



Learning the Lessons



Annual Report and Statement of Accounts 2006/07 of the Independent Police Complaints Commission

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Chair's Foreword

Central to our Annual Report this year is the theme of 'Learning the Lessons'.

Ever since the Police Reform Act 2002 established the IPCC, the new complaints system has aimed to feed back into operational policing the lessons that can be learned from complaints and serious incidents.

Much of the day-to-day work of the IPCC is of course concerned with ensuring that complaints and serious incidents are properly dealt with, and that the system for holding police officers to account for their conduct is effective and proportionate.

Public interest in the IPCC is also focused on this element of its work. However, in the long run, the real value of the IPCC lies in contributing to improving performance and in reducing the likelihood of the same sorts of incidents happening again. We have now developed a robust formal process with all of the relevant policing agencies to ensure that lessons are learned and disseminated.

This report highlights our work in a number of the areas of greatest public concern, and there are three key issues in particular that I want to bring to the attention of the Home Secretary, his new ministerial team and the police service.



Firstly, the police response to domestic violence. Tania Moore, Hayley Richards and Colette Lynch all died at the hands of their violent partners or ex-partners. These were terrible incidents, and the IPCC was sharply critical of the police service's failure to protect these women. In all of these incidents there was a failure to provide an inclusive and co-ordinated response, incorporating coherent control of the investigation on one

hand and effective communication with the victim on the other. This was the theme of the first bulletin of the Learning the Lessons Committee, and it is an issue that needs to be treated with the greatest seriousness.

Secondly, the IPCC research report into police road traffic incidents will be published shortly after this report. Road traffic incidents are the single greatest cause of death following police contact: approximately 40 people die each year in road traffic incidents involving the police. The research found that most of these incidents (around 30 a year) were the result of a police pursuit. These pursuits tended to be over quickly and generally involved the police pursuing young male drivers who either died themselves or crashed and killed pedestrians or other road users.

There is a public perception that many of these deaths result from emergency response incidents and from the police driving at speed without good cause. This is not the case: the report illustrates the acute dilemma that is faced by the police service over how to respond to road users who are a danger to others without increasing that danger.

The Association of Chief Police Officers' (ACPO's) *Guidelines for the Management of Police Pursuits* document provides a good benchmark for forces to work to – but the IPCC report highlights the gap between the guidelines and the extent to which they have actually been incorporated into policy and practice on the ground. There is a need for police pursuits to be better managed, and for

the best possible training and support to be provided for the officers and police staff who need to make the critical, difficult and split-second decisions that are involved.

Thirdly, a consistent theme of the IPCC's work has always been the critical interface between health and police services – particularly when dealing with people with mental health problems. The most disturbing element of this is when individuals with acute mental health problems are detained in police custody as a 'place of safety' under Section 136 of the Mental Health Act. They are detained not because they are criminals but because they are ill. Research conducted by the IPCC in 2005/06 revealed that this happened to at least 11,500 people – but with wide variations across forces.

Police custody is not a 'place of safety' – and much more needs to be done to ensure that this option is only used as a last resort. Some police forces have already succeeded in bringing the use of Section 136 to very low levels: this approach now needs to be extended across the country.

The IPCC's remit now extends beyond the police service. This has been the first year that the IPCC has had operational responsibility for complaints about the conduct of the Serious Organised Crime Agency and Her Majesty's Revenue and Customs staff, who use 'police-like' powers. In 2006/07 we also began to prepare for the extension of our remit to the new Border and Immigration Agency, which will be exercising similar

powers. This modest extension of our role will bring real benefits in terms of learning across all of the services involved.

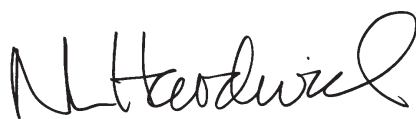
The theme of 'Learning the Lessons' is also one that we have tried to apply to the IPCC's own work as we grow in experience. Now, five years on from the Police Reform Act 2002, we have launched a 'stock take' of the complaints system. More needs to be done to make it more transparent, more proportionate and more focused on putting things right – rather than just allocating blame. Throughout 2007/08 we will be working with the IPCC Advisory Board to identify and drive further improvements in the system.

I would like to thank the members of the IPCC Advisory Board for all of their support over the year. The members represent many of the individuals and organisations on whom the effectiveness of the complaints system depends.

In particular, I want to say a personal thank you to David Lindley, Deputy Chief Constable of Leicestershire Constabulary, who has led for ACPO on the complaints and discipline system. He has now stood down from this role, but has been a driving force in progressing the changes across the system.

This report describes a great deal of hard work by IPCC Commissioners and staff, and I want to thank them all. In 2006/07 we saw the departure of Sue Atkins, the IPCC's first Chief Executive, who played a crucial role in the IPCC's

successful beginning. Barry Simpson, the IPCC Director of Corporate Services, took up the role of Acting Chief Executive following Sue Atkins' departure. Most of the work described in this report took place under his leadership, and I am grateful to him. We now welcome Jane Furniss as our new, permanent Chief Executive. She has already begun to build very successfully on the foundations laid by her predecessors.



Nick Hardwick, IPCC Chair

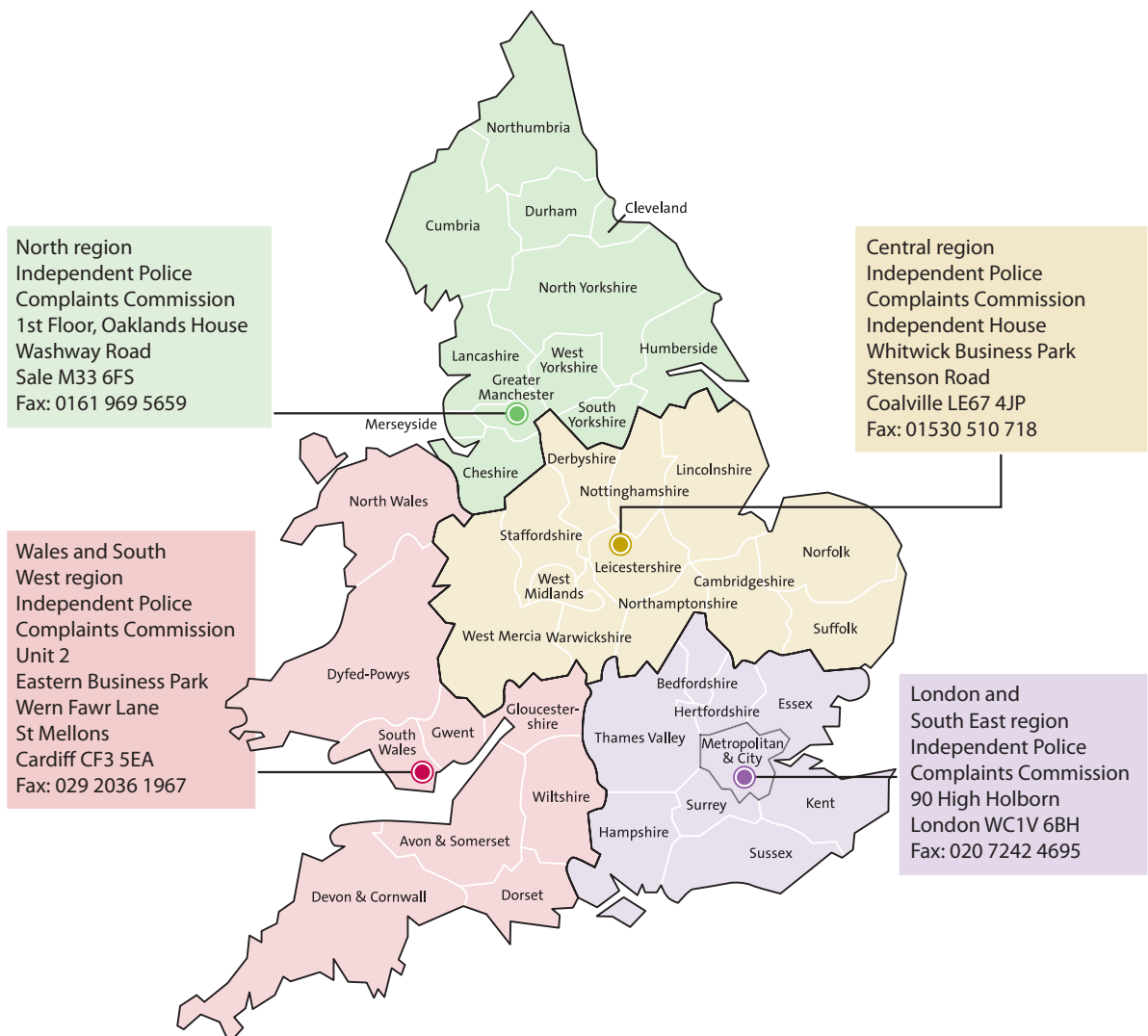
About the IPCC

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

The IPCC deals with complaints and allegations of misconduct against the police in England and Wales. It has a general duty to increase confidence in the police complaints system and so contributes to increasing trust in policing as a whole.

In April 2006, the IPCC's remit 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).

The IPCC is independent. It makes its decisions independently of the police and government, and by law none of its 17 Commissioners can have worked for the police service, HMRC or SOCA in any capacity.



The IPCC can choose to either supervise or (in the most serious cases) manage a police investigation into a complaint, or investigate that complaint independently using its own investigators. The IPCC also deals with appeals from complainants about the recording of complaints, the local resolution process and the outcome of police investigations into complaints.

The IPCC has four regional offices covering central and eastern England, London and the South East, northern England, and Wales and the South West.

Commissioners are supported by a professional staff of caseworkers, investigators and support staff, who carry out the day-to-day work of the IPCC under the direction of the Chief Executive.



International work

International network

The independent oversight of policing is a highly specialised activity, with many different models and approaches used across the world. The IPCC is currently helping to set up an international network to link up organisations overseeing police complaints in Africa, the Americas, Asia Pacific and Europe. The steering group for this new network, convened by the IPCC's Deputy Chair John Wadham, had its first meeting in March 2007. Once fully operational, the steering group will help to champion the effective oversight of policing and will create opportunities for sharing learning and best practice.

IPCC visits

Working in partnership with the UK Foreign and Commonwealth Office, Crown Agents, Public Administration International, the Danish Institute for Human Rights and other agencies, the IPCC welcomed 101 international visitors to its offices during 2006/07. Many of these were individuals who have been involved in police reform projects or in the setting up or review of mechanisms for handling complaints against the police. Among other places, visitors came from Albania, Angola, China, Ethiopia, Hungary, Kazakhstan, Mexico, Pakistan, Romania, South Korea and Vietnam.

In addition, IPCC Commissioners have been invited to participate in discussions about the setting up or review of oversight mechanisms, as guests of foreign governments and agencies. Visits to both Thailand and Hungary have taken place, and in both cases the Commissioners' costs were met by the event organiser.

The Year in Focus: Summary from the Chief Executive



The IPCC's work is an important part of the police complaints system, and the passion and professionalism of our staff in dealing with complex and sensitive cases – both in investigations and casework – is striking and refreshing. The IPCC is impressive in terms of how it balances the needs of complainants and the needs of the police, often in very difficult circumstances. The organisation has made good progress since its inception in 2004.

Tony McNulty MP, the Home Office Minister for Security, Counter Terrorism and the Police, visited the IPCC at the end of 2006/07 – around the time of the end of my first 100 days as the new Chief Executive. It was clear that he shared our vision for the organisation as we were about to embark on our third operational year.

IPCC Commissioners and staff can be rightly proud of their achievements in the face of significant challenges over the past year. The continued growth in demand for the organisation's services – particularly in respect of investigations and appeals – has been handled in parallel with the continuing work necessary to establish the basic infrastructure and systems of the organisation. The IPCC has a strong vision, and its values are recognised and understood by all Commissioners and staff. Commissioners and staff are genuinely committed to demonstrating the organisation's values in their day-to-day work on its behalf and in the interests of the public. This is impressive and is something that many organisations would envy.

During 2006/07, there were no fewer than three IPCC chief executives in post. I would like to acknowledge the work

of Sue Atkins, my predecessor, in setting the IPCC on a sound footing. I also recognise with great personal appreciation the excellent role undertaken by Barry Simpson as Acting Chief Executive, following the departure of Sue in June 2006 and prior to my arrival in December 2006. I inherited an organisation with sound financial and governance arrangements, strong corporate and business planning, a commitment to sound performance and delivery, and the basis of an effective performance management system.

Despite significant efforts and growing organisational maturity, we have sometimes struggled with our performance against aspirational targets. We recognise that we need to move forward from the set-up phase to 'business as usual', routinely delivering to a high standard. We reviewed our goals in preparation for the 2007/08 Corporate Plan and Business Plan, and I am confident that we have now set ourselves stretching but achievable targets that will help us to improve our performance incrementally over the coming months.

Learning the lessons

Some complaints can be dealt with quickly through the local resolution process, without the need for a formal investigation. Local resolution can lead to a prompt apology or explanation, but will not result in disciplinary action. The police must obtain the consent of the complainant before using local resolution to resolve a complaint.

IPCC investigations not only uncover misconduct – criminal or otherwise – by individuals serving with the police, but they also produce invaluable lessons for policing policy and practice. This means that the police complaints and conduct system can operate as a powerful tool for improving policing.

Last year, the IPCC Chair announced that we would be introducing a national, strategic Learning the Lessons Committee to capitalise on this. An important focus of the IPCC's work this year has been to use this committee to develop a system for the police to learn lessons from investigations. This is discussed in more detail in Chapter 4 of this report.

Public confidence

The IPCC has conducted a large-scale survey of the general public, which was published in February 2006. It found that general willingness to complain and awareness of the IPCC were both high, but that some key groups either had less confidence in the complaints system or were disinclined to use it. We therefore commissioned Ipsos MORI to conduct some follow-up work with these groups as well as additional groups that we were unable to include in the original survey. The groups in the study included young people, those from black and minority ethnic groups, people from lower socio-economic groups, gay and lesbian people, people for whom English is not a first language, and gypsies and travellers.



The study found a strong link between people's views of the police and their views of the complaints system. Those people who had more frequent and adversarial contact with the police tended to have the lowest levels of trust in them, and as such they were the least willing to complain about police behaviour. Conversely, those people who had the least amount of contact with the police had much higher expectations of police behaviour, and were therefore

more willing to complain about a range of potential misconduct. When introduced to the idea of the IPCC, respondents were broadly positive about the organisation but felt that more needs to be done to publicise our work and successes.

The IPCC fed the study's findings into its communication strategies and has been working with communities across the country to address the issues relating to awareness, understanding and barriers outlined in the report.

Local resolution research

The IPCC co-funded the Institute for Criminal Policy Research at King's College London to undertake research into the local resolution process, to examine the administrative procedures for dealing with low-level complaints against police officers, and to assess officer and complainant expectations and satisfaction with the process. The findings of the research were drawn from a national survey of 42 police forces in England and Wales, and from in-depth work with a small number of forces.

The research found that local resolution has the potential to deal effectively with low-level complaints, but that there are instances where the process is not being used as fully as it could be. It was also found that complainants need to be better informed about the process – and about the options open to them – at the outset as well as during the

course of the process. In addition, the process of informing complainants of the final outcome needs to be handled more sensitively and more flexibly. Officers – especially those responsible for actually conducting the local resolution process – need better training on it and on the intentions behind it. The Police Federation of England and Wales has an important role to play in changing attitudes among the police towards the complaints process.

The IPCC's London office is currently conducting pilot work in the London Borough of Brent to build on the findings of the research, and the communications team will be carrying out further work over 2007/08 to improve understanding of the local resolution process among both complainants and police officers, with the aim of increasing their satisfaction levels.

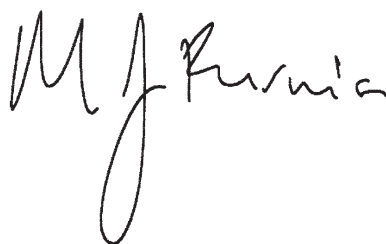
Implementation of a police complaints system performance framework

The IPCC is currently working to establish a performance framework for the police complaints system. This is a large and complex project, with implications for the IPCC and external agencies – including the police service and police authorities. It has an ambitious timescale for delivery.

The aims of the performance framework are:

- to identify consistent definitions – across the IPCC, police forces and other stakeholders – of what good performance is in terms of complaint handling
- to develop systems for capturing and reporting on how well the police complaints system and its constituent parts – police forces and the IPCC – are doing
- to provide a system for working with police forces to improve performance.

Looking ahead, we need to be able to satisfy ourselves, our stakeholders and the public that the police complaints system is meeting everyone's high expectations. We place great faith in the police in this country and trust them to protect us and our families. We need to know that when a complaint is made, there will be a fair investigation of what (if anything) went wrong, how it can be put right and what lessons can be learned for the future. I am committed to the IPCC being the kind of complaints body that fulfils these challenging aspirations over the coming 12 months.



Jane Furniss, IPCC Chief Executive

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Introduction

A major aim of IPCC investigations is to identify where improvements could be made to police practice, or where good practice in one force could usefully be adopted by others.

Important lessons can be learnt even where there has been no misconduct. In the case of the discharge of a police firearm during a raid in Forest Gate in east London prompted by intelligence about alleged terrorist activity on the premises, the IPCC concluded that there was no misconduct by individual officers. Although nothing was found, the IPCC found that the police were right to mount the operation in response to the intelligence that had been received. However, at the organisational level, there was a need to plan better for the possibility that the intelligence could be wrong.

In several cases, the main issue has been the lack of established procedures. For example, a suspect detained by the armed response unit of one force managed to make off with police firearms – in part because the force had no standard operating procedures in place for the transportation of suspects by armed response vehicles. In other cases, the problem has been a serious failure to follow existing procedures. The case of Tania Moore, murdered by her ex-partner after a history of harassment including assault and robbery, attracted national attention due to a major failure on the part of the police to apply basic investigation techniques.

Learning the Lessons Committee

One of the IPCC's statutory functions is to make recommendations on police practices in light of its experience. To facilitate learning from the operation of the police complaints and conduct system, the IPCC has – with the Association of Chief Police Officers (ACPO), the Association of Police Authorities (APA), Her Majesty's Inspectorate of Constabulary (HMIC), the Home Office and the new National Policing Improvement Agency (NPIA) – established a multi-agency group known as the Learning the Lessons Committee ('the Committee'). The Committee held its first meeting in June 2006.



Lessons coming out of the police complaints and conduct system are not confined to proposals for changes in national policy. Even where recommendations are directed primarily at an individual police force, there can nonetheless be learning opportunities for other forces managing similar situations. The same rule applies to good practice: if an example of good practice is identified within one force, other forces should usefully be able to adopt it as well. One of the roles of the Committee is to promote this type of learning.

The Committee has begun to receive regular reports and information on investigations. It will eventually include appeals and has invited HMRC and SOCA to provide reports. The Committee then decides which of these reports should be disseminated further, and those selected are included in a regular bulletin which is circulated to the Home Office, police forces and other bodies with constabulary powers. Copies of the bulletin are also sent to stakeholder organisations and made available to the public via the IPCC website. Some of the Committee's bulletins focus on themes of particular significance, such as domestic violence.

In order for this reporting process to function effectively, a set of new practices have been developed and are currently the subject of a pilot in the Wales and South West region.

The new practices that are being tested include the following.

- Standard terms of reference for all investigations are being drawn up. These focus on the need to consider learning recommendations and good practice.



- Learning recommendations and the findings that they relate to are included in a separate section of the investigation report.
- In order for any potential practical difficulties with implementation to be considered by the IPCC, the local force is given the opportunity to respond to the recommendations in the draft learning report.
- Commissioners specialising in particular areas review all recommendations that would involve a change to national policy, in order to facilitate the detailed development of appropriate policies.
- Tentative recommendations are classified as 'suggestions', in order to distinguish them from the more definitive recommendations.

Recognising when urgent action is needed

A woman was stabbed to death by her ex-partner after making a series of complaints to the police about domestic violence and harassment by him. Two weeks before her death, she had reported that the brake pipes on her car had been cut, but the police did not take a statement until three days later. A handover statement was then left in the in-tray of a probationary constable who had seen the victim on a previous occasion when she had complained about her ex-partner. The inspector in charge of the team that took the statement did not use the duty inspector's handover sheet to alert the next inspector about the case.

The probationary constable was then away for five days. On his return, he referred the case to the domestic violence unit. No positive action was taken, no proper risk assessment carried out and no referral made to the domestic violence unit before then. The domestic violence officer, who had little experience in the post, was going on leave for three days and decided to leave the case until his return. Two days later, the woman was murdered and it came to light that the perpetrator had exhibited similar abusive behaviour in previous relationships.

The key lessons identified from this case are the need to capture intelligence on any previous history of perpetrators, the need for experienced supervision of incident reports to ensure action when urgent, and the need to treat seriously crimes such as cutting brake pipes.

Domestic violence

A large part of the Committee's early work has focused on domestic violence incidents and on the learning that has arisen for police forces following specific cases. The major issue to come out of the cases that have been reviewed by the Committee has been the need for a co-ordinated overview of all relevant incidents and intelligence by staff with specialist training in domestic violence. Domestic violence requires an inclusive and co-ordinated response – coherent control of the investigation on the one hand, and effective communication with the

victim on the other. This then needs to be set against a robust risk assessment and the information needs to be shared with other forces and relevant agencies. The role of domestic violence units within police forces is crucial.

Road traffic incidents

Road traffic incidents involving the police are of concern to the public, police forces and the IPCC. Incidents can occur when police are driving in a variety of capacities – responding to an emergency call, pursuing a vehicle that has failed to stop, or simply being on patrol – and they can have a very detrimental effect on public confidence in the police. The investigation of incidents can take up a significant amount of public resources, and the incidents cause suffering and pain to those involved. While specific high-profile cases can receive much media attention, there remains very little robust evidence available to inform public debate and policy development.

The IPCC recently conducted a study to examine the road traffic incidents that have resulted in death or serious injury over the two-and-a-half-year period from April 2004 to September 2006. The study analysed trends in the data and looked at the nature and circumstances of the incidents in more depth. In addition, it aimed to highlight any lessons that could be learnt for policy and practice, to help to prevent future incidents.

During the first two-and-a-half years of the IPCC's work, the number of police road traffic incidents involving death and serious injury remained broadly steady. Pursuit incidents generally involved young male drivers, who were often disqualified from driving, uninsured and (in many cases)

inexperienced. Most of those who were seriously or fatally injured in these incidents were the drivers of the pursued vehicles or their passengers. However, many individuals in unrelated vehicles were also affected, as well as cyclists and pedestrians. The police drivers involved were generally male and had an average age of 34.

The most common time for pursuits to take place was over the course of the weekend and during the evening, with the majority being initiated for traffic violations or offences. Many of the drivers of the pursued vehicles were driving in a dangerous or reckless manner before the pursuit began.

A series of recommendations have come out of this report, including the need for data recorders to be fitted to all police vehicles (and the need to make use of the data when an incident occurs), and the need to invite ACPO to consider what types of police vehicle are appropriate for emergency responses and to provide guidance.

Healthcare (including mental health)

Police and emergency health services often find themselves coping with situations together – such as responding to a major road incident or dealing with a brawl in a local pub. They have a responsibility to work together to protect children, reduce anti-social behaviour, reduce the misuse of drugs and respond to terrorist acts. Ambulance services, the police and accident and emergency departments are often under similar pressures – having to respond quickly to events, suffering from resource constraints, and making decisions that may affect lives.

Motorcycle pursuit

A 25-year-old man died after being thrown from his motorcycle, which was being pursued by a police motorcycle. The officer believed that the vehicle was untaxed; when its rider failed to stop, the officer pursued him along a number of roads. The man appeared to have been thrown from his motorcycle after losing control on a bend.

The IPCC-managed investigation found that the officer was in breach of his force's policy on motorcycle pursuits, and he was given a written warning.

The IPCC Commissioner dealing with the case agreed with the police force that it should clarify its guidelines in relation to motorcycle pursuits to help to reduce the risk of similar incidents happening again. The lessons from the case were fed into the national research project carried out by the IPCC into road traffic incidents.

During the past year, the IPCC and the Healthcare Commission have been working together to examine the interactions between ambulance services, the police and accident and emergency departments: difficulties in joint working had been identified through both organisations' review of the circumstances of the death of 37-year-old Christopher Alder. He was assaulted outside a nightclub in Hull in 1998, and was attended and treated by a variety of services – an ambulance crew, police officers and medical staff in a hospital accident and emergency department. He was eventually taken into custody and died in the reception area of a local police station.

The review was published in February 2006, and soon afterwards the two organisations hosted a joint national seminar to help to secure the support of professional bodies in both police and health services. This support was needed in order to successfully deliver changes on the ground in

Treatment of vulnerable adults in custody

An IPCC investigation found collective failures in the treatment of a vulnerable man. The man's mother complained to the police force about her son's treatment when he was arrested and detained in 2005, and the matter was subsequently referred to the IPCC, which conducted an independent investigation.

The investigation concluded that, following the man's initial arrest on suspicion of criminal damage, there was a failure by police officers and a social worker to fully identify his vulnerability and his need for support. As a result, he did not have access to an appropriate adult and was interviewed without one being present. He was later released without charge in the early evening wearing only a paper suit after he had destroyed his own clothing and refused an offer of alternative clothing. He also had no accommodation, because the incident that had originally led to his arrest had made his home uninhabitable.

Over the 16 hours that followed, there were numerous incidents of the police force receiving calls from the man or having direct contact with him. There were also calls from members of the public about the man's behaviour – including one report that he was jumping in front of cars. The following morning, he was arrested on suspicion of possessing an offensive weapon – a piece of wood. Once at the station, a mental health assessment was carried out, and the man was detained under the Mental Health Act 1983 and taken to hospital.

The IPCC investigation identified a number of lessons to be learnt by the police force. The report recommended that:

- better documentation needs to be kept in relation to concerns about the health of individuals in custody
- the training of police call centre staff in relation to dealing with potential mental health issues needs to be reviewed
- warning markers about individuals need to be added to the Police National Computer
- a review of partnership working with local social and housing authorities needs to take place, to ensure that the needs of vulnerable adults in police custody are assessed and met.

local practice and to start to plan how recommendations could be taken forward.

The aim of the seminar was to find out what needed to be done, by whom and when, to reduce the likelihood of similar incidents occurring in the future. A range of organisations were represented, including ACPO, the Royal College of Emergency Medicine, the Royal College of Nursing, the British Association for Emergency Medicine and the Association of Forensic Physicians.

In order to progress the recommendations, some of the key organisations made specific commitments about the steps that they would take to improve the interaction between health agencies and the police.

In addition, the IPCC and the Healthcare Commission signed a protocol that sets a framework for how the two organisations can work together to improve health and policing in England. The protocol provides that where an investigation is required following an incident involving the police and health agencies, all aspects of the incident can be considered.

The IPCC has also been working with the Healthcare Inspectorate Wales to develop a memorandum of understanding. More information on this can be found in the 'Wales and South West region' section in Chapter 5 of this report.

Dogs

The IPCC undertook a review of policing with dogs in South Yorkshire. This followed a significant increase in reports of police dogs biting civilians in the area. The review resulted in the following key recommendations:

- South Yorkshire Police should consider providing more in-depth, specialised training (not dissimilar to that given to firearms officers) to dog handlers on the conflict management model and the use of force. This is entirely appropriate given that the deployment of a dog is a significant use of force. South Yorkshire Police dog training section has recognised that there is a gap in the training and has devised a training package to meet this recommendation.
- Consideration should be given to ensuring that dogs and handlers deployed near crowds at public order events are trained to work alongside Level 1 public order units. The deployment should be overseen by a specialist. This would ensure that there is the capacity to respond appropriately to any fast-moving situations that might flare up.
- Football match commanders and public order commanders should be given training on the use of dogs and on the recommendations in the ACPO guidance manual.
- ‘Use of force’ forms should be designed to ‘prompt’ more information in relation to an incident. These would assist the better analysis of incidents. The recommendation has since been addressed by South Yorkshire Police.

Appeal upheld

The IPCC upheld an appeal against the findings of a police investigation into a complaint by a man about the way an officer deployed his police dog during a large-scale public disturbance.

Several people in the area at the time had complained of being bitten and of their clothing being damaged by a police dog, and the IPCC supervised an investigation by the force into the complaints. The force did not uphold any of the complaints and one complainant appealed against this finding to the IPCC.

This appeal was upheld. The Commissioner who dealt with the case commented: “Having examined the evidence and the circumstances of this incident very carefully, I am satisfied that the police dog was used inappropriately. This was not justified by the circumstances that the dog handler was facing and was not in line with force guidelines on the use of police dogs.”

The officer received a written warning as a result of his conduct on the day of the disturbance and the force was invited to review its decisions in respect of the other complaints involving the officer. The force also implemented significantly improved dog-handling training that went beyond the guidelines of the National Police Dog Assessment Model.



Custody

A key issue identified by the IPCC is the use of police custody as a 'place of safety'. A place of safety is defined by Section 136 of the Mental Health Act 1983, which states that 'if a constable finds ... a person who appears to him to be suffering from mental disorder and to be in immediate need of care or control ... he may ... remove that person to a place of safety'. This place of safety may be a 'hospital, police station, mental nursing home or residential home, or any other suitable place'.

The IPCC has been conducting research into this area because of

concerns raised in a number of its cases about the suitability of police custody for Section 136 detainees. The IPCC study is made up of two parts. The first part aims to quantify the extent to which police cells are used as places of safety under Section 136 of the Mental Health Act 1983 – something about which little is known. The study also examines the length of time spent in custody, the profile of detainees and the circumstances under which they left detention.

Initial findings from the first part of the study include the following:

- During 2005/06, approximately 11,500 people were detained in police custody under Section 136. Due to the way that police detentions are recorded, this figure is likely to be an underestimate.
- Thirty-three per cent of those detained under Section 136 were female and 62 per cent were male. The gender of 5 per cent of detainees was unknown.
- The age of the Section 136 detainees ranged from 12 to 89 years old. The average age was 36 years old.
- The largest ethnic group of Section 136 detainees was white people (77 per cent), followed by black people (4 per cent), Asian people (4 per cent), Chinese people or people from an 'other ethnic group' (1 per cent), and people of mixed ethnicity (1 per cent). Ethnicity was unknown or not stated for 13 per cent of detainees.
- As well as being detained under Section 136, individuals are sometimes detained for alleged criminal offences.



- The average length of time in police custody was ten hours, with the vast majority of detainees leaving police custody after 18 hours.

The second part of the study will look at variations in detentions across police forces and will seek to examine the reasons for these through interviews with police custody managers and healthcare representatives. This part of the study will also seek to identify good practice and ways in which numbers of detentions in police custody might be reduced. The findings of the study are expected to be published in full in autumn 2007.

Joint forum on deaths in custody

In August 2006, a new high-level group was launched with the aim of helping to reduce deaths in custody. The Forum for Preventing Deaths in Custody is made up jointly of healthcare and criminal justice professionals, including individuals from the police, the prison service and the Department of Health. The main inspection and investigative agencies are also represented.

The idea of the forum was first floated in July 2004, when the IPCC suggested that there was a need for a system to capture cross-sector learning following deaths in custody. The Joint Commission on Human Rights (JCHR) published a report on deaths in custody in December 2004, and recommended the establishment of a multi-agency body to focus specifically on deaths in custody.

The work of the forum includes the deaths of people in prisons, police stations, immigration detention centres and secure mental hospitals. The forum also focuses on those who

Death in custody

A 25-year-old man died in hospital in December 2004 after collapsing while in custody at a police station.

The IPCC's managed investigation concluded that 'neither the collective action nor inaction of the staff was responsible for the death of the man' and that certain police staff should be commended for their attempts to resuscitate him. However, a number of procedural failures in the man's treatment at the police station were uncovered. In particular, there were repeated breaches of the Police and Criminal Evidence Act 1984 (PACE) Codes of Practice and the police force's procedures:

- No prisoner risk assessment was undertaken.
- There was a failure to ensure that the man was visited and roused every 30 minutes, as is standard procedure for detainees suspected of being intoxicated.
- There was a failure to complete accurate records of detention.

As a result, an officer was reprimanded and another received words of advice.

The IPCC findings, published in December 2006, recommended that the police force:

- review its procedures governing the use of CCTV in vulnerable person cells
- ensure that there is a clear understanding among all custody officers of their responsibilities
- develop a protocol with the local health authority to provide clear guidance on dealing with individuals requiring intervention under the Mental Health Act 1983.

have been released from custody and are under the supervision of the National Probation Service.

John Wadham, the IPCC's Deputy Chair, currently chairs the forum.

Suicide after arrest

The IPCC has identified concerns over the number of people who commit suicide shortly after being released from police custody: IPCC research has suggested that as many as 200 people may die in these circumstances each year.

Learning the Lessons

The police are required to report all such instances to the Home Office and the IPCC, but IPCC research has found that there are significant discrepancies between police forces, with some large forces reporting no such cases at all.

The IPCC and ACPO worked together to develop guidance for forces on dealing with suicides following police contact, which was issued in April 2007. The guidance recommends that forces should introduce systems to refer to the IPCC all suicides occurring within 48 hours of release from police custody. Suicides that occur more than 48 hours after release should also be referred to the IPCC if there are any concerns relating to a ten-point checklist, which includes whether policy and procedures were correctly adhered to and whether there was any indication of recent or current suicidal intent.

Firearms

The IPCC is committed to ensuring that any lessons for the police service arising from firearms incidents – including fatal shootings by the police – are fed back in a timely way. We have developed a protocol for disseminating learning from investigations into fatal shootings by the police: wherever possible, national recommendations will be sent to the ACPO Firearms Secretariat at (or before) the end of the investigation. These will be analysed by the Secretariat, reviewed by the ACPO Firearms Committee and disseminated to forces as appropriate. The IPCC Commissioner responsible for a particular force area will raise any specific local recommendations directly with local ACPO offices.

Principal issues raised to date include the following:

- The importance of firearms command training and the use of only trained or accredited commanders in firearms roles.



- The significance of control room handling of spontaneous incidents. It is vital to ensure that control rooms are always adequately staffed with qualified personnel who can deal effectively with dynamic and critical incidents. Specific training in the handling of firearms incidents has been recommended for control room staff.
- The importance of post-incident management. The experience of investigations to date has revealed varied practices across the country in respect of post-incident management, and these practices are not always in accordance with the ACPO guidance manual. Recommendations on post-incident management have been made, and these are being fed into a review of the manual.
- The role of recording – both of strategic briefings and of operations themselves. Video footage provides a rapid ability to prove or disprove accounts given by officers involved. With suitable technology, routine video recording of firearms operations would greatly assist any subsequent investigation, and would benefit both police officers and the public. Similarly, the question of the threat to which the officers were responding can become an issue, but the recording of strategic intelligence and other briefings would remove much of the doubt which may arise later.

Firearms incident

A 44-year-old man died as a result of a self-inflicted gunshot wound to the chest in September 2005 following a police pursuit.

Police officers had attempted to speak to the man at a house about allegations that he had threatened to kill a woman. However, the man left the property in a car before police could arrest him, and was pursued along two motorways before being stopped on the M1.

As officers approached the vehicle, the man was seen to pick up a firearm. A baton round was discharged at the vehicle, but the man was seen to shoot himself in the chest. Despite receiving immediate medical attention, the gunshot wound proved fatal.

The investigation cleared the police of any blame, but it did recommend that the police should have made better use of firearms tactical advisers. The Silver Commander and Force Incident Manager were making decisions during the pursuit without consulting with the firearms tactical advisers. As there was a suggestion that the man was armed – a suggestion that was not confirmed until the man was stopped – it was recommended that, in future incidents, the firearms tactical adviser should be deployed alongside the Silver Commander, to be in a position to give advice on alternative options.

The IPCC **5** Locally

Central region

Key cases

Michael Powell

Michael Powell died in police custody on 7 September 2003. The case was initially investigated under the supervision of the IPCC's predecessor, the Police Complaints Authority, and was subsequently taken over by the IPCC under the same supervision powers.

In March 2007, IPCC Commissioner John Crawley confirmed that none of the West Midlands police officers acquitted of criminal offences following the death of Michael Powell were to face disciplinary charges. The IPCC did, however, criticise important aspects of the police officers' handling of the incident that led to Mr Powell's death (which started when his mother called for police assistance at her home) and urged the force to ensure that key lessons are fully implemented.

Craig Boyd

Craig Boyd was arrested by Derbyshire Constabulary officers for alleged assault on the night of 15 March 2004. At 4am on 16 March 2004, Mr Boyd was found dead in his cell.

Following the IPCC-supervised investigation by Greater Manchester Police, an officer was convicted of misconduct in a public office. Criminal charges against two other officers were dropped.

Commenting on the outcomes, IPCC Commissioner John Crawley said:

"The IPCC will now invite Derbyshire Constabulary to consider whether there are misconduct (disciplinary) issues to be referred to the IPCC for consideration regarding officers involved in Mr Boyd's arrest and detention. We will also want to ensure that the very serious organisational learning issues arising out of this incident have now been fully addressed by the force, and will highlight any that are relevant to any resumed inquest.

"I am grateful to Greater Manchester Police for undertaking an exceptionally thorough, robust and professional investigation. Craig Boyd's untimely death was over three years ago now and I know it is important for all concerned – particularly for his family but also for the officers involved and the force – that we now progress this case to a clear conclusion as quickly as possible."

Aaron James

The IPCC independent investigation into the response by West Midlands Police to a report of an armed man concluded in August 2006. The incident took place in October 2005, when police received several reports – including one from the fire service – of an armed man in the Newtown area. Armed response teams were deployed to search for the man.

Officers saw a man stumble and fall in Melbourne Avenue. They approached him and found that he had gunshot wounds to his head and arm. The officers gave first aid, and paramedics were called. The man later died in hospital.

The following day, IPCC Commissioner Amerdeep Somal was able to issue an interim statement to confirm that the man – Aaron James – was not killed by a bullet of the type that is issued to the police. This was important in allaying community tension, which was running high at the time.

The IPCC investigation ran in conjunction with the murder investigation by West Midlands Police, with information flowing between the two investigations. The IPCC investigation found the following:

- Firearms officers from West Midlands Police did not shoot Aaron James.
- There was no evidence to substantiate the fact that any of the police officers investigated in relation to this incident had committed any criminal offence.
- Neither was there any evidence to substantiate the fact that any of the police officers investigated in relation to this incident had committed any disciplinary offence.

The report went on to commend two police constables for the initial care that they had administered to Aaron James at the time he was shot, recognising the difficult circumstances that the constables faced and acknowledging that their ‘main focus was the preservation of Aaron James’ life’.



A day in the life: Bob Lilley, Deputy Senior Investigator (DSI)

“I have worked at the IPCC for just over three years – I joined a few months before the organisation was launched. Prior to working here, I worked on the development of a DNA programme and as part of a cold case review team. Before that I was a police officer for 30 years.

“The job of a DSI is varied. I usually start the day by checking emails and messages to progress the investigations that I currently have running. I might then meet key people – these could include complainants, witnesses, police officers, members of police Professional Standards Departments (PSDs) and coroners.

“If an incident has occurred in my region, I might be asked to go out and undertake a scene assessment to gather information and evidence – at any time of the day or night. I also have to attend post-mortem examinations in cases where someone has died in police custody or where there has been some police contact prior to their death.

“The rest of my time is taken up with reviewing reports from police forces on cases where the IPCC is managing the investigation. This can involve challenging the report and requesting that further work be carried out.

“Another key part of my role is managing and supporting my team of investigators, who come from a wide range of backgrounds. This can be one of the most challenging but also the most rewarding parts of my job.

“The IPCC is a young organisation, and we are constantly learning and evolving. The best thing about working here is that we are making a real difference – that gives me tremendous job satisfaction.”

Colette Lynch

In August 2006, the IPCC published the findings of its independent investigation into the circumstances surrounding the death in Rugby of Colette Lynch.

The investigation findings outlined the need for major improvements in force procedures and training. Key recommendations included the following:

- All reported domestic violence incidents should be brought to the attention of a supervisory officer, including the communications centre inspector.
- The force's domestic violence, call-handling and crime-recording policies should be reviewed and made fit for purpose.
- Much more robust management systems should be implemented and led at chief officer level – to ensure that front-line staff are implementing and adhering to critically important policies to combat domestic crime.

- Changes should be made to prevent the premature closing down of incidents on the force call-logging system.
- There should be improved supervisory staff levels and management of junior staff within the Rugby operational area, with scope for improved team working and leadership.
- Disciplinary action should be taken against several officers and staff.

In February 2007, the IPCC used the new power granted under the Police (Conduct) Regulations 2004 for the first time to direct Warwickshire Police to hold a misconduct hearing in public. The hearing is expected to take place in autumn 2007.

The IPCC has received detailed plans from the force addressing all of the major organisational recommendations.

Police pursuit

On 13 January 2006, following a brief police pursuit, a white Vauxhall Calibra collided with a silver Seat Alhambra in Suffolk, at the A1156 junction with the Nacton village turn-off. Both vehicles subsequently caught fire and three people – two men and a woman – were taken to hospital following the incident. The driver of the Vauxhall Calibra was critically injured, although he subsequently recovered.

The IPCC published the findings of its investigation into the incident in October 2006. IPCC Commissioner Len Jackson stated: "Having examined all of the circumstances of this incident, the IPCC has concluded that the police officer acted proportionately and appropriately on this occasion. Beyond this, I would like to commend



him for his extreme bravery. Without concern for his own personal safety, on arriving at the scene of the collision, he immediately pulled three people from the burning cars. This selfless action undoubtedly prevented a greater tragedy for the victims of this incident.”

Important issues in this region

Speed camera review

Derbyshire Constabulary suffered a significant amount of negative media coverage relating to the use of speed cameras following the publication of data detailing the number of police vehicles that were caught by speed cameras during 2004.

As part of the IPCC’s guardianship function, Commissioner Amerdeep Somal requested that the force undertake a full review of these camera activations. As a result of this work, a number of recommendations were made and improvements were implemented by the force.

Community events

Staff from the Central region attended a range of community events to raise the profile of the IPCC among local people. These included the Norfolk Constabulary Gala Day on 3 September 2006 and a World Mental Health Day event in Leicester on 10 October 2006, when the IPCC joined with other organisations with an interest in mental health issues to share information about themselves – both with the public and also with each other.

London and South East region

Key cases

Peter Woodhams

On 24 August 2006, the IPCC announced that it would use its own investigators to examine the Metropolitan Police Service's response to the stabbing of Peter Woodhams in January 2006. The Metropolitan Police Service voluntarily referred the

case to the IPCC after Mr Woodhams was shot dead in Canning Town, east London.

The IPCC said: "It is vital that Mr Woodhams's family, the police involved, and the public at large can have confidence that their concerns about the incident will be robustly investigated."

As a result of this investigation, in May 2007 the IPCC announced that two officers will face a misconduct hearing, three have received written warnings and one officer has been given words of advice.

Deepcut Barracks

Private Geoff Gray died from two gunshot wounds to the head at Deepcut Barracks in Surrey in September 2001. His parents complained to the IPCC that Surrey Police had investigated their son's death with their minds already made up about the conclusion. The IPCC undertook its own investigation, which found that there was no coherent evidence of any presupposition of the outcome of the police investigation by Surrey police officers.

Litter bin incident

An IPCC inquiry concluded that two Metropolitan Police Service officers should receive written warnings after a complaint of racial abuse by a 15-year-old youth after he was lifted up and placed in a litter bin by a police constable.

The IPCC managed investigation was carried out under the Metropolitan Police Service's internal investigations command. It found that one officer lifted the boy and placed him feet first in the bin before releasing him after no more than a second. A second officer was found to have made an obscene gesture.

A day in the life: Austen Cutten, Regional Policy Officer

"There are two main aspects to my role. The first is supporting the Commissioners in carrying out their 'guardianship' function; this involves identifying opportunities for them to meet people from local communities to talk about the police complaints system and to promote the work of the IPCC. I prepare presentations for the Commissioners to give and often go out with them on visits. The second part of my role involves developing and implementing IPCC policies within the London and South East region.

"I have worked for the IPCC for just over two years. Previously I worked for a think tank that promoted local democracy and lobbied on behalf of local government.

"As well as going out on visits with Commissioners, my day can involve attending meetings of key bodies or networks to share information about what is happening on the ground or to find out about best practice. For example, I am part of the Metropolitan Police Authority's (MPA's) Community Monitoring Network Group on stop and search. I also work closely with colleagues within the IPCC on key policies; I have recently been involved in the development of the IPCC's gender equality scheme.

"The best thing about my job is going out and meeting local people to talk about the IPCC and its work. People are always really interested in what we do and often have good ideas about ways for us to engage better with local communities. I really enjoy the range of people I work with – both within the IPCC and in the stakeholder organisations that we work with. It is sometimes hard to do everything we would like to, as resources are limited, but I have found it very rewarding to be involved in developing policies to help the IPCC to evolve."

Deborah Glass, IPCC Commissioner, said: "I accept that the incident was not malicious, but it was clearly foolish behaviour. The allegation of racial abuse appears to be without foundation. I believe that, in deciding the outcome, it must be kept in proportion. I am not excusing their conduct, but I feel that written warnings keep the penalties in proportion to the seriousness of the incident. Under this procedure the officers have accepted that they breached the Code of Conduct."

Steven Greene

The IPCC was praised by the coroner for the comprehensiveness of its investigation into the circumstances surrounding the death of Steven Greene, who died on the railway line at West Malling in Kent in April 2006.

The IPCC investigation looked at whether anything could have been done by Kent Police to prevent Mr Greene's suicide after his former partner had contacted the police a number of times to warn them that Mr Greene was planning to commit suicide. As a result of the investigation, a call centre operator received a written warning and five members of the force control centre received words of advice. A range of recommendations were also made to Kent Police about steps that could be taken to minimise the risk of a similar incident occurring again – for example that a separate category for 'threatened suicide' be created on the call-handling system. These recommendations have been implemented by Kent Police.

Racial abuse incident

Two Metropolitan Police Service officers were required to resign in October 2006 after a man complained of being racially abused in a south-east London police station.

The incident happened at around 12.40am on 1 July 2005, just before the complainant was brought into custody at Plumstead police station after being arrested. The complainant alleged that a constable racially abused him and he complained about this to the custody sergeant. Three police officers who witnessed the incident came forward and reported it to another custody sergeant.

Following the IPCC managed investigation, the Metropolitan Police Service Board required one constable to resign for breaching the police code on politeness and tolerance by referring to the complainant in a racist way and also for bringing the Metropolitan Police Service into discredit. A second constable was required to resign for failing to oppose the behaviour and failing to report it. He was also found to have failed to reach the required standard of honesty and integrity in that he submitted a prepared statement that falsely claimed that he did not see or hear the offending behaviour. The officers have appealed this decision and the matter is subject to current proceedings.

IPCC Commissioner Mehmuda Mian Pritchard commended the officers who had reported their colleague's racist behaviour.

Important issues in this region

Building confidence in the police complaints system among young people

Work in the London and South East region has focused on increasing confidence in the police complaints system among young people.

In October 2006, IPCC Commissioner Mehmuda Mian Pritchard visited Essex Police's Pepys Youth Forum to talk to 14–19-year-olds about the police

complaints system and to discuss members' views and experiences.

Additionally, a series of four events were held in conjunction with the Federation of London Youth Clubs (London Youth), aimed at providing information about the police complaints system to young people, and helping to build confidence in the system.

The workshops, which were held in Hammersmith, Hackney, King's Cross and Brixton, were designed and delivered by a group of young people known as 'peer educators'. The sessions were based around role play, and were followed by discussion. Positive feedback was received from participants, and London Youth will, in due course, be presenting a full report, including recommendations for effective engagement with young people.

Local resolution project

Building on work being carried out nationally by the IPCC to promote local resolution as an effective mechanism for resolving the vast majority of complaints against the police, the region has been working to develop a pilot project within the London Borough of Brent aimed at increasing public and police confidence in the use of local resolution.

The project has two key components. Firstly, it has entailed working with police managers at borough level – and with support from the Metropolitan Police Service corporate PSD – to develop a local resolution training programme that is open to police inspectors and sergeants within Brent. The sessions will use a mixture of formal presentations and interactive case study scenarios to help to ensure that the IPCC's key messages are delivered to officers, building their confidence in the local resolution process.

The second aspect of the pilot project focuses on community engagement, by working in partnership with the borough's community safety unit. It has involved running a series of public awareness sessions about the IPCC and the police complaints system. These sessions will focus on key target audiences such as young people, faith groups, and advice agencies and partnerships.

The Brent pilot project will be robustly monitored and evaluated by both the IPCC and the MPA. The MPA's work will include some dip-sampling of local resolution cases, interviews with both complainants and officers involved in local resolution and, finally, an analysis of statistical data in relation to local resolution trends. The project's evaluation report will be published in later in 2007.



North region

Key cases

The Cochrane family

An independent investigation found individual and systemic failings in relation to Greater Manchester Police's dealings with Alex and Maureen Cochrane. The Cochranes died and their daughter, Lucy, was seriously injured as a result of an arson attack on their home on 12 January 2006. Michael and Jane Connor were sentenced to life imprisonment for murder, and their daughter, Natalie, was convicted of manslaughter in relation to the attack, following a six-week trial.

On 7 January 2006, there had been an incident at the Cochranes' home, during which a fluid was poured down the front door and a tree was uprooted in the garden. Following the fatal arson attack, concerns were expressed about the response of Greater Manchester Police to the earlier incident, and the force referred the matter to the IPCC.

The IPCC investigation found that there had been failings in the duty of care that the Cochrane family had received. This included the fact that an officer had given his personal mobile number to the family. Although this was probably done with the best of intentions, it only acted to circumvent Greater Manchester Police's recording systems. The investigation also found that the force's crime recording systems were 'outdated' and 'inflexible' and recommended that they be reviewed. As a result of the investigation, a police constable received a formal written warning and a police inspector received words of advice.

A day in the life: Nicholas Long, Commissioner

"No two days are the same for a Commissioner. But a typical day might start with me waking up quite early at home in York and going online while I am still fresh to deal with any outstanding emails and documents that require careful attention. I might also have a catch-up phone conversation with my assistant. Much of a Commissioner's life involves working remotely, and a laptop and mobile phone are the two most important communication tools.

"I catch the crowded 7.44am train to Wakefield and then travel on to one of our two offices for the region. My assistant is based in Wakefield, and our occasional face-to-face meetings are essential for dealing with administrative matters. On a Monday, we have a video conference regional briefing at 9.10am and a national weekly round-up at 9.30am. These are both useful sessions that help me to understand better what is going on across the country. More meetings might follow. Once a month I have a meeting with senior investigators to review any progress on independent and managed investigations. These supplement regular progress reports for individual cases, and an hour or so in the Wakefield office enables me to have numerous brief conversations with casework managers and investigators on specific matters.

"I regularly meet senior police officers from the forces for which I have responsibility, as well as other key people with whom it is important for the IPCC to maintain a good relationship. These will include coroners, CPS representatives and community representatives. These meetings tell me a lot about how we are doing and provide an opportunity for me to explain and discuss current issues affecting the IPCC. On this day I travel to Sheffield to meet the deputy chief constable for an hour, as well as squeezing in an external (non-police) meeting and a meeting with a community representative.

"I then travel to London for a meeting with representatives from custodial agencies. I am the IPCC's Commissioner lead on custody issues and regularly attend national meetings, listening to the concerns of others and explaining the IPCC's position. I am particularly concerned about deaths in custody and work closely with fellow Commissioners who lead on mental health issues.

"I finish the day at the London and South East office reading and responding to emails, before attending an event in the evening – to listen to the views of stakeholders."



Bravery commended

Norman Sinton died when the car he was in crashed while being pursued by officers from Cumbria Constabulary: the car burst into flames shortly after a collision. The IPCC's investigation concluded that the officers had acted professionally during the pursuit and should be commended for their bravery in rescuing two of the occupants of the burning car.

Harold Shipman

The IPCC decided not to uphold an appeal by a member of Harold Shipman's family against Greater Manchester Police's decision not to record their complaint. Harold Shipman was a GP convicted in January 2000 of murdering 15 of his patients. He was later found dead in his prison cell. The complaint concerned the force's refusal to return to the family a typewriter and two medical bags that had belonged to Dr Shipman.

IPCC Commissioner, Naseem Malik, found that Greater Manchester Police's decision not to return the

property was a policy matter rather than a conduct matter, which meant that there was no requirement for it to be recorded as a complaint under the criteria laid down by the Police Reform Act 2002.

Michael Doran

In August 2006, the IPCC concluded its independent investigation into Greater Manchester Police's covert law enforcement methods and record keeping, and also into how they dealt with a report that Michael Doran, an informant (or covert human intelligence source), was missing.

Mr Doran was murdered in March 2001, although his body has never been found. Stephen McColl, who was also an informant, was convicted of his murder following a trial at Liverpool Crown Court.

The matter was referred to the IPCC in September 2004 after Greater Manchester Police began to suspect that Mr Doran had been murdered.

The IPCC investigation found no evidence of criminal conduct by officers involved in the handling of Mr McColl and Mr Doran. But the investigation did find failings both in the systems that the force had in place for handling informants at that time and in the performance of individual officers in the course of their duties.

As a result of the performance of duty issues, four officers have received words of advice from Greater Manchester Police. The IPCC has also made a series of recommendations aimed at improving the force's management of covert law enforcement techniques, including improved record keeping.

Important issues in this region

Asian community forum

In June 2006, a forum was held in Blackburn for members of the Asian community. The aim of the forum was to explain the work of the IPCC and to help the IPCC to understand more about the issues affecting that community.

More than 40 people attended the event, and issues raised included the following:

- To build confidence in the IPCC, police officers need to be seen to be held accountable for their actions.
- Complaints about the stop-and-search policy are low because people are not aware of the IPCC.
- The IPCC needs to highlight the difference between itself and the police.
- IPCC surgeries, reporting centres or community access points would be a good idea.
- A pool of volunteers should be used as 'community champions'.
- The emphasis should be on raising awareness among younger people.

Stakeholder and public work

A guardianship action plan has been set up. This is essentially a calendar of events to ensure that the IPCC meets regularly with its key stakeholder groups. These stakeholders include representatives of police force independent advisory groups; local Police Federation representatives; key communities (see the 'Asian community forum' section above); racial equality councils; student unions; the local Black Police Association representatives; and lesbian, gay, bisexual and transgender groups.

Commissioners have represented the IPCC at many community events, including taking part in phone-ins as part of the Caribbean Carnival of Manchester and the Bob Marley Reggae Festival. These were an opportunity to explain more about the IPCC's work to the communities of south Manchester (which includes Moss Side and Hulme). Commissioners have also attended conferences on subjects such as forced marriage, women in policing, deaths in custody, and gypsy and traveller issues.

Work to inform police stakeholders about IPCC processes and to share best practice through meetings and training sessions has continued. All forces in the region have been visited to discuss the new casework processes, and best practice training days have been held with police authorities and police forces to discuss referrals, appeals and dispensations.



Wales and South West region

Key cases

Child A

An independent investigation was carried out into South Wales Police's response to the abduction of a three-year-old child (Child A) from her home by Craig Sweeney on 2 January 2006.

On 9 January 2006, Child A's father complained to South Wales Police. He alleged that despite the force having been made aware of the perpetrator's address and identity shortly after the abduction, the response was ineffective and too slow, failing to prevent the serious sexual assault of his daughter.

The IPCC investigation partly upheld the father's complaint: it found that Child A could have been prevented from being subjected to a further terrifying ordeal if there had been prompt and appropriate action on the part of the police force. Mr Sweeney should not have been able to leave his home address and cross the Severn Bridge into England. While the investigation concluded that there might have been the potential to visit Mr Sweeney's home at an earlier stage, it also found that there was insufficient evidence to substantiate the allegation that this would have prevented the assault that took place at the house.

During the course of the independent investigation, the IPCC identified deficiencies in South Wales Police's procedures and policies for dealing with child abduction, and inadequate procedures and policies for dealing with critical incidents. The IPCC made recommendations, to the force about policy and training on how to deal with abduction cases and about the use of and access to intelligence about sex offenders by control room staff dealing with a major incident. The force responded positively to the recommendations, and the IPCC is now working to ensure that they are implemented.

A day in the life: Liz Pollard, Casework Manager

"I joined the IPCC eight months ago and am based in the Cardiff office. My previous job was with a firm of solicitors.

"My day varies enormously depending on what comes in. I get involved when a serious complaint is first referred to the IPCC by a police force. I make an initial assessment and recommend to the Regional Director how the case should be handled. When the IPCC is supervising a case, I work closely with the investigating officer to ensure that the investigation is being handled properly by the police force carrying it out. In independent and managed cases, I am responsible for ensuring that the police force and the complainant are kept fully informed of the progress of the investigation.

"I act as liaison for the IPCC with Devon and Cornwall Constabulary. This involves identifying any issues or trends within complaints about this force and flagging them up to the IPCC Commissioner or the force PSD. I also attend meetings with the PSD every two months to discuss and resolve any issues that have arisen. And I deal with appeals for complaints that have been investigated by the police.

"I enjoy the challenge of my role. The work can be complex, but it is so varied and it's never boring. I have to work to build and maintain good relationships with the PSD – even when we are giving them critical feedback. I also work closely with investigators and with the IPCC legal team, which can help to provide information about police policies and procedures.

"I am part of a good team in the Wales and South West office. There is lots of co-operation and everyone is open, supportive and friendly. It is great having a job that means something, and I love being able to look forward to going to work in the morning!"

The IPCC recommended that officers face a misconduct panel for failing to be conscientious and diligent in the execution of their duties. In addition, the IPCC identified national issues around data sharing for the Violent and Sex Offender Register (ViSOR) held by police forces; these issues have been shared with ACPO.

Hayley Richards

The IPCC conducted an independent investigation into Wiltshire Police's handling of Hayley Richards' report of domestic violence. In April 2004, the investigation concluded that the force's response was poor, and found that institutional failings led to the force's failure to arrest Hugo Quintas on two separate occasions. Mr Quintas went on to murder Hayley two weeks after the reported attack.

The investigation considered seven separate complaints made by Hayley's mother: two were upheld fully and a third was partially upheld.

The IPCC welcomed the wide-ranging and positive response from Wiltshire Police to the report, and the force's acceptance of the recommendations within it. Wiltshire Police agreed to take conduct action against an acting sergeant and to give a verbal warning to a member of police staff.

Important issues in this region

Memorandum of understanding between the IPCC and the Healthcare Inspectorate Wales

The IPCC and the Healthcare Inspectorate Wales have been working together to develop a memorandum of understanding setting out the agreed framework for co-operation, collaboration and communication in relation to the investigation of serious injuries and deaths in police custody.

This applies to cases where there are also concerns about the quality and safety of patient care provided both by the NHS in Wales and in independent healthcare settings.

The memorandum of understanding defines the circumstances under which joint working will apply, while confirming that there will be no impact on the statutory duty of either the IPCC or the Healthcare Inspectorate Wales. The principle of joint working is that improvements in healthcare services and in the effectiveness of the police service can be achieved through open and transparent working practices.

The functions identified within the memorandum of understanding include the sharing of resources, joint investigations and reviews (where practical), the identification and dissemination of good practice, and training and guidance. If issues of significance are brought to light as a result of a joint review, a joint decision can be made to bring these to the attention of the Secretary of State for Health and/or the Home Secretary.



The IPCC Regional Director for the Wales and South West region and the Deputy Chief Executive of the Healthcare Inspectorate Wales have begun discussions about how this joint working will be brought to the attention of the relevant custody suite personnel in each of the Welsh forces.

Stakeholder and public work

The Commissioners for Wales and the South West have met with a range of key stakeholders during the year. For example, the Commissioner for Wales, Tom Davies, addressed delegates at the Welsh Citizens Advice Bureau's Annual General Meetings (AGMs) in Llandudno, Carmarthen and Cardiff at the beginning of September 2006, and Ian Bynoe, Commissioner for the South West, attended the Victim Support Annual General Meeting in Devizes in October 2006.

The region also organised seminars with police authorities and Race Equality Councils from South West England and Wales.

In addition, the IPCC in the Wales and South West region has continued to work closely with police forces. Commissioners and staff hold regular meetings to inform forces about

IPCC processes, to share best practice and to monitor the implementation of any learning identified through investigations and appeals.

Welsh language scheme

The Wales and South West office deals with complaints made against ten police forces including the four Welsh forces: South Wales, North Wales, Gwent and Dyfed Powys. The populations of these geographical areas include members of the public for whom the preferred language is Welsh. The IPCC recognises that members of the public can express their views and needs better in their preferred language, and is committed to complying with its statutory responsibility to provide an equal standard of service in Welsh as it does in English.

Mr Davies was the guest speaker at the South East Wales Race Equality Council's AGM in October and at a North Wales Race Equality Council event in November 2006.

The IPCC has been working this year to develop a voluntary Welsh language scheme; however, it was advised on 6 March 2007 that it was to be officially named by the Welsh Assembly as a public body and, as such, that it must comply with the Welsh Language Act 1993 and must consequently produce a Welsh language scheme.

The scheme, which will be published shortly, outlines the areas in which the IPCC will actively ensure that Welsh and English are treated on an equal basis. These include all means of communication – spoken, written and electronic – in a range of settings, including operations, recruitment, advertising, signage and corporate identity.



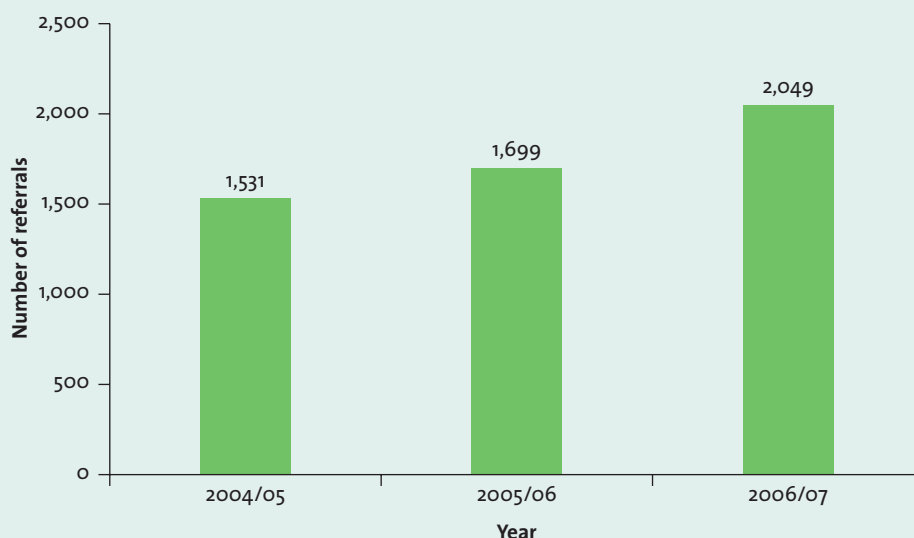
6 Performance Data

Handling referrals and investigating the most serious complaints

The number of matters referred to the IPCC last year for a decision on the mode of investigation increased compared to the previous year, continuing the steady rise since our first year of operation in 2004/05 (see Figure 1). The total number of requests received in 2006/07 was 2,049 – a 21 per cent increase on the number received in 2005/06. Of the referrals received this year, 13 came from SOCA and 33 from HMRC, with the remainder coming from police forces.

It is important that those individuals and organisations affected by matters referred to us know how those matters will be investigated as quickly as possible. The IPCC had a target to communicate decisions on modes of investigation within two working days of the matter being referred in 80 per cent of cases. Against a context of receiving a growing number of referrals, we did not achieve this last year, but we did show considerable improvement on the previous year by communicating 67 per cent of decisions within two working days, compared to 45 per cent in 2005/06.

Figure 1: Number of referrals received by the IPCC between 2004/05 and 2006/07



Of the referrals received this year, the IPCC decided to independently investigate 64 matters and managed the investigation of another 176. We began more independent investigations than we had during

the previous year (52 independent investigations were commenced in 2005/06 – see Figure 2) but slightly fewer managed investigations (188 were commenced in 2005/06 – see Figure 3).

Figure 2: Number of independent investigations started and completed by the IPCC between 2004/05 and 2006/07

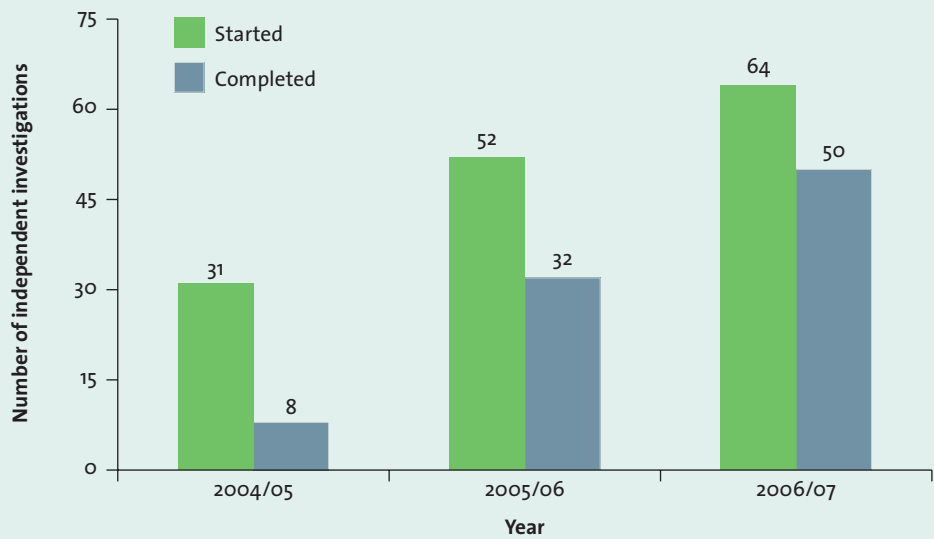
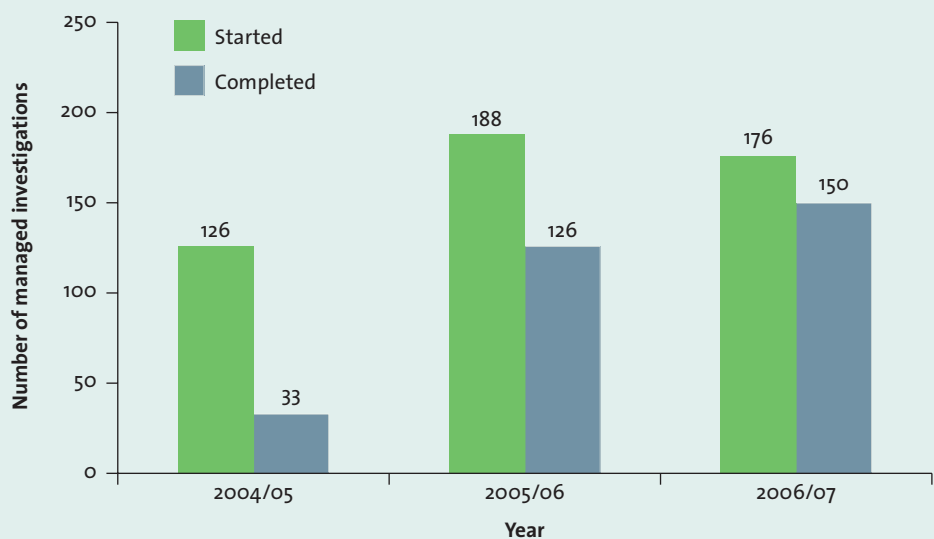


Figure 3: Number of managed investigations started and completed by the IPCC between 2004/05 and 2006/07



The large number of new investigations started by the IPCC over the past two years has had an impact on our ability to complete investigations in a timely manner. Our target to complete investigations in less than an average of 157 working days was missed on independent investigations: the average rose to 183 working days for all independent investigations completed since commencing operations. However, we were almost on target for managed investigations, which have been completed in an average of 158 working days. This performance needs to be seen in the context of rising numbers of new investigations started, the fact that we are completing fewer investigations than we have started ourselves, and that we are undertaking longer, more complex investigations.

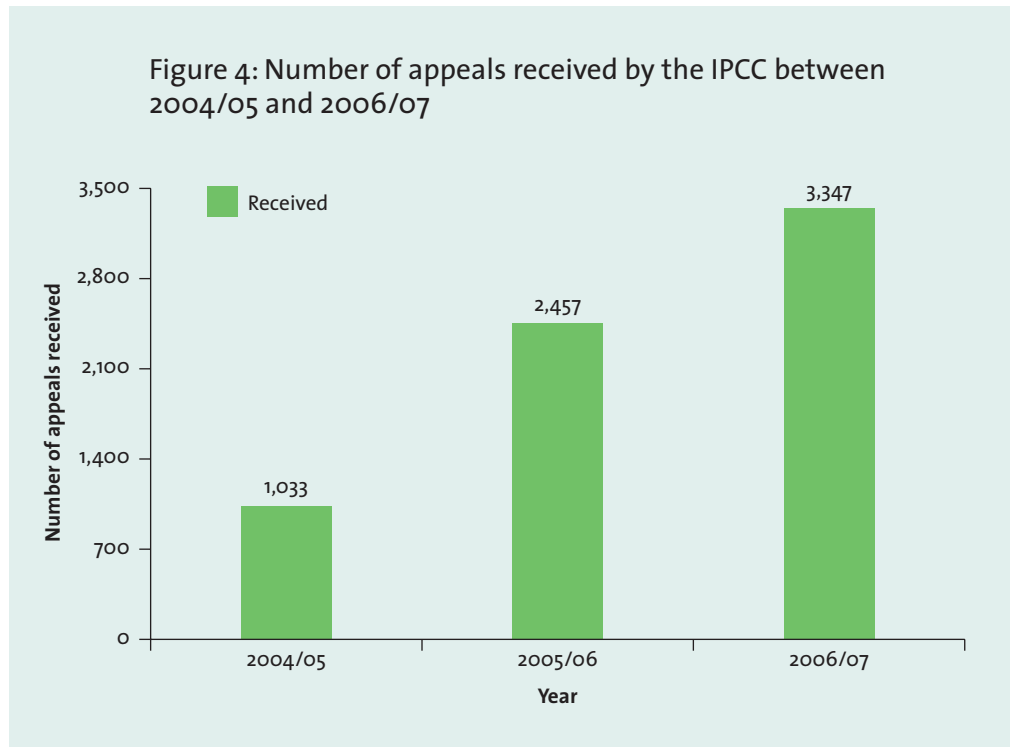
The IPCC had the opportunity to undertake more detailed capacity modelling in late 2006/07, to help us to better manage performance and to plan for the future. The modelling determined that the IPCC has the capacity to undertake about 50 independent and 120 managed investigations in any one year – significantly fewer than the number we have been trying to maintain over the past two years. Continuing to embark on more investigations than we are capable of handling is not sustainable; we will therefore be adjusting the number of new investigations started in any one year in line with our modelled capacity and continue to focus our investigations on the most serious complaints and misconduct issues. We will also concentrate on closing existing investigations to reduce the time taken to complete them and to ensure that those affected receive answers in a more timely manner.

Handling appeals from complainants

The complaints system allows complainants to appeal to the IPCC against the non-recording of a complaint, the local resolution process followed, or the outcome of an investigation conducted locally by the police or supervised by the IPCC. This is a new right that was given to complainants when the new system was introduced in April 2004, and the number of appeals has risen rapidly since then. There was another significant increase last year, with 3,347 appeals received. This represented a 36 per cent increase on the previous year (see Figure 4).

The IPCC has undertaken to alert the relevant force on receipt of an appeal within one working day in 80 per cent of cases. During 2006/07, we managed to exceed this target, informing forces within one working day in 87 per cent of cases. This was up from 81 per cent the previous year and is very important in order for forces to send the background papers to the IPCC promptly and for the appeal to be considered without undue delay.





The IPCC set itself a very ambitious target to complete 80 per cent of appeals within 20 working days last year, but only completed 20 per cent within this time period. A significant backlog of appeals developed, and this had a detrimental impact on performance. Three factors in particular led to this backlog: the increase in the number of appeals being received; the complexity of many appeals; and delays in the supply of background papers to the appeals by the police. While overall performance this year was an improvement on the previous year, it is still well below target and significant further improvement is required in the year to come.

Our own better handling of appeals will be key to this improvement. We have already significantly reduced the backlog (and in some regions we have eliminated it), and will begin to take a corporate approach, matching capacity to demand across regions so that there is minimal carry-over

of appeals month by month. We have also set staged improvement targets across the year (backed up by improvement plans), to ensure that by the end of the fourth quarter of 2007/08 we will be hitting the 80 per cent target for the number of appeals completed within 20 working days.

This improvement in performance will also come from working with the police to improve their timeliness in supplying background papers. Last year, forces supplied background papers in an average of 18 working days, compared with a target of ten working days. A simplified process for delivering this information has been agreed with forces.

Ensuring that complainants can complain directly to the IPCC

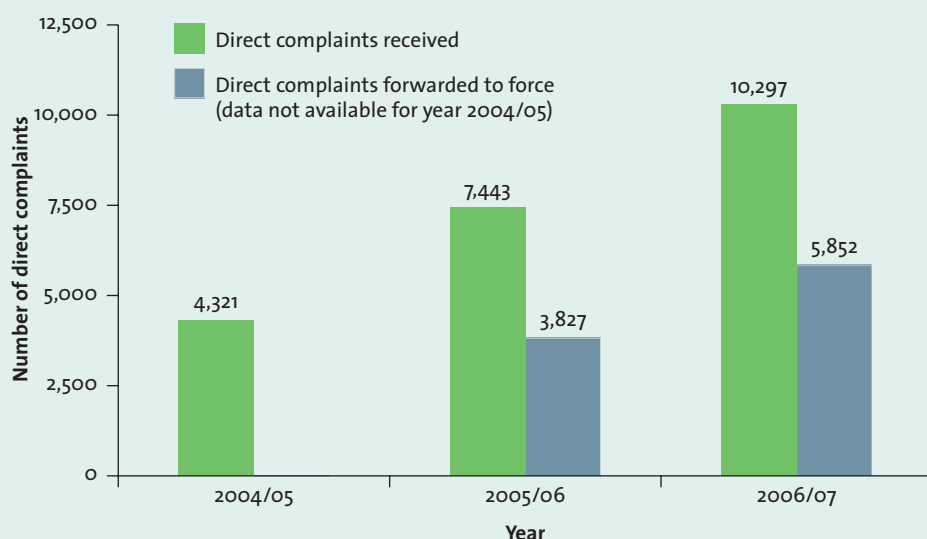
In April 2004, the IPCC launched its Telephone Complaints Centre (TCC) to enable the public to lodge complaints directly, or to seek advice on complaining. The popularity of the new service is easily demonstrated by the rise in the amount of business that is received: calls to the centre have risen from 800 per month in the first six months of operation to 1,800 per month during 2006/07. In 2006/07, over 10,000 matters were raised with the TCC – a third more than were raised the previous year. Over half of these were forwarded to the police for recording as a complaint – 50 per cent more than were forwarded in the previous year (see Figure 5).

The volume of people contacting the new centre has had an impact on its ability to cope. Although the centre's performance is still below target levels,

it has dramatically improved on the previous year. In 2006/07, the centre responded to complainants within two working days in 52 per cent of cases – up from 29 per cent the previous year. It assessed, gained consent for and forwarded complaints to the relevant force within two working days in 53 per cent of cases – up from 29 per cent the previous year.

The IPCC is committed to improving the response times of the TCC, and we are undertaking a number of improvement initiatives with this in mind. We aim to provide clearer information and help to reduce the volume of follow-up enquiries by producing a 'frequently asked questions' leaflet and revised corporate literature on making a complaint to the IPCC. Additionally, we are now forwarding the majority of complaints to the relevant forces electronically. This has reduced the time taken for forces to receive complaints, and ensures secure delivery. Recent statistics show further improvement on last year's performance towards the target of 80 per cent of direct

Figure 5: Number of direct complaints received



complaints responded to within two working days. We will be monitoring the situation closely to ensure that recent excellent performance can be maintained throughout the coming year.

Completing outstanding cases from the old complaints system

In April 2004, the IPCC inherited the responsibility for resolving complaints that had been carried over from the previous police complaints system. The IPCC took over 5,217 cases, including some that were already in progress with our predecessor – the Police Complaints Authority – on 1 April 2004, and others that were received in our first three years of operation. In the last year we have received 69 new cases, but just 87 remain to be completed in total. In addition to these 87, it is estimated that just over 30 additional cases are still to be received from forces.

The thousands of legacy cases completed by the IPCC over the past three years represent a great achievement for the IPCC and the complaints system in general. The resources needed to resolve these cases are now free to concentrate on improving our performance in handling appeals.

Staff and support services

As a complaint-handling body, the IPCC takes very seriously those complaints that are lodged by members of the public against our staff for conduct-related issues. The number of complaints of this type increased significantly to 220 in 2006/07 – a jump of 150 per cent. The proportion of these complaints that were upheld (19 in total) remained steady at below 10 per cent. Of the complaints received, 80 per cent were provided with a substantive response within ten working days (the target was 90 per cent). This was an improvement on the previous year, when the rate was 73 per cent.

Since 1 January 2005, members of the public have been able to request information from the IPCC under the Freedom of Information Act. Last year we received 224 such requests, and in 82 per cent of cases we met the statutory target of providing a response within 20 working days.

The IPCC continues to experience lower rates of staff turnover and sickness compared with public sector averages. Staff turnover was 9 per cent in 2006/07, having decreased from 11.8 per cent the previous year and comparing favourably with the public sector average of 13.3 per cent. Staff sickness has increased to 2.9 per cent in 2006/07, but still compares favourably with a public sector average of 4.3 per cent.

The IPCC's outturn rose from just under £31 million in 2005/06 to just over £34 million last year, as we took on additional responsibilities for SOCA and HMRC. This represents a small surplus. Further information is contained in Chapter 9 of this report.

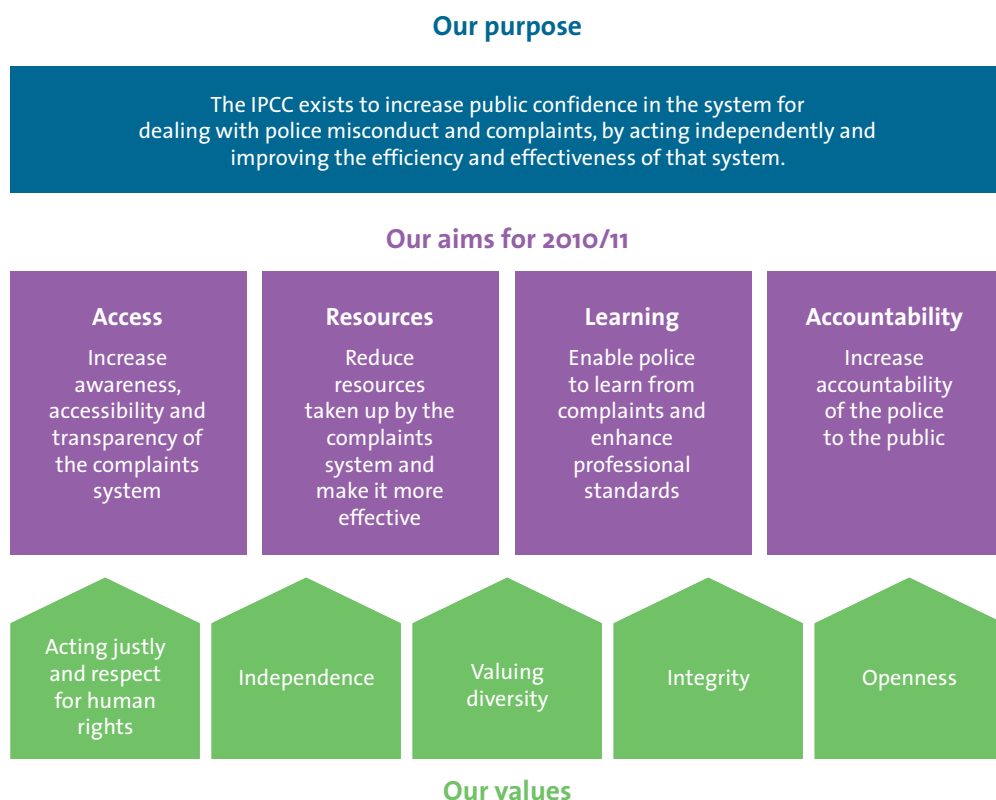
The IPCC's 7 Aims

At the heart of the IPCC's work is the belief that public confidence in the police complaints system will lead to greater trust in the police service as a whole, and that this in turn will contribute to increasing the overall effectiveness of the police service. The level of public trust in a police force clearly has an impact on its capacity to carry out its core function of tackling crime and disorder: the greater the public confidence, the more likely it is that individuals will report crime and come forward with information about criminal activity.

Raising confidence in the complaints system is the underlying purpose of the IPCC.

The IPCC has developed four aims, to be delivered by 2010/11. Each year, our business plan sets out the key developments that we will be working towards over the next year under each of the four aims, as well as the key targets that we will be monitoring. This process will improve our own performance – as well as that of the complaints system as a whole – to ensure that we achieve our four aims and meet our overall purpose.

Figure 6: The purpose, aims and values of the IPCC



IPCC Commissioners and Staff

This is a list of the current responsibilities of the IPCC Commissioners. Some of these duties have been taken on since the end of March 2007, and this list is current at the date of publication.

Commissioners

Nick Hardwick is the Chair of the IPCC. Based at the national office in London, he is accountable to the Home Secretary for the performance of the IPCC. He chairs the IPCC Diversity Committee.

Lead organisational contacts: Home Office, Home Secretary, ACPO, police staff associations, HMIC (with Rebecca Marsh), IPCC Advisory Board and police staff (with John Wadham).

Policy lead roles: counter-terrorism and diversity.

John Wadham is the Deputy Chair of the IPCC and is based at the national office in London. He chairs the IPCC Casework and Investigations Committee.

Lead organisational contacts: coroners, the Crown Prosecution Service, Custody Ombudsman, Deaths In Custody Forum, the INQUEST charity, international and overseas police oversight bodies, the Legal Services Commission, national Muslim organisations (with Mehmuda Mian Pritchard), the Police Action Lawyers Group, the Metropolitan Police Service (with Deborah Glass), the Information Commissioner's Office and police staff.

Policy lead roles: corruption, discipline (including residual issues from the Taylor Review) (with Amerdeep Somal), IPCC negotiations in preparation for new business with the Immigration and Nationality Directorate (with Nicholas Long and Ian Bynoe) and stop and search (with Mike Franklin).

Ian Bynoe is a Commissioner for the South West and chairs the IPCC Guardianship Committee.

Police force responsibilities: Dorset, Wiltshire, and Devon and Cornwall.

Policy lead roles: learning the lessons (with John Crawley), mental health, and health and social services (with John Crawley).

John Crawley is a Commissioner for the Central and Eastern region.

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

Lead organisational contacts: the Healthcare Commission and other health agencies in England, and police authorities and the Association of Police Authorities (with Rebecca Marsh).

Policy lead roles: mental health, learning the lessons (with Ian Bynoe), and health and social services (with Ian Bynoe).

Tom Davies is a Commissioner for Wales.

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

Lead organisational contacts: Welsh Assembly Government and health agencies in Wales.

Policy lead roles: inspection of IPCC, police negotiators (with Mike Franklin) and Welsh issues.

Mike Franklin is a Commissioner for the North region.

Police force responsibilities: Cheshire, Lancashire, Merseyside and the Port of Liverpool.

Policy lead roles: gypsies and travellers, police negotiators (with Tom Davies), and stop and search (with John Wadham).

Gary Garland is a Commissioner for the North region.

Police force responsibilities: Cleveland, Durham and Northumbria. (Also HMRC.)

Policy lead role: HMRC.

Deborah Glass is a Commissioner for the London and South East region.

Police force responsibilities: City of London, Thames Valley, Metropolitan Police Service (north east), Surrey and Hertfordshire.

Lead organisational contacts: Metropolitan Police Service (with John Wadham) and ACPO (Conflict Management Committee).

Policy lead role: firearms and less lethal weapons.

Len Jackson is a Commissioner for the Central and Eastern region.

Police force responsibilities: Cambridgeshire, Lincolnshire, Norfolk, Nottinghamshire and Suffolk.

Policy lead role: dogs.

Nicholas Long is a Commissioner for the North region.

Police force responsibilities: Humberside, North Yorkshire, South Yorkshire, West Yorkshire.

Lead organisational contact: British and Irish Ombudsman Association.

Policy lead roles: custody (including ACPO custody forum), IPCC preparations with the Immigration and Nationality Directorate (with Ian Bynoe and John Wadham), public order and the single non-emergency number.

Laurence Lustgarten is a Commissioner for the London and South East region.

No allocated responsibilities during the period.

Naseem Malik is a Commissioner for the North region.

Police force responsibilities: Greater Manchester and Cumbria.

Policy lead roles: domestic violence, and women and gender issues.

Rebecca Marsh is a Commissioner for the Wales and South West region.

Police force responsibilities: Avon and Somerset, Gloucestershire and the Civil Nuclear Constabulary.

Lead organisational contacts: Association of Police Authorities (with John Crawley), and HMIC (with Nick Hardwick).

Policy lead roles: IPCC inspection powers, local resolution, and police authorities (with John Crawley).

Mehmuda Mian Pritchard is a Commissioner for the London and South East region.

Police force responsibilities: the Metropolitan Police Service (South East).

Lead organisational contacts: national Muslim organisations (with John Wadham).

Policy lead role: forensic medical examiners (with Nicola Williams).

David Petch is a Commissioner for the London and South East region.

Police force responsibilities: Bedfordshire, Essex and the Metropolitan Police Service (north west). (Also SOCA.)

Lead organisational contact: SOCA.

Policy lead role: road traffic incidents.

Amerdeep Somal is a Commissioner for the Central and Eastern region.

Police force responsibilities: Derbyshire, Leicestershire and Northamptonshire.

Lead organisational contact: Commission for Racial Equality (including residual issues from the Morris Inquiry).

Policy lead role: discipline (including residual issues from the Taylor Review) (with John Wadham).

Nicola Williams is a Commissioner for the London and South East region.

Police force responsibilities: Kent, Sussex, Metropolitan Police Service (south west and central, including Heathrow) and Ministry of Defence.

Lead organisational contact: forensic medical examiners (with Mehmuda Mian Pritchard).

Policy lead role: guidelines on investigating allegations of racially discriminatory behaviour.

Chief Executive, Directors and Regional Directors

Chief Executive: Susan Atkins (until 30 June 2006)

Jane Furniss (from 4 December 2006)

Director of Corporate Services:

Barry Simpson (Acting Chief Executive from 1 July to 3 December 2006)

Acting Director of Corporate Services:

Ian Millar (until January 2007)

Acting Director of Operations:

Peter Goode

Director of Policy and Research:

Jennifer Douglas-Todd (until December 2006) and Philip Geering (Acting from January 2007)

Director of Legal Services: John Tate

Director of Communications:

Sarah Clifford (until November 2006)

Acting Director of Communications:

Alex Louis (from November 2006)

Regional Director for the Central and Eastern region: Derek Bradon

Regional Director for the North region: David Knight

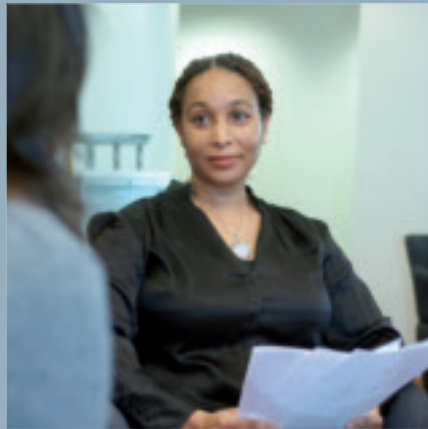
Regional Director for the London and South East region: David Knight

Regional Director for the North region: David Knight

Regional Director for the London and South East region: Judy Clements

Regional Director for the Wales and South West region: Jane Farleigh

For detailed biographies of Commissioners, the Chief Executive and Directors, visit the IPCC website (www.ipcc.gov.uk).



Statement of accounts

Foreword to the accounts

These accounts have been prepared by the IPCC in accordance with the requirements of the Financial Reporting Manual (FRoM) produced by the Treasury and the Accounts Direction given by the Secretary of State. They have been prepared with the consent of the 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 purpose of the IPCC is to ensure that suitable arrangements are in place for dealing with complaints or allegations of misconduct against anyone serving with the police in England or Wales. The IPCC seeks to increase public confidence by demonstrating the independence, accountability and integrity of the complaints system, and so contributing to the effectiveness of the police service as a whole. Further details of the IPCC's aims, objectives and activities can be found in Chapter 7 of this report.

History

The IPCC was created by the Police Reform Act 2002 and was established as an executive non-departmental public body (NDPB) on 1 April 2003. The organisation became operational on 1 April 2004. The sponsoring department for the IPCC is the Home Office and the sponsoring unit is the Policing Powers and Protection Unit.

The IPCC's Commissioners are appointed by the Home Secretary and are responsible for the governance of the IPCC as a whole, guardianship of the complaints system, and final determination of individual cases. The Commissioners are independent of the police, interest groups, political parties and Government.

The IPCC's executive functions are led by a Chief Executive supported by a senior management team based in locations across England and Wales. The Chief Executive is accountable to the Commissioners, and has been appointed as Accounting Officer for the IPCC by the Departmental Accounting Officer.

Commissioners

Commissioners are appointed under Schedule 2 (Section 9) of the Police Reform Act 2002, for a term not exceeding five years. The Commissioners who served during 2006/07 were as follows:

Nick Hardwick (Chair)
John Wadham (Deputy Chair)
Ian Bynoe
John Crawley
Tom Davies
Mike Franklin
Gary Garland
Deborah Glass
Len Jackson
Nicholas Long
Laurence Lustgarten
Naseem Malik
Rebecca Marsh
Mehmuda Mian Pritchard
David Petch
Amerdeep Somal
Nicola Williams

Details of Commissioners' remuneration can be found in the Remuneration Report section that follows. The Commissioners' disclosures in respect of other interests are publicly available and may be obtained in writing from the IPCC Secretary at 90 High Holborn, London, WC1V 6BH.

Corporate governance and risk management

The IPCC is committed to ensuring a high standard of corporate governance. It is responsible for defining strategy and determining the allocation of resources to ensure the delivery of its objectives. The IPCC has a corporate structure that is made up of committees with clear terms of reference.

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

Audit Committee

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

During the financial year ending 31 March 2007, the Audit Committee comprised two independent members – Simon Dow (Group Chief Executive of the Guinness Trust), who was the Chair, and John Holden (formerly Chief Executive of Companies House and Registrar of Companies) – as well as two Commissioners (Tom Davies and David Petch). Representatives from the National Audit Office, internal auditors, the Chief Executive and the Director of Corporate Services all attend by invitation.

Diversity

Diversity is one of the IPCC's core values. We have formed a Diversity Committee that is made up of Commissioners and staff from across the organisation, and is led by the IPCC Chair.

The Diversity Committee is responsible for the delivery of our diversity objectives, and offers the benefit of insights and on-the-ground experience from staff based in different regions, doing different jobs, and with different backgrounds. During the past year we have implemented a disability equality scheme and developed a gender equality scheme.

Employment policy

As part of our commitment to diversity, we have put in place policies to create an environment in which all staff can perform to the best of their ability and contribute to their own and the organisation's success.

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 to continue their employment.

During the past year we have monitored recruitment, training, job satisfaction and staff turnover, and have provided 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, and in addition a Staff Council consisting of both staff and trade union representatives is in place for the purposes of communication and consultation.

Health and safety

The IPCC recognises and accepts its legal responsibilities in relation to the health, safety and welfare of its employees and all people on its premises. We have a Health and Safety Committee to deal with these issues, chaired by a regional director. The IPCC complies with the Health and Safety at Work Act 1974 and all other legislation as appropriate.

Environmental policy

We are fully committed to contributing to achievement of

government environmental targets. The principal elements of our policy are to reduce carbon emissions in our vehicles and to develop a programme for sustainable procurement in line with Home Office best practice.

Creditor payment policy and performance

The IPCC abides by the Department of Trade and Industry's Better Payment Practice Code and in particular aims to pay undisputed invoices in accordance with contract terms. During the year to 31 March 2007, 90 per cent of invoices were paid in accordance with contract terms (the figure was 89 per cent in 2005/06). No interest was paid in respect of the Late Payment of Commercial Debts (Interest) Act 1998.

Research and development

The IPCC research programme supports the long-term aims of the organisation and helps to make its work evidence-informed. During the past year, the IPCC has undertaken research into the local resolution of complaints; mental health and police custody; and 'near-miss' incidents in police custody. The reports resulting from this research are expected to be published during 2007.

Charitable donations

No donations to charity were made by the IPCC during the year. But occasionally Commissioners or staff receive gifts as a result of their normal duties; in these circumstances, the gifts or an equivalent value are donated to either Oxfam or Macmillan Cancer Support. Details are recorded in a register which is available to the public and may be obtained in writing from the Commission Secretary at 90 High Holborn, London, WC1V 6BH.

Going concern

Grant in aid for the IPCC for 2007/08 has already been included in our sponsoring department's estimate approved by Parliament, and 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.

Post-balance sheet events

No post-balance sheet events have been noted as significant in terms of their impact on operational activities, or as having a significant impact on the balances contained in the accounts.

Auditors

Arrangements for external audit are provided under paragraph 17(1) of Schedule 2 to the Police Reform Act 2002, which requires the Comptroller and Auditor General 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 fees for these services for 2006/07 are estimated at £38,000 (the figure was £38,000 in 2005/06 as well). The auditors have received no remuneration for non-audit work.

The Home Office Audit and Assurance Unit provided the internal audit services during 2006/07. The firm Bentley Jennison has been appointed as internal auditor from 1 April 2007, in agreement with the sponsor unit.

The Accounting Officer has taken all steps to ensure that she is aware of any relevant audit information, and to ensure that the IPCC auditors are also aware of that information.

As far as the Accounting Officer is aware, there is no relevant internal audit information of which the IPCC auditors are unaware.

Management commentary

Financial results

The activities of the IPCC are funded mainly by grant in aid from the Home Office. In 2006/07, the IPCC had a resource allocation from the Home Office of £31.273 million. The IPCC also received £3.325 million of other income, which included funding for HM Revenue and Customs investigations as provided for under Section 28 of the Commissioners for Revenue and Customs Act 2005, and funding for preliminary work to establish an infrastructure for investigating referrals of complaints for the Border and Immigration Agency.

During the year, IPCC resource expenditure was £34.533 million, resulting in a £0.065 million underspend. The Home Office was kept informed of our expenditure at all times.

The IPCC also received from the Home Office a capital budget allocation of £2.1 million. Actual capital expenditure in the year was £1.846 million in respect of IT hardware, IT software and leasehold property.

Business achievements for the year

The main business achievements for the year have been in:

- establishing a national Learning the Lesson Committee to develop a system for the police to learn lessons from our investigations;
- working with communities across England and Wales to address issues relating to awareness and

understanding of the complaints system;

- establishing a programme to improve understanding of the local resolution process among both complainants and police officers; and
- initiating a performance framework for the police complaints system.

Further information is contained elsewhere in this report.

Business focus for the future

The IPCC has developed four aims, to be delivered by 2010/11. Each year, our business plan sets out the key developments that we will be working towards over the next year under each of the four aims. Our key developments for next year include, for example:

- undertaking a review of the complaints systems as a whole;
- improving the way lessons are learnt from complaints by both police and the IPCC;
- developing a performance framework for the police complaints system;
- implementing a balanced scorecard for the work of the IPCC;
- improving our casework and investigation capability; and
- implementing robust quality assurance and inspection mechanisms.

Further information is contained elsewhere in this report and in the IPCC Corporate Plan 2007/08–2010/11 available on our website.

We also anticipate that the Secretary of State will make regulations under section 41 of the Police and Justice Bill 2006 to provide the IPCC with powers to investigate complaints in respect of certain functions

undertaken by officials of the Border and Immigration Agency.

Jane Furniss
Chief Executive, IPCC
4 July 2007

Remuneration report

The IPCC aims to ensure that the remuneration packages offered are competitive and 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.

Remuneration policy

The IPCC Chair is appointed by the Crown. The Commissioners and the first Chief Executive were appointments by the Secretary of State. Subsequent Chief Executives are appointed by the Commission, subject to 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's and Commissioners' salaries annually. The Commission has established a Remuneration Committee that is responsible for considering – and making recommendations to the Secretary of State on – the base salary and benefits of the Chief Executive.

The Remuneration Committee is also responsible for determining the specific remuneration and other employment benefits of the other directors. The membership of the Remuneration Committee comprises the IPCC Deputy Chair, four Commissioners, the IPCC Chief Executive and the IPCC Director of Corporate Services.

Subject to approval by the Home Office of the IPCC's overall remuneration strategy, the Commission has delegated to the senior executive team 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 fairly positioned in the job grading structure, and annual appraisals are conducted with each employee to determine performance and 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, which is terminable by Her Majesty with no notice period. Commissioners are usually appointed for a fixed period of five years.

The Secretary of State appointed the IPCC's first Chief Executive for a fixed period of five years, and this contract was renewable subject to agreement. Early termination, other than for misconduct, would have resulted in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

The first Chief Executive, Dr Susan Atkins, left the IPCC on 30 June 2006. The Commission then appointed Barry Simpson (Director of Corporate Services) as the Acting Chief Executive from 1 July to 3 December 2006. The current Chief Executive, Jane Furniss,

was appointed by the Commission on 4 December 2006.

The Chief Executive appoints directors. Their contracts have no fixed period and are terminable on three months' notice by the IPCC.

Bonuses

The Chair and Commissioners do not receive a bonus. The Chief Executive did not receive a bonus for 2006/07 but will be eligible for a bonus in 2007/08, in line with Senior Civil Service Grade 2 terms and conditions.

The senior executives are also eligible for performance bonuses and the Remuneration Committee approves these. The maximum bonus for senior executives is currently 20 per cent of base salary.

Pensions

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

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. A full actuarial valuation was carried out as at 31 March 2003: details can be found in the Cabinet Office Civil Superannuation Resource Accounts (at www.civilservice-pensions.gov.uk).

For 2006/07, employers' contributions were payable to the PCSPS at one of four rates in the range 17.1 to 25.5 per cent (in 2005/06 the range was 16.2 to 24.6 per cent) of pensionable

pay, based on salary bands. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. From 1 April 2007, the salary bands will be revised but the rates will remain the same. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, participants may be in one of three statutory-based 'final salary' defined benefit schemes: classic, premium, and classic plus. The schemes are unfunded, with the cost of benefits met by monies voted by Parliament each year. Pensions payable under the classic, premium and classic plus schemes are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of the premium scheme or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (a partnership pension account).

Employee contributions are set at the rate of 1.5 per cent of pensionable earnings for the classic scheme, and 3.5 per cent for the premium and classic plus schemes. Benefits in the classic scheme accrue at the rate of 1/80th of pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For the premium scheme, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike the classic scheme, there is no automatic lump sum (but

members may give up (commute) some of their pension to provide a lump sum). The classic plus scheme is essentially a variation of the premium scheme, but with benefits in respect of service before 1 October 2002 calculated broadly in the same way as in the classic scheme.

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

Further details of the Civil Service pension arrangements can be found online (at www.civilservice-pensions.gov.uk).

Broadly by analogy pensions

A 'broadly by analogy' (BBA) pension arrangement entitles the recipient to benefits similar to those of 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. Further details of these pensions are disclosed in the accounts, which follow.

Senior staff disclosures

Details of the remuneration and pension of the Chief Executive and Commissioners are provided at pages 54 and 55. The disclosures for Barry Simpson relate to his total service from 1 April 2006 to him ceasing to be the Acting Chief Executive.

Jane Furniss
Accounting Officer, IPCC
4 July 2007

Remuneration and pensions of the Commissioners and the Chief Executive

The following tables provide details of the remuneration and pension interests of the Commissioners and the Chief Executive.

Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances; and any other allowance to the extent that it is subject to UK taxation.

Benefits in kind

No Commissioner received any benefits provided by the IPCC that were treated by HMRC as a taxable emolument.

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 on page 55 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 CETV figures, and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the CS Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This represents the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation and 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.

Payments to third parties

The current Chief Executive was seconded from the Home Office and the payments made to the Home Office for her services are shown in the remuneration report.

Statement of accounts

Name and title	Start date to end date	Salary 2006/07 (as defined)	Salary 2005/06 (as defined)	Real increase in pension and related lump sum at age 60
		Bands of £2,500		
		£'000	£'000	£'000
Nick Hardwick (Chair)	03/02/03	105–110	100–105	0–2.5 Nil lump sum
Jane Furniss (Chief Executive)	04/12/06	35–40 (115–120 annual equivalent)	n/a	0–2.5 plus 5–7.5 lump sum
Barry Simpson (Acting Chief Executive)	01/07/06 to 03/12/06	40–45 (100–105 annual equivalent)	90–95	2.5–5 Nil lump sum (as at 03/12/06)
Susan Atkins (previous Chief Executive)	01/04/03 to 30/06/06	35–40 (110–115 annual equivalent)	100–105	0–2.5 plus 0–2.5 lump sum (as at 30/06/06)
John Wadham (Deputy Chair)	30/06/03	75–80	75–80	0–2.5 Nil lump sum
Amerdeep Somal	01/09/03	70–75	65–70	10–12.5 Nil lump sum
Gary Garland	01/10/03	70–75	65–70	0–2.5 Nil lump sum
John Crawley	01/01/04	70–75	65–70	0–2.5 Nil lump sum
Laurence Lustgarten	01/09/03	70–75	65–70	0–2.5 Nil lump sum
Len Jackson	01/10/03	70–75	65–70	0–2.5 Nil lump sum
Mike Franklin	01/09/03	70–75	70–75	0–2.5 plus 2.5–5 lump sum
Naseem Malik	01/10/03	70–75	70–75	0–2.5 Nil lump sum
Nicholas Long	01/09/03	65–70	65–70	0–2.5 Nil lump sum
Rebecca Marsh	15/09/03	70–75	65–70	0–2.5 Nil lump sum
Tom Davies	01/10/03	70–75	70–75	0–2.5 Nil lump sum
David Petch (BBA pension)	01/04/04	70–75	70–75	2.5–5 Nil lump sum
Deborah Glass (BBA pension)	01/04/04	70–75	70–75	2.5–5 plus 10–12.5 lump sum
Ian Bynoe (BBA pension)	01/04/04	65–70	65–70	15–17.5 Nil lump sum
Mehmuda Mian Pritchard (BBA pension)	01/04/04	55–60	70–75	5–7.5 plus 15–17.5 lump sum
Nicola Williams	01/04/04	70–75	70–75	0–2.5 Nil lump sum

Name and title	Total accrued pension at age 60 at 31/03/07 and related lump sum	CETV at 31/03/06 as previously stated	CETV at 31/03/06 as updated	CETV at 31/03/07	Real increase in CETV
	Bands of £2,500				
	£'000	£'000	£'000	£'000	£'000
Nick Hardwick (Chair)	5–7.5 Nil lump sum	82	82	107	20
Jane Furniss (Chief Executive)	35–37.5 plus 115–117.5 lump sum	Not applicable	658 (as at 04/12/06)	704	39
Barry Simpson (Acting Chief Executive)	50–52.5 Nil lump sum (as at 03/12/06)	Not applicable	649 (as at 31/03/06)	703 (as at 03/12/06)	46
Susan Atkins (previous Chief Executive)	32.5–35 plus 97.5–100 lump sum (as at 30/06/06)	610	668	681 (as at 30/06/06)	9
John Wadham (Deputy Chair)	15–17.5 Nil lump sum	252	242	281	28
Amerdeep Somal	12.5–15 Nil lump sum	33	33	147	111
Gary Garland	15–17.5 Nil lump sum	210	205	219	10
John Crawley	2.5–5 Nil lump sum	44	44	65	17
Laurence Lustgarten	37.5–40 Nil lump sum	682	681	706	34
Len Jackson	7.5–10 Nil lump sum	124	124	151	18
Mike Franklin	5–7.5 plus 17.5–20 lump sum	76	76	92	13
Naseem Malik	12.5–15 Nil lump sum	136	136	153	13
Nicholas Long	2.5–5 Nil lump sum	53	32	75	40
Rebecca Marsh	2.5–5 Nil lump sum	35	36	50	11
Tom Davies	5–7.5 Nil lump sum	113	113	134	19
David Petch (BBA pension)	5–7.5 Nil lump sum	110	34	103	15
Deborah Glass (BBA pension)	5–7.5 plus 15–17.5 lump sum	77	24	79	14
Ian Bynoe (BBA pension)	17.5–20 Nil lump sum	274	43	266	14
Mehmuda Mian Pritchard (BBA pension)	5–7.5 plus 20–22.5 lump sum	105	22	98	10
Nicola Williams	2.5–5 Nil lump sum	30	30	47	14

CETVs as at 31 March 2006 which were disclosed in the 2005/06 Financial Statements have been restated in order to reflect changes made to the underlying pension record in the year to 31 March 2007.

In the case of Commissioners who have a BBA pension arrangement the real increase in CETV only reflects the increase in CETV funded by IPCC during the year to 31 March 2007 and therefore does not include the value of benefits to be transferred from the Home Office which relate to past Police Complaints Authority (PCA) service. The accrued pension and the real increase in pension and related lump sum at age 60 do include the value relating to past PCA service.

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

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

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the 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 FReM have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going-concern basis.

For the year under review, the Accounting Officer for the Home Office had appointed the Chief Executive, Susan Atkins, as Accounting Officer for the IPCC. In July 2006, the Accounting Officer for the Home Office appointed the Acting Chief Executive, Barry Simpson, as Accounting Officer for the IPCC; and in December 2006 the Home Office appointed Jane Furniss as Accounting Officer for the IPCC.

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

Statement on internal control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievements of the IPCC's policies, aims and objectives, while safeguarding the public funds and assets under my control. This is in accord with the responsibilities assigned to me by the Home Office set out in the Financial Memorandum and with those in *Government Accounting*.

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

The purpose of the system of internal control

The IPCC system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the IPCC's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control has been in place in

the IPCC for the year ended 31 March 2007 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance.

The risk and control framework and capacity to handle risk

The IPCC risk and control framework extends throughout all work undertaken. The internal control framework includes formal procedures for receiving management information, delegation of duties and accountability, formal line management structures, and the segregation of duties where appropriate. Processes developed and applied during the year to manage risk include the following:

- enhancements of the strategic risk register to show the risk management processes for the achievement of business plan and corporate objectives;
- procedures for ensuring that aspects of risk management are embedded into directorate plans and reviewed regularly by senior management;
- formal reporting protocols that ensure that all formal reports to the Commission and subsidiary committees contain a risk and risk management report;
- procedures for raising risk exception reports for the attention of the senior executive team, which advises me of significant risks that require management; and
- regular meetings of the Commissioners at which the strategic risk register is reviewed and progress against IPCC strategic plans are reviewed along with overall performance.

The IPCC has engaged the Home Office Audit and Assurance Unit, which operates in accordance with government internal audit standards, to provide an internal audit function. Its work is informed by an analysis of the risks to which the IPCC is exposed, and annual internal audit plans are based on this analysis. The annual internal audit plan for 2006/07 was approved by the Audit Committee and me. I received regular reports on progress against this plan and on matters arising from it, including any control weaknesses identified. The firm Bentley Jennison was appointed internal auditor from 1 April 2007 by agreement with the sponsor unit.

The Home Office Audit and Assurance Unit provides me with a report on internal audit activity within the IPCC. Its reports include its independent opinion of the adequacy and effectiveness of the IPCC's system of internal control, based on the work undertaken.

Review of effectiveness

I was appointed Accounting Officer on 4 December 2006. As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the IPCC executive managers who have responsibility for the development and maintenance of the internal control framework, as well as by comments made by the external auditors in their management letter and other reports. My review is also informed by a review conducted jointly with my predecessor and by the work of the Audit Committee,

Resources Committee and Commissioners during the year.

The processes applied in maintaining and reviewing the effectiveness of the system of internal control during 2006/07 included the following:

- meetings of the Commissioners during which the strategic risks facing the IPCC were reviewed;
- meetings of the Audit Committee, under an independent Chair, with both Commissioner and independent members, to receive reports on risk management and internal audit functions; and
- the work of the Home Office Audit and Assurance Unit, which provides me with an independent opinion of the adequacy and effectiveness of the IPCC's system of internal control.

In the coming year we are introducing a balanced scorecard and embedding an operational risk register in order to strengthen internal control. We are also intending to address weaknesses in our time recording system for the purposes of providing a robust basis for charging to HMRC and the Border and Immigration Agency.

I am pleased to note that in their 2006/07 annual assurance report, the internal auditors have formed the opinion that IPCC internal control systems are adequately controlled overall. I have discussed with the internal auditors and the Audit Committee our plans to address those specific and limited areas where further improvements are necessary.

Jane Furniss
Accounting Officer
4 July 2007

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 IPCC for the year ended 31 March 2007 under Schedule 2 paragraph 17(2) of the Police Reform Act 2002. These comprise the income and expenditure account, the balance sheet, the cash flow statement and statement of total recognised gains and losses 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 Commission, Chief Executive/Accounting Officer and auditor

The Commission and Chief Executive as Accounting Officer are responsible for preparing the Annual Report, the remuneration report and the financial statements in accordance with the Police Reform Act 2002 and the Treasury directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the statement of the Commission and Chief Executive's/Accounting Officer's responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the remuneration report to be audited have been properly prepared in accordance with the Police Reform Act 2002 and the Treasury directions made thereunder. I report to you whether, in my opinion, certain information given in the Annual Report, which comprises a directors' report, a management commentary and a remuneration report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the IPCC has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the statement on internal control reflects the IPCC's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the IPCC's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material

inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Commission and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the IPCC's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the remuneration report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the remuneration report to be audited.

Opinions

Audit opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the Police Reform Act 2002 and directions made thereunder by the Treasury, of the state of the IPCC's affairs as at 31 March 2007 and of its net expenditure for the year then ended;
- the financial statements and the part of the remuneration report to be audited have been properly prepared in accordance with the Police Reform Act 2002 and the Treasury directions made thereunder; and
- information given within the Annual Report, which comprises a directors' report, a management commentary and a remuneration report, is consistent with the financial statements.

Audit opinion on regularity

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

I have no observations to make on these financial statements.

John Bourn

Comptroller and Auditor General
National Audit Office

157–197 Buckingham Palace Road
Victoria

London SW1W 9SP

5 July 2007

Income and expenditure account

for the year ended 31 March 2007

		2006/07	2005/06
	Notes	<u>£'000</u>	<u>restated £'000</u>
Gross income			
Income from activities	3	3,325	775
Expenditure			
Employment costs	4	(19,986)	(16,144)
Administrative costs	6	(14,229)	(13,142)
Loss on revaluation of fixed assets		(178)	(627)
Cost of capital	7	(140)	(157)
		<u>(31,208)</u>	<u>(29,295)</u>
Net expenditure on ordinary activities after cost of capital			
Reversal of cost of capital	7	140	157
		<u>(31,068)</u>	<u>(29,138)</u>

All results arise from continuing activities.

The notes on pages 65 to 83 form part of these accounts.

Statement of total recognised gains and losses

for the year ended 31 March 2007

		2006/07	2005/06
	Notes	£'000	restated
		<u>£'000</u>	<u>£'000</u>
Deficit for the financial year as previously reported			1,760
Grant in aid received treated as income under previous accounting treatment			(28,342)
Transfer from government grant reserve as previously reported			(2,556)
		<u>(31,068)</u>	<u>(29,138)</u>
Net expenditure for the year as restated		(31,068)	(29,138)
Grant in aid received towards resource expenditure		28,754	28,342
Grant in aid received towards purchase of fixed assets		1,846	1,408
Surplus on revaluation of fixed assets and intangible fixed assets	14	937	45
Actuarial gain/(loss)	5	(96)	(2)
		<u>373</u>	<u>655</u>
Total recognised gain for the year		373	655

The notes on pages 65 to 83 form part of these accounts.

Balance sheet

at 31 March 2007

		31 March 2007	31 March 2006 restated
	Notes	£'000	£'000
Fixed assets			
Intangible assets	8	1,890	1,157
Tangible assets	9	4,832	6,044
		<u>6,722</u>	<u>7,201</u>
Current assets			
Debtors	10	1,768	729
Cash at bank and in hand	11	1,173	703
		<u>2,941</u>	<u>1,432</u>
Current liabilities			
Creditors due within one year	12	(3,178)	(3,249)
Net current assets (liabilities)		<u>(237)</u>	<u>(1,817)</u>
Creditors due after one year	13	(112)	(189)
Total net assets before provisions		6,373	5,195
Provisions	18	(1,231)	(426)
Total assets less all liabilities		<u>5,142</u>	<u>4,769</u>
General reserve	14	5,153	4,523
Revaluation reserve	14	960	94
Government grant reserve	14	–	–
Pension reserve	14	(971)	152
Total capital and reserves		<u>5,142</u>	<u>4,769</u>

The notes on pages 65 to 83 form part of these accounts.

Jane Furniss
Chief Executive and Accounting Officer
4 July 2007

Cash flow statement

for the year ended 31 March 2007

		2006/07	2005/06
	Notes	£'000	restated £'000
		<u> </u>	<u> </u>
Operating activities			
Net cash outflow			
from operating activities	15	(28,617)	(28,112)
Returns on investments and			
servicing of finance		–	–
Purchase of intangible fixed assets	8	(260)	(345)
Purchase of tangible fixed assets	9	(1,586)	(1,197)
		<u> </u>	<u> </u>
Net cash outflow before financing		(30,463)	(29,654)
Financing			
Cash drawn down from			
Home Office	2	30,600	29,750
HMRC		–	134
Income in respect of pension transfers		333	–
		<u> </u>	<u> </u>
Increase in cash in			
the period		<u> </u> 470	<u> </u> 230

The notes on pages 65 to 83 form part of these accounts.

Notes to the accounts

1 Statement of accounting policies

1.1 Accounting basis

The Statement of Accounts set out on pages 46 to 64 together with the Notes on pages 65 to 83 have been prepared on an accruals basis (subject to paragraph 1.3 below) in accordance with the Accounts Direction given by the Secretary of State with the consent of the Treasury in accordance with paragraph 17(1) of Schedule 2 to the Police Reform Act 2002. The Accounts Direction given to the IPCC instructs that accounts should be prepared in accordance with the current edition of FReM.

1.2 Accounting conventions

The accounts have been prepared in a form directed by the Secretary of State with the approval of the Treasury in accordance with Schedule 2 to the Police Reform Act 2002. The accounts are prepared using the historical cost convention modified by the inclusion of fixed assets at current cost. Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act 1985 and the accounting standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate.

1.3 Going concern

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

1.4 Value Added Tax

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

1.5 Notional costs

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

1.6 Grant in aid

With effect from the 2006/07 reporting period the FReM requires NDPBs to account for grants and grants in aid received for revenue purposes as financing because they are regarded as contributions from a controlling party which gives rise to a financial interest in the residual interest of NDPBs. This is a change in accounting policy from earlier periods when such items were recorded as income. The effect of this change on the certified 2005/06 accounts and the impact of the change on the results of the current year are shown below. Note there is no impact on the net liability position of the IPCC as a result of this change in policy.

Effect of change in accounting for grant in aid	31 March 2006 previously stated £'000	Impact of adopting the new policy £'000	31 March 2006 restated £'000
Surplus/(net expenditure) for 2005/06	1,760	(30,898)	(29,138)
General reserve	(2,172)	6,695	4,523
Government grant reserve	6,695	(6,695)	–
	31 March 2007 without new policy £'000	Impact of adopting the new policy £'000	31 March 2007 with new policy £'000
(Deficit)/(net expenditure) for 2006/07	(290)	(30,778)	(31,068)
General reserve	(1,364)	6,517	5,153
Government grant reserve	6,517	(6,517)	–

Grant in aid received is used to finance activities and expenditure which support the statutory and other objectives of the IPCC. This 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.

1.7 Fixed assets

Assets are capitalised as fixed assets if they are intended for use on a continuing basis and their original purchase cost (either individually or grouped if appropriate) is in excess of £5,000. Fixed assets are valued at current replacement cost by using indices published by the Office for National Statistics, or contractual terms in respect of our case management software.

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

1.8 Depreciation

Fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Assets in the course of construction are not depreciated until they are brought into use.

The Anite Public Sector Ltd contract with the IPCC provides that IT equipment supplied by them will be replaced to the end of the contract in 2009/10, and therefore these assets are depreciated over that period. This contract commenced in July 2003.

Asset lives are normally in the following ranges:

- furniture: 10 years;
- IT equipment and infrastructure: 3–5 years;
- vehicles: 3 years;
- leasehold improvements: to the first lease break; and
- intangible assets: 3–5 years.

1.9 Pension costs

Pensions are ordinarily to be provided by the provisions of the PCSPS which is described more fully in the remuneration report on pages 51 and 52. Although the scheme is a defined-benefit scheme, liability for payment of future benefits is a charge to the PCSPS. There is a separate scheme statement for the PCSPS as a whole. Employer pension contributions are accounted for on an accruals basis.

In the case of some ex-PCA members, pensions are provided by a BBA pension arrangement. In these cases, the annual cost of the pension contribution is recognised in the income and expenditure account. Amounts relating to changes in the actuarial valuation of scheme liabilities are adjusted via the statement of total recognised gains and losses.

These financial statements are fully compliant with Financial Reporting Standard (FRS) 17: Retirement Benefits.

1.10 Operating leases

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

2 Grant in aid

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

	2006/07 £'000	2005/06 £'000
Received for revenue expenditure	28,754	28,342
Received for capital expenditure	1,846	1,408
Total	30,600	29,750

3 Other income

The IPCC received income from HMRC for infrastructure costs and investigations undertaken under section 28 of the Commissioners for Revenue and Customs Act 2005. Income was received from the Immigration and Nationality Directorate (IND) for setting up the infrastructure to undertake investigations into appropriate referrals once regulations are passed. Rental income was received for an operating lease from the Security Industries Authority (SIA). The Home Office paid the IPCC for the cost of seconded staff.

The IPCC financial objective for income from other government bodies is full cost recovery in accordance with the Treasury Fees and Charges Guide. This financial objective was achieved.

	2006/07 £'000	2005/06 £'000
Fees and charges	Income	Income
Home Office income	119	–
Police income	–	67
HMRC income	2,645	708
SIA income	203	–
IND income	358	–
Total	3,325	775

Income from HMRC paid for the IPCC to undertake investigations and to retain an operational capacity throughout the year. For 2006/07 the costs and fees were agreed with HMRC on a capacity-based model rather than on records of direct costs except for work on the Venison investigation. This agreement enabled the IPCC and HMRC to manage demand uncertainty in this new business area. After one year's operating experience, we now intend to adopt a robust charging model based on actual costs.

4 Employment costs

4.1 Staff costs and Commissioners' remuneration

	2006/07 £'000			2005/06 £'000
	Permanent	Other	Total	Total
Commissioners and CEO				
Salaries and emoluments	1,316	38	1,354	1,353
Social security cost	142	4	146	144
Pension contributions	636	9	645	321
Staff				
Salaries and emoluments	12,048	2,353	14,401	11,838
Social security cost	1,021	–	1,021	830
Pension contributions	2,419	–	2,419	1,658
	17,582	2,404	19,986	16,144

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

4.2 Staff numbers (including Commissioners)

The average number of staff employed through the year to 31 March 2007 (full-time equivalent) may be analysed as follows:

	<u>2006/07</u>			<u>2005/06</u>
	Permanent	Other	Total	Total
Commissioners and CEO	18	–	18	20
Management	21	2	23	16
Administrative and support	106	19	125	95
Investigator and casework	231	18	249	221
	376	39	415	352

5 Broadly by analogy pensions

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

The liability for BBA pensions accumulated by reference to previous service (within the PCA) has, in agreement with the Home Office, been transferred to the IPCC. The cost of the transfer is £633k which has been part-funded by the IPCC to the value of £300k with the remaining funding to be transferred from the Home Office, as the PCA's sponsoring department.

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

	<u>2006/07</u>	<u>2005/06</u>
Rate of inflation	2.8%	2.5%
Rate of increase in salaries	4.3%	4.0%
Rate of increase in pensions payment and deferred pensions	2.8%	2.5%
Rate used to discount scheme liabilities	4.6%	5.4%

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

	2006/07 £'000	2005/06 £'000
Pension provision		
Balance at 1 April	152	62
Increase in provision	819	90
Present value of liabilities	971	152

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

	2006/07 £'000	2005/06 £'000
Overnight increase/(decrease) in liabilities (including change in real return)	(2)	–
Current service cost (net of employee contributions)	67	68
Employee contributions	15	15
Interest cost	10	5
Actuarial losses (9.9%)	96	2
Transfer in	633	–
Benefits paid	–	–
Increase in provision	819	90

No transfers out have been made, nor have there been any retirements of participating Commissioners.

6 Administrative costs

	2006/07 £'000	2005/06 £'000
Administrative costs include the following:		
Travel and subsistence	862	999
Training	713	573
Accommodation costs other than rental costs	2,212	1,320
Accommodation rental on lease premises	1,387	1,347
IT costs	3,083	2,357
Depreciation and amortisation costs	2,597	2,132
Recruitment costs	582	648
Professional services	83	406
Audit fee (external)	38	38
Audit fee (internal)	43	47
Loss on impairment of assets	488	160
Provisions	(14)	–
Other costs	2,155	3,115
Total	14,229	13,142

IT costs include amounts due to Anite Public Sector Ltd for the provision of IT infrastructure and support services.

The external auditors provided no consultancy services.

7 Cost of capital

In accordance with the FReM, a notional charge for the cost of capital employed in the period is included in the income and expenditure account along with an equivalent reversing notional income to finance the charge. The charge for the period is calculated using the Treasury's discount rate of 3.5 per cent applied to the average value of capital employed during the period excluding bank balances.

8 Intangible fixed assets

	2006/07 £'000
	<u>Software and licences</u>
Cost or valuation	
Cost/valuation at 1 April 2006	2,401
Additions	260
Revaluations	655
Transfers	1,442
Disposals	(136)
	<u>4,622</u>
Amortisation	
Amortisation at 1 April 2006	1,244
Transfers	571
Disposals	(132)
Charge for the year	971
Backlog amortisation	78
	<u>2,732</u>
Net book value at 31 March 2007	<u>1,894</u>
Net book value at 31 March 2006	<u>1,157</u>

Asset transfers have taken place during the year to adjust prior misclassifications between IT infrastructure and IT software.

During the year the indexation base for our case management software was changed to the Office for National Statistics average earnings index as set out in our contract with the software developer. This change was applied retrospectively to 31 March 2006 resulting in an increase in asset cost of £501k, an increase in accumulated depreciation of £274k and a net book value increase of £227k. The effect of the retrospective application of the index on the 2006/07 balances was to increase asset cost by £21k, increase amortisation by £9k and a net book value increase of £12k.

9 Tangible fixed assets

	2006/07 £'000			
	IT and AV equipment	Vehicles	Fit-out, furniture and fittings	Total
Cost or valuation				
Cost/valuation at 1 April 2006	3,385	398	5,264	9,047
Additions	450	–	1,136	1,586
Revaluations	(98)	–	311	213
Transfers	(1,432)	–	(10)	(1,442)
Disposals	(92)	–	(756)	(848)
Cost/valuation at 31 March 2007	2,213	398	5,945	8,556
Depreciation				
Depreciation at 1 April 2006	1,492	266	1,245	3,003
Transfers	(565)	–	(6)	(571)
Disposals	(59)	–	(272)	(331)
Charge for the year	471	132	1,023	1,626
Backlog depreciation	(67)	–	64	(3)
Depreciation at 31 March 2007	1,272	398	2,054	3,724
Net book value at 31 March 2007	941	–	3,891	4,832
Net book value at 31 March 2006	1,893	132	4,019	6,044

Asset transfers have taken place during the year to adjust prior misclassifications between IT infrastructure and IT software.

10 Debtors

	2006/07 £'000	2005/06 £'000
Staff advances	34	34
Trade debtors	709	–
Other debtors	340	90
Prepayments and accrued income	685	605
Total debtors at 31 March	1,768	729

All debts and amounts recoverable are due within one year.

11 Cash at bank and in hand

	2006/07 £'000	2005/06 £'000
Balance at 1 April	703	473
Net change in cash balances	470	230
Balance at 31 March	1,173	703

The cash at bank and in hand is represented by £1,173,000 held at a commercial bank.

12 Creditors due within one year

	2006/07 £'000	2005/06 £'000
Trade creditors	(1,490)	(1,243)
Accruals and deferred income	(937)	(1,359)
Other creditors	(64)	(83)
Taxation and social security	(687)	(564)
Total at 31 March	(3,178)	(3,249)

13 Creditors due after one year

	2006/07 £'000	2005/06 £'000
Deferred income	(58)	(89)
Property rent accruals	(54)	(100)
	(112)	(189)

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

14 Movements on reserves 2005/06 (as restated)

	£'000				
	General reserve	Revaluation reserve	Government grant reserve	Pension reserve	Total reserves
Opening balance at 1 April 2005 as previously stated	(3,208)	78	8,717	62	5,649
Prior year adjustment	(652)	(9)	(874)		(1,535)
Opening balance at 1 April 2005 as restated	(3,860)	69	7,843	62	4,114
Net expenditure as restated	(29,138)				(29,138)
Prior year adjustment for change in accounting treatment of grant in aid	9,251		(9,251)		
Grant in aid received towards resource expenditure as restated	28,342				28,342
Grant in aid received towards purchase of fixed assets as previously stated			1,408		1,408
Unrealised surplus on revaluations of fixed assets		45			45
Transfer from revaluation reserve	20	(20)			
Actuarial loss in year				(2)	(2)
Movement in pension reserve	(92)			92	
Closing balance at 31 March 2006	4,523	94		152	4,769

Movements on reserves 2006/07

	£'000				
	General reserve	Revaluation reserve	Government grant reserve	Pension reserve	Total reserves
Opening balance at 1 April 2006 as previously stated	(2,172)	94	6,695	152	4,769
Prior year adjustment arising from treatment of grant in aid	6,695		(6,695)		
Opening balance at 1 April 2006 as restated	4,523	94		152	4,769
Net expenditure for the year	(31,068)				(31,068)
Grant in aid received towards resource expenditure	28,754				28,754
Grant in aid received towards purchase of fixed assets	1,846				1,846
Unrealised surplus on revaluations of fixed assets		937			937
Transfer from revaluation reserve	71	(71)			
Actuarial loss in year				(96)	(96)
Movement in pension reserve	1,027			(1,027)	
Closing balance at 31 March 2007	5,153	960		(971)	5,142

15 Reconciliation of net operating cost to net cash inflow/outflow

	2006/07 £'000	2005/06 £'000
Operating deficit	(31,208)	(29,295)
Cost of capital	140	157
Depreciation and amortisation	2,597	2,132
Unrealised loss on revaluation of fixed assets	178	627
BBA pension provision	390	88
Dilapidations provision	61	61
Other provisions	(75)	75
Loss on impairment of assets	488	160
Increase/(decrease) in debtors	(1,039)	329
Increase/(decrease) in creditors due within one year	(72)	(732)
Increase/(decrease) in creditors due after one year	(77)	(1,714)
Net cash inflow/(outflow) from operating activities	(28,617)	(28,112)

16 Capital commitments

At 31 March 2007, the IPCC has capital commitments outstanding of £42,563 (£24,000 for 2005/06). This is in respect of contracted information technology programmes committed under an ongoing service contract covering the IPCC technology plan.

17 Commitments under leases

The IPCC had no finance leases in the period. At 31 March 2007, the IPCC had the following annual commitments under operating leases.

	2006/07 £'000	2005/06 £'000
Expiring in less than one year	–	–
Expiring in one to five years	206	206
Expiring in more than five years	2,328	2,058
Total at 31 March	2,534	2,264

18 Provisions

Provisions have been made for pensions. In addition, 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 it has made and repair obligations required during the lease. The estimated cost of reinstating modifications made to the buildings is £145,000 (£138,000 for 2005/06). In line with FRS12, the costs of reinstatement have been recognised as part of the fit-out assets and will be depreciated over the term of the lease. In addition, £115,000 (£61,000 for 2005/06) has been provided for current wear and tear obligations.

	2006/07 £'000			
	Pension	Property	Other	Total
Opening balance at 1 April 2006	(152)	(199)	(75)	(426)
(Increase)/decrease	(819)	(61)	75	(805)
Closing balance at 31 March 2007	(971)	(260)	–	(1,231)

19 Deferred income

These are monies received for fixed asset additions for work being undertaken for HMRC. These amounts will be recognised in the Income Statement over the useful life of the assets in a manner analogous to the accounting treatment for the government grant reserve.

	2006/07 £'000	2005/06 £'000
Deferred income to be recognised within one year	19	45
Deferred income to be recognised in one to five years	38	89
Total at 31 March	57	134

20 Intra-government balances

	2006/07 £'000	2005/06 £'000
Debtors		
Balances with bodies external to government	638	662
Balances with central government bodies	1,125	67
Balances with local authorities	5	–
Total at 31 March	1,768	729
Creditors		
Balances with bodies external to government	(2,262)	(2,713)
Balances with central government bodies	(281)	(100)
Balances with local authorities	(59)	(50)
Balances with trading funds and public corporations	–	(11)
Balances with NHS trusts	(1)	–
HMRC in respect of taxation and social	(687)	(564)
Total at 31 March	(3,290)	(3,438)

21 Post-balance sheet events

There are no post-balance sheet events to report. The Accounting Officer authorised these accounts for issue on 20 July 2007 when they were sent to the Secretary of State to be laid before Parliament.

22 Contingent liabilities

The IPCC has a contingent liability in respect of a number of legal claims or potential claims against the IPCC, the outcome and timing of which cannot be estimated with certainty. The maximum value of the contingent liability is estimated to be £260k; however, the IPCC considers that this value is substantially in excess of any potential settlement. Full provision is made in the financial statements for all liabilities which are expected to materialise.

23 Special payments

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

24 Financial instruments

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

The IPCC cash is held with the Co-operative Bank where it earns interest at 2 per cent below the base rate. Interest earned must be returned to the Home Office.

25 Related party transactions

The Home Office is a related party of the IPCC. During the year ended 31 March 2007 the Home Office provided grant in aid and internal audit services.

As part of its normal operating activities the IPCC uses Forensic Science Service Ltd which is a government-owned company and as such is a related party. On occasion these forensic costs are shared with the relevant police authority and this is included in 'other income' (2006/07: nil; 2005/06: £67k).

HMRC, IND and SIA are government bodies and therefore are related parties. The income from these bodies is shown under 'other income' and the amounts owed by these bodies are classified as trade debtors and amount to £ 792k. An additional amount of £333k is owed by the Home Office in order to fund a BBA pension liability. This is included in 'other debtors'.

During the year ended 31 March 2007 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 the IPCC 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 the IPCC website. IPCC procedures also ensure that investigators are not engaged on investigations in which they would have an interest.

26 Financial targets

For the year 2006/07 the IPCC had formally agreed financial targets to stay within the Home Office resource allocation of £31.273 million that included a non-cash allocation of £2.626 million.

The IPCC achieved these targets.

27 Resource outturn

The IPCC resource outturn is shown below.

	2006/07 £'000	2005/06 £'000
Resources		
Resource target set by the Home Office	31,273	28,157
Additional funding approved by the Home Office	–	1,000
Income from other activities	3,325	775
Resources available to the IPCC	34,598	29,932
Expenditure		
Employment costs	(19,986)	(16,144)
Administrative costs	(14,229)	(13,142)
Loss on revaluation of assets	(178)	(627)
Cost of capital	(140)	(157)
Resources expended by the IPCC	(34,533)	(30,070)
IPCC resource outturn under/(over) spend	65	(138)

Glossary 10

Acronyms

ACPO: Association of Chief Police Officers

APA: Association of Police Authorities

BBA: broadly by analogy

CCTV: closed-circuit television

CETV: cash equivalent transfer value

CPS: Crown Prosecution Service

DSI: Deputy Senior Investigator

FReM: *Financial Reporting Manual*

FRS: Financial Reporting Standard

HMIC: Her Majesty's Inspectorate of Constabulary

HMRC: Her Majesty's Revenue and Customs

IND: Immigration and Nationality Directorate

IPCC: Independent Police Complaints Commission

MPA: Metropolitan Police Authority

NDPB: non-departmental public body

PCA: Police Complaints Authority

PCSPS: Principal Civil Service Pension Scheme

PSD: Professional Standards Department

SIA: Security Industries Authority

SOCA: Serious Organised Crime Agency

TCC: Telephone Complaints Centre (IPCC)

Glossary

Acts

You can find more information about Acts (between the years 1987 to 2006) mentioned in this document from the Office of Public Sector Information at www.opsi.gov.uk

For more information about the Mental Health Act 1983, go to www.dh.gov.uk/PolicyAndGuidance/HealthAndSocialCareTopics/MentalHealth/fs/en

Appeal

An application by a complainant for the IPCC to review a police decision.

Association of Chief Police Officers (ACPO)

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

Baton round

The baton gun fires plastic bullets designed to disable a person rather than cause death.

Casework

The key function of casework is to process complaints and appeals, and to conduct matters in accordance with best practice principles.

Custody suite

Used to house anyone who has been detained, the suite is set up with CCTV and is usually staffed by a police custody officer and civilian detention officers.

Forum for Preventing Deaths in Custody

Formed to reduce the number of deaths in all types of custody, the forum is made up of healthcare and criminal justice professionals.

Guardianship

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

Healthcare Commission

The independent inspection body for both the NHS and independent healthcare. It was set up to improve the quality of healthcare and public health.

Healthcare Inspectorate Wales

Promotes the continuous improvement in the quality and safety of patient care within NHS Wales.

Her Majesty's Revenue and Customs

Responsible for collecting the tax revenue, as well as paying Tax Credits and Child Benefits to those who are entitled to them.

HM coroner

An independent judicial officer, the coroner enquires into deaths reported to him/her.

Independent investigation

An investigation carried out by IPCC staff.

IPCC Commission

Consists of a Chair, a Deputy Chair and 15 Commissioners – each responsible for specific police forces, for guardianship work and for individual cases.

Learning the Lessons Committee

A multi-agency committee established to help the police service improve by learning from investigations and other operations of the police complaints and conduct system.

Legacy cases

Cases that the IPCC has inherited from the PCA.

Local resolution

When a complaint is resolved at a local level such as in a police station or a basic command unit.

Managed investigation

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

'Near-miss' case

A case where death or serious harm could have resulted.

Police Federation of England and Wales

The representative body to which every police officer, below the rank of superintendent, belongs. Each of the 43 police forces in England and Wales is a branch of the Police Federation.

Referrals

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

Serious Organised Crime Agency

An intelligence-led agency with law enforcement powers, it is also responsible for reducing the harm that is caused to people and communities by serious organised crime.

Supervised investigation

Carried out by the police and supervised by an IPCC Commissioner.

Terms of reference

Parameters within which an investigation is conducted.

Working days

Working days include Monday to Friday and bank holidays, but exclude weekends.



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