the Civil Service Commissioners' Recruitment Code. The Chief Executive's contract has no fixed period and is terminable on up to six months' notice by the IPCC.

The Chief Executive appoints Directors. Their contracts have no fixed period and are terminable on up to six months' notice by the IPCC. Early termination of Directors or the CEO other than for misconduct would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

### Bonuses

The Chair and Commissioners do not receive a bonus. The Chief Executive and Directors are eligible for performance bonuses and these are approved by the Remuneration Committee. All bonus payments are made strictly in line with Home Office instructions on implementing the

Senior Civil Service pay policy. No bonuses were paid in 2009/10 and no bonuses were awarded in respect of 2009/10.

### Remuneration report: Commissioners and CEO

The information in the remuneration table below provides details of the remuneration of Commissioners and the Chief Executive and is subject to audit.

The Commissioners' remuneration for 2009/10 is lower than in the previous year because in 2008/09 the Commissioners received a pay award back-dated to 1 April 2006. This was approved by HM Treasury in April 2008.

| Name and job title                          | Start date | Salary 2009/10 | Salary 2008/09 |
|---|------------|----------------|----------------|
|   |            | £'000          | £'000          |
| Nick Hardwick (Chair)                       | 03/02/03   | 115-120        | 130-135        |
| Jane Furniss (Chief Executive)              | 04/12/06   | 130-135        | 145-150        |
| Amerdeep Somal                              | 01/09/03   | 75-80          | 80-85          |
| Deborah Glass                               | 01/04/04   | 85-90          | 90-95          |
| Gary Garland (resigned 26 Feb 2010)         | 01/10/03   | 70-75          | 85-90          |
| Len Jackson                                 | 01/10/03   | 80-85          | 90-95          |
| Mike Franklin                               | 01/09/03   | 80-85          | 85-90          |
| Naseem Malik                                | 01/10/03   | 75 -80         | 85-90          |
| Nicholas Long                               | 01/09/03   | 75 -80         | 85-90          |
| Rachel Cerfontyne                           | 04/05/09   | 65-70          | n/a            |
| Rebecca Marsh                               | 15/09/03   | 75-80          | 85-90          |
| Tom Davies                                  | 01/10/03   | 80-85          | 90-95          |
| Jonathan Tross (non-executive Commissioner) | 28/05/09   | 5-10           | n/a            |
| Ruth Evans (non-executive Commissioner)     | 01/06/09   | 5-10           | n/a            |

## Remuneration report: Directors (excluding CEO)

This report has been audited.

| Name and job title  | Date of Appointment | Salary 2009/10 | Compensation payment | Total Remuneration 2009/10 | Total Remuneration 2008/09 |
|---|---------------------|----------------|----------------------|----------------------------|----------------------------|
|   |                     | £'000          |                      |                            | £'000                      |
| Moir Stewart<br>Director of Investigations  | 04/01/2010          | 25-30          | N/A                  | 25-30                      | N/A                        |
| Amanda Kelly<br>Director of Corporate and Legal Services  | 10/10/2009          | 45-50          | N/A                  | 45-50                      | N/A                        |
| Philip Geering* <sup>1</sup><br>Director of Strategy and Communications                               | 01/04/2008          | 85-90          | N/A                  | 85-90                      | 85-90                      |
| Peter Goode<br>Regional Director – Central (left 31 March 2010)                                       | 20/10/2003          | 80-85          | 50-55                | 135-140                    | 85-90                      |
| David Knight* <sup>5</sup><br>Director of Casework and Customer Services                              | 15/08/2005          | 80-85          | N/A                  | 80-85                      | 75-80                      |
| Derek Bradon<br>Regional Director – London and South East (left 31 March 2010)                        | 29/03/2003          | 85-90          | 40-45                | 125-130                    | 85-90                      |
| Barry Simpson<br>Deputy Chief Executive and Programme Director * <sup>2</sup> (left 30 November 2009) | 02/07/2003          | 65-70          | 75-80                | 140-145                    | 100-105                    |
| John Tate<br>Director of Legal Services (left 31 October 2009)  | 01/09/2003          | 55-60          | 35-40                | 95-100                     | 100-105                    |
| Colin Woodward<br>Interim Director of Corporate Services* <sup>3</sup> (until 31 October 2009)        | 01/03/2004          | 50-55          | N/A                  | 50-55                      | 60-65                      |
| Mike Benbow* <sup>5</sup><br>Director of Standards and Quality  | 01/03/2004          | 75-80          | N/A                  | 75-80                      | 75-80                      |
| Jennifer Douglas-Todd<br>Director of Policy and Research (left 31 July 2009)                          | 30/6/2003           | 25-30          | 75-80                | 105-110                    | 80-85                      |
| Judy Clements* <sup>4</sup><br>Director of Customer Services and Communications (left 17 April 2009)  | 1/12/2003           | 0-5            | N/A                  | 0-5                        | 85-90                      |

\*1. Philip Geering is seconded from the Crown Prosecution Service (CPS). The figures shown above are the value paid by the IPCC to the CPS. The remuneration for Philip Geering from the CPS is in the band £100k - £105k.

\*2. Barry Simpson served as Director of Corporate Services from 2 July 2003 to 31 December 2008, Acting CEO from 1 June 2006 to 14 January 2007, and Director of Connect from 1 January 2009 to 30 November 2009.

\*3. Colin Woodward has been permanently employed by IPCC since 1 March 2004. For the period 1 July 2008 to 31 October 2009, he served as interim Director of Corporate Services, on temporary promotion. He continues to be employed by the IPCC as Head of HR. Only his remuneration during temporary promotion to director is disclosed.

\*4. Judy Clements did not receive a compensation payment.

\*5. David Knight and Mike Benbow received pay increments during 2009/10 as a result of increased responsibilities arising from the IPCC management reporting restructure. These increases were approved by the Remuneration Committee.

## Payments made to Directors under the Civil Service Compensation Scheme

This report has been audited.

| Name and job title   | Last day of service | Compensation scheme | Lump sum | Annual compensation payment to age 60 | Capitalised value of lump sum at age 60 |
|--|---------------------|---------------------|----------|---------------------------------------|---|
|  |                     |                     | £'000    | £'000                                 | £'000                                   |
| Derek Bradon<br>Regional Director – London and South East      | 31/03/2010          | CER                 | 40-45    | 45-50                                 | 15-20                                   |
| Peter Goode<br>Regional Director – Central                     | 31/03/2010          | CER                 | 50-55    | 5-10                                  | 35-40                                   |
| Barry Simpson<br>Deputy Chief Executive and Programme Director | 30/11/2009          | CER                 | 75-80    | 15-20                                 | 90-95                                   |
| John Tate<br>Director of Legal Services                        | 31/10/2009          | CER                 | 35-40    | 40-45                                 | 35-40                                   |
| Jennifer Douglas-Todd<br>Director of Policy and Research       | 31/07/2009          | CES                 | 75-80    | N/A                                   | N/A                                     |

*CER: Under Compulsory Early Retirement, the individual received a lump sum payable on the last day of service. Additionally, an annual compensation payment is payable until age 60 and a lump sum is payable at age 60.*

*CES: Under Compulsory Early Severance, the individual received a lump sum compensation payment only. Full provision has been made in the accounts for these amounts (Note 16).*

### CEO Remuneration

The CEO's remuneration over the last two years is shown in the table below.

This report has been audited.

|        | 2009/10 | 2008/09 |
|--------|---------|---------|
| Salary | 131,604 | 129,704 |
| Bonus  | -       | 17,000  |
| Total  | 131,604 | 146,704 |

In 2008/09 the Chief Executive was paid a bonus for her performance during 2007/08. No other bonus has been paid or awarded to the CEO and the CEO declined her bonus in 2009/10.

### Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the IPCC and thus recorded in these accounts.

### Benefits in kind

No Commissioners or Directors received any benefits provided by the IPCC that were treated by HM Revenue & Customs as a taxable emolument.

### Payments to third parties

No payments were made to third parties for services of Commissioners.

## Pension benefits

This report has been audited.

| Name and job title | Total accrued pension at age 60 at 31/03/10 and related lump sum | Real increase in pension and related lump sum at age 60 | CETV at 31/03/10 <sup>[1]</sup> | CETV at 31/03/09 | Real increase/ (decrease) in CETV |
|--------------------|--|---|---------------------------------|------------------|-----------------------------------|
|                    | £'000  | £'000   | £'000                           | £'000            | £'000                             |
| Nick Hardwick      | 10-15<br>Nil lump sum  | 2.5-5<br>Nil lump sum                                   | 242                             | 186              | 40                                |
| Jane Furniss       | 45-50<br>140-145<br>lump sum                                     | 2.5-5<br>10 -12.5<br>lump sum                           | 1042                            | 905              | 81                                |
| Amerdeep Somal     | 15-20<br>Nil lump sum  | 0-2.5<br>Nil lump sum                                   | 212                             | 184              | 14                                |
| Deborah Glass      | 15-20<br>45-50<br>Lump sum                                       | 0-2.5<br>2.5-5<br>lump sum                              | 298                             | 254              | 27                                |
| Gary Garland       | 20-25<br>Nil lump sum  | 0-2.5<br>Nil lump sum                                   | 352                             | 305              | 22                                |
| Len Jackson        | 10-15<br>Nil lump sum  | 0-2.5<br>Nil lump sum                                   | 268                             | 233              | 33                                |
| Mike Franklin      | 5-10<br>25-30<br>Lump sum  | 0-2.5<br>2.5-5<br>Lump sum                              | 169                             | 140              | 19                                |
| Naseem Malik       | 20-25<br>Nil lump sum  | 0-2.5<br>Nil lump sum                                   | 246                             | 208              | 14                                |
| Nicholas Long      | 5-10<br>Nil lump sum   | 0-2.5<br>Nil lump sum                                   | 173                             | 137              | 26                                |
| Rachel Cerfontyne  | 0-5<br>Nil lump sum  | 0-2.5<br>Nil lump sum                                   | 19                              | 0                | 16                                |
| Rebecca Marsh      | 5-10<br>Nil lump sum   | 0-2.5<br>Nil lump sum                                   | 111                             | 87               | 16                                |
| Tom Davies         | 10-15<br>Nil lump sum  | 0-2.5<br>Nil lump sum                                   | 229                             | 200              | 26                                |

The Chair, Commissioners and all staff are eligible for membership of the Civil Service Pension scheme. Certain IPCC Commissioners who served as members with the Police Complaints Authority (PCA) participate in a 'broadly by analogy' (BBA) pension scheme as an alternative to membership of the Civil Service Pension scheme.

The information in the pension benefits tables above provides details of the pension benefits of Commissioners, the Chief Executive and the Directors and is subject to audit.

This report has been audited.

| Name and job title   | Total accrued pension at age 60 at 31/03/10 and related lump sum | Real increase in pension and related lump sum at age 60 | CETV at 31/03/10 <sup>[1]</sup> | CETV at 31/03/09 | Real increase/ (decrease) in CETV |
|--|--|---|---------------------------------|------------------|-----------------------------------|
|  | £'000  | £'000   | £'000                           | £'000            | £'000                             |
| Amanda Kelly<br>Director of Corporate & Legal Services         | 0-5<br>Nil lump sum  | 0-2.5<br>Nil lump sum                                   | 13                              | 0                | 11                                |
| Barry Simpson<br>Deputy Chief Executive and Programme Director | 55-60<br>lump sum  | 0-2.5<br>lump sum                                       | 942                             | 844              | 24                                |
| Colin Woodward<br>Interim Director of Corporate Services       | 10-15<br>Nil lump sum  | 0-2.5<br>Nil lump sum                                   | 225                             | 186              | 25                                |
| David Knight<br>Director of Casework & Customer Services       | 20- 25<br>70-75  | 2.5-5<br>7.5-10   | 393                             | 332              | 40                                |
| Derek Bradon<br>Regional Director London South East            | 40-45<br>130-135   | 0-2.5<br>5-7.5  | 1,018                           | 931              | 37                                |
| Jennifer Douglas-Todd<br>Director of Policy & Research         | 25-30<br>Nil lump sum  | 0-2.5<br>Nil lump sum                                   | 386                             | 370              | 6                                 |
| John Tate<br>Director of Legal Services                        | 35-40<br>115-120   | 0-2.5<br>2.5-5  | 925                             | 844              | 23                                |
| Judy Clements<br>Director of Policy and Research               | 5-10<br>25-30  | 0-2.5<br>0-2.5  | 180                             | 177              | 1                                 |
| Mike Benbow<br>Director of Quality and Standards               | 5-10<br>Nil lump sum   | 0-2.5<br>Nil lump sum                                   | 123                             | 88               | 27                                |
| Moir Stewart<br>Director of Investigations                     | 0-5<br>Nil lump sum  | 0-2.5<br>Nil lump sum                                   | 7                               | 0                | 6                                 |
| Peter Goode<br>Regional Director Central                       | 5-10<br>Nil lump sum   | 0-2.5<br>Nil lump sum                                   | 162                             | 127              | 24                                |
| Philip Geering<br>Director of Strategy and Communications      | 30-35<br>90-95   | 0-2.5<br>5-7.5  | 511                             | 448              | 36                                |

[1] The figure may be different from the closing figure in last year's accounts. This is due to the CETV factors being updated to comply with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008.

## Broadly by analogy (BBA) pensions

A BBA pension arrangement entitles the recipient to benefits that are similar to those provided by the PCSPS classic scheme described above, and obliges the IPCC and the member to make contributions in line with the PCSPS. The IPCC is responsible for funding future pension benefits and retaining pension contributions. BBA pensions are held by the following Commissioners and ex-Commissioners: David Petch, Deborah Glass, Ian Bynoe and Mehmuda Mian Pritchard.

## Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, scheme members may be in one of four defined benefit schemes; either a final salary scheme (classic, premium or classic plus); or a whole career scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with changes in the Retail Prices Index (RPI). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to

three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age.

Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

### Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



**Jane Furniss**  
Chief Executive and Accounting Officer

8 July 2010

## Statement of the Commission's and the Accounting Officer's responsibilities for the Statement of Accounts

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Under paragraph 17(1) of Schedule 2 to the Police Reform Act 2002, the IPCC is required to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction issued by the Secretary of State. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the IPCC and of its income and expenditure, recognised gains and losses, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government FReM, and in particular to:

- observe the Accounts Direction issued by the Secretary of State, with the consent of the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government FReM have been followed and disclose and explain any material departures in the accounts
- prepare the accounts on a going-concern basis

For the year under review, the Accounting Officer for the Home Office had appointed the Chief Executive, Jane Furniss, as Accounting Officer for the IPCC.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the IPCC's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in Managing Public Money.

## Statement on internal control

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### Scope of responsibility

As Accounting Officer, I report to the Commission which was established by the Police Reform Act 2002. I have responsibility for maintaining a sound system of internal control that supports the achievement of the Independent Police Complaints Commission (IPCC) policies, aims and objectives, while safeguarding the public funds and the assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The IPCC provides information to the sponsoring department, the Home Office, via regular meetings. In particular, I discuss with the sponsoring unit, the Policing Powers and Protection Unit, the IPCC's operational performance, financial management and risk during bilateral meetings which are arranged for that purpose. These are normally held bi-monthly.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk; it can therefore only provide reasonable and not absolute assurance. The system of internal control is based on an ongoing process designed to identify and prioritise risks, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at the IPCC for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

### Capacity to handle risk

Responsibility for risk management is cascaded throughout the IPCC, with managers and individual members of staff taking responsibility for managing specific risks that could affect the achievement of their objectives and targets, and for identifying opportunities that could enhance delivery of objectives and targets. Oversight is provided by the Commission, the Management Board and the Audit Committee all of which regularly review the corporate strategic risk register.

Since last year's report the new Chair and Deputy Chair of the Audit Committee have been appointed. Both are Non-Executive Commissioners and as such provide an independent and objective view on risk management activity.

During 2009/10 risk management policy and guidance to help staff manage risks has been reviewed and updated and published on the IPCC intranet, with additional support and advice provided by specialist staff.

Also during 2009/10 a comprehensive review of risk management was undertaken involving the Management Board, Audit Committee and Commissioners. This involved a review of the current strategic risks together with a redesign of the documentation and monitoring processes.

It effectively resulted in a new risk register to ensure that the current risks were reflected. The review of the documentation incorporated best practice from a number of professional bodies with expertise in risk management.

In addition following the restructure and the implementation of the new directorates, new risk registers were put in place to reflect the revised structure. These will be developed further in 2010/11.

### The risk and control framework

The IPCC risk and control framework extends to cover all the work undertaken by the IPCC, and is used to assist and support our business.

The internal control framework includes formal procedures to ensure that:

- risk management is embedded into Directorate plans and is reviewed regularly by senior management;
- all reports to the Commission contain consideration of risk;
- risk registers are reviewed regularly by management teams including operational directors, myself and risk owners, including an at least quarterly review of the Strategic Risk Register;
- an annual review of risk management is undertaken, which includes IPCC risk policy and guidance.

The main structures in place for identifying, evaluating and managing risk are:

- Commission meetings at which the strategic risk register is reviewed and progress against IPCC strategic plans are reviewed along with overall performance;
- meetings of the Audit Committee, which receives reports on risk management and internal audit function. The Audit Committee also approves the annual internal audit plan and matters arising from it, including any control weaknesses identified;
- regular reports by the internal audit function which provides me with an independent opinion of the adequacy and effectiveness of the IPCC's system of internal control together with recommendations for improvement;
- regular Management Board review of the strategic risks linked to the delivery of the business plan and corporate objectives;
- an annual statement of assurance to me as the Accounting Officer from directors on the system of internal control within their operating areas;
- a register of corporate level risks, which is reviewed at least quarterly by the Commission and the Management Board.

The Risk Management framework has been updated following the restructure of the organisation. Risk Management was reviewed by Internal Audit as part of a Corporate Governance Audit during the year and they commented that “we found the process for embedding the new framework to be organised and structured”.

## Information risk

As the Accounting Officer for the IPCC I have overall responsibility for ensuring that information risks are assessed and mitigated to an acceptable level. In last year's report the Senior Information Risk Owner reported that we had initiated an Information Assurance compliance project focusing on compliance with new requirements, with the emphasis on priorities identified by the organisation and the Home Office.

From its inception in September 2008 the project made considerable progress in changing the IPCC into an organisation that is better at managing information risk. The IPCC now has confidence that it has, and continues to put in place, the improved technology, the revised processes and the trained staff that information assurance demands and is working towards having an "Information Assurance Culture".

In November 2009, following the achievement of all significant deliverables the decision was made to close the project at the end of the financial year. This coincided with the appointment of the equivalent of a permanent part time post responsible for information assurance.

During the financial year we have:

- begun to develop an Information Assurance Strategy which will be approved by Management Board during quarter 3 2010;
- trained the new Senior Information Risk Owner and all Information Asset Owners to enable them to fulfil their roles and act as Information Assurance champions in the organisation, and trained all staff on a relevant programme;

- developed and introduced an Information Risk Policy together with formal quarterly and annual risk assessments, reviewing, amending and where necessary, creating additional policies;
- revised the IPCC standard terms and conditions of contract to include information handling requirements and notified all IPCC suppliers of the change and begun a process to assess suppliers'/delivery partners' information handling performance;
- implemented a critical incident process for managing unauthorised disclosure of sensitive information;
- begun work to improve our Continuity and Disaster Recovery arrangements. This will be a focus for 2010/11;
- commissioned our pensions provider to undertake a quality review of information held in respect of pensions following issues identified with the quality of data held by the previous provider;
- staff vetting procedures have been strengthened.

Two significant incidents relating to Information Risk occurred during the year. The first related to a batch of three letters sent to the incorrect complainants. The second related to a report published on the IPCC website, which was not appropriately redacted. Both were reported to the Home Office SIRO. We will be using the learning from these events to improve our information and security processes further.

We will continue to give information risk assurance a strong focus during 2010/11.

## Responding to the NAO Value for Money report on the IPCC

During 2008/09 the National Audit Office (NAO) undertook a study to assess whether the IPCC had met its objectives. In respect of the specific recommendations made by the NAO detailed in last years Statement on Internal Control, I would provide the following update:

- NAO stated that the IPCC's internal review function was not operating as intended. The IPCC agreed that the quality assurance processes needed improvement. Improved Quality Assurance has been introduced and as part of the restructure a Standards and Quality Directorate has been established and became operational during 2009/10. In addition a Quality Committee has been created, led by the Non-Executive Chair of the Audit Committee to provide greater focus and direction in this area.
- In March 2009, the Committee of Public Accounts published its report following the hearing. All recommendations were responded to and the IPCC Audit Committee is satisfied that these have now been implemented.
- NAO commented that the IPCC's work was not subject to any external scrutiny. In March 2009, the IPCC signed a formal agreement with the Police Ombudsman for Northern Ireland (PONI) and the Garda Síochána Ombudsman Commission (GSOC) to allow for mutual scrutiny of cases. This has resulted in two high profile cases being reviewed including one that relates to the investigations into the G20 Summit protests.
- NAO stated that no one organisation had responsibility for monitoring the implementation by police forces of recommendations made by the IPCC. The IPCC agree that suitable arrangements need to be put in place to ensure the implementation of recommendations. The IPCC is working with Home Office officials, the Association of Police Authorities (APA) and Her Majesty's Inspectorate of Constabulary (HMIC) to develop a comprehensive system to meet the NAO concerns.
- NAO stated that the IPCC's lack of research into the experiences of complainants and affected members of police forces is a weakness. The IPCC introduced feedback surveys in January 2009 and the results of the casework surveys are incorporated into the IPCC Performance Scorecard which is reported to the Commission bi monthly when it is also made publicly available.

## Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the senior managers within the IPCC who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Commission, the Management Board and the Audit Committee and a plan is in place to address weaknesses and ensure continuous improvement of the system.

The effectiveness of the system of internal control was maintained and reviewed by the Commission and the Management Board who:

- Considered the strategic direction of the IPCC and reviewed performance against objectives on an ongoing basis.
- Considered the effectiveness of the control framework in the context of the external environment and internal issues specific to IPCC using the seven facets described in the Home Office assurance framework where applicable to the IPCC. I have based my overall judgement on the recommendations of internal audit as well as on evidence presented to the IPCC management board, the Audit Committee and the Commission.
- Identified those systems and controls which are working well and identified those specific areas where there is a need for improvement.

- Kept the sponsor unit informed of the budgetary pressures caused by high demand for casework and investigations with particular regard for those resulting from the G20 Summit Meeting protests. Our good financial management processes enabled us to give early warning to the sponsor unit. I also kept them informed in advance of our plans for the revised Statutory Guidance, Performance Framework, Connect programme and increased Casework demand which resulted in us exceeding the financial delegation for 2009/10. This was addressed by the department in the mid-year review.
- Not exceeded any procurement delegation as notified to the Accounting Officer. The Scheme of Delegation does require review and update in line with the new management structure and this will be given priority early in 2010/11.
- Reviewed actions taken on last year's Annual Statement of Assurance and in the Statement of Internal Control. There were no problems reported in last year's Annual Statement of Assurance nor were any problems reported in last year's SIC. The IPCC has made continuous improvement of the systems in place and where appropriate this has been verified by Internal Audit.
- Undertook a comprehensive risk management review involving senior management and Commissioners, resulting in a review of the current strategic risks together with a redesign of the documentation and monitoring processes.

- 
- Restructured the management and staffing of the IPCC, reducing the number of Directors and focussing the structure on the functional operation of the business rather than geographical areas.
  - Instigated the Connect Programme, the next phase of the Change Programme, which is working to improve systems and processes to ensure that the IPCC is able to meet the future challenges of the Complaints system.
  - Published expense details for Commissioners and Directors on our website and have undertaken a review of the basis on which Commissioners expenses are paid. A related Internal Audit of expenses paid across the organisation has also been undertaken, and recommendations are being implemented that will simplify procedures, reduce risk of fraud and improve management accountability.
  - Conducted Internal Audit reviews which provide an independent opinion on the adequacy and effectiveness of the IPCC's internal controls, together with recommendations for enhancements as considered necessary. The Head of Audit for the IPCC has direct access to the Accounting Officer and the Chair of the Audit Committee.

Management interventions have been proactive in identifying risks and responding to errors and control weaknesses. Immediate action has been taken to address those risks identified as of high importance which includes the information related incidents previously documented. Longer term actions plans have been prepared for more general system improvements.

The internal auditors have commended this approach and have also made a valued contribution in number of specific detailed areas. The Audit Committee has reviewed the opinions of the Head of Internal Audit and considered the action plans proposed by management. The Committee is receiving regular reports and is closely monitoring delivery of the necessary improvements.

I am therefore able to report that in 2009/10, and subject to the corrections put in place to address risks of high importance, the IPCC has no significant weakness in its internal controls.



**Jane Furniss**

Chief Executive and Accounting Officer

8 July 2010

## The Certificate and Report of the Comptroller and Auditor General to the Houses Of Parliament

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I certify that I have audited the financial statements of the Independent Police Complaints Commission for the year ended 31 March 2010 under the Police Reform Act 2002. These comprise the Net Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies

are appropriate to the Independent Police Complaints Commission's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Independent Police Complaints Commission; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

### Opinion on regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

### Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Independent Police Complaints Commission's affairs as at 31 March 2010 and of its net expenditure, changes in taxpayers' equity and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Police Reform Act 2002 and directions issued by the Secretary of State thereunder.

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### Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with directions issued by the Secretary of State under the Police Reform Act 2002; and
- the information given in the Annual Report, Foreword to the Accounts and Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

### Report

I have no observations to make on these financial statements.

#### **Amyas C E Morse**

Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

13 July 2010

## Net expenditure account

for the year ended 31 March 2010

|  |      | 2009/10         | 2008/09         |
|--|------|-----------------|-----------------|
|  | Note | £'000           | £'000           |
| <b>Expenditure</b>   |      |                 |                 |
| Staff costs  | 3    | (21,675)        | (20,923)        |
| Other expenditure  | 4    | (13,519)        | (12,975)        |
| Non cash items   | 4    | (2,644)         | (2,889)         |
| Non operating expenditure  | 7    | (46)            | -               |
|  |      | <b>(37,884)</b> | <b>(36,787)</b> |
| <b>Income</b>  |      |                 |                 |
| Income from activities   | 6    | 935             | 979             |
| Other income   | 6    | 1,022           | 876             |
| Non operating income   | 7    | -               | 17              |
|  |      | <b>1,957</b>    | <b>1,872</b>    |
| <b>Net expenditure</b>   |      | <b>(35,927)</b> | <b>(34,915)</b> |
| Cost of capital  | 5    | (51)            | (47)            |
| <b>Net expenditure after cost of capital charge and interest</b> |      | <b>(35,978)</b> | <b>(34,962)</b> |

All operations are continuing.

Figures for 2008/09 have been re-stated in line with International Financial Reporting Standards. The notes on pages 87 to 115 form part of these accounts.

## Statement of Financial Position

as at 31 March 2010

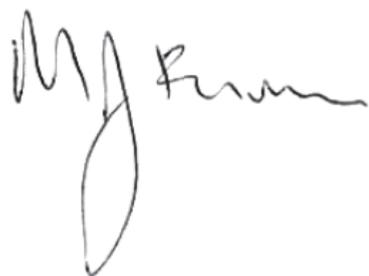
|                                      |       | 31 March<br>2010 | 31 March<br>2009 | 1 April<br>2008 |
|--------------------------------------|-------|------------------|------------------|-----------------|
|                                      | Note  | £'000            | £'000            | £'000           |
| <b>Non-current assets</b>            |       |                  |                  |                 |
| Property, plant and equipment        | 8     | 2,073            | 2,537            | 4,054           |
| Intangible assets                    | 9     | 1,746            | 1,867            | 1,936           |
| Trade and other receivables          | 11    | 280              | -                | -               |
| Service concession receivables       | 12/21 | 6,147            | -                | -               |
| <b>Total non-current assets</b>      |       | <b>10,246</b>    | <b>4,404</b>     | <b>5,990</b>    |
| <b>Current assets</b>                |       |                  |                  |                 |
| Trade and other receivables          | 11    | 1,295            | 1,229            | 1,401           |
| Service concession receivables       | 12/21 | 929              | -                | -               |
| Cash and cash equivalents            | 13    | 3,059            | 1,795            | 1,419           |
| <b>Total current assets</b>          |       | <b>5,283</b>     | <b>3,024</b>     | <b>2,820</b>    |
| <b>Total assets</b>                  |       | <b>15,529</b>    | <b>7,428</b>     | <b>8,810</b>    |
| <b>Non-current liabilities</b>       |       |                  |                  |                 |
| Provisions                           | 16    | 837              | 1,373            | 462             |
| Pension liabilities                  | 3     | 1,681            | 1,193            | 1,088           |
| Other payables                       | 14    | 1                | 123              | 30              |
| Service concession liabilities       | 15/21 | 6,147            | -                | -               |
| <b>Total non-current liabilities</b> |       | <b>8,666</b>     | <b>2,689</b>     | <b>1,580</b>    |

|                                       |             | <b>31 March<br/>2010</b> | <b>31 March<br/>2009</b> | <b>1 April<br/>2008</b> |
|---------------------------------------|-------------|--------------------------|--------------------------|-------------------------|
|                                       | <b>Note</b> | £'000                    | £'000                    | £'000                   |
| <b>Current liabilities</b>            |             |                          |                          |                         |
| Provisions                            | 16          | 761                      | -                        | -                       |
| Trade and other payables              | 14          | 3,488                    | 2,733                    | 2,672                   |
| Staff benefits                        | 14          | 408                      | 365                      | 314                     |
| Service concession liabilities        | 15/21       | 929                      | -                        | -                       |
| <b>Total current liabilities</b>      |             | <b>5,586</b>             | <b>3,098</b>             | <b>2,986</b>            |
| <b>Reserves</b>                       |             |                          |                          |                         |
| Revaluation reserve                   |             | 440                      | 332                      | 372                     |
| General reserve                       |             | 2,518                    | 2,501                    | 4,960                   |
| Pension reserve                       |             | (1,681)                  | (1,193)                  | (1,088)                 |
| <b>Total reserves</b>                 |             | <b>1,277</b>             | <b>1,640</b>             | <b>4,244</b>            |
| <b>Total reserves and liabilities</b> |             | <b>15,529</b>            | <b>7,428</b>             | <b>8,810</b>            |

Balances at 31 March 2009 and 1 April 2008 have been re-stated in line with International Financial Reporting Standards.

The notes on pages 87 to 115 form part of these accounts.

The financial statements on pages 80 to 115 were approved by the Commission on 19 June 2010.



**Jane Furniss**

Chief Executive and Accounting Officer  
8 July 2010

## Cash flow statement

for the year ended 31 March 2010

|   | 2009/10         | 2008/09         |
|---|-----------------|-----------------|
| Note  | £'000           | £'000           |
| <b>Cash flows from operating activities</b>   |                 |                 |
| Net expenditure after cost of capital charge and interest   | (35,978)        | (34,962)        |
| Adjustments for cost of capital charge  | 5               | 47              |
| Adjustment for non-cash items   | 4               | 2,889           |
| Loss/(profit) on disposal of assets   | 46              | (17)            |
| (increase)/decrease in non current trade and other receivables  | 11              | (280)           |
| (increase)/decrease in current trade and other receivables  | 11              | (66)            |
| less movements in receivables relating to items not passing through the net expenditure account       | 11              | -               |
| (increase)/decrease in service concession receivables not passing through the net expenditure account | 11              | (60)            |
| (increase)/decrease in service concession receivables not passing through the net expenditure account | 12              | (7,076)         |
| increase/(decrease) in trade payables   | 14              | 755             |
| increase/(decrease) in other payables   | 14              | (122)           |
| increase/(decrease) in employee benefits payable  | 14              | 43              |
| increase/(decrease) in pension liabilities  | 3               | 488             |
| less actuarial gains (losses) not passing through the net expenditure account                         | 3               | 214             |
| less movements in payables relating to items not passing through the net expenditure account          | 2               | -               |
| increase/(decrease) in service concession payables not passing through the net expenditure account    | 15              | 7,076           |
| Provisions charged to staff cost in 2008/09   |                 | 640             |
| Use of provisions   | 16              | (321)           |
|   | <b>(33,151)</b> | <b>(30,875)</b> |

|   |           | 2009/10        | 2008/09       |
|---|-----------|----------------|---------------|
|   | Note      | £'000          | £'000         |
| <b>Cash flows from investing activities</b>                               |           |                |               |
| Purchase of property, plant and equipment                                 | 8         | (544)          | (114)         |
| Purchase of intangible assets   | 9         | (891)          | (712)         |
| Proceeds of disposal of property, plant and equipment                     |           | -              | 77            |
| Proceeds of disposal of intangibles                                       |           | -              | -             |
| <b>Net cash outflow from investing activities</b>                         |           | <b>(1,435)</b> | <b>(749)</b>  |
| <b>Cash flows from financing activities</b>                               |           |                |               |
| Grants from parent department   |           | 35,850         | 32,000        |
| <b>Net financing</b>  |           | <b>35,850</b>  | <b>32,000</b> |
| <b>Net increase/(decrease) in cash and cash equivalents in the period</b> |           | <b>1,264</b>   | <b>376</b>    |
| <b>Cash and cash equivalents at the beginning of the period</b>           | <b>13</b> | <b>1,795</b>   | <b>1,419</b>  |
| <b>Cash and cash equivalents at the end of the period</b>                 | <b>13</b> | <b>3,059</b>   | <b>1,795</b>  |

Only cash is held. This is available immediately.

The notes on pages 87 to 115 form part of these accounts.

## Statement of Taxpayers' Equity

for the year ended 31 March 2010

|  | Note | General<br>reserve | Revaluation<br>reserve | Pension<br>reserve | Total<br>reserves |
|--|------|--------------------|------------------------|--------------------|-------------------|
|  |      | £'000              | £'000                  | £'000              | £'000             |
| <b>Balance at 31 March 2008</b>  |      | 5,274              | 372                    | (1,088)            | 4,558             |
| Effect of changes under International<br>Financial Reporting Standards | 32   | (314)              | -                      | -                  | (314)             |
| <b>Restated balance at 1 April 2008</b>                                |      | <b>4960</b>        | <b>372</b>             | <b>(1,088)</b>     | <b>4,244</b>      |
| <b>Changes in Taxpayers Equity 2008/09</b>                             |      |                    |                        |                    |                   |
| Net gain/(loss) on revaluation<br>of property, plant and equipment     | 8    | -                  | 97                     | -                  | 97                |
| Net gain/(loss) on revaluation<br>of intangible assets                 |      | -                  | -                      | -                  | -                 |
| Net gain/(loss) on revaluation<br>of investments                       |      | -                  | -                      | -                  | -                 |
| Release of reserves to the net<br>expenditure account                  |      | -                  | -                      | -                  | -                 |
| Non-cash charges – cost of capital                                     | 5    | 47                 | -                      | -                  | 47                |
| Transfers between reserves   |      | 456                | (137)                  | (319)              | -                 |
| Retained surplus/deficit   |      | (34,962)           | -                      | -                  | (34,962)          |
| Actuarial gain in year   |      | -                  | -                      | 214                | 214               |
| <b>Total recognised Income and expense<br/>for 2008/09</b>             |      | <b>(29,499)</b>    | <b>332</b>             | <b>(1,193)</b>     | <b>(30,360)</b>   |
| Grant from parent received<br>for revenue expenditure                  |      | 31,174             | -                      | -                  | 31,174            |
| Grant from parent received<br>for capital expenditure                  |      | 826                | -                      | -                  | 826               |
| <b>Balance at 31 March 2009</b>  |      | <b>2,501</b>       | <b>332</b>             | <b>(1,193)</b>     | <b>1,640</b>      |

|   | Note | General<br>reserve | Revaluation<br>reserve | Pension<br>reserve | Total<br>reserves |
|---|------|--------------------|------------------------|--------------------|-------------------|
|   |      | £'000              | £'000                  | £'000              | £'000             |
| <b>Balance at 1 April 2010</b>                                  |      | <b>2,501</b>       | <b>332</b>             | <b>(1193)</b>      | <b>1640</b>       |
| <b>Changes in taxpayers' equity for 2009/10</b>                 |      |                    |                        |                    |                   |
| Net gain/(loss) on revaluation of property, plant and equipment | 8    |                    | 96                     |                    | 96                |
| Net gain/(loss) on revaluation of intangible assets             | 9    |                    | 48                     |                    | 48                |
| Net gain/(loss) on revaluation of investments                   |      |                    |                        |                    | -                 |
| Release of reserves to the net expenditure account              | 16   | (17)               |                        |                    | (17)              |
| Non-cash charges – cost of capital                              | 5    | 51                 |                        |                    | 51                |
| Transfers between reserves                                      |      | 111                | (36)                   | (75)               | -                 |
| Retained surplus/deficit  |      | (35,978)           |                        |                    | (35,978)          |
| Actuarial gain in year  |      | -                  | -                      | (413)              | (413)             |
| <b>Total recognised income and expense for 2009/10</b>          |      | <b>(33,332)</b>    | <b>440</b>             | <b>(1,681)</b>     | <b>(34,573)</b>   |
| Grant from parent received for revenue expenditure              |      | 34,415             | -                      | -                  | 34,415            |
| Grant from parent received for capital expenditure              |      | 1,435              | -                      | -                  | 1,435             |
| <b>Balance at 31 March 2010</b>                                 |      | <b>2,518</b>       | <b>440</b>             | <b>(1,681)</b>     | <b>1,277</b>      |

The notes on pages 87 to 115 form part of these accounts.

## Notes to the accounts

### 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2009/10 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the IPCC for the purpose of giving a true and fair view has been selected. The particular policies adopted by the IPCC are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

#### 1.1 Accounting conventions

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

#### 1.2 Going concern

The accounts have been prepared on a going concern basis. It is assumed that as a matter of public policy the Home Office will provide funding for the continued operation of the IPCC.

#### 1.3 Grant in aid

Grant in aid received is used to finance activities and expenditure that support the statutory objectives of the IPCC. The FReM requires that grant in aid is treated as financing and is credited to the general reserve because it is regarded as a contribution from a controlling party.

#### 1.4 Value Added Tax

The IPCC is not registered for VAT and all costs shown are inclusive of VAT.

### 1.5 Notional costs

The FReM requires that a notional charge for the cost of capital employed in the period is included in the income and expenditure account along with an equivalent reversing notional income to finance the charge. The charge for the period is calculated using the Treasury's discount rate of 3.5 % applied to the average value of capital employed during the period.

### 1.6 Property, plant and equipment

These assets are capitalised as property, plant and equipment if they are intended for use on a continuing basis and their original purchase cost (either individually or grouped if appropriate) is in excess of £5,000. All non-property operational assets are deemed to be short life or low value assets and are therefore valued on the basis of historic costs as modified by indices published by the Office for National Statistics effective 31 March 2010. The residual value of cars is revalued using vehicle indices.

Assets from the service concession arrangement are included in property, plant and equipment when they are brought into use.

Internal costs are expensed where they are not directly attributable to bringing the asset into use.

These assets are depreciated on a straight line basis over the following useful economic lives:

- furniture – ten years
- IT equipment and infrastructure – three-five years
- vehicles – three years
- leasehold improvements – to the first lease break

Any surplus on revaluation is credited to the revaluation reserve. A deficit on revaluation is debited to the net expenditure account if the deficit exceeds the balance on the revaluation reserve.

## 1.7 Intangible assets

These assets are capitalised as non-current assets if they meet the criteria in IAS 38, are intended for use on a continuing basis and their original purchase cost (either individually or grouped if appropriate) is in excess of £5,000. Intangible assets are valued on the basis of historic costs as modified by indices published by the Office for National Statistics effective 31 March 2010.

Internal costs are expensed where they are not directly attributable to bringing the asset into use.

Intangible assets are reviewed annually for impairment.

Intangible assets including software licences are amortised on a straight line basis over the shorter of the software licence and the useful economic life (three to five years).

Any surplus on revaluation is credited to the revaluation reserve. A deficit on revaluation is debited to the net expenditure account if the deficit exceeds the balance on the revaluation reserve.

## 1.8 Service concession arrangement

The service concession arrangements that apply to our IT and Telephony contract are accounted for under IFRIC 12 and SIC interpretation 29.

## 1.9 Pensions

### a) PCSPS

Pensions are ordinarily to be provided by the provisions of the PCSPS, which is described more fully in the remuneration report on pages 63-70. There is a separate scheme statement for the PCSPS as a whole. Employer pension contributions are accounted for on an accruals basis. Liabilities rest with the PCSPS and not IPCC.

### b) BBA

In the case of some former members of the Police Complaints Authority, pensions are provided by a Broadly By Analogy pension arrangement. In these cases, the annual cost of the pension contribution is recognised in the Net Expenditure account. Amounts relating to changes in the actuarial valuation of scheme liabilities are adjusted via the Statement of Taxpayers' Equity. Liabilities for the Broadly By Analogy scheme rest with the IPCC. These are recognised in the Statement of Financial Position.

These financial statements are fully compliant with IAS 19: Employee Benefits.

## 1.10 Staff costs

In accordance with IAS 19 Employee Benefits, the IPCC recognises the expected costs of short-term employee benefits in the form of compensated absences, as follows:

(a) in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and

(b) in the case of non-accumulating compensated absences, when the absences occur.

### 1.11 Provisions

In accordance with IAS 37, provisions are disclosed in the Statement of Financial Position for legal or constructive obligations in existence at the end of the reporting period if the payment amount to settle the obligation is probable and can be reliably estimated. The amount recognised in provisions takes into account the resources required to cover future payment obligations. Measurement is based on the settlement amount with the highest probability or if the probabilities are equivalent, then using the expected value of the settlement amounts. Provisions are discounted and carried at their present value as at the reporting date. To the extent that reimbursement claims exist within the meaning of IAS 37, they are recognised as a separate asset if their realisation is virtually certain.

### 1.12 Operating leases

The costs of operating leases held by the IPCC are charged to the expenditure account in the period to which they relate on a straight-line basis.

The significant operating leases are for office accommodation where purchase options are not available.

### 1.13 Income

Income from activities relates directly to income from HMRC and UKBA for activities carried out as part of the discharge of the IPCC statutory responsibilities and powers.

Other income relates to fees and charges for other services provided, mainly sub leased property and staff seconded out.

Proceeds arising from the sale of non-current assets are accounted for as non-operating income.

Income represents the value of invoices raised on completion of services and the value completed but not yet invoiced.

### 1.14 First-time adoption of IFRS

This is the first set of accounts published by IPCC based on IFRS. The impact of IFRS is disclosed in note 32.

### 1.15 Standards in issue but not yet effective

- IAS 24 Related party disclosures

IAS 24 has been revised to simplify and clarify the definition of a related party. The revision provides government-related entities with partial exemption from the disclosure requirements relating to related party transactions and outstanding balances (including commitments). This change was issued in November 2009 and is effective from 1 January 2011. Minimal impact is foreseen.

- Cost of capital charges

In 2010/11, the FReM will remove cost of capital charges from accounts. This change was issued in December 2009 and is effective from 1 April 2010. Cost of capital is calculated at the end of the reporting period and therefore the impact cannot be calculated prospectively.

| <b>2 Analysis of net expenditure by segment</b>  | <b>Gross expenditure</b> | <b>Revenue</b> | <b>Net expenditure</b> |
|--|--------------------------|----------------|------------------------|
|  | £'000                    | £'000          | £'000                  |
| Corporate and Legal Services                     | 14,205                   | (875)          | <b>13,330</b>          |
| Investigations                                   | 10,602                   | (935)          | <b>9,667</b>           |
| Casework and Customer Services                   | 5,647                    | (50)           | <b>5,597</b>           |
| Strategy and Communications                      | 3,267                    | (97)           | <b>3,170</b>           |
| Commissioners and the Commissioners' Office      | 1,733                    |                | <b>1,733</b>           |
| Connect  | 1,103                    |                | <b>1,103</b>           |
| Chief Executive and the Chief Executive's Office | 798                      |                | <b>798</b>             |
| Standards and Quality                            | 529                      |                | <b>529</b>             |
| <b>Total</b>                                     | <b>37,884</b>            | <b>(1,957)</b> | <b>35,927</b>          |

During 2009/10, the IPCC management reporting structure changed to one based on functional control rather than a regional basis. Segmental reporting for 2009/10 is based on the new structure and comparative data is not available for 2008/09.

This functional reporting structure places financial responsibility with the director best placed to take expenditure decisions and ensure that value for money is achieved.

For this reason the Corporate and Legal Services directorate's expenditure shown above includes costs for IT, accommodation, depreciation, amortisation and other infrastructure activities managed on behalf of the entire organisation. These total £7,935K.

Information on income by customer is shown in note 6.

Further information on the objectives of each operating segment is available in the Foreword to these Accounts.

### 3 Staff numbers and related costs

#### 3.1 Staff costs:

|  | 2009/10<br>£'000              |              |               | 2008/09<br>£'000 |
|--|-------------------------------|--------------|---------------|------------------|
|  | Permanently<br>employed staff | Other        | Total         | Total            |
| <b>Commissioners and CEO</b>   |                               |              |               |                  |
| Salaries and emoluments  | 1,081                         | -            | 1,081         | 1,482            |
| Social security cost   | 114                           | -            | 114           | 158              |
| Other pension costs  | 257                           | -            | 257           | 452              |
| <b>Sub total</b>   | <b>1,452</b>                  | <b>-</b>     | <b>1,452</b>  | <b>2,092</b>     |
| Less: recoveries in respect<br>of outward secondments                            |                               |              |               |                  |
| <b>Net costs of Commissioners and CEO</b>  | <b>1,452</b>                  | <b>-</b>     | <b>1,452</b>  | <b>2,092</b>     |
| <b>All other staff</b>   |                               |              |               |                  |
| Salaries and emoluments  | 14,759                        | 1,394        | 16,153        | 15,083           |
| Social security cost   | 1,237                         | -            | 1,237         | 1,157            |
| Pension contributions  | 2,833                         | -            | 2,833         | 2,591            |
| <b>Sub total</b>   | <b>18,829</b>                 | <b>1,394</b> | <b>20,223</b> | <b>18,831</b>    |
| Less: recoveries in respect<br>of outward secondments                            | (154)                         | -            | (154)         | (146)            |
| <b>Net costs of all other staff</b>  | <b>18,675</b>                 | <b>1,394</b> | <b>20,069</b> | <b>18,685</b>    |
| <b>Total staff costs before recoveries<br/>in respect of outward secondments</b> | <b>20,281</b>                 | <b>1,394</b> | <b>21,675</b> | <b>20,923</b>    |

Permanent staff includes staff on fixed-term contracts generally of 12 months' duration. Other staff costs include temporary and inward seconded staff.

Commissioners and CEO net costs for 2009/10 have fallen by 30.6% over 2008/09. This is due to the reduction in the number of Commissioners commencing April 2010 so as to release resources for frontline activities. In addition the CEO's remuneration has fallen since 2008/09 as she did not receive a bonus.

Further details on Commissioner remuneration can be found in the Foreword to these Accounts on page 64.

The net cost figure for all other staff in 2009/10 has grown by 7.4% over 2008/09. During the same period average staff numbers grew by 9.5%.

Early departure costs of £452k were expensed during 2009/10 (£619k in 2008/09).

The pay increases for staff during 2009/10 were on average 2.5% and were approved by the Home Office in accordance with HM Treasury guidelines.

### 3.2 Average number of persons employed (incl. Commissioners)

The average number of whole-time equivalent persons employed by segment during the year was as follows:

|                                | 2009/10         |           |            |
|--------------------------------|-----------------|-----------|------------|
|                                | Permanent staff | Other     | Total      |
| Corporate and Legal Services   | 57              | 4         | 61         |
| Investigations                 | 163             | 6         | 169        |
| Casework and Customer Services | 117             | 2         | 119        |
| Strategy and Communications    | 40              | 1         | 41         |
| Commissioners' Office          | 19              | -         | 19         |
| Connect                        | 6               | -         | 6          |
| Chief Executive's Office       | 3               | -         | 3          |
| Standards and Quality          | 9               | -         | 9          |
| <b>Total staff numbers</b>     | <b>414</b>      | <b>13</b> | <b>427</b> |

As segment reporting was introduced for 2009/10, the previous year is based on the old structure.

|                            | 2008/09         |           |            |
|----------------------------|-----------------|-----------|------------|
|                            | Permanent staff | Other     | Total      |
| Commissioners and CEO      | 14              | -         | 14         |
| Management                 | 22              | 1         | 23         |
| Administrative and support | 102             | 8         | 110        |
| Investigator and casework  | 225             | 6         | 231        |
| <b>Total staff numbers</b> | <b>363</b>      | <b>15</b> | <b>378</b> |

### 3.3 Broadly by Analogy pension scheme

Certain Commissioners who served as members with the Police Complaints Authority (PCA) receive pension benefits broadly by analogy (BBA) with the PCSPS.

The BBA pensions are unfunded, with benefits being paid as they fall due and guaranteed by the IPCC. There is no fund and therefore no surplus or deficit. The scheme liabilities for service have been calculated by the Government Actuary's Department using the following financial assumptions:

|  | <b>2009/10</b> | <b>2008/09</b> |
|--|----------------|----------------|
| Rate used to discount scheme liabilities                   | 4.60%          | 6.04%          |
| Rate of increase in salaries                               | 4.29%          | 4.29%          |
| Rate of increase in pensions payment and deferred pensions | 2.75%          | 2.75%          |
| Rate of inflation  | 2.75%          | 2.75%          |

The liabilities associated with Commissioners holding BBA pensions are as follows:

|                                     | <b>31 March<br/>2010</b> | <b>31 March<br/>2009</b> | <b>1 April<br/>2008</b> |
|-------------------------------------|--------------------------|--------------------------|-------------------------|
|                                     | £'000                    | £'000                    | £'000                   |
| <b>Pension provision</b>            |                          |                          |                         |
| Balance at 1 April                  | 1,193                    | 1,088                    | 971                     |
| Increase in provision               | 488                      | 105                      | 117                     |
| <b>Present value of liabilities</b> | <b>1,681</b>             | <b>1,193</b>             | <b>1,088</b>            |

Other amounts to be disclosed in order to understand the change in provision.

|  | <b>31 March<br/>2010</b> | <b>31 March<br/>2009</b> | <b>1 April<br/>2008</b> |
|--|--------------------------|--------------------------|-------------------------|
|  | £'000                    | £'000                    | £'000                   |
| Scheme liability at the beginning of the year                                | 1193                     | 1088                     | 971                     |
| <i>movement in the year</i>  |                          |                          |                         |
| Current service cost (net of employee contributions)                         | 28                       | 80                       | 79                      |
| Interest cost  | 72                       | 64                       | 47                      |
| Employee contributions   | 13                       | 91                       | 34                      |
| Actuarial (gains)/losses   | 413                      | (214)                    | (43)                    |
| Benefits paid  | (38)                     | -                        | -                       |
| Past service costs (net of employee contributions)                           | -                        | 84                       | -                       |
| <b>Increase in scheme liability</b>  | <b>488</b>               | <b>105</b>               | <b>117</b>              |
| <b>Scheme liability at the end of the year</b>                               | <b>1,681</b>             | <b>1,193</b>             | <b>1,088</b>            |
| <i>Expense to be recognised in the Net Expenditure account</i>               | <b>2009/10</b>           |                          | <b>2008/09</b>          |
|  | £'000                    |                          | £'000                   |
| Current service cost net of employee contributions                           | 28                       |                          | 80                      |
| Interest cost  | 72                       |                          | 64                      |
| Past service cost  | -                        |                          | 84                      |
| Total expense  | 100                      |                          | 228                     |
| <i>Actuarial gains/losses to be recognised in Taxpayers' Equity</i>          | <b>2009/10</b>           |                          | <b>2008/09</b>          |
|  | £'000                    |                          | £'000                   |
| Experience loss/(gain) arising on the scheme liabilities                     | 32                       |                          | (227)                   |
| Change in assumptions underlying the present value of the scheme liabilities | 381                      |                          | 13                      |
| Net total actuarial loss/(gain) on Taxpayers' Equity                         | 413                      |                          | (214)                   |

No transfers out have been made. Two participating Commissioners retired on 31 March 2009. Cumulative actuarial gains since April 2004 have been £110k.

Estimates of the employee and employer costs payable in 2010/11 are £78k and £39k respectively.

| <b>Present value of scheme liabilities</b>              | <b>31 March 2010</b> | <b>31 March 2009</b> | <b>31 March 2008</b> | <b>31 March 2007</b> | <b>31 March 2006</b> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Liability in respect of                                 | £'000                | £'000                | £'000                | £'000                | £'000                |
| Active members  | 431                  | 1,193                | 1,088                | 971                  | 152                  |
| Deferred pensioners                                     | 302                  | -                    | -                    | -                    | -                    |
| Current pensions  | 948                  | -                    | -                    | -                    | -                    |
| <b>Total present value of scheme liabilities</b>        | <b>1,681</b>         | <b>1,193</b>         | <b>1,088</b>         | <b>971</b>           | <b>152</b>           |
| History of experience losses /(gains)                   | 32                   | (227)                | 54                   | 29                   | 2                    |
| Percentage of scheme liabilities at the end of the year | 1.9%                 | -19.0%               | 5.0%                 | 3.0%                 | 1.3%                 |

### 3.4 Civil Service pensions

The PCSPS is an unfunded multi-employer defined benefit scheme but the IPCC is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2009/10, employers' contributions of £2,298k were payable to the PCSPS (2008/09 £2,586k) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The scheme actuary reviews employer contributions usually every four years following a full scheme valuation. From 2010/11, the rates will be in the range 16.7% to 24.3%.

The contribution rates are set to meet the cost of the benefits accruing during 2009/10 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £648k (2008/09 £241k) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay.

Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £2k (2008/09 £1k), 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £5k. Contributions prepaid at that date were nil.

**4 Other expenditure**

|  | Note | 2009/10<br>£'000 | 2008/09<br>£'000 |
|--|------|------------------|------------------|
| Administrative costs include the following:    |      |                  |                  |
| IT costs excluding service concession costs    |      | 2,977            | 3,347            |
| Accommodation rental on lease premises         |      | 2,860            | 2,866            |
| Accommodation costs other than rental costs    |      | 1,963            | 1,738            |
| Telephone                                      |      | 151              | 398              |
| Travel and subsistence                         |      | 1,043            | 851              |
| Training                                       |      | 530              | 488              |
| Recruitment costs                              |      | 131              | 395              |
| Legal services                                 |      | 317              | 441              |
| Audit fee – internal                           |      | 59               | 59               |
| Audit fee – external                           |      | 45               | 41               |
| Consultants                                    |      | 286              | 578              |
| Postage  |      | 55               | 58               |
| Stationery                                     |      | 161              | 111              |
| Forensics                                      |      | 617              | 534              |
| Guidance for police and public                 |      | 255              | 258              |
| Research                                       |      | 83               | 146              |
| Pension interest cost                          |      | 72               | 64               |
| IT Service concession service charges          |      | 805              | -                |
| IT Service concession interest charges         |      | 60               | -                |
| Other costs                                    |      | 1,049            | 602              |
| <b>Total other expenditure</b>                 |      | <b>13,519</b>    | <b>12,975</b>    |
| Non-cash items:                                |      |                  |                  |
| Depreciation                                   | 8    | 1,028            | 1,523            |
| Amortisation                                   | 9    | 1,030            | 723              |
| Provisions provided in the year                | 16   | 507              | 1,019            |
| Provisions charged to staff costs in 2008/09   |      |                  | (640)            |
| Unwinding of discount in early departure costs | 16   | 22               | -                |
| Loss on impairment of assets                   |      | -                | -                |
| Loss on revaluation of non-current assets      | 8/9  | 57               | 264              |
| <b>Total non-cash items</b>                    |      | <b>2,644</b>     | <b>2,889</b>     |
| <b>Total</b>                                   |      | <b>16,163</b>    | <b>15,864</b>    |

Some 2008/09 expenditure has been reclassified and greater detail provided in order to aid understanding of the results. The external auditors (National Audit Office) received remuneration of £5,000 for audit work to review the IPCC compliance with International Financial Reporting Standards. The fee for the audit of the Statement of Accounts was £40,000 (2008/09 £38,000). The external auditors did not undertake any non-audit work.

Consultants costs during 2009/10 were principally incurred for the following areas:

|   | <u>£000's</u> |
|---|---------------|
| • Procurement advice, security assurance and other advice for the relet of the IT contract  | 102           |
| • Review of Casework and Investigation processes to deliver productivity improvements   | 167           |
| • Accommodation planning to reduce individual space standards to enable us to increase income from sub-leasing  | 10            |
| • Review of Directors' remuneration following the restructure to a functional reporting structure to ensure pay levels are in line with similar public bodies | 7             |
|   | <u>286</u>    |

## 5 Cost of capital

In accordance with the FReM a notional charge for the cost of capital employed in the period is included in the net expenditure account along with an equivalent reversing notional income in the statement of taxpayers' equity to finance the charge. The charge for the period is calculated using the Treasury's discount rate of 3.5% applied to the average value of capital employed during the period excluding bank balances held with the Office of the Paymaster General.

## 6 Income

IPCC received income from HMRC for infrastructure costs and investigations undertaken under section 28 of the Commissioners for Revenue and Customs Act 2005. Income was received from UKBA for infrastructure costs and investigations undertaken into appropriate referrals.

Rental income was received from the Security Industry Authority (SIA) for an operating lease. The Home Office paid the IPCC for the cost of seconded staff.

The IPCC financial objective for income from other government bodies is full cost recovery in accordance with the Treasury Fees and Charges Guide. This financial objective was achieved. The analysis below is provided for fees and charges purposes and as directed by the FReM.

|                               | 2009/10      |                |             | 2008/09      |
|-------------------------------|--------------|----------------|-------------|--------------|
|                               | £'000        |                |             | £'000        |
| Fees and charges              | Income       | Costs          | Surplus     | Income       |
| HMRC income                   | 695          | (731)          | (36)        | 608          |
| UKBA income                   | 240          | (241)          | (1)         | 371          |
| <b>Income from activities</b> | <b>935</b>   | <b>(972)</b>   | <b>(37)</b> | <b>979</b>   |
| SIA income                    | 853          | (853)          | -           | 714          |
| Home Office income            | 147          | (154)          | (7)         | 155          |
| Sundry income                 | 22           | -              | 22          | 7            |
| <b>Other income</b>           | <b>1,022</b> | <b>(1,007)</b> | <b>15</b>   | <b>876</b>   |
| <b>Total</b>                  | <b>1,957</b> | <b>(1,979)</b> | <b>(22)</b> | <b>1,855</b> |

Our income from HMRC and UKBA is based on actual costs of work undertaken and a set sum agreed at the start of the financial year for the estimated costs of the infrastructure needed for a predicted level of referrals. The 2009/10 deficit on HMRC arises because we reduced our infrastructure charges to HMRC at the end of the year due to a transfer of HMRC activities to UKBA. In addition an adjustment has not been made for the actual level of referrals being different from that originally predicted, as the IPCC capacity costs cannot be readily adjusted for short-term changes in the level of referrals.

Information on allocation of income to segments can be found in note 2.

## 7 Non-operating income and expenditure

The IPCC transferred ownership of its IT servers and some other IT tangible assets to Steria Limited at the commencement of the service concession arrangement. This transfer was at a nominal value and the note below shows that the loss on disposal was £46k. This loss is recovered through reduced service concession charges over the life of the contract.

The non operating income of £17k for 2008/09 arises from profit on disposal of vehicles used by investigators.

## 8 Property, plant and equipment

|  | £'000                  | £'000      | £'000                                 | £'000        |
|--|------------------------|------------|---------------------------------------|--------------|
|  | IT and AV<br>equipment | Vehicles   | Fit out,<br>furniture<br>and fittings | Total        |
| <b>Cost or valuation</b>               |                        |            |                                       |              |
| At 1 April 2009                        | 2,256                  | 371        | 5,989                                 | 8,616        |
| Additions                              | 512                    | -          | 32                                    | 544          |
| Transfers                              | -                      | -          | -                                     | -            |
| Disposals                              | (372)                  | -          | -                                     | (372)        |
| Impairment                             | -                      | -          | -                                     | -            |
| Revaluations                           | (6)                    | 10         | 134                                   | 138          |
| At 31 March 2010                       | <b>2,390</b>           | <b>381</b> | <b>6,155</b>                          | <b>8,926</b> |
| <b>Depreciation</b>                    |                        |            |                                       |              |
| At 1 April 2009                        | 1,820                  | 95         | 4,164                                 | 6,079        |
| Transfers                              | -                      | -          | -                                     | -            |
| Charge for the year                    | 323                    | 73         | 632                                   | 1,028        |
| Disposals                              | (326)                  | -          | -                                     | (326)        |
| Impairment                             | -                      | -          | -                                     | -            |
| Revaluations                           | (3)                    | 5          | 70                                    | 72           |
| At 31 March 2010                       | <b>1,814</b>           | <b>173</b> | <b>4,866</b>                          | <b>6,853</b> |
| <b>Net book value at 31 March 2010</b> | <b>576</b>             | <b>208</b> | <b>1,289</b>                          | <b>2,073</b> |
| <b>Net book value at 31 March 2009</b> | <b>436</b>             | <b>276</b> | <b>1,825</b>                          | <b>2,537</b> |

|  | £'000                          | £'000           | £'000  | £'000        |
|--|--------------------------------|-----------------|--|--------------|
|  | <b>IT and AV<br/>equipment</b> | <b>Vehicles</b> | <b>Fit out,<br/>furniture<br/>and fittings</b> | <b>Total</b> |
| <b>Cost or valuation</b>               |                                |                 |  |              |
| At 1 April 2008                        | 2,354                          | 461             | 5,966  | 8,781        |
| Additions                              | 100                            | 14              | -  | 114          |
| Transfers                              | 56                             | -               | (56)   |              |
| Disposals                              | -                              | (64)            | -  | (64)         |
| Impairment                             | -                              | -               | -  | -            |
| Revaluations                           | (254)                          | (40)            | 79   | (215)        |
| At 31 March 2009                       | <b>2,256</b>                   | <b>371</b>      | <b>5,989</b>                                   | <b>8,616</b> |
| <b>Depreciation</b>                    |                                |                 |  |              |
| At 1 April 2008                        | 1,554                          | 92              | 3,081  | 4,727        |
| Transfer                               | -                              | -               | -  | -            |
| Charge for the year                    | 407                            | 67              | 1,049  | 1,523        |
| Disposals                              | -                              | (64)            | -  | (64)         |
| impairment                             | -                              | -               | -  | -            |
| Revaluation                            | (141)                          | -               | 34   | (107)        |
| At 31 March 2009                       | <b>1,820</b>                   | <b>95</b>       | <b>4,164</b>                                   | <b>6,079</b> |
| <b>Net book value at 31 March 2009</b> | <b>436</b>                     | <b>276</b>      | <b>1,825</b>                                   | <b>2,537</b> |
| <b>Net book value at 1 April 2008</b>  | <b>800</b>                     | <b>369</b>      | <b>2,885</b>                                   | <b>4,054</b> |

## 9 Intangible assets

Intangible assets comprise of software licences

|  | <b>Total</b> |
|--|--------------|
|  | £'000        |
| <b>Cost or valuation</b>               |              |
| At 1 April 2009                        | 5,870        |
| Additions                              | 891          |
| Transfers                              | -            |
| Disposals                              | -            |
| Impairments                            | -            |
| Revaluations                           | 98           |
| At 31 March 2010                       | <b>6,859</b> |
| <b>Amortisation</b>                    |              |
| At 1 April 2009                        | 4,003        |
| Transfers                              | -            |
| Charge for the year                    | 1,030        |
| Disposals                              | -            |
| Impairment                             | -            |
| Revaluations                           | 80           |
| At 31 March 2010                       | <b>5,113</b> |
| <b>Net book value at 31 March 2010</b> | <b>1,746</b> |
| <b>Net book value at 31 March 2009</b> | <b>1,867</b> |
| <b>Cost or valuation</b>               |              |
| At 1 April 2008                        | 5,232        |
| Additions                              | 712          |
| Transfers                              | -            |
| Disposals                              | -            |
| Impairments                            | (40)         |
| Revaluation                            | (34)         |
| At 31 March 2009                       | <b>5,870</b> |
| <b>Amortisation</b>                    |              |
| At 1 April 2008                        | 3,296        |
| Transfers                              | -            |
| Charge for the year                    | 723          |
| Disposals                              | -            |
| Impairment                             | (40)         |
| Revaluation                            | 24           |
| At 31 March 2009                       | <b>4,003</b> |
| <b>Net book value at 31 March 2009</b> | <b>1,867</b> |
| <b>Net book value at 1 April 2008</b>  | <b>1,936</b> |

**10 Impairments**

The IPCC has no impairments in the period.

**11 Trade receivables and other current assets**

|   | <b>31 March<br/>2010</b> | <b>31 March<br/>2009</b> | <b>1 April<br/>2008</b> |
|---|--------------------------|--------------------------|-------------------------|
|   | £'000                    | £'000                    | £'000                   |
| <b>Amounts falling due within one year:</b>   |                          |                          |                         |
| Current part of service concession arrangement prepayments in advance of assets coming into use     | 42                       | -                        | -                       |
| Accrued income  | 18                       |                          |                         |
| Trade receivables   | 342                      | 470                      | 640                     |
| Capital prepayments   | -                        | -                        | 60                      |
| Other receivables   | 35                       | 9                        | 8                       |
| Staff advances  | 51                       | 51                       | 38                      |
| Prepayments   | 807                      | 699                      | 655                     |
|   | <b>1,295</b>             | <b>1,229</b>             | <b>1,401</b>            |
| <b>Amounts falling due after more than one year:</b>  |                          |                          |                         |
| Non-current part of service concession arrangement prepayments in advance of assets coming into use | 280                      | -                        | -                       |
|   | <b>280</b>               | -                        | -                       |
| <b>Total trade and other receivables</b>  | <b>1,575</b>             | <b>1,229</b>             | <b>1,401</b>            |

**12 Service concession receivables**

|  | <b>31 March<br/>2010</b> | <b>31 March<br/>2009</b> | <b>1 April<br/>2008</b> |
|--|--------------------------|--------------------------|-------------------------|
|  | £'000                    | £'000                    | £'000                   |

**Amounts falling due within one year:**

Current part of service concession receivables

|            |   |   |
|------------|---|---|
| <b>929</b> | - | - |
|------------|---|---|

**Amounts falling due after more than one year:**

Non-current part of service concession receivables

|              |   |   |
|--------------|---|---|
| <b>6,147</b> | - | - |
|--------------|---|---|

The IPCC has no trade receivables or other current asset amounts falling due after more than one year.

**13 Cash and cash equivalents**

|  | <b>31 March<br/>2010</b> | <b>31 March<br/>2009</b> | <b>1 April<br/>2008</b> |
|--|--------------------------|--------------------------|-------------------------|
|  | £'000                    | £'000                    | £'000                   |

Opening balance

|       |       |       |
|-------|-------|-------|
| 1,795 | 1,419 | 1,173 |
|-------|-------|-------|

Net change in cash balances during the year

|       |     |     |
|-------|-----|-----|
| 1,264 | 376 | 246 |
|-------|-----|-----|

**Closing balance**

|              |              |              |
|--------------|--------------|--------------|
| <b>3,059</b> | <b>1,795</b> | <b>1,419</b> |
|--------------|--------------|--------------|

Only cash is held. This is available immediately.

**14 Trade payables and other current liabilities****14.1 Amount falling due within one year**

|  | <b>31 March<br/>2010</b> | <b>31 March<br/>2009</b> | <b>1 April<br/>2008</b> |
|--|--------------------------|--------------------------|-------------------------|
|  | £'000                    | £'000                    | £'000                   |

Other taxation and social security

|       |       |       |
|-------|-------|-------|
| (744) | (690) | (699) |
|-------|-------|-------|

Trade payables

|       |         |       |
|-------|---------|-------|
| (839) | (1,085) | (893) |
|-------|---------|-------|

Other payables

|      |      |      |
|------|------|------|
| (26) | (24) | (34) |
|------|------|------|

Accruals and deferred income

|         |       |         |
|---------|-------|---------|
| (1,879) | (934) | (1,046) |
|---------|-------|---------|

|                |                |                |
|----------------|----------------|----------------|
| <b>(3,488)</b> | <b>(2,733)</b> | <b>(2,672)</b> |
|----------------|----------------|----------------|

The figures for 2009 and 2008 have been restated in line with IFRS requirements.

| <b>14.2 Amounts falling due after more than one year</b> | <b>31 March<br/>2010</b> | <b>31 March<br/>2009</b> | <b>1 April<br/>2008</b> |
|--|--------------------------|--------------------------|-------------------------|
|  | £'000                    | £'000                    | £'000                   |
| Other payables, accruals and deferred income             | -                        | (112)                    | -                       |
| Property rent deferred income                            | (1)                      | (11)                     | (30)                    |
|  | <b>(1)</b>               | <b>(123)</b>             | <b>(30)</b>             |

Rent is accrued and deferred where there is a rent-free period, so that the total amount to be paid over the term of the lease up to the date of the first rent review is apportioned equally over the time period from the commencement date of the lease up to the first lease break point.

| <b>14.3 Deferred income</b>   | <b>31 March<br/>2010</b> | <b>31 March<br/>2009</b> | <b>1 April<br/>2008</b> |
|---|--------------------------|--------------------------|-------------------------|
|   | £'000                    | £'000                    | £'000                   |
| These are monies received from the SIA for rental of property for the first quarter of 2010/11. |                          |                          |                         |
| Deferred income to be recognised within one year  | 223                      | -                        | 45                      |
| Deferred income to be recognised in one to five years   | -                        | -                        | -                       |
| <b>Total</b>  | <b>223</b>               | <b>-</b>                 | <b>45</b>               |

#### 14.4 Staff benefits

IAS 19 requires the disclosure of employee benefits which are recognised in the period in which the entity receives services from the employee, rather than when the benefits are paid or payable. Taking this definition of IAS 19 into account the IPCC recognises holiday accruals for the year 2009/10 to be employee benefits. The holiday accrual is included within the overall accruals balance in note 14.1.

The average number of holidays accrued per person based on the number of staff at the end of March 2010 is 4.5 days.

|                 | <b>31 March<br/>2010</b> | <b>31 March<br/>2009</b> | <b>1 April<br/>2008</b> |
|-----------------|--------------------------|--------------------------|-------------------------|
|                 | £'000                    | £'000                    | £'000                   |
| Holiday accrual | (408)                    | (365)                    | (314)                   |
|                 | <b>(408)</b>             | <b>(365)</b>             | <b>(314)</b>            |

**15 Service concession liabilities**

|  | <b>31 March<br/>2010</b> | <b>31 March<br/>2009</b> | <b>1 April<br/>2008</b> |
|--|--------------------------|--------------------------|-------------------------|
|  | £'000                    | £'000                    | £'000                   |
| <b>Current part of imputed finance lease element of service concession arrangement</b>     | <b>(929)</b>             | -                        | -                       |
| <b>Non-current part of imputed finance lease element of service concession arrangement</b> | <b>(6,147)</b>           | -                        | -                       |

**16 Provisions for liabilities and charges**

Provisions have been made for BBA pensions liabilities.

For property provisions the IPCC recognises a dilapidation provision for all leased properties where it has an obligation to bring the property into a good state of repair at the end of the lease. The provision is based on the estimated costs of reinstatement of modifications the IPCC has made and the repair obligations required during the lease. The estimated cost of reinstating modifications made to the buildings is £202,000 (£178,000 for 2008/09). In line with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the costs of reinstatement have been recognised as part of the fit-out assets and will be depreciated over the lease terms. In addition £289,000 (£259,000 for 2008/09) has been provided for current wear and tear obligations.

The early departure provision is for the expected redundancy and related costs arising from a planned reduction in the number of back office staff during 2010/11 as well as the remaining balance of early departure costs of directors and other staff made redundant in 2009/10.

The legal provision is where a supplier has alleged that IPCC has infringed licensing rights and is seeking damages of £293,000. This is an allegation we strongly refute. The information usually required by IAS 37 is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the dispute.

The other provision is for doubtful debts.

These provisions have been discounted at a rate set by HM Treasury. In 2008/09, this rate was 3.2%. In 2009/10, this rate was changed to 1.8%. In line with HM Treasury guidance, the change in rate for provisions in existence at 31 March 2009 was accounted for through reserves. Unwinding of discount for 2009/10 has been charged to the net expenditure account.

|  | £'000           | £'000                  | £'000        | £'000        | £'000        |
|--|-----------------|------------------------|--------------|--------------|--------------|
|  | <b>Property</b> | <b>Early departure</b> | <b>Legal</b> | <b>Other</b> | <b>Total</b> |
| <b>Balance at 1 April 2009</b>           | <b>437</b>      | <b>619</b>             | <b>306</b>   | <b>11</b>    | <b>1,373</b> |
| Provided in the year                     | 54              | 452                    | -            | 1            | 507          |
| Provisions not required written back     | -               | -                      | -            | -            | -            |
| Provisions utilised in the year          | -               | (297)                  | (13)         | (11)         | (321)        |
| Unwinding of discount                    | -               | 22                     | -            | -            | 22           |
| <b>Increase/(decrease) in provisions</b> | <b>54</b>       | <b>177</b>             | <b>(13)</b>  | <b>(10)</b>  | <b>208</b>   |
| Change in discount rate through reserves |                 | 17                     |              |              | 17           |
| <b>Balance at 31 March 2010</b>          | <b>491</b>      | <b>813</b>             | <b>293</b>   | <b>1</b>     | <b>1,598</b> |
| <i>Represented by,</i>                   |                 |                        |              |              |              |
| Non current element of provision         | 491             | 346                    | -            | -            | 837          |
| Current element of provision             | -               | 467                    | 293          | 1            | 761          |
|  |                 |                        |              |              |              |
|  | £'000           | £'000                  | £'000        | £'000        | £'000        |
|  | <b>Property</b> | <b>Early departure</b> | <b>Legal</b> | <b>Other</b> | <b>Total</b> |
| <b>Balance at 1 April 2008</b>           | <b>354</b>      | <b>-</b>               | <b>-</b>     | <b>108</b>   | <b>462</b>   |
| Provided in the year                     | 83              | 619                    | 306          | 11           | 1,019        |
| Provisions not required written back     | -               | -                      | -            | -            | -            |
| Provisions utilised in the year          | -               | -                      | -            | (108)        | (108)        |
| Unwinding of discount                    | -               | -                      | -            | -            | -            |
| <b>Increase/(decrease) in provisions</b> | <b>83</b>       | <b>619</b>             | <b>306</b>   | <b>(97)</b>  | <b>911</b>   |
| <b>Balance at 31 March 2009</b>          | <b>437</b>      | <b>619</b>             | <b>306</b>   | <b>11</b>    | <b>1,373</b> |

## 17 Contingent liabilities disclosed under IAS 37

The IPCC has an unquantifiable contingent liability in respect of a number of legal claims or potential claims against the IPCC, the outcome and timing of which cannot be estimated with certainty. Full provision is made in the financial statements for all liabilities that are expected to materialise.

The early departure provisions in note 16 are based on estimates based on the Civil Service Compensation Scheme. If there is a change in terms, IPCC may be liable to further costs. This contingent liability cannot be quantified. If there is a change in terms affecting provisions already made, the provision will be re-estimated.

## 18 Intra-government balances

|   | <b>31 March<br/>2010</b> | <b>31 March<br/>2009</b> | <b>1 April<br/>2008</b> |
|---|--------------------------|--------------------------|-------------------------|
|   | £'000                    | £'000                    | £'000                   |
| <b>Receivables</b>                            |                          |                          |                         |
| Balances with central government bodies       | 334                      | 482                      | 698                     |
| Balances with local authorities               | 26                       | 2                        | 5                       |
| <b>Sub total of intra-government balances</b> | <b>360</b>               | <b>484</b>               | <b>703</b>              |
| Balances with bodies external to government   | 935                      | 745                      | 698                     |
| <b>Total</b>                                  | <b>1,295</b>             | <b>1,229</b>             | <b>1,401</b>            |

All debts and amounts recoverable are due within one year except for £596 where a doubtful debt provision has been made.

## Payables

|   |                |                |                |
|---|----------------|----------------|----------------|
| Balances with central government bodies             | (522)          | (575)          | (446)          |
| Balances with local authorities                     | (28)           | (8)            | (27)           |
| Balances with trading funds and public corporations | (6)            | (91)           | (30)           |
| Balances with NHS trusts                            | -              | (2)            | -              |
| HMRC in respect of taxation and social security     | (444)          | (418)          | (449)          |
| <b>Sub total of intra-government balances</b>       | <b>(1,000)</b> | <b>(1,094)</b> | <b>(952)</b>   |
| Balances with bodies external to government         | (2,489)        | (2,127)        | (2,064)        |
| <b>Total</b>  | <b>(3,489)</b> | <b>(3,221)</b> | <b>(3,016)</b> |

**19 Capital commitments**

At 31 March 2010, the IPCC had no capital commitments (£74k 31 March 2009).

Intangible assets

**Total**

| <b>31 March<br/>2010</b> | <b>31 March<br/>2009</b> | <b>1 April<br/>2008</b> |
|--------------------------|--------------------------|-------------------------|
| £'000                    | £'000                    | £'000                   |

|          |           |          |
|----------|-----------|----------|
| -        | 74        | -        |
| <b>-</b> | <b>74</b> | <b>-</b> |

**20 Commitments under leases****20.1 Operating leases**

As at 31 March 2010 the IPCC had the following total future minimum lease payments under non-cancellable operating leases for each of the following periods:

|  | <b>31 March<br/>2010</b> | <b>31 March<br/>2009</b> | <b>1 April<br/>2008</b> |
|--|--------------------------|--------------------------|-------------------------|
|  | £'000                    | £'000                    | £'000                   |
| <b>Obligations under operating leases comprise</b> |                          |                          |                         |
| Buildings:   |                          |                          |                         |
| Not later than one year                            | 2,892                    | 2,875                    | 2,549                   |
| Later than one year and not later than five years  | 5,467                    | 8,265                    | 7,286                   |
| Later than five years                              | -                        | 94                       | -                       |
|  | <b>8,359</b>             | <b>11,234</b>            | <b>9,835</b>            |
| Other:   |                          |                          |                         |
| Not later than one year                            | 3                        | -                        | -                       |
| Later than one year and not later than five years  | -                        | -                        | -                       |
| Later than five years                              | -                        | -                        | -                       |
|  | <b>3</b>                 | <b>-</b>                 | <b>-</b>                |

As at 31 March 2009 the IPCC had the following total future minimum sub lease payments expected to be received under non-cancellable operating leases:

|   |              |              |              |
|---|--------------|--------------|--------------|
| Buildings:  |              |              |              |
| Not later than one year                           | 413          | 406          | 413          |
| Later than one year and not later than five years | 836          | 1,249        | 1,251        |
| Later than five years                             | -            | -            | -            |
|   | <b>1,249</b> | <b>1,655</b> | <b>1,664</b> |

## 20.2 Finance leases

The IPCC had no finance leases in the period.

## 21 Service concession arrangements

The IPCC entered into a contract with Steria Limited on 25 August 2009 for the provision of IT and Telephony services.

The contract became effective on 20 December 2009. This is a fixed price contract with a ten year term and a break point at seven years.

Under the contract Steria Limited has an obligation to build and to maintain both tangible and intangible assets with an expected value at 31 March 2010 of £8.095 million for use by IPCC as well as provide operating services over the life of the contract at an expected value at 31 March 2010 of £28.590 million. Finance charges over the life of the contract are expected to be £0.771 million.

There is also an obligation for Steria Limited to refresh assets during the life of the contract, predominately in years 4 and 5. The assets are expected to have minimal residual value at the end of the 10 year term.

The annual payments to be made by IPCC were agreed at the start of the contract and subject to ongoing contract change notices there is minimal uncertainty over future cash flows. The contract provides for re-pricing if the RPI-X exceeds 6%.

The assets acquired under the contract are under the control of IPCC and under IFRIC 12 the contract is a service concession arrangement with the IPCC as grantor and Steria Limited as the operator.

SIC interpretation 29 describes the information to be disclosed in the accounts of the grantor.

Under IFRIC 12 the IPCC must recognise on its Statement of Financial Position the assets to be provided under the service concession arrangement. These are shown as follows:

- Assets already in use are included in the property plant and equipment note elsewhere in these accounts (Note 8)
- Payments in advance of assets provided are shown in the Trade Receivables Note elsewhere in these accounts (Note 11)
- Assets yet to be provided are shown in the Service Concession receivables note elsewhere in these accounts (Note 12)

This recognition of assets creates a corresponding financial obligation on IPCC and the note below shows the obligations of IPCC to pay for assets which are to be provided in future periods

A unitary payment is made by the IPCC consisting of service charge, capital charge and interest.

The notes below shows the IPCC obligations to pay for future operating services.

Operating service charges already paid for are shown in the Other Expenditure note elsewhere in these accounts (Note 4).

**21.1 On balance sheet**

|   | <b>31 March<br/>2010</b> | <b>31 March<br/>2009</b> | <b>1 April<br/>2008</b> |
|---|--------------------------|--------------------------|-------------------------|
|   | £'000                    | £'000                    | £'000                   |
| Total obligations under on balance sheet service concession arrangements for the following periods comprise | -                        | -                        | -                       |
| Not later than one year   | 1,107                    | -                        | -                       |
| Later than one year and not later than five years   | 4,426                    | -                        | -                       |
| Later than five years   | 2,254                    | -                        | -                       |
|   | 7,787                    | -                        | -                       |
| Less interest element   | (711)                    |                          |                         |
| <b>Total service concession balance sheet obligations</b>   | <b>7,076</b>             | -                        | -                       |
| represented by:   |                          |                          |                         |
| Current   | 929                      | -                        | -                       |
| Non-current   | 6,147                    | -                        | -                       |
| <b>Total service concession balance sheet obligations</b>   | <b>7,076</b>             | -                        | -                       |

**21.2 Charged to the net expenditure account and future commitments**

The total amount charged in the net expenditure account for the service element of the on balance sheet service concession arrangement was £80,531 (2008/09 £nil)

The payments to which the IPCC is committed at 31 March 2010, analysed by the period during which the commitment expires, is as follows.

|   |               |   |   |
|---|---------------|---|---|
| Not later than one year                           | 2,972         | - | - |
| Later than one year and not later than five years | 12,003        | - | - |
| Later than five years                             | 12,810        | - | - |
|   | <b>27,785</b> | - | - |

## 22 Commitments under PFI contracts

Other than the Steria Limited service concession arrangement detailed in Note 21 the IPCC had no other PFI contracts in the period.

## 23 Other financial commitments

IPCC has no other financial commitments

## 24 Financial instruments

The IPCC has no borrowings and relies on grant in aid from the Home Office for its cash requirements. It is therefore not exposed to liquidity risks. It has no material deposits, and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk.

The IPCC cash is held with the Co-operative Bank where it earned interest of £0k (£90k in 2008/09). Interest earned cannot be retained by IPCC to fund operations and must be returned to the Home Office.

The IPCC does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables and payables (Notes 11 and 14 respectively). Trade receivables are measured at amortised cost using the effective interest method.

The IPCC's resources are mainly met through Grant in Aid from the Home Office through the estimates process and from income from work carried out on a repayment basis. The IPCC has no powers to borrow money or to invest surplus funds other than financial assets and liabilities which are generated by day-to-day operational activities. As a result the IPCC is therefore exposed to little or none credit, liquidity, foreign currency or inflation risk.

### Liquidity Risk

The IPCC's net revenue resource requirements are financed by resources provided by the Home Office, as is its capital expenditure. The IPCC is not therefore exposed to material liquidity risks.

### Credit risk

The IPCC provides chargeable services to other public bodies. The IPCC is therefore not exposed to any material credit risk.

### Foreign currency risk

The IPCC has some exposure to foreign currency risk because of foreign travel, but this does not form a significant figure. The IPCC is therefore not exposed to any material foreign currency risk.

### Inflation risk

The IPCC has some exposure to inflation risk because the 3% annual indexation built into the contract with Steria Limited stipulates that the IPCC will pay further charges if the RPI-X exceeds 6% per year.

## 25 Grant in aid

The IPCC is funded by grant in aid received from the Home Office under their budget for building a safe, just and tolerant society.

|                                  | 2009/10<br>£'000 | 2008/09<br>£'000 |
|----------------------------------|------------------|------------------|
| Received for revenue expenditure | 34,415           | 29,647           |
| Received for capital expenditure | 1,435            | 1,853            |
|                                  | <b>35,850</b>    | <b>31,500</b>    |

## 26 Related party transactions

The Home Office is a related party of the IPCC. During the year ended 31 March 2010 the Home Office provided grant in aid, as disclosed in note 25.

HMRC, UKBA and SIA are Government bodies and therefore are related parties. The income from these bodies is shown under Other Income at note 6. The amounts owed by these bodies to IPCC are classified as trade receivables and amount to £328k (£382k at March 2009).

The Principal Civil Service Pension Scheme and the Cabinet Office are also related parties. Further information on the transactions with these bodies and can be found in the pensions section of note 3.

Futher information on intra government balances can be found in note 18.

During the year ended 31 March 2010 none of the appointed Commissioners, Directors or key managerial staff undertook any material transactions with the IPCC.

The IPCC has adopted a Code of Conduct based on the Cabinet Office Code of Practice for Board Members of Public Bodies. The IPCC maintains a register of interests for Commissioners and all staff who are required to declare interests. The register of interests for Commissioners is available to the public and is on our website. Where any decisions are taken which could reasonably be seen as giving rise to a conflict of interest individuals are required to declare the relevant interest and, when appropriate, withdraw from participating in the taking of the decision. The Commissioners and staff codes of conduct are available on our website. The IPCC procedures also ensure that investigators are not engaged on investigations in which they would have an interest.

## 27 Third-party assets

On occasion the IPCC holds third-party assets when required to facilitate investigations. These are securely stored and are normally returned to the lawful owner when no longer required. Reliable estimates of their value cannot be made.

Third party assets are not included in the financial statements because IPCC does not have a beneficial interest in them. As at 31 March 2010 no monetary assets were held (nil for 2008/09).

## **28 Events after the reporting period**

The Annual Report and Accounts were authorised for issue by the Accounting Officer on the same date that the Accounts were certified by the Comptroller and Auditor General.

It was announced in the Budget on 22 June 2010 that the Government intends to adopt the Consumer Price Index (CPI) for the indexation of public service pensions from April 2011. This will have an impact upon the future operation of the BBA pension scheme that the IPCC provides to employees.

The Home Office has no power to amend the accounts after issue.

## **29 Losses and special payments**

Total losses and special payments made were below the threshold that requires reporting.

## **30 Directors' benefits**

Directors and senior managers are entitled to season ticket loans for travel on the same terms as staff.

### 31 Financial targets

For the year 2009/10 the IPCC had a formally agreed financial target to stay within the Home Office resource allocation of £35.406 million.

Allowing for income from other activities the IPCC has exceeded its resource budget by £572k, equivalent to 1.5% of resources available. Throughout 2009/10 the sponsor unit were kept informed of the risk of not meeting our financial target due to high demand for investigations and complaints casework.

The IPCC resource outturn is shown below.

|   | 2009/10<br>£'000 | 2008/09<br>£'000 |
|---|------------------|------------------|
| <b>Resources</b>                                |                  |                  |
| Resource target set by the Home Office          | 35,406           | 32,273           |
| Additional funding approved by the Home Office  | -                | 1,000            |
| Income from other activities                    | 1,957            | 1,855            |
| <b>Resources available to IPCC</b>              | <b>37,363</b>    | <b>35,128</b>    |
| <b>Expenditure</b>                              |                  |                  |
| Staff costs                                     | (21,675)         | (20,923)         |
| Non cash  | (2,644)          | (12,975)         |
| Other expenditure                               | (13,519)         | (2,889)          |
| Non operating expenditure                       | (46)             | -                |
| Cost of capital                                 | (51)             | (47)             |
| <b>Resources expended by IPCC</b>               | <b>(37,935)</b>  | <b>(36,834)</b>  |
| <b>IPCC resource outturn (over)/under spend</b> | <b>(572)</b>     | <b>(1,706)</b>   |

**32 First-time adoption of IFRS**

|   | <b>General<br/>reserve</b> | <b>Revaluation<br/>reserve</b> | <b>Pension<br/>reserve</b> | <b>Total<br/>reserves</b> |
|---|----------------------------|--------------------------------|----------------------------|---------------------------|
|   | £'000                      | £'000                          | £'000                      | £'000                     |
| Taxpayers' equity at 31 March 2008<br>under UK GAAP       | 5,274                      | 372                            | (1,088)                    |                           |
|   | (314)                      |                                |                            | (314)                     |
| Taxpayers' equity at 1 April 2008<br>under IFRS           | 4,960                      | 372                            | (1,088)                    | 4,244                     |
|   |                            |                                |                            | £'000                     |
| Net expenditure for 2008/09 under<br>UK GAAP              |                            |                                |                            | 34,863                    |
| IAS 19 Employee Benefits<br>(reversal of 2007/08 accrual) |                            |                                |                            | (314)                     |
| IAS 19 Employee Benefits<br>(relating to 2008/09)         |                            |                                |                            | 365                       |
| Net operating cost for 2008/09<br>under IFRS              |                            |                                |                            | 34,915                    |

As a result of the transition to IFRS, the IPCC has been required to re-state its 2008/09 accounts to reflect the impact of IAS 19 Employee Benefits. This requires the IPCC to report the liability due to staff in respect of leave entitlement that has not yet been claimed. The basic pay cost has been calculated for each member of staff. The National Insurance and pension contributions have been calculated based on average contribution rates.

# Appendix 1 – our Commissioners and senior staff

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## Our Commissioners

Following a review of the structure of the Commission in 2008 and subsequent decision to reduce the number of Commissioners from 17 to 13, the Commission now consists of the Chair, ten operational Commissioners (including two Deputy Chairs) and two non-executive Commissioners.

The following lists our Commissioners and their current responsibilities, along with those who have retired or left the IPCC in the financial period covered in this report.

This list is current at the date of publication.

**NICK HARDWICK** Nick Hardwick is the Chair of the IPCC.\*

Based at the national office in London, he is accountable to the Home Secretary for the performance of the IPCC. During the period under review, he chaired the Learning the Lessons Committee, and the Valuing Diversity Group which replaced the Diversity Committee.

*Lead organisational contact:* Home Office, ACPO and police staff associations.

*Policy lead roles:* overseeing the review of the Statutory Guidance.

**DEBORAH GLASS** (London)

Appointed Deputy Chair in June 2008.

*Police force responsibilities:* Metropolitan Police Service (MPS) and City of London.

*Lead organisational contact:* MPS, ACPO, Strategic Firearms and Conflict Management Committee and Media Advisory Group.

*Policy lead role:* firearms and tasers; terrorism.

Lead Commissioner on casework and investigation related matters.

**LEN JACKSON** (West Midlands)

Appointed Deputy Chair in June 2008.

*Police force responsibilities:* West Midlands, Warwickshire, Staffordshire and West Mercia.

*Lead organisational contact:* coroners.

*Policy lead role:* Guardianship, corruption and Statutory Guidance (with Rebecca Marsh).

\* Nick Hardwick was the Chair of the IPCC during the financial period covered in this report. He left the IPCC on 13 June 2010.

**TOM DAVIES** (Wales and South West)

*Police force responsibilities:* British Transport Police, Dyfed-Powys, Gwent, North Wales and South Wales.

*Lead organisational contact:* SOCA, HMIC and the National Assembly for Wales and government agencies within Wales, including health agencies.

*Policy lead role:* RTIs.

Member of the Remuneration Committee.

**REBECCA MARSH** (Wales and South West)

*Police force responsibilities:* Gloucestershire, Wiltshire, Dorset, Avon and Somerset, Devon and Cornwall, Port of Portland, Port of Bristol and the Civil Nuclear Constabulary.

*Lead organisational contact:* NPIA, HMRC, and the APA.

*Policy lead role:* Statutory Guidance (with Len Jackson) and Learning the Lessons.

**MIKE FRANKLIN** (South East)

*Police force responsibilities:* Thames Valley, Hampshire, Surrey, Sussex, Kent, Port of Dover and some MPS cases.

*Lead organisational contact:* young people, gypsies and travellers and Inquest.

*Policy lead role:* stop and search, police negotiators and custody.

Member of the Valuing Diversity Group.

**NICHOLAS LONG** (Yorkshire/North East)

*Police force responsibilities:* North Yorkshire, South Yorkshire, West Yorkshire, Humberside, Northumberland, Durham, Cleveland, Port of Tees and Hartlepool.

*Lead organisational contact:* UK Border Agency, international liaison, the British and Irish Ombudsman Association, ACPO Public Order and Public Safety and Self Defence and Restraint Committees.

*Policy lead role:* conflict management (including public order and restraint), the 2012 Olympics and family liaison.

Member of the Audit and Quality Committees.

**NASEEM MALIK** (North West)

*Police force responsibilities:* Cumbria, Greater Manchester, Merseyside, Port of Liverpool, Lancashire and Cheshire.

**AMERDEEP SOMAL** (East Midlands)

*Police force responsibilities:* Derbyshire, Leicestershire, Northamptonshire, Lincolnshire and Nottinghamshire.

*Lead organisational contact:* CPS

*Policy lead role:* discipline, including Police Advisory Board Workability group reforms to police misconduct system following Taylor Review, protecting vulnerable people and domestic violence.

**RACHEL CERFONTYNE** (East, from May 2009)

*Police force responsibilities:* Norfolk, Suffolk, Cambridgeshire, Cambridge University, Bedfordshire, Hertfordshire, Essex (including Port of Tilbury), Port of Felixstowe, Ministry of Defence and some MPS cases.

*Policy lead role:* mental health.

Member of the Audit and Quality Committees.

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## Non-executive Commissioners (from June 2009)

The two non-executive Commissioners have particular responsibility for providing objective oversight and accountability for the IPCC itself. They sit on the Commission's Audit, Remuneration, and Quality Committees. Non-executive Commissioners do not have operational responsibilities. They report to the Chair.

**JONATHAN TROSS** – Chair of the Audit and Quality Committees and member of the Remuneration Committee.

**RUTH EVANS** – Chair of the Remuneration Committee and member of the Audit and Quality Committees.

### The following Commissioners either left the IPCC or retired during 2009/10:

**GARY GARLAND** (North East)

Gary Garland left the IPCC in February 2010.

## Chief Executive and Directors

During the latter part of 2008 we began to restructure the IPCC Management Board along national, functional lines. This restructure was completed in January 2010 and has created a more customer-focused, quality service with greater resilience and flexibility.

The restructure reduced the number of Director posts from ten to five and created a single national lead with accountability and responsibility for each of our major operational and support functions.

### The following lists our current CEO and Directors.

**Jane Furniss:** Chief Executive

**Mike Benbow:** Director of Standards and Quality (from April 2009). Formerly Regional Director of Wales and South West

**Philip Geering:** Director of Strategy and Communications

**Amanda Kelly:** Director of Corporate and Legal Services (from September 2009)

**David Knight:** Director of Casework and Customer Service (from April 2009). Formerly Regional Director – North

**Moir Stewart:** Director of Investigations (from January 2010)

### The following Directors retired or left the IPCC during 2009/10:

**Derek Bradon:** Regional Director – London and South East (until March 2010)

**Peter Goode:** Regional Director – Central and North East (until March 2010)

**Barry Simpson:** Deputy Chief Executive and Programme Director (until November 2009)

**John Tate:** Director of Legal Services (until October 2009)

**Colin Woodward:** Interim Director of Corporate Services (until September 2009 – Colin remains at the IPCC as Head of Human Resources)

## Appendix 2 – our staff

We employ a diverse workforce and the tables below reflect the make up of the organisation in the financial year under review. These figures obviously fluctuate, but the statistics below were correct as of 31 March 2010.

Table 1:  
**Our staff by ethnicity**

| Ethnic origin/grade     | 5/6         | 7/8         | 9/10/11      | 12/13       | 14/15       | Total staff  |              |              | Com-mis-sioners | Direc-tors  | Total workforce |             |              |
|-------------------------|-------------|-------------|--------------|-------------|-------------|--------------|--------------|--------------|-----------------|-------------|-----------------|-------------|--------------|
|                         |             |             |              |             |             | Staff        | Change no.&% | Change no. % |                 |             | Staff           | Change no&% | Change no. % |
| Total BME               | 8<br>20.5%  | 5<br>15.2%  | 32<br>14.7%  | 12<br>12.6% | 3<br>8.8%   | 60<br>14.3%  | 5            | 0.7%         | 3<br>25.0%      | 0<br>0.0%   | 63<br>14.4%     | 4           | 0.5%         |
| Total White/White Other | 31<br>79.5% | 27<br>81.8% | 181<br>83.0% | 83<br>87.4% | 31<br>91.2% | 353<br>84.2% | 4            | -1.9%        | 9<br>75.0%      | 6<br>100.0% | 368<br>84.2%    | 4           | -1.6%        |
| Total unknown           | 0<br>0.0%   | 1<br>3.0%   | 5<br>2.3%    | 0<br>0.0%   | 0<br>0.0%   | 6<br>1.4%    | 6            | 1.4%         | 0<br>0.0%       | 0<br>0.0%   | 6<br>1.4%       | 5           | 1.2%         |
| Total                   | 39          | 33          | 218          | 95          | 34          | 419          | 15           |              | 12              | 6           | 437             | 13          |              |

*External benchmark: BME staff as % of total  
Government services average 5.0%  
IPCC 14.4%*

Table 2:  
**Our staff by age**

| Age category/grade | 5/6          |                     | 7/8          |                     | 9/10/11      |                     | 12/13        |                     |
|--------------------|--------------|---------------------|--------------|---------------------|--------------|---------------------|--------------|---------------------|
|                    | Staff number | % of staff in grade | Staff number | % of staff in grade | Staff number | % of staff in grade | Staff number | % of staff in grade |
| 16 to 19           | 1            | 2.56%               | 0            | 0.00%               | 0            | 0.00%               | 0            | 0.00%               |
| 20 to 24           | 11           | 28.21%              | 6            | 18.18%              | 9            | 4.13%               | 0            | 0.00%               |
| 25 to 29           | 13           | 33.33%              | 10           | 30.30%              | 47           | 21.56%              | 9            | 9.47%               |
| 30 to 34           | 4            | 10.26%              | 1            | 3.03%               | 53           | 24.31%              | 27           | 27.37%              |
| 35 to 39           | 3            | 7.69%               | 4            | 12.12%              | 38           | 17.43%              | 13           | 13.68%              |
| 40 to 44           | 2            | 5.13%               | 6            | 18.18%              | 27           | 12.39%              | 20           | 20.00%              |
| 45 to 49           | 1            | 2.56%               | 2            | 6.06%               | 15           | 6.88%               | 11           | 11.58%              |
| 50 to 54           | 2            | 5.13%               | 2            | 6.06%               | 18           | 8.26%               | 5            | 5.26%               |
| 55 to 59           | 2            | 5.13%               | 0            | 0.00%               | 8            | 3.67%               | 10           | 10.53%              |
| 60 to 64           | 0            | 0.00%               | 1            | 3.03%               | 3            | 1.38%               | 2            | 2.11%               |
| 65                 | 0            | 0.00%               | 1            | 3.03%               | 0            | 0.00%               | 0            | 0.00%               |
| <b>Total</b>       | <b>39</b>    | <b>100.00%</b>      | <b>33</b>    | <b>100.00%</b>      | <b>218</b>   | <b>100.00%</b>      | <b>95</b>    | <b>100.00%</b>      |

Table 3:  
**Our staff by gender**

| Gender/grade | 5/6          |                     | 7/8          |                     | 9/10/11      |                     | 12/13        |                     |
|--------------|--------------|---------------------|--------------|---------------------|--------------|---------------------|--------------|---------------------|
|              | Staff number | % of staff in grade | Staff number | % of staff in grade | Staff number | % of staff in grade | Staff number | % of staff in grade |
| Female       | 22           | 56.41%              | 27           | 81.82%              | 129          | 59.17%              | 55           | 57.89%              |
| Male         | 17           | 43.59%              | 6            | 18.18%              | 89           | 40.83%              | 40           | 42.11%              |
| <b>Total</b> | <b>39</b>    | <b>100.00%</b>      | <b>33</b>    | <b>100.00%</b>      | <b>218</b>   | <b>100.00%</b>      | <b>95</b>    | <b>100.00%</b>      |

*External benchmark: female staff as % of total  
Government services average 65.4%  
IPCC 57.4%*

|  | 14/15        |                     | Total        |                     | Commissioners |                     | Directors    |                     | Total        |                     |
|--|--------------|---------------------|--------------|---------------------|---------------|---------------------|--------------|---------------------|--------------|---------------------|
|  | Staff number | % of staff in grade | Staff number | % of staff in grade | Staff number  | % of staff in grade | Staff number | % of staff in grade | Staff number | % of staff in grade |
|  | 0            | 0.00%               | 1            | 0.24%               | 0             | 0.00%               | 0            | 0.00%               | 1            | 0.23%               |
|  | 0            | 0.00%               | 26           | 6.21%               | 0             | 0.00%               | 0            | 0.00%               | 26           | 5.95%               |
|  | 0            | 0.00%               | 79           | 18.85%              | 0             | 0.00%               | 0            | 0.00%               | 79           | 18.08%              |
|  | 6            | 17.65%              | 90           | 21.48%              | 0             | 0.00%               | 0            | 0.00%               | 90           | 20.59%              |
|  | 5            | 14.71%              | 63           | 15.04%              | 0             | 0.00%               | 0            | 0.00%               | 63           | 14.42%              |
|  | 3            | 8.82%               | 57           | 13.60%              | 2             | 16.67%              | 0            | 0.00%               | 59           | 13.50%              |
|  | 5            | 14.71%              | 34           | 8.11%               | 2             | 16.67%              | 2            | 33.33%              | 38           | 8.70%               |
|  | 9            | 26.47%              | 36           | 8.59%               | 4             | 33.33%              | 2            | 33.33%              | 42           | 9.61%               |
|  | 6            | 17.65%              | 26           | 6.21%               | 0             | 0.00%               | 2            | 33.33%              | 28           | 6.41%               |
|  | 0            | 0.00%               | 6            | 1.43%               | 4             | 33.33%              | 0            | 0.00%               | 10           | 2.29%               |
|  | 0            | 0.00%               | 1            | 0.24%               | 0             | 0.00%               | 0            | 0.00%               | 1            | 0.23%               |
|  | 34           | 100.00%             | 419          | 100.00%             | 12            | 100.00%             | 6            | 100.00%             | 437          | 100.00%             |

|  | 14/15        |                     | Total        |                     |              | Commissioners |                     | Directors    |                     | Total        |                     |
|--|--------------|---------------------|--------------|---------------------|--------------|---------------|---------------------|--------------|---------------------|--------------|---------------------|
|  | Staff number | % of staff in grade | Staff number | % of staff in grade | Change no. % | Staff number  | % of staff in grade | Staff number | % of staff in grade | Staff number | % of staff in grade |
|  | 10           | 29.41%              | 243          | 58.00%              | 10<br>0.3%   | 6             | 50.00%              | 2            | 33.33%              | 251          | 57.44%              |
|  | 24           | 70.59%              | 176          | 42.00%              | 5<br>-0.3%   | 6             | 50.00%              | 4            | 66.67%              | 186          | 42.56%              |
|  | 34           | 100.00%             | 419          | 100.00%             |              | 12            | 100.00%             | 6            | 100.00%             | 437          | 100.00%             |

## Career background

Table 4 shows an overview of our staff by career background. In particular, it shows our investigative and casework staff with an ex-police, HMRC, UK Border Agency or police civilian background.

It also shows the number of other IPCC staff with ex-police, HMRC, UK Border Agency or police civilian backgrounds, as well as total staff figures by the backgrounds listed above.

Table 4:

### Our staff by career background

| Job title                  | Count      | Ex HMRC   | Ex UKBA   | Ex-police officer | Ex-police civilian |
|----------------------------|------------|-----------|-----------|-------------------|--------------------|
| Investigator               | 92         | 4         | 4         | 20                | 10                 |
| Deputy Senior Investigator | 31         | 4         | 1         | 13                | 5                  |
| Senior Investigator        | 10         | 2         | 0         | 8                 | 1                  |
| Casework                   | 122        | 2         | 3         | 1                 | 8                  |
| Other                      | 210        | 9         | 6         | 12                | 25                 |
| <b>Total staff</b>         | <b>465</b> | <b>21</b> | <b>14</b> | <b>54</b>         | <b>49</b>          |

## Appendix 3 – glossary

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**ACPO** – Association of Chief Police Officers

**BTP** – British Transport Police

**CRG** – Community Reference Group

**CPS** – Crown Prosecution Service

**HMIC** – Her Majesty’s Inspectorate of Constabulary

**HMRC** – Her Majesty’s Revenue and Customs

**MPA** – Metropolitan Police Authority

**MPS** – Metropolitan Police Service

**NAO** – National Audit Office

**NPIA** – National Policing Improvement Agency

**PAC** – Public Accounts Committee

**PSD** – Professional Standards Department (of police forces)

**RTI** – Road Traffic Incident

**SOCA** – Serious Organised Crime Agency

**SSG** – Strategic Support Group

**TCC** – Telephone Complaints Centre

**UK Border Agency** – United Kingdom Border Agency

**WACPO** – Association of Police Chiefs in Wales

### **Appeal**

An application by a complainant for the IPCC to review a police (or HMRC, SOCA or UKBA) decision.

### **Association of Chief Police Officers (ACPO)**

An independent body that works on behalf of the police service rather than its own members. It leads and manages the development of the service in England, Wales and Northern Ireland.

### **Balanced Scorecard**

A performance reporting structure for IPCC corporate performance.

### **FOI**

Freedom of Information Act 2000 (which came into force in 2005).

### **G20**

A meeting of world leaders from G20 countries.<sup>14</sup> At the April 2009 meeting, numerous groups organised protests, some of which led to complaints being made against the police.

### **Gender abuse (also known as gender violence)**

The term can include physical, sexual or psychological violence against men or women. It covers violence in the home from a partner or a former partner, but extends to rape, stalking, harassment, trafficking by strangers and ‘honour based’ violence and forced marriage.

### **Guardianship**

The process of setting up, monitoring, inspecting and reviewing the operation of the police complaints system to ensure accessibility and excellence.

### **Independent investigation**

An investigation carried out by the IPCC’s own investigators and overseen by an IPCC Commissioner.

### **Learning the Lessons**

A Committee to help the police service improve by learning from investigations and other operations of the police complaints/conduct system. The Committee produces a bulletin three times a year.

*14. Including Argentina, Australia, Brazil, Canada, China, EU, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom and United States.* 123

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### **Local investigation**

An investigation carried out entirely by the police. Complainants have a right of appeal to the IPCC.

### **Local Resolution**

The term used to describe a way of dealing with complaints against the police at a local level – for example, through the involvement of an inspector at a police station.

### **Managed investigation**

An investigation carried out by police forces under the direction and control of the IPCC.

### **Mental Health Act 2007**

An Act to amend the Mental Health Act 1983, the Domestic Violence, Crime and Victims Act 2004 and the Mental Capacity Act 2005.

### **Operations Manual**

Contains all IPCC policy documents and agreed processes, providing a one stop shop of guidance for all staff and Commissioners.

### **Performance Framework**

The framework measures the achievement of the IPCC's aims, and will be used to help judge the success of the complaints system, both as a whole and in terms of its individual parts (the IPCC, police authorities and police forces).

### **Police and Criminal Evidence Act 1984 (PACE)**

PACE is an act of parliament which instituted a framework for the powers of police officers in England and Wales to combat crime, as well as providing codes of practice for the exercise of those powers.

### **Police Reform Act (2002)**

An act to make new provision about the supervision, administration, functions and conduct of police forces, police officers and other persons serving with, or carrying out functions in relation to the police.

### **Referrals**

Specific complaints or incidents that could damage public confidence in policing and that the police must refer to the IPCC.

### **Section 136**

Part of the Mental Health Act 1983 which details removing a mentally ill person from a public place to a place of safety.

### **Statutory Guidance**

Guidance about the complaints system produced by the IPCC for police forces. Developed in partnership with police organisations as well as voluntary and community organisations, it sets out the framework for the IPCC's guardianship role.

### **Stop and search**

The police power to stop and search individuals.

### **Strategic change programme**

The IPCC's internal strategic change programme, reviewing operational processes.

### **Supervised investigation**

An investigation carried out by the police, under their own direction and control. The IPCC will set out what the investigation should look at and receive the investigation report when it is complete. Complainants have a right of appeal to the IPCC.

To obtain a copy of this report please contact:

Independent Police Complaints Commission (IPCC)  
90 High Holborn  
London  
WC1V 6BH

Tel: 08453 002 002

Email: [enquiries@ipcc.gsi.gov.uk](mailto:enquiries@ipcc.gsi.gov.uk)

[www.ipcc.gov.uk](http://www.ipcc.gov.uk)

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