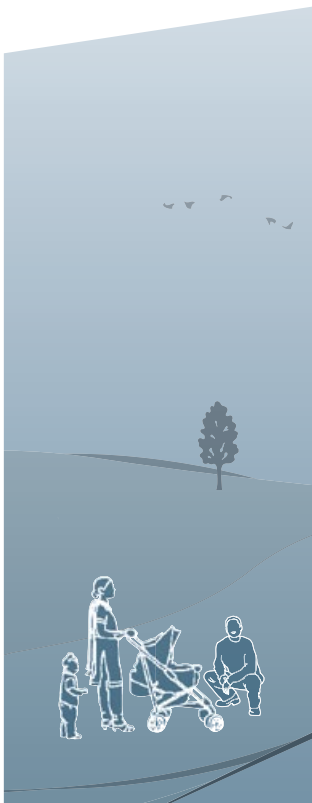


# Annual report and statement of accounts

2013/14



# Independent Police Complaints Commission

## Annual report and statement of account 2013/14

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  
Ordered by the House of Commons to be printed 15 July 2014

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Print ISBN: 978147102216

Web ISBN: 978147102223

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

ID 21051402 07/14

Printed on paper containing 75% recycled fibre content minimum

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# 1. Chair and Acting Chief Executive's foreword



**This year we began to implement changes to the way we work, drawing on the experiences and views of those who need and use our services, as well as our own experience over the last ten years. We carried out a thorough and detailed review of the way we investigate deaths and commissioned an external review of one investigation, into the death of Sean Rigg. This has not only resulted in significant changes in the way we carry out these important investigations; it has also helped us re-focus and develop all our work.**

We have strengthened our focus on quality and customer care and published revised operational quality standards. Our expanding trainee programme has allowed us to take on a wide variety of new staff, complementing the skills and experience we already have. In addition, we strengthened our ability to oversee and increase confidence in the police complaints system. Drawing on the experience of our casework staff, we were able to examine the way forces handle complaints locally, including complaints of discrimination, and to make recommendations for improvement.

These developments provide a platform for the more radical and extensive change that is now under way. Following the Home Secretary's announcement in February 2013, we are preparing for a significant increase in the number and type of investigations we undertake, together with an increased capacity to ensure our findings influence policing and complaints handling more generally.

This provides both opportunities and challenges. We have established a change programme to scope and prepare for the new IPCC, with a new organisational structure and operating model to make effective use of the additional resource provided from 2014/15.

As this report makes clear, we deal with some very serious and increasingly complex cases, currently with very limited resources. In the past twelve months, there has been a significant rise in the number of serious cases referred to us. We turn away many cases we would like to investigate independently, and yet every year we struggle to complete as many investigations as we open, to the quality we and our stakeholders expect. Given the seriousness of the cases we deal with we cannot cut corners, and our work quite rightly attracts considerable public scrutiny.

We have strengthened our ability to require police officers to attend interview but we face considerable frustration and delay when they still refuse to answer questions at that point. Following our review of our work in investigating deaths, we are consulting on procedures for more effective post-incident management to obtain best evidence from police officers involved.

Additional resources will enable us to take on more serious and sensitive cases, but this requires more than simply increasing numbers. We need to show that we can use our resources effectively. So we are using this unique opportunity to develop new working practices and structures to support our staff in delivering good quality outcomes across a wide range of different types of case and in an increased number of locations. The first tangible outcome is the establishment of a new assessment function in our new office in Birmingham, which is due to open in July 2014.

We are, and will remain, a relatively small organisation in relation to the police service and the volume of police complaints. As well as ensuring good quality and timely investigations and appeals, we want to make sure our work feeds into police practice and complaints handling. Every death is an individual tragedy, but since the IPCC was established ten years ago and new safer detention guidelines were developed, the number of deaths in police custody has halved. A less encouraging statistic is that we are now upholding nearly half the appeals that come to us from the public. At best, this delays resolution of complaints. At worst it means they remain unresolved.

In future, with more resources, we will be able to re-investigate some of those complaints ourselves, but most will still be dealt with by local forces. We need to work together with them and Police and Crime Commissioners to improve complaints handling. There is, however, a wider agenda: the complaints system itself is over-complicated, over-bureaucratic and over-legalistic.

A paper from our recently-retired Deputy Chair, Deborah Glass, sets out an agenda for reform, based upon her own lengthy experience.

We will also be working closely with the College of Policing and the Inspectorate of Constabulary. This will ensure our work feeds into the development of policing standards and training. It also will mean our recommendations, which will soon require formal response from police forces, can inform and be followed up in inspections.

We are in a period of change and transition. Additional resources provide new opportunities but also inevitably lead to heightened expectations: from complainants and bereaved families; from the police service and policing bodies; and from our own staff. We will need to be clear about what we can and will do, and ensure that we do it well. When we asked our staff what their vision was for the new IPCC, they defined it as an organisation trusted to hold the police to account. That is what we are working towards, for without trust there will not be confidence in our findings or in the police service itself.



**Dame Anne Owens**  
*Chair*



**Amanda Kelly**  
*Acting Chief Executive*

## 2. Who we are and what we aim to achieve

The IPCC oversees the police complaints system in England and Wales and sets the standards by which the police should handle complaints. It is independent, making its decisions entirely independently of the police and government.

Established by the Police Reform Act 2002, it began work in April 2004. Its primary statutory purpose is to secure and maintain public confidence in the police complaints system in England and Wales.

Police forces deal with the majority of complaints against police officers and police staff. The IPCC considers some appeals from people who are dissatisfied with the way a police force has dealt with their complaint. Since November 2012, the responsibility for determining appeals is shared with local police forces.

In addition, police forces must refer the most serious cases – whether or not someone has made a complaint – to the IPCC. Serious cases include those where there has been a death or serious injury, or allegations of serious assault or serious sexual offence. The IPCC may decide to investigate such cases independently, manage or supervise the police force's investigation, or return it for local investigation.

As part of its responsibility to secure and maintain public confidence in the complaints system, the IPCC uses learning from its work to influence changes in policing, ensure accountability and spread best practice and high standards of customer service.

We also have powers in relation to a small number of organisations that have police-like powers, but are not police forces. This includes the National Crime Agency (NCA), Her Majesty's Revenue and Customs (HMRC), and some activities of Home Office immigration enforcement staff.

Under the Anti-social Behaviour, Crime and Policing Act, passed in March 2014, we will also have a statutory remit over all staff who work for the College of Policing and private sector contractors exercising policing functions.

In addition to this, we investigate some criminal allegations against Police and Crime Commissioners (PCCs) and their deputies.

### Building the new IPCC

In February 2013, the Home Secretary announced a proposal to transfer resources from police forces to the IPCC, to enable us to carry out more independent investigations into serious and sensitive allegations. This was part of a 'comprehensive plan to address public concern about the integrity of the police'. The transfer of resources will take place gradually, beginning in 2014-15. During 2013-14, we set up a change programme, which focused on planning for this transformation.

In order to take on a significant increase in independent investigations, we will need to develop into a very different organisation, both in size and scope. Our change programme is ambitious and involves developing a new operating model and changing the way we are structured and the way we work.

Importantly, public confidence does not solely depend on the IPCC taking on more independent investigations. It also depends on the quality of our work, the impact of the work that we do on policing as a whole, and our ability to influence the effective operation of the police complaints system as a whole.

Our new operating model will focus on quality and timeliness as well as quantity, and value for money, with a dedicated assessment function and a

sharper focus on meeting the needs of users and stakeholders and on the impact that our work can make to policing and the police complaints system. It will be informed by the findings of our review of our work in investigating deaths, which we completed this year, and the independent review of our investigation into the death of Sean Rigg. It will incorporate the new approach to providing oversight of, and improving confidence in, the police complaints system that we have been developing and piloting this year. We will also be strengthening our links with the Her Majesty's Inspectorate of Constabulary, the College of Policing and Police and Crime Commissioners to ensure that our work feeds into improvements in policing practice.

## Our values

The IPCC has five values, which underpin all our work. The values influence plans, service delivery and engagement with complainants, the police and all stakeholders. They are also reflected in the recruitment of staff and commissioners and in the way the organisation is run.

Our values are:

- Justice and respect for human rights
- Independence
- Valuing diversity
- Integrity
- Openness

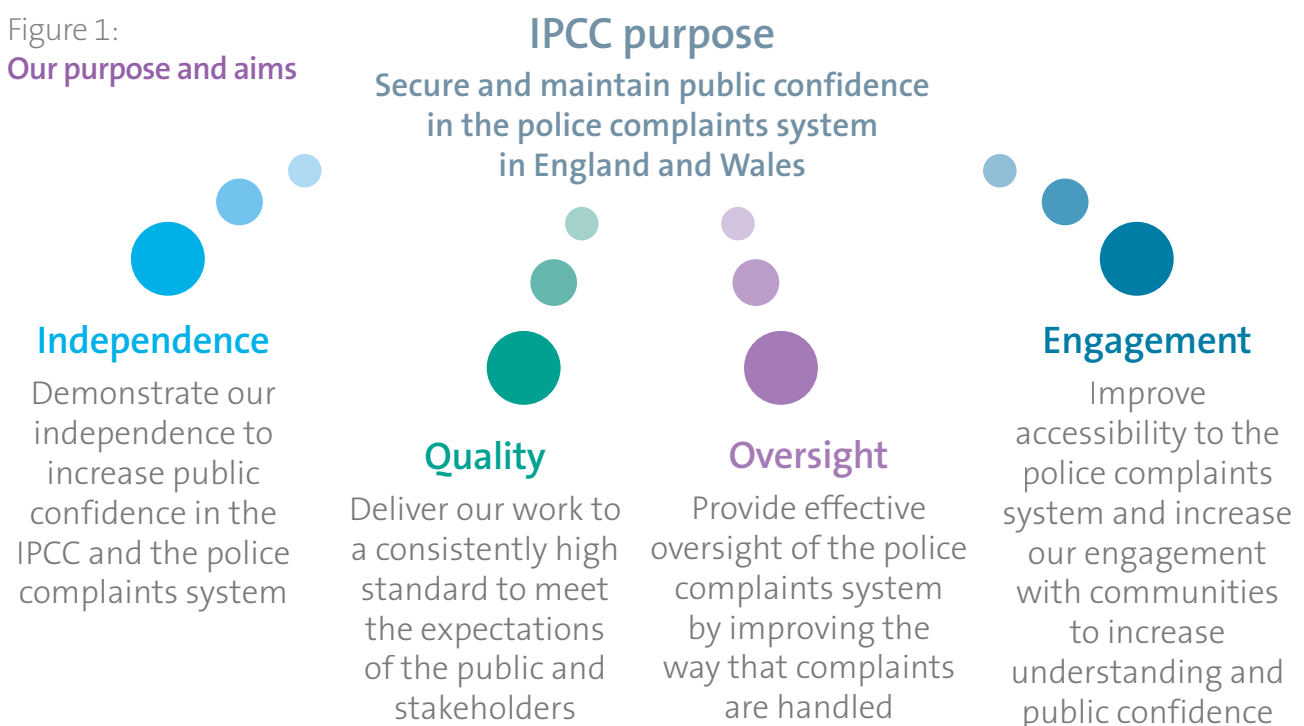
## Our purpose and aims

Figure 1 sets out our purpose and the four overarching aims that support it. During the period under review, we updated our aims drawing on the work that we have done over the last nine years.

Our new Corporate Plan 2014/17 and Business Plan 2014/15 focus on the programme of change that we are embarking on and set out our vision, purpose and objectives to achieve this.

Figure 1:

### Our purpose and aims





## 3. Our operational work

## Focusing on quality and demonstrating our values

We had a focus on quality across all of our operational work in 2013/14. In February 2014, we published ten operational quality standards to provide the public with a clear description of what quality means across the IPCC's operational work and, in particular, how we demonstrate our values in all the work that we do. We also require managers to reflect these standards in the individual performance objectives for all operational staff.

Work has already begun to implement actions to ensure we meet these standards and to improve the quality of our work. This includes undertaking increased quality checking of our investigations and casework decisions. These actions complement those arising from our review of our work in investigating deaths (see below for more details), which focus on improving quality in investigations through improved training, guidance and oversight.

Further work on quality will be taken forward as part of the change programme. Quality, and quality controls, will be built into the new operating model from the start.

 *You can access the operational quality standards on our website<sup>1</sup>*

We carried out two key pieces of work during the year which are already having, and will continue to have, a significant influence on the way we carry out our investigations. We have also taken steps to increase the diversity of our investigations staff.

### Review of our work in investigating deaths

In March 2014, we published the final report of our review of work in investigating deaths. This was a wide-ranging review, launched in autumn 2012 in response to a number of critical cases

and feedback from families, individuals and organisations. A key part of the review involved hearing from those who have been most affected by IPCC investigations, including critics of our work and approach, to help us identify ways to improve. We issued a progress report in September 2013 and held a consultation event in October 2013 involving many of those who contributed to the review, in order to consider, challenge and discuss the actions we were taking.

The final report outlines the findings of the review, focusing on independence, the conduct and impact of our investigations, and engagement with those directly affected by our work, particularly families. The report sets out a plan of action, which details the steps we have taken or are planning to take to change the way we work. The report is clear that the changes we are making need to be rooted in a culture of independence and quality, recognising that those directly affected are at the heart of what we do. These qualities are already being embedded into plans for the 'new IPCC', which are being developed in our change programme.

The action plan for this review aligns closely with the action plan we issued in response to Dr Silvia Casale's review of the investigation into the death of Sean Rigg and we have made progress in implementing many of the actions contained in both plans during the year.

We have been implementing changes to our guidance for investigators and the way we carry out our investigations. This has involved strengthening processes to ensure quality and challenge in our investigations as well as the provision of additional training and development for investigations staff. In some cases, we have decided to re-open investigations or carry out further work on existing cases. The responses from families and their representatives have been largely positive.

1. [www.ipcc.gov.uk/page/quality-and-service-standards](http://www.ipcc.gov.uk/page/quality-and-service-standards)

We will report on our progress against both action plans towards the end of 2014.

*You can read the final report for the review of the IPCC's work in investigating deaths in full on our website<sup>2</sup>*

*You can also read our action plan in response to the independent review of our investigation into the death of Sean Rigg on our website<sup>3</sup>*

### **Draft statutory guidance on police post-incident management**

One of the key concerns raised in the review of our work in investigating deaths relates to the initial steps taken by the police in obtaining and preserving evidence. Concerns about this were also raised by the Coroner in the inquest into the death of Mark Duggan. In March 2014, we began consultation on draft statutory guidance to the police on post-incident management, using our powers under the Police Reform Act, designed to achieve best evidence in investigations of deaths or serious injury. The consultation closed in May 2014.

The draft guidance sets out our expectations of the actions the police should take to identify all potentially relevant evidence and preserve the integrity of that evidence. It also states that key police witnesses should be separated before providing their initial accounts and should not confer. We will be considering the responses to the consultation in order to develop and submit a final version to the Home Secretary for consideration.

*The draft guidance can be read in full on our website<sup>4</sup>*

### **Trainee investigator scheme**

In order to develop a more diverse investigator workforce, we have been implementing and expanding our trainee scheme. In 2013/14, we took on and trained 31 trainee investigators who are now fully operational and will receive their accreditation during the coming year. This is in addition to the eight trainees who started in 2012/13. We will build on the success of this programme in our plans for expansion. Developing our trainees is an important investment for the future, but has necessarily had an effect on our investigative resource.

2. [www.ipcc.gov.uk/sites/default/files/Documents/deaths\\_review/Review\\_of\\_the\\_IPCCs\\_work\\_in\\_investigating\\_deaths\\_2014.pdf](http://www.ipcc.gov.uk/sites/default/files/Documents/deaths_review/Review_of_the_IPCCs_work_in_investigating_deaths_2014.pdf)

3. [www.ipcc.gov.uk/sites/default/files/Documents/investigation\\_commissioner\\_reports/action\\_plan\\_in\\_response\\_to\\_review\\_of\\_Sean\\_Rigg.pdf](http://www.ipcc.gov.uk/sites/default/files/Documents/investigation_commissioner_reports/action_plan_in_response_to_review_of_Sean_Rigg.pdf)

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

## Referrals

The most serious complaints and incidents recorded by the police must be referred to the IPCC. We received 3,176 referrals this year, almost 25 per cent more than in 2012/13 and the highest number we have ever received. We are currently receiving around 70 referrals a week. If that trend continues, we will receive more than 3,600 referrals in 2014/15.

This increase has presented challenges, particularly at a time when we were focusing on improving the quality and transparency of the way we make referral decisions.

In November 2013, we set up a specialist referrals team to pilot a new way of managing referrals and making decisions on the mode of investigation (MOI). Of this year's referrals, five per cent were independently investigated by the IPCC, 10 per cent were managed or supervised by the IPCC, 70 per cent were investigated by the local force, and 14 per cent were returned to the force. The remaining one per cent were still awaiting a decision.

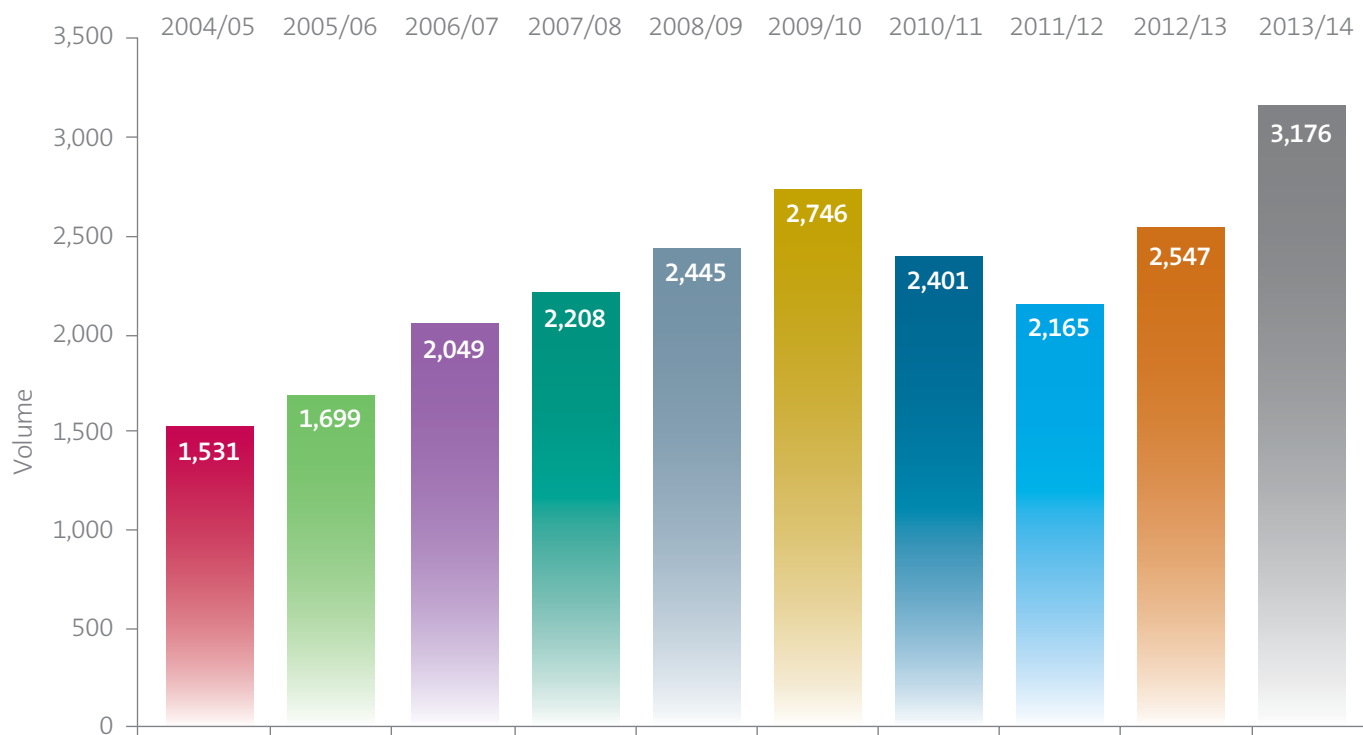
If resources had allowed, we would have carried out more investigations independently and we envisage expanding that number significantly as we receive additional resources from the Home Office and implement our change programme.

We aim to make a decision on how a referral will be investigated and communicate it to the police force within two working days in 90 per cent of cases. Because of the 25 per cent increase in the number received, we achieved this target for 70 per cent of referrals in 2013/14.

A further part of the referral team's work has been to identify and analyse any trends in referrals in relation to a particular police force or issue, as well as to monitor delays in forces referring matters to us. This feeds into both the terms of reference for individual investigations and our liaison work with forces. In the future this information will also inform our decisions on the additional investigations we will be taking on ourselves.

In 2014/15 we will be using learning from the piloted referrals unit to develop and resource an assessment unit as part of our new operating model. This dedicated unit will enable us to deal more effectively with the increasing number of referrals we are receiving, determine which we will investigate and the resources needed for the investigation.

Figure 2:  
Volume of referrals received by the IPCC by year



## Independent investigations

IPCC independent investigations are carried out into incidents that cause the greatest public concern, have the greatest potential to impact on communities or have serious implications for the reputation of the police. They are carried out by IPCC investigators and overseen by an IPCC commissioner.

### Independent investigation into cases where there has been a death

One of our most important functions is to investigate deaths during or following contact with the police. A number of investigations have begun, continued and concluded into complex or high profile cases during the year. The examples below provide an insight into this important area of our work.

#### *The death of Leon Briggs*

We opened an independent investigation into the death of Leon Briggs on 4 November 2013 after he was restrained and detained under Section 136 of the Mental Health Act by Bedfordshire Police. Five police officers and two detention officers are under criminal investigation at the time of producing this report for offences of gross negligence/unlawful act manslaughter, misconduct in a public office, and/or offences under the Health and Safety at Work Act 1974. All were interviewed under criminal caution for a second time in early February.

The Commissioner for the case, Mary Cunneen, has provided regular updates to Mr Briggs' family and has met with representatives from the Luton Community Cohesion Contingency Planning Group and the Justice4Leon campaign to provide updates on the progress of the investigation, which has involved taking statements from more than 150 witnesses and reviewing CCTV footage.

#### *Inquest into the death of Mark Duggan*

We concluded our investigation and completed our report into the fatal shooting of Mark Duggan in August 2013. Following discussions with the Coroner, the investigation was reopened before the inquest into Mr Duggan's death. The inquest recorded a verdict of lawful killing in January 2014 but, following consideration of the evidence received by the Inquest, a number of further lines of enquiry were identified and those enquiries are nearing conclusion.

#### *The death of Thomas Orchard*

The IPCC has submitted a file of evidence to the Crown Prosecution Service following its investigation into the death of Thomas Orchard.

On 3rd October 2012 Mr Orchard was restrained and arrested in Exeter on suspicion of a public order offence and was taken by police van to custody at Heavitree Road Police Station. Just over an hour later Mr Orchard was taken by ambulance to the Royal Devon and Exeter Hospital as he was unresponsive in his cell. Mr Orchard subsequently died on 10th October 2012.

During the course of its investigation, the IPCC identified a significant risk in the way that an emergency restraint belt (ERB) was used by Devon and Cornwall Police Force to cover Mr Orchard's face. This resulted in the force withdrawing the use of the ERB when used to cover the face.

In November 2012, the IPCC wrote to all Chief Constables in England and Wales expressing our concern about the use of the ERB for this purpose and in particular, the risk it poses to individuals should it be used to cover the face.

### *Woolwich shooting*

The IPCC conducted an independent investigation into the circumstances surrounding the shooting of two armed men by the Metropolitan Police Service in Woolwich, south London, on 22 May 2013. Michael Adebolajo and Michael Adebowale were later convicted of the murder of Fusilier Lee Rigby. The IPCC has a statutory duty to investigate incidents involving police shootings in order to provide independent assurance in matters of public concern. This investigation had to be carried out in the context of the horrific events that had taken place and the police's murder investigation.

The investigation involved layering CCTV and mobile phone footage and viewing it frame by frame to assess what had happened. It concluded that, given the immediate threat the officers faced, the use of firearms and Taser was entirely appropriate to protect themselves and members of the public.

### *The death of Christopher Shapley*

An independent investigation was started and completed into South Wales Police's actions before the transfer of Christopher Shapley into the care of the court and prison service before his death.

Mr Shapley was arrested on 17th September 2012 and taken to Merthyr Tydfil Custody Unit. The next day he was charged with common assault and was remanded in custody. He appeared in court on 19th September where the charge of threats to kill was added. The day after the hearing he was found hanging in his prison cell in HMP Cardiff, and the Prisons and Probation Ombudsman carried out an investigation into his death.

The IPCC investigation examined the actions of the police. It found that the custody officer had completed a Prisoner Escort Record (PER) form and had provided extra particulars on a separately typed sheet which he stapled to the front cover of the form. The additional sheet did not arrive at the prison with the form. None of these issues on their own were self harm risk indicators but taken together they may have elevated the risk.

Following our investigation we issued a learning report, which included recommendations about the PER form. We also wrote to the ACPO Custody lead to make a national recommendation stating that the PER form is not fit for purpose. In Mr Shapley's case, the police custody staff carried out risk assessments, but the inadequacy of the PER form resulted in a barrier, rather than an aid, to the effective communication of gathered information.

Following the inquest which took place in March 2014, the Commissioner for the investigation, Jan Williams, has written to the Coroner about other similar cases involving South Wales Police and has asked for a discussion on how the findings from our investigation which are relevant to a number of different agencies can be progressed on a whole system basis. We are also working with the Police and Crime Commissioner for South Wales to highlight the issues raised by this case.



## Investigations involving call handling

As in previous years, many of our investigations examined the police response to calls about missing people, at-risk vulnerable individuals, or domestic violence. Issues identified in our investigations included the mis-grading of calls, failure to pass on information, and failure to record sufficient information from the caller. Using the learning from these types of case, we are working with the College of Policing to identify ways to improve guidance and training for police in relation to call handling.

### **IPCC investigation finds significant failures by Cambridgeshire Constabulary call handlers**

*An IPCC independent investigation found that three call handlers failed to exercise an appropriate level of care in response to calls from a vulnerable man.*

*The man, a vulnerable adult with schizophrenia who was known to police, made three non-emergency calls to the Cambridgeshire Constabulary Police service centre in a short space of time. In each of the calls he stated that he had banged his head and could not get up from the floor. No action was taken in response to his calls. A post mortem concluded that the man died of a heart attack.*

*Our investigation found that the call handlers failed to listen to the man, or obtain any information from him, and failed to record an incident report or take any action. We recommended to the police force that three call handlers should be subject to disciplinary action, or performance measures. One call handler received a final written warning and the other call handlers received a written warning and management action.*

## Investigations into the use of Taser

Since 2009, we have asked forces to refer complaints about the use of Taser to us, recognising public concern over the use of this equipment. In this reporting year, we concluded a number of independent investigations into the use of Taser by police. We have also upheld appeals from members of the public (see Appeals section). The findings of these investigations and appeals have informed a report on police use of Taser, which we will publish in July 2014. In addition, our next Learning the Lessons bulletin will focus on learning identified in these cases.

### **Independent investigation into use of Taser**

*An IPCC investigation found the use of Taser by police officers was inappropriate and caused a man to fall from a roof, suffering minor injuries.*

*The man made a formal complaint about the use of Taser and the lack of warning given to him in advance. We found that a police inspector and a police sergeant both had a case to answer for misconduct because they had not fully considered the risks in authorising the use of the Taser and did not wait for a negotiator to arrive at the scene. Following a misconduct hearing, the two officers received management advice relating to the discharging of their duties and responsibilities.*



## Investigations performance information

There has been a rise in the number of complex and high profile investigations that we have undertaken, such as those into alleged misconduct in public office, which involve the examination of large quantities of data. Many involve lengthy post-investigative work to support inquests or criminal proceedings. They include cases arising from our new responsibility to investigate criminal allegations against Police and Crime Commissioners, which, though small in number, raise new and often complex areas of law and practice.

It has been necessary to transfer a number of experienced investigative staff to the team working on the Hillsborough investigation with other staff assisting on the work to support the inquest on a temporary basis. This and the commitment we have made to develop trainee investigators have put pressure on our investigative resources.

As a result, our workload has increased in 2013/14. We ended the year with 134 open independent investigations and a further 76 where we have completed our investigation, but where we may need to do additional work to support inquests or other proceedings. We took on 109 new independent investigations, as well as a significantly increased number of supervised investigations particularly into corruption cases (see below). It is noticeable that in recent years, we have taken on more independent investigations than the number we are able to complete in-year, and this imbalance between resource and new investigations has had a cumulative effect. Additional resource will allow us to balance intake and workload and to bring in new operating procedures.

The increase in workload has had an impact on the timeliness of investigations. In 2013/14 we aimed to complete half our investigations within 157 working days, but achieved this in just over a fifth of cases closed. During the year, Commission agreed that this target was not sufficiently focused or relevant, since it does not recognise that some investigations should be completed within a shorter period, while other complex investigations may take longer. New case-based targets have been set and during 2014/15 we will formalise target times for the different categories of investigation we envisage taking on as part of expansion.

Our investigations deal with serious issues of public concern and are often complex. That is why, as part of building the new IPCC, we are changing our operating model so that we can not only take on more independent investigations, but also ensure that we use our resources as efficiently as possible to deliver effective, timely investigations that those affected by our work and the wider public can be confident in.

Figure 3:  
Volume of independent investigations started and completed by year

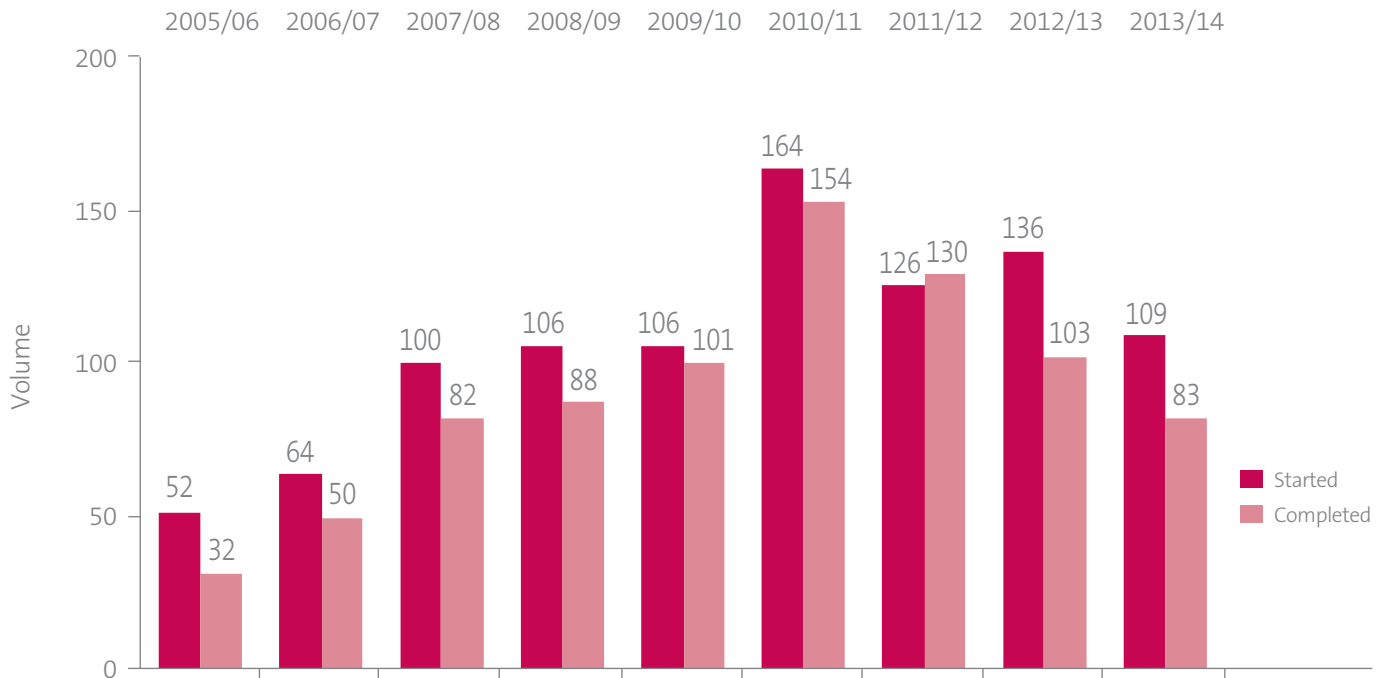


Figure 4:  
Number of ongoing independent investigations from 2004 – 2014



## Managed and supervised investigations

Managed investigations are carried out by the police but under the direction and control of the IPCC. We have continued to reduce the use of managed investigations and in this reporting year we started 22 compared with a total of 26 in 2012/13.

The IPCC supervises police investigations where the allegation is of such significance and probable public concern that its investigation requires an independent element. The IPCC sets the terms of reference for the investigation and receives the investigation report. In 2013/14 we started a total of 282 supervised investigations, compared with a total of 217 in 2012/13. We started supervised investigations into 141 of the corruption cases referred to us.

We recognise that in practice our powers and involvement in supervised cases are limited, and we are reviewing the use of this type of investigation as we develop a new operating model and gain additional resources. We anticipate that more of the cases that we now supervise – for example, those involving allegations of serious corruption or use of force – will be investigated independently in future.

We do not set any targets for timeliness of managed and supervised cases, because they are carried out using police resources and we have very little control of how they are utilised.

### **Supervised investigation into bullying and inappropriate behaviour**

*The IPCC supervised an investigation into allegations of bullying and inappropriate behaviour by police officers working for Hampshire police. The force reacted swiftly and decisively but it was agreed that IPCC oversight would add value to the robustness of the investigation.*

*The investigation uncovered evidence of deeply offensive behaviour centred on homophobic and sexist comments about colleagues within the force.*

*A formal hearing was held and the three officers were dismissed for gross misconduct with immediate effect.*

## Supervision of complaints about stop and search under Schedule 7

This year, the IPCC has continued to supervise investigations into complaints regarding the use of police powers to stop, detain and question people at ports of entry and departure under Schedule 7 of the Terrorism Act 2000. This follows concerns raised, in particular by Muslim community groups, about misuse of these powers. Over the past year, we have made visits to four ports across England and Wales where officers use Schedule 7 powers. Our visits have helped to raise awareness of our work around Schedule 7 and the issues arising in the investigations we are supervising.

### Supervision of corruption cases

In response to concern about the level of perceived police corruption, the Home Office provided the IPCC with one-off additional funding of £2m in 2013/14 to develop its work in this area.

We focused on supervising investigations by the police into allegations and reports of corruption.

These included cases where it was alleged that police officers abused their position to develop sexual relationships with vulnerable women. Another recurring theme was the misuse of computer systems to obtain information for personal use. In some cases, this involved information that was passed to active criminals. Cases also included those where officers had taken cash payments from members of the public.

#### **Supervised investigation into officer's illegal cash payments**

*A member of the public was stopped by an officer for speeding. The officer told the individual he was eligible for a reduced on-the-spot fine of £30 and took him to a cash point and was paid. The driver later reported the incident. Following the supervised investigation, the officer was arrested and admitted this and a number of other offences. He was prosecuted and received a 12-month prison sentence.*

### Investigations into the police abuse of power in sexual exploitation

In 2012, we published a joint report with the Association of Chief Police Officers (ACPO) into police officers and staff who abuse their powers to exploit sexually or abuse people. We have also been working with forces to raise awareness of the referral criteria in relation to these cases and other allegations of corruption. Following this we have seen an increase in the number of referrals from police forces and this has resulted in a number independent, managed and supervised investigations.

#### **Managed investigation into allegations of sexual assault**

*The IPCC managed an investigation into allegations of sexual assault and exposure by a South Wales detective constable. The investigation focused on the unwanted sexual advances that the officer had made towards three separate women while on duty. The investigation resulted in him being jailed for three years, having been found guilty of two counts of sexual assault.*

*In an independent investigation linked to this managed investigation, a detective sergeant and detective inspector were sacked after cases of gross misconduct were proven. Our investigation identified that the detective sergeant, who was the police officer's line manager, and the detective inspector, the sergeant's supervisor, failed in their supervision over the handling of allegations of sexual offences against the officer.*

## Appeals

Complainants have the right to appeal about the way their complaints have been handled by the police. There are five types of appeal:

- against the failure to record a complaint
- against the outcome of a local or supervised investigation
- against the local resolution process
- against the decision to disapply
- against the decision to discontinue

The Police Reform and Social Responsibility Act 2011 changed the way that certain appeals are dealt with. This means that some less serious appeals are dealt with by the police and do not come to the IPCC.

We are beginning to see a drop in the number of appeals – to 4,243 in 2013/14. There has been a reduction in the number of appeals against local investigations or local resolutions. By contrast, the number of appeals against decisions not to record a complaint has risen.

Overall, we are finding that an increasing proportion of local complaints decisions made by police forces are inadequate: this year in total, we upheld 46 per cent of appeals, compared to 44 per cent in 2012/13, and this included a much higher proportion of inadequate local investigations, which has risen from 31 per cent to 44 per cent over the past three years. This is a worrying trend, and we are carrying out further work to identify the issues and themes behind this statistic. Our initial analysis is that there is a lack of understanding of the complaints system, particularly when cases are dealt with at local level, combined with an often defensive and over-legalistic approach, which does not focus on complaint resolution.

Figure 5:  
**Volume of appeals received by the IPCC by year**

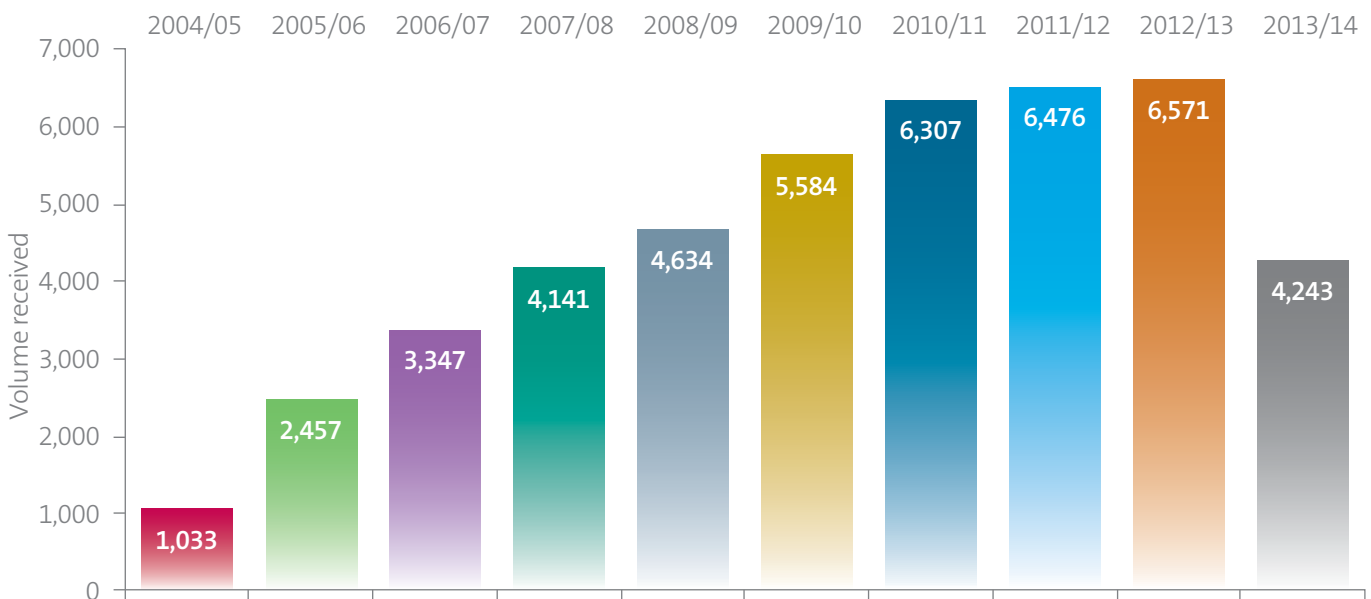
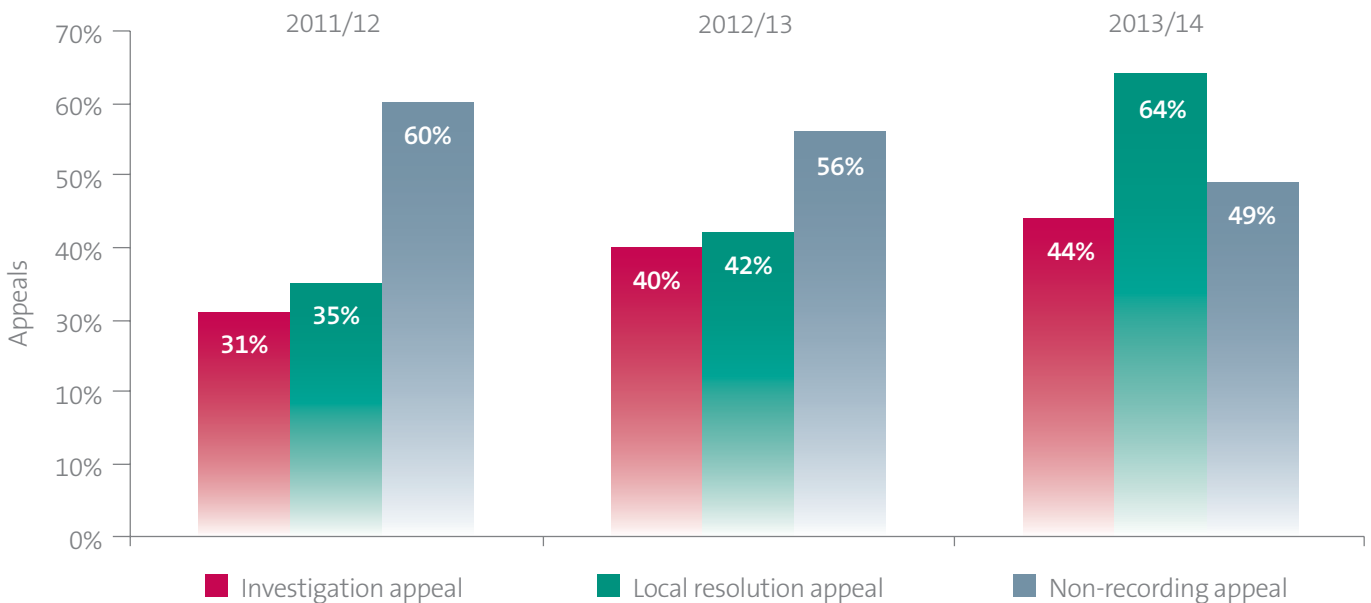


Figure 6:  
**Percentage of upheld appeals by appeal type and by year**



If, following an investigation appeal, we find that the police have not investigated a complaint appropriately we can direct them to re-investigate. We can also substitute our own findings, based on our assessment of the evidence, for those of the police; make recommendations about sanctions or learning; or direct misconduct proceedings where appropriate.

The greater the proportion of these appeals that we uphold, the more work is therefore required from us. This process can also result in cases moving back and forth between the police and the IPCC when we direct a re-investigation by the police and this then leads to a further appeal to us. In future, we will use our additional resources to re-investigate more of these cases ourselves which will be a more effective use of resources and will result in a quicker resolution for members of the public.

### **→ IPCC upholds second appeal after re-investigation**

*The IPCC upheld an appeal from the father of a 15-year-old boy who had complained that his son had been strip-searched by police officers, and that this took place without an appropriate adult being present. The boy was then released without any further action. The force was directed to re-investigate the complaint. The boy's father again appealed against the findings of the re-investigation. The IPCC upheld the second appeal, finding that the force had still not investigated the complaint properly. The IPCC then decided to investigate the matter independently, examining the use of police powers, the procedure during the strip search and whether it complied with the Police and Criminal Evidence Act.*

**➔ Complaint upheld following appeal**

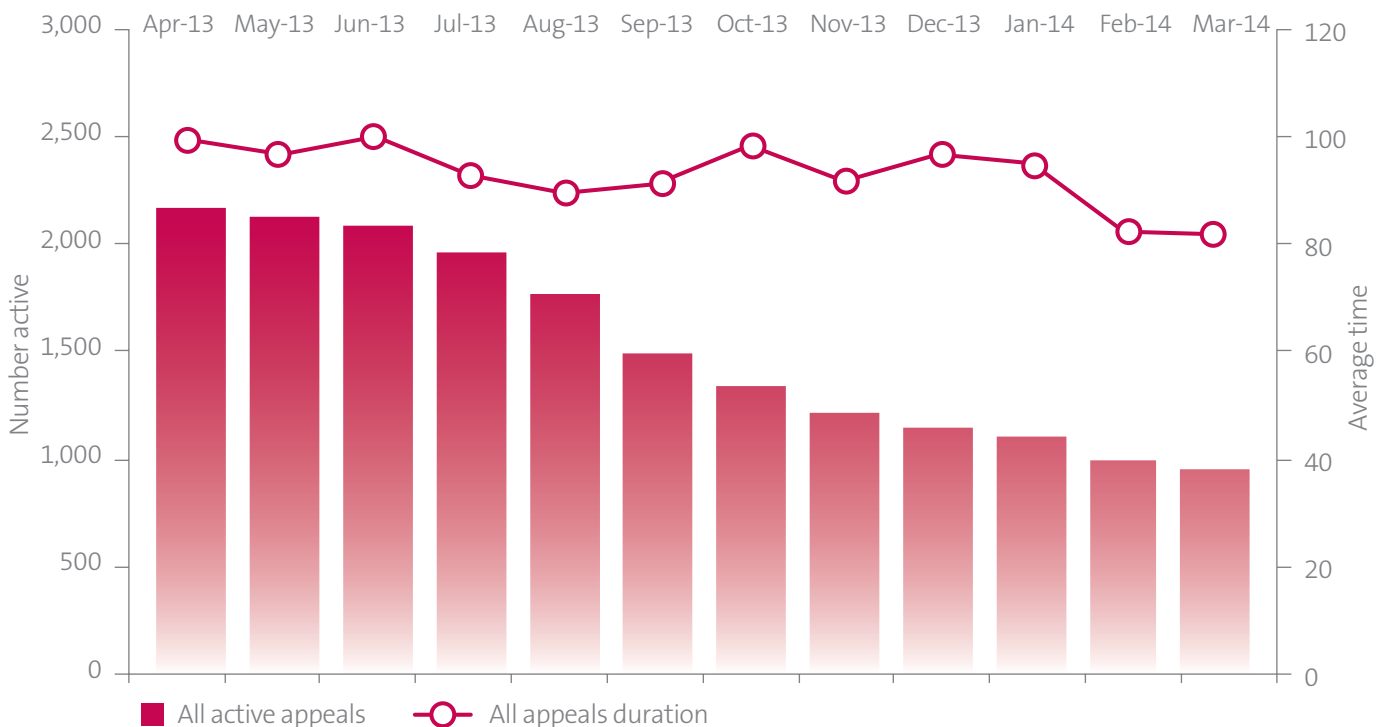
The IPCC upheld a complaint that police officers strip-searched a woman at a nightclub without adequate justification and in breach of the requirements of the Police and Criminal Evidence Act (PACE). The strip search of the woman was carried out by one female and four male officers, in breach of the requirement that officers carrying out a strip search must be the same sex as the person being searched.

The IPCC recommended that five police constables should face misconduct proceedings and that a police sergeant should face a charge of gross misconduct over the failure to make any record of the strip search or to ensure it was carried out in accordance with PACE guidelines.

Though we received fewer appeals in 2013/14, we started the year with a backlog built up over previous years when the number of appeals received outstripped the resources we had to deal with them. This means there is still a considerable delay before we can allocate the appeals we receive and many require more work once allocated. Our target is to complete appeals within 35 working days, but the average time to complete investigation appeals was 123 working days, local resolutions averaged 47 working days and non-recording appeals 33 working days.

During 2013/14, as a result of focusing our resources on clearing the backlog, we have made considerable progress and have reduced the backlog by over 50 per cent in the year: we began the year with over 2,000 open cases and end it with just under 1,000. That progress continues and we are confident that we will build on this to clear the backlog and achieve our target time for dealing with appeals in the coming year.

Figure 7:  
**Active caseload of all appeals and average time to complete**



## Direct complaints and enquiries

All complaints against the police must be recorded by the relevant police force in the first instance. If complaints are made directly to the IPCC, our role is to pass these on to the relevant police force.

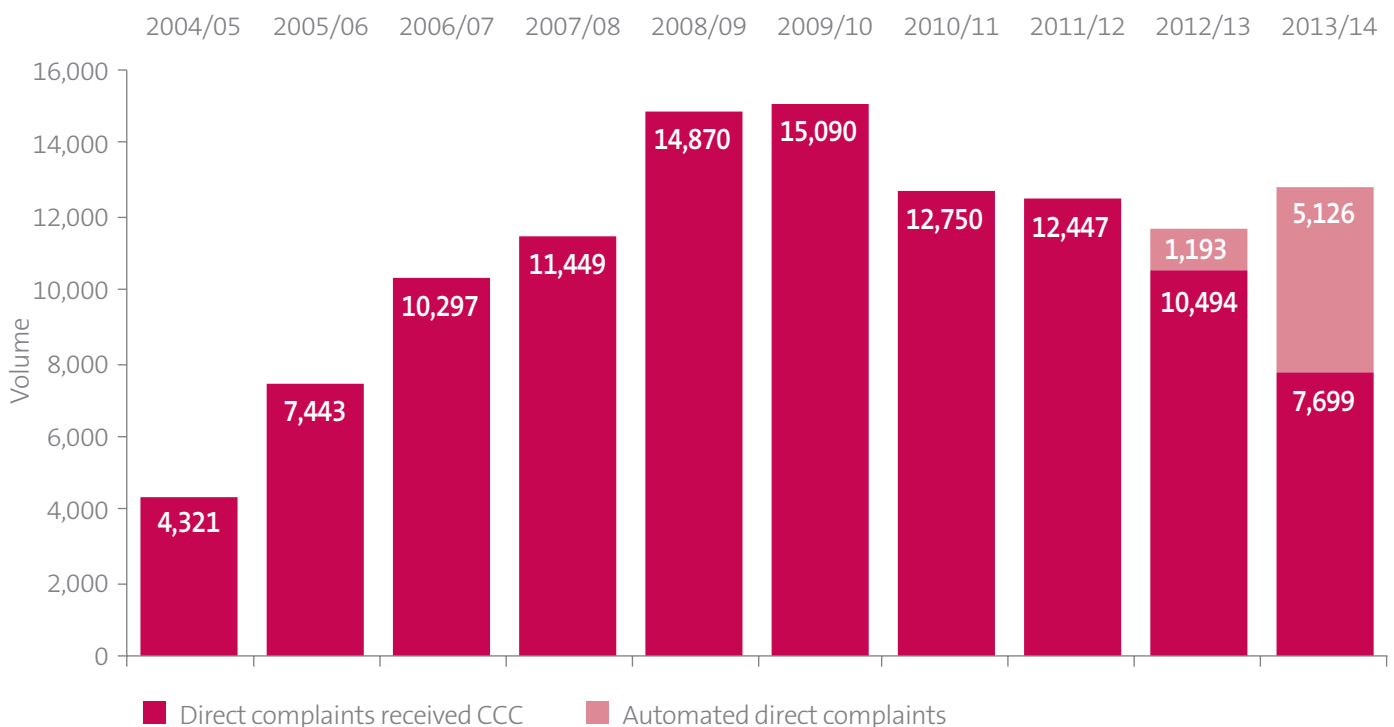
In total, we received 12,825 direct complaints this year. Over 5,000 of these complaints were received through our online complaint form, which automatically forwards the complaint to the appropriate police force; while the remainder were manually processed by our Customer Contact Centre (CCC).

The number of direct complaints increased in 2013/14. This follows a drop in 2012/13 and is similar to the number received in the preceding years.

Where complaints are manually processed by the CCC, we aim to forward them to the appropriate authority within two working days in 85 per cent of cases. We achieved this for just over 64 per cent of those received this year, with the remainder taking an average of six working days. This marks a significant improvement from last year and is the result of the CCC planning its work more effectively.

In addition to dealing with direct complaints from members of the public, our CCC acts as a point of entry to the IPCC for all enquiries and provides a switchboard service for those who want to contact our staff. It has proved to be very effective as an access point to us and the complaints system, and we will be building on its success in our new operating model.

Figure 8:  
Volume of direct complaints received by year





## Our work in Wales

The IPCC's remit covers both England and Wales and we have an appointed Commissioner for Wales.

In August 2013, Jan Williams took up position as the new IPCC Commissioner for Wales, for an initial four-year term. The Commissioner for Wales provides independent oversight of all IPCC investigations, and liaison with police forces, in Wales and some adjoining areas.

### Working in partnership to improve public confidence

During 2013/14, the Commissioner for Wales has continued to hold regular meetings with Police and Crime Commissioners and Welsh Government Ministers. The Commissioner has also met with other regulatory and inspection bodies including the Children's Commissioner for Wales, the Older People's Commissioner for Wales, the Wales Audit Office, and the Equality and Human Rights Commission.

These meetings provide us with an opportunity to share relevant information and ensure that we understand issues and concerns specific to Wales. They also enable the IPCC in Wales to call on assistance from these organisations, if required, during investigations.

The IPCC has also been working with other national stakeholders who have specific interests in the work of the IPCC and policing more widely. The Commissioner for Wales has met with Welsh Women's Aid in connection with domestic abuse issues; with national mental health organisations in respect of mental health issues; and has been meeting with race and faith groups in Wales to address issues around discrimination.

We have also continued to work with the Association of Chief Police Officers in Wales to ensure that we are aware of the issues and challenges for Welsh forces.

## Communicating in Welsh

We continue to be committed to complying with our duties under the Welsh Language Act 1993, and the Welsh Language Measure, which place bilingual duties on publicly funded organisations to treat Welsh and English equally when conducting public business in Wales. Throughout the year, we have met with the Welsh Language Commissioner to ensure that we meet our statutory obligations. In 2013/14, we set up a Welsh language line for Welsh speakers to contact us and launched new Welsh language pages on our website.

## Hillsborough investigation

In October 2012, the IPCC announced an independent investigation into allegations relating to the aftermath of the Hillsborough disaster. On 19th December 2012, the Home Secretary announced that Jon Stoddart, former Chief Constable of Durham Constabulary, had been appointed to investigate the circumstances of the deaths of the 96 people who died as a result of the disaster. The IPCC is managing the aspects of his investigation that look at the actions of the police.

The IPCC secured Renaissance House in Warrington as a base for both the IPCC independent investigation and Jon Stoddart's investigation, named Operation Resolve. IPCC staff moved into the office in May 2013, with the Operation Resolve team relocating in September. This allowed IPCC staff working on the investigation to be based in one location, allowing for greater coordination of the multi-disciplinary work needed and effective liaison with Operation Resolve.

The IPCC's investigations into the Hillsborough disaster have progressed significantly over the course of the last year, and have revealed significant new information, as well as analysing and working on the large amount of material that already existed. Both the IPCC's and Operation Resolve's investigations have moved into a phase where suspects have been identified and interviewed under criminal caution.

## Document recovery

Work to recover documents that may be of relevance to the investigations has also continued. This has included the recovery of more than 2,500 pocket notebooks from South Yorkshire Police. Not all of these contain information in relation to Hillsborough, and they are all being analysed to determine whether they contain information that may help with the investigation.

The pocket notebooks form a small part of the huge amount of documentation that the IPCC has been analysing, scheduling and disclosing to the Coroner for the inquests. This was a significant task carried out by a dedicated team.

## Preparing for the inquest

The focus of the investigations has been on assisting the Coroner, Lord Justice Goldring, to prepare for the inquests that began on 31st March 2014. For the IPCC, this meant prioritising certain aspects of the investigations, particularly around the amendments to officers' accounts. The IPCC identified further accounts over and above the 164 that had been identified by the Hillsborough Independent Panel. At the time of writing this report, the number of officers' accounts that are suspected to have been amended is 250.

We began interviewing officers in September 2013, with additional resources allocated from elsewhere in the IPCC to assist with the work. We also launched a major witness appeal in September. The appeal sought to obtain accounts of how people had been dealt with by West Midlands Police during the original investigation into the disaster. The appeal received a very encouraging response and also prompted contact from people who wanted to give their account of what happened to them on the day – this included people who had never given accounts before. The additional accounts have all been provided to the Coroner to assist him in identifying potential witnesses for the inquests.

## Engagement with the families

We have continued to be in regular contact with the families of those who died. This has included arranging for them to visit Renaissance House and meet our staff. We have also hosted regular family forum meetings, chaired by the former Bishop of Liverpool, the Rt Rev James Jones. This has allowed the IPCC, Operation Resolve and the Crown Prosecution Service to meet families to answer questions, explain our work and deal with any issues.

As well as the face-to-face meetings, we have updated the families, survivors and other stakeholders, including the media, on a monthly basis. This ensures our work is as open and transparent as it can be and we hope that it helps to deliver greater understanding and confidence.

## Wider responsibilities – complaints and referrals from other organisations

### HMRC

The IPCC makes sure that serious complaints against Her Majesty's Revenue and Customs (HMRC) staff are dealt with effectively. When something has gone wrong, we also help HMRC learn lessons and improve the way it works.

*Our website contains further information about our jurisdiction over HMRC: [www.ipcc.gov.uk/force/hmrc](http://www.ipcc.gov.uk/force/hmrc)*

### Investigations and appeals in 2013/14

From 1 April 2013 to 31 March 2014 we received 95 referrals from HMRC:

- two were subject to a supervised investigation
- 60 were sent back to HMRC for local investigation
- 31 were referred back to HMRC to deal with as it saw fit
- two were pending a mode of investigation decision at the end of the year (both were sent back to HMRC for local investigation at the beginning of 2014/15)

During the same period we received five investigation appeals and one non recording appeal:

- two of the investigation appeals were upheld, one was not upheld and one was not valid. The remaining investigation appeal is still being dealt with
- the non recording appeal was still being dealt with at the end of the financial year

### ***Work this year and future work***

We are working with HMRC to consider whether the IPCC's oversight should focus on those areas where the IPCC can add most value through the referral and appeal process. While HMRC's principal role has not changed since it first came within the IPCC's jurisdiction in 2006, functions such as frontier detection and the investigation of illegal drug importation are now the responsibility of Home Office agencies. HMRC does, however, retain a substantial criminal investigation capability. Many of these remaining functions have other external oversight, for example the Adjudicator and Parliamentary and Health Service Ombudsman and we will explore how our work can best complement this.

### **The Home Office**

On 26 March 2013 the Home Secretary announced the decision to end the Executive Agency status of the UK Border Agency (UKBA) and bring its functions back within the Home Office as UK Visas and Immigration (UKVI), UK Immigration Enforcement (UKIE) and UK Border Force (UKBF). The IPCC has continued to have jurisdiction over those officials and contractors who carry out functions for the Home Office.

The IPCC is responsible for the way that certain types of serious complaints against Home Office staff are handled. We make sure that these complaints (including those against contracted staff employed by UKBF or the Home Office to carry out certain functions on their behalf) are

dealt with effectively. When something goes wrong we also help the Home Office learn lessons and improve the way they work.

***Our website contains further information about our jurisdiction over the Home Office immigration enforcement: [www.ipcc.gov.uk/force/ukba](http://www.ipcc.gov.uk/force/ukba)***

### ***Investigations and appeals in 2013/14***

Between 1 April 2013 and 31 March 2014 we received 17 referrals from the Home Office:

- one was subject to a managed investigation
- 12 were sent back for local investigation
- four were referred back to the Home Office to deal with as they saw fit

During the same period we received no appeals in relation to the Home Office.

### ***Work this year and future work***

The IPCC is continuing to work with the Home Office to update the regulations and develop new statutory guidance to govern how serious matters relating to UK Border Force and Home Office Immigration Enforcement are dealt with.

### **SOCA and NCA**

In October 2013 the Serious Organised Crime Agency (SOCA) was replaced by the National Crime Agency (NCA). The IPCC was responsible for the way that serious complaints against SOCA were handled, with the exception of complaints relating to proceeds of crime activity. The IPCC is now responsible for serious complaints against the NCA, including complaints relating to proceeds of crime activity.

### *Investigations and appeals in 2013/14*

#### **SOCA**

Between 1 April 2013 and 6 October 2013 we received nine referrals from SOCA:

- one is subject to an independent investigation
- six were sent back to SOCA for local investigation
- two were referred back to SOCA to deal with as it saw fit

During the same period we received one investigation appeal and five non recording appeals:

- the investigation appeal was not upheld
- three non recording appeals were upheld, one was not upheld and one was not valid

#### **NCA**

Between 7 October 2013 and 31 March 2014 we received four referrals from the NCA:

- all four referrals were sent back to the NCA for local investigation

During the same period we received five investigation appeals and six non recording appeals:

- three investigation appeals were upheld, one was not upheld and one is still being considered
- three non recording appeals were not upheld, one was not valid and the remaining two are still being considered

#### ***Work this year and future work***

The IPCC will be working to develop statutory guidance on the way complaints are handled by the NCA.

#### **Police and Crime Commissioners (PCCs)**

Schedule 7 of the Police Reform and Social Responsibility Act 2011 requires that regulations must provide for complaints of criminal behaviour and conduct matter relating to Police and Crime Commissioners (PCCs), their deputies, and the Mayor and Deputy Mayor for Policing and Crime

(MOPAC) to be investigated by the Independent Police Complaints Commission. Police and Crime Panels are responsible for referring these complaints to the IPCC.

*Our website contains further information about our jurisdiction over PCCs: [www.ipcc.gov.uk/force/pccs](http://www.ipcc.gov.uk/force/pccs) and MOPAC: [www.ipcc.gov.uk/force/mopac](http://www.ipcc.gov.uk/force/mopac)*

### *Investigations and appeals in 2013/14*

From 1 April 2013 to 31 March 2014 we received 31 referrals from police crime panels (PCPs):

- 21 were referred back to the relevant PCP to deal with as it saw fit
- five were subject to independent investigations
- five were awaiting a mode of investigation decision at 31st March

During the same period we received two investigation appeals and three non-recording appeals:

- one investigation appeal was not upheld, and one was not valid
- two non-recording appeals were not valid and one was still being considered at 31st March

#### ***Work this year and future work***

We have hosted a number of events for PCCs to further explain our role and responsibilities and explore ways that we can better work together.

We have worked with the Home Office to set up a new stakeholder group to provide a forum where issues affecting PCCs and forces can be raised and we can provide updates.

## Feedback and requests for information

### Complaints about our staff

We take complaints about our own staff very seriously. We aim to deal with 90 per cent of these complaints within 20 working days, recognising that some are more difficult to deal with and will take longer to resolve.

We separate the complaints we receive into those that concern the conduct of staff or the service we have provided, and those that are seeking to overturn the final decision we have made on a complaint or are about the IPCC in general and people's perceptions of our role and what we can and cannot do.

During 2013/14, we received 340 complaints against IPCC staff and commissioners or our service, which is fewer than we received last year. We achieved our target by dealing with 92 per cent of these complaints in 20 working days. We upheld 20 complaints where we offered an apology; all of these were in relation to the amount of time it was taking for an appeal to be considered.

### Requests for information

The number of requests for information under the Freedom of Information Act (FOI) remained similar to the previous year. Requests made under the Data Protection Act (DPA) increased.

During 2013/14, we processed 302 FOI requests and 509 DPA requests. The number of DPA requests we received increased substantially. We can attribute this to our investigation into the aftermath of the Hillsborough investigation. We processed 84 per cent of FOI requests within the 20 working day target and 77 per cent of DPA requests within the 40 calendar day target.

## Progress against our equality objectives

Under the Equality Act 2010, the IPCC is required to publish its equality objectives. The table below sets out the equality objectives that are included in our 2013/14 Business Plan, and the work we did over the last year to meet them:

### Objective 1 – Ensure that the IPCC complies with the public sector equality duties

Work we undertook to meet the equality objective	Update on work we undertook to meet the equality objective
Monitoring equality analysis across the organisation through our Valuing Diversity Group (VDG)	<p>An equality analysis (EA) is completed for all new polices, processes and projects. The analysis sets out if any particular group of people will be unfairly impacted and, if so, how we will correct this.</p> <p>All EAs are reviewed by the equality leads, who are in place to provide support and advice to staff carrying out the analysis and to directors. The EAs are included on a register, which is reviewed at each meeting of the Valuing Diversity Group.</p> <p>During 2013/14 we have published many EAs, which have been published on our website.<sup>5</sup></p>
Identifying and reporting on equality issues identified in internal investigations complaints	<p>A report is produced for each meeting of the Valuing Diversity Group on equality issues that have been identified in complaints made against IPCC staff and commissioners.</p> <p>Although the number of complaints that we receive about our staff and commissioners is very low, we recognise the importance of reviewing our complaints to ensure that we are delivering a high quality service to all those we serve.</p>
Providing fit for purpose equality and diversity training for staff in our Casework and Customer Service and Investigations directorates	<p>We have provided training on the Equality Act to all our Casework and Investigations staff, and plan to extend this training to those working on our investigation into the aftermath of the Hillsborough disaster next year.</p> <p>In addition, we have added an equality and diversity module to the investigations development programme to ensure that the training is delivered to all new investigators.</p>
Ensuring that the IPCC is able to maintain a diverse workforce	<p>We have monitored recruitment activity to ensure that equality of access and opportunity remains high. We continue to monitor the diversity of the organisation through both HR data and the experience of staff as described in the staff survey.</p>

5. [www.ipcc.gov.uk/page/equality-analysis](http://www.ipcc.gov.uk/page/equality-analysis)



## Objective 2 - Work with others to improve access, confidence, and awareness of the police complaints system in relation to diversity issues and identify and respond to emerging diversity issues in policing, complaint handling, and investigations

Work we undertook to meet the equality objective	Update on work we undertook to meet the equality objective
<p>Ensure the appropriate use of community reference or advisory groups to support investigations and ensure that all feedback from these groups is documented and fed into the internal 'lessons learned' process to improve investigations</p>	<p>Community Reference Groups (CRGs) are an important way of working closely with the community, particularly on some of our most sensitive investigations. They have brought a wealth of experience and insight into how the community works and have helped us work in a more unified way. The IPCC currently has three live CRGs: one in London for the Mark Duggan case and two in Birmingham for the Kingsley Burrell and Operation Pointer cases.</p>
<p>Develop and deliver a programme of engagement activity around key issues to increase awareness of and confidence in the police complaints system</p>	<p>We have developed an engagement strategy this year to outline our approach to working with communities and stakeholders. This is part of our work to improve public confidence in the police complaints system. We will publish the strategy in the next financial year.</p> <p>We have met with many stakeholders over the past year on issues such as stop and search and domestic violence.</p> <p>We have also met with communities and groups about particular pieces of work including our report on the Metropolitan Police Service's handling of complaints alleging race discrimination, the review of our cases involving a death and our draft oversight and confidence strategy.</p> <p>Through our review of cases involving a death, we met with bereaved families and national organisations who have voiced concerns about our work in this area. This was a valuable experience for us and is an example of using feedback from our stakeholders to plan and make improvements to the way we work.</p>
<p>Use external diversity and health experts in IPCC investigations to review terms of reference, interview plans and other parts of investigations</p>	<p>We have been working to develop a way of using diversity and health experts in our investigations. This information has been shared with our investigators and commissioners.</p> <p>Since this work began, we have not received many cases that require the use of external experts, though we have brought in both mental health and diversity expertise. This is something that we plan to build on as part of our new operating model.</p>

### Next steps

We will continue to publish EAs for all our policies, processes and projects.

The equality objectives for 2014/15 and the work we will undertake to meet these next year are included in the IPCC Business Plan 2014/15.





## 4. Increasing public confidence in the police complaints system

The IPCC has a statutory obligation to secure and maintain public confidence in the police complaints system in England and Wales.

Police forces handle the majority of complaints against police officers and staff. We have a direct role in investigating the most serious incidents, and deciding on appeals but we are also responsible for making sure that the police handle complaints properly. We promote a culture of learning and improvement in the way the police approach complaint handling, as well as providing best practice guidance.

In early 2014, we held a public consultation on our proposed strategy over the next three years for overseeing the police complaints system and securing public confidence in it.

This year, the Home Office provided £400,000 additional funding, which we used to explore new approaches to making sure that the police handle complaints properly and to building public confidence in the complaints system.

### Improving how complaints about the police are handled

In 2013/14, we carried out some focused work to further develop our approach to overseeing the police complaints system. This included piloting new activity and collecting evidence of the value it can add. This work was designed to help us develop our oversight and confidence strategy for the future, so that, in cooperation with others, we can feed learning from our complaints work back into the system.

We completed five pilot projects covering areas where changes in legislation provided opportunities to promote best practice, or where the IPCC no longer directly handles complaints. These areas were:

### Direction and control

Under previous legislation, direction and control<sup>6</sup> was a ground for not recording a complaint and we upheld 70 per cent of those appeals. Direction and control is now a sub-category of complaints, but one without any subsequent appeal rights, so our work looked at whether direction and control was being wrongly applied to complaints and, if so, why.

We found that 80 per cent of the cases sampled were incorrectly categorised as direction and control. The evidence did not show that this was done deliberately to avoid due process, appeal rights or proper investigation. We found that 75 per cent of the cases were concluded in a satisfactory way, appropriate to the complaint. Nevertheless, a significant minority were not, and the mis-categorisation deprived those complainants of appeal rights.

### Access

There are certain limited circumstances in which a complaint does not have to be recorded or a recorded complaint does not have to be dealt with under legislation (disapplications). These circumstances can include categorising the complaint as ‘fanciful, vexatious, oppressive or an abuse of procedure’. This project looked at whether professional standards departments (PSDs) are appropriately applying these subjective grounds, given our experience under the previous legislation that they were sometimes misapplied.

We found that 36 per cent of cases sampled had been incorrectly categorised as fanciful, vexatious, oppressive or an abuse of procedure. In a further 10 per cent of cases, there was insufficient information or rationale to decide whether the decision was correct or not. Of particular concern, only two of the 18 cases sampled where the fanciful criteria was used were correctly classified and half of the allegedly vexatious cases were wrong.

6. The IPCC defines what it understands by direction and control in our Statutory Guidance.

## Local resolution

This work looked at examples, through dip sampling, to identify areas of best practice when complaints are suitable for local resolution.

Our file sampling found that a very high proportion of cases had been dealt with appropriately, 91 per cent had been correctly classified as suitable for local resolution and 86 per cent had appropriate outcomes. The response from complainants, however, was disappointing: only five of the 25 felt that their expectations had been fully met, and nearly two-thirds were fairly or very dissatisfied with the final outcome. This was partly because of poor communication and partly because officers involved did not fully engage with the process.

## Quality of investigations

This pilot project looked at the way police forces investigate complaints locally, in order to reduce the number of appeals we are sending back for reinvestigation.

We found that 73 per cent of upheld appeals had been investigated at local management level, rather than by the force's PSD. In over half of all cases (53 per cent), we disagreed with the conclusions reached; in 20 per cent of cases, not all the allegations had been addressed; in 19 per cent of cases, the decision had been poorly explained, with a lack of information to the complainant.

## Learning and recommendations

This work identified areas where the IPCC and police forces have gaps in how learning is shared.

As expected, each PSD had a different way of sharing learning and recommendations, though there were some similarities. We identified some risks: mixed messages, duplicated data entry, and a lack of active auditing or monitoring. The IPCC can improve its own knowledge management strategy, and link the different systems for communicating with forces.

## Further work

Some underlying themes emerged from these reports. The first is the inherent complexity of the complaints system itself. Some changes were made in the Police Reform and Social Responsibility Act 2011, but we believe there are strong arguments for a more radical reform of a system that is still over-legalistic, over-bureaucratic and over-focused on blame rather than resolution. As a consequence, and particularly where matters are dealt with at local rather than force level, it is clear from these reports that forces struggle to apply the legislation and guidance properly.

During this pilot work, police forces consistently told us that there was a need for practical advice, complementing our Statutory Guidance, which could explore key areas in more detail, giving examples and sharing good practice. In response, we have created the Focus publication scheme.

Focus will be issued every two months. It is intended to be a dynamic, responsive publication, with practical advice and examples for professional standards departments, Police and Crime Commissioners' offices, and others in the police who handle complaints.

*You can read our report on the findings of the oversight projects on our website: [www.ipcc.gov.uk/page/research-and-statistics](http://www.ipcc.gov.uk/page/research-and-statistics)*

*Issues of Focus will be available on our website: [www.ipcc.gov.uk/page/focus](http://www.ipcc.gov.uk/page/focus)*

In March 2014, we published a paper from departing Deputy Chair, Deborah Glass, with her own reflections, based on 13 years' experience, on the strengths and weaknesses of the police complaints system, and suggestions for its reform. We will use this work, the findings of the oversight projects, and feedback from complainants and others, to continue to argue for fundamental change to make the system more accessible and effective.

*You can read former Deputy Chair Deborah Glass's review of the complaints system on our website.<sup>7</sup>*

### **Review of police handling of complaints alleging discrimination**

In April 2012, following several high profile race-related incidents involving the Metropolitan Police Service (MPS), the IPCC began a review of how that force handled complaints about racial discrimination. In July 2013 we published a report of our findings. This concluded that, overall, such complaints were not handled in a sufficiently robust, fair or customer-focused way. The report made a number of recommendations to the MPS and called for a fundamental cultural change in the way it handles such complaints, supported by training, monitoring and community feedback.

We held discussions with a group of community stakeholders in London to explore the findings of the review. We also met with the Equality and Human Rights Commission and the College of Policing, to discuss how our findings might be taken forward in their work.

Following this review, we wanted to find out whether forces in other areas of the country were experiencing issues with handling such complaints. We also wanted to act on feedback from communities that we should focus on areas outside of London. We widened the scope to cover all areas of discrimination and focused on the next three largest police forces: Greater Manchester Police (GMP), West Yorkshire Police (WYP) and West Midlands Police (WMP). Our review involved file sampling closed conduct and complaint cases and included conducting focus groups and discussions with professional standards departments in the three force areas.

The results were published in June 2014. Our report makes a series of recommendations for improving the quality of investigations into discrimination allegations, on training for both frontline and complaint-handling police personnel, and on ensuring meaningful contact with complainants. This work will also inform our review of our guidance on dealing with allegations of discriminatory behaviour during 2014/15.

*You can read our Report on Metropolitan Police Service handling of complaints alleging race discrimination in full on our website.<sup>8</sup>*

7. [www.ipcc.gov.uk/sites/default/files/Documents/speeches/A-review-of-the-complaints-system-by-Deborah-Glass-March-2014.pdf](http://www.ipcc.gov.uk/sites/default/files/Documents/speeches/A-review-of-the-complaints-system-by-Deborah-Glass-March-2014.pdf)

8. [www.ipcc.gov.uk/Documents/investigation\\_commissioner\\_reports/Report\\_on\\_Metropolitan\\_police\\_Service.PDF](http://www.ipcc.gov.uk/Documents/investigation_commissioner_reports/Report_on_Metropolitan_police_Service.PDF)

## Holding the police to account and working with others to improve policing

### Her Majesty's Inspectorate of Constabulary and the College of Policing

We began work on a revised agreement (concordat) with Her Majesty's Inspectorate of Constabulary (HMIC) and the College of Policing (CoP), to set out our joint and specific responsibilities. This will clarify and strengthen the relationships between our organisations to ensure that learning from our investigations, as well as identified good practice, is embedded and sustained across policing. This partnership working has a key role to play in the success of our oversight and confidence strategy.

We have also engaged with HMIC and CoP, by submitting responses to consultations, including CoP's consultations on its strategic intent (December 2013) and a draft code of ethics for police personnel (November 2013), and HMIC's consultation on its proposed 2014/15 inspection programme (February 2014) as well as the proposed Criminal Justice Joint Inspection Programme for 2014 to 2016 (January 2014).

*You can read our consultation responses in full on our website.<sup>9</sup>*

### Learning the lessons

The Learning the Lessons bulletin is designed to help the police improve their practices, using case studies and sharing lessons learned from completed investigations into police complaints and conduct matters.

In May 2013, we published a bulletin exploring learning from cases involving corruption. This fulfils a commitment we made in 2012 in a report to the Home Secretary on our experience of investigating corruption in the police service.

In January 2014, we published a bulletin focused on general issues, including conducting welfare checks, dealing with historic child abuse offences and use of smocks in custody settings.

*You can read Learning the Lessons bulletins on our website.<sup>10</sup>*

### Research into the use of force by police

We have also carried out preliminary work for a broad research study into the use of force by police. While the IPCC has conducted in-depth analysis in individual cases, for example restraint-related custody deaths, and has produced (but not yet published) a report looking at Taser use, we have not carried out any detailed analysis examining police use of force more broadly. This is an area where the IPCC could offer a unique perspective, drawing on our experience of the cases we investigate and oversee, and exploring the views and experiences of the public, police and other stakeholders.

*The research proposal is available on our website.<sup>11</sup>*

9. [www.ipcc.gov.uk/page/written-responses-other-bodies](http://www.ipcc.gov.uk/page/written-responses-other-bodies)

10. [www.ipcc.gov.uk/reports/learning-the-lessons/learning-lessons](http://www.ipcc.gov.uk/reports/learning-the-lessons/learning-lessons)

11. [www.ipcc.gov.uk/sites/default/files/Documents/research\\_stats/IPCC\\_use\\_of\\_force\\_research\\_study\\_2013.pdf](http://www.ipcc.gov.uk/sites/default/files/Documents/research_stats/IPCC_use_of_force_research_study_2013.pdf)

## Deaths during or following police contact: Statistics for England and Wales

In July 2013, we published our annual report on deaths during or following police contact in England and Wales.

The report showed that deaths in police custody remained at a relatively low level (15 over the period) and there were no fatal police shootings in 2012/13. There was, however, a considerable rise in the recorded number of apparent suicides within two days of release from police custody. There were 64 such deaths, the highest number recorded over the last nine years. There was also a small increase in road traffic fatalities involving police.

Mental health continued to be a key factor in deaths in or after police custody in 2012/13. This trend was also reflected in concerns raised by stakeholders in our review of work in investigating deaths and we recognise that mental health is an area of great importance to our work. We are working to develop our knowledge and expertise in this area through staff development and training and through recruitment as the organisation grows.

*You can read our report [Deaths during or following police contact: Statistics for England and Wales](#) in full on our website<sup>12</sup>*

## Legislative change

We have argued that we are inhibited in some of our investigations by a lack of powers in certain areas. The Anti-Social Behaviour Crime and Policing Act introduced a number of changes to legislation that affect the IPCC and address some of the concerns we have previously raised. The Act includes:

- a provision to extend the IPCC's remit over certain private contractors through regulations
- a statutory framework for IPCC recommendations, which will require the recipient of the recommendation to respond within a specified timescale and the recommendation and response to be published
- a power for the IPCC to acquire material from third parties in independent investigations
- a power for the IPCC to recommend and direct unsatisfactory performance proceedings following a death or serious injury
- provision to allow specified IPCC staff to authorise the use of Police and Criminal Evidence Act (PACE) powers
- provision for the extension of the IPCC's remit over College of Policing staff

These changes will be introduced in two stages during 2014 and we are in discussion with the Home Office about the supporting regulations.


Over the reporting period, we also monitored the impact of the IPCC's new power to require police witnesses to attend interviews in death or serious injury investigations, which came into effect at the end of 2012. We have used this power where police witnesses have been unwilling to attend interviews, though in many cases, officers have chosen to attend interviews where requested rather than being compelled to do so.

12. [www.ipcc.gov.uk/page/deaths-during-or-following-police-contact](http://www.ipcc.gov.uk/page/deaths-during-or-following-police-contact)



However, on too many occasions, officers have attended but have refused to answer questions at interview, choosing to provide written statements, or answers that are sometimes incomplete or formulaic. This follows advice from the Police Federation and lawyers, supporting this method. This approach can prolong and hinder our investigations.

We have raised concerns about this practice with police forces, Police and Crime Commissioners and police representative bodies, and with ministers, in public statements and our investigation reports. In November 2013, we submitted a response to the College of Policing consultation on a draft code of ethics for police personnel and recommended that the code should include a positive obligation on police to cooperate fully with our investigations.

 [You can read our submission to the College of Policing on its draft code of ethics for police on our website<sup>13</sup>](#)

### **Proposals for improving the police disciplinary process**

It is important that investigations by the police and the IPCC make a difference and that the police are properly held to account if wrongdoing is identified. We have argued for reform of the current disciplinary system to introduce greater independence and transparency. In August 2013, we submitted a response to the Home Office consultation on proposals for improving the police disciplinary system and we continue to argue the case for reform in the working group currently considering change.

[You can read our submission to the Home Office consultation on our website.<sup>14</sup>](#)

## **Increasing public trust in the complaints system**

### **Public confidence survey**

In early 2014, we carried out our biennial public confidence survey. A report on the early findings will inform our oversight and confidence strategy, with full results to be published later this year. We will use the results of the survey to identify groups that particularly lack trust in the complaints system and take action to engage with them in the future.

### **Communications and engagement**

In April 2013, we published our revised communications strategy, designed to ensure the IPCC:

- maximises the potential of communication to publicise its work and its successes;
- listens to its diverse range of stakeholders;
- learns from what they are saying; and
- exploits the opportunities communication offers to secure and maintain public confidence.

We took a range of actions to implement the strategy. In April 2013, we agreed a new media protocol with the Association of Chief Police Officers (ACPO), to clarify our and police forces' roles and responsibilities in dealing with the media during an IPCC investigation. In August 2013, we launched a redesigned website to increase transparency and accessibility of information about the IPCC and our work. We are also exploring increased use of social media to promote our work. Twitter especially provides opportunities to communicate directly with the public, particularly in dynamic and fast-moving cases.

13. [www.ipcc.gov.uk/sites/default/files/Documents/speeches/IPCC\\_response\\_to\\_consultation\\_on\\_draft\\_Code\\_of\\_Ethics\\_Nov2013.pdf](http://www.ipcc.gov.uk/sites/default/files/Documents/speeches/IPCC_response_to_consultation_on_draft_Code_of_Ethics_Nov2013.pdf)

14. [www.ipcc.gov.uk/sites/default/files/Documents/news/IPCC\\_response\\_to\\_Home\\_Office\\_consultation\\_on\\_proposals\\_for\\_improving\\_the\\_police\\_disciplinary\\_system\\_August\\_2013.pdf](http://www.ipcc.gov.uk/sites/default/files/Documents/news/IPCC_response_to_Home_Office_consultation_on_proposals_for_improving_the_police_disciplinary_system_August_2013.pdf)

We have identified opportunities across our work to build relationships, engaging specifically with groups and communities that have less confidence in the police and the police complaints system. For example, as part of our review of how the police investigate allegations of discriminatory behaviour, we held a series of focus groups with community stakeholders interested in issues of discrimination. We also held an event with young people (aged 16-24) in London to feed into the consultation on our oversight and confidence strategy, including asking for views on how we can make the complaints system more accessible to young people.

Recognising the significance to our work of issues around mental health, we held a development day on the subject, which commissioners and a selection of our staff attended in March 2014. The event gave an overview of current research and developments in this area, with contributions from the police, academics, mental health support and advocacy groups, and importantly from mental health service users.

We also hosted conferences for police and crime commissioners (PCCs) in January 2014 and for police professional standards departments (PSDs) in March 2014. Both events focused on our plans for change over the next three years and stressed the importance of PSDs and PCCs in ensuring the effective operation and oversight of the police complaints system.

*You can read the communications strategy in full on our website.<sup>15</sup>*

15. [www.ipcc.gov.uk/Documents/publications/Communications\\_strategy\\_2013.PDF](http://www.ipcc.gov.uk/Documents/publications/Communications_strategy_2013.PDF)



## 5. 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 oversight and confidence 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 the police have dealt with their complaint.

### History

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

On 1st 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 25th February 2008, the IPCC powers were extended to include serious complaints and conduct matters relating to officers and officials of the UK Border Agency. In October 2013 SOCA was replaced by the National Crime Agency (NCA). The IPCC is now responsible for serious complaints against the NCA, including complaints relating to proceeds of crime activity.

On 26th March 2013, the Home Secretary announced the decision to end the Executive Agency status of the UK Border Agency (UKBA) and bring its functions back within the Home Office. The IPCC has continued to have jurisdiction over those officials and contractors who carry out immigration enforcement functions.

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 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 an Acting Chief Executive, who is supported by a Management Board based across England and Wales. The Acting Chief Executive is accountable to the commissioners for the effective running of the organisation. As Accounting Officer for the IPCC, the Acting 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

Commissioners are appointed under Schedule 2 (Section 2) of the Police Reform Act 2002, for a term not exceeding five years. The IPCC is overseen by a Commission that is made up of a part-time Chair and ten commissioners, including two deputy chairs and two part-time non-executive commissioners.

Her Majesty the Queen appointed Dame Anne Owers as permanent IPCC Chair for a five year term from 2 April 2012. The Chair ensures that the Commission's governance is effectively managed. She leads the commission and oversees the work of the Acting CEO, the deputy chairs and the non-executive commissioners.

The commissioners who served during 2013/14 were as follows:

Dame Anne Owers	Chair
Deborah Glass	Deputy Chair (appointment ended 31 December 2013) Commissioner (appointment ended 28 March 2014)
Amerdeep Somal	Commissioner (appointment ended 31 August 2013)
Mike Franklin	Commissioner (appointment ended 31 August 2013)
Naseem Malik	Commissioner (appointment ended 30 September 2013)
Nicholas Long	Commissioner (appointment ended 31 August 2013)
Rebecca Marsh	Commissioner (appointment ended 30 September 2013)
Tom Davies	Commissioner (appointment ended 30 September 2013)
Rachel Cerfontyne	Deputy Chair (from 1 August 2013)
Sarah Green	Deputy Chair (from 1 January 2014)
Cindy Butts	Commissioner
Jennifer Izekor	Commissioner
Mary Cunneen	Commissioner
James Dipple-Johnstone	Commissioner
Derrick Campbell	Commissioner
Jan Williams	Commissioner (appointed 1 August 2013)
Jonathan Tross	Non-Executive Commissioner and Chair of the IPCC Audit and Risk, and Quality Committees
Ruth Evans	Non-Executive Commissioner and Chair of the IPCC Remuneration Committee

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.

### **Audit and Risk Committee**

The role of the Audit and Risk Committee is described in the Acting Chief Executive's personal annual governance statement 2013/14.

### **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.

### **Valuing Diversity Group**

Valuing diversity is one of the IPCC's core values. In 2013/14 the Valuing Diversity Group continued its work around equality and diversity to ensure the organisation could respond in a meaningful way to new circumstances. In the last year the group has overseen the ongoing work of the IPCC in meeting

its equality objectives and has monitored the completion of relevant equality analysis. Work has also been carried out through the group on mainstreaming the IPCC's website equality pages.

The Group is led by the Chair of the IPCC. It includes one commissioner, six nominated staff members and a representative from the Staff Council. The group's remit is to develop and implement a single equality scheme and to monitor the equalities impact assessment process and internal performance on diversity issues. In addition it provides advice and support to the IPCC Management Board in ensuring that the organisation meets its obligations under the Equality Act 2010.

### **Sickness absence**

During 2013/14 IPCC employees incurred an average of 7.3 days sick leave. This compares to an average of 5.7 days in 2012/13. The IPCC is committed to the health and wellbeing 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.

### **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 takes seriously its responsibilities for the safety, health and wellbeing of all who may be affected by our work activities. The IPCC complies with the Health & Safety at Work Act 1974, which aims to prevent accidents and cases of work-related ill health, and provides adequate control of health and safety risks arising from work activities.

During 2013/14, the IPCC has reviewed its policy, procedures and staff training in relation to health and safety. This has resulted in planning for additional job-specific training for our most at risk staff. In addition, new starters in 2013/14 completed a health and safety e-learning programme, which had already been delivered to existing IPCC staff.

Eighteen minor accidents were recorded during the year compared to four for 2012/13. This increase is largely due to the health and safety representatives in our regional offices encouraging staff to report accidents; we have also simplified reporting procedures. All accidents/incidents reported were from IPCC staff. No injuries to contractors were reported. None of the incidents required reporting under RIDDOR (the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995).

The IPCC focuses on proportionate health and safety risk management as an integral part of the way it undertakes business activities.

### Environmental policy

The IPCC seeks to reduce the impact of its work on the environment and further information is available in the sustainability report included in appendix 3 of this document.

### 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 or 30 days after receipt of a valid invoice where no terms are agreed. The table opposite sets out the 10-day and 30-day Prompt Payment Performance statistics for the IPCC.

### Prompt Payment Performance

	1 <sup>st</sup> April 2013 – 31 <sup>st</sup> March 2014	1 <sup>st</sup> April 2012 – 31 <sup>st</sup> March 2013
Number of invoices paid	4,025	3,106
% paid within 10 days	85%	99%
% paid within 30 days	97%	100%

### 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 oversight and confidence 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 during or following police contact, analysis of investigations outcomes and the beginning of a detailed study of police use of force. We have also worked with police forces to reinstate data collection for police complaint statistics and worked to improve our own systems for data capture and knowledge management.

### **Charitable donations**

The IPCC did not make any donations to charity during 2013/14. Where commissioners and staff received gifts as a result of their normal duties, these gifts or an equivalent value were donated to either the Alzheimer's Society or Cancer Research UK. Details are recorded in a register, which is published annually on the IPCC website. A printed copy may be obtained in writing by contacting the Commission Secretary at 90 High Holborn, London, WC1V 6BH.

### **Reporting of personal data related incidents**

There were no data-related incidents reported to the Information Commission in 2013/14 (none reported in 2012/13).

### **Going concern**

Grant in aid for the IPCC for 2014/15 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**

In April 2014 the IPCC agreed a lease extension at its Cardiff location and also signed a lease for a new office in Birmingham. The financial impact on the balances contained in the annual accounts is shown in note 25.

## 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 2013/14 are £46,000 (in 2012/13 the audit fee was £42,000). The NAO did not undertake any non-audit work.

Internal audit services are provided under contract by Home Office Internal Audit Unit, which was appointed on 1st 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 information of which the IPCC auditors are unaware.

## Management commentary incorporating the Strategic Report

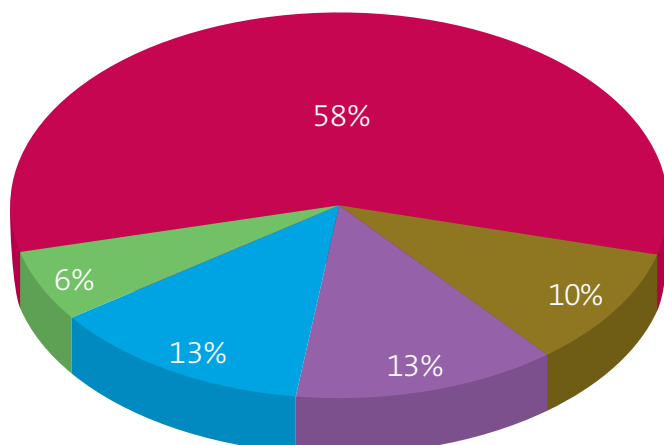
### Financial results for the year

The statement of comprehensive net expenditure shows expenditure of £40.9 million in 2013/14 compared to £33.2 million in 2012/13. Our expenditure has increased by £7.7 million as a result of additional resources required for:

- our investigation into the aftermath of the Hillsborough disaster. Note 27 of the accounts show further details of £7 million additional expenditure
- staff and consultants needed for planning the expansion of the IPCC. Note 28 of the accounts show further details of £0.8 million expenditure

The accounts give the detail of how we spent £40.9 million in 2013/14 but in summary it was used to: employ an average of 500 staff; outsource our secure IT system; provide the estates infrastructure necessary to operate the business effectively across England and Wales; finance the non-cash charges as we write-down our assets; and pay for other operational costs. The chart below shows this.

### How we used our resources



- Staff £23.6m
- Operational costs £5.4m
- Estates £4.2m
- Non cash £2.5m
- IT £5.1m

## Financial review

At the start of the financial year the Home Office agreed to provide adequate funding for our Hillsborough investigation and also agreed to provide additional funding for us to establish a programme of work on corruption and to develop a strategy for oversight and confidence of the complaints system. In February 2013, the Home Secretary also announced that the IPCC would receive additional resources to deal with all serious and sensitive cases of complaints against the police.

Throughout the year we increased staffing and other resources for our Hillsborough investigation and by March 2014 had appointed 105 people either working on or supporting the investigation.

Excluding our Hillsborough investigation, we undertook some early steps to increase our staff ahead of the planned expansion as a result of our change programme in 2014/15. As a result, average staff numbers increased by 64, mainly additional trainee investigators and casework staff. Note 3 has further details.

We also engaged with the Home Office on the scale of funding required to significantly improve and strengthen the work of the IPCC so we can progress the Home Secretary's February announcement. For 2014/15, the Home Secretary has announced we will be receiving £18M additional revenue funding and £10M capital funding. The capital funding will be used for fitting out offices and expanding our IT. The revenue funding will be used to cover the cost of additional staff being recruited and trained to take on investigating more serious and sensitive allegations.

## Business achievements for the year

Last year, the IPCC 2013/14 Business Plan outlined work that we would undertake to improve the performance of the IPCC and the police complaints system. We have set out progress below and further information is contained elsewhere in this report and in our 2014/15 Corporate Plan, which was published in May 2014.

We continued to develop and implement changes resulting from the Home Secretary's proposal to transfer resources to the IPCC in order to enable us to carry out more independent investigations into serious and sensitive allegations. During 2013/14, we set up a change programme, focusing on planning for this transformation. More information about our change programme is included in chapter 2.

We embedded our programme of work on corruption supervising overt and covert investigations by the police into allegations and reports of corruption. This will enable us to provide greater oversight of the handling at local force level of the public's complaints and concerns about corruption and other serious misconduct. Further information about supervised corruption cases is included in chapter 3.

We continued our investigation into the allegations surrounding the aftermath of the Hillsborough disaster. The investigation has been running in parallel with the police investigation led by Assistant Commissioner Jon Stoddart into the deaths of 96 people as a result of the aftermath of the Hillsborough disaster. Further information about the Hillsborough investigations is included in chapter 3.

We consulted with the public on our proposed strategy for overseeing the police complaints system and securing public confidence in it over the next three years. We also developed and implemented our quality and service standards and published our operational and service



standards on our website. Further information about our oversight and confidence strategy is included in chapter 4.

We completed our review of our work in cases involving a death. Throughout the review we worked with key stakeholders, including the families of people who have died. We held an event for stakeholders in October 2013 to discuss the emerging findings and published a final report in March 2014. The final report set out a plan of action, which details the steps we have taken or are planning to take to change the way we work. We are using feedback from the review of our work in cases involving a death and the external review of our investigation into the death of Sean Rigg to maintain and improve the quality of our investigations work. Further information about this work is included in chapter 3.

Following our response to the Home Affairs Select Committee's (HASC) inquiry into the IPCC, we continued to address the recommendations contained in the HASC report, including working to eliminate the backlog of casework appeals, continuing with our trainee investigator programme, and working with the Her Majesty's Inspectorate of Constabulary to see how the two organisations can effectively complement each other's roles.

We also commissioned Ipsos MORI, a market research company, to conduct the Public Confidence Survey. Further information about this work is included in chapter 4.

We continued our work to ensure that the complaints system identified learning that leads to demonstrable improvements in policing. In January 2014, we published a Learning the Lessons bulletin to share learning to the police service and make recommendations for changes to police policy and practice.

We worked towards achieving our internal equality objective to: 'Ensure that the IPCC complies with the public sector equality duties'; and our external-facing equality objective to: 'Work with others to improve access, confidence, and awareness of the police complaints system in relation to diversity issues and identify and respond to emerging diversity issues in policing, complaint handling, and investigations'. More information about our equality objectives is included in chapter 3.

### **Business focus for the future**

The IPCC has developed five corporate objectives that support the achievement of its overarching vision. Our Business Plan sets out the key projects that we will be working towards during 2014/15:

- Continue to implement our change programme.
- Implement actions from our review of cases involving a death and the external review of our investigation into the death of Sean Rigg.
- Begin to implement our Oversight and Confidence Strategy.
- Implement changes resulting from the Anti-social Behaviour, Crime and Policing Act 2014.
- Develop and begin to implement our Engagement Strategy.

*Further information about these and other projects is available in the IPCC Business Plan for 2014/15<sup>16</sup>*

16. [www.ipcc.gov.uk/about/corporate-reports-and-guidelines/annual-report](http://www.ipcc.gov.uk/about/corporate-reports-and-guidelines/annual-report)

## IPCC operational structure

The IPCC is functionally organised into seven directorates and a Commission Secretariat for management reporting and control. The costs and staff levels in these operating segments are shown in the Notes in the Annual Accounts. The role of each directorate is described below.

### • Investigations directorate

The directorate carries out independent, supervised and managed investigations into the most serious complaints and allegations of misconduct against the police in England and Wales. As well as these serious complaints, certain types of incident are referred to the directorate by the police, HMRC, the NCA, or Home Office, even where no complaint has been made.

The directorate 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.

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.

More information about our role in relation to NCA, the Home Office and HMRC is explained elsewhere in this report.

### • Casework and customer services directorate

The 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 discontinue or to begin an investigation into a complaint.

In addition to the above they also provide advice to complainants on how to make a complaint and respond to enquiries and complaints about the police.

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.

### • Chief Executive's directorate

The directorate is made up of three functions: Strategy and Communications, News, Analytical Services, and included in this directorate is the Chief Executive's private office.

The Strategy and Communications team delivers some aspects of the IPCC oversight and confidence responsibility, such as setting the standards for complaints handling, guidance to complainants, access to the complaints system, and policy development. The team also undertakes internal communications and stakeholder engagement.

The Analytical Services team provides detailed performance data of the IPCC and police regarding complaints and undertakes research on specific issues affecting the complaints system as a whole.

The News team provides strategic support and advice to the Chair, Chief Executive and commissioners on all external communications, delivers 24-hour press office support for IPCC work and plans, and develops media advice for policy and research work.

- **Legal and assurance directorate**

The directorate is made up of three functions: Legal Services, Standards, and Risk and Audit.

The Legal Services team directly supports Casework and Investigations staff, and commissioners by providing high-quality legal advice in relation to casework decisions and investigations. It also provides representation for the Commission in litigation cases and at inquests.

The Standards team is responsible for maintaining standards across the IPCC. It 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.

The Risk and Audit team facilitates and supports the IPCC risk management process, giving advice and guidance on best practice and maintains the strategic risk register. The team also develops, in consultation with other directorates and stakeholders, a strategic audit plan, which takes account of the audit needs and risks of the IPCC. Risk registers and progress against the audit plan are reported to the Audit and Risk Committee and the Management Board throughout the year.

- **Resources directorate**

The directorate is made up of four functions: Human Resources, Finance, ICT, and Procurement and Estates.

These functions provide high quality professional support to the entire organisation on human resources issues, financial and business planning, information technology, procurement and facilities. The directorate also coordinates the IPCC's response to requests for information made under the Freedom of Information Act and the Data Protection Act.

- **Change directorate**

During 2013/14, this directorate was responsible for the preliminary work undertaken on the IPCC change programme planned for 2014/15.

- **Hillsborough directorate**

This directorate is responsible for our investigation into the aftermath of the Hillsborough disaster. The directorate is predominately staffed by investigators, however, commissioners and other staff, such as lawyers and press office, contributing to the investigation, are included in the costs.

- **Commission Secretariat**

The Commission Secretariat supports the Chair, and deputy chairs in undertaking their roles, and supports commissioners in their corporate governance role.

## Remuneration report

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 Acting Chief Executive.

### Remuneration policy

The IPCC Chair is appointed by the Crown. The other commissioners are appointments of the Secretary of State. The Acting 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. 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 Acting 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 Jennifer Izekor 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. Dame Anne Owers was appointed permanent IPCC Chair, for a five-year term, from 2nd April 2012 on the advice of the Prime Minister and Home Secretary.

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

Amanda Kelly was appointed Acting Chief Executive on 1st April 2013 and the previous Chief Executive, Jane Furniss CBE, left the IPCC on 30th April 2013.

The Acting 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 or awarded in 2013/14 and no bonuses were paid or awarded in respect of 2012/13.

## Remuneration (including salary , benefits in kind and pensions)

The information in the remuneration tables below provides details of the remuneration of commissioners, and the Acting Chief Executive and senior management of the IPCC and is subject to audit.

Table 1 **Single total figure of remuneration**

This report has been audited.

Commissioners	Salary 2013/14 £'000	Pension benefits*** 2013/14 £'000	Pension benefits*** 2012/13 £'000	Total remuneration 2013/14 £'000	Total remuneration 2012/13 £'000
Anne Owers (Chair)	95-100*	—	—	95-100*	75-80
Deborah Glass	90-95**	—	—	90-95**	90-95
Rachel Cerfontyne	85-90	—	—	85-90	75-80
Mike Franklin	30-35**	—	—	30-35**	80-85
Sarah Green	80-85	—	—	80-85	75-80
Nicholas Long	30-35**	—	—	30-35**	75-80
Naseem Malik	30-35**	—	—	30-35**	60-65
Rebecca Marsh	25-30**	—	—	25-30**	75-80
Amerdeep Somal	20-25**	—	—	20-25**	75-80
Cindy Butts	80-85	—	—	80-85	25-30
Jennifer Izekor	75-80	—	—	75-80	25-30
Mary Cunneen	80-85	—	—	80-85	30-35
Tom Davies	25-30**	—	—	25-30**	45-50
James Dipple-Johnstone	75-80	—	—	75-80	25-30
Derrick Campbell	75-80	—	—	75-80	15-20
Jan Williams	50-55	—	—	50-55	-
Jonathan Tross (Non-executive Commissioner)	5-10	—	—	5-10	5-10
Ruth Evans (Non-executive Commissioner)	10-15	—	—	10-15	5-10

\* By agreement with the Home Secretary, the Chair increased her attendance from two/three days per week to four days per week as from 22 October 2012 hence the higher remuneration in 2013/14 compared to 2012/13.

\*\* These commissioners' appointments ended during 2013/14 hence the lower remuneration in 2013/14 compared to 2012/13.

\*\*\* The IPCC pension provider, Equiniti Paymaster, has been unable to provide accurate pension figures for 2013/14 and 2012/13. As a result, we have not been able to prepare the total remuneration disclosures described in the Employers Pension Notice 380.

Table 2 **Single total figure of remuneration**

This report has been audited.

Senior management	Salary 2013/14 £'000	Pension benefits** 2013/14 £'000	Pension benefits** 2012/13 £'000	Total remuneration 2013/14 £'000	Total remuneration 2012/13 £'000
Amanda Kelly* <i>(Acting Chief Executive from 1 April 2013)</i>	120-125	—	—	120-125	100-105
Jane Furniss <i>(Chief Executive to 30 April 2013)</i>	10-15	—	—	10-15	130-135
Mike Benbow <i>Director of Hillsborough</i>	95-100	—	—	95-100	90-95
David Knight <i>Director of Casework and Customer Services</i>	80-85	—	—	80-85	80-85
Moir Stewart <i>Director of Investigations</i>	105-110	—	—	105-110	105-110
Kevin Woodrow <i>Director of Resources (appointed 1 March 2014)</i>	5-10	—	—	5-10	—

\* Amanda Kelly was appointed Acting Chief Executive on 1 April 2013. The remuneration shown for 2012/13 is that for her previous appointment as Director of Business Services.

\*\* The IPCC pension provider, Equiniti Paymaster, has been unable to provide accurate pension benefit figures for 2013/14 and 2012/13. As a result, we have not been able to prepare the total remuneration disclosures described in the Employers' Pension Notice 380.

The Director of Change, Megan Smart, has been seconded from the Home Office with effect from 15th July 2013. The IPCC has paid the Home Office £107k for her services during 2013/14.

### Payments made to directors under the civil service compensation scheme

During 2013/14 no payments were made to directors under the civil service compensation scheme.

### Benefits in kind

No commissioners or directors received any benefits provided by the IPCC that were treated by HM Revenue and Customs as a taxable amount.

## CEO remuneration

For 2013/14 the Acting Chief Executive's remuneration is shown in the table below. The Chief Executive's remuneration for 2012/13 is also shown.

This report has been audited.

	2013/14	2012/13
Salary	124,220	131,604
Bonus	—	—
Total	124,220	131,604

In 2013/14 the Acting Chief Executive was paid no bonus for her performance during 2012/13. No other bonus has been paid or awarded to the Acting Chief Executive.

## Pay multiples

The IPCC is required to disclose the relationship between the remuneration of the highest-paid director and the median remuneration of the workforce. The workforce includes all on-payroll employees and agency and other temporary employees covering staff vacancies.

The highest paid director is the Acting Chief Executive whose remuneration in 2013/14 was £124,220 and the median remuneration of the workforce in 2013/14 was £31,853. Therefore the Acting Chief Executive's remuneration was 3.9 times the median remuneration of the workforce. The comparative figure for 2012/13 was £31,965, which was four times the median.

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. For agency and other temporary employees the VAT and the agency fee at an average of 15 per cent has been excluded.

## Salary

This 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 accrued payments made by the IPCC and thus recorded in these accounts.

## Payments to third parties

None of the commissioners or directors in the IPCC are paid by means of payments to a limited company or third party in lieu of a salary. All the commissioners and directors are paid through the IPCC payroll.

## Pension benefits

The Chair, commissioners and all staff are eligible for membership of the Principal Civil Service Pension scheme. Certain IPCC commissioners and staff 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 below provides details of the pension benefits of commissioners, the Acting Chief Executive and the directors and is subject to audit.



Table 3 Pension benefits

This report has been audited.

Commissioners	Accrued pension at pension age as at 31/3/14 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31 March 14 £'000	CETV at 31 March 13 £'000	Real increase/ (decrease) in CETV £'000
Deborah Glass	25 - 30 75 - 80 Lump Sum	0 - 2.5 2.5 - 5 Lump Sum	598	538*	(4)
Rachel Cerfontyne	10 - 15 Nil lump sum	0 - 2.5 Nil lump sum	143	114	17
Mike Franklin	25 - 30 75 - 80 Lump Sum	- 2.5 - 0 - 2.5 - 0 Lump Sum	472	449	(5)
Sarah Green	5 - 10 Nil lump sum	0 - 2.5 Nil lump sum	140	108*	12
Nicholas Long	10 - 15 Nil lump sum	0 - 2.5 Nil lump sum	226	222	(2)
Naseem Malik	25 - 30 Nil lump sum	0 - 2.5 Nil lump sum	374	348*	6
Rebecca Marsh	10 - 15 Nil lump sum	0 - 2.5 Nil lump sum	177	169	4
Amerdeep Somal	20 - 25 Nil lump sum	0 - 2.5 Nil lump sum	277	263	2
Cindy Butts	0 - 2.5 Nil lump sum	0 - 2.5 Nil lump sum	23	6	11
Jennifer Izekor	0 - 2.5 Nil lump sum	0 - 2.5 Nil lump sum	27	7*	14
Mary Cunneen	20 - 25 Nil lump sum	20 - 25 Nil lump sum	258	8	55
Tom Davies	10 - 15 Nil lump sum	0 - 2.5 Nil lump sum	256	256	1
James Dipple-Johnstone	15 - 20 45 - 50 Lump Sum	10 - 15 40 - 45 Lump Sum	196	7	183
Derrick Campbell	10 - 15 Nil lump sum	10 - 15 Nil lump sum	163	5	13

\*The CETV at 31/03/13 differs from the corresponding figure in last year's report, as advised by our pension administrators.



Table 4 Pension benefits

This report has been audited.

Senior management	Accrued pension at pension age as at 31/3/14 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31 March 14 £'000	CETV at 31 March 13 £'000	Real increase/ (decrease) in CETV £'000
Amanda Kelly <i>(Acting Chief Executive from 1 April 2013)</i>	35-40 Nil lump sum	0-2.5 Nil lump sum	513	462	20
Jane Furniss <i>(Chief Executive to 30 April 2013)</i>	55 - 60 165 - 170 Lump Sum	- 2.5 - 0 - 5 - 0 Lump Sum	1,292	1,251	(35)
Mike Benbow <i>Director of Hillsborough</i>	10-15 Nil lump sum	2.5-5 Nil lump sum	273	195	69
David Knight <i>Director of Casework and Customer Services</i>	25-30 90-95 Lump sum	0-2.5 2.5-5 Lump sum	538	494	12
Moir Stewart <i>Director of Investigations</i>	10-15 Nil lump sum	0-2.5 Nil lump sum	150	113	23
Kevin Woodrow <i>Director of Resources (from 1 March 2014)</i>	0-2.5 0-2.5 Lump sum	0-2.5 0-2.5 Lump sum	2	—	1

## Civil service pensions

Pension benefits are provided through the civil service pension arrangements. From 30th July 2007, civil servants 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 pensions increase legislation. 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 salary-related and range between 1.5% and 6.25% of pensionable earnings for **classic** and 3.5% and 8.25% for **premium**, **classic plus** and **nuvos**. Increases to employee contributions will apply from 1st April 2014. 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 1st 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/her pensionable earnings during their period of scheme membership. At the end of the scheme year (31st 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 pensions increase legislation. 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.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)*

## 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.

### 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 in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 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.

A handwritten signature in black ink that reads "Amanda Kelly". The signature is fluid and cursive, with a long horizontal stroke at the end.

**Amanda Kelly**

Acting Chief Executive and Accounting Officer  
26th June 2014

## Statement of the Accounting Officer's responsibilities

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, changes in taxpayers' equity, 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 Acting Chief Executive as Accounting Officer for the IPCC.

Under the terms of her appointment the IPCC Accounting Officer is accountable for the use, including regularity and propriety, of grants received and the other income and expenditure of 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 for which the Accounting Officer is responsible, are set out in Managing Public Money published by HM Treasury.

## Acting Chief Executive's personal annual governance statement 2013/14

As the Acting Chief Executive of the Independent Police Complaints Commission (IPCC), I have personal responsibility for maintaining a sound system of governance, internal control and risk management to support the discharge of the IPCC's functions under the Police Reform Act 2002 and other relevant legislation, and the aims and objectives of the Commission, whilst safeguarding public funds and organisational assets.

The system of governance, internal control and risk management is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide high, rather than absolute, assurance of effectiveness.

In October 2012 the previous IPCC Chief Executive, Jane Furniss CBE, announced her intention to retire. The campaign to appoint her permanent successor was unsuccessful and Dame Anne Owers asked me to assume the role of Acting Chief Executive as of 1st April 2013, initially for a six-month period. Given the urgent need to progress the work of the change programme (further details are included below) and the inevitable impact these changes will have on the future shape of the CEO post, my acting appointment was extended to the beginning of October 2014, or until a permanent appointment is made, if this is earlier. A recruitment exercise to appoint a permanent Chief Executive began in April 2014.

I confirm that I have reviewed the governance, internal control and risk management arrangements in operation within my area of responsibility up to the date of signing this statement. I have considered the effectiveness of the control framework in the context of the external environment and internal issues specific to the IPCC using the seven facets of the Home Office assurance framework detailed below. I have based my overall judgement on the

recommendations of internal audit and comments from the National Audit Office as well as on evidence presented to the IPCC Executive Management Board, the Audit and Risk Committee, the Quality Committee and the Commission. Actions detailed in the Governance Statement for 2012/13 have also been reviewed and where appropriate are commented on.

### Key issues

#### *The change programme*

In recent years the IPCC has expressed concerns about its ability to meet the public's expectations for independent oversight of the police complaints system, given the increase in demand for its services and the relatively modest size of the resources at its disposal. These concerns have been echoed by our stakeholders and in the findings from the Home Affairs Select Committee's review of the IPCC (2012/13).

In February 2013, the Home Secretary made a statement to the House of Commons on police integrity in which she signalled her intention to "transfer to the IPCC responsibility for dealing with all serious and sensitive allegations." She also said that she intended "to transfer resources from individual forces' professional standards departments and other relevant areas to the IPCC to make sure it has the budget and the manpower to do its work."

Since the announcement, plans have been developed to implement the Home Secretary's proposals and a major change programme has begun. This will run over several years and affect every area of the current organisation.

At the time of this statement, the full scale of additional resources to be transferred to the IPCC over the life of the change programme is yet to be finalised. The Home Secretary's statement on 18th December 2013 concerning the police budget for 2014/15 indicated that in 2014/15 the IPCC will receive an additional £18M in resource funding and £10M in capital funding to enable it to increase its capacity.

Our change programme will, in essence involve setting up a new organisation. As a result we are developing a new operating model and changing how we work. Further work is needed to translate that operating model into a final organisational structure, which will enable the IPCC to deliver what is expected of it.

The Home Office Director of Policing and I have assumed the roles of Senior Responsible Owner for our respective organisations in delivery of the change programme and IPCC programme governance has been established. The IPCC has set up a Change Programme Board chaired by Dame Anne Owers.

The Home Office and I have agreed the secondment of a Director of Change to lead IPCC transition planning and implementation. The Director is supported by an internal programme team and additional external expertise is also being sought as appropriate.

Significant change brings with it new risks to the IPCC. The timing of funding decisions, and funding staff capacity (particularly at senior level) all impact on the ability to deliver such an ambitious programme while maintaining appropriate levels of service. Detailed internal programme planning has been undertaken and the key areas for change have been identified for prioritisation along with a phased delivery plan.

This change also brings risks for the Home Office which commissioned an independent consultant to conduct a 'health check' on the IPCC transition. The review noted the positive progress made by both the IPCC and Home Office but made a number of recommendations regarding the urgent agreement of modelling assumptions and financial allocations and review of the wider programme governance arrangements. All the recommendations have been accepted.

### *The controls framework*

In July 2013, as part of normal month-end procedures, the IPCC Finance team identified a significant over-spend on staffing within the Investigations directorate. The over-spend was found to be the result of inadequate controls over the authorisation of a recruitment exercise. This issue was immediately brought to my attention and I undertook remedial action.

Following this initial activity, I commissioned an external review to strengthen the control framework. I appointed a qualified accountant to undertake this work and he evaluated the current control framework of the organisation. The Director of Resources is responsible for implementing the recommendations from this work, and in May I approved new Standing Financial Instructions which will be issued to all staff.

### *Hillsborough investigations*

As a result of the findings of the Hillsborough Independent Panel in October 2012, the IPCC launched an independent investigation into allegations surrounding the aftermath of the Hillsborough disaster.

A new directorate was set up to conduct the independent investigation and manage a second investigation 'Operation Resolve' into the deaths arising from the tragedy, led by former Chief Constable of Durham Constabulary, Jon Stoddart. In addition, the investigation is supporting the Coroner, Lord Justice Goldring, in respect of the new inquest into the deaths.

Both investigations are based in Renaissance House, Warrington. The investigations are likely to take another two years and the Home Secretary has indicated that she will make the necessary funding available.



### *Changes in the Commission*

Five new commissioners became fully operational on 1st April 2013. A sixth commissioner, the Commissioner for Wales, became operational on 1st October 2013.

In August 2013, the Home Office agreed a further recruitment campaign for two operational commissioners and two additional non-executive commissioners. An external selection process was carried out in accordance with the Office of the Commissioner for Public Appointments' (OCPA) Code of Practice and four appointments were approved by ministers in March. The two non-executive commissioners started with the IPCC in April. One new operational commissioner started with the IPCC in May, the other will start in July.

In May 2013, Ministers agreed that the IPCC needed to revert to having two deputy chairs, to support the Commission during this time of change and expansion. Following an internal selection process, the Home Secretary appointed two new deputy chairs. One took up post in August 2013 and the other took up her post on 1st January 2014, when the previous deputy chair stepped down.

In order to assist with the expanding workload, two associate commissioners have been appointed from within the organisation. They are members of staff and do not have a governance role.

### *Our work*

The reforms to the complaints system and the introduction of elected Police and Crime Commissioners have changed the landscape within which the IPCC operates. The number of appeals received by the IPCC has reduced significantly; as predicted, however, the IPCC still handles appeals relating to all complaints made before 22nd November 2012 under the previous legislation. The appeals backlog reduced during the year but a number of factors continued to slow the reduction in quarter 4, so that we have not met that 2013/14 performance target. The backlog should now be eliminated by the end of 2014.

In April 2013 the Investigations directorate had 104 open independent investigations. By the end of March 2014, the figure had risen to 134 open cases. The increase in the open caseload is having a serious effect on timeliness.

The organisation is piloting a central referral unit, headed by a senior investigator, which has responsibility for making decisions on the mode of investigation for cases referred to us. Since it started on 1st October 2013, the number of referrals has averaged over 60 a week, which is an increase on this time last year. This is placing added pressure on the IPCC as the increase in numbers has resulted in a number of casework managers being diverted from dealing with appeals work.

This year the Investigations directorate decided to increase its involvement in corruption referrals. At the end of this reporting year we are supervising 151 overt and 59 covert cases.

A small number of criminal complaints against PCCs have been made, necessitating five independent investigations.

In 2012, the Chair of the IPCC commissioned an external review of the IPCC's investigation into the death of Sean Rigg following a narrative verdict at the inquest. The review was led by Dr Silvia Casale. As a result of the review, the investigation has been reopened. In addition, Dr Casale's team made a number of recommendations about how the IPCC conducts its independent investigations. These have been accepted and are being implemented.

In August 2013 the IPCC published an action plan in response to the findings of the review. Among the actions identified, the IPCC committed to consult on draft statutory guidance about how the police should manage the post incident procedures following a death in order to obtain best evidence. Following the consultation, we will review the draft guidance before seeking approval from the Home Secretary.

In 2012, the IPCC also announced that it would carry out a review in relation to its investigations involving a death. This followed some criticisms of the way these types of cases had been investigated and the outcomes of the investigations.

The final report of the review was published in March 2014. The actions in the report are aligned to the actions in our response to the Dr Silvia Casale's review of the investigation into the death of Sean Rigg, as many of the same issues were identified by both reviews. Work to implement many of the actions is complete or underway and others are being taken forward as part of the IPCC's change programme.

The Anti-social Behaviour, Crime and Policing Act 2014 introduced new powers for the IPCC, including jurisdiction over private sector contractors and a statutory framework for recommendations that are made by the IPCC.

This year we received additional funding of £400,000 from the Home Office for a programme of additional activity relating to oversight of, and confidence in, the police complaints system. We have used this funding for pilot projects and for the development of an enhanced strategy to guide this area of our work in the future.

Our funding this year has also allowed us to develop a sustainable model for carrying out oversight and confidence work over the coming years.

In January, we held a seminar for Police and Crime Commissioners (PCC) in London. At the end of March, we also held a seminar for police professional standards departments.

### ***Governance, internal controls and risk management***

The IPCC has a well established governance structure, with the respective roles of the Commission and the Executive formalised through the IPCC Scheme of Delegation, which was updated in February 2014.

The **Commission** is responsible for defining strategy, determining the allocation of resources and is accountable for the delivery of its objectives. At the beginning of 2013/14, the Commission had three Committees, **Audit and Risk, Quality and Remuneration** to discharge specific functions, each with terms of reference, reporting to **the Commission**.

The role of the **Audit and Risk Committee** is to support the Commission and Accounting Officer in their responsibilities for issues of risk, control and governance and associated assurance. The Committee oversees the IPCC's systems and processes of finance, corporate governance, accountability, and complaints against the organisation. It is also responsible for approving the annual accounts on behalf of the Commission. The Committee is chaired by a non-executive commissioner and the Chair reports annually to the Commission on the Committee's work.

The **Quality Committee** was formed in 2010 to ensure continued improvement in the quality and effectiveness of the IPCC services and oversight of the complaints system as a whole. The role of the Committee was to support the Commission in its responsibilities for standards and quality assurance. In January 2014, the Commission decided that the Committee's audit assurance responsibilities should be undertaken by the Audit and Risk Committee. The last meeting of the Quality Committee was held on 30 January 2014.

The **Remuneration Committee** meets to agree the staff pay and rewards strategy and the annual staff pay remit. It also considers and agrees the Chief Executive's recommendations on pay progression and bonus awards for each director, and the recommendations of the Commission Chair in relation to the Chief Executive's pay. It is chaired by a non-executive commissioner.

All IPCC Committees meet to review their own effectiveness on an annual basis.



The **Commission** itself acts in accordance with the IPCC Standing Orders and is accountable directly to Parliament. Through the Chair and Chief Executive's regular meetings with the Minister of State for Policing and Criminal Justice, the effectiveness of the organisation is under constant review and more generally subject to considerable Parliamentary and public interest and scrutiny. The Commission also meets periodically to review the internal and external challenges facing the organisation and how the Commission might best meet those challenges.

Average attendance at Commission between 1st April 2013 and 31st March 2014 has been 83 per cent with attendance at Audit and Risk Committee at 81 per cent, Quality Committee at 100 per cent, and the Remuneration Committee at 100 per cent. The Commission attendance figures reflect the fact that one commissioner was on loan to the Office of Nuclear Regulation until 1st July 2013 as well as the Commission transition period. Attendance records relating to Commission and Committees are included in Appendix 1 to this statement.

As the Acting Chief Executive, I chair the **Executive Management Board**. It comprises all directors, the Head of Strategy and Communications and the Commission Secretary. It is responsible for the operational delivery of the IPCC's business. It meets on a monthly basis, receiving regular reports on finance, performance, and risk, to inform its decision making.

A number of changes have been made to the senior executive structure this year, both to provide cover for my substantive role as Director of Business Services and to prepare the organisation for the change programme. I decided that it was not in the interests of the organisation for the essential post of Director of Business Services to remain vacant while I am in the Acting Chief Executive role for an extended period. I therefore created a permanent Director of Resources post to

provide leadership to some areas within the Business Services portfolio. The new director joined the IPCC in March 2014.

Bi-lateral meetings take place regularly with the IPCC's Sponsor Unit within the Home Office, to discuss strategic, budgetary and operational matters and high profiles cases. These are supplemented with further meetings with risk, finance, human resources and estates leads, as required. The relationship continues to be managed under the existing Management Statement and Financial Memorandum pending a revised Framework Document. The IPCC has been proactive in developing a new Framework Document, which is with the Home Office for comment. The IPCC's Internal Auditors have also recommended that a new Framework Document should be put in place as soon as possible.

Each directorate maintains an operational risk register. Specific risk registers relating to individual programmes and projects are also maintained. These registers are collated by the Risk and Audit Manager and influence the overall strategic risk register. The strategic risk register is considered at least quarterly at Executive Management Board and at each meeting of the Audit and Risk Committee. The current risk register was last presented to the Audit and Risk Committee at the May 2014 meeting. We have recently procured a specific Risk Management IT system, which should significantly improve the risk management processes.

The Standards team is responsible for providing assurance in respect of the quality and compliance of the delivery of core business. The team is responsible for providing independent assurance in respect of the quality of investigations and casework activity. All business improvement recommendations arising from the team's work are monitored to ensure timely implementation. The team is responsible for internal investigations and has responsibility for internal counter-fraud,

bribery and corruption. During the reporting period, a number of recommendations made by the Standards team in addressing the quality of investigations, the quality of investigation reports and the quality of local investigation appeals were implemented. An internal audit of the effectiveness of the IPCC Internal Investigations Unit in relation to complaint handling and positive customer feedback, completed in August 2013, resulted in a positive report with a high assurance rating.

The IPCC has reviewed the Corporate Governance Code in Central Government Departments and, whilst this is directed more at ministerial departments than at non departmental public bodies, the IPCC has complied with the principles of the code, where appropriate within its independent and statutory remit and there are no significant deviations from the Code provisions as they are considered to apply to the IPCC.

The IPCC has a suite of Business Continuity Plans (BCP) in place at organisational, directorate and office level, supported by Critical Incident Plans and contact lists. These are reviewed and updated annually. A new plan has been produced for our office in Warrington. A review of the IPCC Business Impact Assessment registers took place in October and November 2013 and checks have been undertaken to ensure that our payroll provider has carried out a successful disaster recovery test.

The Home Office Internal Audit examined the revised BCP arrangements as a result of the IPCC data centre move from the IPCC Holborn office to the ICT managed services provider's data centre in Hemel Hempstead. The Audit was completed and a green rating was given. Disaster recovery facilities were successfully tested in August 2013.

### *Performance management*

Processes are in place to ensure that strategic, directorate, team and individual objectives are aligned. Operational objectives are monitored corporately through the scorecard system and a comprehensive management information system exists, covering all key performance indicators, which is reported and discussed regularly at Executive Management Board. Directors are accountable for each area of their business and are required to provide action plans to address any performance issues.

The IPCC moved to a new case management system in March 2013 and all historic and current case data was migrated to the new system. The development of reporting from the system proved to be more complex than expected. Following extensive testing and defect fixing, interim reports were delivered; however, full reporting functionality is still to be delivered.

Individual monitoring systems are in place for independent and managed investigations, providing information on timeliness, completion and review activity. Performance on cases considered to be high risk to the IPCC is reported on a fortnightly basis to the Director of Investigations (DOI) and me as the Acting Chief Executive.

The IPCC National Investigations Office continues to monitor performance, tracking the timeliness and effectiveness of investigations against the agreed performance objectives.

At the outset of every independent investigation, the lead commissioner meets with the lead investigator, his/her supervisor and members of our legal and media teams. In investigations assessed as critical, the director chairs these meetings. At these meetings, among other matters, the family, community, other interested parties and the terms of reference are considered.

The senior investigator (quality), supported by a deputy, can be directed to oversee and offer advice on serious investigations; team managers can also ask for this assistance. In addition, the DOI or commissioner can, at any stage of an investigation, ask for a case review by the Standards team. The outcomes of these reviews so far have been reported to the Quality Committee. In future they will be reported to the Audit and Risk Committee.

All casework staff have personal objectives for volume, timeliness and quality of output, directly linked to directorate, corporate and business plans. Casework performance is closely monitored through weekly management meetings, monthly reports to Executive Management Board and bi-monthly reports to Commission.

As a quality measure, customer satisfaction survey data is collected and reported quarterly. A quality framework for all operational work has been created, and a programme of quality assurance is being conducted, additional quality checkers have been appointed.

### **Financial management**

Allocation of budgets is formally approved by the Executive Management Board and Commission in line with business priorities. The Executive Management Board agreed to over-budget against formal delegation with mitigation controls in place to ensure no year-end overspend against the approved delegated grant.

Budget profiling and variance analysis is in place and the Home Office is regularly updated on our financial results.

The Home Office has agreed an increased financial delegation for our work on the Hillsborough investigation.

Purchase to pay procedures have been followed and delegations have not been exceeded. Evidence exists to demonstrate that regularity and propriety of expenditure is in place and where weaknesses have been identified these have been quickly corrected.

Assets are well controlled, although we need to improve recording of the assets held through the outsourced ICT contract. Value for Money has been achieved through competitive procurement practice or use of government frameworks. Procurement policies are in line with Home Office guidance.

### **People management**

The IPCC Internal Auditors have undertaken an audit on the recruitment and clearance of staff, in particular for Hillsborough, with a moderate rating. Corrective action has been taken on the recommendations made. All early departure schemes have been approved by the Cabinet Office under the terms of the Civil Service Compensation Scheme and the IPCC sponsor unit within the Home Office informed.

The IPCC recognises and accepts its legal responsibilities in relation to the health, safety and welfare of its employees and third parties that may be affected by its work, and complies with the Health and Safety at Work Act 1974 and other related legislation as appropriate. The Staff Council, which I chair, has now taken on the role of the Health and Safety Committee.

General safety and fire safety audits have been conducted at all offices and corrective actions implemented and monitored where necessary. The IPCC continues to pursue required improvements in landlord-controlled property. Appropriate health and safety checks were conducted before our office in Warrington became operational.

The Valuing Diversity Group provides guidance to Commission and the Executive Management Board on its duties under equality legislation. It keeps our equality objectives under review and monitors delivery.

### *Information management*

Work relating to the management of information risk has focused on staff induction and mandatory annual security awareness, together with the identification of information assets and quarterly risk assessments undertaken by Information Asset Owners (IAO).

All IPCC owned or managed information systems in scope have been accredited to the Public Services Network. The IPCC's IT supplier was awarded ISO 27001 status for the Information Security Management System it provides to the IPCC. A successful assessment by the Home Office against Level 3 of the Information Assurance Maturity Model has taken place. The IPCC has implemented the new Government Security Classification policy.

Security and data breaches have been reported to the Senior Information Risk Owner and IAOs have taken action to address any identified issues. In 2013/14 there were 73 security breaches, of which 58 involved data. 36 of these incidents resulted in a known or likely compromise of data and 22 were near misses. 15 incidents related to non-data items, such as loss of security passes.

There have been no serious breaches in the reporting period however a single breach was categorised as moderate (relating to the management of exhibits and other similar material). There were no critical incidents in the period.

The Home Office Internal Audit Unit undertook an audit of IPCC data security which resulted in a high rating.

The central Freedom of Information/Data Protection Act team co-ordinates the responses, manages the review process and quality assures disclosures under the acts. During 2013/14, 302 Freedom of Information requests were processed and of these 84.4 per cent were

completed on time. The IPCC also processed 509 Data Protection Act requests (237 of those requests related to the Hillsborough investigation) and 77.4 per cent were completed on time. In total, the IPCC received 460 Data Protection Act requests relating to Hillsborough, with 189 requests awaiting proof of identity and 34 still outstanding.

The IPCC published an Freedom of Information disclosure log on our public website in January 2013. This lists responses to requests made under the Freedom of Information Act 2000 that are felt to be of a wider public interest. Current disclosures are published on this disclosure log and all relevant disclosures from 2013 have also been published. Disclosures from 2012 are being reviewed and relevant ones will be published in 2014.

### *Programme and project management*

The IPCC's project management guidance sets out procedures for project management at the IPCC and is flexible enough to ensure that governance is proportionate to the size of the project.

The project management guidance requires that a business case is in place and agreed by the Project Executive. Aside from the business case template, other templates, such as the project initiation document and benefits review plan, are available for staff to use on projects. The Strategy and Planning team will meet the project support requirements of key projects and provide general project advice to staff across the organisation.

Through the corporate and business planning process, the Executive Management Board agrees the key projects for the IPCC. Progress of these projects is monitored by directors throughout the year and is reported to the Executive Management Board and Commission every quarter.

The IPCC adopted a programme approach in relation to setting up the Hillsborough investigation. The set-up programme ran until July 2013 and was made up of 10 work streams, led by staff from across the organisation. The programme was overseen by a programme board. The programme board met on a monthly basis; at each meeting the board considered progress of the work streams and the Hillsborough set-up risk register. The lessons from the Hillsborough set-up programme and other projects are being considered as part of the IPCC change programme.

#### **Overall assessment**

The Internal Auditors have provided an assessment of assurance. On the basis of the reviews they have carried out in the year, they have provided an assessment of moderate assurance.

In my opinion, I am able to provide moderate assurance on the areas for which I am responsible. Moderate assurance is defined as:

*“Strengths in the control, risk and information management systems in place outweigh weaknesses. Although there is a need for improvement in specific areas, systems generally operate effectively”.*



**Amanda Kelly**  
Acting Chief Executive and Accounting Officer  
26th June 2014

## Commission and Committee attendance records

These figures reflect the fact that one commissioner was on loan to the Office of the Nuclear Regulation to 1st July 2013 in addition to the commissioner transition period.

	Commission												Audit and Risk Committee				Quality Committee			Remuneration Committee
	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	May	June	Oct	Jan	Jun	Oct	Jan	Mar
Anne Owers	1	1	1	1	1	1	1	1	1	1	1	1								
Cindy Butts	1	1	1	1	1	1	1	1	1	1	1	1								
Derrick Campbell	1	1	1	1	1	1	1	1	1	1	1	Ap								
Rachel Cerfontyne	1	1	1	1	1	1	1	1	1	1	1	1								
Mary Cunneen	1	1	1	Ap	1	1	1	1	1	1	1	1								
Tom Davies	1	1	1	Ap	1	Ap														
James Dipple-Johnstone	1	1	1	1	1	1	1	1	1	1	1	1					1	1	1	
Mike Franklin	Ap	Ap	Ap	Ap	Ap															
Deborah Glass	1	1	1	1	1	1	1	Ap	Ap	Ap	Ap	1								
Sarah Green	1	Ap	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Jennifer Izekor	1	1	1	1	1	1	1	1	1	1	1	1								1
Nicholas Long	1	1	1	1	1															
Naseem Malik	Ap	Ap	Ap	Ap	Ap	Ap							Ap	Ap						
Rebecca Marsh	Ap	Ap	Ap	Ap	Ap	Ap														
Amerdeep Somal	1	Ap	Ap	Ap	Ap															
Jan Williams				Ap	1	1	1	1	1	1	1	1		1	1	1				
Ruth Evans	1	1	1	1	Ap	1	1	1	1	1	1	1	Ap	1	1	1	1	1	1	1
Jonathan Tross	1	1	1	1	1	1	Ap	1	1	1	1	1	1	1	1	1	1	1	1	1
Total present per meeting	14 /17	12 /17	13 /17	11 /17	12 /17	12 /15	11 /12	11 /12	11 /12	11 /12	11 /12	11 /12	2/4	3/4	4/4	4/4	4/4	4/4	4/4	3
Percentage	82	71	76	65	71	80	92	92	92	92	92	92	50	75	100	100	100	100	100	100

Ap: Apologies received



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

I certify that I have audited the financial statements of the Independent Police Complaints Commission for the year ended 31 March 2014 under the Police Reform Act 2002. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, 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, certify and report on the financial statements in accordance with the Police Reform Act 2002. I conducted my audit in accordance with 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 read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

### Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements 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 2014 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Police Reform Act 2002 and Secretary of State directions issued thereunder.



## Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Police Reform Act 2002; and
- the information given in the Foreword to the Accounts and the 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 returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Report

I have no observations to make on these financial statements.

### Sir Amyas C E Morse

Comptroller and Auditor General

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

30th June 2014

## Statement of comprehensive net expenditure

for the year ended 31 March 2014

		<b>2013/14</b>	<b>2012/13</b>
	<b>Note</b>	£'000	£'000
<b>Expenditure</b>			
Staff costs	3	(23,554)	(19,161)
Other expenditure	4	(14,725)	(12,991)
Non-cash items	4	(2,618)	(1,073)
		<b>(40,897)</b>	<b>(33,225)</b>
<b>Income</b>			
Income from activities	5	75	139
Other income	5	93	1,298
		<b>168</b>	<b>1,437</b>
<b>Net expenditure</b>		<b>(40,729)</b>	<b>(31,788)</b>
<b>Other Comprehensive Expenditure</b>			
Actuarial (loss)	3.4	(239)	(72)
<b>Total comprehensive expenditure for the year ended 31 March 2014</b>		<b>(40,968)</b>	<b>(31,860)</b>

There were no discontinued operations, acquisitions or disposals during the period.

The notes on pages 76 to 104 form part of these accounts.

## Statement of financial position

as at 31 March 2014

		31 March 2014	31 March 2013
	Note	£'000	£'000
<b>Non-current assets</b>			
Property, plant and equipment	7	6,354	3,528
Intangible assets	8	6,563	4,699
Trade and other receivables	11	1,455	2,151
<b>Total non-current assets</b>		<b>14,372</b>	<b>10,378</b>
<b>Current assets</b>			
Trade and other receivables	11	1,521	1,503
Cash and cash equivalents	12	4,229	1,168
<b>Total current assets</b>		<b>5,750</b>	<b>2,671</b>
<b>Total assets</b>		<b>20,122</b>	<b>13,049</b>
<b>Current liabilities</b>			
Provisions	14	(137)	(96)
Trade and other payables	13	(4,623)	(2,821)
Other payables	13	(450)	(437)
<b>Total current liabilities</b>		<b>(5,210)</b>	<b>(3,354)</b>
<b>Non-current assets plus/less net current assets/liabilities</b>		<b>14,912</b>	<b>9,695</b>
<b>Non-current liabilities</b>			
Provisions	14	(1,034)	(690)
Pension liabilities	3	(1,894)	(1,723)
Other payables	13	(3,183)	(2,639)
<b>Total non-current liabilities</b>		<b>(6,111)</b>	<b>(5,052)</b>
<b>Assets less liabilities</b>		<b>8,801</b>	<b>4,643</b>
<b>Taxpayers' equity</b>			
General reserve		10,695	6,366
Pension reserve		(1,894)	(1,723)
<b>Total reserves</b>		<b>8,801</b>	<b>4,643</b>

The financial statements on pages 72 to 75 were approved by the Commission and signed on its behalf by:



**Amanda Kelly**

Acting Chief Executive and Accounting Officer  
26th June 2014

The notes on pages 76 to 104 form part of these accounts.

## Statement of cash flows

for the year ended 31 March 2014

	<b>2013/14</b>	<b>2012/13</b>
<b>Note</b>	£'000	£'000
<b>Cash flows from operating activities</b>		
Net expenditure	(40,729)	(31,788)
Adjustment for non-cash items	4	2,618
(increase)/decrease in current trade and other receivables	11	(18)
increase/(decrease) in trade and other payables	13	1,654
increase in employee benefits payable	13	13
less movements in pension provisions relating to items not passing through the Statement of Comprehensive Net Expenditure	3	(163)
Less use of provisions	14	(125)
<b>Net cash outflow from operating activities</b>	<b>(36,750)</b>	<b>(31,206)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,229)	(1,187)
Purchase of intangible assets	(1,350)	(1,296)
<b>Net cash outflow from investing activities</b>	<b>(4,579)</b>	<b>(2,483)</b>
<b>Cash flows from financing activities</b>		
Grants from the Home Office	45,126	34,708
Capital element of payments in respect of on SoFP service concession arrangements	(736)	(1,420)
<b>Net financing</b>	<b>44,390</b>	<b>33,288</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>	<b>3,061</b>	<b>(401)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,168</b>	<b>1,569</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>4,229</b>	<b>1,168</b>

The notes on pages 76 to 104 form part of these accounts.

## Statement of changes in taxpayers' equity

for the year ended 31 March 2014

		General reserve	Pension reserve	Total reserves
	Note	£'000	£'000	£'000
<b>Balance at 31 March 2012</b>		<b>3,363</b>	<b>(1,568)</b>	<b>1,795</b>
<b>Changes in taxpayers' equity for 2012/13</b>				
Grant from the Home Office received for revenue expenditure	26	32,208	–	32,208
Grant from the Home Office received for capital expenditure	26	2,500	–	2,500
Transfers between reserves		83	(83)	–
Comprehensive expenditure for the year		(31,788)	–	(31,788)
Actuarial (loss)/ gain in year		–	(72)	(72)
<b>Balance at 31 March 2013</b>		<b>6,366</b>	<b>(1,723)</b>	<b>4,643</b>
<b>Changes in taxpayers' equity for 2013/14</b>				
Grant from Home Office received for revenue expenditure	26	40,235	–	40,235
Grant from Home Office received for capital expenditure	26	4,891	–	4,891
Transfers between reserves		(68)	68	–
Comprehensive expenditure for the year		(40,729)	–	(40,729)
Actuarial (loss) in year		–	(239)	(239)
<b>Balance at 31 March 2014</b>		<b>10,695</b>	<b>(1,894)</b>	<b>8,801</b>

The notes on pages 76 to 104 form part of these accounts.

## Notes to the accounts

### 1 Statement of accounting policies

The financial statements have been prepared in accordance with the 2013/14 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 that 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.

The financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000).

#### 1.1 Accounting conventions

These accounts have been prepared on an accruals basis under the historical cost convention modified for revaluation of property, plant and equipment and intangible assets, except where depreciated historic cost is used as a proxy for fair value for short-life or low-value assets.

#### 1.2 Going concern

The activities of the IPCC are primarily funded by the Home Office.

Grant in aid for 2014/15, taking into account the amount required to meet the IPCC's liabilities falling due in the year, has already been included in the Home Office's estimates for that year, which have been approved by Parliament. There is no reason to believe that the Home Office's future sponsorship and future parliamentary approval will not be forthcoming. It has, therefore, been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

#### 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 Property, plant and equipment

Property, plant and equipment (PPE) is recognised initially at cost and thereafter at fair value, less depreciation and impairment charged subsequent to the date of revaluation.

Cost comprises the amount of cash paid to acquire the assets and includes any cost directly attributable to making the asset capable of being operated as intended. The capitalisation threshold for expenditure on PPE is £5,000.

The IPCC does not own any property. All plant and equipment is reviewed annually for impairment and is carried at fair value. The IPCC has elected to adopt depreciated historic cost as a proxy for fair value for short-life or low-value PPE assets. This is permitted by the FReM.

Expenditure on the fitting out of buildings financed by operating leases is capitalised as a tangible non-current asset if the works add value to the building. Fitting out cost of buildings may include the costs of new furniture and equipment, which individually costs less than £5,000 where the Accounting Officer considers it more appropriate to capitalise the costs. Future replacement costs of furniture and equipment will be funded from the Resource budget subject to the costs being below the capitalisation threshold at the time of replacement.

## Notes to the accounts

### 1.5 Intangible assets

Intangible assets are measured on initial recognition at cost and thereafter at fair-value less amortisation and impairment charged subsequent to the date of revaluation. Internally generated intangible assets, excluding capitalised development costs are not capitalised and expenditure is recognised in the Statement of Comprehensive Net Expenditure in the year in which the expenditure is incurred.

Expenditure on intangible assets that are software licenses and the associated costs of implementation is capitalised where the cost is £5,000 or more.

At each financial year end the intangible assets are assessed for impairment and the amortisation period and method are also reviewed. Intangible assets are carried at fair value. The IPCC has elected to adopt amortised historic cost as a proxy for fair value for short-life or low-value intangible assets. This is permitted by the FReM.

### 1.6 Depreciation and amortisation

Depreciation or amortisation is provided on all non-current assets in use on a straight line basis to write off the cost or valuation over the asset's useful life as follows:

<i>Asset type</i>	<i>Useful life</i>
Furniture and fittings	Duration of lease or the anticipated useful life
Vehicles	7 years
Information technology	3 to 5 years
Intangible non-current asset	3 to 7 years
Service concession assets	Duration of contract

### 1.7 Service concessions

Assets in use and under the control of the IPCC are capitalised as non-current assets as provided for under interpretation 12, Service Concession Arrangements, of the International Financial Reporting Interpretation Committee and interpretation 29, Service Concession Arrangements: Disclosures of the Standards Interpretation Committee. These assets are depreciated over the life of the contract.

### 1.8 Pensions

#### a) Principal Civil Service Pension Scheme

Pensions are ordinarily to be provided by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is described more fully in the remuneration report. 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 the IPCC.

#### b) Broadly By Analogy

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 Statement of Comprehensive Net Expenditure. Amounts relating to changes in the actuarial valuation of scheme liabilities are adjusted via the Statement of Changes in 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.



## Notes to the accounts

### 1.9 Early departure costs

The IPCC meets the additional costs of benefits beyond the normal Principal Civil Service Pension Scheme benefits in respect of employees who retire early by paying the required amounts annually to the Principal Civil Service Pension Scheme over the period between early departure and normal retirement date. The IPCC provides for this in full when the early departure decision is approved by establishing a provision for the estimated payments discounted by the HM Treasury discount rate applicable at the SoFP date. At 31 March 2014 this was 1.8 per cent in real terms (2012/13 2.35 per cent).

Severance costs outstanding at the year end under the new Civil Service Compensation Scheme are accrued for rather than provided for in a provision.

### 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. If the effect is material, expected future cash flows are discounted using the real rate set by HM Treasury. To the extent that reinstatement claims exist within the meaning of IAS 37, they are recognised as a separate liability if their realisation is virtually certain.

### 1.12 Leases

The costs of operating leases held by the IPCC are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the lease term. The significant operating leases are for office accommodation where purchase options are not available.

The IPCC does not have any finance leases.

### 1.13 Income

Income from activities relates directly to income from HMRC and the Home Office (previously 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.

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

## Notes to the accounts

### 1.14 Administration and programme expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme costs and income is shown in note 6, following guidance set out by HM Treasury.

### 1.15 Value Added Tax

The IPCC is registered for VAT but can only recover VAT on purchases when the IPCC is undertaking non statutory activities. Income is shown as net of VAT, where VAT is due, and expenditure is charged as gross. Any input tax recoverable is credited to the Statement of Comprehensive Net Expenditure.

### 1.16 Corporation Tax

The IPCC is registered for corporation tax as part of the Home Office Corporation Tax Group.

### 1.17 Standards in issue but not yet effective

The IPCC provides disclosure that it has not yet applied a new accounting standard, and known or reasonably estimable information relevant to assessing the possible impact that the initial application of the new standard will have on the IPCC financial statements. There were no new standards issued for 2013/14 and not applied, which would materially affect the IPCC financial statements. The IPCC has also not adopted any standards early.

## 2 Statement of operating costs by operating segment

The operating segments are based on the management reporting structure within IPCC. This places financial responsibility with the director best placed to take expenditure decisions and ensure that value for money is achieved.

During 2013/14 the operating segments used for management reporting were revised to transfer functions between directorates. The 2012/13 results are based on the previous reporting structure.

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

The Resources directorate's expenditure includes costs for IT, accommodation, depreciation, amortisation and other infrastructure activities managed on behalf of the entire organisation.

Information on income by customer is shown in note 5. Information on Hillsborough Investigation expenditure is shown in note 27.

The Hillsborough operating segment includes Commission expenditure and non cash where appropriate.

## Notes to the accounts

	<b>2013/14</b>	<b>2013/14</b>	<b>2013/14</b>
	<b>Gross</b>	<b>Income</b>	<b>Net</b>
	<b>expenditure</b>		<b>expenditure</b>
	£'000	£'000	£'000
Resources	12,309	(93)	12,216
Investigations	8,453	(75)	8,378
Casework and Customer Services	4,922	–	4,922
Commissioners' Office	1,891	–	1,891
Hillsborough	7,546	–	7,546
Chief Executive Directorate	2,531	–	2,531
Legal and Assurance	2,434	–	2,434
Change	811	–	811
<b>Total</b>	<b>40,897</b>	<b>(168)</b>	<b>40,729</b>

	<b>2012/13</b>	<b>2012/13</b>	<b>2012/13</b>
	<b>Gross</b>	<b>Income</b>	<b>Net</b>
	<b>expenditure</b>		<b>expenditure</b>
	£'000	£'000	£'000
Business Services	16,714	(1,298)	15,416
Investigations	7,211	(139)	7,072
Casework and Customer Services	5,790	–	5,790
Commissioners' Office	1,699	–	1,699
Hillsborough	581	–	581
Chief Executive's Office	211	–	211
Standards and Quality	1,019	–	1,019
	<b>33,225</b>	<b>(1,437)</b>	<b>31,788</b>

## Notes to the accounts

## 3 Staff numbers and related costs

## 3.1 Staff costs

	2013/14	2013/14	2013/14	2012/13
	£'000			£'000
	Permanent staff	Other	Total	Total
<b>Commissioners and CEO</b>				
Salaries and emoluments	1,137	–	1,137	1,133
Social security cost	128	–	128	106
Other pension costs	214	–	214	204
<b>Sub total</b>	<b>1,479</b>	<b>–</b>	<b>1,479</b>	<b>1,443</b>
Less: recoveries in respect of outward secondments	–	–	–	(101)
<b>Net costs of Commissioners and CEO</b>	<b>1,479</b>	<b>–</b>	<b>1,479</b>	<b>1,342</b>
<b>All other staff</b>				
Salaries and emoluments	16,807	946	17,753	14,484
Social security cost	1,393	–	1,393	1,153
Pension contributions	2,992	–	2,992	2,259
<b>Sub total</b>	<b>21,192</b>	<b>946</b>	<b>22,138</b>	<b>17,896</b>
Less: recoveries in respect of outward secondments	(63)	–	(63)	(77)
<b>Net costs of all other staff</b>	<b>21,129</b>	<b>946</b>	<b>22,075</b>	<b>17,819</b>
<b>Total staff costs</b>	<b>22,608</b>	<b>946</b>	<b>23,554</b>	<b>19,161</b>

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

There was a one per cent pay increase during 2013/14 for staff.

Ministers decided to raise commissioner salaries to £80,000 pa in order to encourage a wider range of candidates to apply. This change was made before the 2013 recruitment campaign and applied to all commissioners as of 1st January 2014.

Further details on Commissioners' remuneration can be found in the Remuneration Report.

## Notes to the accounts

### 3.2 Average number of persons employed

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

During 2013/14 the operating segments used for management reporting were revised to transfer functions between directorates. The 2012/13 results are based on the previous reporting structure.

The Hillsborough operating segment includes commissioners and other staff where appropriate.

	<b>2013/14</b> <b>Permanent staff</b>	<b>2013/14</b> <b>Other</b>	<b>2013/14</b> <b>Total</b>
Resources	50	1	51
Investigations	176	1	177
Casework and Customer Services	132	–	132
Hillsborough	43	7	50
Commissioners' Office	23	1	24
Chief Executive Directorate	30	1	31
Legal and Assurance	28	2	30
Change	4	1	5
<b>Total staff numbers</b>	<b>486</b>	<b>14</b>	<b>500</b>

	<b>2012/13</b> <b>Permanent staff</b>	<b>2012/13</b> <b>Other</b>	<b>2012/13*</b> <b>Total</b>
Business Services	86	1	87
Investigations	134	–	134
Casework and Customer Services	116	9	125
Hillsborough	3	–	3
Commissioners' Office	20	–	20
Chief Executive's Office	3	–	3
Standards and Quality	17	–	17
<b>Total staff numbers</b>	<b>379</b>	<b>10</b>	<b>389</b>

\*These figures have been revised.

## Notes to the accounts

## 3.3 Reporting of Civil Service and other compensation schemes - exit package

Comparative data to be shown (in brackets) for 2012/13

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	– (-)	1 (1)	1 (1)
£10,000 - £25,000	– (-)	1 (6)	1 (6)
£25,000 - £50,000	– (-)	2 (3)	2 (3)
£50,000 - £150,000	– (-)	2 (-)	2 (-)
£150,000 - £200,000	– (-)	– (-)	– (-)
<b>Total number of exit packages by type (total cost)</b>	<b>– (-)</b>	<b>6 (10)</b>	<b>6 (10)</b>
<b>Total resource cost (2013/14) in £000</b>	<b>–</b>	<b>199</b>	<b>199</b>
<b>Total resource cost (2012/13) in £000</b>	<b>–</b>	<b>211</b>	<b>211</b>

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the IPCC has agreed early retirements, the additional costs are met by the IPCC and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

## Notes to the accounts

### 3.4 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>2013/14</b>	<b>2012/13</b>
Rate used to discount scheme liabilities	4.35%	4.10%
Rate of increase in salaries	4.5%	3.95%
Rate of increase in pensions payment and deferred pensions	2.5%	1.70%
CPI inflation assumption	2.5%	1.70%

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

	<b>31 March 2014</b>	<b>31 March 2013</b>
	£'000	£'000
<b>Pension provision</b>		
Balance at 1 April	1,723	1,568
Increase in provision	171	155
<b>Present value of liabilities</b>	<b>1,894</b>	<b>1,723</b>

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

	<b>31 March 2014</b>	<b>31 March 2013</b>
	£'000	£'000
Scheme liability at the beginning of the year	1,723	1,568
<i>movement in the year</i>		
Current service cost (net of employee contributions)	27	27
Interest cost	68	76
Employee contributions	19	22
Actuarial loss	239	72
Benefits paid	(182)	(42)
<b>Increase in scheme liability</b>	<b>171</b>	<b>155</b>
<b>Scheme liability at the end of the year</b>	<b>1,894</b>	<b>1,723</b>



## Notes to the accounts

### *Expense to be recognised in the Statement of Comprehensive Net Expenditure account*

	<b>2013/14</b>	<b>2012/13</b>
	£'000	£'000
Current service cost net of employee contributions	27	27
Interest costs	68	76
Past service cost	–	–
<b>Total cost</b>	<b>95</b>	<b>103</b>

### *Actuarial gains/losses to be recognised in Changes in Taxpayers' Equity*

	<b>2013/14</b>	<b>2012/13</b>
	£'000	£'000
Experience loss/(gain) arising on the scheme liabilities	75	(12)
Change in assumptions underlying the present value of the scheme liabilities	164	84
<b>Net total actuarial loss on Taxpayers' Equity</b>	<b>239</b>	<b>72</b>

No transfers out have been made in 2013/14.

As there are no active members, there are no employee and employer costs payable in 2014/15.

<b>Present value of scheme liabilities</b>	<b>31 March 2014</b>	<b>31 March 2013</b>	<b>31 March 2012</b>	<b>31 March 2011</b>	<b>31 March 2010</b>
	£'000	£'000	£'000	£'000	£'000
Liability in respect of					
Active members	–	546	468	394	431
Deferred pensioners	353	298	263	236	302
Current pensions	1,541	879	837	801	948
<b>Total present value of scheme liabilities</b>	<b>1,894</b>	<b>1,723</b>	<b>1,568</b>	<b>1,431</b>	<b>1,681</b>
History of experience losses /(gains)	75	(12)	29	(8)	32
Percentage of scheme liabilities at the end of the year	4%	-0.7%	1.8%	-0.5%	1.9%

## Notes to the accounts

### 3.5 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. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2013/14, employers' contributions of £3,149k were payable to the PCSPS (2012/13 £2,568k) 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.

The contribution rates are set to meet the cost of the benefits accruing during 2013/14 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 £53k (2012/13 £35k) 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 £4k (2012/13 £2k), 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 (2012/13 £3k). Contributions prepaid at that date were nil.

## Notes to the accounts

## 4 Other expenditure

		2013/14	2012/13
	Note	£'000	£'000
Other expenditure includes the following:			
IT		1,840	513
Service concession service charges		3,208	3,358
Accommodation rental		2,051	3,024
Accommodation non-rental		2,188	2,499
Travel and subsistence		1,411	876
Training		625	257
Forensics		325	200
Recruitment		899	845
Stationery		158	146
Research		114	2
Legal services		729	404
Guidance for police and public		147	195
Consultants		338	–
Audit fee – external		46	42
Audit fee – internal		–	33
Service concession interest charges		68	99
Other costs		578	498
<b>Total other expenditure</b>		<b>14,725</b>	<b>12,991</b>
Non-cash items:			
Depreciation	7	1,463	1,020
Amortisation	8	1,000	221
Provisions provided in the year less provisions not required	14	57	(276)
BBA pension expense	3	95	103
Unwinding of discount in early departure costs	14	–	1
Change in discount rate in early compensation provision	14	3	4
<b>Total non-cash items</b>		<b>2,618</b>	<b>1,073</b>
<b>Total</b>		<b>17,343</b>	<b>14,064</b>

The fee for the external audit of the Statement of Accounts was £46,000 (2012/13 £42,000). The external auditors did not undertake any non-audit work.

During 2013/14 consultancy expenditure was incurred to provide expert advice on the expansion of the IPCC, principally for changes to the organisational design and the ICT infrastructure.

## Notes to the accounts

### 5 Income

The IPCC received income from HMRC for investigations undertaken under section 28 of the Commissioners for Revenue and Customs Act 2005. Income was received from the Home Office (previously UKBA) for investigations undertaken into appropriate referrals.

Rental income for 2013/14 and 2012/13 was received from the Security Industry Authority (SIA) and Her Majesty's Courts and Tribunals Service (HMCTS) for an operating lease.

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 not for IFRS 8 purposes as directed by the FReM.

	2013/14	2013/14	2013/14	2012/13	2012/13	2012/13
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fees and charges</b>	<b>Income</b>	<b>Costs</b>	<b>(Deficit)</b>	<b>Income</b>	<b>Costs</b>	<b>(Deficit)</b>
HMRC income	37	(37)	–	100	(100)	–
Home Office (2013/14) / UKBA (2012/13) income	38	(38)	–	39	(39)	–
<b>Income from activities</b>	<b>75</b>	<b>(75)</b>	<b>–</b>	<b>139</b>	<b>(139)</b>	<b>–</b>
SIA income	23	(23)	–	1,246	(1,246)	–
HMCTS income	57	(57)	–	52	(52)	–
Sundry income	13	(13)	–	–	–	–
<b>Other income</b>	<b>93</b>	<b>(93)</b>	<b>–</b>	<b>1,298</b>	<b>(1,298)</b>	<b>–</b>
<b>Total</b>	<b>168</b>	<b>(168)</b>	<b>–</b>	<b>1,437</b>	<b>(1,437)</b>	<b>–</b>

Our income from HMRC and the Home Office (previously UKBA) is based on actual costs of work undertaken. Information on allocation of income to segments can be found in note 2.

## Notes to the accounts

## 6 Analysis of net expenditure by programme and administration budget

	2013/14	2013/14	2013/14	2012/13	2012/13	2012/13
	£'000	£'000	£'000	£'000	£'000	£'000
	Prog- ramme	Admin- istration	Total	Prog- ramme	Admin- istration	Total
<b>Expenditure</b>						
Staff costs	21,320	2,234	23,554	17,198	1,963	19,161
Running costs	8,507	844	9,351	4,956	1,519	6,475
Rental under operating leases	1,794	258	2,052	1,869	1,193	3,062
Service concession arrangements	2,655	553	3,208	2,970	487	3,457
Research and development	114	–	114	2	–	2
Non-cash items:						
Depreciation	1,320	143	1,463	864	156	1,020
Amortisation	898	102	1,000	205	16	221
Provision provided for in year less provisions not required	60	–	60	(276)	–	(276)
BBA pension costs	95	–	95	103	–	103
<b>Expenditure</b>	<b>36,763</b>	<b>4,134</b>	<b>40,897</b>	<b>27,891</b>	<b>5,334</b>	<b>33,225</b>
<b>Income</b>						
Income from activities	(75)	–	(75)	(139)	–	(139)
Other Income	–	(93)	(93)	–	(1,298)	(1,298)
<b>Net expenditure</b>	<b>36,688</b>	<b>4,041</b>	<b>40,729</b>	<b>27,752</b>	<b>4,036</b>	<b>31,788</b>

## Notes to the accounts

## 7 Property, plant and equipment

	Information Technology	Vehicles	Furniture & fittings	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
<b>At 1 April 2013</b>	<b>2,615</b>	<b>442</b>	<b>4,428</b>	<b>7,485</b>
Additions	1,720	–	2,569	4,289
Disposals	(69)	–	–	(69)
<b>At 31 March 2014</b>	<b>4,266</b>	<b>442</b>	<b>6,997</b>	<b>11,705</b>
<b>Depreciation</b>				
<b>At 1 April 2013</b>	<b>1,222</b>	<b>117</b>	<b>2,618</b>	<b>3,957</b>
Charge for the year	556	64	843	1,463
Disposals	(69)	–	–	(69)
<b>At 31 March 2014</b>	<b>1,709</b>	<b>181</b>	<b>3,461</b>	<b>5,351</b>
<b>Net book value at 31 March 2014</b>	<b>2,557</b>	<b>261</b>	<b>3,536</b>	<b>6,354</b>
<b>Net book value at 31 March 2013</b>	<b>1,393</b>	<b>325</b>	<b>1,810</b>	<b>3,528</b>
<b>Asset financing:</b>				
On SoFP service concession arrangement	1,239	–	–	1,239
<b>Cost or valuation</b>				
<b>At 1 April 2012</b>	<b>1,686</b>	<b>442</b>	<b>6,778</b>	<b>8,906</b>
Additions	1,038	–	854	1,892
Disposals	(109)	–	(3,204)	(3,313)
<b>At 31 March 2013</b>	<b>2,615</b>	<b>442</b>	<b>4,428</b>	<b>7,485</b>
<b>Depreciation</b>				
<b>At 1 April 2012</b>	<b>878</b>	<b>54</b>	<b>5,318</b>	<b>6,250</b>
Charge for the year	453	63	504	1,020
Disposals	(109)	–	(3,204)	(3,313)
<b>At 31 March 2013</b>	<b>1,222</b>	<b>117</b>	<b>2,618</b>	<b>3,957</b>
<b>Net book value at 31 March 2013</b>	<b>1,393</b>	<b>325</b>	<b>1,810</b>	<b>3,528</b>
<b>Net book value at 31 March 2012</b>	<b>808</b>	<b>388</b>	<b>1,460</b>	<b>2,656</b>
<b>Asset financing:</b>				
On SoFP service concession arrangement	841	–	–	841

## Notes to the accounts

## 8 Intangible assets

Intangible assets comprise of software development and licences

	<b>Total</b>
	£'000
<b>Cost or valuation</b>	
At 1 April 2013	6,532
Additions	2,864
Disposals	(432)
<b>At 31 March 2014</b>	<b>8,964</b>
<b>Amortisation</b>	
At 1 April 2013	1,833
Charge for the year	1,000
Disposals	(432)
<b>At 31 March 2014</b>	<b>2,401</b>
<b>Net book value at 31 March 2014</b>	<b>6,563</b>
<b>Net book value at 31 March 2013</b>	<b>4,699</b>
<b>Asset financing</b>	
On SoFP service concession arrangement	4,257
<b>Cost or valuation</b>	
At 1 April 2012	7,784
Additions	3,594
Disposals	(4,846)
<b>At 31 March 2013</b>	<b>6,532</b>
<b>Amortisation</b>	
At 1 April 2012	6,458
Charge for the year	221
Disposals	(4,846)
<b>At 31 March 2013</b>	<b>1,833</b>
<b>Net book value at 31 March 2013</b>	<b>4,699</b>
<b>Net book value at 31 March 2012</b>	<b>1,326</b>
<b>Asset financing:</b>	
On SoFP service concession arrangement	3,395



## Notes to the accounts

### 9 Financial instruments

The IPCC does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables and payables. Trade receivables are recognised initially at fair value less provision for impairment. A provision for impairment is made when there is evidence that the IPCC will be unable to collect an amount due in accordance with agreed terms.

The IPCC's resources are mainly met through grant in aid from the Home Office through the supply 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 exposed to little or no credit, liquidity, foreign currency or inflation risk.

### 10 Impairments

The IPCC has no impairments in the period.

### 11 Trade receivables and other current assets

#### 11.1 Amounts falling due within one year:

	<b>31 March 2014</b>	<b>31 March 2013</b>
	£'000	£'000
Current part of service concession receivables	695	695
Accrued income	17	17
Trade receivables	104	61
Other receivables	5	1
Staff advances	45	39
Prepayments	655	690
	<b>1,521</b>	<b>1,503</b>

## Notes to the accounts

<b>11.2 Amounts falling due after more than one year:</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
	£'000	£'000
Non-current part of service concession receivables	1,455	2,151
	<b>1,455</b>	<b>2,151</b>
<b>Total trade and other receivables</b>	<b>2,976</b>	<b>3,654</b>

<b>11.3 Intra-government receivables</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
	£'000	£'000
Balances with central government bodies	94	77
Balances with local authorities	–	–
Sub total of intra-government balances	94	77
Balances with bodies external to government	1,427	1,426
<b>Total</b>	<b>1,521</b>	<b>1,503</b>

All intra government receivables are due within one year.

<b>12 Cash and cash equivalents</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
	£'000	£'000
Opening balance	1,168	1,569
Net change in cash balances during the year	3,061	(401)
<b>Closing cash balance</b>	<b>4,229</b>	<b>1,168</b>

Only cash is held and is available immediately from the Government Banking Service.

## Notes to the accounts

## 13 Trade payables and other current liabilities

## 13.1 Amount falling due within one year

	<b>31 March 2014</b>	<b>31 March 2013</b>
	£'000	£'000
VAT	(141)	(22)
Other taxation and social security	(932)	(723)
Trade payables	(10)	–
Other payables	(14)	(20)
Accruals and deferred income	(2,209)	(1,230)
Current part of service concession arrangement accruals for assets coming into use before payment	(622)	(131)
Current part of imputed finance lease element of service concession arrangement	(695)	(695)
	<b>(4,623)</b>	<b>(2,821)</b>

## 13.2 Amounts falling due after more than one year

	<b>31 March 2013</b>	<b>31 March 2012</b>
	£'000	£'000
Other payables, accruals and deferred income	(427)	(84)
Non-current part of service concession arrangement accruals for assets coming into use before payment	(1,301)	(405)
Imputed finance lease element of service concession arrangement	(1,455)	(2,150)
	<b>(3,183)</b>	<b>(2,639)</b>

## Notes to the accounts

### 13.3 Intra government payables

	<b>31 March 2014</b>	<b>31 March 2013</b>
	£'000	£'000
Balances with central government bodies	(788)	(333)
Balances with local authorities	(38)	(34)
Balances with trading funds and public corporations	(20)	(5)
HMRC in respect of taxation and social security	(656)	(499)
<b>Sub total of intra-government balances</b>	<b>(1,502)</b>	<b>(871)</b>
Balances with bodies external to government	(3,121)	(1,950)
<b>Total</b>	<b>(4,623)</b>	<b>(2,821)</b>

All intra government payables are due within one year.

### 13.4 Other liabilities

IAS 19 requires the disclosure of employee benefits that 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 2013/14 to be staff benefits.

The average number of holidays accrued per person based on the number of staff at the end of March 2014 is five days (six days at March 2013).

	<b>31 March 2014</b>	<b>31 March 2013</b>
	£'000	£'000
Staff benefits	(450)	(437)
<b>Total</b>	<b>(450)</b>	<b>(437)</b>

## Notes to the accounts

### 14 Provisions for liabilities and charges

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 £658,000 (£209,000 for 2012/13). 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, £317,000 (£291,000 for 2012/13) has been provided for current wear and tear obligations.

The early departure provision is the remaining balance of early departure costs of directors and other staff made redundant prior to 1 April 2014.

The early departure provision has been discounted at a rate of 1.8 per cent (2.35 per cent for 2012/13) set by HM Treasury.

	Property	Early departure	Total
	£'000	£'000	£'000
<b>Balance at 1 April 2013</b>	<b>500</b>	<b>286</b>	<b>786</b>
Provided in the year	475	32	507
Provisions not required written back	–	–	–
Provisions utilised in the year	–	(125)	(125)
Change in discount rate	–	3	3
Unwinding of discount	–	–	–
<b>Increase/(decrease) in provisions</b>	<b>475</b>	<b>(90)</b>	<b>385</b>
<b>Balance at 31 March 2014</b>	<b>975</b>	<b>196</b>	<b>1,171</b>
<i>Represented by:</i>			
Non-current element of provision	860	174	1,034
Current element of provision	115	22	137
<b>Analysis of expected timing of discounted flows:</b>			
Not later than one year	115	22	137
Later than one year and not later than five years	802	174	976
Later than five years	58	–	58
<b>Balance at 31 March 2014</b>	<b>975</b>	<b>196</b>	<b>1,171</b>

## Notes to the accounts

	Other	Property	Early departure	Total
	£'000	£'000	£'000	£'000
<b>Balance at 1 April 2012</b>	<b>81</b>	<b>849</b>	<b>322</b>	<b>1,252</b>
Provided in the year	–	55	31	86
Provisions not required written back	(44)	(285)	(10)	(339)
Provisions utilised in the year	(37)	(119)	(62)	(218)
Change in discount rate	–	–	4	4
Unwinding of discount	–	–	1	1
<b>Increase/(decrease) in provisions</b>	<b>(81)</b>	<b>(349)</b>	<b>(36)</b>	<b>(466)</b>
<b>Balance at 31 March 2013</b>	<b>–</b>	<b>500</b>	<b>286</b>	<b>786</b>
<i>Represented by:</i>				
Non-current element of provision	–	500	190	690
Current element of provision	–	–	96	96

## 15 Capital commitments

As at 31 March 2014, the IPCC had no capital commitments (none at 31 March 2013).

## Notes to the accounts

### 16 Commitments under leases

#### 16.1 Operating leases

As at 31 March 2014 the IPCC had the following total future minimum lease payments under non-cancellable operating leases for each of the following periods:

	<b>31 March 2014</b>	<b>31 March 2013</b>
	£'000	£'000

#### Obligations under operating leases comprise

Buildings:

Not later than one year	2,086	978
Later than one year and not later than five years	4,922	5,146
Later than five years	39	178
	<b>7,047</b>	<b>6,302</b>

As at 31 March 2014 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	15	54
Later than one year and not later than five years	—	—
Later than five years	—	—
	<b>15</b>	<b>54</b>

#### 16.2 Finance leases

The IPCC had no finance leases in the period.



## Notes to the accounts

### 17 Commitments under 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 2014 of £7.1 million (£7.1 million at 31 March 2013) for use by the IPCC as well as provide operating services over the life of the contract at an expected value at 31 March 2014 of £31 million (£31.1 million at 31 March 2013). Finance charges over the life of the contract are expected to be £0.6 million (£0.6 million at 31 March 2013).

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

The annual payments to be made by the 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 per cent.

The assets acquired under the contract are under the control of the 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 and the intangible assets elsewhere in these accounts (note 7/8)
- payments in advance of assets provided are shown in the trade receivables note elsewhere in these accounts (note 11)
- accruals for assets coming into use in advance of payment are shown in the trade payables note elsewhere in these accounts (note 13)
- assets yet to be provided are shown in the service concession receivables note elsewhere in these accounts (note 11)

This recognition of assets creates a corresponding financial obligation on the IPCC and the note below shows the obligations of the IPCC to pay for assets that 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 on the next page shows the IPCC obligations to pay for future operating services.

Operating service charges already paid for are shown in note 4.

## Notes to the accounts

### 17.1 On statement of financial position (SoFP)

Total obligations under on SoFP service concession arrangements for the following periods comprise:

	<b>31 March 2014</b>	<b>31 March 2013</b>
	£'000	£'000
Not later than one year	744	763
Later than one year and not later than five years	1,441	2,084
Later than five years	67	168
	<b>2,252</b>	<b>3,015</b>
Less interest element	(102)	(169)
<b>Total service concession SoFP obligations</b>	<b>2,150</b>	<b>2,846</b>
<i>represented by:</i>		
<b>Current</b> (included in trade and other receivables and payables)	695	695
<b>Non-current</b> (other payables & trade & other receivables)	1,455	2,151
<b>Total service concession SoFP obligations</b>	<b>2,150</b>	<b>2,846</b>

### 17.2 Charged to statement of comprehensive net expenditure

The total amount charged in the statement of comprehensive net expenditure for the service element of the SoFP service concession arrangement was £3.2 million (2012/13 £3.4 million).

The payments to which the IPCC is committed at 31 March 2014, analysed by the period during which the commitment expires, is as follows:

	<b>31 March 2014</b>	<b>31 March 2013</b>
	£'000	£'000
Not later than one year	3,296	3,284
Later than one year and not later than five years	11,782	12,453
Later than five years	1,924	4,574
	<b>17,002</b>	<b>20,311</b>

## Notes to the accounts

### 18 Commitments under PFI contracts

The IPCC had no PFI contracts in the period.

### 19 Other financial commitments

The IPCC has no other financial commitments.

### 20 Contingent liabilities disclosed under IAS 37

The IPCC has no contingent liabilities at the end of 2013/14 (2012/13: £75k). Full provision is made in the financial statements for all liabilities that are expected to materialise.

The early departure provisions in note 14 are based on estimates based on the Civil Service Compensation Scheme. If there is a change in terms the 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.

### 21 Related-party transactions

The Home Office is a related party of the IPCC. During the year ended 31 March 2014 the Home Office provided grant in aid, as disclosed in note 26.

Government bodies are related parties. The income from these bodies is shown under Other Income at note 5. The amounts owed by these bodies to the IPCC are classified as trade receivables and amount to £94k (£77k at March 2013).

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

Details of balances with other government bodies can be found in notes 11 and 13.

During the year ended 31 March 2014 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 that 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.

## Notes to the accounts

### 22 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 the IPCC does not have a beneficial interest in them. As at 31 March 2014 no monetary assets were held (2013: none).

### 23 Directors' benefits

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

### 24 Losses and special payments

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

### 25 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.

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

In April 2014 the IPCC secured a non-cancellable extension to the operating lease for our office in Cardiff and also signed a non-cancellable operating lease for a new office in Birmingham.

The useful economic lives of our assets in the Cardiff office have been reviewed, as required by IAS 16, and the effect of a change in the depreciation period will be applied from 2014/15.

This change to our buildings' leases will increase our lease commitments from April 2014 as follows:

<b>Obligations under operating leases:</b>	£000
Not later than one year	–
Later than one year and not later than five years	1,510
Later than five years	95
	<b>1,605</b>

### 26 Grant in aid

The IPCC is funded by grant in aid received from the Home Office.

	2013/14	2012/13
	£'000	£'000
Received for revenue expenditure	40,235	32,208
Received for capital expenditure	4,891	2,500
	<b>45,126</b>	<b>34,708</b>

## Notes to the accounts

### 27 Hillsborough

The Home Office has agreed to provide additional grant in aid when the IPCC incurs additional expenditure as a result of the investigation into the aftermath of the Hillsborough disaster. This funding is included in note 26 above.

This note shows the expenditure incurred during 2013/14 and 2012/13.

	<b>2013/14</b>	<b>2012/13</b>
	£'000	£'000
<b>Staff costs</b>		
Salaries and emoluments	2,710	41
Social security cost	226	4
Pension contributions	465	9
Temporary staff	348	9
<b>Total staff costs</b>	<b>3,749</b>	<b>63</b>
<b>Other Expenditure</b>		
Accommodation rental	512	–
Accommodation non-rental	515	91
IT	805	48
Legal services	132	24
Other costs	146	40
Recruitment	364	243
Stationery	39	11
Training	73	20
Travel and subsistence	507	33
<b>Total other expenditure</b>	<b>3,093</b>	<b>510</b>
<b>Non cash</b>		
Depreciation	704	4
Amortisation	–	4
<b>Total non cash</b>	<b>704</b>	<b>8</b>
<b>Total revenue expenditure</b>	<b>7,546</b>	<b>581</b>
<b>Asset additions</b>		
Information technology	871	163
Furniture & Fittings	2,509	–
Intangible assets	591	146
<b>Total capital expenditure</b>	<b>3,971</b>	<b>309</b>

## Notes to the accounts

### 28 Change

The Home Office has agreed to provide additional grant in aid when the IPCC incurs additional expenditure as result of the expansion of the IPCC. This funding is included in note 26 above.

This note shows the expenditure incurred during 2013/14.

	<b>2013/14</b>	<b>2012/13</b>
	£'000	£'000
<b>Staff costs</b>		
Salaries and emoluments	124	—
Social security cost	12	—
Pension contributions	25	—
Temporary staff	157	—
<b>Total staff costs</b>	<b>318</b>	<b>—</b>
<b>Other expenditure</b>		
Professional fees	13	—
Consultants	338	—
Recruitment	124	—
Travel and subsistence	18	—
<b>Total other expenditure</b>	<b>493</b>	<b>—</b>
<b>Total revenue expenditure</b>	<b>811</b>	<b>—</b>



# Appendix 1

## our commissioners and senior staff



## Commissioners

The IPCC is currently overseen by a Commission that is made up of a part-time Chair and ten commissioners, including two Deputy Chairs and two part-time non-executive commissioners. The Home Secretary has recently appointed two additional operational commissioners and two additional non-executive commissioners.

IPCC commissioners are public appointments, made in accordance with the Code of Practice issued by the Office of the Commissioner for Public Appointments.

The appointment of the Chair is made by HM Queen on the recommendation of the Home Secretary. The Chair ensures that the Commission's governance is managed effectively. She leads the Commission and oversees the work of the CEO, the deputy chairs and the four non-executive commissioners.

The deputy chairs oversee the work of all operational commissioners.

During 2013/14, two associate commissioners were appointed. They have the same responsibilities as commissioners on specific cases. They also carry out some oversight and confidence work. They do not have any governance responsibilities.

## Commissioner responsibilities in 2013/14

### DAME ANNE OWERS

Dame Anne Owers is the Chair of the IPCC. Based in the IPCC's London office, she is accountable to the Home Secretary for the leadership and performance of the IPCC. This is a non-executive and part-time position.

*Lead organisational contact: Home Office and key external stakeholders.*

Chair of the IPCC's Valuing Diversity Group, the IPCC Deaths Review Committee, Oversight and Confidence Committee and Change Programme Board.

### RACHEL CERFONTYNE

Rachel Cerfontyne was appointed Deputy Chair in August 2013 for a five-year term. Prior to this, she was an operational commissioner.

*Joint lead for the Commission's statutory operational role and for the operational commissioners as they carry out their operational responsibilities.*

*Police force responsibilities: Thames Valley, Devon & Cornwall, and Civil Nuclear Constabulary. Rachel is joint Commission lead for the Hillsborough investigation with Commissioner James Dipple-Johnstone.*

Member of the Change Programme Board.

### SARAH GREEN

Sarah Green was appointed Deputy Chair on 1st January 2014 for a five-year term. Prior to this, she was an operational commissioner.

*Joint lead for the Commission's statutory operational role and for the operational commissioners as they carry out their operational responsibilities.*

*Police force responsibilities: Metropolitan Police Service.*

Commission workstream lead on knowledge management and ICT for the change programme. Member of the IPCC Audit and Risk, Quality and Deaths Review committees.

### **CINDY BUTTS**

Cindy Butts was appointed as operational Commissioner on 3rd December 2012 for an initial four-year term.

*Police force responsibilities: North Yorkshire, South Yorkshire, West Yorkshire, Humberside, Durham, Northumbria and Cleveland.*

In addition: Port of Tees & Hartlepool.

Joint lead with Commissioner James Dipple-Johnstone on investigations into Police and Crime Commissioner (PCCs).

Commission workstream lead on oversight and confidence for the change programme. Member of the Oversight and Confidence Committee.

### **DERRICK CAMPBELL**

Derrick Campbell was appointed as operational Commissioner on 7th January 2013 for an initial four-year term.

*Police force responsibilities: West Midlands, West Mercia, Warwickshire, Leicestershire, Nottinghamshire, Northants, Lincolnshire and MPS cases.*

Commission workstream lead on estates for the change programme and member of the Oversight and Confidence Committee.

### **MARY CUNNEEN**

Mary Cunneen was appointed as operational Commissioner on 5th November 2012 for an initial four-year term.

*Police force responsibilities: Essex, Bedfordshire, Hertfordshire, Cambridgeshire, Kent, Norfolk, Suffolk, NCA, MOD, HMRC and MPS cases,*

In addition: Port of Tilbury.

Commissioner lead on international work and oversight and confidence for the change programme. Member of the Deaths Review Committee.

### **JAMES DIPPLE-JOHNSTONE**

James Dipple-Johnstone was appointed as operational Commissioner on 3rd December 2012 for an initial four-year term.

*Police force responsibilities: Cumbria, Greater Manchester, Derbyshire, Staffordshire, Merseyside, Lancashire and Cheshire. James is joint Commission lead for the Hillsborough investigation with Deputy Chair, Rachel Cerfontyne.*

In addition: Port of Liverpool.

Joint lead with Commissioner Cindy Butts on investigations into Police and Crime Commissioner (PCCs).

Commission workstream lead on finance for the change programme. Member of Oversight and Confidence Committee and Change Programme Board. James was also a member of the Quality Committee.

### **JENNIFER IZEKOR**

Jennifer Izekor was appointed Commissioner on 5th November 2012 for an initial four-year term.

*Police force responsibilities: Surrey, Sussex, Hampshire, UK Border Force and Home Office Immigration Enforcement, BTP, City of London and MPS cases.*

Commission lead on young people and stop and search. Commission workstream lead on people and organisational design for the change programme. Member of the Remuneration Committee and Valuing Diversity Group.

### **JAN WILLIAMS**

Jan Williams was appointed Commissioner for Wales on 1st August 2013 for an initial four-year term.

*Police force responsibilities: North Wales, Dyfed Powys, South Wales, Gwent and Avon & Somerset.*

In addition: Port of Bristol.

Commission workstream lead on operations and organisational design for the change programme and member of the Audit and Risk Committee.

## Non-executive Commissioners

Our part-time non-executive commissioners have particular responsibility for providing objective oversight and accountability for the IPCC. They sit on the Commission's Audit and Risk and Remuneration Committees as well as the Change Programme Board. They also sat on the Quality Committee, which was disbanded during this year. Non-executive commissioners do not have operational responsibilities. They report to the Chair.

**RUTH EVANS** – Chair of the IPCC Remuneration Committee and member of the Audit and Risk and Quality committees.

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

## Associate Commissioners

### **GUIDO LIGUORI**

Police force responsibilities: Gloucestershire.

Commission workstream lead on policy and legal for the change programme.

### **TOM MILSOM**

Police force responsibilities: Wiltshire and Dorset.

## Former commissioners

During 2012/13, the terms of seven of the founding IPCC commissioners ended. Details of their responsibilities during this reporting year are as follows:

### DEBORAH GLASS

Deborah Glass was appointed Deputy Chair in June 2008. Prior to this she was an operational commissioner. She ceased being Deputy Chair in December 2013, and her term as commissioner ended in March 2014.

*Police force responsibilities: Metropolitan Police Service (MPS) and City of London. Commission lead for the Hillsborough investigation until October 2013.*

Member of the IPCC Deaths Review Committee.

### TOM DAVIES

Tom Davies was appointed operational Commissioner for Wales in 2003 and served two terms. His final term ended in September 2013.

*Police force responsibilities were: Dyfed Powys, Gwent, North Wales, and South Wales.*

Member of the Remuneration Committee.

### MIKE FRANKLIN

Mike Franklin was appointed operational Commissioner in 2003 and served two terms. His final term ended in August 2013.

*Police force responsibilities were: Thames Valley, Hampshire, Surrey, Sussex, Kent, SOCA and MPS cases.*

Was a member of the IPCC's Valuing Diversity Group and Deaths Review Committee.

Represented the IPCC on: the Ministerial Board for Deaths in Custody, MPS Public Encounters Board, Schedule 7 National Accountability Board and HMIC Stop and Search Reference Group.

### NICHOLAS LONG

Nicholas Long was appointed operational Commissioner in 2003 and served two terms. His final term ended in August 2013.

*Police force responsibilities were: North Yorkshire, South Yorkshire, West Yorkshire, Humberside, Durham, Northumbria, Cleveland and UKBA.*

In addition: Port of Tees and Hartlepool.

### REBECCA MARSH

Rebecca Marsh was appointed operational Commissioner in 2003 and served two terms. During her second term, Rebecca went on loan to the Office for Nuclear Regulation and had no force responsibilities during this time.

Her final term ended in September 2013.

### NASEEM MALIK

Naseem Malik was appointed operational Commissioner in 2003 and served two terms. Her final term ended in September 2013.

*Police force responsibilities were: Cumbria, Greater Manchester, Merseyside, Lancashire and Cheshire. The majority of cases in the south west were also allocated to Commissioner Naseem Malik.*

In addition: Port of Liverpool.

Member of the IPCC Audit and Risk and Quality Committees.

### AMERDEEP SOMAL

Amerdeep Somal was appointed operational Commissioner in 2003 and served two terms. Her final term ended in August 2013.

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

## Executive team

The Commission is supported by the Executive team, which is led by Acting Chief Executive Officer (CEO) Amanda Kelly. She is responsible for the smooth and efficient running of the IPCC, leading and developing the organisation and its staff. She is also responsible for advising the Commission on strategy and policy, and implementing their decisions. She acts as the IPCC's Accounting Officer and is accountable to the Home Office Principal Accounting Officer and to Parliament.

The Acting Chief Executive is supported by a Management Board comprising:

### **Director of Casework and Customer Services**

David Knight

### **Director of Resources**

Kevin Woodrow (from March 2014)

### **Director of Change**

Megan Smart (from July 2013)

### **Director for Hillsborough**

Mike Benbow

### **Director of Investigations**

Moir Stewart

### **Head of Strategy and Communications**

Sadie East

### **Commission Secretary**

Anna O'Rourke

## Appendix 2 about our staff

We monitor recruitment activity to ensure that equality of access and opportunity remains high. We continue to monitor the diversity of the organisation through both HR data and the experience of staff as described in the staff

survey. The tables in this appendix reflect the make up of the organisation in the financial year under review.

These figures fluctuate, but are correct as of 31 March 2014.

**Table 1: Our staff by career background – 31 March 2014**

Job title	Total Staff	Ex-police officer	Ex-police civilian
Investigator	148	43*	24
Deputy Senior Investigator	31	13**	2
Senior Investigator	14	9***	1
Casework	136	4	8
Other	231	11****	36
<b>Total Staff</b>	<b>560</b>	<b>80</b>	<b>71</b>

\* Five investigators previously worked as both a police officer and a police civilian

\*\* Two deputy senior investigators previously worked as both a police officer and a police civilian

\*\*\* One senior investigator previously worked as both a police officer and a police civilian

\*\*\*\* Two 'other' staff previously worked as both a police officer and a police civilian

'Investigator' includes all grades, i.e. lead investigator, investigator and trainee investigator  
(Excludes temporary agency staff)

**Table 2: Investigations and Hillsborough directorate staff by career background**

Our investigation staff are distributed across the Investigations and Hillsborough directorates as follows:

	Headcount	Ex-Police Officer	% Ex-Police Officer	Ex-Police Civilian	% Ex-Police Civilian
<b>Investigations</b>					
Investigator	110	29	26.4%	19	17.3%
Deputy Senior Investigator	24	11	45.8%	2	8.3%
Senior Investigator	11	6	54.5%	1	9.1%
Other Investigation	35	2	5.7%	10	28.6%
<b>Investigations total</b>	<b>180</b>	<b>48</b>	<b>26.7%</b>	<b>32</b>	<b>17.8%</b>
<b>Hillsborough</b>					
Investigator	38	14	36.8%	5	13.2%
Deputy Senior Investigator	7	2	28.6%	0	0.0%
Senior Investigator	3	3	100.0%	0	0.0%
Other Hillsborough	42	9	21.4%	14	33.3%
<b>Hillsborough total</b>	<b>90</b>	<b>28</b>	<b>31.1%</b>	<b>19</b>	<b>21.1%</b>

Table 3: Our staff by career background and directorate – 31 March 2014

Directorate	Total Staff	Ex-police officer	Ex-police civilian
Business Services	102	0	8
Casework and Customer Services	136	4	8
CEO & Commission	29	0	3
Change	6	1	1
Hillsborough	90	28*	19
Investigations	174	45**	30
Standards and Quality	23	2	2
<b>Total Staff</b>	<b>560</b>	<b>80</b>	<b>71</b>

\* Three Hillsborough staff previously worked as both a police officer and a police civilian

Table 4: Gender by directorate – 31 March 2014

Gender	Business Services		Casework and Customer Services		Change		Commission and CEO	
	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %
Female	60	58.82%	87	63.97%	2	33.33%	22	75.86%
Male	42	41.18%	49	36.03%	4	66.67%	7	24.14%
<b>Total</b>	<b>102</b>	<b>100.00%</b>	<b>136</b>	<b>100.00%</b>	<b>6</b>	<b>100.00%</b>	<b>29</b>	<b>100.00%</b>

\*\* Seven Investigations staff previously worked as both a police officer and a police civilian (Excludes temporary agency staff)



Hillsborough		Investigations		Standards and Quality		Total	
Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %
40	44.44%	85	48.85%	17	73.91%	313	55.89%
50	55.56%	89	51.15%	6	26.09%	247	44.11%
<b>90</b>	<b>100.00%</b>	<b>174</b>	<b>100.00%</b>	<b>23</b>	<b>100.00%</b>	<b>560</b>	<b>100.00%</b>

Table 5: Ethnicity by directorate – 31 March 2014

Ethnic origin	Business Services		Casework and Customer Services		Change		Commission and CEO		
	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %	
Black and Minority Group	19	18.63%	20	14.71%	1	16.67%	7	24.14%	
Unknown	1	0.98%	0	0.00%	0	0.00%	0	0.00%	
Undefined	1	0.98%	0	0.00%	0	0.00%	0	0.00%	
White/ White Other	81	79.41%	116	85.29%	5	83.33%	22	75.86%	
<b>Total</b>	<b>102</b>	<b>100.00%</b>	<b>136</b>	<b>100.00%</b>	<b>6</b>	<b>100.00%</b>	<b>29</b>	<b>100.00%</b>	

Table 6: Age by directorate – 31 March 2014

Ethnic origin	Business Services		Casework and Customer Services		Change		Commission and CEO		
	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %	
20 to 24	2	2.0%	5	3.7%	0	0.0%	1	3.4%	
25 to 29	15	14.7%	23	16.9%	1	16.7%	3	10.3%	
30 to 34	28	27.5%	33	24.3%	1	16.7%	6	20.7%	
35 to 39	21	20.6%	29	21.3%	0	0.0%	1	3.4%	
40 to 44	13	12.7%	13	9.6%	0	0.0%	3	10.3%	
45 to 49	10	9.8%	14	10.3%	2	33.3%	7	24.1%	
50 to 54	6	5.9%	8	5.9%	0	0.0%	3	10.3%	
55 to 59	5	4.9%	4	2.9%	0	0.0%	3	10.3%	
60 to 64	2	2.0%	5	3.7%	0	0.0%	0	0.0%	
> 65	0	0.0%	2	1.5%	1	16.7%	2	6.9%	
unknown	0	0.0%	0	0.0%	1	16.7%	0	0.0%	
<b>Total</b>	<b>102</b>	<b>100.0%</b>	<b>136</b>	<b>100.0%</b>	<b>6</b>	<b>100.0%</b>	<b>29</b>	<b>100.0%</b>	

Hillsborough		Investigations		Standards and Quality		Total	
Staff number	Staff number%	Staff number	Staff number%	Staff number	Staff number%	Staff number	Staff number%
5	5.56%	17	9.77%	2	8.70%	71	12.68%
3	3.33%	1	0.57%	0	0.00%	5	0.89%
1	1.11%	0	0.00%	0	0.00%	2	0.36%
81	90.00%	156	89.66%	21	91.30%	482	86.07%
<b>90</b>	<b>100.00%</b>	<b>174</b>	<b>100.00%</b>	<b>23</b>	<b>100.00%</b>	<b>560</b>	<b>100.00%</b>

Hillsborough		Investigations		Standards and Quality		Total	
Staff number	Staff number%	Staff number	Staff number%	Staff number	Staff number%	Staff number	Staff number%
4	4.4%	8	4.6%	1	4.3%	22	3.9%
6	6.7%	23	13.2%	1	4.3%	72	12.9%
15	16.7%	43	24.7%	2	8.7%	128	22.9%
9	10.0%	22	12.6%	7	30.4%	89	15.9%
10	11.1%	12	6.9%	8	34.8%	59	10.5%
14	15.6%	18	10.3%	3	13.0%	68	12.1%
12	13.3%	26	14.9%	1	4.3%	56	10.0%
14	15.6%	19	10.9%	0	0.0%	45	8.0%
5	5.6%	3	1.7%	0	0.0%	15	2.7%
1	1.1%	0	0.0%	0	0.0%	6	1.1%
0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>90</b>	<b>100.0%</b>	<b>174</b>	<b>100.0%</b>	<b>23</b>	<b>100.0%</b>	<b>560</b>	<b>100.0%</b>

Table 7: Gender by location – 31 March 2014

	Cardiff		Home		London		
	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %	
Female	47	64.3%	16	88.89%	117	57.07%	
Male	30	35.7%	2	11.11%	88	42.93%	
<b>Total</b>	<b>77</b>	<b>100%</b>	<b>18</b>	<b>100%</b>	<b>205</b>	<b>100%</b>	

Table 8: Ethnicity by location – 31 March 2014

	Cardiff		Home		London		
	Staff number	Staff number %	Staff number	Staff number	Staff number	Staff number %	
Black and Minority Group	6	7.79%	4	22.22%	43	20.98%	
Unknown	0	0.00%	0	0.00%	2	0.98%	
Undefined	0	0.00%	0	0.00%	1	0.49%	
White/White Other	71	92.21%	14	77.78%	159	77.56%	
<b>Total</b>	<b>77</b>	<b>100.00%</b>	<b>18</b>	<b>100.00%</b>	<b>205</b>	<b>100.00%</b>	

Table 9: Ethnicity by grade (staff) – 31 March 2014

Grade	5&6	7&8	9,10&11	12&13	14&15	Total Staff No & %
<b>Ethnic origin</b>						
Total Black and Minority Group	5 13.16%	11 24.44%	36 11.96%	11 9.40%	3 7.32%	66 12.18%
Total Unknown	0 0.00%	0 0.00%	5 1.66%	0 0.00%	0 0.00%	5 0.92%
Total Undefined	1 2.63%	0 0.00%	0 0.00%	1 0.85%	0 0.00%	2 0.37%
Total White/White Other	32 84.21%	34 75.56%	260 86.38%	105 89.74%	38 92.68%	469 86.53%
<b>Total Staff</b>	<b>38</b>	<b>45</b>	<b>301</b>	<b>117</b>	<b>41</b>	<b>542</b>

Sale		Wakefield		Warrington		Total	
Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %
63	53.39%	27	58.70%	43	44.79%	313	55.89%
55	46.61%	19	41.30%	53	55.21%	247	44.11%
<b>118</b>	<b>100%</b>	<b>46</b>	<b>100.00%</b>	<b>96</b>	<b>100%</b>	<b>560</b>	<b>100.00%</b>

Sale		Wakefield		Warrington		Total	
Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %	Staff number	Staff number %
11	9.32%	2	4.35%	5	5.21%	71	12.68%
0	0.00%	0	0.00%	3	3.13%	5	0.89%
0	0.00%	0	0.00%	1	1.04%	2	0.36%
107	90.68%	44	95.65%	87	90.63%	482	86.07%
<b>118</b>	<b>100.00%</b>	<b>46</b>	<b>100.00%</b>	<b>96</b>	<b>100.00%</b>	<b>560</b>	<b>100.00%</b>

Table 10: Ethnicity by grade (commissioners and directors) – 31 March 2014

Grade	Commissioner	Director	Total
<b>Ethnic origin</b>			
Total Black and Minority Group	4 33.33%	1 16.67%	5 27.78%
Total White/ White Other	8 66.67%	5 83.33%	13 72.22%
<b>Total Commissioners &amp; Directors</b>	<b>12</b>	<b>6</b>	<b>18</b>

Table 11: Gender by grade (staff) – 31 March 2014

Grade	5&6		7&8		9,10&11		12&13		14&15		Total Staff No & %	
	Staff Number	Staff %	Staff Number	Staff %	Staff Number	Staff %	Staff Number	Staff %	Staff Number	Staff %	Staff Number	Staff %
Male	23	60.53%	29	64.44%	167	55.48%	68	58.12%	15	36.59%	302	55.72%
Female	15	39.47%	16	35.56%	134	44.52%	49	41.88%	26	63.41%	240	44.28%
Undefined	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
<b>Total</b>	<b>38</b>	<b>100.00%</b>	<b>45</b>	<b>100.00%</b>	<b>301</b>	<b>100.00%</b>	<b>117</b>	<b>100.00%</b>	<b>41</b>	<b>100.00%</b>	<b>542</b>	<b>100.00%</b>

Table 12: Gender by grade (commissioners and directors) – 31 March 2014

Grade	Commissioner		Director		Total	
	Staff No	Staff %	Staff No	Staff %	Staff No	Staff %
Male	9	75.00%	2	33.33%	11	61.11%
Female	3	25.00%	4	66.67%	7	38.89%
<b>Total</b>	<b>12</b>	<b>100.00%</b>	<b>6</b>	<b>100.00%</b>	<b>18</b>	<b>100.00%</b>

Table 13: Age by grade (staff) – 31 March 2014

Grade	5&6		7&8		9,10&11		12&13		14&15		Total Staff No & %	
	Staff Number	Staff %	Staff Number	Staff %	Staff Number	Staff %	Staff Number	Staff %	Staff Number	Staff %	Staff Number	Staff %
Age Category												
20 to 24	5	13.16%	7	15.56%	8	2.66%	0	0.00%	0	0.00%	20	3.69%
25 to 29	13	34.21%	15	33.33%	41	13.62%	4	3.42%	0	0.00%	73	13.47%
30 to 34	9	23.68%	8	17.78%	77	25.58%	31	26.50%	1	2.44%	126	23.25%
35 to 39	3	7.89%	2	4.44%	49	16.28%	26	22.22%	9	21.95%	89	16.42%
40 to 44	0	0.00%	0	0.00%	38	12.62%	17	14.53%	3	7.32%	58	10.70%
45 to 49	3	7.89%	8	17.78%	29	9.63%	17	14.53%	8	19.51%	65	11.99%
50 to 54	2	5.26%	2	4.44%	30	9.97%	10	8.55%	7	17.07%	51	9.41%
55 to 59	1	2.63%	2	4.44%	20	6.64%	8	6.84%	11	26.83%	42	7.75%
60 to 64	2	5.26%	0	0.00%	7	2.33%	3	2.56%	2	4.88%	14	2.58%
> 65	0	0.00%	1	2.22%	2	0.66%	1	0.85%	0	0.00%	4	0.74%
Undefined	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
<b>Total</b>	<b>38</b>	<b>100.00%</b>	<b>45</b>	<b>100.00%</b>	<b>301</b>	<b>100.00%</b>	<b>117</b>	<b>100.00%</b>	<b>41</b>	<b>100.00%</b>	<b>542</b>	<b>100.00%</b>

Table 14: Age by grade (commissioners and directors) – 31 March 2014

Grade	Commissioner		Director		Total	
	Staff No	Staff %	Staff No	Staff %	Staff No	Staff %
<b>Age Category</b>						
20 to 24	0	0.00%	0	0.00%	0	0.00%
25 to 29	0	0.00%	0	0.00%	0	0.00%
30 to 34	0	0.00%	0	0.00%	0	0.00%
35 to 39	1	8.33%	0	0.00%	1	5.56%
40 to 44	1	8.33%	0	0.00%	1	5.56%
45 to 49	3	25.00%	0	0.00%	3	16.67%
50 to 54	2	16.67%	2	33.33%	4	22.22%
55 to 59	3	25.00%	2	33.33%	5	27.78%
60 to 64	0	0.00%	1	16.67%	1	5.56%
> 65	2	16.67%	0	0.00%	2	11.11%
unknown	0	0.00%	1	16.67%	1	5.56%
<b>Total</b>	<b>12</b>	<b>100.00%</b>	<b>6</b>	<b>100.00%</b>	<b>18</b>	<b>100.00%</b>

Table 15: Performance management – formal disciplinary, grievance and capability cases from 1 April 2013 – 31 March 2014

	Disciplinary		Grievance		Capability	
	Number	% of total	Number	% of total	Number	% of total
White	7	87%	4	100%	0	0%
White Other	0	0%	0	0%	1	100%
BME	1	13%	0	0%	0	0%
<b>Total</b>	<b>8</b>	<b>100%</b>	<b>4</b>	<b>100%</b>	<b>1</b>	<b>0%</b>
Male	6	75%	2	50%	0	0%
Female	2	25%	2	50%	1	100%
<b>Total</b>	<b>8</b>	<b>100%</b>	<b>4</b>	<b>100%</b>	<b>1</b>	<b>100%</b>

## Appendix 3 Sustainability reporting



The information included in this section explains the IPCC's current impact on the environment in terms of greenhouse gas emissions, waste minimisation and management, water consumption and sustainable procurement.

This meets the requirements of 'HM Treasury Guidance 2013-14 Sustainability Reporting in the Public Sector'. There is no biodiversity action plan as this is not applicable to the IPCC's functions.

### **Our sustainability performance in 2013/14**

The key performance indicators are set out in the table below, compared with results for the previous three financial years, where these figures are available. During this reporting period, we opened our new Warrington office. This is our largest office, with a net internal area of 2,309 m<sup>2</sup>.

It should be noted that for waste figures, we are only able to report the cost of recycled waste. Over the course of 2013/14, we have worked to improve our waste figures and lower our percentage of waste to landfill. We have now also included our secure shredding figures in our total and recycled waste figures.

For the water figures, no consumption information is available for our London or Sale offices and the cost of water is known only for our Wakefield and Warrington offices.

Greenhouse gas emissions*		2011/12**	2012/13	2013/14 <sup>§</sup>
Non-financial indicators (tCO <sub>2</sub> )	Gross emissions for scopes 1	163.63	91.58	114.21
	Gross emissions scope 2	266.47	308.32	345.62
	Gross emissions scope 3	55.7	71.53	109.40
	Total emissions	485.8	471.43	569.23
Non-financial indicators (kg)	Total waste	n/a	20,647	44,296
	<i>sent to landfill</i>	n/a	10,199	2,197
	<i>recycling</i>	n/a	10,448	25,978
	<i>incineration</i>	n/a	0	2,088
	<i>Incineration energy recovery</i>	n/a	0	14,033
Non-financial indicators (m <sup>3</sup> )	Water consumption	n/a	1,564	1,750
Financial indicators (£)	Expenditure on energy purchased, including travel	£473,642	£652,385	£887,239
	Expenditure on waste disposal, including:	n/a	n/a	n/a
	sent to landfill	n/a	n/a	n/a
	recycling	n/a	£12,000	£10,178
	incineration	0	0	0
	Expenditure on water consumption	n/a	£5,000	£12,934
Paper purchased <sup>#</sup>	A4 (boxes)	n/a	n/a	1391
	A3 (boxes)	n/a	n/a	16

\* Scope 1 emissions are from sources owned or controlled by the organisation, such as vehicles and boilers.

\*\* Scope 2 emissions are from energy consumed by the organisation, but purchased from external suppliers, such as electricity.

\*\*\* Scope 3 emissions relate to official business travel, but exclude vehicles and international rail and air travel.

# This is the first year we have reported on paper purchased.

§ Due to the fact that we opened our Warrington office in 2013/14, some savings that we have made are not evident from these figures. If we removed our Warrington office from these figures, Scope 2 emissions would be 269.90 tCo<sub>2</sub>, a saving of 38.42 tCo<sub>2</sub>.

## Sustainable procurement

The IPCC uses several Government Procurement Service (GPS) framework contracts. The GPS is committed to sustainable procurement and supports the Greening Government Commitments (GGC). Where we issue tenders for our own requirements, sustainability issues are considered at the outset of the procurement project and, where appropriate, included in documentation and evaluation.

### Action taken during 2013/14 to improve the IPCC's sustainability performance

We have taken a number of actions during the year to improve our sustainability performance:

- After moving some of our data centre offsite, we reused redundant air conditioning equipment to replace the high powered units in situ. This has reduced the amount of electricity we use on ICT servers.
- We have reduced our consumption of power through the use of timers on high-wattage electrical items; replaced lamps with low-power LED devices (where economically viable) and encouraging staff to switch off appliances when not in use.
- We aligned our operating temperatures to fall within best practice guidelines. Where building management systems allow, our space is heated at 19C and cooled at 24C.
- We have implemented an optimal core hour's window for heating and cooling our office space. Where building management systems allow, our heating and cooling systems turn on at 8am and off at 6pm. The systems are not used at weekends or bank holidays.

Our fleet vehicles generate a significant amount of our greenhouse gas emissions. To minimise the impact, the fleet consists of Vauxhall Corsa 1.3 cdtri ecoflex vehicles, which can achieve up to 85.6mpg combined and produce Co2 88g/km. The nature of our investigative work means that there is rarely an alternative to using a vehicle. However, travel in relation to administrative activities is done using rail and other public transport, wherever possible.

### Our future strategy

We are committed to reducing our impact on the environment in line with the GGC and will continue in our efforts to limit our greenhouse gas emissions and will consider this in all areas.

We will continue working on improving the accuracy of our data and in particular our waste figures. We have reviewed all of our waste collection contracts and have appointed new waste collection services in our Sale and Wakefield offices, which will further reduce the amount of waste we sent to landfill.

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July 2014  
Reference: COM/58

ISBN 978-1-4741-0221-6

